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01. Methodology
Methodology

Survey methodology
Online survey.

Respondent profile
This survey wave was conducted among business owners and strategic decision-makers from BDC’s proprietary panel (ViewPoints). First survey wave was conducted among Angus Reid Group panellists who had a similar profile.

Since the two surveys were conducted among different panels, any comparison is indicative and should be interpreted with caution.

Survey dates
Wave 2: August 24 to September 3, 2021
Wave 1: April 21 to May 6, 2021

Margin of error
For a probability sample of 752 respondents, the maximum margin of error is ±3.6 percentage points, 19 times out of 20. However, as this survey is based on a non-probability sample, this information is provided for reference only.

Data processing and analysis
Were performed by the BDC Research and Market Intelligence team.

Weighting factors
Results were weighted by region and number of employees to be representative of the Canadian SME population.

Note: Unless otherwise mentioned, calculation bases exclude respondents who preferred not to answer the question. Other appropriate exclusions are detailed on the different slides.
02.1 Current state
Company’s current situation in terms of profitability

S1Q2. Which of the following situations best describes your company’s current situation? Is your company…

- Profitable, no problems on the horizon: 33% in Sep 2021, 35% in Jun 2021
- Profitable, but struggling to stay profitable due to COVID-19: 29% in Sep 2021, 28% in Jun 2021
- Profitable, but struggling to stay profitable due to factors other than COVID-19: 14%↑ in Sep 2021, 10% in Jun 2021
- Not profitable, due to COVID-19: 18%↓ in Sep 2021, 22% in Jun 2021
- Not profitable, due to factors other than COVID-19: 6% in Sep 2021, 5% in Jun 2021

**Total Profitable**
- 76% vs. 73% in May 2021

**Total Non-profitable**
- 24% vs. 27% in May 2021

**More likely to be profitable:**
- Growing businesses (87%+)
- Services: Professional, scientific and technical; finance and insurance sector (85%)

**More likely not to be profitable:**
- Technology, information and cultural industries sector (36%)
- Less than 5 employees (28%)

**Base:** All respondents (n wave 2 = 728). Those who did not know or preferred not to answer were excluded from the calculation base. **Note:** Since the two survey waves were conducted among different panels, any comparison is indicative and should be interpreted with caution. Arrows indicate statistically significant differences between the two survey waves.
### Requesting financing: Last 3 months

Q30. Over the **last 3 months**, has your company **requested financing**?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we have applied at a branch or in person</td>
<td>8%</td>
</tr>
<tr>
<td>Yes, we applied online</td>
<td>17%</td>
</tr>
<tr>
<td>No</td>
<td>76%</td>
</tr>
</tbody>
</table>

Q30b. **Who did you apply to** for financing?

<table>
<thead>
<tr>
<th>Option</th>
<th>September 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown corporation</td>
<td>52%</td>
</tr>
<tr>
<td>Financial institution</td>
<td>39%</td>
</tr>
<tr>
<td>Government program</td>
<td>39%</td>
</tr>
<tr>
<td>Online lender (fintech)</td>
<td>7%</td>
</tr>
<tr>
<td>Large tech company (e.g., Shopify Capital)</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q31. What was the **outcome** of your most recent financing request?

<table>
<thead>
<tr>
<th>Outcome</th>
<th>September 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully authorized</td>
<td>54%</td>
</tr>
<tr>
<td>Partially authorized</td>
<td>15%</td>
</tr>
<tr>
<td>Rejected</td>
<td>10%</td>
</tr>
<tr>
<td>Still under review</td>
<td>19%</td>
</tr>
<tr>
<td>Withdrew the request</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Base:** Q30 = All respondents (n=752). Q30b and Q31 = Those who requested financing (n=179-181). Respondents who did not know were excluded from the calculation base. Q30 has been modified and “Yes” choices have become non-mutually exclusive, therefore total exceeds 100% and only this wave’s results are presented. Q30b was asked for the first time in this survey’s wave. **Note:** Since the two survey waves were conducted among different panels, any comparison is indicative and should be interpreted with caution. Arrows indicate statistically significant differences between the two survey waves.
Q32. Over the **next 12 months**, is your company planning to **request financing**?

- Yes: 30%
- No: 41%
- Don't know: 29%

Q33. What **type/s of financing** will you request?

- Working capital loan: 51%
- Term loan: 38%
- Line of credit: 36%
- Commercial mortgage loan: 27%
- Equity: 21%
- Leasing: 16%
- Business credit card: 14%
- Trade credit: 10%
- Other: 3%

Q34. Approximately, what is the **amount of financing** you are seeking?

- Less than $100K: 27%
- $100K to <$250K: 21%
- $250K to <$500K: 12%
- $500K to <$1M: 14%
- $1M to <$3M: 15%
- $3M to <$5M: 4%
- $5M and more: 6%

**Base:** Q32 = All respondents (n=745). Q33 and Q34 = Those who intend to request financing (n=242). Respondents who did not know were excluded from the calculation base. These questions were asked for the first time in this survey’s wave.
S1Q99. Can your business currently **take on more debt**?

- **Yes**: 62%
- **No**: 21%
- **Not sure**: 17%

**More likely to have the capacity to take on more debt:**
- Businesses with 100 employees or more (85%)
- Businesses with 20 to 49 employees (75%)
- Revenues of $2M and over (73%+)
- Growing businesses (73%+)
- Non-members of a diversity group (65%)

**Base:** All respondents (n=752). This question was asked for the first time in this survey's wave.
02.2 Business needs and challenges
S2Q1. Which of the following aspects do you intend to focus on in the next 12 months?

**More likely to focus on:**

**Growth projects**
- Technology, information and cultural industries (81%)

**Operational efficiency**
- Wholesale sector (68%)
- Revenues of $2M and over (63%+)
- Businesses with 5 employees or more (51%+)
- Manufacturing sector (57%)

**Base**: All respondents (n wave 2 = 745). Those who did not know were excluded from the calculation base. A maximum of three mentions was allowed, therefore total may not equal to 100%. **Note**: Since the two survey waves were conducted among different panels, any comparison is indicative and should be interpreted with caution. Arrows indicate statistically significant differences between the two survey waves.
Elements that SMEs are lacking to most to meet their goals

S2Q2. Of the following elements, what are you lacking the most to meet your goals?

More likely to be lacking:

**Skilled employees**
- Revenues of $2M and over (69%+)
- Businesses with 5 employees or more (64%+)
- Manufacturing sector (63%)

**Financing**
- Members of a visible minority group (55%)

**Investment in technology**
- No particular sub-group

Base: Those who identified areas of focus for the next 12 months (n wave 2 = 731). Those who did not know were excluded from the calculation base. Only answers with 3%+ respondents are presented. A maximum of three mentions was allowed, therefore total may not equal to 100%. Note: Since the two survey waves were conducted among different panels, any comparison is indicative and should be interpreted with caution. Arrows indicate statistically significant differences between the two survey waves.
Forecasted challenges over the next 6 months

S3Q2. Over the **next six months**, which of the following **external obstacles** do you think your company will face?

**External obstacles**

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Sep 2021</th>
<th>Jun 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rising costs of doing business</td>
<td>37%</td>
<td>43%</td>
<td>↑ 6%</td>
</tr>
<tr>
<td>Economic uncertainty</td>
<td>17%</td>
<td>29%</td>
<td>↑ 12%</td>
</tr>
<tr>
<td>Labour shortage</td>
<td>16%</td>
<td>21%</td>
<td>↑ 5%</td>
</tr>
<tr>
<td>Supply chain challenges</td>
<td>17%</td>
<td>25%</td>
<td>↑ 8%</td>
</tr>
<tr>
<td>End of government programs and support</td>
<td>16%</td>
<td>25%</td>
<td>↑ 9%</td>
</tr>
<tr>
<td>Changing customer preferences and behaviours</td>
<td>19%</td>
<td>24%</td>
<td>↓ 5%</td>
</tr>
<tr>
<td>Government regulation</td>
<td>16%</td>
<td>24%</td>
<td>↓ 8%</td>
</tr>
<tr>
<td>Insufficient demand for goods or services</td>
<td>15%</td>
<td>19%</td>
<td>↓ 4%</td>
</tr>
<tr>
<td>Increased competition / trade protectionism</td>
<td>14%</td>
<td>13%</td>
<td>↓ 1%</td>
</tr>
<tr>
<td>None of the above</td>
<td>9%</td>
<td>5%</td>
<td>↓ 4%</td>
</tr>
</tbody>
</table>

**More likely to experience:**

- **Rising costs of doing business**
  - English-speaking respondents (56%)
- **Economic uncertainty**
  - Companies in the Prairies (62%)
  - Businesses with less than 5 employees (46%)
  - English-speaking respondents (45%)
- **Labour shortage**
  - Accommodation and food services (57%), construction (56%) and manufacturing (47%) sectors
  - French-speaking respondents (55%)
  - Businesses with 5 employees or more (46%+)
  - Revenues of $2M or more (55%+)

**Base:** All respondents (n wave 2 = 745). Those who were not sure or preferred not to answer were excluded from the calculation base. A maximum of three mentions was allowed, therefore total may not equal to 100%. **Note:** Since the two survey waves were conducted among different panels, any comparison is indicative and should be interpreted with caution. Arrows indicate statistically significant differences between the two survey waves.
02.3 Price increases

This section’s results are compared to those of two other BDC ViewPoints survey, conducted in June and July 2020.
Q2h. Did you or will you have to **increase the price** of your products or services because of the current context?

**More likely to increase their prices:**
- Accommodations and food services (85%), retail (73%) and manufacturing (71%) sectors
- Revenues of $2M or over (64%+)
- Businesses with 5 employees or more (64%+)
Q2i **By how much** did you or will you have to increase prices, on average?

- **20% or more:**
  - Sep 2021: 20%
  - Jul 2020: 16%
  - Jun 2020: 12%

- **15% to <20%:**
  - Sep 2021: 19%
  - Jul 2020: 18%
  - Jun 2020: 10%

- **10% to <15%:**
  - Sep 2021: 28%
  - Jul 2020: 36%
  - Jun 2020: 38%

- **5% to <10%:**
  - Sep 2021: 26%
  - Jul 2020: 27%
  - Jun 2020: 33%

- **Less than 5%:**
  - Sep 2021: 8%
  - Jul 2020: 3%
  - Jun 2020: 8%

**Average % of increase***:
- **13%** Sep 2021
- **12%** Jul 2020
- **10%** Jun 2020

**Base:** Those who increased or plan to increase prices (n Sep 2021 = 406). *Extreme values and outliers were removed from the sample to calculate the trimmed average. Respondents who didn’t know or preferred not to answer were also removed from the calculation base. Arrows indicate statistically significant differences between Sep 2021 and Jul 2020.*
Q2j. What are the **reasons** behind this increase?

- **Increase in raw material costs**: 61%
- **Increase of salaries and wages**: 59%
- **Increase in transportation costs**: 50%
- **Catch up on losses due to COVID**: 25%
- **Costs related to COVID health measures**: 23%
- **Other players in the market have increased their prices**: 19%
- **Increase in rent**: 13%
- **Increase in supplier prices (e.g., supplies, insurance, etc.) [CODED]**: 3%
- **Other**: 5%

**More likely to mention:**

- **Increase in raw material costs**
  - Manufacturing (95%), construction (88%) and wholesale trade (87%) sectors
  - Revenues of $2M and over (71%+)

- **Increase of salaries and wages**
  - Revenues of $10M and over (79%)
  - Businesses with 5 employees or more (67%+)

**Base:** Those who increased or plan to increase prices (n=466). Respondents who didn’t know were removed from the calculation base. Only answers with 3%+ respondents are presented. This question was asked for the first time in Sep 2021.