

December 2021

# Impact of supply chain challenges on Canadian entrepreneurs



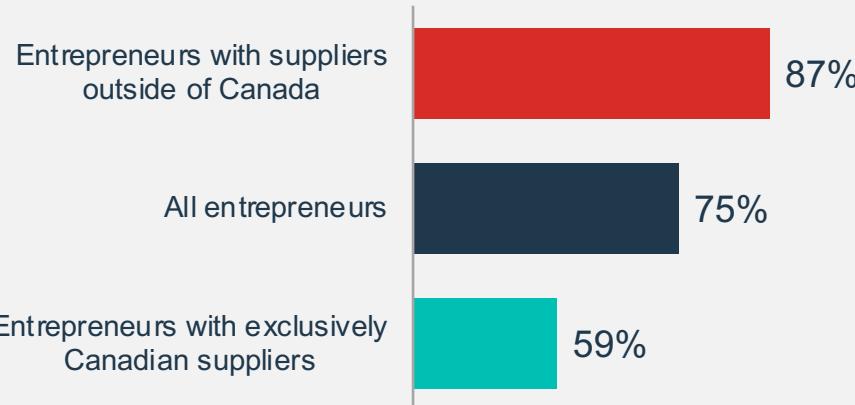
# Highlights



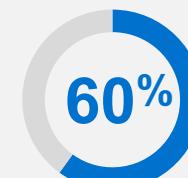
Three out of four entrepreneurs (75%) are feeling the supply chain crunch.

BDC surveyed about 600 small and medium-sized businesses (SMEs) in November 2021 to discover how the current supply chain disruptions are affecting them.

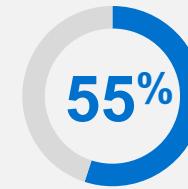
## Who is reporting the most supply issues?



Businesses with suppliers outside Canada are more likely to face supply issues than those with exclusively Canadian suppliers.



60% of entrepreneurs are experiencing longer delivery times.



55% of entrepreneurs are having problems obtaining finished products, components and/or raw materials.

64% of entrepreneurs with supply issues had to increase their own delivery times.

61% of entrepreneurs with supply issues had to increase their prices.

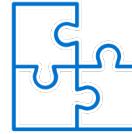
46% of entrepreneurs with supply issues had to find new suppliers.



# What are the main supply chain issues reported by entrepreneurs?

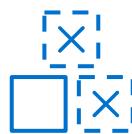


**60%** Longer delivery time



**55%** Problems obtaining at least one of the following:

- Finished products
- Components
- Raw materials



**25%** No issues

# Disruptions are worse for entrepreneurs who rely on outside suppliers



Entrepreneurs who rely on local suppliers experience comparatively fewer issues

Entrepreneurs  
with suppliers  
outside Canada



**74%**

Longer  
delivery time



**45%**

Problems obtaining  
finished products



**32%**

Problems obtaining  
components

Entrepreneurs  
with exclusively  
Canadian  
suppliers



**41%**

Longer  
delivery time



**25%**

Problems obtaining  
finished products



**41%**

No problems



# What are the reasons for supply delivery problems?

Among those experiencing issues:



**83%** say their suppliers are experiencing their own delays receiving supplies.



**68%** say their suppliers are facing transportation problems. The problem is more acute among those with suppliers outside Canada (78%).



**52%** say higher prices are contributing to supply chain issues.



**47%** say shortage of raw materials is affecting supply delivery. This percentage climbs to 72% for manufacturers.



**45%** say their suppliers are facing a labour shortage. This percentage is significantly higher in Quebec (59%).

# Manufacturing and construction sectors are among the hardest hit by supply issues



Among those experiencing supply issues:

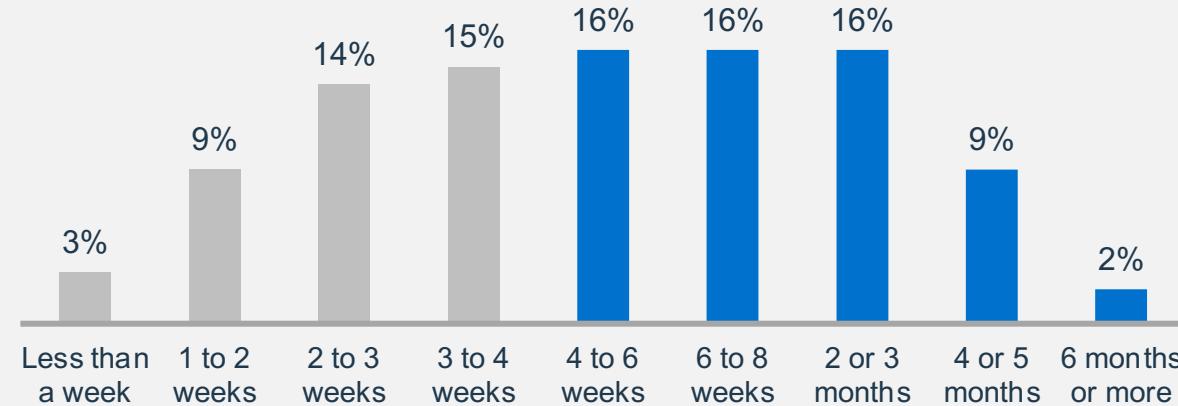
	All SMEs	Manufacturing	Construction
Increased their own delivery time	64%	81%	86%
Increased their prices	61%	75%	71%
Found new suppliers	46%	60%	56%
Paid premiums to get supplies on time	44%	46%	54%
Lost customers or sales	39%	40%	52%

# It takes longer for entrepreneurs to both get supplies and to ship their products



## Additional wait time to get supplies<sup>1</sup>

1. Among those experiencing longer delivery time, excluding those who replied "varies a lot between supplies"

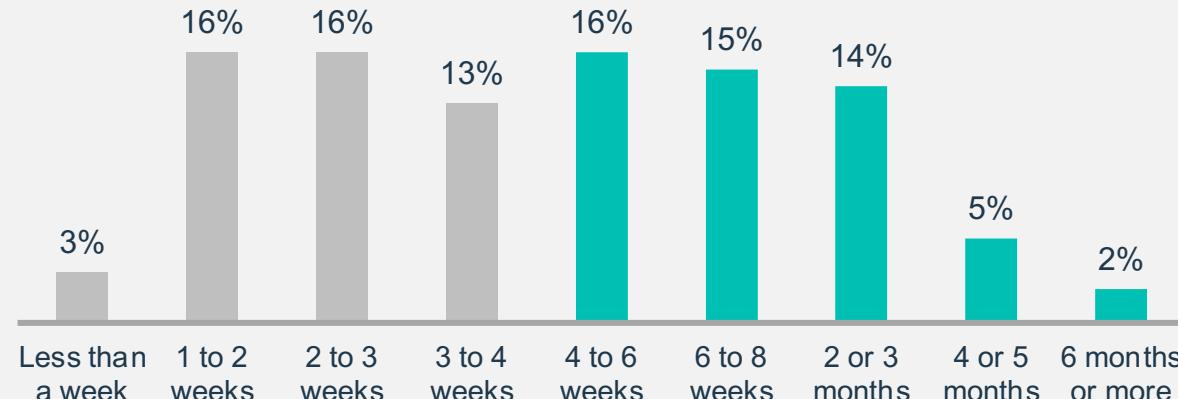


**59%**

Additional four weeks or more to get supplies

## Additional delivery time to customers<sup>2</sup>

2. Among those who increased their own delivery time



**52%**

Additional four weeks or more to deliver to customers



# How do entrepreneurs see the supply chain disruptions evolving in the next 12 months?

Optimism level:



**42%** The situation will get better



**34%** The situation will remain the same



**13%** The situation will get worse

Reasoning:



The situation should improve as we return to some normality



Backlogs and transportation should improve



The situation has not improved much so far



Ongoing issues in Asia will keep affecting the supply chain

# Methodology

## Survey methodology

Online survey.

## Respondent profile

Canadian business owners and business decision-makers from BDC's proprietary panel (ViewPoints).

## Survey dates

November 2 to November 12, 2021

### Margin of error

- For a probability sample of 599 respondents, the maximum margin of error is  $\pm 4.0$  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 size of business to ensure findings were representative of Canadian small and medium-sized businesses. Excluded from the sample were self-employed workers.

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## Reduce the impact of supply chain disruptions on your business

Optimizing your operations, diversifying your supplier pool and re-shoring certain components are just some of the ways BDC's experts can help you address the challenges of supply chain interruptions.

- [Learn more about how our experts can help you better manage your business](#)
- [Discover our flexible business financing options](#)



### For more information

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