

Strength in numbers

In Canada, small businesses are defined as having 1-99 employees. Of those, the majority are micro-enterprises of 1-4 employees. While a single small business doesn't carry much economic weight, their collective influence is intimidating. Here's some eye-opening numbers about the impact small businesses have on employment, exporting and GDP



Mighty mites

How about a little respect? Small businesses outnumber their medium (100-499 employees) and large (500+ employees) counterparts almost 10:1.

They're also the country's dominant employer. The facts speak for themselves: when it comes to business, small is HUGE



30%

Average small business contribution to provincial Gross Domestic Product across Canada for 2014.

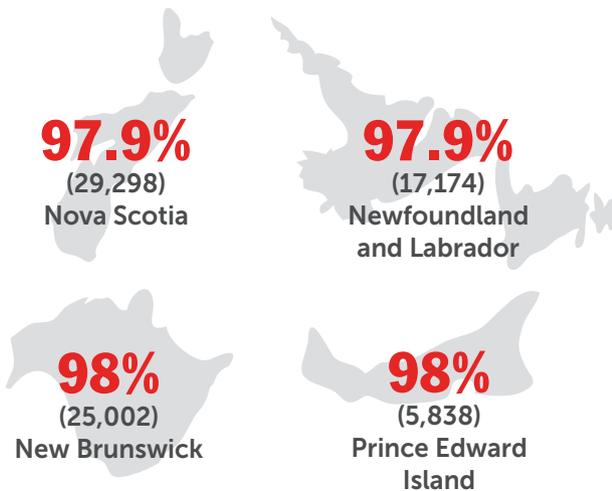
According to *Key Small Business Statistics – June 2016*, published by Innovation, Science and Economic Development Canada, GDP is “the value that an industry, through its activities, adds to its inputs.” For Atlantic Canada, particularly Newfoundland and Labrador which has the lowest GDP contribution in the country, this is an area that should be marked as “room for improvement”. The biggest small business GDP contributors are in British Columbia (33%) and Alberta (32%).

1.14 million

Of the 1.17 million employer businesses across Canada, 97.9% are small businesses (54.1% are micro-enterprises)



Small business numbers:



Small business contribution to GDP:



70.5%

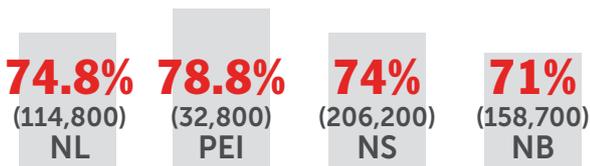
Over 8.2 million people in Canada are employed by small businesses – almost three-quarters of the total private sector labour force

Bootstrap science



Entrepreneurs are well known for creative problem solving on shoestring budgets, as they find innovative ways to make their businesses prosper. But did you know that they are also substantial investors in research and development? Over 40% of small businesses implemented at least one type of innovation in 2014.

Small business employment:



\$13 billion

R&D expenditures by Canadian small businesses between 2011 and 2013 (27% of total R&D)

Cross-border shopping



Though potentially lucrative, exporting can also be a frustrating and time-consuming activity plagued by red tape. Despite the hurdles involved in selling beyond domestic borders, a surprising percentage of small businesses — which often have limited human and financial resources — are exporting successfully.

11.5%

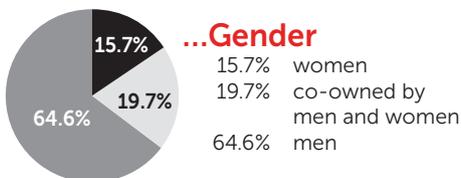
Proportion of Canadian small businesses that exported goods and services in 2014

Hint: your export initiatives are more likely to succeed if you invest in innovation: 61.4% of small business innovators exported in 2014 compared to 38.9% of non-innovators

Who's the boss?

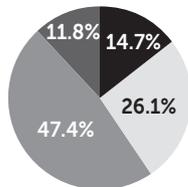
The stats on small business ownership are worrisome, pointing to a male-dominated and aging demographic. How to encourage more people (particularly younger people) to start their own companies? That's a very good question — *Atlantic Business Magazine* wishes it had the answer

Small business ownership by...



...Age

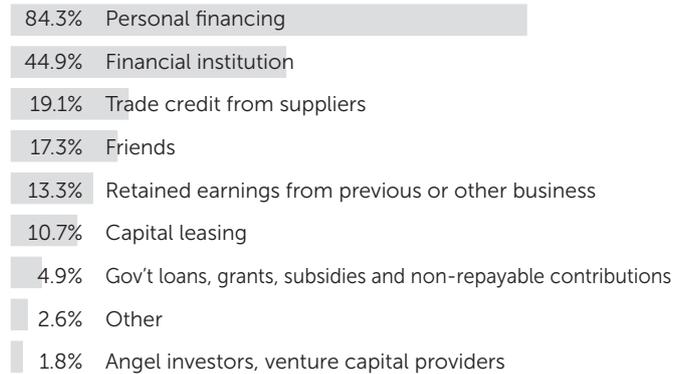
14.7% Under 30
26.1% 40-49
47.4% 50-64
11.8% 65+



Almost 60% of all small business owners are over 50 years of age

Money talks

Regardless how lean its operations, no start-up can move from idea to business mode without some sort of financing. Where does the money come from? (Chart indicates percentage of Canadian start-ups which utilized that resource)



"It's been proven that increased involvement of SMEs will result in higher competition for contracts, leading to better value for money."

Caron Hawco, policy and government relations consultant, NLOWE

What's holding them back?

Caron Hawco, a policy and government relations consultant working with NLOWE in N.L., argues that corporations, industrial projects and governments should actively seek partnerships with small and medium-sized businesses (SMEs).

Proportion of women-owned businesses involved in the N.L. oil and gas supply chain



How to improve small business representation in the corporate, industrial and government supply chain? Caron Hawco suggests the following:

- Early notification of opportunities
- Feedback for contract winners and losers
- Sub-contractors clearly identified and made accountable for supplier diversity
- Unbundling of procurement packages
- Setting targets for supplier diversity
- Bid preference for local companies (i.e. contract must go local if it's within 10% of best price)
- 'Must hire' SME mandate if bids equally competitive

Sources: *Key Small Business Statistics — June 2016*, Innovation, Science and Economic Development Canada; Caron Hawco, policy and government relations consultant, NLOWE