

# Striving for Growth

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Perspectives from Canadian  
Business Owners & Principals

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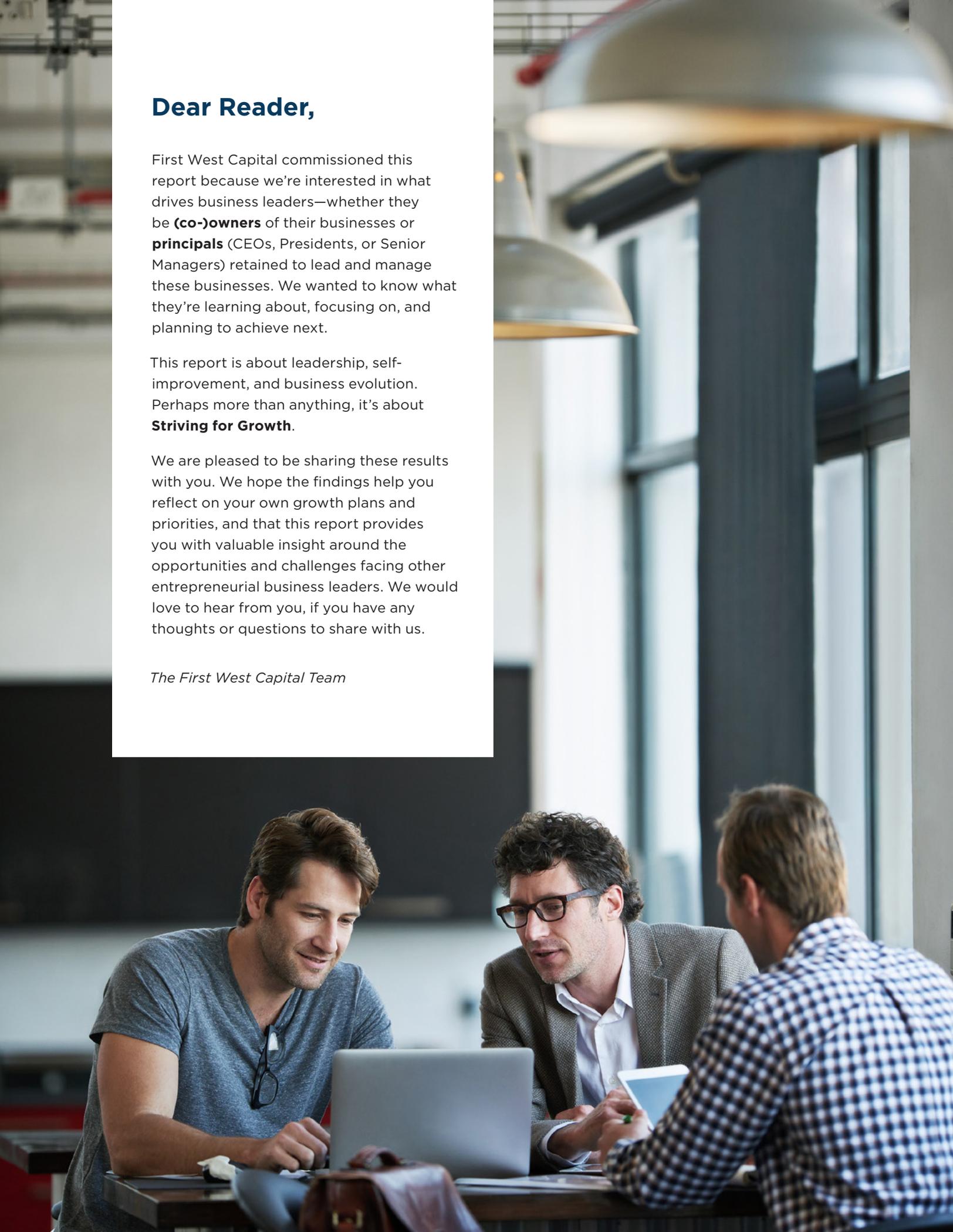
## Dear Reader,

First West Capital commissioned this report because we're interested in what drives business leaders—whether they be **(co-)owners** of their businesses or **principals** (CEOs, Presidents, or Senior Managers) retained to lead and manage these businesses. We wanted to know what they're learning about, focusing on, and planning to achieve next.

This report is about leadership, self-improvement, and business evolution. Perhaps more than anything, it's about **Striving for Growth**.

We are pleased to be sharing these results with you. We hope the findings help you reflect on your own growth plans and priorities, and that this report provides you with valuable insight around the opportunities and challenges facing other entrepreneurial business leaders. We would love to hear from you, if you have any thoughts or questions to share with us.

*The First West Capital Team*



# Points of Interest

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*Whether someone is striving to learn, striving to improve a business or striving to evolve personally, a core common denominator is growth.*

On that basis, and understanding that growth involves challenges as much as opportunities, here are a few points of interest from the study you may wish to reflect on:

- When asked about the most important qualities in a business leader, principals were more likely to mention *staying up-to-date* than (co-)owners. They were also more likely to mention *Information Technology* as an area of specific focus when asked about self and business improvement activities.
- According to survey respondents, the two biggest impediments holding their businesses back are *finances* (e.g. cash flow) and *employee attraction/retention*.
- In general terms, female respondents were more likely to report *self-improvement* and learning activities. They were also more likely to share that they were *currently taking action* to improve their business, and they expressed stronger intentions around *future business improvements* than their male counterparts.
- As mentioned above, this is a *story about growth*. Executives responding to this survey prioritized business growth higher than any other presented factor when it came to reporting around self-improvement, current actions, and future improvement priorities. They also reported that they prioritized *new markets* more than any other source of growth, including *new products*.

# Methodology

*First West Capital commissioned Concerto Marketing Group to design and execute a study among owners and principals of small to medium sized businesses in Canada.*

A national online panel was used to reach respondents that met the survey’s requisite (co-)owner/principal status, with 114 owners and 42 principals completing the survey.

While the methodology limited inclusion in the survey to only those Canadian business owners and principals represented in this online panel, we do not believe the related views and behaviours of these respondents are likely to differ meaningfully from the wider population within the same demographic cohort.

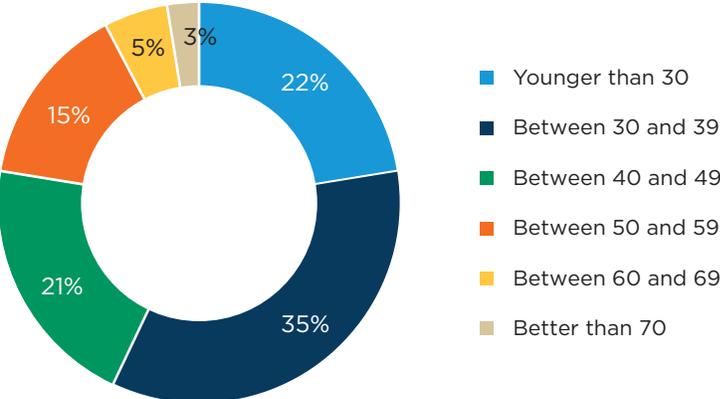
Roughly half of all survey respondents were male (78) and half female (74), and 4 respondents preferred not to specify their gender. According to the *Key Small Business Statistics—June 2016* report by *Innovation, Science and Economic Development Canada*, “[majority ownership by males is four times higher than majority ownership by females at 64.7 percent compared with 15.7 percent respectively]” (20% have equal ownership). To account for this difference in the target population vs. the current sample, the data was weighted where relevant. Weighted results are identified; all other results are presented unweighted.

Sample	
Survey Total	156
Margin of Error	+/- 7.85% at 95% confidence
Females	74
Males	78
Prefer Not to Say	4
BC	20
Prairies	22
ON	80
QB	17
Atlantic	14
Territories	3

# Demographics

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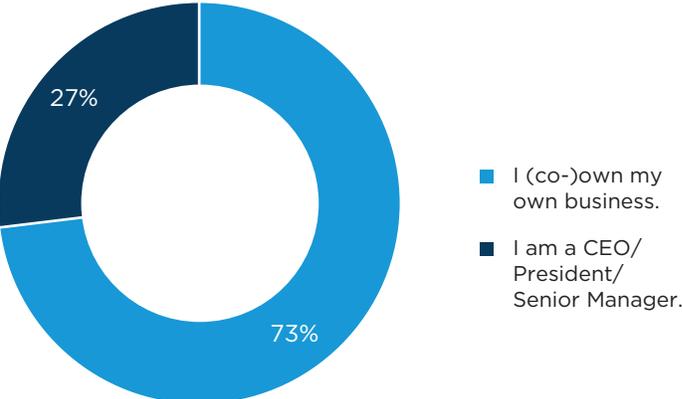
FIGURE 1 / RESPONDENT AGE



*What is your age?*

78% of survey respondents were younger than 50.

FIGURE 2 / RESPONDENT ROLE



*Which of the following best describes your current role?*

73% of respondents indicated that they identify as (co-) owners of their company, while 27% shared that they identify as principals.

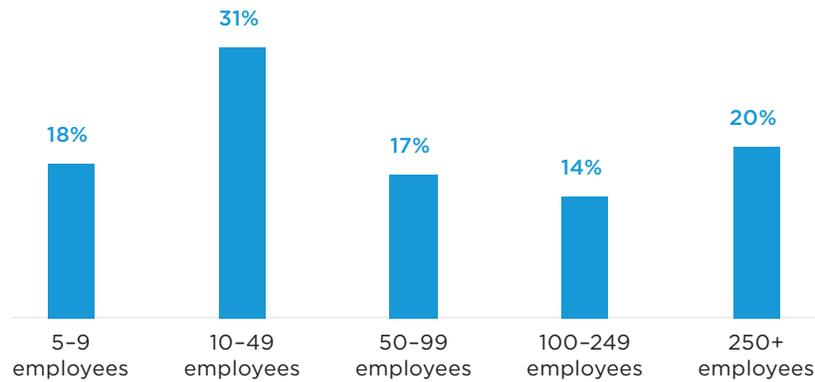
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Base is all respondents (n=156)

*How many employees does your company currently have?*

- The majority (66%) of respondents reported having fewer than 100 employees working in their company.
- According to the *Key Small Business Statistics—June 2016* report, 98% of all Small to Medium Enterprises in Canada have fewer than 100 employees. However, this study excluded respondents from companies with fewer than 5 employees (107 potential respondents) to support relevancy of reporting around specified topics.

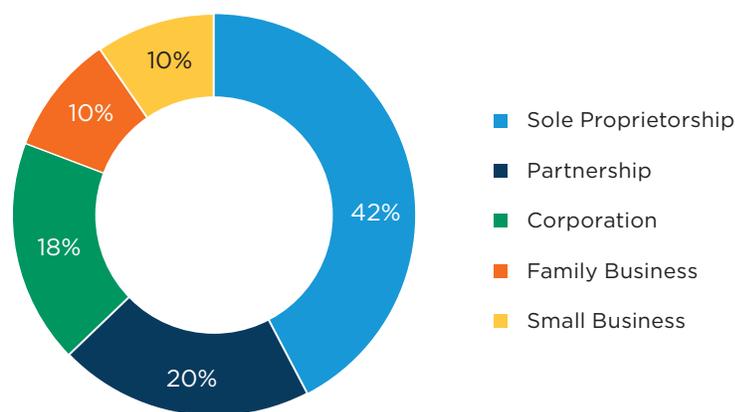
**FIGURE 3 / COMPANY SIZE**



*Which of the following best describes your business' structure?*

- Most (co-)owners/principals reported working in a sole proprietorship (42%).
- Roughly 1 in 5 (co-)owners/principals shared that they work in a partnership (20%) or corporation (18%).

**FIGURE 4 / BUSINESS STRUCTURE**



*Base is all respondents (n=156)*



# Leadership Qualities

## Business Leadership

*What would you say are the most important qualities in a business leader? Select up to two qualities you feel contribute the most to being a successful business leader.*

- The difference in stated importance between different leadership qualities was relatively small, which could suggest that all attributes were considered relatively important by respondents.
- The only notable difference is that *Willingness to take risk* was identified somewhat less frequently (29%) than the other qualities presented.

**FIGURE 5 / BUSINESS LEADER QUALITIES**

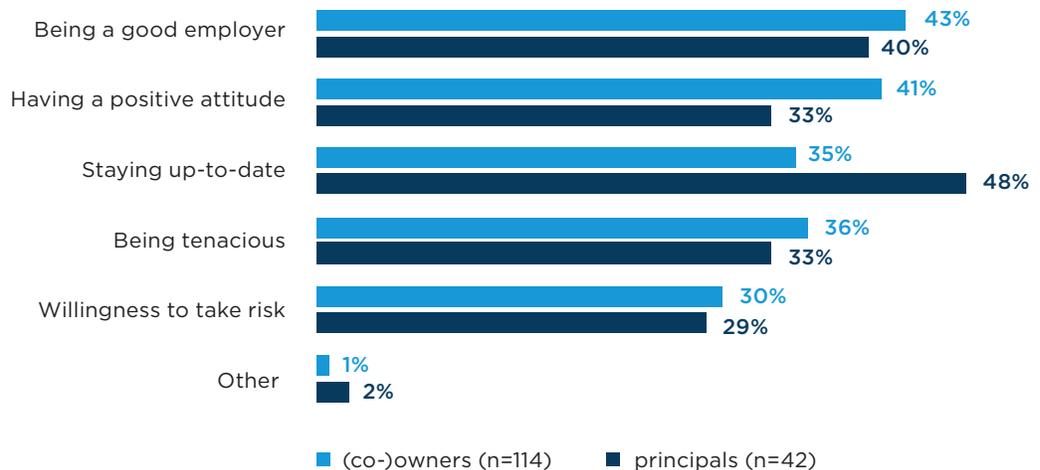


*Base is all respondents (n=156)*

## Leadership Qualities by Role

- The most striking difference between (co-)owners' and principals' assessment of presented leadership qualities was that principals in the study put more weight on *Staying up-to-date* than (co-)owners (48% vs. 35%).
- Compared to principals, (co-)owners identified *Having a positive attitude* slightly more frequently with being a good business leader (41% vs. 33%).

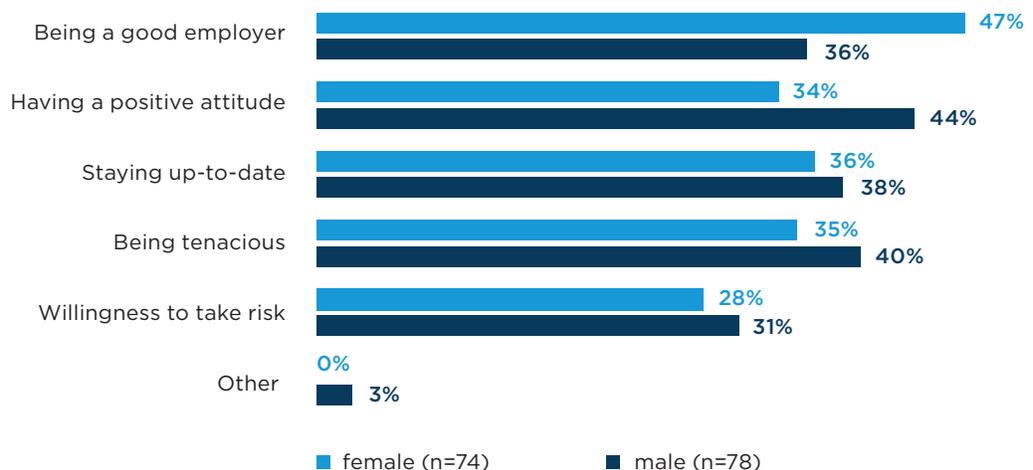
FIGURE 6 / BUSINESS LEADER QUALITIES BY ROLE



## Leadership Qualities by Gender

- While reported differences between female and male respondents were relatively small, it is interesting that female executives were more likely to select *Being a good employer* than their male counterparts (47% vs. 36%).
- Male respondents were more likely to select *Having a positive attitude* (44% vs. 34%).

FIGURE 7 / BUSINESS LEADER QUALITIES BY GENDER





# Business Impediments

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## Business Impediments

*What is the one thing you would say is holding your business back?*

- Responding to an open ended question, executives in the study identified a myriad of issues that are currently holding their businesses back.
- The top two factors perceived to be holding businesses back are *Finances* (including but not limited to debt, cash flow, financing, etc.) and *Employee attraction and/or retention* (both mentioned by 17% of respondents).
- *Marketing, Lack of sales/Issues around the economy, and Operations* were also mentioned by roughly 1 in 10 respondents (9%, 9%, and 8%, respectively).



FIGURE 8 / BUSINESS IMPEDIMENTS\*



\* Recoded open ended responses  
Base is all respondents (n=156)

## What is the one thing you would say is holding your business back?

*There aren't enough reliable, experienced people available.*

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*I don't think we have enough exposure, and our employees aren't focused on growth. They just have the job to have a job.*

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*The capital needed for faster expansion.*

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*It can be difficult to obtain financing for new projects.*

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*Being competitive in pricing, and selling ourselves as a great company that keeps up with the bigger companies.*



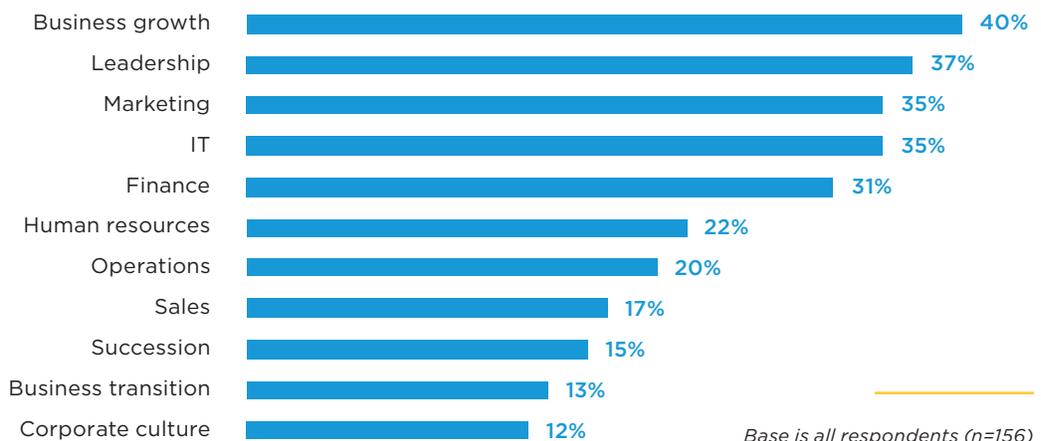
# Self-Improvement

## Self-Improvement

Are there any areas that you are currently learning about (e.g. through coaching, webinars, workshops, business literature) to help improve yourself as a business leader?

- The areas identified most frequently as those respondents were currently learning about included *Business growth, Leadership, Marketing, IT* and *Finance*.
- The areas respondents identified least frequently included *Corporate culture, Business transition, Succession*, and *Sales*.

FIGURE 9 / AREAS OF LEARNING

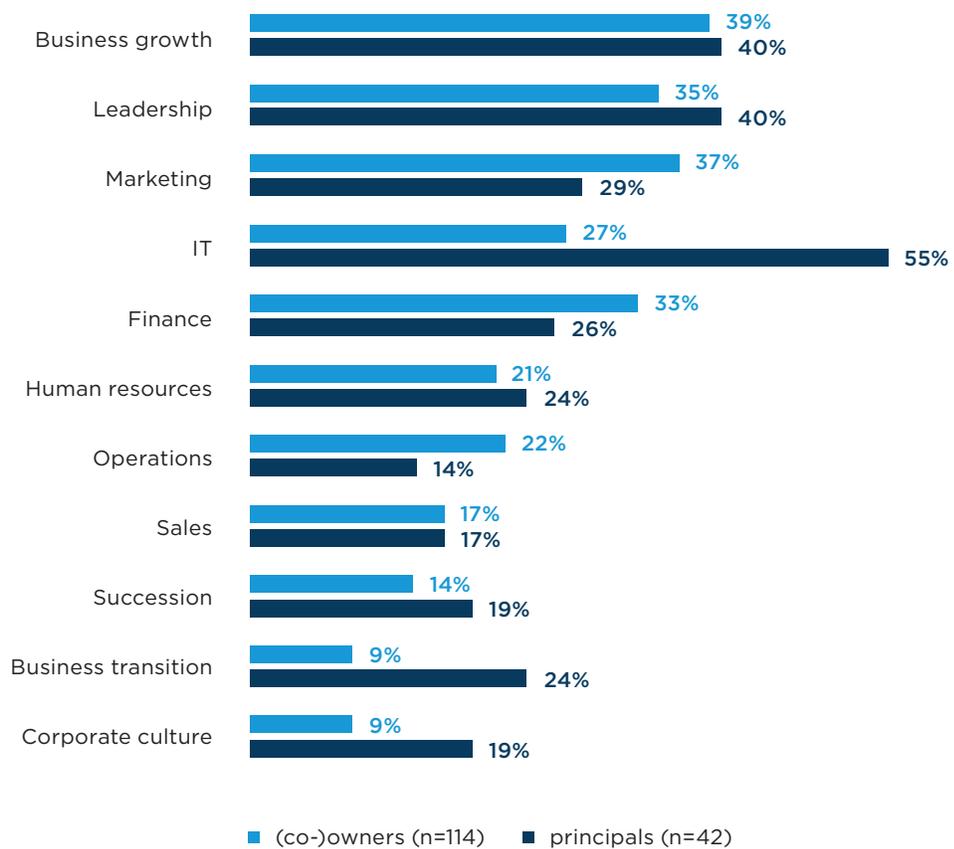


Base is all respondents (n=156)

## Self-Improvement by Role

- Overall, the differences between (co-)owners and principals were fairly minor in terms of the areas they reported learning about.
- A notable exception to this was *IT*, which a much higher number of principals in this study reported learning about.
- Principals also indicated that they are more likely to be learning about *Business transition* and *Corporate culture* than (co-)owners.
- It should also be noted that principals selected an average of 3.1 areas they are currently learning about, compared to 2.6 areas for (co-)owners.

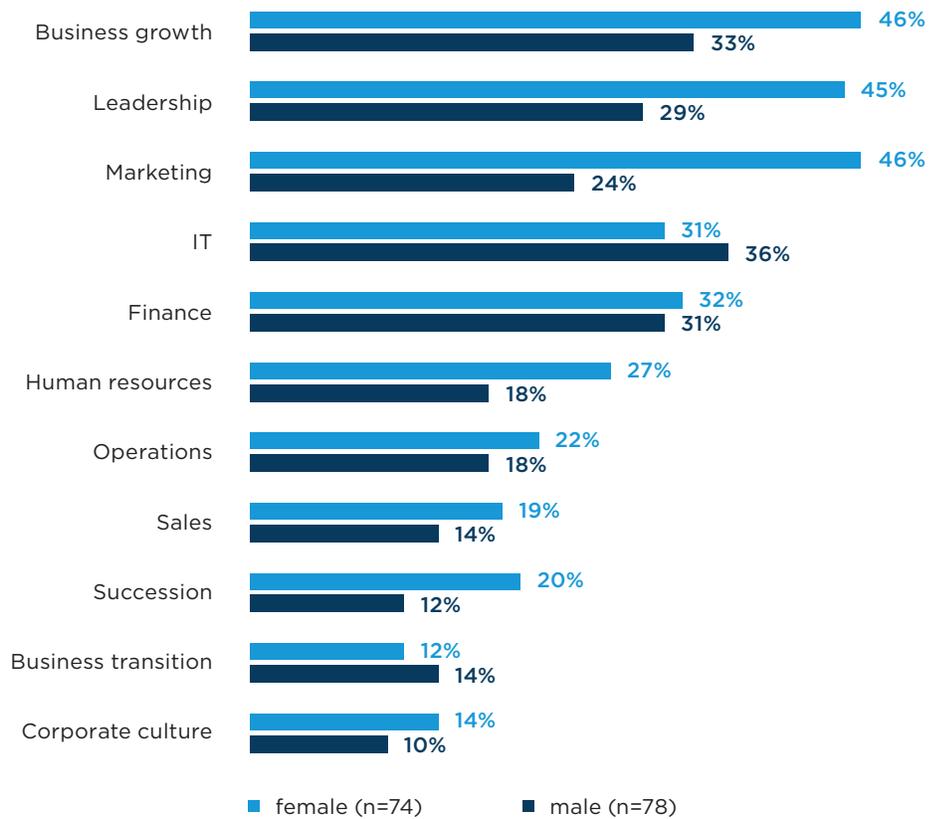
FIGURE 10 / AREAS OF LEARNING BY ROLE



## Self-Improvement by Gender

- On average, female respondents reported learning about an average of 3.1 business areas, compared to 2.4 areas among their male counterparts.
- This may partly explain why female executives reported they are learning more frequently about most business areas, most notably *Business growth*, *Leadership*, and *Marketing*.
- The one exception to this is *IT*, an area that 36% of male respondents indicated learning about, compared to 31% of female respondents.

FIGURE 11 / AREAS OF LEARNING BY GENDER





# Business Improvement: Current

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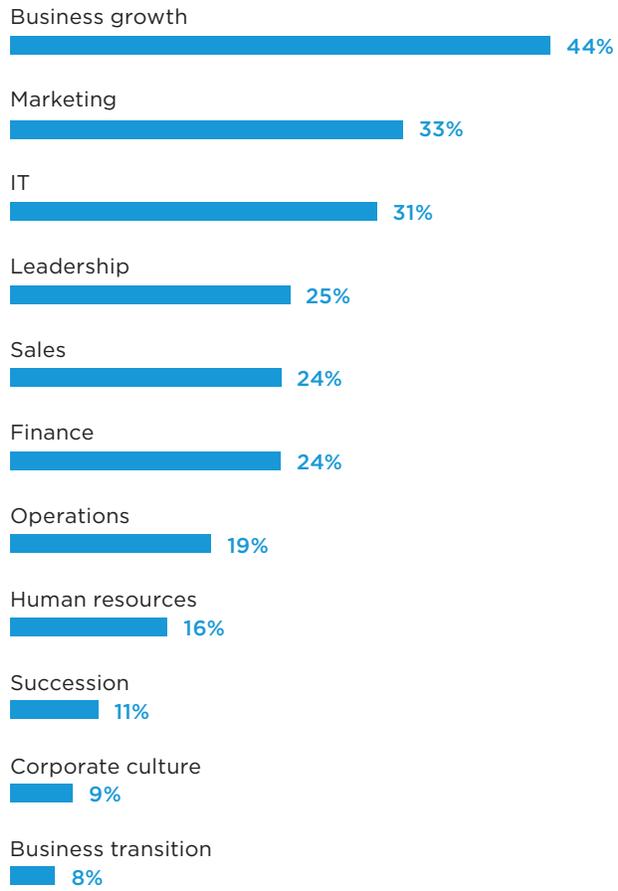
## Business Improvement: **Current**

*What are some of the areas that you are **currently/actively** trying to improve within your business; i.e. in which of the following areas are you actively taking steps to improve the business? Please choose **up to 3 areas** and focus on the one(s) that you are putting most effort(s) into.*

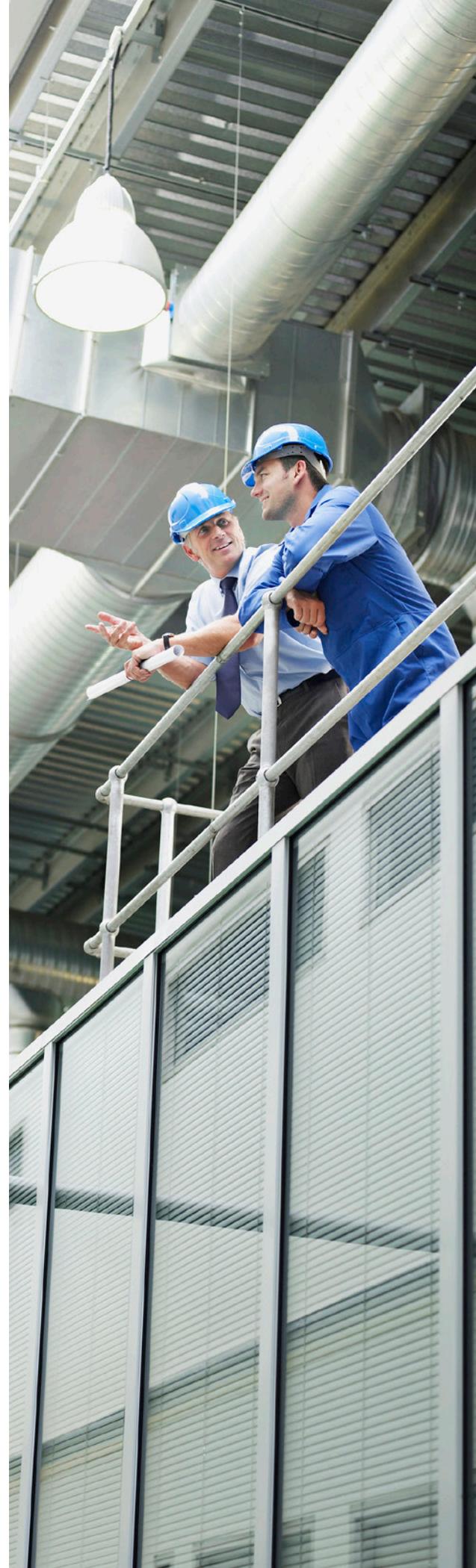
- Not only is *Business growth* the area that most executives in this study reported learning about (40%, see “Self Improvement”); it is also the area that most executives reported they are actively trying to improve upon (44%).
- *Business transition*, *Corporate culture*, and *Succession* are not only areas that few executives stated they are currently trying to learn about; they are also areas that few respondents reported trying to improve upon.

FIGURE 12 /

AREAS OF ACTIVE BUSINESS IMPROVEMENT



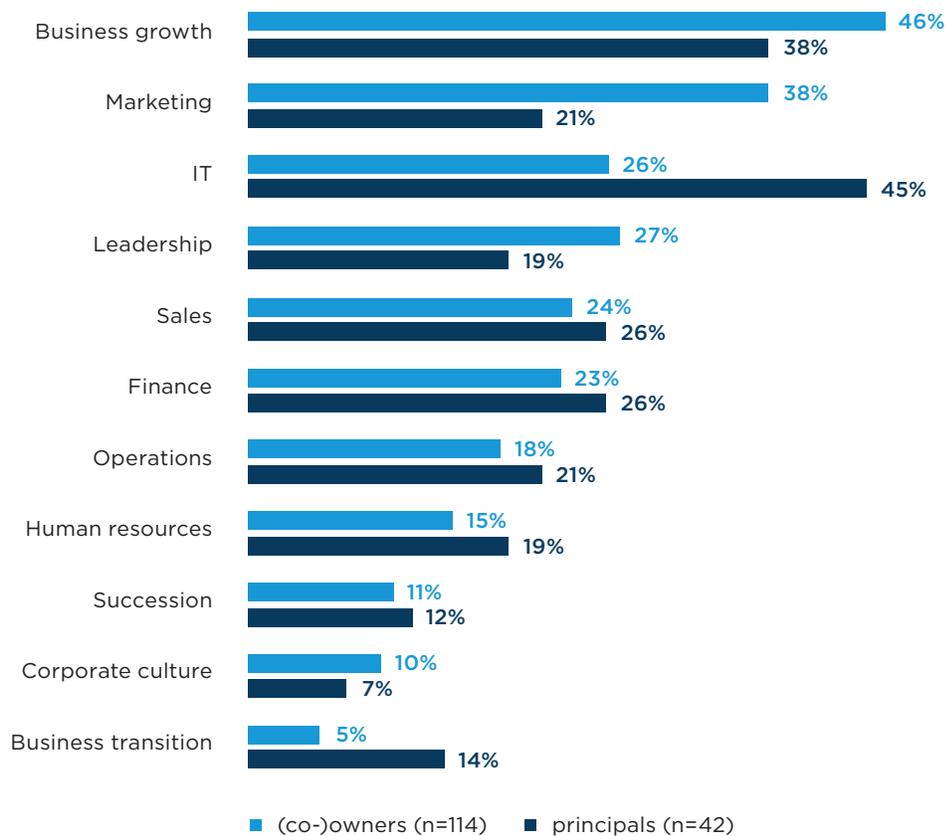
Base is all respondents (n=156)



## Business Improvement by Role

- *Business growth* and *Marketing* are areas (co-)owners reported they were more likely to be actively trying to improve than principals.
- Conversely, *IT* is an area that principals were more likely to report they were trying to improve than (co-)owners.

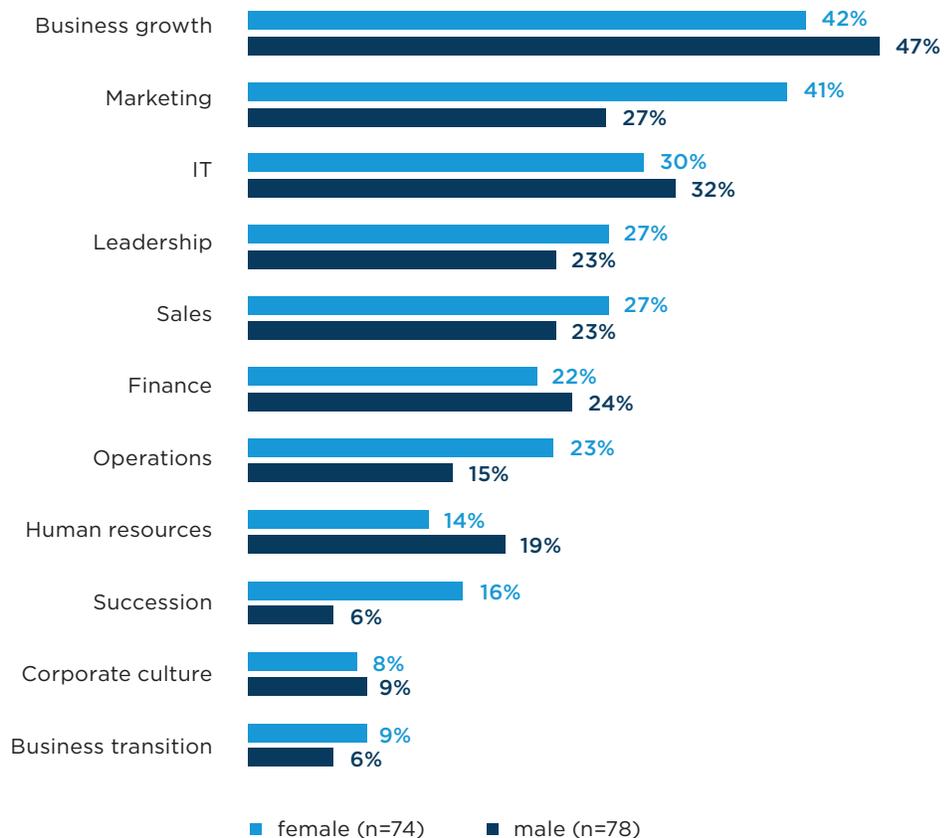
FIGURE 13 / AREAS OF ACTIVE BUSINESS IMPROVEMENT BY ROLE



## Business Improvement by Gender

- One of the biggest differences between female and male respondents seems to be *Marketing*, which female executives reported being much more focused on than male executives (41% vs. 27%).
- *Operations* (23% vs. 15%) and *Succession* (16% vs. 6%) are two additional areas female executives seem more focused on than their male counterparts.
- Although the difference is not as stark as areas executives are currently learning about, female respondents again reported trying to improve in more areas on average (2.6) than their male counterparts (2.3).

FIGURE 14 / AREAS OF ACTIVE BUSINESS IMPROVEMENT BY GENDER

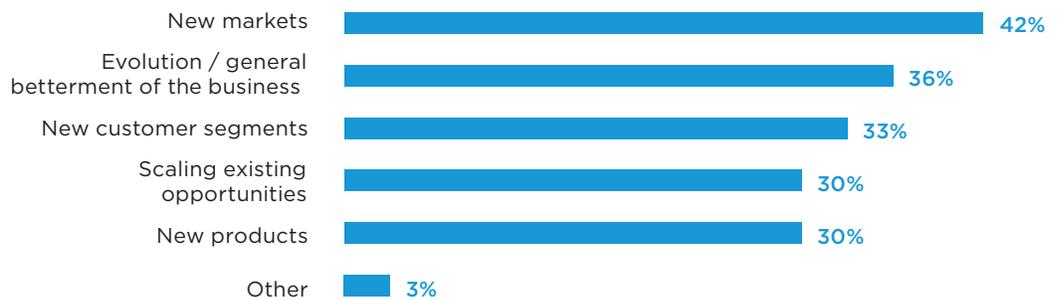


## Business Improvement: Business Growth

You mentioned you are currently focused on growth within your business. What is it that you are specifically focusing on? Please select all that apply.

- Among the 67 executives who reported a current focus on *Business growth*, *New markets* (42%) received the most focus. Other areas such as *Evolution/general betterment* (36%) and *New customer segments* (33%) also received ample focus.
- It is interesting to note that study respondents were more focused on *New markets* (42%) than *New products* (30%).

FIGURE 15 / ACTIVE BUSINESS IMPROVEMENT: BUSINESS GROWTH



## Business Improvement: IT

You mentioned you are currently trying to improve IT within your business. What is it that you are specifically focusing on? Please select all that apply.

- Of the 48 executives actively trying to improve *IT* within their business, two thirds reported focusing on *IT strategy and planning* (67%) and *Efficiency* (63%).
- The fact that no area of specific focus was mentioned by less than a quarter of executives may indicate that IT improvements are being driven by numerous, overlapping business needs.

FIGURE 16 / ACTIVE BUSINESS IMPROVEMENT: IT

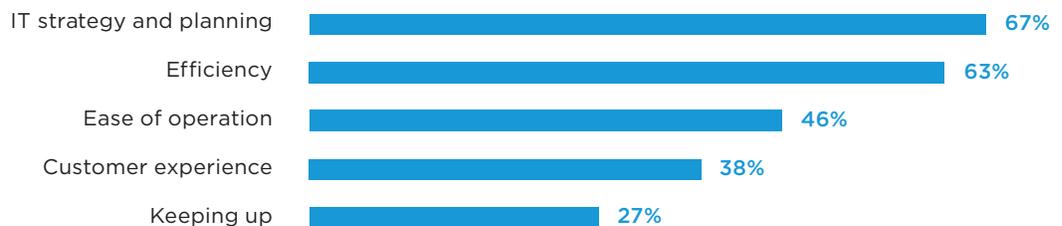


Figure 15: (n=67); Figure 16: (n=48)

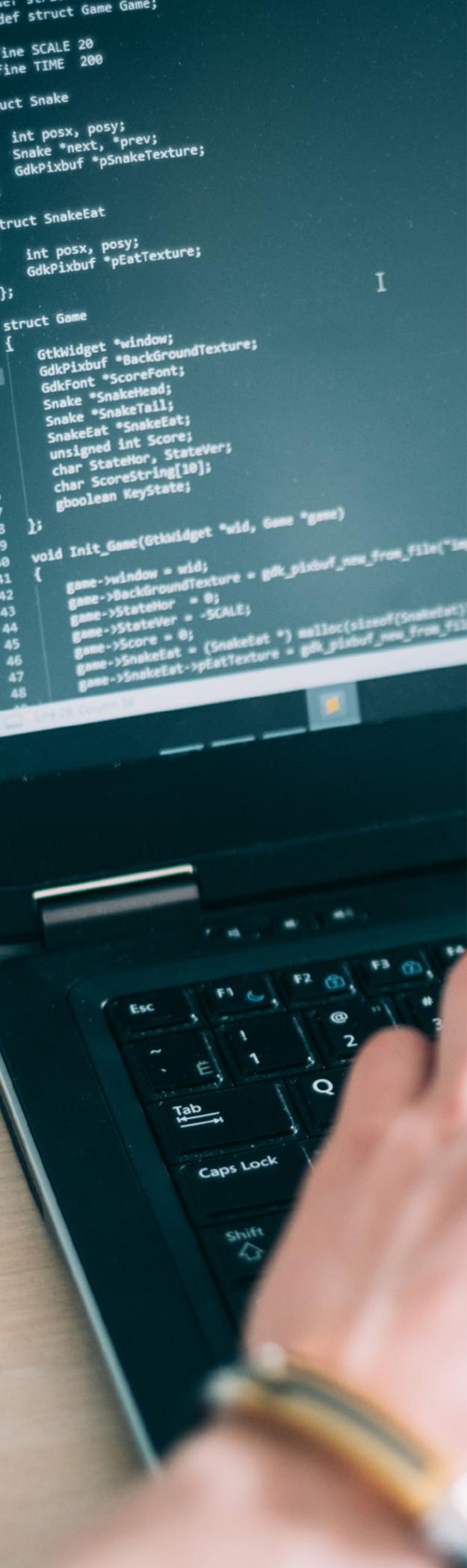


# Business Improvement: Future

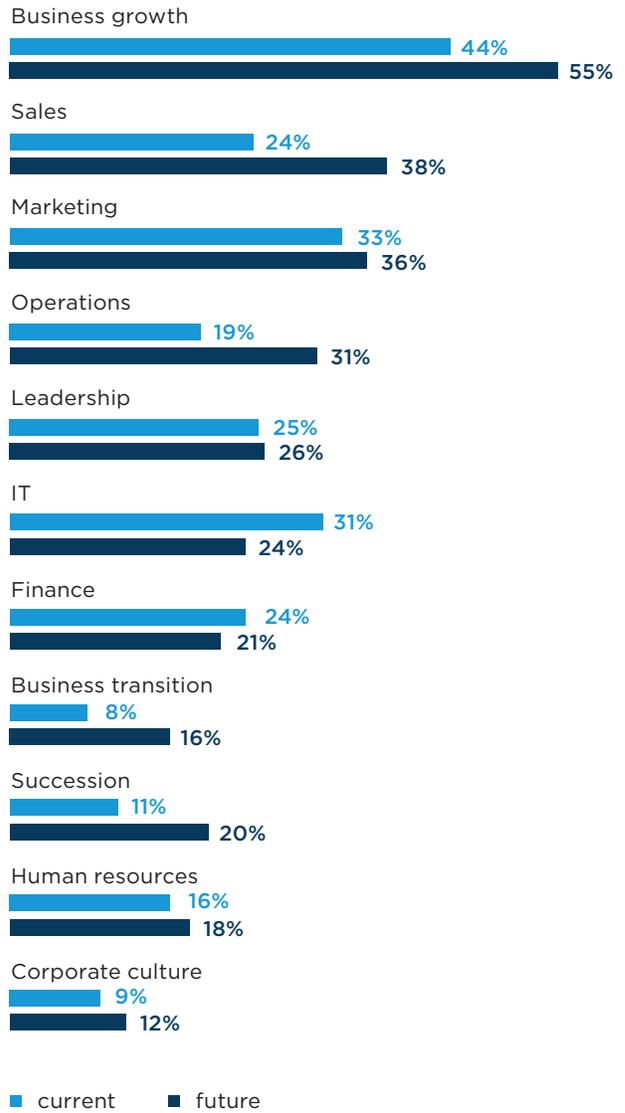
## Business Improvement: Future

*And what are some of the high priority areas that you would like to improve upon within the **next few years**?*

- Respondents reported being more likely to focus on almost all aspects of business improvement in the future. Areas with a notable difference between current focus and future intention include: *Business growth, Sales, Operations, Business transition* and *Succession*.
- One area respondents reported being more likely to focus on now than in the future was *IT*. While 31% of respondents identified *IT* as a current focus of improvement, 24% stated that it will be a focus in the future.



**FIGURE 17 / AREAS OF CURRENT VS. FUTURE BUSINESS IMPROVEMENT**

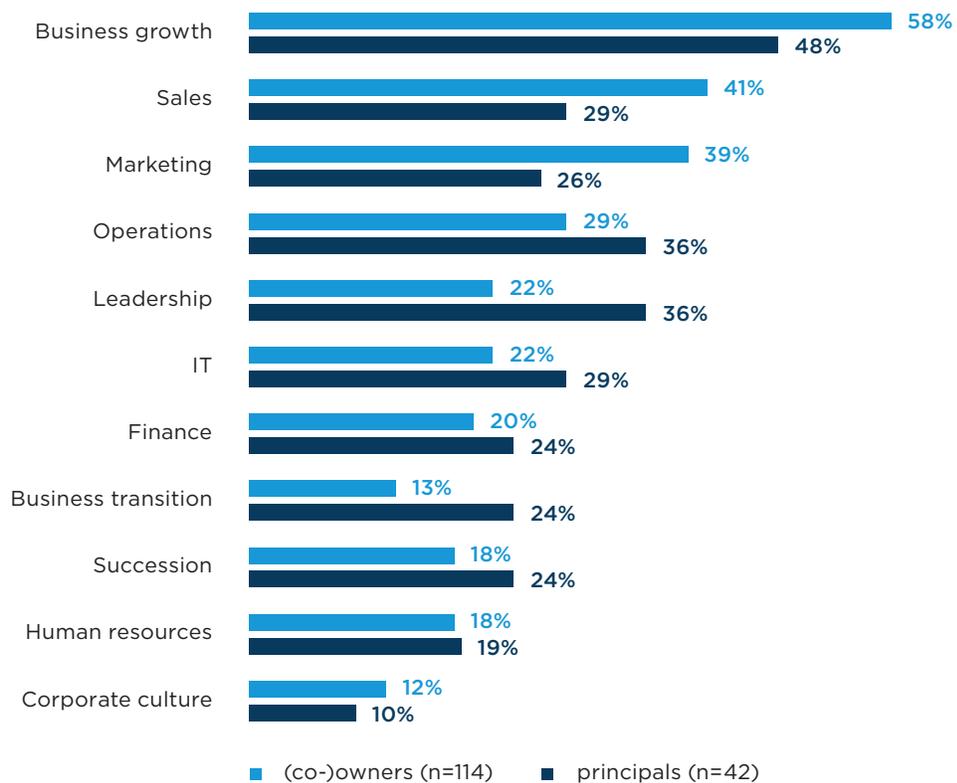


Base is all respondents (n=156)

## Business Improvement: Future by Role

- (Co-)owners were quite a bit more likely to identify *Business growth*, *Sales*, and *Marketing* as areas for future improvement compared to principals participating in this study.
- Conversely, principals were more likely to identify *Operations*, *Leadership*, *IT*, *Business transition* and *Succession* as areas to focus on in the next few years.

FIGURE 18 / AREAS OF FUTURE BUSINESS IMPROVEMENT BY ROLE



## Business Improvement: Future by Gender

- The fact that female executives indicated stronger future intentions generally may relate to the fact that female respondents identified slightly more areas overall (3.1 vs. 2.7 for males).
- Exceptions to this trend are *Sales* and *Succession*, which male respondents indicated they were more likely to focus on than female respondents (42% vs. 31% and 24% vs. 16%, respectively).

FIGURE 19 / AREAS OF FUTURE BUSINESS IMPROVEMENT BY GENDER





# About Us

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## First West Capital

In 2010, we had an idea: we noticed that very few lenders were offering junior capital to Canadian mid-market businesses, so we decided to address that gap. We launched under the umbrella of First West Credit Union, and we've been building our team and our business across Canada ever since.

We're passionate about helping dynamic, mid-market businesses grow, acquire and transition through innovative junior capital financing.

We exist to help our clients access flexible, minimally dilutive capital—and we understand the unique needs of entrepreneurs and their businesses. Because it takes one to know one.

[firstwestcapital.ca](http://firstwestcapital.ca)

