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2018 Qualitative Business Wave

Final Report

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Signed:

A handwritten signature in black ink, appearing to read "Rick Nadeau", is written over a light blue, textured rectangular background.

Rick Nadeau, President
Quorus Consulting Group Inc.

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Executive Summary



Background and Objectives

Innovation, Science and Economic Development Canada (ISED) conducted this project to help policy makers, program designers and service providers better meet the needs and expectations of Canadian small and medium sized businesses (SMEs), entrepreneurs and innovators.

This project collected insights, opinions and views of SMEs and self-employed Canadians on various issues including business confidence in the economy; perception of government performance on priorities; the preferred role of government; government progress on addressing barriers to business growth, including breaking into new markets, support for underrepresented groups, access to talent and skilled labour, access to financing, reduction of administrative burden; and on specific initiatives supporting innovation, including the Canadian Intellectual Property Strategy, Superclusters and supply chains., progress with SMEs, services for innovation and businesses, economic development, overall satisfaction with government for business and red tape reduction.

The insights gained from the project findings will be used to help develop policies, programs and services as well as refine communication messaging and initiatives to better meet the needs and expectations of SME's and self-employed Canadians.

Research Results

Business Confidence

Most would describe the Canadian economy as “stable” or performing fairly well. The biggest challenges facing the economy these days included: access to talent and skilled labour; the cost of living for consumers; the growing difficulty with buying a home; the increasing costs of doing business, including increases in the minimum wage; the growing level of consumer indebtedness; and, domestic and international competition.

For the most part businesses would say that their businesses' performance has been either stable or better compared to a year ago and most would expect that trend to continue for the next few years. Businesses were interested in growth and barring anything unexpected, they were optimistic about the future. Some of the more noteworthy barriers to growth included:

- Access to talent;
- Finding reliable workers;
- The increasing cost of doing business;
- Competition in general;
- A challenging tax environment or just tax burden in general; and,
- Liquidity or access to capital.

Role of Government

Businesses agreed that the Government of Canada has a role to play in growing the economy and supporting SMEs. Some of the more important issues in need of government attention at this time included:

- Reducing business taxes;
- Providing more grants and funding and making it easier and simpler to obtain funding;
- Increasing awareness of government programs and sources of funding available to SMEs;
- Better overall management of the federal budget / get back to a balanced budget;
- Making more programs and funding inclusive of experienced/older entrepreneurs;
- Making it easier to do business with the federal government;
- Negotiating a favourable North American Free Trade Agreement (NAFTA) deal; and,
- Making it easier for businesses to interact with them, especially when they call in.

Businesses were hard-pressed to identify what the federal government is doing to support small and medium sized businesses. A few did mention that access to certain types of funding (like that found through the Atlantic Canada Opportunities Agency (ACOA), Scientific Research and Experimental Development (SR&ED) Tax Incentive Program, and Industrial Research Assistance Program (IRAP), etc.) was noteworthy.

2018 Budget and Initiatives to Support SMEs

When specifically asked about the recent 2018 federal budget, businesses could not identify anything in that budget that could help them achieve their business goals or that was even seen as potentially beneficial for their industry overall.

Focus group participants were provided a handout with a list of 18 initiatives either introduced in the 2017 budget or included in the 2018 budget. This exercise generated the following key reactions:

- Generally, participants supported nearly all of the initiatives even though only a select few were seen as potentially directly beneficial to their business or industry.
- Businesses felt that too little had been done to promote these initiatives and they were surprised to learn that some of these had actually been introduced in 2017.
- Some small and micro businesses noted that the initiatives seemed more geared towards technology or STEM (Science, Technology, Engineering and Math) industries, or toward larger businesses.
- Participants were especially drawn to initiatives like Futurpreneur and Innovation Canada since they addressed their general lack of familiarity with what is available to them in terms of government services, programs and funding.
- Some felt that it was difficult to dislike any of the initiatives. At the same time, they expressed some skepticism in terms of whether or not these programs *would be* rolled out and whether they would generate any meaningful results.

The initiatives businesses were most likely to select because they felt that they could be beneficial for their business or industry were: Innovation Canada; Futurpreneur; the proposed federal and regional programs designed to support women in entrepreneurship; and, cybersecurity.

The initiatives that received the lowest priority/least support from those listed were:

- **Artificial Intelligence Strategy:** Artificial intelligence (AI) was seen as taking jobs away from Canadians and because it did not apply to their industry.
- **Innovative Solutions Canada:** Some participants disliked this initiative mostly because they did not see how or why the federal government should be buying products and services it may not need or that may not be proven. Some did not understand the initiative at all (“what does government being the first customer mean?” Among some of those who did understand the program, they did not see why this is needed.
- **Venture Capital Catalyst Initiative:** Those who did not support this initiative were more likely to feel that early stage capital was the priority -- they did not understand why Canada should be providing late stage capital.
- **Innovation Superclusters Initiative:** Participants who indicated low support for this initiative said they did so mostly because they either did not understand what a “supercluster” was or how it could benefit their industry, or because the initiative was seen as only benefiting specific parts of the country.

Addressing Obstacles and Barriers for Underrepresented Segments

Female, Indigenous, young and disabled entrepreneurs were all specifically asked if they faced any particular barriers to success.

Women entrepreneurs often explained that they either did not face any barriers or that if they did, it was not because they were women (i.e., barriers might be related to finding talent, skilled labour, risk financing at start-up). Many were working in female-dominated industries, and this seemed to leave them with the perception that barriers they may have encountered were not related to being a woman. The minority of women SMEs working in industries that have been traditionally male-dominated, such as construction and STEM, indicated they had more barriers to overcome initially to be taken seriously. When prompted to consider financing however, women across most of the groups identified access to financing as a barrier, with some noting that they didn’t feel that they received the same consideration as their male counterparts when starting their businesses or that banks didn’t seem to understand their business or their approach to business.

Young entrepreneurs identified their challenges as having to learn the basics of operating a business, not having good access to mentors and coaches, lacking work experience and not having assets against which to obtain capital or loans.

Disabled entrepreneurs face the obvious obstacle of overcoming or managing whatever disability they have and that tended to be the primary barrier they discussed during their interview.

Indigenous entrepreneurs were mixed in terms of whether or not they face barriers specific to the Indigenous community. While some explained they face racism, others explained that they had the opportunity to access a variety of support programs and funding that are dedicated to the Indigenous community.

Addressing Obstacles and Barriers: Breaking into New Markets

Businesses agreed that the government should focus on initiatives that are designed to help businesses break into new markets even though most study participants had very local target markets and many did not plan to go beyond that footprint. They expect their government to work to negotiate international trade agreements (NAFTA was a prime example), to reduce regulations and to improve internal trade, with this last area noted by a few businesses as a particularly important challenge.

Addressing Obstacles and Barriers: Improving Access to Talent and Skilled Labour

Improving access to skilled labour was also seen as an important role for the government. Participants seemed to prefer initiatives that prioritized developing talent that is already in the country, improving foreign credential recognition and making it easier to work with immigrants who are prepared to fill low-wage positions that are more difficult to fill.

Venture Capital and Access to Financing

Access to capital was a common barrier although some businesses admitted that they were not necessarily interested in taking on any loans or borrowing beyond their means. Some also explained that it is very difficult to qualify for government funding, that it is a lot of work to fill out the paperwork and that they are not familiar with all the programs available.

Unaided awareness of specific government programs that provide financing was limited overall. Among initiatives that were mentioned, the Business Development Bank of Canada (BDC), Export Development Canada (EDC), ACOA and Futurpreneur were common mentions. Not surprisingly for newly launched initiatives and programs, awareness was low for both Innovation Canada.ca and Innovative Solutions Canada. However, interest for both was high.

Participants agreed that there is a role to be played when it comes to supporting and developing initiatives that provide financing to businesses, although some felt that the government probably just needed to better communicate what is already out there rather than create new programs.

Intellectual Property Strategy

Overall, awareness and understanding of Intellectual Property Rights (IPRs) was quite low among businesses and most argued that IPRs were not that important to their business.

Some debated whether the Government needed to be putting more resources into increasing awareness of IPRs in the business community since businesses need to take some initiative to seek out the information already available. The Government could help by making the process more affordable or less cumbersome and if the Government were to develop more tools and resources, participants emphasized the need for non-technical content.

Innovation Superclusters and Supply Chains

Awareness of the recently announced Innovation Superclusters was very low. Based on the high-level explanation provided by the moderator, few could immediately establish any sort of connection between the new Superclusters and their own business or industry. With the limited amount of information that participants were provided, most were inclined to believe that Superclusters would be a positive development for Canada although some concerns were raised:

- They might only benefit certain industries or certain parts of the country;
- They might add more pressure on regions, like Vancouver, where prices and population growth were already an important challenge for their local economy;
- They might create regional bubble economies that do well in good times, but that really suffer when demand weakens.

Red Tape, Administrative Burden and Efficiency of Service

When asked if they face any particular administrative burden when dealing with the Government of Canada, participants were more apt to complain about telephone customer service and the Service Canada website (Canada.ca) than about specific administrative burdens. As well, few have noticed a change in whether or not their burden in dealing with government has changed over recent years.

Nearly all businesses were interested in an optional, central e-account. Among those with concerns, privacy and access to their information was at the top of the list.

Innovation Defined

For nearly all participants, innovation meant developing new products, especially for businesses in manufacturing. Manufacturers explained that innovation also involved developing new ways of processing and using new or different production inputs. Innovation was more difficult for smaller or one-person service industry businesses. These businesses tended to view innovation as anything new, including new ways of marketing their services, developing new markets, or new ways of managing their back office to become more efficient.

Among six innovation-related statements provided to participants, the most popular articulation of why innovation is important for Canada was: *Innovation is important because it can lead to breakthroughs in agriculture, medicine, green technology and service delivery, improving the quality of life for all Canadians.*

Corporate Taxes

Very few participants had heard of any recent Government of Canada announcements proposing tax changes for small businesses or “private corporations.” Awareness did increase slightly when the moderator broached the new tax changes related to income sprinkling while awareness remained very low regarding the measures related to passive investment income.

Participants seemed most comfortable assessing the fairness of the proposed income sprinkling measure, mostly because it is easier to understand and that they had heard of this practice.

- Those **opposed** to the measure felt that small businesses get so little in the way of “tax breaks” (compared to larger companies) that anything available should be allowed, especially given the risks and effort involved. A few also questioned how meaningful contributions would be defined and monitored. A few also explained that a family member does not need to work directly for the business to contribute to its success.
- Those **in support** of the proposed limits agreed that these individuals are not paying their fair share.

Business of the Future

Many businesses, especially microbusinesses in the services industry, had trouble understanding how trends in technology, like artificial intelligence or automation, could have an impact on their industry or on how they would operate their business in the future. The greater the service area or the larger their business was, the more importance they placed on keeping up with technology trends as this could help their manufacturing, distribution, operations, client service, etc.

One Word to Describe SMEs

Participants were asked to provide a term they would prefer to hear when others describe them as business owners. They most often referred to themselves as “small business owners” or “self-employed.” Other common references included “business owner”, “owner”, “businessman”, “small business operator” and “entrepreneur.”

Women in Entrepreneurship

During some of the focus groups, participants evaluated different tag lines and visual concepts related to the Women Entrepreneurship Strategy. Across the four tag line concepts tested with participants, concepts B, C and D were equally popular, with concept C (the (EM)PowHer concept) attracting the most votes, especially among women, mostly for its tag line: “*Passion. Potential. Power. Partnership.*”

In terms of the visual concepts tested, participants showed a marked preference for the strength and confidence conveyed in the overall look and feel of the *purple concept* in combination with the diversity of occupations depicted in the *multi-coloured concept*.

Methodology

The research methodology consisted of 8 traditional, in-facility focus groups and 25 telephone depth interviews (TDIs) with decision-makers from various business segments.

The target population for this research consisted of Canadian small and medium-sized enterprises, targeting the company’s main decision-maker or someone playing an important role in the decisions related to the growth and direction of the company. For the purposes of this research, small businesses were defined as those businesses with fewer than 100 employees (including self-employed Canadians), and medium businesses were those with 100 to 499 employees. Within the small business segment, the research also targeted “micro” businesses which were defined as businesses with 5 or fewer employees.

The research targeted a mix of businesses. While some sessions included general small and medium sized businesses, there was also a focus on the following sub-segments:

- Businesses that define themselves as **innovators** – for the purposes of this research these include those who are engaged in doing things better -- transforming ideas and knowledge into new products, processes and/or services which, in turn, generate economic or social benefits - introduced or developed an innovation over the past 12 months and/ or a business that, through their normal business activities, invest in the research, development and/or commercialization and export of new products, processes and/or services.
- **Growth-focused businesses**, defined as enterprises with average annualized growth greater than twenty percent per annum, over a three-year period.
- **Young entrepreneurs** are individuals who started and operate their own company and who are 18 to 34 years old.
- **Women entrepreneurs** are women who started and operate their own company.
- **Indigenous entrepreneurs / North of 60 entrepreneurs** are individuals who self-identify as a member of a First Nations community and who started and operate their own company. Some of these were located “North of 60.”
- **Entrepreneurs with disabilities** are individuals who self-identify as having a physical or mental disability and who started and operate their own company.
- **Self-employed Canadians offering professional services** (lawyers, dentists, business and financial consultants, etc.).

Other parameters of the study include:

- Quorus recruited 8 participants to achieve 6 to 8 participants per focus group;
- At the recruitment stage and at the beginning of each focus group/ depth interview, participants were informed that the research was for the Government of Canada/ ISED, that the sessions are audio/video taped and that there are observers.
- All focus groups were held in a facility that allowed the client team to observe the sessions behind a one-way mirror.
- A total of 56 individuals participated in the focus groups, as per the following grid:

Location	Segment	Language	Number of participants	Date and Time	Honorarium
Toronto, ON	Self-employed professionals	English	8	March 21 @ 6:00 pm	\$250
Toronto, ON	Medium-sized businesses	English	8	March 21 @ 8:00 pm	\$250
Halifax, NS	Small/ micro businesses	English	6	March 23 @ 6:00 pm	\$200
Montreal, QC	Self-employed professionals	French	8	March 26 @ 6:00 pm	\$250
Montreal, QC	Medium-sized businesses	French	5	March 26 @ 8:00 pm	\$300
Winnipeg, MB	Small/Micro businesses	English	6	March 27 @ 6:00 pm	\$200
Vancouver, BC	SME – Women entrepreneurs	English	8	March 28 @ 6:00 pm	\$200
Vancouver, BC	SME – Youth entrepreneurs	English	7	March 28 @ 8:00 pm	\$200

All telephone depth interviews were conducted during regular business hours and during evenings (whatever suited the respondent’s availability and preferences) using a conference call service allowing members of the client team to listen-in, and to enable audio-recording. The distribution of the interviews is presented in the grid below:

Segment	Number of participants	Language	Date and Time	Honorarium
Entrepreneurs with disabilities	4	English	March 15 – April 6	\$150
Indigenous entrepreneurs / North of 60 entrepreneurs	10	English		
Rural and remote SMEs entrepreneurs	11	9 English / 2 French		

Qualitative Research Disclaimer

Qualitative research seeks to develop insight and direction rather than quantitatively projectable measures. The purpose is not to generate “statistics” but to hear the full range of opinions on a topic, understand the language participants use, gauge degrees of passion and engagement and to leverage the power of the group to inspire ideas. Participants are encouraged to voice their opinions, irrespective of whether or not that view is shared by others.

Due to the sample size, the special recruitment methods used, and the study objectives themselves, it is clearly understood that the work under discussion is exploratory in nature. The findings are not, nor were they intended to be, projectable to a larger population.

Specifically, it is inappropriate to suggest or to infer that few (or many) real world users would behave in one way simply because few (or many) participants behaved in this way during the sessions. This kind of projection is strictly the prerogative of quantitative research.

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Detailed Results



Research Purpose and Objectives

Nine in ten jobs in Canada rely on small and medium businesses (SMEs) and are the centre of the national economy. Innovation, Science and Economic Development's main objective is to design the best possible conditions and opportunities for SMEs to succeed. ISED's Communications and Marketing Branch (CBM) is leading this project to help inform policy makers, program designers and service providers to better meet the needs and expectations of Canadian small businesses, entrepreneurs and innovators.

This project collected the insights, views and opinions of SMEs and self-employed Canadians on business confidence, including their views on the state of the Canadian economy and the role of government along with their assessment of budget initiatives designed to support SMEs. The study also explored SME's perception of barriers -- barriers to business growth, to market growth, to talent and skilled labour, and to venture capital and financing. In addition, the research sought to better understand particular barriers to business success and growth shared by underrepresented segments of the population, including women, youth and indigenous entrepreneurs, disabled entrepreneurs, and remote/rural entrepreneurs. The study looked at services and policies supporting innovation and business, including intellectual property rights awareness, innovation Superclusters and supply chains, red tape/administrative burden reduction, and collected SME's views on business of the future. The research also gathered insights on how to better engage and communicate with SMEs.

The findings from this project will help develop policies, programs and services as well as refine communication messaging and initiatives to better meet the needs and expectations of SMEs and self-employed Canadians. Specific research objectives include:

- Better understand the current priorities of self-employed, small and medium entrepreneurs across Canada —including innovators, women entrepreneurs, young entrepreneurs, indigenous entrepreneurs and those living in remote areas of Canada — to help ensure that the government's policies, programs, service and communications initiatives are aligned and effective.
- Gather insights on SME's assessment of government performance on priorities. The research will explore respondents' sense of the overall direction of the country; most important issue facing the Canadian economy; most important issue facing their business; business outlook; economic confidence; priority assigned to key issues facing Canadian SMEs; and sense of progress on key issues facing them as a self-employed Canadian, or SME.
- Evaluate current themes and initiatives tied to the government's mandate, including, but not limited to, innovation; productivity; skills and jobs training; transformative technologies; regulatory burden reduction; corporate taxation; investments in research;

science and technology; international and internal trade; awareness of protection of Intellectual Property (IP); and overall satisfaction with government services for business.

- Validation of communication messages on ISED/GC services, policies and priorities for SMEs.
- Inform development of follow-up quantitative waves of the Annual Study.

Business Confidence

Perspectives on the State of the Canadian Economy

Each focus group and interview began with a general discussion on the state of the Canadian economy and whether it is facing any particular challenges these days.

Most would describe the Canadian economy as “stable” or performing fairly well. Only a small number felt that it is struggling or headed in the wrong direction. Assessing the overall Canadian economy was difficult for many so they tended to describe their regional or provincial economy instead and a few judged the performance of the economy based on how their own business was performing.

From a regional perspective, a few differences emerged:

- For participants in Vancouver and Toronto, the state of the housing market was top of mind, and an indication of how the economy overall is performing. The economy was seen as challenged by the lack of affordable housing, by the fact that local residents have limited disposable income to spend on the products they sell and the services they offer, and that the economy is in some ways stalled by the general high, and still increasing, cost of living in these cities.
- Businesses located “North of 60” have a positive attitude regarding the economy and explained that their economy is largely driven by the success of primary resource industries in their region and in part by government investment.

When asked to identify the biggest challenges facing the economy these days, some of the more common themes included:

- Access to talent, skilled labour, access to individuals with the right kinds of skills or access to low-wage workers;
- Cost of living is becoming increasingly challenging for consumers, which tends to be further aggravated by the fact that salaries are not keeping pace with inflation;
- There has been a tightening in the housing market – buying a home, especially for first-time homebuyers, has become increasingly difficult because prices continue to rise out

of their reach and the government has tightened lending rules. This tightening in the market was seen as having a negative impact on the economy.

- Cost of doing business keeps going up, including increases in the minimum wage, but it is difficult for businesses to pass these costs on to clients/ customers and there is no tax relief to compensate so businesses are getting squeezed;
- Growing level of personal debt consumers are taking on; and,
- Significant competition, both domestically and internationally.

Business Confidence and Barriers to Growth

For the most part businesses would say that their businesses' performance has been either stable or better compared to a year ago and most would expect that trend to continue for the next few years. Businesses were interested in growth and barring anything unexpected, they were optimistic about the future.¹

- The few business owners who focused less on growth are either in their sunset years (i.e., they are planning on closing or retiring in the near future) or they were satisfied with their current work/life balance and were not interested in growing.

Some of the more noteworthy barriers to growth were very consistent with the challenges faced by the Canadian economy:

- Access to talent was one of the more consistent challenges faced by businesses of all sizes, although there was a nuance in terms of the types of "talent." Medium-sized companies tended to refer to lower-wage workers needed to work on the plant floor or on the assembly line whereas small businesses, micro-businesses and self-employed professionals were more likely to refer to needing just one or two more individuals with very specific skill sets and experience.

The challenge of finding, and even retaining, talent was different in rural and remote areas and North of 60. There, SMEs found themselves competing with government and with large natural resource companies who offer well paying positions with good benefits.

In larger metropolitan centres like Vancouver and Toronto, participants could not compel talent to work inside the city core because of housing affordability challenges and/or the need to commute over-long distances.

- Finding reliable workers was another common challenge. Many small businesses, micro-businesses and self-employed professionals are conflicted with wanting to grow

¹ It is important to note however that the study was designed in such a way that some of the focus in recruiting participants for this study was placed on growth-oriented businesses and as such this research finding was in many ways to be expected.

but not having enough hours in a day to take on more business. They are reluctant to hire more employees because it is very difficult to find someone they can trust to produce the same quality of work and who will be committed to the growth and success of the company.

- Increasing cost of doing business is another common challenge, especially wage pressures associated with rising minimum wages and having to pay employees more just to encourage loyalty.
- Competition in general is a challenge, and in a few cases competition from countries like China where price tends to overrule quality.
- A challenging tax environment or just tax burden in general were often noted as important challenges. In a few groups, participants mentioned the recent decrease in business tax rates in the United States (US) and that Canada was now at a competitive disadvantage. Some also seemed to be under the impression that the base tax rate for SMEs had been recently raised.
- A few mentioned challenges related to liquidity or access to capital. Halifax noted that the banks are very “conservative” lenders. This affects mortgages and small businesses alike, and, combined with a lull in the housing market, it has become increasingly difficult for small businesses to access financing.

Role of Government

Businesses agreed that the Government of Canada has a role to play in growing the economy and supporting SMEs. Some specified that this role should be limited to creating a business environment or conditions in which Canadian businesses can thrive.

Some of the more important issues in need of government attention at this time included:

- Reducing business taxes;
- Providing more grants and funding and making it easier and simpler to obtain funding;
- Increasing awareness of the various government programs and sources of funding available to SMEs;
- Better overall management of the federal budget / get back to a balanced budget;
- Making more programs and funding available for “older” entrepreneurs;
- Making it easier to do business with the federal government, including less demanding Request for Proposal processes in general, and making it easier for micro-businesses to qualify for government contracts and standing offers;

- Negotiating a favourable NAFTA deal; and,
- Making it easier for businesses to interact with the federal government, especially when they call in.

Examples of “guiding principles” that businesses felt the government should adopt when helping SMEs included:

- Reduce taxes
- Do a better job of advertising programs and initiatives
- Be a partner
- Simplify
- SMEs are the most important employer in the country – government should be trying to help them more because their success is integral to the country’s success
- Get out of the way once the rules/regulations are set

“Set out the rules and stand back and get out of the way. We plan and make plans as businesses to expand based on the rules in place. Don't come back in and change the rules again, because long term planning is hard.”

“It should be: We as the Government of Canada will help you succeed, because in helping you succeed, we also succeed.”

“Good for everyone, local businesses help contribute to the economy.”

“Let us know what is out there.”

“Give us a break.”

“Help reduce the risk.”

Businesses were hard-pressed to identify what the federal government is doing to support SMEs. Most would say that they could not think of anything. However, among those who could name some initiatives, it tended to focus on government funding programs and credits (e.g. BDC, SR&ED credits, IRAP). ACOA was widely praised in Halifax.

When asked what the federal government is **doing wrong** these days, most focused on high taxes and not enough advertising for programs or services that are available to them. A common response to this question was that businesses “didn’t know what the government was doing at all”.

“I really don't know, because I am not aware of everything they may or may not be doing.”

“I don't know about wrong, but maybe just not enough. But I haven't looked into what they are doing. Having to go and look can take time, maybe if there is something that could come to you could be more helpful.”

“They are not against you, they just aren't for you.”

2018 Budget and Initiatives to Support SMEs

When specifically asked about the recent 2018 federal budget, businesses could not identify anything in that budget that could help them achieve their business goals or that was even seen as potentially beneficial for their industry overall. Many admitted not even having paid attention to the last federal budget. A few also explained that anything tax related would have been noted by their accountant or finance team.

Initiative Evaluation

Focus group participants were provided a handout with a list of 18 initiatives either introduced in 2017 or included in the 2018 budget. Participants were asked to “like” or “dislike” each initiative, they were asked to flag the initiatives that they felt could be beneficial for their business or industry, and finally, they were asked to identify the initiative they liked the most.

This exercise generated the following key reactions:

- Generally, participants “liked” nearly all of the initiatives even though only a select few were seen as potentially directly beneficial to their business or industry.
- Businesses felt that too little had been done to promote these initiatives and they were surprised to learn that some of these had actually been introduced in 2017.
- Some admitted that the initiatives seemed more geared towards “tech” companies or those involved in STEM industries. Some also felt that the list was geared towards larger businesses, or at least not geared towards micro-businesses like theirs. A few also explained that the use of the word “innovation” seemed to mislead them into thinking that some of the initiatives did not apply to them given innovation’s more common association with sectors such as advanced technology and manufacturing, etc.

“It seems that these are directed towards big businesses rather than people. Most people at this table are self-employed and working on their own rather than owning bigger businesses”

“There is nothing in here to develop soft skills or solopreneurs.”

- Participants were especially drawn to initiatives like Futurpreneur and Innovation Canada that addressed their general lack of familiarity or awareness of what is available to them in terms of government services, programs and funding.
- Those who felt that few or none of the initiatives could benefit their business or their industry were occasionally heard to question the overall cost of all these programs, to wonder whether they were all needed and to suggest whether the list could be a bit more focused.
- Some felt that it was difficult to not support any of the initiatives and that, on paper, they all sounded wonderful. At the same time, they expressed some skepticism around whether or not these programs *would be* rolled out and whether or not they would generate any meaningful results.
- Insofar as businesses could applaud the development of many of the initiatives, some questioned how difficult it probably would be to qualify for them. These perceptions were in part rooted in experience and for some rooted in a general perception that qualifying for government funding or programs in general is rarely worth the effort and overly fastidious.

The initiatives businesses were most likely to select because they felt that they could be beneficial for their business or industry were:

- Innovation Canada;
- Futurpreneur;
- The proposed federal and regional programs designed to support women in business and women in entrepreneurship; and,
- Cybersecurity.

The initiatives that businesses supported least the most were:

- Artificial Intelligence Strategy;
- Innovative Solutions Canada;
- Venture Capital Catalyst Initiative; and,
- Innovation Superclusters Initiative.

The various feedback behind these preferences are summarized below. It is important to note that each initiative was not discussed in detail in each session – rather, participants were invited to explain their preferences and dislikes and as such, feedback for certain initiatives may be limited or absent.

INITIATIVE	FEEDBACK / COMMENTS
<p>a) Global Skills Strategy - Expedites processing of visas and work permits for low-risk, high-skill talent.</p>	<p>Those who were familiar with working with immigrants understood the value in this initiative right away. This also tended to be more appealing to medium-sized businesses compared to small/microbusinesses.</p> <p><i>“It fits perfectly. We have had trouble finding the right people and bringing them in.”</i></p> <p>Otherwise there was some confusion over what “low-risk” meant and some disliked this initiative because they felt that talent should be tapped or developed in Canada first.</p> <p><i>“If they’re saying focus on people here then why look for global skills? It’s a contradiction.”</i></p>
<p>b) Cancode program – Invests in the digital literacy of Canadian youth</p>	<p>A few questioned why programs needed to be developed to increase youth digital literacy when youth are the most digitally literate generation:</p> <p><i>“This is how our youth is growing up, they are already immersed in it and know it well, why do we need to invest in it?”</i></p>
<p>c) Futurpreneur – Offers financing, mentoring, and business support to young Canadians</p>	<p>This was one of the more widely known programs among participants, and one of the only ones to be named unprompted in a number of sessions. Even those who have mature businesses can see how this sort of program could have been helpful when they first started out.</p>
<p>d) Mitacs internships - Helps Canadian students prepare for the modern-day workforce and helps employers create more workplace learning opportunities for students in science, technology, engineering and business programs.</p>	<p>Although the program was not recognized by name, some participants did support the idea of helping students and employers in STEM succeed</p>
<p>e) National Intellectual Property Strategy – to help Canadian entrepreneurs better understand and protect their intellectual property – copyright, trademarks, patents and industrial designs. The objective of the strategy is to support the scale-up and growth of Canadian businesses and the successful commercialization of Canadian innovations.</p>	<p>(reactions to this initiative are summarized in the section of this report dedicated to intellectual property rights)</p>
<p>f) Innovation Superclusters Initiative - areas that contain a dense concentration of large and small companies, post-secondary schools and research institutions who work together to create new business opportunities and jobs for people in the area through innovation.</p>	<p>Some participants did not support this initiative indicating they did not understand what a “supercluster” was or how it could benefit their industry or business. Some saw superclusters as only benefiting specific parts of the country, while others indicated that one dominant industry could be bad for a region (pointing to cost of living in cities like Seattle where Amazon is headquartered, or to single-industry regions that suffered boom/bust cycles owing to a lack of diversity).</p>
<p>g) Strategic Innovation Fund – Funding open to</p>	<p><i>“Of all the initiatives, this is one that touches a lot of points:</i></p>

INITIATIVE	FEEDBACK / COMMENTS
<p><i>all industries to encourage R&D that will:</i></p> <ol style="list-style-type: none"> 1. <i>accelerate technology transfer and commercialization of innovative products, processes and services</i> 2. <i>facilitate the growth and expansion of firms in Canada</i> 3. <i>attract and retain large scale investments to Canada</i> 4. <i>advance industrial research, development and technology demonstration through collaboration between academia, non-profit organizations and the private sector</i> 	<p><i>accelerated technology, expansion, etc. It's a program that could reach a lot of businesses rather than narrow ones like an initiative that is just to mentor youth."</i></p>
<p>h) Innovative Solutions Canada – Supports early stage R&D and late stage prototypes for innovators who wish to scale-up and grow their business by having the federal government act as a first customer.</p>	<p>Some participants did not support this initiative because they did not see how or why the Federal Government should be buying products and services it may not need or that may not be proven. Some did not understand the initiative at all, although a number who did understand the initiative did not see why it was needed.</p>
<p>i) Innovation Canada, a new collaborative platform that makes it easier and faster for Canada's innovators and entrepreneurs to access government programming.</p>	<p>Participants liked that it addressed their basic need of discovering what the Government of Canada has to offer.</p>
<p>j) Artificial Intelligence Strategy - retains and attracts top researchers and trainees studying artificial intelligence.</p>	<p>This was among one of the initiatives most likely to be "disliked" – or given lower priority -- because artificial intelligence was seen as taking jobs away from Canadians and/or because the initiative did not apply to their industry. It did have some proponents as well, who stressed the importance of AI overall and who believed that it would be exciting for Canada to be at the forefront.</p>
<p>k) Venture Capital Catalyst Initiative -- increases the availability of late stage venture capital in Canada.</p>	<p>Those who indicated low/no support for this initiative were more likely to feel that early stage capital was the priority - they did not understand why Canada should be providing late stage capital. The sentiment was not unanimous however as some recognized that entrepreneurs can "<i>see an opportunity along the way and there is no funding along the way.</i>"</p>
<p>l) Regional Economic Growth Strategies – supporting Innovation and skills through programs including regionally tailored programs including Women in Entrepreneurship and initiatives such as the Rick Hansen Institute (to achieve breakthroughs in spinal cord injury research and care).</p>	<p>Besides ACOA, participants didn't recognize many federally driven regional economic growth strategies and programs by name although throughout the course of each focus group, participants from different regions did in fact mention local programs that are directly or indirectly linked to regional economic growth strategies.</p> <p>Reactions to <i>Women in Entrepreneurship</i> are summarized below in initiative (o).</p>
<p>m) Clean technology – financing to help Canada's clean technology firms grow and expand</p>	<p>This was a popular initiative, mostly on the basis of diversifying our means of energy production and potentially reducing our dependence on fossil fuels.</p>
<p>n) Substantial investments in scientific research to set a solid foundation for Canada's capacity to innovate.</p>	<p><i>"Scientific research is broad, I'm not a scientist so it doesn't touch me personally but what really is this for? We don't see results from all of this, so it's nice to pour money into this but we want to see results."</i></p>
<p>o) Support women in entrepreneurship: Proposed federal and regional programs</p>	<p>Although it was one of the more appealing initiatives, especially among women, this initiative also attracted some concern from</p>

INITIATIVE	FEEDBACK / COMMENTS
<p><i>designed to support women in business and women in entrepreneurship by:</i></p> <ol style="list-style-type: none"> 1. <i>improving access to capital for women and support growth of their businesses</i> 2. <i>identifying opportunities related to trade for women,</i> 3. <i>increasing the participation rate of women entrepreneurs in the federal procurement supply chain</i> 4. <i>improving representation in corporate Canada</i> 	<p>participants, especially men, who felt that all businesses need support. Besides a few women, many did not seem to recognize that women are underrepresented among business owners and entrepreneurs.</p> <p><i>“There’s nothing that shows support for women entrepreneurs in their personal life, such as daycare, help with children, single mothers.”</i></p> <p><i>“Now it’s women and 5 years from now it’ll be Indigenous. I think they need to support every Canadian, regardless of who they are.”</i></p> <p><i>“As a female, it would be nice to have support. But again, I think everyone needs support.”</i></p>
<p>p) Cybersecurity: <i>Helping business improve their security and safeguard their prosperity in a digital world.</i></p>	<p>Businesses appreciated the importance and the challenges associated with cybersecurity and that any help in this area would be appreciated. Many of the businesses who participated in the focus groups were data driven and/or relied heavily on cloud-based services and this initiative addressed an important concern for them.</p>
<p>q) Broadband – <i>new technological solutions required to improve service (through the Strategic Innovation Fund) for rural Canada.</i></p>	<p>The focus groups were in urban settings so there was little to no reaction to this initiative, however the few who lived outside the city or who were planning to expand into rural and remote Canada ranked this highly.</p>
<p>r) Marketplace Frameworks</p> <ol style="list-style-type: none"> 1. <i>Protecting Canadian’s pensions and retirement security – taking a whole of government approach and consulting with pensioners, workers and companies.</i> 2. <i>Addressing Corporate Integrity – strengthening legislation and tools to hold corporate offenders to account</i> 3. <i>Modernizing Canada’s regulatory frameworks – focused on supporting innovation and business investment, making Canada’s regulatory systems more agile, transparent, and responsible</i> 	<p>Those who were interested in this initiative tended to focus on one of the sub-initiatives rather than all three. Medium-sized businesses were slightly more drawn to this compared to smaller or microbusinesses.</p>



Addressing Obstacles and Barriers for Underrepresented Segments

Women, Indigenous, young and disabled entrepreneurs were all specifically asked if they faced any particular barriers to success as a member of one of the business community's underrepresented segments.

Women entrepreneurs often explained that they either did not face any barriers or that if they did, it was not because they were women (i.e., barriers might be related to finding talent, skilled labour, risk financing at start-up). Many were working in female-dominated industries which seemed to leave them with the perception that their barriers were not related to being a woman.

"I actually don't think there are any barriers as a woman, I sat and thought about what I wanted to do, I decided, I put an ad out and now I'm so busy I'm turning people away."

When prompted to consider financing however, women across most of the groups identified access to financing as a barrier, with some noting that they didn't feel that they received the same consideration as their male counterparts when starting their businesses or that banks didn't seem to understand their business or their approach to business. As well, those who operated in a male-dominated industry (e.g. construction) don't feel recognized or respected as much as men, or at least they feel they need to work harder to earn credibility and respect. A few emphasized that being young women made it especially difficult for them.

"There are situations where it's a man's world. Not that it's anyone's fault but it would be great to have programs to support us."

"In my industry (real estate), it's all men and the venture capitalists are all men. And it's difficult."

A few credit their success to having had access to female mentors or peers and any program that could encourage or support those kinds of interactions would be commendable.

"As a woman, when I started, I was on my own and it is mostly dominated by women. I haven't faced many challenges, it was a woman who mentored me and got me set up, and since I knew people in the government, getting clients was not hard for me. I didn't have to go through any of those hurdles."

"I had amazing women as mentors, and I love the idea of supporting women at a younger age, and not putting them in a gender category."

Young entrepreneurs identified their challenges as having to learn the basics of operating a business, not having good access to mentors and coaches, lacking work experience and not having assets against which to obtain capital or loans.

"In some cases I feel I don't get treated equally as not only a female but a young entrepreneur."

Disabled entrepreneurs face the obvious obstacle of overcoming or managing whatever disability they have and that tended to be the primary barrier they discussed during their interview.

“Yeah of course there are barriers, I have to struggle and when I compare myself to my siblings, I have to fight a lot. I have a psychological (mental health) disability. Whereas someone who doesn't have that can just get up and go to work, and I have to fight.”

“There's a stigma, and seeing a counsellor, and the paperwork involved with having a mental illness, that is a full time job as well. In theory, government funded programs are great, but you have to have a lot of time and energy to wait around for them.”

Indigenous entrepreneurs were mixed in terms of whether or not they face barriers specific to the Indigenous community. While some explained they face racism, others explained that they have access to a variety of support programs and funding that are dedicated to the Indigenous community.

“There is a lot of funding for the Indigenous community. Whether some is geared towards women as well I'm not sure, because I didn't look into it. I think it's great that they're looking into it and it's going that way.”

“I think there are more opportunities. Some of the First Nations groups have a program called "ASETS" where you can get something for starting up a business. The biggest barrier as a woman would be that sometimes I am not always taken seriously, but that's about it.”

“It's not a benefit to be Aboriginal in business - I thought it would open doors but it didn't. Other people are using their education, so I would have a better chance on paper with my education than in person when they see I'm aboriginal.”

When it comes to offering any advice in terms of how government can meet its commitment to support entrepreneurs from underrepresented segments of society, participants had very little to say other than to generally conclude that any form of support would be appreciated. Some specific advice included the following:

- Developing support programs dedicated to older women looking to enter or re-enter the workforce after they have had children: *“There are not a lot of things for people who are above 35 and are single parents, and might want to get back into workforce or start their own company once their kids are older. They need programs and the help to do that.”*
- Working closer with financial institutions to help women secure loans.
- Providing funding exclusively earmarked for Indigenous entrepreneurs.
- Developing workshops.

- Providing funding and support to bring women in business together: *“Coming together and learning how to speak up and learning how to be able to articulate your ideas in a way that they can be heard.”*
- Improving the use and transparency of the Aboriginal Procurement Strategy: *“Not just having the Aboriginal Procurement Strategy just to have it, but use it, and then report on it.”*
- Working closer with Indigenous communities to customize the support needed in each community rather than developing one-size-fits-all programs: *“A lot of what I've seen with the Government of Canada is they give out funding for what they think the community needs but it's not actually what they need. So if they are going to do that, [the community needs to] let the federal government know what they should be doing [to help].”*
- Being more proactive in terms of communicating what is available: *“Be more hands on - there are a lot of people who don't quite know what to do when it comes to getting assistance from the government of Canada.”* Showcasing more female / Indigenous role models: *“Doing more campaigns so that more female entrepreneurs are visible so that people know it's possible and aren't scared because no one else is doing it.”*

Addressing Obstacles and Barriers: Breaking into New Markets

Businesses agreed that the government should focus on initiatives that are designed to help businesses break into new markets even though most study participants had very local target markets and many did not plan to go beyond that footprint. In fact, some with smaller businesses struggled to see how this sort of role could benefit their own business in any way because they had no desire to break into new markets.

“That's great but I don't know how it would impact a business that is mainly Yellowknife focused, or the rest of the territory.”

Some participants did have some reservations regarding this type of role. Some interpreted this role as meaning that the government would determine which markets businesses should consider, something businesses felt was not necessary or appropriate. However, if the role were limited to clearing the way or making it easier for businesses to break into markets that they have targeted themselves, then businesses would be more receptive.

“The government is an unwanted partner, we know how to do business, we don't need them changing direction. They can intervene only at a macro level.”

“We definitely need to be stronger and develop our trade. I don't know how those incentives will be actualized. But it will be helpful. Particularly with the US, it would be very nice to export.”

“It's sometimes very difficult to find a lot of specifically eco-friendly products within Canada, but there are tariffs which sometimes makes it hard to get it from other countries. Even though I know I have access to them, I don't often because it's too expensive. Maybe some sort of tariff relief for small businesses would be huge.”

They expect their government to work to negotiate international trade agreements (NAFTA was the prime example), to reduce regulations and to improve internal trade, with this last area noted by a few businesses as a particularly important challenge.

“At the end of the day, the government can't be the arbitrator of who succeeds and who fails. But their role is regulation. We hear “interprovincial barriers” -- those are areas where no one else but the government can help.”

“Businesses shouldn't depend on the government to get them out of trouble or break into new markets. But the government should be there to help and support. They have a ‘role’ not a ‘responsibility’-- there's a difference.”

“Inter-provincially, there are a lot of hoops to jump through to sell in other provinces, and a lot of small businesses don't want to go through that.”

Addressing Obstacles and Barriers: Improving Access to Talent and Skilled Labour

Improving access to talent and to skilled labour was also seen as an important role for the government.

Participants seemed to prefer initiatives that prioritized developing talent that is already in the country. Along a similar vein, many also raised the importance of improving foreign credential recognition for immigrants with specific skillsets who are unable to work because their education and / or experience are not recognized.

“Immigrants coming here, it takes them a long time to find a job. They went to school in their home country, but they come here and are unable to work in their trained profession.”

Participants, especially those from medium-sized businesses, also felt it would be easier to work with immigrants who are prepared to fill low-wage positions as they felt Canadians are not interested in filling those positions.

Other roles participants would like the federal government to play in the area of improving access to skilled labour and talent included:

- Help students and academic institutions identify and prioritize the types of jobs and skills that are in demand today and those that will be in demand in the future.
- Provide small businesses financial support to take on interns and co-op program students.
- Find a way to help students develop life skills/soft skills in addition to their technical skills.
- Provide better support to older Canadians who need to go back to school or to retrain.

“Skilled labour has its place - I'm very pro education so I would see anything in that range to be very welcomed. In my industry we are using less manual labour and more technology so we need people who are educated. It would have an impact on my business.”

Only in a few instances did participants feel that there was no lack of skilled talent in their area and that the challenge was more about finding full-time work for these individuals.

Venture Capital and Access to Financing

Access to capital was a common barrier although some businesses admitted that they were not necessarily interested in taking on any loans or borrowing beyond their means. Some also explained that it is very difficult to qualify for government funding, that it is a lot of work to fill out the paperwork and that they are not familiar with all the programs available.

“I've never needed one, I have savings and I'm scared of interest rates.”

“I applied for a grant and it didn't go through. I put a lot of effort into it and it resulted in nothing, so I said it is not worth the time when I can just do it on my own. So it's hard to know where to apply or where to even look.”

“So I'm either extremely out of the loop or they need to do a better job at getting this out to the public. I think this is fantastic for them to be doing though.”

Unaided awareness of specific government programs that provide financing was limited overall and when some were mentioned, they were not necessarily federal programs. Among initiatives that were mentioned, BDC, EDC, and ACOA were common mentions. Other specific programs mentioned (and the type of participant that mentioned it) were:

- **SEED** – as noted by someone with a disability in Manitoba
- **Waubetek** – as noted by an Indigenous entrepreneur in Ontario

- **Ulnooweg** – Indigenous entrepreneur, New Brunswick
- **Aboriginal Business Canada** – Indigenous entrepreneur, New Brunswick
- **Farm Credit Canada (FCC)** – Remote/Rural entrepreneur, Alberta
- **Community Futures British Columbia** – Remote/Rural and Indigenous entrepreneur, British Columbia
- **Job Creation Partnership Nova Scotia** – small business owner, Halifax
- **The Northwest Territories Business Development & Investment Corporation (BDIC)** – Indigenous entrepreneur, Northwest Territories
- **Futurpreneur** – as noted by a variety of small business owners across the country

Very few participants could name any programs when generally asked about “government accelerator or incubator financing.” Only a few spontaneously mentioned IRAP or the NRC (National Research Council), although awareness of these two programs in particular did increase once they were mentioned. Medium-sized businesses and small businesses involved in manufacturing and in technology were much more likely to be aware of IRAP and SR&ED credits.

Not surprisingly for newly launched initiatives and programs, awareness was low for both Innovation.Canada.ca and Innovative Solutions Canada. However, interest for both was high, with SMEs requesting the URL for Innovation Canada so that they could look it up after the groups.

Participants agreed that there is a role to be played when it comes to supporting and developing initiatives that provide financing to businesses, although some felt that the government probably just needed to better communicate what is already out there rather than create new programs.

Some participants stressed the value of government support to help businesses get started, irrespective of the age of the entrepreneur. Many emphasized that most of the support tends to target entrepreneurs aged 35 or less and that nothing seems available for older entrepreneurs. Many also explained that financial support from the government should not become an ongoing financial lifeline for the business.

“When you first open a business, it is very difficult when you're a self-employed business. To find capital is extremely difficult - almost impossible.”

“I think it's a great opportunity, people need funding and access to capital. For some companies it's critical to be able to produce or perform. I think they're excellent for businesses.”

“It's good for starting up and new businesses, but they shouldn't be helping long-term.”

Intellectual Property Strategy

Awareness of Intellectual Property Rights (IPRs) as well as their importance was explored. Overall, awareness and understanding of IPRs was quite low among businesses - in fact, when participants were asked to rate themselves in terms of their own understanding and awareness of IPRs on a 10-point scale, the average among all participants was roughly three (3).

Most argued that IPRs were not that important to their business, especially smaller businesses. A few mentioned having to copyright their products or trademark their brand, and just a couple mentioned having patented products or ideas. Those for whom IPRs was important felt they were at least moderately knowledgeable although they tended to argue that this was not their responsibility in the business or that if they needed anything in this area, they rely on external expertise (e.g. their lawyer).

While most understand that IPRs help protect them, there is also a common sentiment that the process of obtaining an IPR can be expensive.

“I don’t think my business could use it because of what I deal in is flowers, so I don’t have the need at this point to trademark or copyright anything that I do at this time, aside from my business name (...) but I could see it being very important for other peoples' businesses, especially people who work in technology, or different type of designs like maybe architecture or engineering.”

“My understanding is that it would be quite expensive to protect my products from others and accessing legal assistance.”

Some debated whether the Government needed to be putting more resources into increasing awareness of IPRs in the business community. It was argued that the resources are out there and that businesses need to take some initiative to seek out the information. The Government could help by making the process more affordable or less cumbersome.

“I have twelve patents worldwide, they cost a lot of money, a lot of money to maintain, to have a protection you got to pay a lot every year depending on where you’re protected (...) I’m happy we’ve done that (...)”

“Why would I want the Government to spend money on something that is already readily available for free online, to give me the information that I need and arm me with what I need to go see a lawyer?”

If the Government were to develop more tools and resources, participants emphasized the need for non-technical content, presented through a user-friendly website, short videos, webinars, a Q&A or a simple pamphlet. As a starting point, many would resort to the Internet, especially Google, but also a government website (i.e., Service Canada). General awareness of the Canadian Intellectual Property Office (CIPO) and its website and educational resources seemed quite low, although this was not explored in each focus group or interview.

Innovation Superclusters and Supply Chains

Awareness of the recently announced Innovation Superclusters was very low. There was some awareness in Halifax but otherwise, the vast majority of participants could not explain what a supercluster was.

Based on the high-level explanation provided by the moderator, few could immediately establish any sort of connection between the new Superclusters and their own business or industry. Medium-sized businesses in Toronto seemed to grasp the idea a bit more than businesses in other cities. By explaining that the development of Superclusters could lead to a stronger regional and national economy, and by using Silicon Valley as an example, participants could start to understand the appeal of Superclusters and how the Canadian economy overall could benefit.

“I think homegrown technology is awesome. Research and development is critical. I would support that. I would be interested in knowing how they choose the particular industry they would support. It's a good idea if it works.”

“The biggest and best together for the biggest bang. I think it's a great use of money. I like them.”

Participants were, however, split in terms of how their own business could benefit: *“I understand it, but don't know how it applies to my business. I would not be interested in finding out more about it.”*

With the limited amount of information that participants were provided, most were inclined to believe that Superclusters would be a positive development for Canada. Some did have concerns, most of which were speculative versus rooted in fact. For instance:

- Some were concerned that the Superclusters would only benefit certain industries or certain parts of the country: *“The idea is good because it'll drive the economy, but it will help certain sectors of the economy, not all.”*
- A few in Vancouver were concerned that the growth of these Superclusters might add more pressure on their region where prices and population growth were already an important challenge for their local economy.
- A few others expressed concerns that the Superclusters might create bubble economies in various parts of the country, similar to the oil industry in Alberta. Although those regions might do well in good times, they will really suffer when demand weakens.
- One participant in Winnipeg highlighted the potential for regional competition for talent if each province does not benefit from these types of investments: *“If Manitoba doesn't have one, but Saskatchewan or Ontario does, then you draw people out of their current province to others where they could access those.”*

Those interested in learning more about Superclusters would all start by doing a general online search or searching on the Government of Canada website. A few would also expect to receive something in the mail if those leading the Supercluster believe their sort of business could benefit.

Red Tape/Administrative Burden and Efficiency of Service

When asked if they face any particular administrative burden when dealing with the Government of Canada, participants were more apt to complain about customer service over the phone and the Service Canada website (Canada.ca) than about specific administrative burdens. Specific complaints were related to time spent filling out forms, wait times on the phone or the time it takes to track down the right person or department.

“Interacting with anybody -- whether it is trying to get information from someone, inquiring about anything. It just takes too much time. Trying to find something online or calling in, or having to fax something because I can't scan and email.”

“Time consuming, whether it's on the phone or on the [Canada.ca] website. It's a difficult website to work through and find the documents to open.”

Some of the common activities with high administrative burdens highlighted by participants were:

- Calling Canada Revenue Agency;
- Tax forms / submissions;
- Statistical reporting; and,
- Dealing with immigration / employees needing work visas, etc.

Overall, participants initially struggled to identify “administrative” burdens. This could be partly explained by the fact that participants were not closely connected to the burden itself (i.e., their bookkeeper or accountant deals with their taxes). This could also be attributed to the fact that these businesses have become accustomed to the burden and view it as just another cost of doing business.

Few have noticed a change in whether or not their burden in dealing with government has changed over recent years. Some feel that calling the government has become more challenging, while others have noted that the shift to online is noticeable and that it has simplified many of their dealings with the government (e.g., tax e-filing, submitting Records of Employment, etc.).

Nearly all businesses were interested in an optional, central e-account that would tailor government data to their needs and allow them to pre-populate forms based on information different departments already have. Businesses for the most part had a difficult time finding specific burdens this would alleviate, but those who were able to see how it would reduce

administrative burdens, felt it would save time, ensure they've done everything they need to and that it made common sense. Ultimately, businesses felt this sort of portal was long overdue.

"My biggest fear is missing something and not doing something right by government rules, so something like that would be very helpful."

"It's more convenient and makes sense."

Although the idea of a central e-account was appealing overall, some did have concerns. Among those with concerns, privacy and access to their information was at the top of the list, especially given some of the high profile security and privacy breaches making headlines. There was also a sense among a few that because more departments would have access to the same pool of data, the risk factor increases considerably compared to a scenario where only one department can access the information.

Innovation Defined

For nearly all participants, innovation meant developing new products, especially for businesses in manufacturing. Manufacturers explained that innovation also involved developing new ways of processing and using new or different production inputs (e.g., new ingredients, new tools and equipment).

Innovation was more difficult for smaller or one-person service industry businesses to contemplate implementing. These businesses tended to view innovation as anything new, including new ways of marketing their services, developing new markets, or new ways of managing their back office (i.e. becoming more efficient).

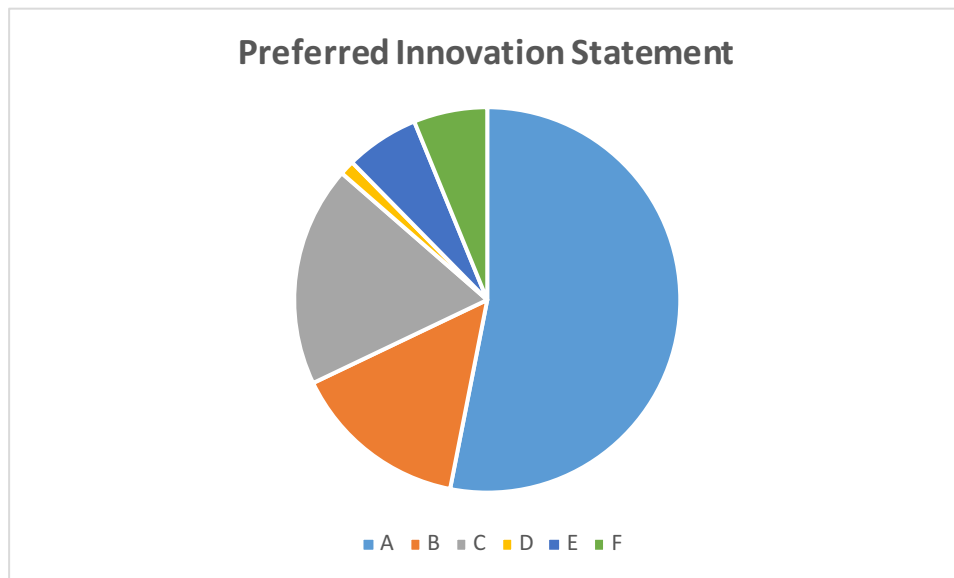
"Innovation means growing with the changes (...), up-to-date technology, we are trying to get on to mobile app ordering and picking up in store, be able to track how much ... we sell in a month (...) Just keeping up with technology, making it easier, easier tracking, easier for our customers."

"To me, it would be better tools, better products, for me to innovate would be to be able to go online to spread the word out a little farther than my basic city boundaries. Coming up with new and better ways to be able to do things faster and smarter. Finding a way to do an hour repair job in half an hour, because that would speed up the turnover process."

Six innovation-related statements were provided or read to participants who were asked to indicate if they agreed or disagreed with each or if the statement was more neutral.

As seen in the graph below (the results of which are not intended to represent statistically meaningful results but rather summarize the overall trend in responses), the most popular articulation of why innovation is important for Canada was the one that provided industry-specific examples. The sectors listed seemed to resonate as important ones for improving the quality of life for all Canadians. The statement was seen by participants as having a clear purpose for innovation, and as projecting increased opportunity and accessibility for all Canadians.

Most popular statement – Statement A: Innovation is important because it can lead to breakthroughs in agriculture, medicine, green technology and service delivery, improving the quality of life for all Canadians.



In the end, nearly all respondents agreed with all the proposed statements. The overall preference was clearly for statement A, however statements C and B were also well received. Statement C, which refers to investing in skills and training for jobs of the future, resonated with many participants particularly for its inclusive tone (“no one gets left behind”). Also, some experienced difficulty finding and retaining skilled workers, and therefore felt this statement addressed that challenge.

“That’s where we’re headed, agriculture is very important, green technology especially with the fragile state of our environment.”

“Because it says ‘no one gets left behind’ (...) we’re trying to include more Canadians or as many Canadians as possible.”

Statement D was the least favourite of all statements, mainly because participants felt Canada is already at par with other advanced nations, and that the focus should not be on “keeping up” with others, but rather becoming leaders.

“I just don’t think that’s why we should be doing it, we should be doing it to be better not necessarily to keep up with other people.”

“Follow the evolution of other countries is a given.”

Statements – Innovation is important because...	Popularity*	Comments
a) ...it can lead to breakthroughs in agriculture, medicine, green technology and service delivery, improving the quality of life for all Canadians.	H	Shows a range of specific ways that innovation will improve the quality of life of Canadians. This statement clearly shows how it will be done and what the outcome will be.
b) ...the time has come to change not just what we do, but how we do it.	M	Some felt this will put Canada ahead of other countries.
c) ... by investing in skills and training, we’re making sure Canadians have the tools they need to get jobs of the future, and that no one gets left behind.	M	Participants felt this statement addressed some of their challenges related to finding skilled workers. Some others felt the rapid pace of technological change will make it imperative to ensure the younger generations have the right skills for the future. The reference not leaving anyone behind also resonated.
d) ...Canada needs to keep up with other nations.	L	The least preferred statement as a few felt this statement assumes Canada is inferior to other countries, or that it means Canada would need to be constantly “catching up” as opposed to being a world leader in innovation.
e) ...it ensures the continued prosperity of our nation.	L	No specific comments or preferences regarding this statement – it tended to leave participants feeling neutral.
f) ...we need technology that works for us and not against us.	L	No specific comments or preferences regarding this statement – it tended to leave participants feeling neutral.

*H=High M=Moderate L=Low

Corporate Taxes

Very few participants had heard of any recent Government of Canada announcements proposing tax changes for small businesses or “private corporations.” Many explained that this is more likely to be something with which their accountant would be familiar.

Awareness did increase slightly when the moderator broached the new tax changes related to income sprinkling (which some confused with “income splitting”) while awareness remained very low regarding the measures related to passive investment income. Even among the very

few who had heard of possible measures related to passive investment income, none of the participants could explain what the proposed measures were and none of them had heard of any shift in the government's position compared to its initial proposal last year.

As well, none of the participants felt the measures applied to them or their business so they did not feel overly impacted nor did they have any strong opinions on them.

Participants seemed most comfortable assessing the fairness of the proposed income sprinkling measure, mostly because it is easier to understand and that they had heard of this practice.

- Those **opposed** to the measure felt that small businesses get so little in the way of “tax breaks” (compared with larger companies) that anything available should be allowed, especially given the risks and effort involved. A few also questioned how meaningful contributions would be defined and monitored. A few also explained that a family member does not need to work directly for the business to contribute to its success:

“My problem is if your spouse doesn't directly work for the company but does so much to support and take care of family so that you can work until 11pm, they deserve something for that but now you can't.”

“A small business owner should be able to help out, there is a lot of behind the scenes stuff for small businesses, just because they aren't physically contributing, they are affected and living the lifestyle. They are not contributing to the bottom line, but my spouse is sacrificing emotionally so that I can make a living.”

Finally, some of those opposed believe more effort should be invested in going after the tax avoidance strategies of larger corporations rather than small business owners.

- Those **in support** of the proposed limits agreed that these individuals are not paying their fair share.

Of the few who could articulate an opinion on the proposed changes to passive investment income, many seemed in favour of an approach that provided the business owner more latitude or flexibility in terms of how they can use the savings and the investment income:

“Yes it is reasonable - I think it would be very helpful in growing new businesses, where this would allow for savings of the corporation itself. It would be most advantageous in a downturn and having savings will help you remain stable but also for growth.”

Business of the Future

Many businesses, especially microbusinesses in the services industry, had trouble understanding how trends in technology, like AI or automation, could have an impact on their industry or on how they would operate their business in the future. Small businesses serving local markets were the least worried about keeping up, as they felt the personal touch with the community was a big part of their business. If anything, small businesses explained that it would require them to remain aware and updated on developments in these trends to support their office processes or marketing. The greater the service area or the larger their business was, the more importance they placed on keeping up with technology trends as this could help their manufacturing, distribution, operations, client service, etc.

“Mine will always be human behaviour, talking to people. It will never have anything to do with robots or artificial intelligence. For myself, that will never affect me. It's better to be face to face for my business. I've tried conference calls and I personally don't like it.”

“I don't know because I have such a small business, just our communications and filing system with clients will have to improve.”

Those who felt more directly impacted (e.g., manufacturing, those in IT, etc.) explained that investment in equipment and training will need to continue and will become increasingly important in the future in order to remain competitive and relevant.

“You gotta keep up in technology. In our business we look at our tools, for example, we make sure we have the latest toolbox, and if you don't, you're literally going to be left behind. Because the industry is moving that quickly, you're bound to do it.”

In terms of the role of the federal government, some small businesses felt the support could come to them mainly in the form of information (i.e., webinars, seminars, a specific portal), training, or tax credits that they could use towards investments in new technology.

“Educate on the newest technology to keep up online – there is always new software coming out requiring us to be aware of the new technologies coming out. It takes time to learn this.”

One Word to Describe SMEs

Participants were asked to provide a term they would prefer to hear when others describe them as business owners. Anglophones most often referred to themselves as “small business owners” or “self-employed.” Other common references included:

- Small Business Owner
- Owner
- Businessman
- Small Business Operator
- Entrepreneur

Francophones most often referred to themselves as “*petite entreprise*” or “*travailleur autonome*.” Other common references from Francophone participants included:

- *Indépendent*
- *Acteur économique*
- *Gestionnaire*
- *Entrepreneur*, and,
- *PME*.

A few saw themselves as a mix of entrepreneur and their particular situation, for example: “Solopreneur”, “Mom-preneur”, “One-man band”, “Solo” or “Person working with the system independently”. Self-employed professionals would sooner just refer to their profession to describe themselves rather than broadly as a business owner or entrepreneur. For instance, they would say they are “doctor”, “an HR consultant”, “chocolatier”, “*architecte web*”, etc. Only a few would refer to themselves as a pioneer or a visionary.

Some participants who identified as Indigenous entrepreneurs suggested specific terms such as: Aboriginal Business Owner (ABO), First Nations Business Owner (FNBO), or Aboriginal woman entrepreneur.

The main appeal of concept C was the tag line itself *“Passion. Potential. Power. Partnership.”*, whereas reactions to the hashtag were somewhat mixed, particularly in relation to the use of “HER”, which seemed to be putting women “aside”, or “in a separate box”. This applied to concept A and B as well.

“Power was a stronger word, it probably encompasses a growing strategy.”

“I don’t feel like it’s talking to me, it’s talking to “HER”, I’ve seen ads referring to ‘empower by you’, the “Her” is kind of ‘Her, over there’. I have trouble with the “HER.”

A few suggested that concept C would be improved if it read “Supported by the Government of Canada”, or stood alone without a sub-tagline, rather than “Promoted by...”. The use of the word “power” or “empowered” seemed to appeal to those in favour of concepts B and C.

The appeal for concept D came mainly from men who appreciated the empowering feeling projected by “women can”, or the subtle inclusion of Canada in the word. Women in the focus group specifically with women (in Vancouver) felt the term “women can” was too passive and insufficiently empowering since they believe that “women do.”

The main strengths and weaknesses of each concept include the following:

- *Purple Concept:* the images of the women projected more “serious,” business-oriented, confident and capable women. However, the use of a white font was less well received.



- *Multi-coloured concept:* Some felt the graphics were a bit amateurish, and that the women in the images seemed too young or like apprentices vs business owners. Some did however like the ethnic diversity and the professional diversity in the women selected. These images also reminded us that an entrepreneur can take many forms and that they don’t have to look like a business class graduate. Some did not like the use of pink in this concept, feeling it was too *cliché*, particularly among women, who also felt the use of the colour pink did not convey professionalism or the strength and potential of female business owners and entrepreneurs.

“[Pink] is not something that I think people will take seriously. This is something to ‘make it for women’ but you would never see this colour for men. You would see something that’s stronger, and bolder. That’s take charge and confident and that’s what women are. Women can handle so many different complex situations simultaneously (...) this is not a colour that you would associate with that energy.”



Participants preferred the strength and confidence conveyed in the overall look and feel of the *purple concept* in combination with the diversity depicted in the *multi-coloured concept*.

Detailed Methodology



The research methodology consisted of 8 traditional, in-facility focus groups and 25 telephone depth interviews (TDIs) with decision-makers from various business segments. These sessions spanned the country and focused on small and medium-sized businesses, with a particular emphasis on those focused on growth and innovation.

Quorus was responsible for coordinating all aspects of the research project including designing and translating the recruitment screener and the moderation guide, coordinating all aspects of participant recruitment, facilities and related logistics, moderating all sessions and interviews and delivering required reports at the end of data collection.

The **target population** for this research consisted of Canadian small and medium-sized enterprises, targeting the company's main decision-maker or someone playing an important role in the decisions related to the growth and direction of the company.

For the purposes of this research, small businesses were defined as those businesses with fewer than 100 employees (including self-employed Canadians), and medium businesses were those with 100 to 499 employees. Within the small business segment, the research also targeted "micro" businesses which were defined as businesses with 5 or fewer employees.

The research targeted a mix of businesses. While some sessions included general small and medium sized businesses, there was also a focus on the following sub-segments:

- Businesses that define themselves as **innovators** – for the purposes of this research these include those who are engaged in doing things better -- transforming ideas and knowledge into new products, processes and/or services which, in turn, generate economic or social benefits - introduced or developed an innovation over the past 12 months and/ or a business that, through their normal business activities, invest in the research, development and/or commercialization and export of new products, processes and/or services.
- **Growth-focused businesses**, defined as enterprises with average annualized growth greater than twenty percent per annum, over a three-year period.
- **Youth entrepreneurs** are individuals who started and operate their own company and who are 18 to 34 years old.
- **Women entrepreneurs** are women who started and operate their own company.
- **Indigenous entrepreneurs / North of 60 entrepreneurs** are individuals who self-identify as a member of a First Nations community and who started and operate their own company. Some of these were located "North of 60."
- **Entrepreneurs with disabilities** are individuals who self-identify as having a physical or mental disability and who started and operate their own company.
- **Self-employed Canadians offering professional services** (lawyers, dentists, consultants, etc.).

Participants invited to participate in the focus groups and depth interviews were recruited through a combination of random contacts by telephone and through the use of a proprietary database. In the design of the recruitment screener, specific questions were inserted to clearly identify whether participants qualified for the research program and, where applicable, to ensure a good representation of gender, participant age, experience, and industry.

In addition to the general participant profiling criteria noted above, additional screening was done to ensure quality respondents, such as:

- No participant (nor anyone in their immediate family or household) was recruited who worked in related government departments/agencies, nor in advertising, marketing research, public relations or the media (radio, television, newspaper, film/video production, etc.).
- No participant acquainted with another participant was knowingly recruited for the same study, unless they were recruited into separately scheduled sessions. .
- No participant was recruited who had attended a qualitative research session within the past six months.
- No participant was recruited who had attended five or more qualitative research sessions in the past five years.
- No participant was recruited who had attended, in the past two years, a qualitative research session on the same general topic as defined by the Researcher/Moderator.

Data collection consisted exclusively of focus groups, each lasting 2 hours, and telephone depth interviews (TDIs), each lasting 45 minutes. For each focus group, Quorus recruited 8 participants to achieve 6 to 8 participants per focus group.

The recruitment of focus group and telephone depth interview participants followed the screening, recruiting and privacy considerations as set out in the *Standards for the Conduct of Government of Canada Public Opinion Research – Qualitative Research*. Furthermore, recruitment respected the following requirements:

- All recruitment was conducted in the participant’s official language of choice, English and French, as appropriate.
- Upon request, participants were informed on how they can access the research findings.
- Upon request, participants were provided Quorus’ privacy policy.
- Recruitment confirmed each participant had the ability to speak, understand, read and write in the language in which the session was to be conducted.
- Participants were informed of their rights under the Privacy and Access to Information Acts and ensure that those rights were protected throughout the research process. This included: informing participants of the purpose of the research; identifying both the sponsoring department or agency and research supplier; informing participants that the study will be made available to the public in 6 months after field completion through Library and Archives Canada and informing participants that their participation in the study is voluntary and the information provided will be administered according to the requirements of the *Privacy Act*.

At the recruitment stage and at the beginning of each focus group/ depth interview, participants were informed that the research was for the Government of Canada/ ISED. Participants were informed of audio/video taping of the focus group sessions and of the audio

recording of the telephone depth interviews, in addition to the presence of ISED observers/listeners. Quorus ensured that prior consent was obtained at the recruitment stage and before participants entered the focus group room or began their telephone interview. Written participants' consent was developed by Quorus and approved by ISED and was obtained from each participant prior to any videotaping.

A total of 8 focus groups were conducted across Canada as per the table below. All focus groups were held in the evenings in focus group facilities that allowed the client team to observe the sessions. Recruited participants were offered a different honorarium depending on the segment.

Location	Segment	Language	Number of participants	Date and Time	Honorarium
Toronto, ON	Self-employed professionals	English	8	March 21 @ 6:00 pm	\$250
Toronto, ON	Medium-sized businesses	English	8	March 21 @ 8:00 pm	\$250
Halifax, NS	Small/ micro businesses	English	6	March 23 @ 6:00 pm	\$200
Montreal, QC	Self-employed professionals	French	8	March 26 @ 6:00 pm	\$250
Montreal, QC	Medium-sized businesses	French	5	March 26 @ 8:00 pm	\$300
Winnipeg, MB	Small/Micro businesses	English	6	March 27 @ 6:00 pm	\$200
Vancouver, BC	SME – Women entrepreneurs	English	8	March 28 @ 6:00 pm	\$200
Vancouver, BC	SME – Youth entrepreneurs	English	7	March 28 @ 8:00 pm	\$200

All telephone depth interviews were conducted during regular business hours and during evenings (whatever suited the respondent's availability and preferences) using a conference call service allowing members of the client team to listen-in, and to enable audio-recording. A total of 25 TDIs were conducted, as follows:

Segment	Number of participants	Language	Date and Time	Honorarium
Entrepreneurs with disabilities	4	English	March 15 – April 6	\$150
Indigenous entrepreneurs / North of 60 entrepreneurs	10	English		
Rural and remote SMEs entrepreneurs	11	9 English / 2 French		

Qualitative Research Disclaimer

Qualitative research seeks to develop insight and direction rather than quantitatively projectable measures. The purpose is not to generate “statistics” but to hear the full range of opinions on a topic, understand the language participants use, gauge degrees of passion and engagement and to leverage the power of the group to inspire ideas. Participants are encouraged to voice their opinions, irrespective of whether or not that view is shared by others.

Due to the sample size, the special recruitment methods used, and the study objectives themselves, it is clearly understood that the work under discussion is exploratory in nature. The findings are not, nor were they intended to be, projectable to a larger population.

Specifically, it is inappropriate to suggest or to infer that few (or many) real world users would behave in one way simply because few (or many) participants behaved in this way during the sessions. This kind of projection is strictly the prerogative of quantitative research.

Appendices



Recruitment Screener – English

Questionnaire: _____

<p><u>Focus Groups:</u></p> <p>Toronto: March 21, 2018 - ENGLISH</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Group 1: Self-employed professionals</td> <td style="padding-left: 20px;">6:00 pm</td> <td style="text-align: right;">\$ 250</td> </tr> <tr> <td style="padding-left: 20px;">Group 2: Medium-Size Businesses</td> <td style="padding-left: 20px;">8:00 pm</td> <td style="text-align: right;">\$ 250</td> </tr> </table> <p>Halifax: March 23, 2018 - ENGLISH</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Group 3: Small / Micro Businesses</td> <td style="padding-left: 20px;">6:00 pm</td> <td style="text-align: right;">\$ 200</td> </tr> </table> <p>Montreal: March 26, 2018 - FRENCH</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Group 4: Self-employed professionals</td> <td style="padding-left: 20px;">6:00 pm</td> <td style="text-align: right;">\$ 250</td> </tr> <tr> <td style="padding-left: 20px;">Group 5: Medium-Size Businesses</td> <td style="padding-left: 20px;">8:00 pm</td> <td style="text-align: right;">\$ 250</td> </tr> </table> <p>Winnipeg: March 27, 2018 - ENGLISH</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Group 6: Small / Micro Businesses</td> <td style="padding-left: 20px;">6:00 pm</td> <td style="text-align: right;">\$ 200</td> </tr> </table> <p>Vancouver: March 28, 2018 - ENGLISH</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Group 7: SME – Women entrepreneurs</td> <td style="padding-left: 20px;">6:00 pm</td> <td style="text-align: right;">\$ 200</td> </tr> <tr> <td style="padding-left: 20px;">Group 8: SME – Youth entrepreneurs</td> <td style="padding-left: 20px;">8:00 pm</td> <td style="text-align: right;">\$ 200</td> </tr> </table>	Group 1: Self-employed professionals	6:00 pm	\$ 250	Group 2: Medium-Size Businesses	8:00 pm	\$ 250	Group 3: Small / Micro Businesses	6:00 pm	\$ 200	Group 4: Self-employed professionals	6:00 pm	\$ 250	Group 5: Medium-Size Businesses	8:00 pm	\$ 250	Group 6: Small / Micro Businesses	6:00 pm	\$ 200	Group 7: SME – Women entrepreneurs	6:00 pm	\$ 200	Group 8: SME – Youth entrepreneurs	8:00 pm	\$ 200	<p>Details:</p> <p>recruit 8 for 6 to show</p> <p>2-hour sessions</p>
Group 1: Self-employed professionals	6:00 pm	\$ 250																							
Group 2: Medium-Size Businesses	8:00 pm	\$ 250																							
Group 3: Small / Micro Businesses	6:00 pm	\$ 200																							
Group 4: Self-employed professionals	6:00 pm	\$ 250																							
Group 5: Medium-Size Businesses	8:00 pm	\$ 250																							
Group 6: Small / Micro Businesses	6:00 pm	\$ 200																							
Group 7: SME – Women entrepreneurs	6:00 pm	\$ 200																							
Group 8: SME – Youth entrepreneurs	8:00 pm	\$ 200																							
<p><u>Telephone Depth Interviews:</u></p> <ul style="list-style-type: none"> • 10 indigenous entrepreneurs, including some “North of 60” • 10 rural and remote Small Business entrepreneurs (mix of micro and larger Small Businesses) • 5 entrepreneurs with disabilities 	<p>Mix of English and French</p> <p>Incentive: \$150</p> <p>Interviews are 45 minutes each</p>																								
<p>Respondent’s name: _____</p> <p>Respondent’s phone #: _____ (home)</p> <p>Respondent’s phone #: _____ (work)</p> <p>Respondent’s fax #: _____ sent? ___ or</p> <p>Respondent’s e-mail : _____ sent? _____</p>																									



A. Segment Definitions

Segment	Definition
Small-Size Business	1 to 99 FTE employees
Micro-Size Business	1 to 5 FTE employees (sub-segment of the Small-Size Business Segment)
Medium-Size Business	100 to 499 FTE employees
Self-employed professionals	1 to 5 FTE employees who offer professional services: these include healthcare professionals, lawyers, accountants, consultants (IT, management), architects, auditors, engineers, actuaries, training and development (coaching, organizational development, etc.), investment planners/ financial advisors
Medium-Size Business – Growth Focused	Medium-sized business with an average annualized growth greater than 20% per annum, over a three-year period
SME – Women Entrepreneurs	Women who started and operate their own company
SME – Youth Entrepreneurs	Individuals who are <u>currently</u> 18 to 34 years old who started and operate their own company
Innovators	Businesses that have introduced or developed an innovation over the past 12 months and/ or a business that, through their normal business activities, invests in the research, development and/or commercialization and export of new products, processes and/or services.
Indigenous Entrepreneurs	Individuals who self-identify as a member of a First Nations community and who started and operate their own company. Some of these will be located “North of 60.”
Entrepreneurs with a Disability	Individuals who self-identify as having a physical or mental disability and who started and operate their own company

Focus Group Segment Definitions	Definition
Groups 1 and 4	Self-employed professionals (Q2=YES) – obtain a mix in Q3
Groups 2 and 5	Medium-sized businesses (100-499 FTEs in Q1) with half of participants “Growth Focused” (at least 20% in Q10)
Groups 3 and 6	Mix of Micro (1-5 FTE) and larger small businesses (6-99 FTE) with half of participants from “innovator” companies (IF YES AT ANY OF Q11, Q12 OR Q13)
Group 7	Participant is a woman and Q7=YES
Group 8	Participant is 18-34 and Q7=YES

NB: All participants must be a senior decision-maker in their company who is responsible for shaping the future direction of their company.

B. Facility Information

Toronto Facility Address	Halifax Facility Address
Consumer Vision 2 Bloor Street West, 3rd floor	MQO 1883 Upper Water street 3rd floor, Collins Bank Building, Historic Properties Halifax
Montreal Facility Address	Winnipeg Facility Address
Leger 507 Place d'Armes, 6 ^e étage	NRG 213 Notre Dame Avenue, Suite 804
Vancouver Facility Address	
NRG 1100 Melville Street, Suite 1380	

C. Introduction

Hello, my name _____. I'm calling from Quorus Consulting, a Canadian market research company and we are calling on behalf of the Government of Canada.

Would you prefer to continue in English or French? / Préférez-vous continuer en anglais ou en français?

[INTERVIEWER NOTE: FOR ENGLISH GROUPS/INTERVIEWS, IF PARTICIPANT WOULD PREFER TO CONTINUE IN FRENCH, PLEASE RESPOND WITH, "Malheureusement, nous recherchons des gens qui parlent anglais pour participer à cette recherche. Nous vous remercions de votre intérêt." FOR FRENCH GROUPS/INTERVIEWS, IF PARTICIPANT WOULD PREFER TO CONTINUE IN ENGLISH, PLEASE RESPOND WITH, "Unfortunately, we are looking for people who speak French to participate in this research. We thank you for your interest."]

From time to time, we solicit opinions by sitting down and talking with people. We are preparing to conduct a series of these discussions on behalf of the Government of Canada and I would like to speak to the senior decision-maker in your organization who is responsible for communicating with government or who plays an important role in the decisions related to the growth and direction of the company. Is there a person available who fits that description? ...this is most likely the owner or President of your company.

ONCE APPROPRIATE CONTACT HAS BEEN REACHED – REPEAT INTRO IF NEEDED AND CONTINUE:

We are reaching out to you today to invite you to a research session to share your feedback on the opportunities and challenges your business faces and the kind of role you expect the Government of Canada to play in relation to these.

Other decision makers from small and medium sized companies located in Canada will be taking part in this research, all of them involved in shaping the direction of their company. It is a first-name basis only discussion so nobody, including the Government of Canada, will know the companies being represented. For their time, participants will receive a cash compensation.

Participation is voluntary and all opinions will remain anonymous and will be used for research purposes only in accordance with laws designed to protect your privacy. We are simply interested in hearing your opinions, no attempt will be made to sell you anything. The format may be a “round table” discussion or a telephone interview lead by a research professional.

[INTERVIEWER NOTE: IF ASKED ABOUT PRIVACY LAWS, SAY: “The information collected through the research is subject to the provisions of the Privacy Act, legislation of the Government of Canada, and to the provisions of relevant provincial privacy legislation.”]

But before we invite you to attend, we need to ask you a few questions to ensure that we get a good mix/variety of businesses. This should only take about 5 minutes. In case you are uncertain, all my questions pertain to your company’s Canadian operations. May I ask you a few questions?

- | | | |
|-----|---|--------------------------------|
| Yes | 1 | CONTINUE |
| No | 2 | THANK & DISCONTINUE |

D. Business and Participant Profile

1. Approximately how many full-time staff (FTE) does your company currently employ in Canada? **(RECORD ACTUAL NUMBER)**

_____ Full-time equivalent staff

- 1 to 5 **[SMALL BUSINESS AND A MICRO BUSINESS]**
- 6 to 99 **[SMALL BUSINESS]**
- 100 to 499 **[MEDIUM BUSINESS]**
- More Than 500 **[THANK & TERMINATE]**

ASK MICRO BUSINESSES

2. Do you consider yourself a self-employed professional?

- Yes
- No

ASK SELF-EMPLOYED PROFESSIONALS

3. What profession do you practice? **DO NOT READ LIST – IF “OTHER” PLEASE CONFIRM ELIGIBILITY WITH SUPERVISOR**

- Healthcare professional: dentist, physiotherapist, physician, psychiatrist, psychologist, etc.
- Lawyer
- Accountant / Auditor / Actuary
- Engineer
- Training and development professional (e.g. coaching, organizational development, HR, etc.)
- Investment planner / financial advisory
- Consultant (e.g., IT consultant, management consultant, marketing, communications, etc.)
- Architect
- Farmer
- Other – please specify: _____

4. **RECORD GENDER** (Note: Ensure a good mix in and across all sessions/interviews other than *Group 7 - “Women Entrepreneurs”*)

- Male
- Female
- Other – Please specify

5. We have been asked to speak to decision-makers from all different ages. May I have your age please? **READ CATEGORIES AS NEEDED** (Note: Ensure a good mix in and across all sessions/interviews other than *Group 8 - “Youth Entrepreneurs”*)

- Under 18
- 18 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 to 74 years
- 75 years or older

THANK/DISCONTINUE



6. How many years have you owned or managed this company? **Record number** _____ years

- **[DO NOT READ]** Don't know / Not Sure

7. Are you one of the individuals who founded this company?

- Yes **[ENTREPRENEURS]**
- No

FOR VANCOUVER FOCUS GROUPS:

- *IF RESPONDENT IS ONE OF THE FOUNDERS AND A WOMAN, RECRUIT FOR GROUP 7*
- *IF RESPONDENT IS ONE OF THE FOUNDERS AND BETWEEN 18-34, RECRUIT FOR GROUP 8*

[ASK ENTREPRENEURS ONLY]

8. Please let me know if you fall into any of the following categories:

	Yes	No
a) Are you an Indigenous person, that is, First Nations, Métis or Inuk (Inuit)? First Nations includes Status and Non-Status Indians.	<input type="checkbox"/>	<input type="checkbox"/>
b) Are you a person who is blind or has any difficulty seeing even when wearing glasses or contact lenses?	<input type="checkbox"/>	<input type="checkbox"/>
c) Are you a person who is physically disabled, for instance you have difficulty walking, using stairs, using your hands or fingers or doing other physical activities?	<input type="checkbox"/>	<input type="checkbox"/>
d) Do you have any difficulty learning, remembering or concentrating?	<input type="checkbox"/>	<input type="checkbox"/>
e) Do you have any emotional, psychological or mental health conditions?	<input type="checkbox"/>	<input type="checkbox"/>
f) [ASK SMALL BUSINESSES ONLY (1-99 FTE)] Your business is located in a town, village or rural area with a population of less than 10,000 and you are at least a two-hour drive from a city of at least 50,000	<input type="checkbox"/>	<input type="checkbox"/>

*Source: 2017 Canadian Survey on Disability

FOR TELE-DEPTH INTERVIEWS:

- *IF YES AT Q8A – RECRUIT AS INDIGENOUS ENTREPRENEUR*
- *IF YES AT ANY OF Q8B-E – RECRUIT AS ENTREPRENEUR WITH A DISABILITY*
- *IF YES AT Q8F – RECRUIT AS RURAL AND REMOTE ENTREPRENEUR*

9. On average, for each of your company's past 3 fiscal years, have your company's revenues increased, decreased or remained roughly the same?

- Increased
- Remained the same
- Decreased

[ASK IF INCREASED]

10. And, on average, by what percentage did your revenues increase for each of the past 3 fiscal years? _____%

IF 20% OR GREATER, FLAG AS "GROWTH FOCUSED"

11. Do you conduct research and development as a regular part of your business?

- Yes
- No

12. Do you commercialize and export new products, processes and/or services as a regular part of your business?

- Yes
- No

13. Has your company introduced or developed a new product, process and/or service over the past 12 months, or does it plan on introducing or developing one within the next 12 months?

- Yes
- No

IF YES AT ANY OF Q11, Q12 OR Q13, FLAG AS "INNOVATOR"

14. In which industry or sector does your company operate? If you are active in more than one sector, please identify the main sector. **DO NOT READ LIST. ACCEPT ONLY ONE RESPONSE. CONFIRM RESULT WITH RESPONDENT AS NECESSARY.**

- Agriculture/Fishing/Hunting/ Forestry
- Utilities
- Manufacturing
- Retail Trade
- Information and Cultural Industries
- Professional, Scientific and Technical Services / IT / Computers
- Waste Management
- Art/Entertainment/Recreation
- Other (specify)
- Oil/Gas/Mining
- Construction
- Wholesale Trade
- Transportation and Warehousing
- Finance and Insurance/Real Estate and Rental
- Administrative and Support
- Remediation Services
- Accommodation/Food Services/ Tourism

15. Can you please provide me with your job title?

16. Participants in discussion groups or interviews are asked to voice their opinions and thoughts, how comfortable are you in voicing your opinions in front of others? Are you... **READ OPTIONS**

- Very comfortable **MIN 5 PER GROUP**
- Fairly comfortable
- Not very comfortable **TERMINATE**
- Not at all comfortable **TERMINATE**

17. Have you ever attended a discussion group or interview on any topic that was arranged in advance and for which you received money for your participation?

- Yes **MAXIMUM 5 PER GROUP**
- No **GO TO INVITATION**

18. When did you last attend one of these discussion groups or interviews?

- Within the last 6 months **TERMINATE**
- Over 6 months ago

19. How many discussion groups or interviews have you attended in the past 5 years?

- Fewer than 5
- 5 or more **TERMINATE**

E. Focus Group Invitation

I would like to invite you to participate in the focus group in your city. The discussion will be led by a researcher from a Canadian market research company, Quorus Consulting. The group will take place on **[DAY OF WEEK]**, **[DATE]**, at **[TIME]**. It will last two hours. People who attend will receive **[INSERT INCENTIVE BASED ON GROUP]** to thank them for their time. This will be provided to you at the facility after the session. Would you be willing to attend?

- Yes
- No

TERMINATE

Sometimes participants are also asked to write out their answers on a questionnaire. Is there any reason why you could not participate?

- Yes
- No

TERMINATE

If you require reading glasses, please remember to bring them with you, as you may be required to read some materials during the session.

TERMINATE IF RESPONDENT OFFERS A VERBAL LANGUAGE PROBLEM OR A CONCERN WITH NOT BEING ABLE TO COMMUNICATE EFFECTIVELY.

The session will be audio and video recorded for research purposes and representatives of the Government of Canada research team will be observing from an adjoining room. You will be asked to sign a waiver to acknowledge that you will be video recorded during the session. The recordings will be used only by the Quorus Consulting research team and will not be shared with others. As I mentioned, all information collected in the group discussion will remain anonymous and be used for research purposes only in accordance with laws designed to protect your privacy.

The focus group will be at the following location: **REFER TO PAGE 3**

We ask that you arrive fifteen minutes early to be sure you find parking, locate the facility and have time to check-in with the hosts. The hosts may be checking respondent's identification prior to the group, so please be sure to bring some personal identification with you (i.e. driver's license).

As we are only inviting a small number of people, your participation is very important to us. If for some reason you are unable to attend, please call so that we may get someone to replace

you. You can reach us at **1-800-XXX-XXXX** at our office. Please ask for **[recruiter to provide]**. Someone will call you the day before to remind you about the discussion.

So that we can call you to remind you about the focus group or contact you should there be any changes, can you please confirm your name and contact information for me? **COLLECT ON FRONT PAGE**

Thank you very much for your help!

F. Telephone Interview Invitation

I would like to invite you to participate in a telephone interview with a senior research consultant from a Canadian market research company, Quorus Consulting. We would like to schedule the interview with you between **DATE START** and **DATE END** at a time that works best for you. Would you have time on **[INSERT DATE AND TIME OPTIONS]**? It will last roughly 45 minutes, depending on how much feedback you provide. People who participate will receive \$150 to thank them for their time – we will get this to you either by email transfer or by mailing you a check at the conclusion of the interview.

SCHEDULE INTERVIEW THAT FITS RESPONDENT AND INTERVIEWER SCHEDULES

The session will be audio recorded for research purposes and representatives of the Government of Canada research team may be on the line as remote observers. You will be asked to acknowledge that you will be audio recorded during the session. The recordings will be used only by the Quorus Consulting research team and will not be shared with others. As I mentioned, all information collected in the group discussion will remain anonymous and be used for research purposes only in accordance with laws designed to protect your privacy. Over the coming days we will be sending you an email with the conference call logistics with the specific telephone number you will need to dial, the participant passcode, as well as the date and time of the call. There will also be contact information in the email in case you need to change the date or time of the interview.

As we are only inviting a small number of people, your participation is very important to us. If for some reason you are unable to participate, please call so that we may get someone to replace you. You can reach us at **1-800-XXX-XXXX** at our office. Please ask for **[recruiter to provide]**. Someone will call you the day before to remind you about the discussion.

So that we can send you the email with the call logistics, call you to remind you about the interview or contact you should there be any changes, can you please confirm your name and contact information for me? **COLLECT ON FRONT PAGE**

Thank you very much for your help!

Focus Group Moderation Guide – English

A. Introduction (5 minutes)

- Introduce moderator
- Thanks for attending/value you being here
- Explain general purpose of focus group discussions:
 - Gauge *opinions* about issues/ideas/products
 - Not a knowledge test; no right or wrong answers (interested in opinions)
 - Okay to disagree; want people to speak up if hold different view
 - Do not need to direct all comments to me; can exchange ideas with each other
 - Tonight, we're conducting research on behalf of the Government of Canada but the moderator is not an employee of the Government of Canada.
 - Looking for candor and honesty; comments treated in confidence; reporting in aggregate form only; video-taping and note-taking for report writing purposes only; observers behind one-way glass.
 - If you have a cell phone, please turn it off.

So let's go around the table and have everyone introduce themselves...I'll be curious to know the following:

- What is your role or your position?
- What type of business do you own/operate/manage?
- Did you start the business yourself?
 - **ENTREPRENEURS:** And briefly, what attracted you to business – to become an entrepreneur / business owner?

B. Business Confidence (15 minutes)

- I'd like to start off with a broad discussion about **business confidence and the economy overall** – how would you say the Canadian economy is doing?
- What are the biggest challenges facing the Canadian economy today?
- And now how about **your company**? Would you say that your business is doing better, worse or about the same as compared to a year ago? **[SHOW OF HANDS]**
- Looking ahead, do you think that two years from now, your company will be doing better, worse or about the same?
- If we focus on where your company is today, what is holding your company back from growing as fast as you would like? What are the most important barriers to growth that you face?

DRILLDOWN AS NEEDED IF THESE THEMES ARE RAISED:

- Capacity to innovate / can't innovate easily:
 - What is missing here exactly? ...is it skillset, capital, time, etc.?
- Access to new markets:
 - Regionally? Within Canada? Foreign?
 - What is impeding you from growing into those markets? ...or conversely, what would make it easier to grow into those markets?

C. Role of Government (15 minutes)

Let's now turn our attention to the role the Government of Canada could or should be playing when it comes to growing the economy and supporting small and medium sized businesses like yours. (Let's try to stay focused on the role of the Federal government and not the roles the provincial or municipal governments play.)

- From a business/industry perspective, what are the most important issues at this time in need of government attention? (FLIP CHART)
 - **MODERATOR TO ALWAYS BRING THE DISCUSSION BACK TO "YOUR BUSINESS":**
So what impact would this have on your company? What difference would this make for your company?
- What should the guiding principle be for the GC when it comes to helping small and medium sized businesses like yours?

- What is the federal government **doing right** these days to support small and medium sized businesses like yours?
 - Have you heard of any upcoming measures, programs or initiatives that could be beneficial to small and medium sized businesses like yours?
 - Which ones? How did you hear about that?
- And what is the government **doing wrong**?

D. Budget and Initiatives to Support SMEs (15 minutes)

- What have you heard regarding the federal budget that was just released?
 - Was there anything in the budget that could help you achieve your business goals?
 - **IF YES PROBE:** What do others think about **(ITEMS MENTIONED)**?
 - Anything you don't like?
 - **IF YES PROBE:** What do others think about **(ITEMS MENTIONED)**?
 - What are your overall impressions of the budget? Did you see your concerns addressed in this budget?
 - What is the government doing right? What is the government doing wrong?
 - Are there any initiatives that stand out for you in terms of how they could help you achieve your business goals?

HANDOUT #1 – LIST of 2017 Initiatives & LIST of Budget 2018 additions

I'm going to give you a handout with a list of initiatives included in the budget. Please give each a thumbs up or thumbs down. Then, circle what you feel the best initiative on this list is. Next, I'd like you to put check marks next to the ones you feel will have a positive impact on your business/industry.

PROBE:

- What do you think about this list of initiatives?
- What is the government doing right? What is the government doing wrong?
- Are there any initiatives that stand out for you in terms of how they could help you achieve your business goals?

INNOVATION AND SKILLS PLAN: ADDRESSING OBSTACLES AND BARRIERS TO BUSINESS GROWTH

- **ONLY ASK FEMALE, INDIGENOUS, YOUNG OR DISABLED ENTREPRENEURS:** A number of the initiatives are intended to **address barriers to innovation and business growth** for small businesses, women, and young entrepreneurs and other underrepresented groups.
 - As a [female entrepreneur / Indigenous entrepreneur / entrepreneur with a disability/young entrepreneur], are there barriers to success that are unique to you?
 - Do you have any advice in terms of how the government can meet its commitment to support entrepreneurs like you?
- **BREAKING INTO NEW MARKETS:** You may have also noticed that some initiatives are designed to help businesses **break into new markets**. Through the initiatives listed in the handout exercise and recent announcements, the GC has indicated an intention to ...
 - Help business expand into new markets abroad / Promote export / Develop trade
 - Reduce regulations, and,
 - Improve internal trade
- How do you feel about the GC focusing on these types of initiatives?

IMPROVING ACCESS TO SKILLED LABOUR -- Finally, some initiatives are designed to help businesses by **improving access to skilled labour**.

- How do you feel about the GC focusing on these types of initiatives?

SPECIFIC BUDGET MEASURES

E. Venture Capital/Access to Financing (5 minutes)

(SKIP FOR SELF-EMPLOYED GROUPS – ASK ONLY OF SMALL and MEDIUM BUSINESSES)

In terms of access to financing and capital...

- What barriers to capital do you/have you experienced lately?
 - How did you overcome those barriers, if at all?
- Are you aware of government programs that provide financing? **(DO NOT PROMPT, LISTEN FOR BDC, EDC, CANADA SMALL BUSINESS FINANCING, RDAS (ACOA, FEDDEV, FEDNOR, CANNOR, CEDQ/DEC, WD))**

- Are you aware of government accelerator or incubator financing? **(DO NOT PROMPT, BUT RECORD GOVERNMENT DEPARTMENTS, EG. ISED, NRC, IRAP)**
 - **IF YES:** Have you considered these sources of operating capital for your business? If not, why not?
- Are you aware of Innovation Canada.ca (an application to help businesses find services and programs available to them)?
- Some budget initiatives are designed to help businesses **access financing**. One of these initiatives is **Innovative Solutions Canada** – had anyone heard of this initiative before today?
- How do you feel about the GC focusing on access-to-financing initiatives?

F. Intellectual Property Strategy (5 minutes – All GROUPS)

Now a few questions on intellectual property.

The proposed new National Intellectual Property Strategy aims to support the development and commercialization of intellectual property rights (IPRs), which include patents, trademarks, copyright, and industrial designs.

- At what level would you assess your awareness and understanding of IPRs? Just roughly, on a 10-pt scale where 10 means you are an expert...**MODERATOR QUICKLY GOES AROUND THE TABLE**
- How would you describe the importance of IPRs to the success of your business?
- So how much emphasis should the GC place on increasing awareness of IPRs in the business community to ensure Canadians better take advantage of intellectual property when building their business strategies? ...are they doing enough already or is more needed?
- What would help you learn more about IP and how it can be used to help your business grow?
 - Where have you gone for this type of information, and, in an ideal world, where would you *like* to find this information?

G. Innovation Superclusters & Supply Chains (DO NOT ASK OF SELF-EMPLOYED PROFESSIONALS) (5 Minutes)

Who has heard of the Innovation Superclusters? Government is co-investing with industry in ambitious proposals to strengthen Canada's most promising clusters and build Superclusters at scale. Five Superclusters have been announced so far for the following industries: digital technology, the protein industries, advanced manufacturing, Artificial Intelligence-Powered Supply Chains and the Ocean industries supercluster.

- What might the Supercluster initiative mean for your business?
- Would you be interested in learning more about how your business could be engaged or become part of the supply chain supporting the Innovation Superclusters?
- Where would you turn for help to learn more about becoming part of the supply chain in your region or in another region of Canada?

H. Red Tape / Administrative Burden / Efficiency of Service (5 minutes)

- How big of a burden is dealing with the government of Canada?
 - What are the biggest administrative burdens you face? (**LISTEN FOR, BUT DO NOT READ: access to financing/capital or grants; taxes; statistical reporting; permits; regulatory compliance / regulations; applying for grants; managing IP; access to / bidding on government contracts / procurement, etc.**)
- Do you think it is much better now, about the same, or worse compared to a few years ago? ...if better, in what ways?
- If the government offered your company an optional, central e-account that would tailor government data to your needs and allowed you to pre-populate forms based on information different departments already have, would you use it? [**SHOW OF HANDS**]
 - If yes, what specific administrative burden would you want it to lighten?
 - What concerns, if any, do you have about this approach?

I. Innovation Defined (10 minutes)

- What does “innovation” mean...
 - ...in your industry?
 - ...to your business?

HANDOUT #2 - Innovation Statements

J. Corporate Taxes (15 minutes)

- Have you heard of any recent Government of Canada announcements proposing tax changes for small businesses (i.e. “private corporations”)?

Budget 2018 introduced a series of new tax changes for SMEs:

- **Income sprinkling:** Here is how it works: Owners of private corporations – many of whom are in a higher personal tax bracket – can sprinkle income with family members. This can reduce the total income tax paid by the family because these family members face lower personal tax rates or aren’t taxable at all. The Government now proposes to move forward with changes to the tax rules to limit income sprinkling using private corporations. The new rules will not impact businesses as long as family members make meaningful contributions to the business.
 - Have you heard about this change?
 - How do you feel about this change?
 - Does this make the tax system more or less fair?
- **Passive investment:** This refers to situations where an incorporated business owner or professional saves money **within** the corporation. The advantage of saving in this manner is that **corporate** income tax rates are generally much lower than **personal** income tax rates.
 - Have you heard about these proposed changes to the tax rules regarding passive investment income?
 - What have you heard about the Government’s reason for making changes in this area? Do you think the Government’s reasons are fair?

Recently, the Government said that it heard that savings held in a business can be for **business** purposes, such as future expansion or new equipment, but also to deal with **personal** needs, such as maternity leave, sick days and retirement.

The Government proposes to make changes to the tax rules to limit the use of passive investments within a private corporation – but **also** provide greater flexibility for business owners to save for both business and personal purposes. For example, the Government will provide a passive income threshold of \$50,000 per year for go-forward investments. There will be no tax increase on investment income below this threshold. Assuming a 5-per-cent rate of return, earning \$50,000 today means you would have to have \$1 million in savings

- Have you heard about this recent adjustment to the Government’s approach?
- Does it seem reasonable to you that business owners need more flexibility to save – for both business and personal reasons?
- Or do you think additional flexibility gives business owners an unfair advantage?

K. Business of the Future (10 minutes)

- When you think of things like trends in technology -- from automation to artificial intelligence – how will your business need to evolve to succeed in the economy of the future?
- What specifically do you think the Government of Canada should do to help Canadian businesses prepare for the economy of the future?
- Before today, had you heard of anything that suggests the GC is working on helping Canadian businesses fill their labour and skills gaps?
 - Are they succeeding?

L. SMEs: ONE WORD TO DESCRIBE (5 minutes)

[ENTREPRENEURS/ BUSINESS OWNERS ONLY]

Magazines, the media, government – they all have a host of words or labels that they like to use when they talk about individuals like you or businesses like yours. But we are interested in hearing how you would describe yourself as a business owner – what word or expression would you use to describe the category that you fall into?

What about the category your business falls into?

M. Women in Entrepreneurship (10 minutes)

Two Concepts and Messaging

- What comes to mind when you see....
- What do you like about each concept?
- What don’t you like?
- In your opinion, which concept best communicates the opportunities for women entrepreneurs, innovators and business owners?
- In your opinion, which message communicates the opportunity most clearly (test of tag lines)

N. THANK AND CLOSE (1 MIN)

[BACKROOM CHECK]

In parting, is there anything that you think I should have asked but I didn't?

Please remember to sign out as you leave the focus group room – this is just to confirm you've received the incentive we promised you. [**FOR GROUP 1:** Take care as well not to discuss what has been discussed here as you leave the facility since I have participants from my next session in the lobby/ waiting area.]

Thanks again! And have a great evening!



Telephone Interview Guide – English

A. Introduction (2 minutes)

- Introduce moderator
- Thanks for participating
- Explain general purpose of the interview:
 - Gauge *opinions* about issues/ideas/products
 - Not a knowledge test; no right or wrong answers (interested in opinions)
 - Conducting research on behalf of the Government of Canada but the moderator is not an employee of the Government of Canada.
 - Looking for candor and honesty; comments treated in confidence; reporting in aggregate form only; audio-recording and note-taking for report writing purposes only; observers may be on the line.

So I'd like to get to know you a bit better...I'll be curious to know the following:

- What is your role or your position?
- What type of business do you own/operate/manage?
- Did you start the business yourself?
 - **ENTREPRENEURS:** And briefly, what attracted you to business – to become an entrepreneur / business owner?

B. Business Confidence (6 minutes)

- I'd like to start off with a broad discussion about **business confidence and the economy overall** – how would you say the Canadian economy is doing?
- What are the biggest challenges facing the Canadian economy today?
- And now how about **your company**? Would you say that your business is doing better, worse or about the same as compared to a year ago?
- Looking ahead, do you think that two years from now, your company will be doing better, worse or about the same?
- If we focus on where your company is today, what is holding your company back from growing as fast as you would like? What are the most important barriers to growth that you face?

DRILLDOWN AS NEEDED IF THESE THEMES ARE RAISED:

- Capacity to innovate / can't innovate easily:
 - What is missing here exactly? ...is it skillset, capital, time, etc.?
- Access to new markets:
 - Regionally? Within Canada? Foreign?
 - What is impeding you from growing into those markets? ...or conversely, what would make it easier to grow into those markets?

C. Role of Government (7 minutes)

Let's now turn our attention to the role the Government of Canada could or should be playing when it comes to growing the economy and supporting small and medium sized businesses like yours. (Let's try to stay focused on the role of the Federal government and not the roles the provincial or municipal governments play.)

- From a business/industry perspective, what are the most important issues at this time in need of government attention?
 - **MODERATOR TO ALWAYS BRING THE DISCUSSION BACK TO "YOUR BUSINESS":**
So what impact would this have on your company? What difference would this make for your company?
- What should the guiding principle be for the GC when it comes to helping small and medium sized businesses like yours?

- What is the federal government **doing right** these days to support small and medium sized businesses like yours?
 - Have you heard of any upcoming measures, programs or initiatives that could be beneficial to small and medium sized businesses like yours?
 - Which ones? How did you hear about that?
- And what is the government **doing wrong**?

D. Budget and Initiatives to Support SMEs (7 minutes)

- What have you heard regarding the federal budget that was just released?
 - Was there anything in the budget that could help you achieve your business goals?
 - Anything you don't like?
 - What are your overall impressions of the budget? Did you see your concerns addressed in this budget?
 - What is the government doing right? What is the government doing wrong?
 - Are there any initiatives that stand out for you in terms of how they could help you achieve your business goals?

INNOVATION AND SKILLS PLAN: ADDRESSING OBSTACLES AND BARRIERS TO BUSINESS GROWTH

- **ONLY ASK FEMALE, INDIGENOUS, YOUNG OR DISABLED ENTREPRENEURS:** A number of the initiatives are intended to **address barriers to innovation and business growth** for small businesses, women, and young entrepreneurs and other underrepresented groups.
 - As a [female entrepreneur / Indigenous entrepreneur / entrepreneur with a disability/young entrepreneur], are there barriers to success that are unique to you?
 - Do you have any advice in terms of how the government can meet its commitment to support entrepreneurs like you?

- **BREAKING INTO NEW MARKETS:** Some initiatives are designed to help businesses **break into new markets**. For instance, the GC has indicated an intention to ...
 - Help business expand into new markets abroad / Promote export / Develop trade
 - Reduce regulations, and,
 - Improve internal trade
- How do you feel about the GC focusing on these types of initiatives?
- **IMPROVING ACCESS TO SKILLED LABOUR:** Finally, some initiatives are designed to help businesses by **improving access to skilled labour**.
- How do you feel about the GC focusing on these types of initiatives?

SPECIFIC BUDGET MEASURES

E. Venture Capital/Access to Financing (2 minutes)

(SKIP FOR SELF-EMPLOYED GROUPS – ASK ONLY OF SMALL and MEDIUM BUSINESSES)

In terms of access to financing and capital...

- What barriers to capital do you/have you experienced lately?
 - How did you overcome those barriers, if at all?
- Are you aware of government programs that provide financing? ***(DO NOT PROMPT, LISTEN FOR BDC, EDC, CANADA SMALL BUSINESS FINANCING, RDAS (ACOA, FEDDEV, FEDNOR, CANNOR, CEDQ/DEC, WD))***
- Are you aware of government accelerator or incubator financing? ***(DO NOT PROMPT, BUT RECORD GOVERNMENT DEPARTMENTS, EG. ISED, NRC, IRAP)***
 - **IF YES:** Have you considered these sources of operating capital for your business? If not, why not?
- Are you aware of Innovation Canada.ca (an application to help businesses find services and programs available to them)?
- Some budget initiatives are designed to help businesses **access financing**. One of these initiatives is **Innovative Solutions Canada** – had you heard of this initiative before today?
- How do you feel about the GC focusing on access-to-financing initiatives?

F. Intellectual Property Strategy (2 minutes – All GROUPS)

Now a few questions on intellectual property.

The proposed new National Intellectual Property Strategy aims to support the development and commercialization of intellectual property rights (IPRs), which include patents, trademarks, copyright, and industrial designs.

- At what level would you assess your awareness and understanding of IPRs? Just roughly, on a 10-pt scale where 10 means you are an expert...
- How would you describe the importance of IPRs to the success of your business?
- So how much emphasis should the GC place on increasing awareness of IPRs in the business community to ensure Canadians better take advantage of intellectual property when building their business strategies? ...are they doing enough already or is more needed?
- What would help you learn more about IP and how it can be used to help your business grow?
 - Where have you gone for this type of information, and, in an ideal world, where would you *like* to find this information?

G. Innovation Superclusters & Supply Chains (DO NOT ASK OF SELF-EMPLOYED PROFESSIONALS) (2 Minutes)

Have you heard of the Innovation Superclusters? Government is co-investing with industry in ambitious proposals to strengthen Canada's most promising clusters and build Superclusters at scale. Five Superclusters have been announced so far for the following industries: digital technology, the protein industries, advanced manufacturing, Artificial Intelligence-Powered Supply Chains and the Ocean industries supercluster.

- What might the Supercluster initiative mean for your business?
- Would you be interested in learning more about how your business could be engaged or become part of the supply chain supporting the Innovation Superclusters?
- Where would you turn for help to learn more about becoming part of the supply chain in your region or in another region of Canada?

H. Red Tape / Administrative Burden / Efficiency of Service (2 minutes)

- How big of a burden is dealing with the government of Canada?
 - What are the biggest administrative burdens you face? (**LISTEN FOR, BUT DO NOT READ: access to financing/capital or grants; taxes; statistical reporting; permits; regulatory compliance / regulations; applying for grants; managing IP; access to / bidding on government contracts / procurement, etc.)**)
- Do you think it is much better now, about the same, or worse compared to a few years ago? ...if better, in what ways?
- If the government offered your company an optional, central e-account that would tailor government data to your needs and allowed you to pre-populate forms based on information different departments already have, would you use it?
 - If yes, what specific administrative burden would you want it to lighten?
 - What concerns, if any, do you have about this approach?

I. Innovation Defined (4 minutes)

- What does “innovation” mean...
 - ...in your industry?
 - ...to your business?

HANDOUT #1 - Innovation Statements

J. Corporate Taxes (5 minutes)

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Budget 2018 introduced a series of new tax changes for SMEs:

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- Have you heard about this change?
- How do you feel about this change?
- Does this make the tax system more or less fair?
- **Passive investment:** This refers to situations where an incorporated business owner or professional saves money **within** the corporation. The advantage of saving in this manner is that **corporate** income tax rates are generally much lower than **personal** income tax rates.
 - Have you heard about any proposed changes to the tax rules regarding passive investment income?
 - What have you heard about the Government's reason for making changes in this area? Do you think the Government's reasons are fair?

Recently, the Government said that it heard that savings held in a business can be for **business** purposes, such as future expansion or new equipment, but also to deal with **personal** needs, such as maternity leave, sick days and retirement.

The Government proposes to make changes to the tax rules to limit the use of passive investments within a private corporation – but **also** provide greater flexibility for business owners to save for both business and personal purposes. For example, the Government will provide a passive income threshold of \$50,000 per year for go-forward investments. There will be no tax increase on investment income below this threshold. Assuming a 5-per-cent rate of return, earning \$50,000 today means you would have to have \$1 million in savings

- Have you heard about this recent adjustment to the Government's approach?
- Does it seem reasonable to you that business owners need more flexibility to save – for both business and personal reasons?
- Or do you think additional flexibility gives business owners an unfair advantage?

K. Business of the Future (3 minutes)

- When you think of things like trends in technology -- from automation to artificial intelligence – how will your business need to evolve to succeed in the economy of the future?
- What specifically do you think the Government of Canada should do to help Canadian businesses prepare for the economy of the future?
- Before today, had you heard of anything that suggests the GC is working on helping Canadian businesses fill their labour and skills gaps?
 - Are they succeeding?

L. SMES: ONE WORD TO DESCRIBE (1 minute)

[ENTREPRENEURS/ BUSINESS OWNERS ONLY]

Magazines, the media, government – they all have a host of words or labels that they like to use when they talk about individuals like you or businesses like yours. But we are interested in hearing how you would describe yourself as a business owner – what word or expression would you use to describe the category that you fall into?

What about the category your business falls into?

M. Women in Entrepreneurship (DO NOT INCLUDE IN INTERVIEWS)

N. THANK AND CLOSE (1 MIN)

In parting, is there anything that you think I should have asked but I didn't?



We will notify the team that invited you to participate in this interview that the interview has been completed and they will take care to send you the incentive we promised you as soon as possible.



Thanks again! And have a great evening!

Handout 1 – English

HANDOUT #1 – Programs and Policies Supporting Small Businesses & Entrepreneurs

The government supports a broad array of programs and policies intended to support business growth, innovation, enhance manufacturing competitiveness, and secure investment.

	Like	Dislike
Please give a thumbs up or thumbs down for each initiative identified by a letter. Then, circle what you feel the best initiative on this list is. Next, put check marks next to the ones you feel will have a positive impact on your business/industry.		
REMOVING BARRIERS TO INNOVATION AND GROWTH		
SUPPORTING SKILLS OF TOMORROW		
Programs and policies geared to provide Canadians with the tools, skills and experience they need to succeed in the workforce and helping employers access the high-skill talent they need to succeed, including:		
a) Global Skills Strategy -- Expedites processing of visas and work permits for low-risk, high-skill talent.		
b) Cancode program – Invests in the digital literacy of Canadian youth		
c) Futurpreneur – Offers financing, mentoring, and business support to young Canadians		
d) Mitacs internships Helps Canadian students prepare for the modern-day workforce and helps employers create more workplace learning opportunities for students in science, technology, engineering and business programs.		
e) National Intellectual Property Strategy – to help Canadian entrepreneurs better understand and protect their intellectual property – copyright, trademarks, patents and industrial designs. The objective of the strategy is to support the scale-up and growth of Canadian businesses and the successful commercialization of Canadian innovations.		
SUPPORTING BUSINESS GROWTH THROUGH ACCESS TO INNOVATION AND FINANCING		
f) Innovation Superclusters Initiative -- areas that contain a dense concentration of large and small companies, post-secondary schools and research institutions who work together to create new business opportunities and jobs for people in the area through innovation.		
g) Strategic Innovation Fund – Funding open to all industries to encourage R&D that will: <ol style="list-style-type: none"> 1. accelerate technology transfer and commercialization of innovative products, processes and services 2. facilitate the growth and expansion of firms in Canada 3. attract and retain large scale investments to Canada 4. advance industrial research, development and technology demonstration through collaboration between academia, non-profit organizations and the private sector 		

Please give a thumbs up or thumbs down for each initiative identified by a letter. Then, circle what you feel the best initiative on this list is. Next, put check marks next to the ones you feel will have a positive impact on your business/industry.	Like 	Dislike 
h) Innovative Solutions Canada – Supports early stage R&D and late stage prototypes for innovators who wish to scale-up and grow their business <u>by having the federal government act as a first customer.</u>		
i) Innovation Canada , a new collaborative platform that makes it easier and faster for Canada’s innovators and entrepreneurs to access government programming.		
j) Artificial Intelligence Strategy - retains and attracts top researchers and trainees studying artificial intelligence.		
k) Venture Capital Catalyst Initiative -- increases the availability of late stage venture capital in Canada.		
l) Regional Economic Growth Strategies – supporting Innovation and skills through programs including regionally tailored programs including Women in Entrepreneurship and initiatives such as the Rick Hansen Institute (to achieve breakthroughs in spinal cord injury research and care).		
m) Clean technology – financing to help Canada’s clean technology firms grow and expand		
n) Substantial investments in scientific research to set a solid foundation for Canada’s capacity to innovate.		
Programs and Polices Supporting Small Businesses and Entrepreneurs and Innovation New Programs for 2018		
SUPPORT WOMEN IN ENTREPRENEURSHIP		
o) Proposed federal and regional programs designed to support women in business and women in entrepreneurship by: <ol style="list-style-type: none"> 1. improving access to capital for women and support growth of their businesses 2. identifying opportunities related to trade for women, 3. increasing the participation rate of women entrepreneurs in the federal procurement supply chain 4. improving representation in corporate Canada 		
SUPPORTING BUSINESS AND MARKETPLACE INFRASTRUCTURE		
p) Cybersecurity: Helping business improve their security and safeguard their prosperity in a digital world.		
q) Broadband — new technological solutions required to improve service (through the Strategic Innovation Fund) for rural Canada.		
r) Marketplace Frameworks <ol style="list-style-type: none"> 1. Protecting Canadian’s pensions and retirement security – taking a whole of government approach and consulting with pensioners, workers and companies. 2. Addressing Corporate Integrity – strengthening legislation and tools to hold corporate offenders to account 3. Modernizing Canada’s regulatory frameworks – focused on supporting innovation and business investment, making Canada’s regulatory systems more agile, transparent, and responsible 		

Handout 2 – English

Innovation is important because...	Agree	Neutral	Disagree	The best reason to invest in innovation is... (SELECT ONE)
a) ...it can lead to breakthroughs in agriculture, medicine, green technology and service delivery, improving the quality of life for all Canadians.				
b) ...the time has come to change not just what we do, but how we do it.				
c) ... by investing in skills and training, we're making sure Canadians have the tools they need to get jobs of the future, and that no one gets left behind.				
d) ...Canada needs to keep up with other nations.				
e) ...it ensures the continued prosperity of our nation.				
f) ...we need technology that works for us and not against us.				



Handout 3 – English

Concept/Idea	Tag Line Options	Call to Action
<p>A) The “EntreprenHER” Concept</p> <p>Canada’s EntreprenHER strategy</p>	<input type="checkbox"/> Sustaining, growing and empowering women-owned businesses.	#EntreprenHER
<p>B) The “...By Her” Concept</p>	<p>Check your favourite(s) from this list:</p> <input type="checkbox"/> Envisioned by her <input type="checkbox"/> Started by her <input type="checkbox"/> Grown by her <input type="checkbox"/> Built by her <input type="checkbox"/> Powered by her	#EntreprenHER #InvestHER
<p>C) The “(Em)PowHer” Concept</p> <p>The Canadian economy, powered by women</p>	<input type="checkbox"/> Passion. Potential. Power. Partnership. <i>Empowered by women. Promoted by the Government of Canada.</i>	#EmpowHER
<p>D) The “CDN-Women-Can” Concept</p> <p>Canadian women can...</p>	<p>Check your favourite(s) from this list:</p> <input type="checkbox"/> Women can... build the economy <input type="checkbox"/> Women can...create the jobs of tomorrow <input type="checkbox"/> Women can... bring ideas to market	#cdnwomencan

Now choose your preferred concept overall (circle): **A** **B** **C** **D**