

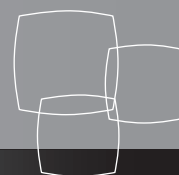


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# SMALL BUSINESS QUARTERLY

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## PERFORMANCE

### *Trends*

- Job creation in Canada rose by 297 141 jobs (2.1 percent) in the first quarter of 2008 compared with the same quarter of 2007. Small businesses<sup>1</sup> contributed 38.9 percent of the job growth and large firms contributed 53 percent.
- Since 2000, the share of incorporated self-employed workers has been increasing at an average annual growth rate of 3.7 percent compared with a 0.2 percent average annual growth rate for unincorporated self-employed workers.
- A total of 2 342 029 business establishments<sup>2</sup> were present in Canada at the end of 2007, an increase of 1.3 percent from December 2006.
- Total business loans outstanding from chartered banks continued to rise in the first quarter of 2008, reaching approximately \$133 billion. This represents an increase of 15.6 percent from the same quarter of 2007. Small loans (those less than \$0.5 million) represented 15 percent of total business loans, while medium-sized loans (those between \$0.5 and \$5 million) represented 29.1 percent.

<sup>1</sup> Small businesses are defined as having fewer than 100 employees, medium-sized businesses having 100 to 499 employees and large businesses having 500 or more employees.

<sup>2</sup> For an individual business establishment to be included in Statistics Canada's *Business Register*, the company to which it belongs must meet one of the following criteria: have at least one paid employee (with payroll deductions remitted to the Canada Revenue Agency), have annual sales revenues of \$30 000, or be incorporated and have filed a federal corporate income tax return at least once in the previous three years.

## BUSINESS R&D INTENSITY AND FIRM SIZE

### *Canada and the United States*

The prevalence of small firms in Canada has often been advanced as a possible cause of Canada's lower intensity of business expenditures on research and development (BERD) compared with the United States. A recent Industry Canada study examines statistical evidence and concludes that the presence of small firms does not explain the research and development (R&D) gap between Canada and the United States.

As a proportion of business value added, U.S. firms invest 2.44 percent in R&D, whereas Canadian firms invest only 1.35 percent. In order to examine this gap in BERD, the study breaks down the components of business sector R&D intensity to produce a framework for examining how smaller firm size might lead to lower overall R&D intensity. This could occur for three possible reasons: i) small firms are more prevalent in Canada than in the U.S.; ii) the proportion (or incidence) of Canadian small firms that invest in R&D is less than the proportion of U.S. small firms that invest in R&D; or iii) among those firms that invest in R&D, the proportion of revenues spent on R&D (or R&D intensity) is less in Canadian small firms than in their U.S. counterparts. The study examines the validity of each of these factors in explaining the BERD gap between Canada and the U.S.

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### Main Findings

Overall, evidence indicates that factors related to small firms do not contribute significantly to the Canada–U.S. gap in BERD:

- Small firms are not more prevalent in Canada than in the U.S. (Table 1). Differences in the prevalence of small firms, therefore, cannot contribute to the gap in aggregate BERD intensity.

*Table 1: Distribution of Firms by Size and the Proportion of Firms Undertaking R&D, 2002*

Firm Size (Employees)	Distribution of Firms in Canada and the U.S. by Firm Size <sup>1</sup>		R&D Incidence by Firm Size in Canada <sup>2</sup> and the U.S. <sup>3</sup>	
	Canada (%)	U.S. (%)	Canada (%)	U.S. (%)
Small (0–99)	98.6	98.3	1.1	1.0 (5–99)
Medium (100–499)	1.1	1.4	10.3	6.1
Large (500+)	0.2	0.3	15.5	14.7

<sup>1</sup> Source: Statistics Canada, *Business Dynamics in Canada 2003*. No. 61-534-XIE, Table 1a, March 2006. United States Small Business Administration, Firm Size Data, 2006.

<sup>2</sup> Source: Statistics Canada, *Industrial Research and Development — 2005 Intentions*. Table 1.8, 2006. Statistics Canada, *Business Dynamics in Canada 2003*. No. 61-534-XIE, Table 1a, March 2006.

<sup>3</sup> Source: National Science Foundation (NSF). *Research & Development in Industry: 2002*. NSF-06-322, Table 14, 2006. United States Small Business Administration, Firm Size Data, 2006.

- Conversely, very large firms are more prevalent in the U.S. than in Canada. This is likely to be an important source of the R&D gap as firms with 5000 or more employees account for 62 percent of R&D expenditures in the U.S. as opposed to 29 percent in Canada.
- There are only small differences between Canada and the U.S. in the proportion of firms that perform R&D for each firm size class (Table 1). Consequently, Canada–U.S. differences in R&D incidence cannot contribute significantly to the gap in aggregate BERD intensity.
- In both countries, the R&D incidence in small firms is lower than the R&D incidence in larger firms. However, among firms that perform R&D, smaller firms spend a greater share of their output on R&D. Thus, small firms in both countries have higher R&D intensities than larger firms.

- There is evidence that R&D intensity (Table 2) for firms performing R&D is lower in Canada than in the U.S. across most of the sizes of firms (but with only a small gap for small firms). In fact, it is large firms that show the biggest gap.
- Two firm-size-related factors are likely to account for a significant part of the Canada–U.S. BERD intensity gap: lower R&D intensity of large firms performing R&D in Canada and lower prevalence of very large firms in Canada.

*Table 2: R&D Intensity for Canada and the U.S. by Firm Size, 2002*

Firm Size, Canada	Canada <sup>1</sup>	Firm Size, U.S.	U.S. <sup>2</sup>
1–49	5.7	5–49	7.9
50–99	8.6	50–99	7.1
100–199	5.7	100–499	6.2
200–499	3.8	500–999	6.9
500–999	3.2	1000–4999	4.0
1000–1999	2.2	5000+	2.9
2000–4999	1.1		
5000+	1.2		

<sup>1</sup> Source: Statistics Canada, *Industrial Research and Development — 2005 Intentions*. Table 15, 2006.

<sup>2</sup> Source: National Science Foundation (NSF). *Research & Development in Industry: 2002*. NSF-06-322, Tables 14 and 27, 2006.

The study finds no support for the notion that R&D levels are lower in Canada because it has “too many small firms that do not perform R&D.” On the contrary, the R&D intensity gap between the two countries is primarily due to the higher R&D intensity of medium-sized and large firms in the U.S., and the greater prevalence of very large firms (5000 employees or more) in the U.S.

The methodology used in this study and the full report, *Business R&D Intensity and Firm Size in Canada and the United States*, by Thitima Songsakul, Bernice Lau and Daniel Boothby, can be accessed at [www.ic.gc.ca/epic/site/eas-aes.nsf/en/h\\_ra01967e.html](http://www.ic.gc.ca/epic/site/eas-aes.nsf/en/h_ra01967e.html).

# BUSINESS *Establishments*

According to Statistics Canada's *Business Register*, there were 2 342 029 business establishments<sup>1</sup> in Canada at the end of 2007 (Table 3), an increase of 1.3 percent from December 2006. The number of businesses in the indeterminate<sup>2</sup> category grew by 20 774, representing a 1.7-percent increase compared with the previous year. The number of employer businesses (i.e. those establishments with at least one employee) grew by 26 484 to 1 077 047 in December 2007, an increase of 2.5 percent.

In December 2007, small businesses accounted for 97.8 percent of employer establishments. However, within small businesses, the share of micro-businesses (those with fewer than five employees) decreased compared with December 2006, whereas the share of businesses with 5–19 employees increased. Medium-sized enterprises represented 1.9 percent of employer establishments and large firms represented 0.3 percent of employer businesses in Canada.

Provincially, Newfoundland and Labrador experienced the highest year-over-year increase in employer businesses at

8.6 percent, followed by Ontario at 2.6 percent. A decline in employer businesses of 4.6 percent occurred in Saskatchewan, the highest decrease across all provinces, followed by a decline of 4 percent in the Northwest Territories.

The distribution of business establishments by province has been fairly stable for the last five years. As of December 2007, most business establishments were located in Ontario (37.6 percent) and Quebec (20 percent). The western provinces accounted for 36.4 percent of businesses and the Atlantic provinces for 5.8 percent.

<sup>1</sup> For an individual business establishment to be included in Statistics Canada's *Business Register*, the company to which it belongs must meet one of the following criteria: have at least one paid employee (with payroll deductions remitted to the Canada Revenue Agency), have annual sales revenues of \$30 000, or be incorporated and have filed a federal corporate income tax return at least once in the previous three years. Some business establishments can belong to the same company and each company owns at least one business establishment.

<sup>2</sup> The indeterminate category consists of incorporated or unincorporated businesses that do not have a Canada Revenue Agency payroll deductions account. The workforce of such businesses may consist of contract workers, family members and/or owners.

*Table 3: Business Establishments by Size of Employment and Province or Territory, December 2007*

Province or Territory	Employer Businesses											
	Grand Total	Indeterminate <sup>1</sup>	Total	Year-Over-Year Change (%) (2006–2007)	Firm Size (Number of Employees)							
					1–4	5–9	10–19	20–49	50–99	100–199	200–499	500+
Newfoundland and Labrador	27 074	9 085	17 989	8.6	10 381	3 874	1 926	1 156	342	161	97	52
Prince Edward Island	10 556	4 408	6 148	0.9	3 157	1 402	813	510	159	64	32	11
Nova Scotia	54 767	24 164	30 603	1.3	16 851	6 356	3 587	2 383	777	400	171	78
New Brunswick	42 386	16 445	25 941	0.1	14 331	5 333	3 108	2 040	649	289	133	58
Quebec	468 106	230 585	237 521	0.2	123 585	51 885	30 345	20 192	6 558	2 899	1 410	647
Ontario	880 842	515 193	365 649	2.6	198 626	72 943	44 463	29 334	10 858	5 373	2 883	1 169
Manitoba	74 619	39 590	35 029	-1.8	17 510	7 570	4 839	3 149	1 116	471	258	116
Saskatchewan	89 083	52 246	36 837	-4.6	20 102	7 787	4 625	2 837	860	351	188	87
Alberta	331 214	182 159	149 055	0.2	87 619	27 071	16 760	10 845	3 715	1 806	913	326
British Columbia	357 038	188 565	168 473	0.4	95 239	34 009	19 965	12 267	4 083	1 707	848	355
Yukon Territory	2 857	1 283	1 574	-0.3	774	351	211	170	37	17	12	2
Northwest Territories	2 634	1 019	1 615	-4.0	577	378	328	216	71	31	12	2
Nunavut	853	240	613	-3.0	157	152	131	118	35	15	4	1
<b>Canada Total</b>	<b>2 342 029</b>	<b>1 264 982</b>	<b>1 077 047</b>	<b>2.5</b>	<b>588 909</b>	<b>219 111</b>	<b>131 101</b>	<b>85 217</b>	<b>29 260</b>	<b>13 584</b>	<b>6 961</b>	<b>2 904</b>
<b>Share of Employer Businesses</b>	<b>December 2007</b>				<b>54.7%</b>	<b>20.3%</b>	<b>12.2%</b>	<b>7.9%</b>	<b>2.7%</b>	<b>1.3%</b>	<b>0.6%</b>	<b>0.3%</b>
	<b>December 2006</b>				<b>58.0%</b>	<b>16.6%</b>	<b>11.6%</b>	<b>8.4%</b>	<b>3.0%</b>	<b>1.4%</b>	<b>0.7%</b>	<b>0.3%</b>

Source: Statistics Canada, *Business Register*, December 2007.

<sup>1</sup> The indeterminate category consists of incorporated or unincorporated businesses that do not have a Canada Revenue Agency payroll deductions account. The workforce of such businesses may consist of contract workers, family members and/or owners.

# JOB Creation

According to Statistics Canada's *Survey of Employment, Payrolls and Hours*, job creation in Canada rose by 297 141 (or 2.1 percent) in the first quarter of 2008 compared with the same quarter in 2007, reaching a total of 14 018 308 (Table 4). Over the 12-month period that ended in the first quarter of 2008, employment for small businesses grew by 2.1 percent, which was higher than the growth recorded by medium-sized businesses (1.2 percent) but lower than that recorded by large businesses (2.5 percent). The contribution to job growth from small businesses was 38.9 percent. This contribution is slightly higher than the 10-year average of 37 percent. The contribution to job growth from medium-sized businesses was 8.1 percent and 53.0 percent from large businesses.

By province or territory, employment growth was lowest in Prince Edward Island (0.8 percent) and highest in Yukon

(5.5 percent). Quebec and Ontario recorded 1.0 and 2.0 percent employment growth respectively. Employment growth was over 3.0 percent in five other provinces and the other two territories.

Between the first quarter of 2007 and the first quarter of 2008, small business employment growth for Ontario (2.4 percent) was higher than the overall provincial employment growth rate; in contrast, small business employment growth in Alberta (0.9 percent) and British Columbia (2.7 percent) was lower than the respective provincial employment growth rates. Small business employment growth was high in Newfoundland and Labrador (6.7 percent), Saskatchewan (4.2 percent), Yukon (4.2 percent) and Nova Scotia (4.1 percent), but very low in Alberta (0.9 percent), Quebec (1.2 percent) and Nunavut (-0.5 percent).

*Table 4: Year-Over-Year Change<sup>1</sup> in Payroll Employment<sup>2</sup> by Province and Territory, 1st Quarter 2008*

Quarter	Change		% Contribution to Total Change (Number of Employees)								
	%	Jobs	0-4	5-19	20-49	50-99	0-99	100-299	300-499	100-499	500+
Q1 2007	2.1	281 472	-2.5	10.4	12.5	7.5	27.9	11.9	7.7	19.6	52.5
Q2 2007	1.8	253 803	-1.9	9.1	13.0	9.8	30.1	12.8	8.1	20.9	49.0
Q3 2007	2.3	318 993	2.5	15.5	11.7	6.7	36.4	10.8	6.9	17.7	45.9
Q4 2007	2.3	324 165	-2.5	18.8	11.4	6.8	34.5	9.6	6.1	15.7	49.8
Q1 2008	2.1	297 141	4.5	13.6	10.6	10.2	38.9	3.8	4.2	8.1	53.0
Province and Territory	Growth Rates (%)										
Newfoundland and Labrador	4.6	7 524	4.7	4.0	6.1	18.8	6.7	-11.5	32.6	-1.0	4.1
Prince Edward Island	0.8	404	5.1	-0.7	4.8	0.3	2.0	13.2	-4.0	7.7	-2.5
Nova Scotia	3.4	12 583	5.4	2.3	3.8	6.4	4.1	5.9	-10.1	0.8	3.7
New Brunswick	1.5	4 294	5.7	0.3	1.2	5.1	2.4	-2.3	65.0	10.6	-1.4
Quebec	1.0	31 118	-2.9	1.5	2.5	2.4	1.2	1.5	3.3	2.0	0.4
Ontario	2.0	105 775	3.3	1.8	2.1	2.8	2.4	-0.9	1.2	-0.3	2.5
Manitoba	3.6	18 189	4.3	1.2	2.6	7.7	3.4	1.7	5.9	2.9	3.9
Saskatchewan	3.9	15 705	5.3	3.6	2.5	6.7	4.2	7.6	3.1	6.0	3.0
Alberta	2.4	39 952	2.0	1.8	-0.3	-0.1	0.9	-0.3	1.5	0.2	4.6
British Columbia	3.3	59 420	0.2	4.2	3.1	1.7	2.7	4.4	-2.1	2.6	4.2
Yukon <sup>3</sup>	5.5	880	6.7	6.2	3.1	-2.0	4.2	-7.6	—	—	—
Northwest Territories <sup>3</sup>	3.8	847	5.6	1.7	-2.8	9.6	2.1	-13.3	—	—	—
Nunavut <sup>3</sup>	4.4	448	-16.3	10.7	3.0	-11.7	-0.5	17.4	—	—	—
<b>Canada Total</b>	<b>2.2</b>	<b>297 141</b>	<b>1.4</b>	<b>2.1</b>	<b>2.1</b>	<b>2.7</b>	<b>2.1</b>	<b>0.8</b>	<b>2.2</b>	<b>1.2</b>	<b>2.5</b>

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours*, July 2008.

<sup>1</sup> Year-over-year change in payroll employment is calculated as the variation between the level of employment in a given quarter and the level in the same quarter a year before.

<sup>2</sup> *Survey of Employment, Payrolls and Hours* data exclude self-employed workers who are not on a payroll and employees in the following industries: agriculture, fishing and trapping, private household services, religious organizations and military personnel of defence services. The data breaking down employment by size of firm also exclude unclassified industries.

<sup>3</sup> Data for firms with 300 or more employees in the territories are suppressed due to confidentiality restrictions but are included in the size category and territorial totals.



# SELF-*Employment*

According to the latest findings of Statistics Canada's *Labour Force Survey*, the number of self-employed workers increased by 10.2 percent between 2000 and 2007, compared with 15.0 percent for employees. The occupational compositions of employed and self-employed workers have been stable during this period as the share of employed or self-employed workers in most occupational categories changed by less than one percentage point (Table 5).

As of 2007, 39.9 percent of self-employed workers were incorporated, compared with unincorporated self-employed workers who represented 59.2 percent of the sample. Since 2000, however, the share of incorporated self-employed workers has been growing at an average rate of 3.7 percent, compared with the 0.2 percent average growth rate of unincorporated self-employed workers. Higher incorporation rates may represent a greater commitment to self-employment by individuals.

Among incorporated self-employed workers with paid help, employment in health occupations and trades, transport and equipment operators witnessed the largest percentage increases of 5.1 and 4.4 percent respectively. Self-employment in natural and applied sciences recorded the least growth, at 0.4 percent, during this period.

The largest share of incorporated self-employed workers without paid help was observed in the natural and applied sciences category, representing 36.5 percent. Although only 9.4 percent of the sample were represented in health occupations, this category experienced an annualized average growth of 18.3 percent between 2000 and 2007, resulting in an increase of approximately 9000 incorporated self-employed workers without paid help in this field.

In contrast, from 2000 to 2007, the average growth rate of unincorporated self-employed workers with paid help has declined across all occupational categories except one. While the majority of self-employed workers are unincorporated and without paid help, and had an average growth rate of 0.7 percent, their incorporated counterparts recorded an average growth rate of 6.3 percent during this period.

*(continued on page 6)*

## Product *Licensing*

In today's world of rapid technological change, new technologies are the key to economic growth, resulting in many products having short life cycles and being readily replaced in the marketplace by new technology.

To survive, a company needs to continually expand its product line, level out seasonal swings and add to profitability with a proven product. Companies may not have the internal skills, time or money to develop their own new products, so obtaining a proven product quickly through licensing is often seen as a solution.

Licensing involves obtaining permission from a company (the licensor) to manufacture and sell one or more of its products within a defined market area. The company that obtains these rights (the licensee) usually agrees to pay a royalty fee to the original owner.

Some advantages of product licensing are:

- Opportunities to break into new markets based on the experience of others.
- Minimizing costs and risks — no research and development costs and the firm only pays royalties when it starts making sales.
- No large losses if the product doesn't succeed in the market.

Some disadvantages of product licensing are:

- New technology may become available, making the licensed opportunity obsolete.
- The agreement may force the licensee to accept restrictions on its marketing.
- The licensee may lose the capacity to develop its own technology internally.

For further information on product licensing and other ways of starting or managing a business, contact the Canada Business service centre nearest you.

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*Table 5: Self-Employment in Canada, Share by Category of Worker and Occupation, 2000 and 2007*

Occupation	Employees			Self-Employed			Incorporated				Unincorporated			
							With Paid Help		Without Paid Help		With Paid Help		Without Paid Help	
	Share (%)			Share (%)			Share within Occupation Category		Share within Occupation Category		Share within Occupation Category		Share within Occupation Category	
	2000	2007	2007	2000	2007	2007	2000–2007	2007	2000–2007	2007	2000–2007	2007	2000–2007	2007
							(Percent)				(Percent)			
Business, finances and administration	19.1	19.3	2 753.5	10.0	10.9	285.3	21.7	2.7	21.6	7.5	7.6	-0.13	46.5	2.2
Health occupations	5.5	6.1	864.5	4.4	5.4	140.8	22.8	5.1	9.4	18.3	21.4	-2.67	46.3	6.7
Management occupations	7.7	7.1	1 006.4	19.6	19.0	496.5	46.8	0.5	14.5	6.7	13.0	-2.49	25.7	1.1
Natural and applied sciences	7.0	7.4	1 050.5	4.8	5.2	136.3	17.2	0.4	36.5	4.5	3.8	-2.02	42.4	2.3
Art, culture, recreation and sport	2.2	2.3	324.1	6.2	7.1	186.3	7.1	2.7	16.6	8.6	3.1	-0.25	73.2	2.8
Social science, education and government	8.1	9.0	1 276.5	6.5	6.3	164.7	9.8	1.5	8.8	2.1	11.2	-2.52	70.1	1.4
Primary industry	2.1	2.1	293.0	13.2	11.0	286.5	15.5	3.0	15.3	4.9	11.2	-3.33	53.9	-2.5
Sales and services occupations	25.3	25.9	3 686.8	16.5	16.0	418.2	14.3	1.8	14.0	4.5	7.7	-0.98	62.9	0.4
Trades, transport and equipment operators	14.5	14.5	2 065.9	17.1	17.4	454.9	20.7	4.4	21.1	6.8	9.9	-0.47	47.9	-0.6
Occupations unique to processing, manufacturing and utilities	8.6	6.5	930.2	1.7	1.7	45.6	37.7	2.9	18.0	11.2	11.4	1.77	32.5	-1.3
<b>Total, all occupations</b>	<b>100.0</b>	<b>100.0</b>	<b>14 251.4</b>	<b>100.0</b>	<b>100.0</b>	<b>2 615.0</b>	<b>22.7</b>	<b>1.9</b>	<b>17.2</b>	<b>6.3</b>	<b>10.0</b>	<b>-1.79</b>	<b>49.2</b>	<b>0.7</b>

\*Includes unpaid family workers.

Source: Statistics Canada, *Labour Force Survey*, 2000 and 2007.

## BUSINESS *Financing*

### *Angel Groups Help Dreams of Entrepreneurs Soar*

Angel investors are very important for some types of small businesses but, as their name suggests, they are mostly invisible to those who have not benefited from their influence and affluence. Angels invest \$3.5 billion dollars each year in Canada according to a report produced by Industry Canada.<sup>1</sup>

Angel investors are successful business people who expect a high return on their capital. This expectation is often met — North American angels collaborating in formal groups achieved an annualized rate of return of 27 percent over the 1990–2007 period — but to attain those earnings, angels bear

tremendous risk, with over half the investments closing with a loss of principal.<sup>2</sup>

Although angels make high-risk investments, they follow a best-practices philosophy to generate high overall returns. Angels first evaluate a start-up firm's plan and then supply money, business experience and networking opportunities to those firms deemed to have a suitable combination of innovation, growth potential and congruence with the investors' areas of expertise.

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Anecdotal evidence suggests angels that participate in organized groups achieve better returns than their solo counterparts, so it comes as no surprise that angels are increasingly joining forces. Across Canada, the number of active angel groups is growing, with 21 listed on the National Angel Organization's (NAO's) website ([www.angelinvestor.ca/Angel\\_Directory.asp](http://www.angelinvestor.ca/Angel_Directory.asp)). In addition, the NAO is developing 10 new angel groups.<sup>3</sup> The incentives for angels to work together are numerous, but three key motivators are reduced time for finding new prospective investments, reduced risk, and collaboration opportunities to share cross-industrial expertise and best practices.

For entrepreneurs seeking equity financing, the increasing number of angel groups contributes to more than easier access to financial capital. Angel groups are able to simplify the task of presenting a business plan, and more importantly they allow entrepreneurs to draw advice from all of the group's angels. In fact, angels who became involved (in a mentorship manner) with the company after the initial investment had better returns than angels who had little company participation.<sup>4</sup> As well, angels who provided additional rounds of equity financing also had better-than-average returns.<sup>5</sup>

Angel groups also allow novice angels (who may be experiencing difficulty in finding senior angels from whom to learn the trade) an opportunity to interact with individuals who are otherwise protective of their privacy. Business owners interested in becoming angels can also use this opportunity to tap a wealth of wisdom and instruction. By fostering these entrepreneur-to-entrepreneur relationships, angel groups help "to take Canadian companies onto the global stage and to succeed."<sup>6</sup>

Business angel groups offer quality private-equity financing to deserving entrepreneurs and quality data to existing angel investors and business owners seeking investment opportunities. Additional information on angel groups can be found on the National Angel Organization's website at [www.angelinvestor.ca](http://www.angelinvestor.ca).

<sup>1</sup> Riding, A. "Estimating Informal Investment in Canada." Prepared for Small Business Policy Branch, Industry Canada, 2005.

<sup>2</sup> Wiltbank, R. and W. Boeker. "Returns to Angel Investors in Groups." Ewing Marion Kauffman Foundation, 2007.

<sup>3</sup> Standing Committee on Industry, Science, and Technology. Oral remarks by W. D. Mothersill, page 5, 2008.

<sup>4</sup> Wiltbank, R. and W. Boeker. "Returns to Angel Investors in Groups." Ewing Marion Kauffman Foundation, 2007.

<sup>5</sup> Ibid.

<sup>6</sup> Standing Committee on Industry, Science, and Technology. Oral remarks by J. Simoneau, 2008.



# ENTRENET

([www.entre-net.org](http://www.entre-net.org))

## **CREATING** *a Culture of Global Collaboration for Advancement of Entrepreneurship*

**ENTRENET** is an online knowledge network that brings Canadian researchers, educators, students and practitioners together to share and advance best practices, research and education in social and business entrepreneurship.

The field of entrepreneurship education has just begun to emerge in the last decade, with recognition of the importance of a strong entrepreneurship framework around the advancement of innovation. However, the knowledge and expertise surrounding this topic is often isolated and not shared within the broader entrepreneurial community.

**ENTRENET** was created as a means to share valuable research and educational practices in various social, economic and political contexts in a single place. Through this network, members have the ability to create their own online community and collaborate with peers on new ideas; connect with pertinent individuals and organizations; raise professional profiles, knowledge and experience; reach a broader audience; and augment the level of learning infrastructure for entrepreneurship. The network is designed to host the latest news, publications, forums and events from its members.

A group of four Canadian universities, engaged in entrepreneurship programming, were involved in the inception and design: McGill, Waterloo, Wilfrid Laurier and Acadia.

**ENTRENET** ([www.entre-net.org](http://www.entre-net.org)) is hosted by the IGLOO network. IGLOO began as a five-year, \$15-million project funded by the Centre for International Governance Innovation (CIGI). CIGI was founded and supported, in part, by Jim Balsillie, Co-Chief Executive Officer of Research In Motion (RIM), and the Ontario Ministry of Research and Innovation. Its mandate is to produce a free online network that facilitates and promotes knowledge exchange among individuals and institutions working on, studying or advising on global issues. Some of its partners are the Canadian International Development Agency (CIDA), Department of Foreign Affairs and International Trade (DFAIT) and Parliamentary Centre.

The goal of **ENTRENET** is to become the leading source for generating the exposure of global knowledge of entrepreneurship practices and to facilitate cross-disciplinary and interdisciplinary knowledge sharing at all levels of social and business entrepreneurship experiences and practices. With its roots in Canada, **ENTRENET** is aimed at the global entrepreneurship community for input and output.

# RECENT *Developments*

## PROFILE OF GROWTH FIRMS:

### *A Summary of Industry Canada Research*

The Small Business Policy Branch of Industry Canada recently released a summary of research conducted on high growth firms. The *Profile of Growth Firms* uses a database that covers the universe of all firms and highlights not only the economic importance of growth firms but also their characteristics. Demonstrated in the report is the tremendous leverage these particular firms offer in terms of employment creation. Furthermore, the profile provides details of this job creation by firm, size, region, industry and age of firm.

For more details on the study, and a copy of the profile, please visit [www.ic.gc.ca/epic/site/sbrp-rppe.nsf/en/h\\_rd01200e.html](http://www.ic.gc.ca/epic/site/sbrp-rppe.nsf/en/h_rd01200e.html).

### *Small Business Quarterly* Small Business Policy Branch

The *Small Business Quarterly* (SBQ) provides a quick and easy-to-read snapshot of the recent performance of Canada's small business sector. The SBQ is published by the Small Business Policy Branch of Industry Canada.

If you want to subscribe, please send your request to [prg-sbpb@ic.gc.ca](mailto:prg-sbpb@ic.gc.ca). If you have questions or comments about the content, please send them to the editor:

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## SMALL AND MEDIUM-SIZED ENTERPRISES

### *Data Warehouse*

Statistics Canada recently announced that data are now available on small and medium-sized enterprises (SMEs) in Canada through the SMEs Data Warehouse. The warehouse, which contains a census of all such enterprises by year from 2001 to 2006, contains comprehensive and integrated data on core business characteristics aimed at supporting future research on and analysis of SMEs.

The initiative provides general characteristics and performance indicators related to small and medium-sized enterprises. The data warehouse is based on existing administrative data sources from Statistics Canada and the Canada Revenue Agency. The database enables tabulations on general business demographic statistics, including business counts, employment and revenue, by industry, size and geography. Also provided is information on business entry and exits and on business performance indicators such as high growth measures, gazelles and survival rates.

Custom tabulations are available through Small Business and Special Surveys Division on a cost-recovery basis.

For more information, or to inquire about the concepts, methods or data quality of this release, contact Client Services (toll-free: 1-877-679-2746), Small Business and Special Surveys Division.

## UPCOMING *Event*

### 2008 NATIONAL ANGEL SUMMIT

The National Angel Organization (NAO) is hosting the *2008 National Angel Summit* in Halifax, Nova Scotia, October 15–17. The theme for the summit is “Networking, Strategy, Leadership: A Forum for Smart Investing” and will focus on a variety of angel-specific topics such as bridging funding gaps, ideas to exit and best practices.

For the full agenda and information on how to register, please visit [www.angelinvestor.ca/Events.asp](http://www.angelinvestor.ca/Events.asp).