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POR Number: POR-535-06  
Contract Number: U5450-072664/001/CY  
Award Date: 2007-03-23

## FINAL REPORT

### Canada Small Business Financing Program (CSBFP) Awareness and Satisfaction Study

Prepared for Industry Canada

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**Ce rapport est également disponible en français.**

**July 2007**



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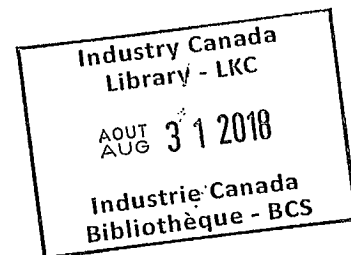
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## EXECUTIVE SUMMARY

Industry Canada commissioned Phoenix SPI to conduct a survey among small and medium-sized enterprises (SMEs) to better understand the experience of businesses when they try to obtain financing, as well as the extent to which they are aware of and satisfied with the features of the Canada Small Business Financing Program (CSBFP). Two distinct survey populations were included in this research:

1. CSBFP Borrowers: This sample consisted of client SMEs that had obtained a CSBFP loan within the previous year. A total of 502 interviews were completed with this group.
2. General SME Sample: This sample consisted of representatives of SMEs with characteristics similar to CSBFP borrowers, whether or not they recently obtained financing. A total of 503 interviews were completed with this group<sup>1</sup>.

Interviewing took place by telephone from June 8 to the 28, 2007. Based on samples of this size, the overall findings for each population group can be considered to be accurate to within +/- 4.4%, 19 times out of 20.

### Financial Dealings

Large and almost identical majorities of borrowers and representatives of SMEs (71-72%) indicated that their business uses only one financial institution for their banking and other financial arrangements. Among financial institutions used by borrowers, the Royal Bank of Canada led the way (24%), followed by the Bank of Nova Scotia and Toronto Dominion-Canada Trust (20% each). Co-operatives including Caisses populaires and Credit unions were also identified relatively frequently (15% each) (multiple responses accepted). The Royal Bank also led the way among financial institutions used by SMEs (19%), followed closely by Toronto Dominion-Canada Trust (17%). A cluster of other institutions was also identified relatively frequently (11-15%) including Credit unions, the Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, Caisses populaires, and the Bank of Montreal.

Term loans were, by far, the financing option used most often by CSBFP borrowers (71%) during the previous five years. Identified less frequently, but still by substantial numbers, were lines of credit (40%), followed at a distance by credit cards (27%). Lines of credit are the most commonly used financing option among SMEs (42%), followed by term loans (28%) and credit cards (24%). A substantial proportion (26%) indicated that their firm used no external financing during the previous five years.

CSBFP borrowers and SME representatives differed noticeably concerning applications for a term loan from a financial institution during the previous 12 months. Two-thirds of borrowers said their business applied for a term loan during this period compared to only 16% of representatives of SMEs. The fact that one-third of borrowers said that their firm did not apply for a loan is noteworthy in light of the fact that all of them would have received a CSBFP loan during the past year. However, this is relatively consistent with

<sup>1</sup> While the SME survey population was designed to match the CSBFP borrowers sample on key characteristics, the area where the samples are least similar is with respect to the age of the firm. Please see the table in the introduction that compares the two samples according to key characteristics.

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previous research. Compared to the baseline survey conducted in 2001, the number of borrowers who acknowledge having applied for a loan has decreased (66% vs. 82% in 2001). However, it is important to note that in 2001 borrowers were asked if their firm had ever applied for a loan as opposed to a loan over the previous 12 months (the way it was asked this year).

Among respondents who acknowledged loan applications from a financial institution, CSBFP borrowers were much more likely to indicate receipt of a loan for the full amount requested (82% vs. 59% of representatives of SMEs). Representatives of SMEs were much more likely to indicate that they were turned down for a loan (28% vs. 5% of representatives from CSBFP borrowers). Among CFBSB borrowers, the vast majority indicated that the loan in question met most or all of their financing needs. The largest proportion of CSBFP borrowers (43%) said the loan met all their financing needs, one in five said it met between 76-99% of their needs, and 28% said it met between half and three-quarters of their needs. Relatively few (8%) said the loan met less than half their needs. Results among SME representatives were similar.

### Awareness and Use of CSBFP

Total awareness of the CSBFP among borrowers is 25%. In other words, one-quarter of executives of businesses that received a loan under this program acknowledge awareness of the program by name. Moreover, awareness is much more likely to be aided than unaided. In all, only 4% of borrowers identified the CSBFP by name in an unprompted manner. In addition, 51% claimed to be aware of federal government loans programs in general. That is, they knew that there was one or more federal programs that share the risk with financial institutions, even if they knew nothing else about such programs. Finally, 24% percent were not even aware that there were any such programs.

Awareness was much lower among representatives of SMEs. Only one in five (19%) claimed awareness of the program by name, almost all of whom were able to do so on an aided basis only. In addition, 20% claimed to be aware of federal government loans programs in general (i.e. knew there was a federal program that shares the risk with financial institutions, even if they knew nothing else about it). The clear majority, 61%, were not aware that there were any such programs.

Among borrowers who claimed to be aware of the CSBFP, over one-third (40%) said they knew nothing about it. The most frequently identified aspect of the program was that it is designed to help small business get financing (27%), followed by the perception that losses are shared by government (17%) and that fewer guarantees are required to secure the loan (14%). A majority of SMEs who claimed to be aware of the CSBFP (58%) said they knew nothing about the program. As was the case among borrowers, the aspect of the program identified most often was that it is designed to help small business get financing (22%). All other responses were provided by very small numbers (6% or less).

CSBFP borrowers were most likely to have learned about the CSBFP through a bank officer (41%), followed at a distance by a friend or colleague (22%). Representatives of SMEs were most likely to have learned about it through a friend or colleague (26%) or a

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brochure/pamphlet (25%). In contrast to borrowers, relatively few SME representatives (9%) learned about the program through a bank officer.

A majority of borrowers aware of the CSBFP (52%) indicated that when seeking financing the lender identified the program to them for consideration. Just under one-quarter (22%) said they themselves asked about the CSBFP, while 17% said they neither asked about it nor was it brought to their attention. Among representatives of SMEs, three-quarters (74%) said they neither asked about it nor was it brought to their attention, while most of those remaining (15%) said the lender identified the program to them for consideration.

### Satisfaction with Financing

A majority of borrowers (55%) and a near majority of SME representatives (45%) whose firms received loans during the previous 12 months expressed overall satisfaction with the financing options available to them, although satisfaction was more likely to be moderate than strong. Borrowers who did not express satisfaction were more likely to be neutral (28%) than dissatisfied (16%), while SME representatives who did not express satisfaction were just as likely to be neutral or negative (24-26%).

CSBFP borrowers that acknowledged receiving a CSBFP loan in the previous 12 months were most likely to be satisfied with the financing they received relative to their request (75%). Almost two-thirds (61-64%) were satisfied with other aspects of the application process and the approval time. More than half also expressed satisfaction with the securities and guarantees needed, the availability of program information and the administrative requirements (55-58%). Satisfaction was lowest concerning fees associated with the CSBFP loan, including both the registration fees (37%) and the annual administration fee (31%).

The large majority of borrowers (90%) and representatives of SMES (84%) whose firms received loans during the past 12 months indicated that their business would be at least moderately likely to use the same lender for financing in the future.

### Perceptions of CSBFP Parameters

Focusing specifically on a number of CSBFP features, there was widespread agreement among both borrowers and SME representatives (79-83%) that the maximum amount of financing of 90% is about right. Two-thirds in each population (66-68%) also agreed that the maximum loan size of \$250,000 is about right. In both groups, most of those who did not agree with this felt that the amount is too low. As well, over half the borrowers and representatives of SMEs (59-62%) felt that the cap on the interest rate at prime plus 3% is too high (nearly all the rest, 34-39%, think this is about right). Finally, over half the borrowers and representatives of SMEs (52-56%) felt that the 2% registration fee is too high; virtually all the rest (42% in each population) felt it is about right.

Asked about the reasonableness of certain features of the CSBFP, strong and nearly identical majorities in both populations (80-83%) regarded the restriction to term loans and the financing restrictions as at least somewhat reasonable. By contrast, borrowers were much more likely to regard the loss-sharing arrangements as at least somewhat reasonable

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(82% vs. 66% of representatives of SMEs). Representatives of SMEs were almost twice as likely to regard this feature as lacking reasonableness (32% vs. 17% of borrowers). Most of the borrowers who acknowledged receiving a CSBFP loan in the previous 12 months said that they were satisfied with the program's rules and procedures.

While majorities of both borrowers and representatives of SMEs regard the CSBFP as potentially useful to them if they were having difficulty obtaining financing, borrowers were much more likely to think this: 80% of borrowers rated the program as useful (57% said *very* useful), compared to 62% of SME representatives (43% said *very* useful).

### Conclusions and Implications

Consistent with the 2001 survey, and as one might expect, the results for CSBFP borrowers and the general SME sample were very different in terms of awareness of the CSBFP. While 25% of CSBFP borrowers were aware of the program by name (prompted and unprompted awareness), only 19% of the SME group claimed the same level of awareness. The gap is considerably larger when one looks at total awareness of the program – whether by name or not – where 76% of borrowers claim to be aware of the program, but only 39% of general SMEs.

Differences in awareness notwithstanding, it is noteworthy that only three-quarters of the CSBFP clients recalled the program in general, and only 25% by name – despite the fact that all of these companies received a loan under the program during the previous 12 months. Such lack of awareness is underscored by the fact that 72% of CSBFP borrowers that acknowledged having received a term loan in the preceding year said they were aware that it was covered by a federal program that provides a guarantee on loans to small businesses (a proportion almost identical to what it was in 2001). Moreover, only two-thirds of CSBFP borrowers even acknowledged having applied for a term loan in the preceding 12 months (down from 82% in 2001, although the time period in the earlier survey was *ever*, while that in the current survey was in the last 12 months).

Taken together, the results suggest low awareness of CSBFP among the SME population in general, but also, to a lesser extent, among CSBFP borrowers – where awareness could be expected to be relatively high. While somewhat surprising, this pattern is largely consistent with the 2001 survey results.

In terms of actual *knowledge* about the program, relatively few respondents aware of the program, in either group, identified program specifics (e.g. maximum financing amount, registration fees), instead offering general statements about it, such as “it is a government program to help small businesses”. In terms of sources of information about the program, borrowers tended to hear about it from bank personnel (41%), while SMEs pointed most often to friends/colleagues or brochures. Of CSBFP borrowers aware of the program by name, only half (52%) said the lender identified the program for them for their consideration when discussing financing options.

The results suggest that financial institutions are not identifying the CSBFP to potential borrowers with any consistency, including even to those who obtain loans covered by the

program. Beyond the lenders themselves, there are no communications channels or tools that have had a significant impact in terms of increasing awareness of the program.

Turning to the CSBFP loans themselves, of those borrowers who acknowledged having applied for one, the vast majority (82%) said they received a loan for the full amount requested, while an additional 10% received part of what they were looking for. These results are almost identical to the 2001 findings. Only a minority of borrowers (43%), however, said the loan met 100% of their financing needs, although over 90% said it met half of their needs or more. In short, it appears that while the CSBFP-covered loan did not meet the full financial needs of all clients, it did address *most* of the needs for almost all firms that obtained a loan.

When the focus is on the financing options used in the last five years, a variety of tools or instruments were used by both groups. However, only a limited number were used with any frequency. For CSBFP borrowers, the use of term loans headed the list, as would be expected. And while lines of credit were also frequently used (40%), their use is only about half of that reported in 2001. Credit cards were the only other method used with some frequency (27%, unchanged since 2001). All other methods were much less widely used compared to 2001, including capital leasing for equipment, operational leases and venture capital. The situation is similar with the general SME population, although lines of credit were the financing tool used most by this group. All financing methods were used by smaller proportions of SMEs compared to 2001. It appears that a narrower range of financing options is being used by businesses at this point in time compared to 2001.

Executives exhibited moderate levels of satisfaction with the financing options available to small businesses (asked of those whose firm had used one or more of the financing options). While a majority of borrowers and near-majority of SMEs expressed satisfaction overall, many others were dissatisfied (16% and 24% respectively) or simply neutral or undecided (28% and 26%). When the focus was on specific aspects of financing, satisfaction varied widely for both groups – highest for amount received vs. amount requested, application processing time, and lender service quality, and lowest for service fees and variety of options available (with CSBFP borrowers adding in interest rates, and SMEs adding in guarantees needed). As well, dissatisfaction for specific financing issues was often over 25%. Conclusion: decidedly mixed levels of satisfaction with the financing options available to the small business community.

Interestingly, one of the top-rated items – lender service quality – and one of the lowest-rated items – variety of options available – were two of the three most powerful drivers of overall satisfaction with the financing options available. Despite the mixed levels of satisfaction with their financing experience, most executives in both groups said their business would likely use the same lender(s) for other sources of financing in future.

Turning specifically to the CSBFP loan that borrowers received during the previous 12 months, satisfaction was also quite varied – highest for the financing received relative to their request, other aspects of the application process, and the approval time – and lowest for the fees associated with the loan, including both the registration fees and the annual administration fee. Dissatisfaction with these fees was quite high (27-31%). Despite this



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mixed satisfaction, two-thirds of CSBFP borrowers said they were satisfied, overall, with the rules and procedures of the program.

Despite mixed perceptions and satisfaction levels about the financing options available in general, and the rules/procedures of CSBFP loans in particular, businesses appear to be largely content with the lenders and/or program used. That is, areas of dissatisfaction do not appear to be sufficient to translate into changed behaviour.

When attributes and rules of the CSBF program were identified to borrowers and SMEs, most features were seen to be reasonable by most executives. This extended to some of the amounts that were explored, seen to be 'about right', with the exception of the interest rate and registration fee – majorities in both groups viewed these as too high. As a summary measure, 80% of borrowers and 62% of SMEs rated the program as at least moderately useful to them if they were having difficulty obtaining financing for their business in future. As a whole, therefore, surveyed executives – especially CSBFP clients – view the program as a useful tool in the financing toolkit available for small businesses.

**More Information:**

**Supplier Name:** Phoenix Strategic Perspectives Inc.  
**PWGSC Contract Number:** U5450-072664/001/CY  
**Award Date:** 2007-03-23

## SOMMAIRE

Industrie Canada a chargé Phoenix SPI d'effectuer un sondage, auprès des petites et moyennes entreprises (PME), en vue de mieux comprendre les expériences des entreprises dans le contexte des demandes de financement, et afin de vérifier dans quelle mesure les caractéristiques du Programme de financement des petites entreprises du Canada (PFPEC) sont connues et tenues pour satisfaisantes. L'étude visait deux populations distinctes :

1. Des emprunteurs du PFPEC : Cet échantillon réunissait des PME clientes ayant obtenu un prêt du PFPEC au cours de l'année précédente. Au total, nous avons mené 502 entrevues auprès des membres de ce groupe.
2. Un échantillon général de PME : Cet échantillon réunissait des représentants de PME dont les caractéristiques sont semblables à celles des emprunteurs du PFPEC, qu'ils aient ou non obtenu du financement récemment. Au total, nous avons mené 503 entrevues auprès des membres de ce groupe<sup>2</sup>.

Les entrevues téléphoniques se sont déroulées du 8 au 28 juin 2007. Compte tenu de la taille des échantillons, les résultats globaux s'attachant à chaque groupe peuvent être tenus pour exacts dans une marge de +/- 4,4 %, 19 fois sur 20.

### Opérations financières

C'est dans des proportions largement majoritaires et presque identiques que les emprunteurs et les représentants des PME (71 %-72 %) signalent que leur entreprise fait appel à une seule institution bancaire pour ses opérations bancaires et financières. Au nombre des institutions financières avec lesquelles font affaire les emprunteurs, la Banque Royale du Canada arrive en tête de liste (24 %). Suivent la Banque de Nouvelle-Écosse et la Toronto Dominion-Canada Trust (20 %, dans chaque cas). Les coopératives, nommément les Caisses populaires et les caisses d'épargne et de crédit (« Credit unions », en anglais), sont aussi signalées assez souvent (15 %, dans chaque cas) (les réponses multiples étaient acceptées). La Banque Royale du Canada arrive aussi première parmi les institutions financières auxquelles font appel les PME (19 %), suivie de près par la Toronto Dominion-Canada Trust (17 %). En outre, ces répondants nomment assez fréquemment diverses autres institutions (11 %-15 %), en particulier les « Credit unions », la Banque de Nouvelle-Écosse, la Banque Canadienne Impériale de Commerce, les Caisses populaires et la Banque de Montréal.

Les prêts à terme constituent, et de loin, les options de financement dont les emprunteurs du PFPEC disent s'être servis le plus souvent (71 %) au cours des cinq années précédentes. Suivent les marges de crédit, option signalée moins souvent, mais par une proportion néanmoins considérable (40 %), et à une certaine distance, les cartes de crédit (27 %). Les marges de crédit constituent par ailleurs l'option de financement utilisée le plus souvent dans le groupe des PME (42 %), devant les prêts à terme (28 %) et les cartes de crédit

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<sup>2</sup> Même si le groupe à l'étude réunissant des représentants de PME a été constitué de façon à ce qu'il s'harmonise aussi bien que possible avec l'échantillon des emprunteurs du PFPEC en ce qui a trait aux caractéristiques clés, c'est au chapitre du nombre d'années de fonctionnement de l'entreprise que les deux échantillons se ressemblent le moins. À ce sujet, veuillez consulter le tableau, figurant dans l'introduction, qui présente une comparaison des deux échantillons en fonction des caractéristiques clés.

(24 %). C'est toutefois dans une proportion considérable (26 %) que des répondants indiquent que leur entreprise n'a pas recouru à du financement externe au cours des cinq dernières années.

Il y a de nettes différences entre les emprunteurs du PFPEC et les représentants des PME pour ce qui concerne les demandes de prêts à terme auprès d'une institution financière au cours des 12 mois précédents. Les deux tiers des emprunteurs affirment que leur entreprise a produit une demande de prêt à terme au cours de cette période, comparativement à 16 % seulement des représentants des PME. Il importe de souligner que le tiers des emprunteurs affirment que leur entreprise n'a pas fait de demande de prêt pendant cette période, étant donné que l'ensemble de ces entreprises devraient avoir reçu un prêt du PFPEC au cours de l'année précédente. Néanmoins, ces résultats rejoignent assez bien les observations découlant d'une étude antérieure. En effet, par rapport aux résultats enregistrés en 2001, le nombre d'emprunteurs qui signalent avoir présenté une demande de prêt a fléchi (66 % c. 82 % en 2001). Il convient toutefois de signaler qu'en 2001, les emprunteurs devaient répondre à la question à savoir si leur entreprise avait déjà fait une demande de prêt, plutôt qu'à la question (formulée pour la présente édition du sondage) qui s'attache aux demandes de prêt au cours des 12 mois précédents.

Au nombre des répondants indiquant avoir soumis une demande de prêt à une institution financière, les emprunteurs du PFPEC se sont révélés beaucoup plus susceptibles d'indiquer avoir obtenu le prêt en entier, c.-à-d. à hauteur du montant demandé (82 % c. 59 % des représentants des PME). D'autre part, les représentants des PME se sont révélés beaucoup plus susceptibles d'indiquer que le prêt leur a été refusé (28 % c. 5 % des emprunteurs du PFPEC). Dans le groupe des emprunteurs, en grande majorité, les répondants font valoir que le prêt en question a permis de combler tous leurs besoins de financement ou presque. En effet, dans la plus forte proportion (43 %), les emprunteurs du PFPEC indiquent que le prêt a comblé l'ensemble de leurs besoins de financement, tandis que dans une proportion de un pour cinq, ils signalent que le prêt a permis de combler 76 %-99 % de leurs besoins, et que dans une proportion de 28 %, ils répondent plutôt qu'il a permis de combler entre la moitié et les trois quarts de leurs besoins. Un groupe relativement restreint (8 %) des emprunteurs indiquent que le prêt a satisfait à moins de la moitié de leurs besoins à ce chapitre. Nous avons observé des résultats semblables chez les représentants des PME.

#### Notoriété et utilisation du PFPEC

Au total, la notoriété du PFPEC s'établit à 25 % chez les emprunteurs. Autrement dit, le quart des dirigeants des entreprises qui ont obtenu un prêt dans le cadre de ce programme sont capables de reconnaître et de nommer le PFPEC. En outre, les répondants se sont révélés beaucoup plus susceptibles de reconnaître et de nommer le programme avec de l'aide que spontanément. Dans l'ensemble, c'est dans une proportion de 4 % seulement que les emprunteurs ont spontanément nommé le PFPEC. De plus, 51 % ont signalé être au courant de programmes de prêt du gouvernement fédéral en général, c.-à-d. qu'ils savent qu'il existe un ou plusieurs programmes fédéraux partageant le risque des prêts avec les institutions financières, même s'ils ne savent rien d'autre au sujet de ces programmes. Enfin, au moment de la tenue du sondage, 24 % des répondants de ce groupe ne savaient pas qu'il existait de pareils programmes.

La notoriété du programme s'est par ailleurs révélée encore moins répandue chez les représentants des PME. C'est dans une proportion de un pour cinq (19 %) que les représentants des PME ont reconnu et nommé le programme, encore qu'ils n'y soient presque tous parvenus qu'avec de l'aide. En outre, 20 % de ces répondants ont soutenu être au courant des programmes de prêt du gouvernement fédéral en général (c.-à-d. qu'ils savent qu'il existe un programme fédéral qui partage le risque avec les institutions financières, même s'ils n'en connaissent rien d'autre). C'est en bonne majorité, dans une proportion de 61 %, que les répondants de ce groupe ne savaient pas qu'il existe pareils programmes.

Au nombre des emprunteurs qui affirment être au courant de l'existence du PFPEC, plus du tiers (40 %) indiquent qu'ils ne savent rien de plus à ce sujet. L'aspect du programme signalé le plus souvent tient à ce qu'il vise à aider les petites entreprises à obtenir du financement (27 %). Suivent les perceptions à l'effet que les pertes sont partagées avec le gouvernement (17 %) et qu'il faut présenter beaucoup moins de garanties pour obtenir un prêt (14 %). C'est une majorité de représentants de PME affirmant être au courant de l'existence du PFPEC (58 %) qui indiquent ne rien savoir au sujet du programme en particulier. Comme nous l'avons aussi observé chez les emprunteurs, l'aspect du programme signalé le plus souvent tient à ce qu'il vise à aider les petites entreprises à obtenir du financement (22 %). Toutes les autres réponses n'ont été signalées que par un très faible nombre de répondants (6 %, tout au plus).

Les emprunteurs se sont révélés plus enclins à indiquer avoir appris l'existence du PFPEC auprès d'un responsable bancaire (41 %), réponse que suit, à une certaine distance, le choix « ami ou collègue » (22 %). Les représentants de PME sont le plus susceptibles d'en avoir entendu parler auprès d'un ami ou d'un collègue (26 %) ou grâce à une brochure ou à un dépliant (25 %). À la différence des emprunteurs, les représentants de PME sont relativement peu nombreux (9 %) à avoir été mis au courant de l'existence du programme par un responsable bancaire.

C'est en majorité que les emprunteurs au courant du PFPEC (52 %) précisent que lorsqu'ils cherchaient à obtenir du financement, le prêteur a porté le programme à leur attention. Un peu moins du quart (22 %) de ces répondants indiquent avoir plutôt demandé de leur propre initiative des renseignements au sujet du PFPEC, tandis que dans une proportion de 17 %, ils affirment ne pas avoir demandé des renseignements à ce sujet, sans que le prêteur ne mentionne non plus le programme. Parmi les représentants de PME, les trois quarts (74 %) disent qu'ils n'ont pas demandé de renseignements, et que le prêteur n'a pas davantage mentionné le programme, tandis que la plupart des autres répondants (15 %) affirment que c'est le prêteur qui a porté le programme à leur attention.

#### Satisfaction à l'égard du financement

La majorité des emprunteurs (55 %) et la quasi-majorité des représentants de PME (45 %) dont l'entreprise a obtenu des prêts au cours des 12 mois précédents se disent globalement satisfaits à l'égard des options de financement offertes, encore que le niveau de satisfaction se soit révélé plus souvent modéré que soutenu. Les emprunteurs qui ne se disent pas satisfaits se sont montrés plus enclins à se dire neutres (28 %) qu'insatisfaits (16 %), tandis

que les représentants des PME qui ne sont pas satisfaits se sont révélés tout aussi susceptibles d'être neutres que négatifs (24 %-26 %).

Les emprunteurs du PFPEC ayant indiqué avoir reçu un prêt du programme au cours des 12 mois précédents sont plus susceptibles d'affirmer être satisfaits à l'égard de la somme accordée par rapport à leur demande (75 %). Près des deux tiers (61 %-64 %) des répondants sont satisfaits à l'égard des autres aspects du processus de demande ainsi que du délai avant l'approbation. Plus de la moitié sont aussi satisfaits à l'égard des titres et garanties exigés, de la disponibilité de l'information au sujet du programme et des exigences administratives (55 %-58 %). Les niveaux de satisfaction les plus bas ont été enregistrés au sujet des frais liés aux prêts du PFPEC, notamment les droits d'enregistrement au programme (37 %) et les frais d'administration annuels (31 %).

En forte majorité, les emprunteurs (90 %) et les représentants de PME (84 %) dont l'entreprise a reçu des prêts au cours des 12 mois précédents signalent qu'il serait au moins assez probable que leur entreprise s'adresse au même prêteur pour du financement à l'avenir.

#### Perceptions à l'égard des paramètres du PFPEC

En ce qui concerne tout particulièrement un certain nombre de caractéristiques du PFPEC, nous avons observé que les emprunteurs et les représentants de PME s'entendent largement pour dire (dans une proportion de 79 %-83 %) que le montant maximum de financement, qui s'établit à 90 % des coûts admissibles, est juste bien. Dans les deux groupes, les deux tiers des répondants (66 %-68 %) conviennent en outre que le maximum d'emprunt, soit 250 000 \$, est juste bien également. De part et d'autre, la plupart des répondants qui ne sont pas d'accord avec cette caractéristique sont d'avis que la somme est trop basse. En outre, plus de la moitié des emprunteurs et des représentants de PME (59 %-62 %) estiment que le taux d'intérêt, qui est plafonné au taux préférentiel plus 3 %, est trop élevé (presque toutes les autres personnes interrogées, c.-à-d. 34 %-39 % des répondants, sont d'avis qu'il est juste bien). Enfin, de l'avis de plus de la moitié des emprunteurs et des représentants de PME (52 %-56 %), les droits d'enregistrement de 2 % sont trop élevés. Ceci dit, presque tous les autres répondants (soit une proportion de 42 % dans chaque groupe) sont d'avis que ces droits sont juste biens.

À la question de savoir si certaines caractéristiques du PFPEC sont raisonnables, dans les deux groupes de répondants, de fortes majorités, en outre presque identiques (80 %-83 %), estiment que le fait que le programme n'offre que des prêts à terme et que les restrictions relatives au financement constituent des aspects au moins plutôt raisonnables. Par ailleurs, les emprunteurs sont beaucoup plus susceptibles de signaler que les dispositions liées au partage des pertes sont au moins assez raisonnables (82 % c. 66 % des représentants de PME). Les représentants de PME se sont révélés près de deux fois plus susceptibles d'estimer que cette caractéristique n'est pas assez raisonnable (32 % c. 17 % des emprunteurs). La plupart des emprunteurs ayant indiqué avoir reçu un prêt du PFPEC au cours des 12 mois précédents se disent satisfaits à l'égard des conditions et modalités du programme.

Tandis que c'est en majorité que les emprunteurs et les représentants de PME estiment que le PFPEC pourrait leur être utile s'ils éprouvaient des difficultés à obtenir du financement, les emprunteurs se sont révélés beaucoup plus susceptibles d'être de cet avis : 80 % des emprunteurs indiquent que le programme est utile (et 57 % sont d'avis qu'il est *très* utile), comparativement à 62 % des représentants des PME (dont 43% sont d'avis qu'il est *très* utile).

### Conclusions et répercussions

Dans le droit fil des observations découlant du sondage de 2001, et comme nous pouvions nous y attendre, les résultats s'attachant aux emprunteurs du PFPEC et ceux s'attachant à l'échantillon général des PME se sont révélés fort différents sur le plan de la notoriété du PFPEC. En effet, tandis que 25 % des emprunteurs du PFPEC étaient en mesure de reconnaître et de nommer le programme (avec ou sans aide), c'est dans une proportion de 19 % seulement que les répondants du groupe des PME étaient au courant du programme. L'écart est considérablement plus important en ce qui a trait à la connaissance du programme au total – c.-à-d. aussi bien les répondants en mesure de le nommer que ceux qui sont au courant de son existence sans en connaître le nom : tandis que 76 % des emprunteurs indiquent être au courant du programme, ce résultat ne s'établit qu'à 39 % dans l'échantillon général des PME.

Nonobstant les différences observées au chapitre de la connaissance, il convient de signaler que les trois quarts des clients du PFPEC seulement se souviennent du programme en général, et que 25 % seulement peuvent le nommer, même si toutes ces entreprises ont reçu un prêt dans le cadre du programme au cours des 12 mois précédents. À l'appui de ce manque de connaissance, signalons que 72 % des emprunteurs du PFPEC ayant indiqué avoir reçu un prêt à terme au cours de l'année précédente signalent être au courant de ce que le prêt a été consenti dans le cadre d'un programme fédéral qui offre une garantie pour des prêts octroyés à de petites entreprises (cette proportion est presque identique à celle enregistrée en 2001). De plus, les deux tiers seulement des emprunteurs du PFPEC affirment avoir demandé un prêt à terme au cours des 12 mois précédents (résultat à la baisse par rapport à la proportion de 82 % enregistrée en 2001, même si dans le cadre de cette édition du sondage, les répondants devaient indiquer s'ils avaient *déjà* fait une demande, à la différence de la plus récente édition, qui s'intéressait aux demandes présentées au cours des 12 derniers mois).

Collectivement, les résultats indiquent que le PFPEC est peu connu dans la population des PME en général, de même qu'auprès des emprunteurs du PFPEC – quoiqu'à un moindre degré. Dans le groupe des emprunteurs, nous pouvions pourtant nous attendre à ce que le programme soit assez bien connu. Encore qu'ils soient quelque peu surprenants, ces résultats, pour la plupart, s'inscrivent dans le droit fil des observations découlant du sondage effectué en 2001.

En ce qui concerne les *connaissances* au sujet d'éléments particuliers du programme, les répondants au courant du programme sont relativement peu nombreux, dans les deux groupes, à être en mesure de désigner des caractéristiques précises (p. ex., la somme maximale de financement, les droits d'enregistrement). Ils ont plutôt présenté des énoncés de portée générale au sujet du PFPEC, par exemple, « c'est un programme gouvernemental

qui vise à aider les petites entreprises ». En ce qui concerne les sources d'information au sujet du programme, en général, les emprunteurs ont entendu parler du PFPEC grâce aux membres du personnel bancaire (41 %), tandis que les représentants de PME signalent plus souvent « des amis/collègues » ou « des brochures » en réponse à cette question. Au nombre des emprunteurs du PFPEC en mesure de nommer le programme, seulement la moitié (52 %) des répondants affirment que c'est le prêteur qui a porté le programme à leur attention lorsqu'ils discutaient d'options de financement.

Ces résultats font penser que les institutions financières ne sont pas enclines à porter le PFPEC à l'attention d'éventuels emprunteurs, y compris ceux qui obtiennent déjà des prêts dans le cadre du programme. Au-delà des prêteurs, les résultats soulignent qu'il n'y a pas de voies de communication ou d'outils connexes ayant joué un rôle d'importance pour faire connaître le programme.

Pour ce qui concerne les prêts du PFPEC en particulier, au nombre des emprunteurs ayant indiqué avoir présenté une demande de prêt dans le cadre de ce programme, une grande majorité des répondants (82 %) indiquent avoir reçu un prêt correspondant à la somme demandée, tandis que 10 % des répondants ont reçu une partie de la somme demandée. Ces résultats sont presque identiques aux observations découlant du sondage de 2001. En revanche, c'est une minorité seulement des emprunteurs (43 %) qui indiquent que le prêt a comblé 100 % de leurs besoins de financement, encore que plus de 90 % signalent qu'il est parvenu à satisfaire à la moitié au moins de leurs besoins à ce chapitre. En somme, les résultats font penser que si les prêts visés par le PFPEC n'ont pas comblé l'ensemble des besoins de financement de tous les clients, ils ont toutefois satisfait à la *plupart* des besoins de presque toutes les entreprises qui ont obtenu un prêt.

Lorsque nous nous penchons sur les options de financement auxquelles ils ont recouru au cours des cinq dernières années, il appert que les membres des deux groupes ont fait appel à une vaste gamme d'outils et de moyens. Ceci dit, c'est un faible nombre de ces réponses seulement qui ont été signalées assez régulièrement. Chez les emprunteurs du PFPEC, les prêts à terme figurent en tête de liste, comme nous pouvions nous y attendre. Et même s'ils recourent souvent aux marges de crédit également (40 %), le résultat témoignant de l'utilisation de cette option correspond à seulement la moitié environ du résultat enregistré en 2001 à cet effet. Les cartes de crédit constituent le seul autre moyen signalé assez fréquemment (27 %, inchangé depuis 2001). Par rapport aux résultats enregistrés en 2001, toutes les autres méthodes se sont révélées beaucoup moins répandues, y compris la location à bail d'équipement, les contrats de service et le capital de risque. Le tableau est semblable dans le groupe des PME, encore que les marges de crédit y soient l'outil de financement le plus utilisé. À noter que dans le groupe des PME, toutes les méthodes de financement ont été signalées dans de plus faibles proportions, comparativement à 2001. Les résultats indiquent que par rapport à 2001, les entreprises recourent actuellement à une gamme plus restreinte de moyens dans le contexte du financement.

Les dirigeants se sont montrés modérément satisfaits à l'égard des options de financement auxquelles les petites entreprises ont accès (cette question s'adressait aux répondants dont l'entreprise a recouru à au moins l'une des options de financement). Tandis qu'une majorité des emprunteurs et qu'une quasi-majorité des représentants de PME se disent globalement satisfaits, bon nombre des autres répondants sont insatisfaits (dans une

proportion de 16 % ou de 24 %, respectivement), ou encore neutres ou indécis (dans une proportion de 28 % ou de 26 %). Lorsque nous nous sommes penchés sur des aspects précis du financement, nous avons observé d'importantes variations des résultats témoignant de la satisfaction dans les deux groupes : les résultats sont plus élevés sur le plan du rapport entre la somme reçue et la somme demandée, du délai de traitement des demandes, et de la qualité du service reçu du prêteur, tandis qu'ils sont moins élevés sur le plan des frais de service et des diverses options offertes (de même que pour ce qui concerne les taux d'intérêt, chez les emprunteurs du PFPEC, et les garanties exigées, chez les représentants de PME). De même, dans bien des cas, c'est dans une proportion supérieure à 25 % que les répondants se sont dits insatisfaits à l'égard d'enjeux précis liés au financement. En conclusion, les niveaux de satisfaction sont résolument variables pour ce qui concerne les options de financement offertes aux petites entreprises.

Fait intéressant, l'un des aspects faisant l'objet des évaluations les plus favorables – la qualité du service reçu du prêteur – et l'un des aspects faisant l'objet des évaluations les moins favorables – les diverses options offertes – sont deux des trois facteurs agissant le plus sur la satisfaction globale à l'égard des options de financement disponibles. Malgré les divers niveaux de satisfaction signalés en ce qui concerne leur expérience dans le contexte du financement, la plupart des dirigeants dans les deux groupes indiquent qu'il est probable que leur entreprise fasse appel au(x) même(s) prêteur(s) comme source(s) de financement à l'avenir.

En ce qui a trait tout particulièrement au prêt du PFPEC que les emprunteurs ont reçu au cours des 12 mois précédents, les répondants affichent aussi des niveaux de satisfaction assez variés : les résultats témoignant de la satisfaction sont les plus élevés pour ce qui concerne le financement reçu par rapport à la somme demandée, d'autres aspects du processus de demande, et le temps écoulé avant l'approbation, et ils sont les plus bas pour ce qui concerne les frais liés aux prêts, notamment les droits d'enregistrement et les frais d'administration annuels. En effet, l'insatisfaction à l'égard de ces frais est assez répandue (27 %-31 %). Malgré ces résultats variables au chapitre de la satisfaction, les deux tiers des emprunteurs du PFPEC affirment être satisfaits, dans l'ensemble, des conditions et modalités du programme.

Malgré des perceptions et des niveaux de satisfaction variables au sujet des options de financement offertes, en général, et des conditions et modalités subordonnées aux prêts du PFPEC, en particulier, les entreprises semblent largement satisfaites à l'égard des prêteurs ou du programme de financement. Autrement dit, les domaines faisant l'objet de l'insatisfaction des répondants ne semblent pas suffire à justifier un changement de comportement.

Suite à la présentation des attributs et des conditions du PFPEC aux emprunteurs et aux représentants de PME, il appert que la majorité des dirigeants sont d'avis que la plupart des caractéristiques sont raisonnables, y compris certaines des sommes à l'étude, tenues pour « juste biens ». Font exception à la précédente observation le taux d'intérêt et les droits d'enregistrement, au sujet desquels les répondants des deux groupes sont majoritairement d'avis qu'ils sont trop élevés. En guise de récapitulation, signalons que 80 % des emprunteurs et 62 % des représentants des PME indiquent que le programme leur serait au moins assez utile s'ils éprouvaient des difficultés à obtenir du financement pour leur



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entreprise à l'avenir. C'est ainsi que dans l'ensemble, les dirigeants interrogés, dont particulièrement les clients du PFPEC, estiment que le programme est un outil utile parmi la panoplie des moyens de financement offerts aux petites entreprises.

**Information supplémentaire :**

**Nom du fournisseur :** Phoenix Strategic Perspectives Inc.

**Numéro de contrat de TPSGC :** U5450-072664/001/CY

**Date du contrat :** 23-03-2007

## INTRODUCTION

Industry Canada commissioned Phoenix Strategic Perspectives to conduct a survey among small and medium-sized enterprises (SMEs) to better understand the experience of businesses when they try to obtain financing, as well as the extent to which they are aware of and satisfied with the features of the Canada Small Business Financing Program (CSBFP).

### Background

The Canada Small Business Financing Program (CSBFP) facilitates asset-based debt financing for higher-risk SMEs (primarily start-up firms) that would not normally receive financing. This is done through public-private partnership between over 1,300 lending institutions and the government. Since its launch in 1961, the program has helped approximately 500,000 Canadian businesses start up, expand, modernize or improve their businesses.

The program has two central objectives: it is to be incremental (i.e. the program should finance loans that would not otherwise be available), and it is to meet cost-recovery over time (i.e. program revenues from fees should offset the net cost of claims for defaulted loans).

A comprehensive review was completed in 2005 for the period 1999-2004. The review showed that over that five-year period, the program had been successful in facilitating access to almost \$5.4 billion in lending through about 66,000 loans to small businesses.

Industry Canada, through the Canada Small Business Financing Program Directorate, is responsible for administering this loan-loss-sharing program. Under the program, financial service providers can make loans of up to \$250,000 and are responsible for credit decisions and administering the loans. The Government of Canada pays lenders 85% of any eligible loss incurred on loans that default, after the lender has taken the usual steps to recover any associated security to reduce the amount outstanding.

Through the Small Business Policy Branch, Industry Canada is responsible for evaluating the CSBFP, on a five-year cycle, using a result-based management and accountability framework (RMAF). One of the issues addressed under this framework is awareness. In accordance with the *Canada Small Business Financing Act*, a comprehensive review of the provisions and operation of the Act must be tabled in Parliament within 12 months after March 31, 2009 (i.e. by March 31, 2010). A measurement of the levels of awareness of the program and satisfaction with its parameters will be an essential element of this comprehensive review.

To continue to have a meaningful impact on the Canadian economy, it is crucial for the program to be available to the SMEs that would benefit from it. To this end, it is important that they be aware that this tool exists. The challenge lies in the fact that Industry Canada relies greatly on a third party – the lenders – to inform SMEs of the program and its terms and conditions. An assessment of awareness of the program among SMEs and CSBFP

borrowers can help Industry Canada determine the extent to which the lenders are doing so. Furthermore, this research could be used to inform a communication action plan.

Consequently, the objectives of this research were to determine the following:

- The level of **awareness** of the CSBFP among both CSBFP users and the general SME population;
- The level of **satisfaction** among both groups with their financing, and the relative priority they attach to factors contributing to their obtaining financing; and
- Which factors might have the greatest impact (leverage) on improving that satisfaction (in either the program or SME financing more broadly).

### Research Activities

To address the research objectives, a telephone survey was undertaken with executives of SMEs. Two distinct survey samples were used for this research:

1. CSBFP Borrowers: This sample consisted of client SMEs that had obtained a CSBFP loan within the previous year. An appropriate list was provided by Industry Canada in electronic form. The list contained the business name, phone number, and administrative data useful for the study (e.g. age of firm, date of loan).
2. General SME Sample: This sample consisted of representatives of SMEs with characteristics similar to CSBFP borrowers, whether or not they recently obtained financing. This list was obtained from a list broker that specializes in business lists. Quotas were established based on sector, stage of firm, and region so as to mirror, to the extent possible, the sample of CSBFP borrowers. As well, the SME sample excluded the following: non-profit organizations, farms, holdings, and public administrations and services.

In terms of matching the two samples to enhance the comparability of the two groups, priority was given to the following characteristics:

- *Business size*: Since only firms with revenues of less than \$5 million are eligible for CSBFP loans, this cut-off was used for the SME sample as well.
- *Industry sector*: Since four sectors have secured a large proportion of the total value of CSBFP loans, efforts were made to match the general SME sample with CSBFP borrowers in this regard. The top four sectors are: food and beverage services (23%), retail trade (15%), transportation and warehousing (10%), and manufacturing (9%).
- *Provincial distribution*

The study over-sampled early stage/start-up firms to better explore whether or not early stage firms (assumed to be more likely to seek financing) exhibit greater awareness of the CSBFP than other more established businesses. Early stage/start-up firms were defined as businesses 1-3 years of age.

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The following table compares the full population of CSBFP clients, the surveyed CSBFP clients, and the surveyed representatives of SMEs by firm size, age, revenue, sector, and province.

	Full CSBFP Sample	CSBFP Borrowers Surveyed	SMEs Surveyed
<b>Number of employees</b>			
One	8.4%	14.1%	12.9%
2-4	55.6%	35.9%	35.4%
5-20	32.0%	42.4%	44.9%
21-50	3.5%	5.8%	5.0%
Over 50	0.4%	1.6%	1.6%
DK/NR	0.2%	0.2%	0.2%
<b>Years in operation</b>			
3 years of less	67.7%	61.8%	19.9%
4 years or more	32.3%	38.2%	80.1%
<b>2006 Total Revenues</b>			
Under \$100,000	8.5%	24.3%	20.9%
\$100,000-\$300,000	33.2%	25.9%	29.6%
\$300,001 - \$500,000	19.4%	17.5%	15.3%
\$500,001 - \$1 million	21.8%	18.3%	17.1%
\$1 million - \$5 million	17.1%	13.9%	17.1%
<b>Industry/Sector</b>			
Food Services & Drinking Places	21.4%	21.5%	18.7%
Other Services	20.6%	9.4%	14.9%
Retail Trade	15.2%	15.1%	13.1%
Transportation and Warehousing	13.4%	10.2%	11.1%
Manufacturing	6.3%	6.0%	6.6%
Construction	5.5%	5.8%	6.0%
Agriculture/ Fishing/ Hunting/ Forestry	3.5%	5.0%	3.2%
Health Care & Social Assistance	2.4%	3.2%	3.2%
Professional, Scientific and Technical Services	2.2%	5.0%	4.6%
Art, Entertainment, Recreation	2.0%	3.0%	2.8%
Mining/Oil/Gas	2.0%	6.6%	2.4%
Wholesale Trade	1.4%	0.8%	2.0%
Accommodation Services	0.9%	1.4%	1.2%
Real Estate and Rental/Leasing	0.9%	1.6%	0.8%
Educational Services	0.8%	0.6%	1.4%
Administrative and Support, Waste Management, Remediation Se	0.7%	1.6%	0.2%
Information and Cultural	0.3%	0.4%	2.4%

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<b>Industries</b>			
Finance & Insurance	0.2%	2.4%	4.0%
Utilities	0.2%	0.6%	1.6%
<b>Province</b>			
British Columbia	7.2%	8.2%	8.5%
Alberta	11.3%	14.3%	12.9%
Saskatchewan	4.4%	5.4%	4.2%
Manitoba	3.7%	5.8%	4.2%
Ontario	31.5%	33.9%	37.6%
Quebec	34.1%	22.1%	22.1%
Territories	0.1%	0.2%	0.2%
Atlantic Canada	7.8%	9.6%	10.4%

A total of 1,005 interviews were completed with executives of SMEs – 502 interviews with CSBFP borrowers and 503 with non-CSBFP clients between June 8 and 28, 2007. Based on samples of this size, the overall findings for each population group can be considered to be accurate to within +/- 4.4%, 19 times out of 20.

The following specifications also applied to this study:

- The survey targeted business owners, but included the CEO, president, or another high-ranking employee if that person was best able to talk about the financial needs of the business.
- The questionnaire incorporated questions used in previous surveys undertaken in support of the CSBFP.
- The same questionnaire was used for both CSBFP borrowers and the general SME sample, and telephone calls averaged 14 minutes in length.
- The data for each sample population was not merged, but were treated as two separate and distinct samples for all stages of this study, including the analysis.
- The data for each sample population was not weighted.
- To maximize response rates, a minimum of eight call-backs were made before retiring a number. Telephone calls were made during regular business hours.
- A pre-test was conducted in both official languages, as follows:
  - CSBFP sample - 10 English, 5 French
  - SME sample - 10 English, 5 French.
- Sponsorship of study was revealed (i.e. Industry Canada).

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The following tables present the call disposition information for this survey, as well as calculation of the response rates (using the MRJA formula):

**CSBFP Sample – Call Results and Response Rates Table**

<b>Total Numbers Accepted</b>		6352
<b>Total out of scope</b>		512
Numbers not in service	507	
Duplicates	4	
Fax or modem lines	0	
Blocked by Telephone Company	1	
<b>Unresolved</b>		2613
Busy , no answers, Answering machines	2611	
Retired, called 10 times without success	2	
<b>In-scope Non-responding</b>		567
Language difficulty	80	
Other	26	
Unavailable	43	
Business Refusal	393	
Break offs	25	
<b>In-scope Responding units</b>		2660
Completes	502	
Ineligible	0	
Quota Filled	2158	
<b>Response Rate</b>	<b>45.5%</b>	

**SME Sample – Call Results and Response Rates Table**

<b>Total Numbers Accepted</b>		5343
<b>Total out of scope</b>		955
Numbers not in service	948	
Duplicates	4	
Fax or modem lines	0	
Blocked by Telephone Company	3	
<b>Unresolved</b>		2480
Busy , no answers, Answering machines	2253	
Retired, called 10 times without success	227	
<b>In-scope Non-responding</b>		1049
Language difficulty	93	
Other	31	
Unavailable	96	
Business Refusal	816	
Break offs	13	
<b>In-scope Responding units</b>		859
Completes	503	
Ineligible	290	
Quota Filled	66	
<b>Response Rate</b>	<b>19.6%</b>	

**Notes to Reader**

Tracking/comparison of results: The current study builds on an earlier awareness study conducted in 2001, entitled *Canada Small Business Financing Act Awareness Study (2001)* and was designed to allow for comparability in key areas. To maximize comparability with the 2001 CSBFA awareness study, the present study adopted a similar sampling methodology. To this end, a number of tracking graphs comparing current results to results from 2001 are included in the report.

Report Structure: When reporting on results from the two populations, results for CSBFP borrowers are generally presented first, followed by results for the general SME sample. Some results, however, are presented in comparative form (e.g. a graph comparing CSBFP borrowers to the general SME sample).

Reporting of results: At times, the number of respondents (i.e. not the percentage) that answered certain questions or answered in a certain way is provided. The following method is used to denote this:  $n = 50$ , which means the number of respondents, in this instance, is 50. The number of respondents changes throughout the report because questions were often asked of sub-samples of the survey populations. Accordingly, readers should be aware of this and exercise caution when interpreting results based on smaller numbers of respondents. Some of the graphs do not sum to 100% due to rounding.

Note on Terminology: Throughout this report, recipients of CSBFP loans are referred to as 'CSBFP borrowers' or 'borrowers'. Respondents from the general SME sample are referred to as 'representatives of SMEs'.

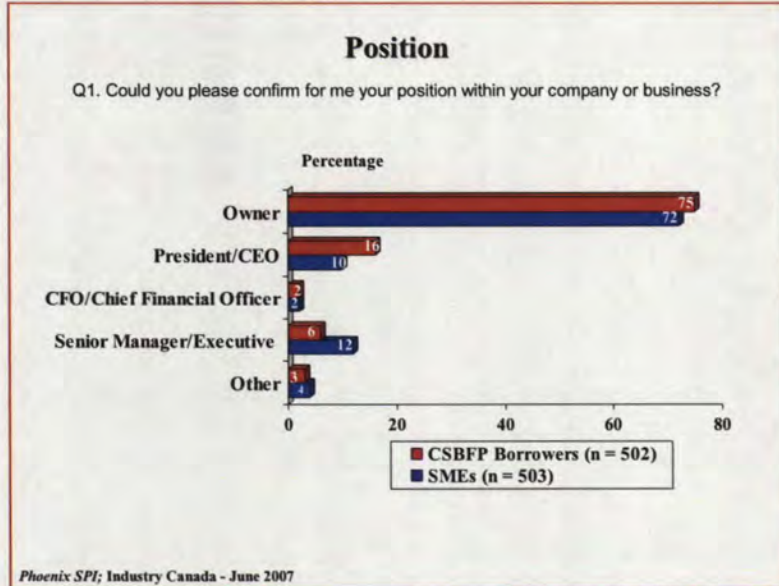
Appended to this report is the questionnaire (in English and French).

**CORPORATE CHARACTERISTICS**

This section presents key corporate characteristics of the businesses included in this research, both the SMEs and the CSBFP borrowers, as well as characteristics of survey respondents.

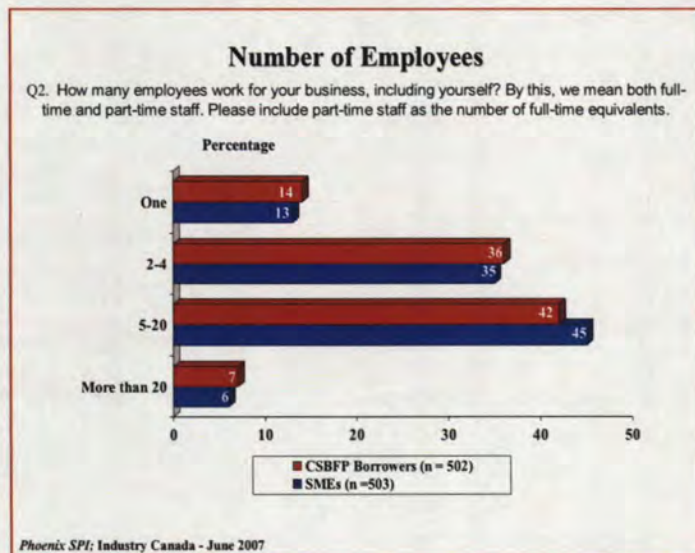
**Position of Respondent**

Respondents who participated in this survey on behalf of their firms held very senior positions. Substantial and similar majorities of CSBFP borrowers and SME representatives were owners of their companies (72-75%). Most of the rest were presidents and/or CEOs and other senior managers and executives responsible for financial matters\*. Included in the 'other' category are managers and administrators (unspecified).



**Firm Size**

Borrower and SME firms were similar in size in terms of the number of employees. The large majority have 2-4 employees (35-36%) or 5-20 employees (42-45%). Most of the remaining firms (13-14%) have only one employee (i.e. the respondent). Relatively few have more than 20 employees (6-7%). The number of employees included full-time and part-time staff in all locations in Canada, the latter calculated as the number of full-time equivalents. This did not include contract staff or outsourced work.

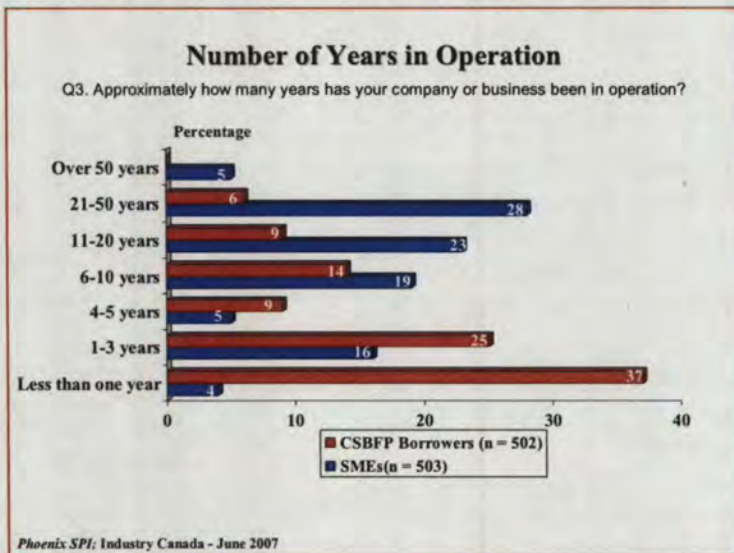


\* To be eligible to participate in this study, participants had to be an owner, CEO, president, or senior manager/executive in the financial area.



### Age of Business

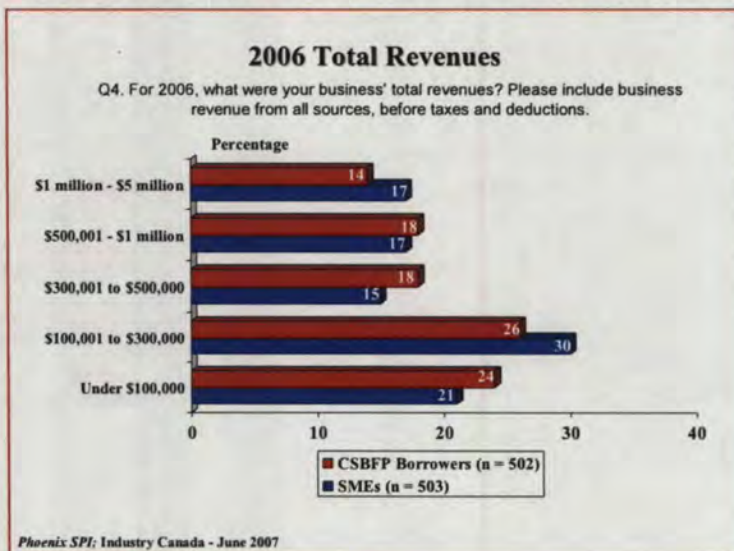
There is considerable variety in the length of time that businesses included in this research have been in operation. Well over half the borrower firms are 'start-up businesses' (defined as firms that have been in existence for three years or less for the purposes of this research). Among these 'start-up businesses', over one-third (37%) are very young firms, having been in existence for less than one year, while one-quarter have been in existence for between 1-3 years. Over one-third of borrowers (38%) have been in existence for more than three years.



The situation among the SMEs was quite different. The large majority of these firms are not start-up businesses. Most (56%) are over 10 years old. One in five SMEs are 'start-up businesses' (i.e. three years old or less)\*\*.

### Company Revenues

All businesses included in this research had annual revenues for 2006 of \$5 million dollars or less before taxes and deductions. Beyond that, however, there was considerable variety in revenues, although the two sample populations are very similar in terms of their revenues. Half the borrower and SME firms (50-51%) have annual revenues of \$300,000 or less. Of these, one-quarter of borrowers (24%) and one-fifth of SMEs (21%) earned less than \$100,000. Among the rest, relatively similar proportions of borrowers and SMEs (14-18%) earned between \$300,000 and \$500,000, \$500,000 and \$1 million, and \$1-5 million.



\*\* There was a quota placed on SME businesses for this survey, where 100 needed to be three years of age or less.

**Sector**

CSBFP borrowers are most likely to operate in the food and drink services sector (22%), followed by the retail trade sector (15%) and then transportation and warehousing (10%). Following this, in descending order, are services (unspecified), mining/oil/gas, construction, manufacturing, professional/scientific and technical services, agriculture/fishing/hunting/forestry, health care/social assistance, arts/entertainment/recreation, real estate and rental/leasing, finance/insurance, and administrative/support/waste management services. Included in the 'other' category are accommodation services, educational services, utilities, and wholesale trade.

**Industry/Sector: CSBFP Borrowers**

Q5. In which industry or sector does your business operate?

Industry/Sector	%	Industry/Sector	%
Food & Drinking Services	22	Agric./Fishing/Hunting/Forestry	5
Retail Trade	15	Health Care/Social Assistance	3
Transportation/Warehousing	10	Art, Entertainment, Recreation	3
Other Services	9	Real Estate/Rental/Leasing	2
Mining/Oil/Gas	7	Admin./Support, Waste Mgmt.	2
Construction	6	Finance & Insurance	2
Manufacturing	6	Other	4
Prof./Scientific/Technical	5		

*Phoenix SPI; Industry Canada - June 2007*

SMEs are also most likely to operate in the food and drink services sector (19%), followed by other services (unspecified) (15%), the retail trade sector (13%), and transportation and warehousing (11%). Following this, in descending order, are manufacturing, construction, professional/scientific and technical services, finance/insurance, agriculture/fishing/hunting/forestry, arts/entertainment/recreation, health care/social assistance, mining/oil/gas, wholesale trade, and utilities. Included in the 'other' category are accommodation services, educational services, and real estate and rental/leasing.

**Industry/Sector: SMEs**

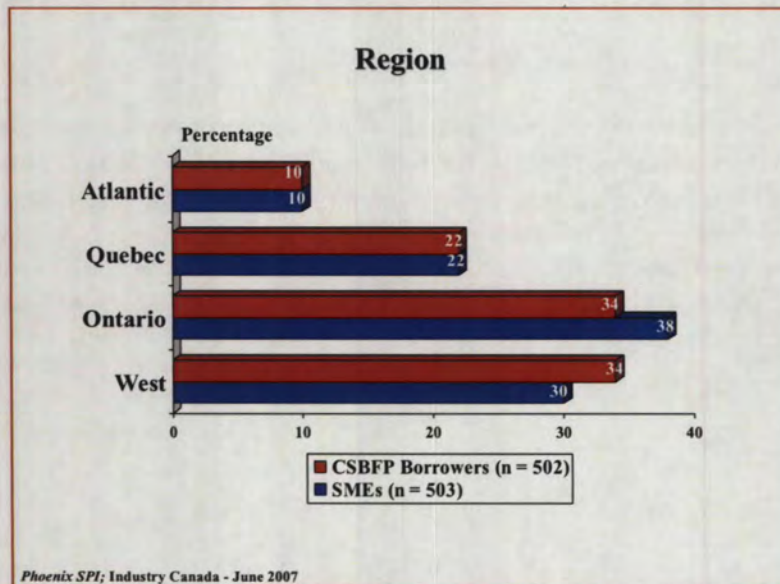
Q5. In which industry or sector does your business operate?

Industry/Sector	%	Industry/Sector	%
Food & Drinking Services	19	Agric./Fishing/Hunting/Forestry	3
Other Services	15	Health Care/Social Assistance	3
Retail Trade	13	Art, Entertainment, Recreation	3
Transportation/Warehousing	11	Mining/Oil/Gas	2
Manufacturing	7	Utilities	2
Construction	6	Wholesale Trade	2
Prof./Scientific/Technical	5	Information/cultural	2
Finance & Insurance	4	Other	3

Phoenix SPI; Industry Canada - June 2007

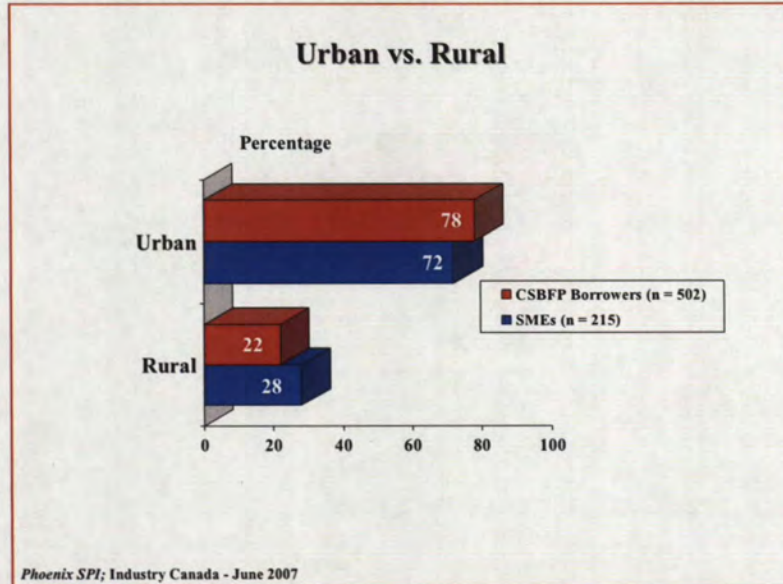
**Region**

For both sample populations, businesses were distributed across all regions of the country, with approximately one-third located in Ontario and the West, just under one-quarter in Quebec, and 10% in Atlantic Canada.



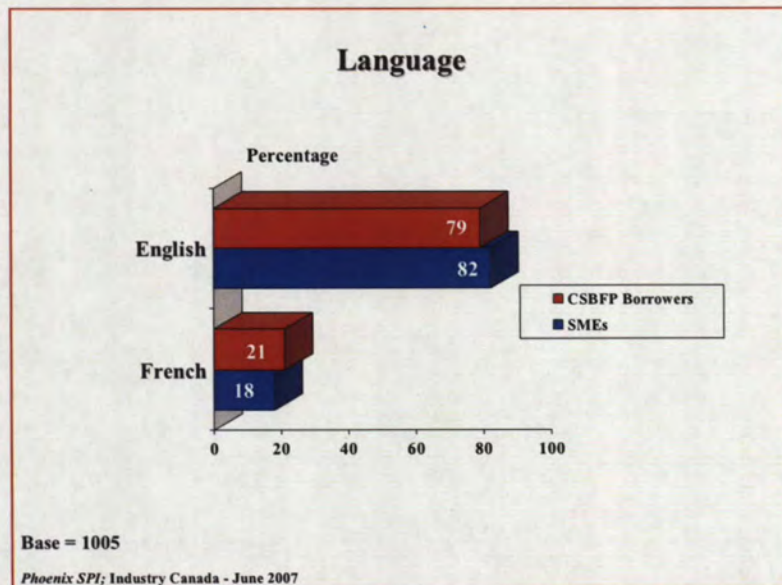
### Rural-Urban Location

The large majority of firms in both sample populations, approximately three-quarters (72-78%), are situated in urban areas. Note that this information, based on the responding business' postal code, was not available for many companies in the SME sample.



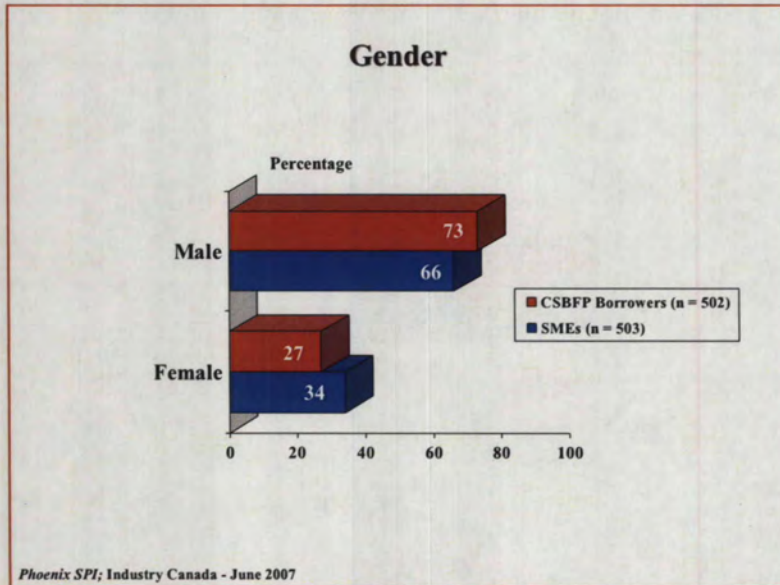
### Language

Over three-quarters of interviews were conducted in English (79-82%).



**Gender**

Approximately seven-in-ten respondents (66-73%) in both populations were male.

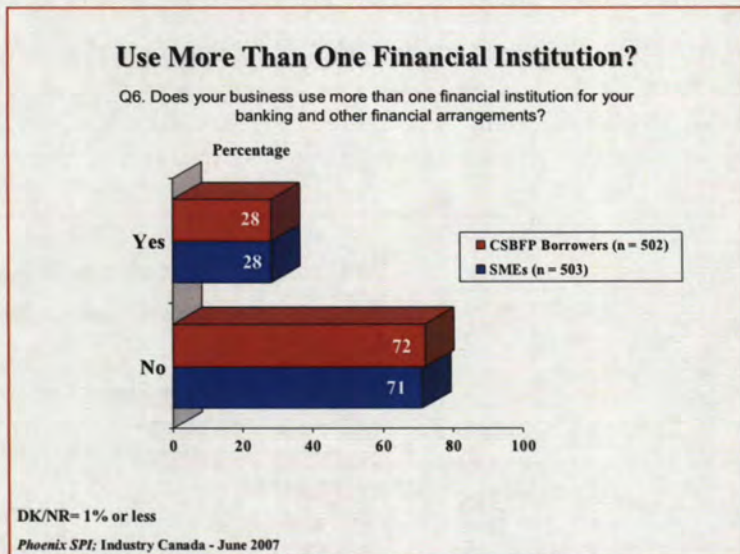


## FINANCIAL DEALINGS

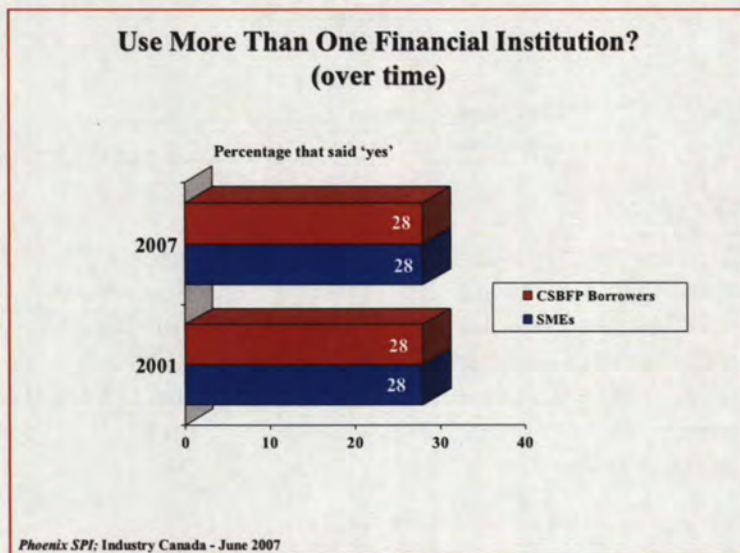
This section reports on the experience of businesses when it comes to their financial dealings, including the financial institutions and financing options they have used, whether they have tried to obtain loans, and their success in so doing.

### Most Firms Use Only One Financial Institution for Banking & Financial Needs

Large and almost identical majorities of borrowers and representatives of SMEs indicated that their business uses only one financial institution for their banking and other financial arrangements. Nearly three-quarters (71-72%) said this, while identical numbers in each population (28% each) said their firm uses more than one such institution.



The proportion of businesses that use more than one financial institution has not changed compared to six years ago.

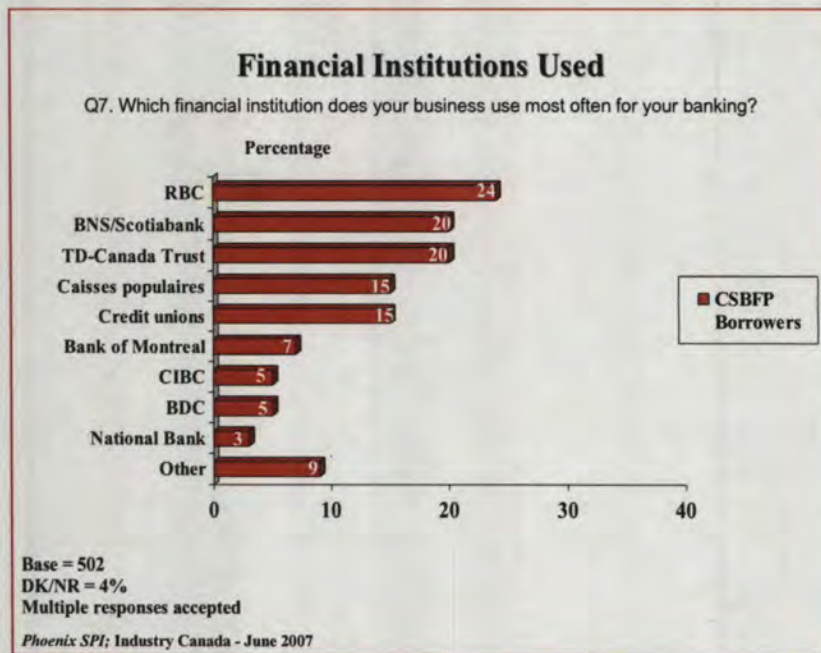


**Variety of Financial Institutions Used**

Business managers were asked which financial institution their business uses most often for their banking. As the accompanying graphs show, there was considerable variety in the financial institutions used by respondents, though all the major financial institutions were identified by at least some respondents.

Among borrowers, the Royal Bank of Canada was identified most often (24%), followed by the Bank of Nova Scotia and Toronto Dominion-Canada Trust (20% each). Co-operatives, including Caisses populaires and credit unions, were also identified relatively frequently (15% each).

Institutions cited less often include the Bank of Montreal (7%), the Canadian Imperial Bank of Commerce and Business Development bank (5% each), and the National Bank (3%). Included in the 'other' category are American banks (unspecified), HSBC, ING Direct, and community development programs (unspecified).



These results include institutions used by borrowers on a *secondary* basis (i.e. if they use more than one institution). With one exception, this more complete list of all institutions used mirrors the order of the list of primary institutions only (i.e. the institution they used most often). The exception was the Business Development Bank, which was not identified as a primary source for financing by anyone. This is because every BDC client has a primary private-sector bank, and obtains from the BDC services it cannot obtain from this primary lender.

## CSBFP Awareness and Satisfaction Study

With a few exceptions, the list of financial institutions used by borrowers has changed little over the past six years. The most notable changes have been an increase in use of TD-Canada Trust (20% vs. 5% in 2001) and a decrease in use of Caisses populaires (15% vs. 27% in 2001). Indeed, Caisses populaires, which headed the list of institutions used by borrowers in 2001, has dropped to fourth place overall in 2007. Interestingly, use of credit unions has increased over this same period (15% vs. 9% in 2001).

### **Financial Institutions Used (over time): CSBFP Borrowers**

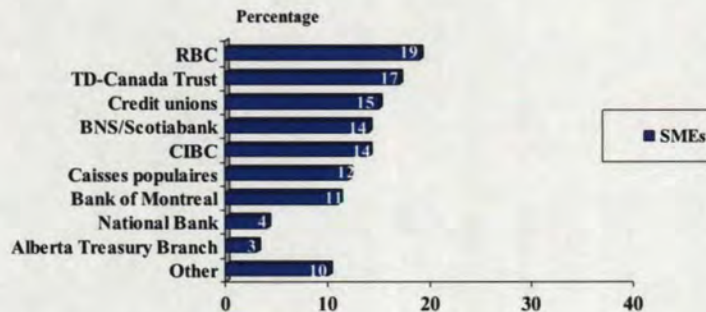
Financial Institution	2007 %	2001 %
RBC	24	26
BNS/Scotiabank	20	17
TD-Canada Trust	20	5
Caisses Populaires	15	27
Credit unions	15	9
Bank of Montreal	7	10
CIBC	5	11
BDC	5	4
National Bank	3	5
Other	9	10

*Phoenix SPI; Industry Canada - June 2007*

The Royal Bank of Canada also led the way among financial institutions used by SMEs (19%), although it was followed closely by Toronto Dominion-Canada Trust (17%). Moreover, a cluster of other institutions was also identified relatively frequently (11-15%) including credit unions, the Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, Caisses populaires, and the Bank of Montreal. These were followed, at a distance, by the National Bank (4%) and the Alberta Treasury Branch (3%). Included in the 'other' category are HSBC, ING Direct, BDC, and community development programs (unspecified). As was the case with borrowers,

### **Financial Institutions Used**

Q7. Which financial institution does your business use most often for your banking?



Base = 503  
DK/NR = 8%  
Multiple responses accepted

*Phoenix SPI; Industry Canada - June 2007*



these results include institutions used by borrowers on a secondary basis (i.e. if they use more than one institution).

Financial institutions used by SMEs have changed relatively little over the past six years. The most notable change has been a decrease in use of the Royal Bank of Canada (19% vs. 24% in 2001). That said, the Royal Bank still heads the list of financial institutions used, as it did six years ago. Changes in the use of other institutions tended to be small (4% or less), although in some instances these small changes translated into differences in the rank ordering of institutions. For example, while use of CIBC has declined only slightly compared to six years ago (14% vs. 17% in 2001), this institution has dropped from its second place position among institutions used in 2001 to fifth place overall. Conversely, credit unions have moved up from fifth place in 2001 to third place.

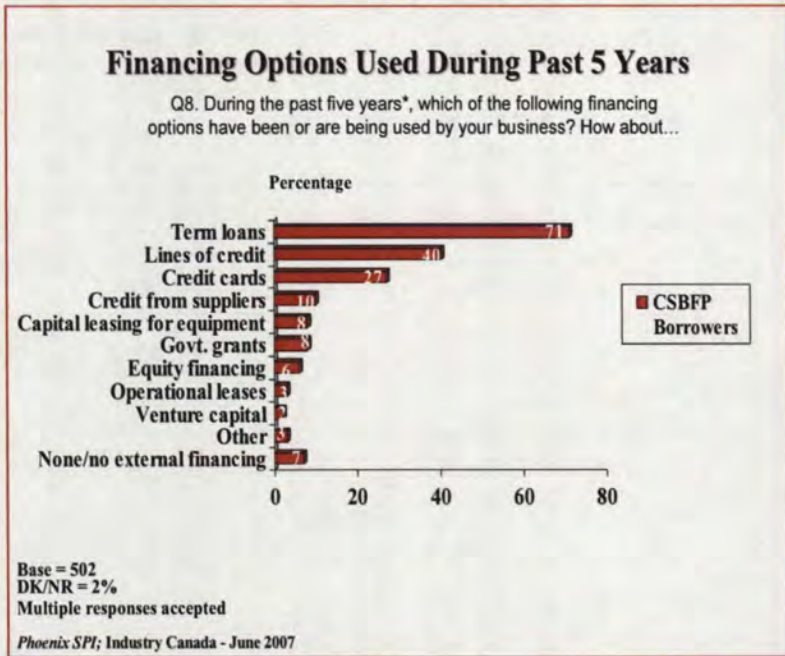
**Financial Institutions Used (over time):**  
SMEs

Financial Institution	2007 %	2001 %
RBC	19	24
TD-Canada Trust	17	16
Credit unions	15	11
BNS/Scotiabank	14	10
CIBC	14	17
Caisses Populaires	12	9
Bank of Montreal	11	15
National Bank	4	7
Other	10	12

*Phoenix SPI; Industry Canada - June 2007*

**Term Loans – Main Financing Option Used by CSBFP Borrowers**

One financing option dominates among borrowers, and is the only one used by a majority of them – term loans. More than two-thirds of CSBFP borrowers (71%) had used this option during the previous five years\*. No other financing options came close. Identified less often, but still by substantial numbers, were lines of credit (40%), followed at a distance by credit cards (27%). Mentioned much less frequently (6-10%) were credit from suppliers, capital leasing for equipment, government grants, and equity financing. Small numbers (3% or less) identified operational leases and venture capital. Included in the ‘other’ category are other unspecified loans, general banking services, and capital in general. Relatively few (7%) said their firm has used no external financing in the previous five years.



There have been some significant changes in financing options used by borrowers over the previous six years, all of them representing decreases in use. While use of term loans and credit cards remain unchanged, use of lines of credit decreased substantially (40% vs. 75% in 2001), as did use of capital leasing (8% vs. 41% in 2001) and use of operational leases (3% vs. 22% in 2001). Use of venture capital has also decreased (2% vs. 12% in 2001).

**Financing Options Used During Past 5 Years (over time)  
CSBFA Borrowers**

Financing Options	2007	2001
	%	%
Term loans	71	70
Lines of credit	40	75
Credit cards	27	27
Capital leasing for equipment	8	41
Operational leases	3	22
Venture capital	2	12
Other	3	8

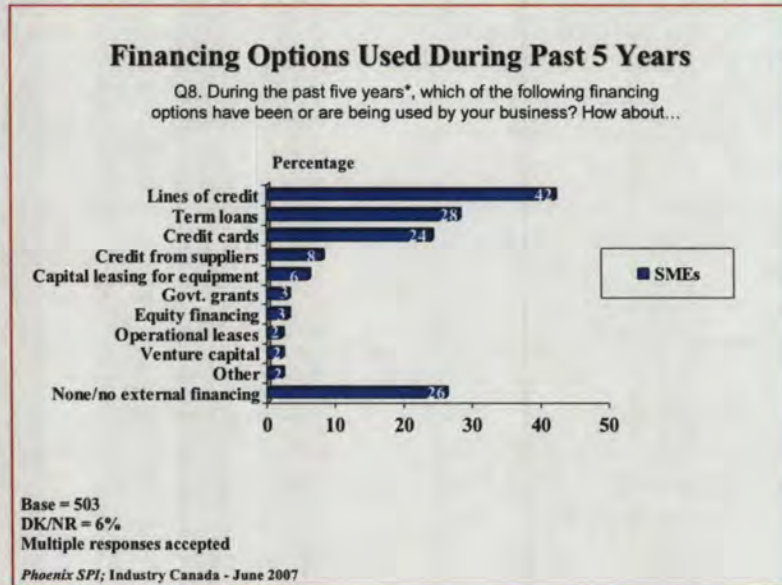
Phoenix SPI; Industry Canada - June 2007

\* The timeframe for this question was adjusted for firms that were less than five years old.

**Lines of Credit Used Most Often by SMEs**

Lines of credit are the most commonly used financing option among SMEs. A substantial minority (42%) have used this financing option, followed at a distance by term loans (28%) and credit cards (24%). Mentioned much less often were credit from suppliers (8%) and capital leasing for equipment (6%). Small numbers (3% or less) identified government grants, equity financing, operational leases and venture capital. Included in the 'other' category are general banking services. A substantial proportion, one-quarter of SME representatives, said their firm has used no external financing during the previous five years.

SMEs are much less likely to use term loans than CSBFP borrowers (28% vs. 71%)



As was the case with CSBFP borrowers, there have been some significant changes in financing options used by SMEs over the previous six years. Moreover, they all involve decreases in use, the most substantial of which mirror declines in use among borrowers. Use of lines of credit has decreased somewhat (42% vs. 59% in 2001), as has use of capital leasing for equipment (6% vs. 24% in 2001) and use of operational leases (2% vs. 14% in 2001). Use of venture capital has also decreased (2% vs. 4% in 2001).

**Financing Options Used During Past 5 Years (over time)**

SMEs

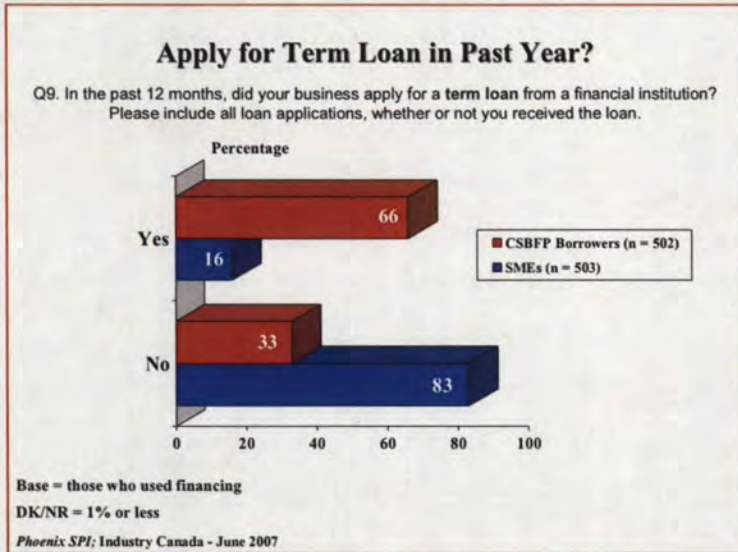
Financing Options	2007	2001
	%	%
Lines of credit	42	59
Term loans	28	36
Credit cards	24	30
Capital leasing for equipment	6	24
Operational leases	2	14
Venture capital	2	4
Other	2	3

Phoenix SPI; Industry Canada - June 2007

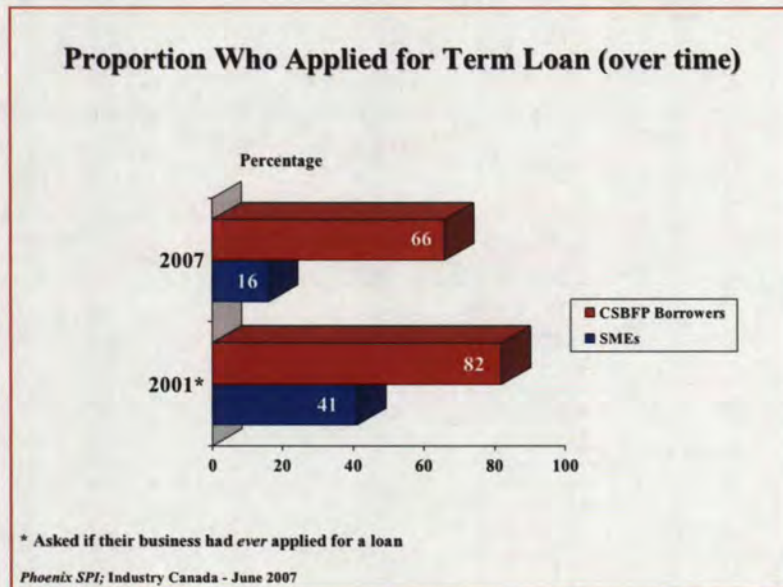
### Two-Thirds of Borrowers Acknowledge Loan Application During Past Year

Borrowers and representatives of SMEs differed noticeably concerning their acknowledgement of applications for a term loan from a financial institution over the past 12 months. Two-thirds of borrowers said their business applied for a term loan during this period. This compares to only 16% of representatives of SMEs.

The fact that one-third of borrowers said that their firm did not apply for a loan is noteworthy in light of the fact that all of them would have received a CSBFP loan during the previous year.

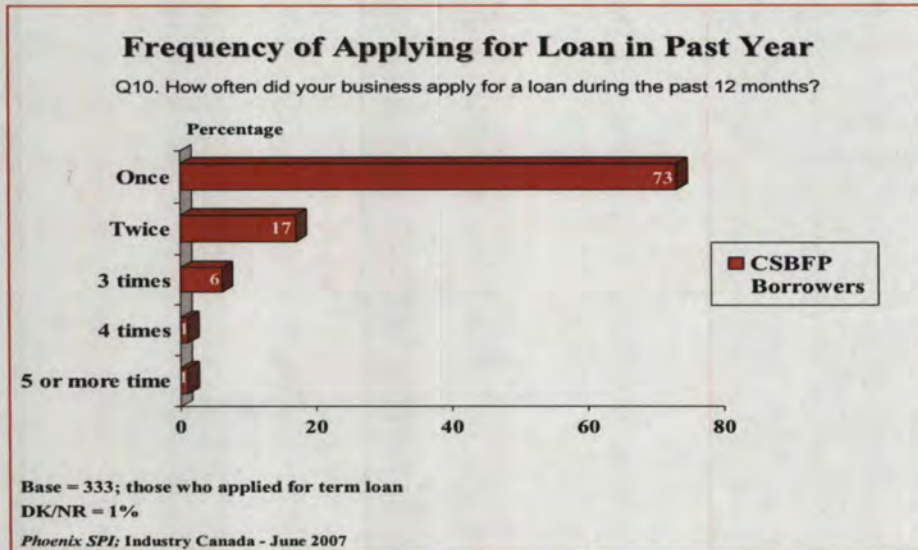


Compared to six years ago, the number of borrowers who acknowledge having applied for a loan has decreased (66% vs. 82% in 2001). However, when interpreting these results it is important to note that in 2001 borrowers were asked if their firm had ever applied for a loan as opposed to a loan over the previous 12 months. In other words, the wider timeframe may account in part for the larger proportion of respondents who, in 2001, said their company had applied for a loan. As well, other aspects of the question wording were somewhat different.

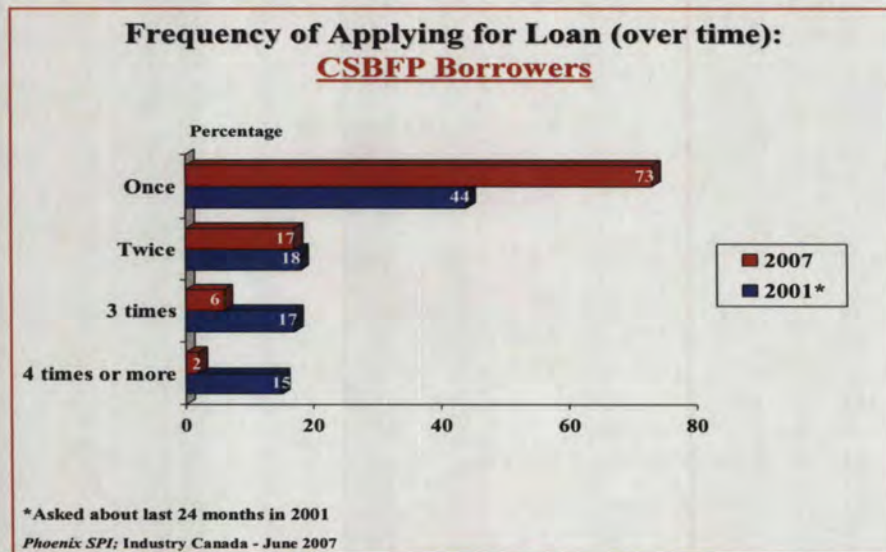


CSBFP Awareness and Satisfaction Study

Business executives who said their firm applied for a loan during the previous year were asked how often their business had applied for a loan during this period. Among borrowers, nearly three-quarters (73%) said their firm applied only once. Most of the rest (17%) said their firm applied twice. Relatively few applied more often.

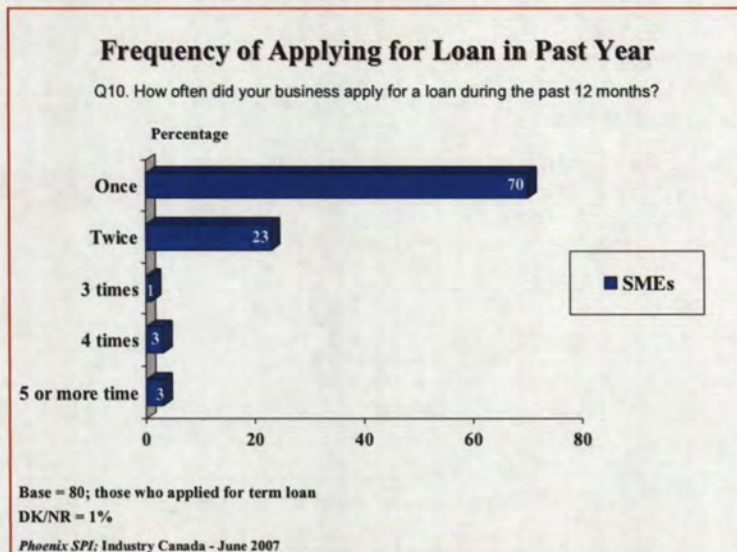


As the accompanying graph shows, the frequency of loan applications among borrowers has changed over time. Current borrowers were much more likely to acknowledge a single loan application only (73% vs. 44% in 2001), while six years ago CSBFP borrowers were much more likely to acknowledge three or more applications (32% vs. 8%). However, when interpreting these results it is important to note that in 2001 respondents were asked how many loans their firm had applied for over the past two years. The more extended timeframe in 2001 may help explain the greater proportion of respondents acknowledging multiple loan applications.

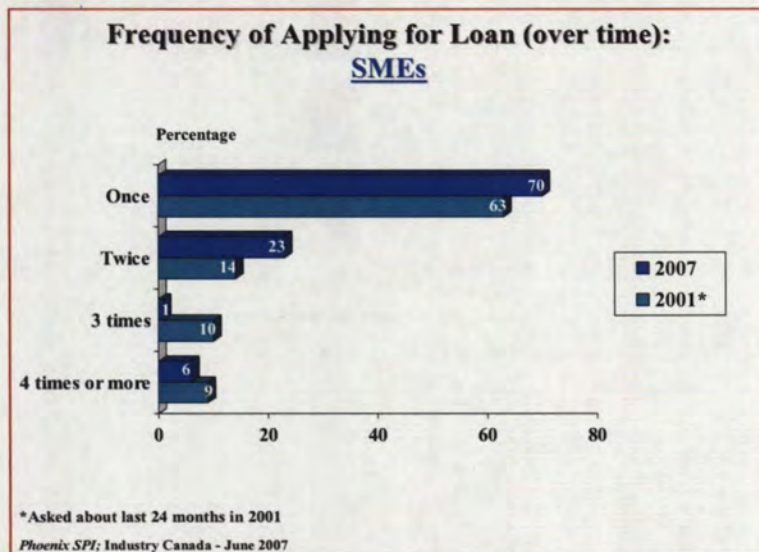


## CSBFP Awareness and Satisfaction Study

When representatives of SMEs who said their firm had applied for a loan during the previous year were asked how often their business had applied for a loan during this period, over two-thirds (70%) said their firm had applied only once. Nearly all the rest (23%) said their firm applied twice. Seven percent said their firm applied three times or more.



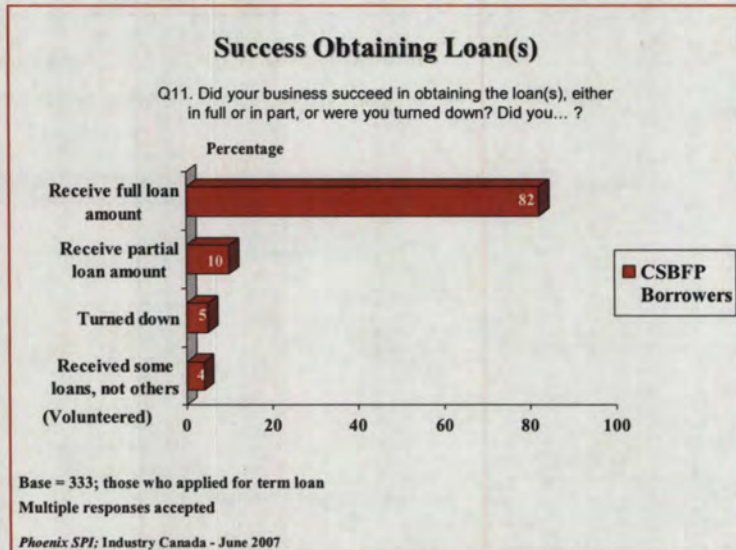
Representatives of SMEs in 2001 were more likely to have made multiple loan applications (19% making three or more applications vs. 7% in 2007). Once again, however, this is not surprising when one takes into account that respondents in 2001 were asked to use the past two years as opposed to one year as their timeframe.



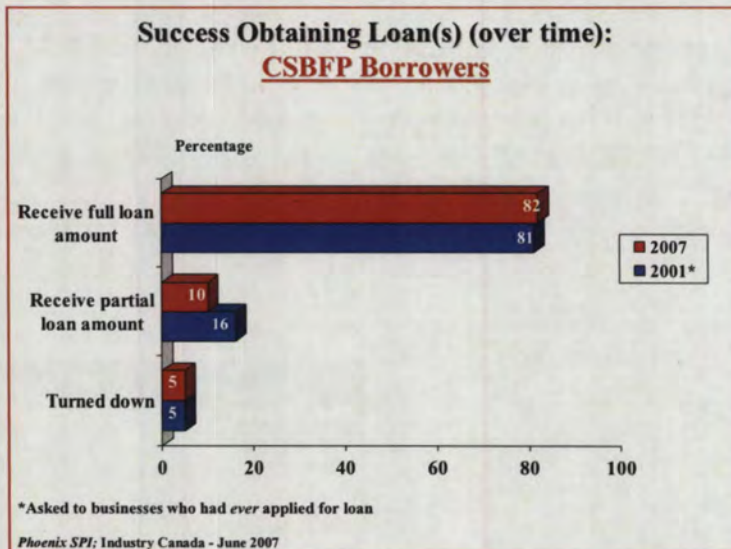
**Substantial Majority of Borrowers Received Full Amount of Loan**

Among borrowers who acknowledged having made loan applications, the large majority (82%) indicated that they were successful in obtaining the loan for the full amount requested. An additional 10% said their firm obtained a loan but for a lesser amount, while 4% volunteered that they received some loans but not others (multiple responses accepted).

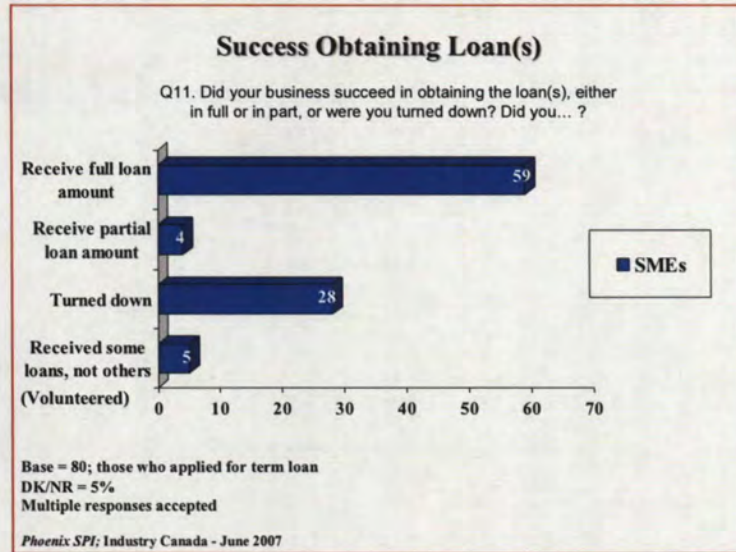
Relatively few (5%) said they were turned down completely.



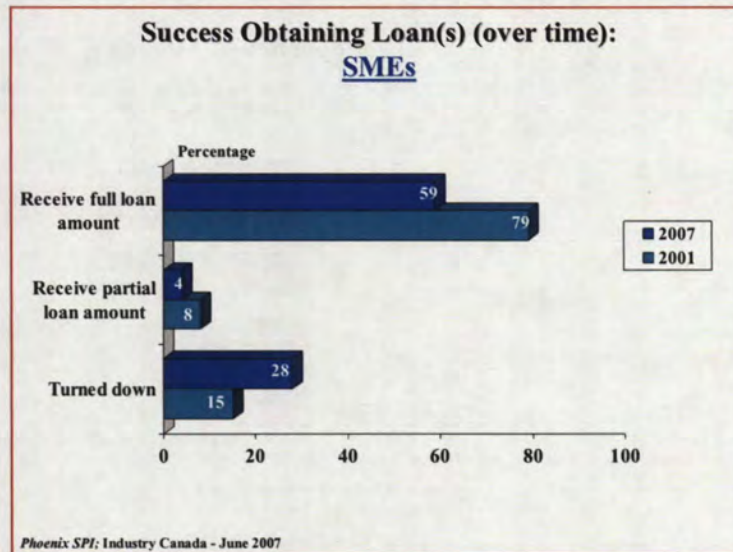
Success rates among borrowers have changed little compared to six years ago.



Among representatives of SMEs who said their firm applied for a loan during the past year, a majority (59%) indicated that they were successful in obtaining the loan for the full amount. An additional 4% said their firm obtained a loan, but for a lesser amount. As well, 5% volunteered that they received some loans but not others. Over one-quarter (28%) said they were turned down for the loan(s).



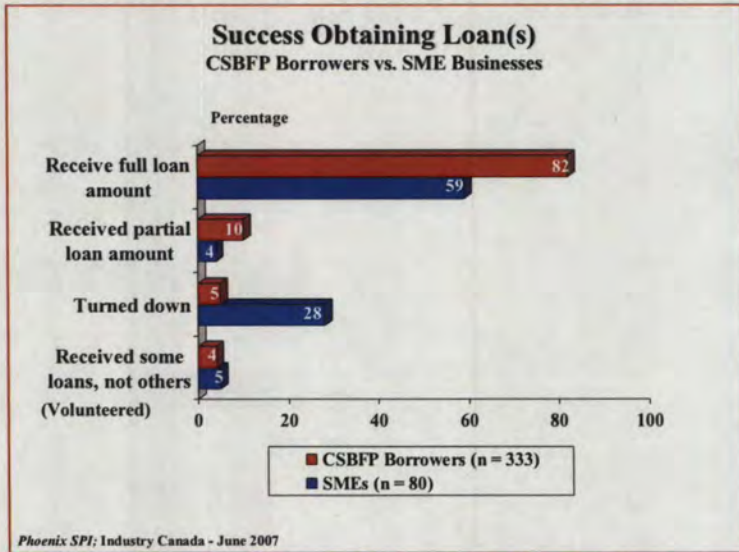
Representatives of SMEs were more likely to say that their firm obtained a loan in full or in part in 2001.





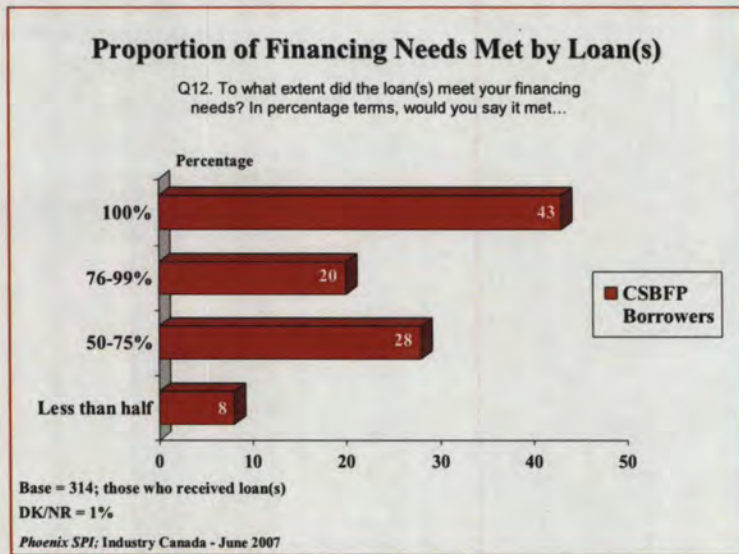
**CSBFP Borrowers More Likely to Have Obtained Loan for Full Amount**

CSBFP borrowers were much more likely than SME representatives to say their business received a loan for the full amount requested (82% vs. 59%). Conversely, SME representatives were much more likely to indicate that they were turned down for the loan(s).

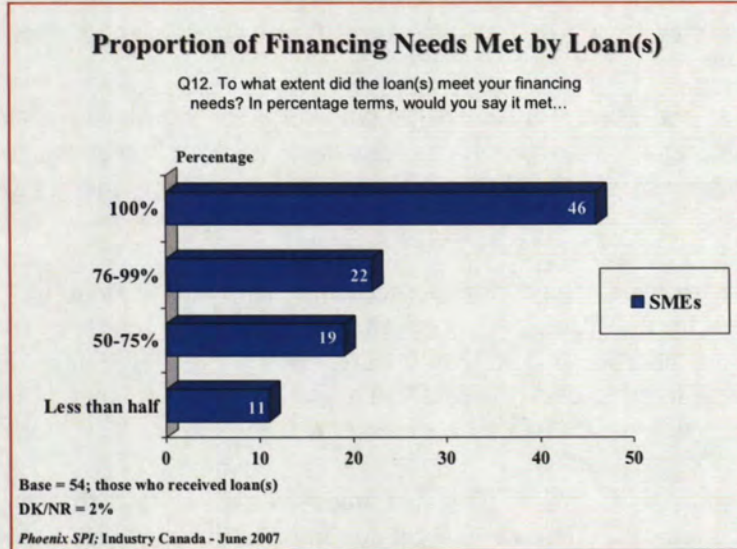


**Loans Tend to Meet All or Most of Firms' Financing Needs**

Among borrowers who acknowledged receiving a loan, the vast majority indicated that the loan in question met most or all of their financing needs. The largest proportion (43%) said the loan met all their financing needs, while one in five said it met between 76-99% of their needs, and over one-quarter (28%) said it met between half and three-quarters of their needs. Relatively few (8%) indicated that the loan met less than half their financing needs.



Results among representatives of SMEs were similar. Nearly half (46%) said the loan met all their financing needs, 22% said it met between 76-99% of their needs, and slightly less (19%) said it met between half and three-quarters of their needs. Eleven percent indicated that the loan met less than half their financing needs.



**AWARENESS AND USE OF CSBFP**

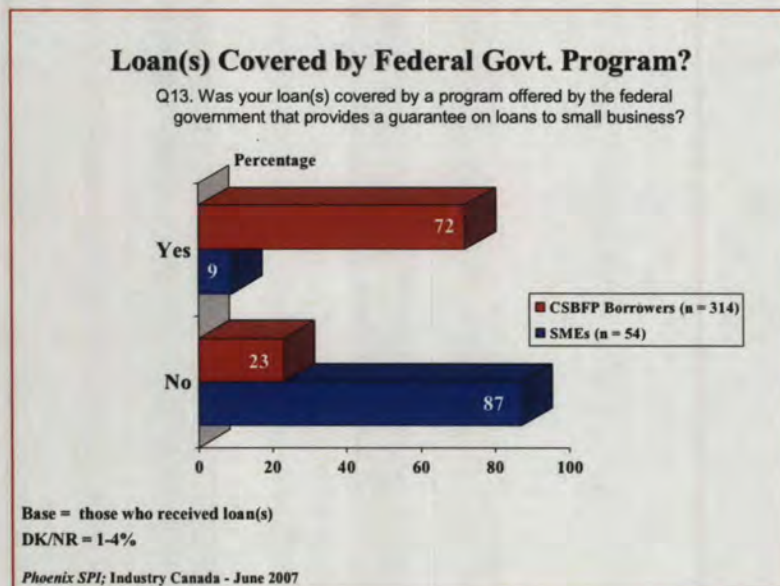
This section reports on awareness of a federal government program that guarantees the loans of small businesses, including awareness of the CSBFP specifically, and explores related issues.

**Nearly One-Quarter of CSBFP Borrowers Think Loan Not Covered by Federal Program**

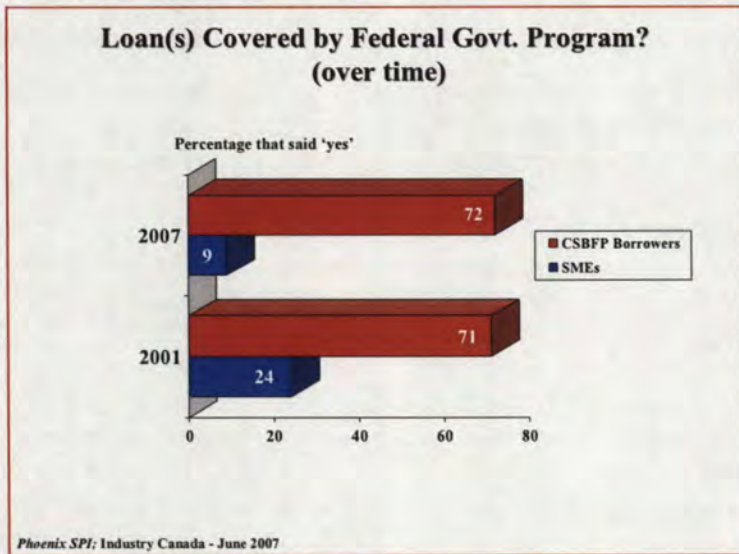
CSBFP borrowers and SME representatives who said that their business had received one or more loans during the previous 12 months were asked whether the loan(s) was/were covered by a program offered by the federal government that provides a guarantee on loans to small business.

Among CSBFP borrowers, nearly one-quarter (23%) said that the loan was not covered by a program offered by the federal government that provides a guarantee on loans to small business, while an additional 1% was unsure. This despite the fact that all of these businesses received loans under the CSBFP. This suggests that financial institutions are not consistently identifying the CSBFP to businesses that receive it.

Among representatives of SMEs, the vast majority (87%) said that the loan was not covered by a program offered by the federal government that provides a guarantee on loans to small business. However, 9% thought that their loan was covered by such a program. That said, this equates to only five SME respondents (9% of 54 respondents).

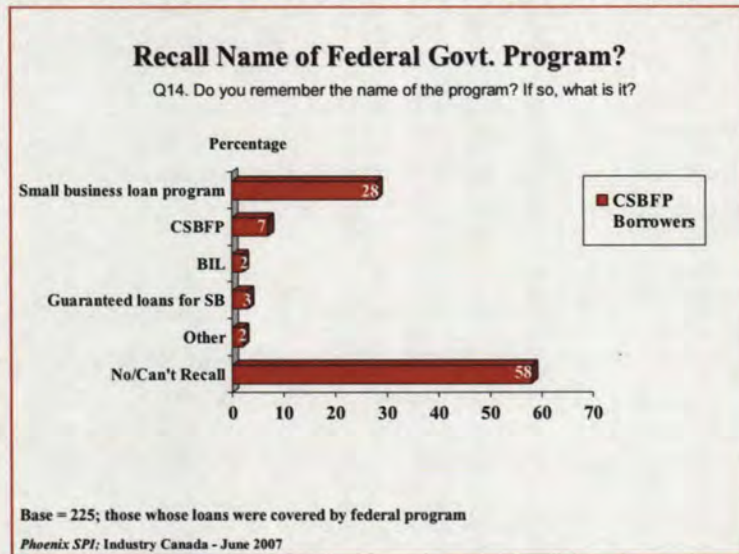


Awareness among CSBFP borrowers that their loan is covered by a program offered by the federal government that provides a guarantee on loans to small business is virtually identical to what it was six years ago. On the other hand, SME representatives are much less likely to say that their loan is covered by such a program (9% vs. 24% in 2001).



**Most Borrowers Who Acknowledge Federal Loan Cannot Remember Program Name**

Most borrowers who indicated that their firm received a loan covered by a federal program could not recall the name of the program. In total, 58% could not recall any name, while a further 28% identified the program as a 'small business loans' program in a generic manner, although a few of these may have specifically identified the Small Business Loans Act. As well, another 3% identified the program as a "guaranteed loan for small business".



In total, 7% identified the program correctly by name as the Canada Small Business Financing Program. Two percent identified the program as a Business Improvement Loan. Included in the 'other' category are a business development loan.

Compared to six years ago, the ability of CSBFP borrowers to identify the program by its correct name (i.e. CSBFP) has increased to 7%, compared to one respondent in 2001.

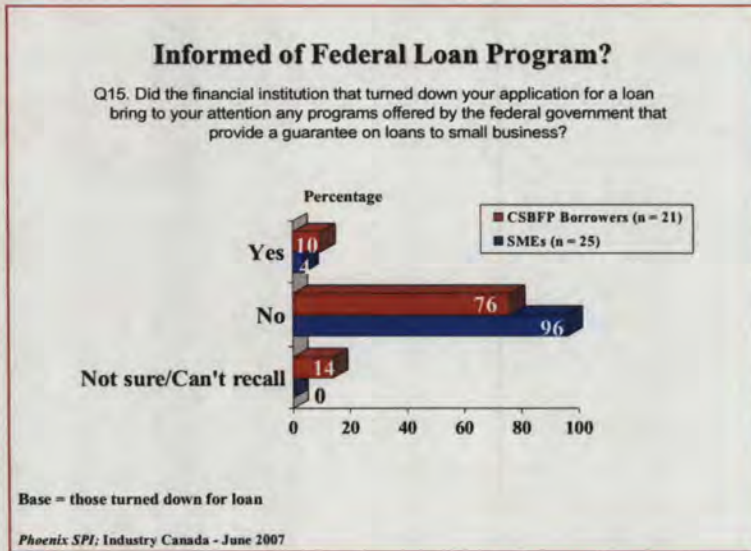
Of the five representatives of SMEs who thought their firm had received a loan covered by a federal program, they all identified variations of a small business loan generically or a guaranteed loan for small business.

**Most Businesses Denied Loans Were Not Informed of Federal Loan Program**

Managers of businesses whose loan applications were turned down were asked whether the financial institution brought to their attention any programs offered by the federal government that provide a guarantee on loans to small business.

Among CSBFP borrowers (n = 21), three-quarters (76%) said that such a program was not brought to their attention. As well, 14% were unsure or could not recall, while 10% (two participants) said it was brought to their attention.

Among representatives of SMEs (n = 25), all but one (96%) said that they were not informed about the federal government program.

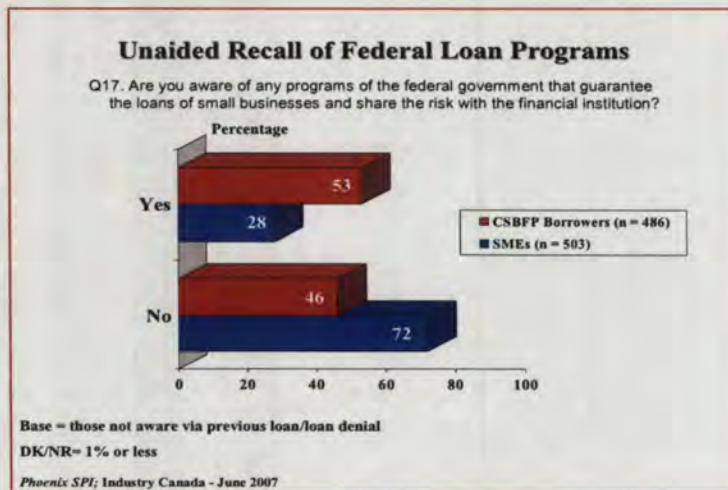


Of the three respondents whose businesses were refused a loan and who said that the financial institution did identify a loan program offered by the federal government, none could recall the name of the program.

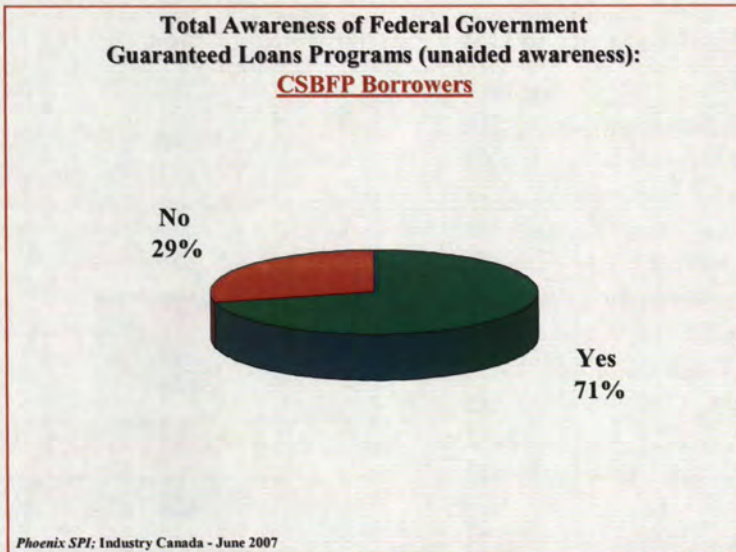
**Most CSBFP Borrowers Aware of Federal Government Guaranteed Loan Programs**

All respondents (i.e. CSBFP borrowers and SME representatives) who did not indicate awareness of a federal government loan program by name were asked the following question: Are you aware of any programs of the federal government that guarantee the loans of small businesses and share the risk with the financial institution?

In response, just over half the CSBFP borrowers (53%) said they were aware of such programs, while 46% said they were not. Awareness was much lower among representatives of SMEs. Just over one-quarter of SMEs (28%) claimed to be aware of a federal government program that guarantees the loans of small businesses.

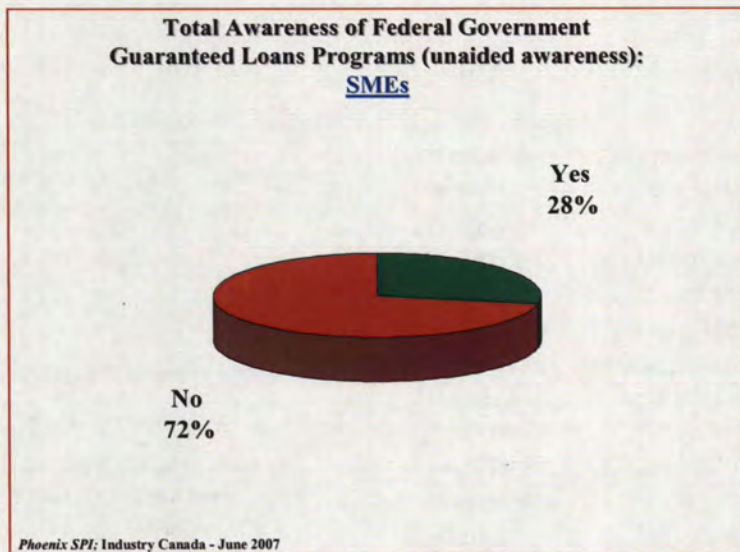


In total, therefore, 71% of all CSBFP borrowers claimed to be aware of a federal government program that guarantees the loans of small businesses. This includes borrowers who acknowledge receiving a loan covered by a federal program, those whose firm was turned down for a loan, and those who indicated awareness of federal government programs when asked explicitly.



This constitutes 'unaided awareness' of federal loan programs in general (i.e. not by name).

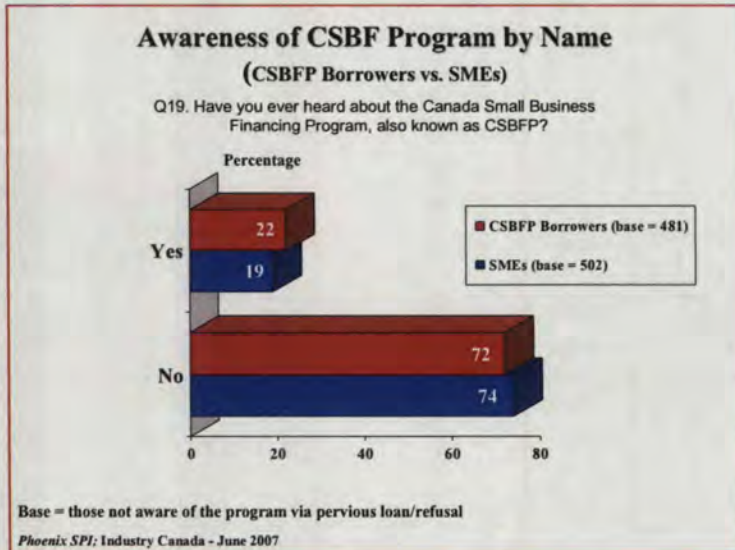
Awareness was much lower among SME representatives. In total, just over one-quarter of all SMEs representatives (28%) claimed to be aware of a federal government program that guarantees the loans of small businesses.



Awareness of federal government programs that guarantee the loans of small businesses is lower than it was six years ago, both among CSBFP borrowers (72% vs. 81% in 2001) and among representatives of SMEs (28% vs. 41% in 2001).

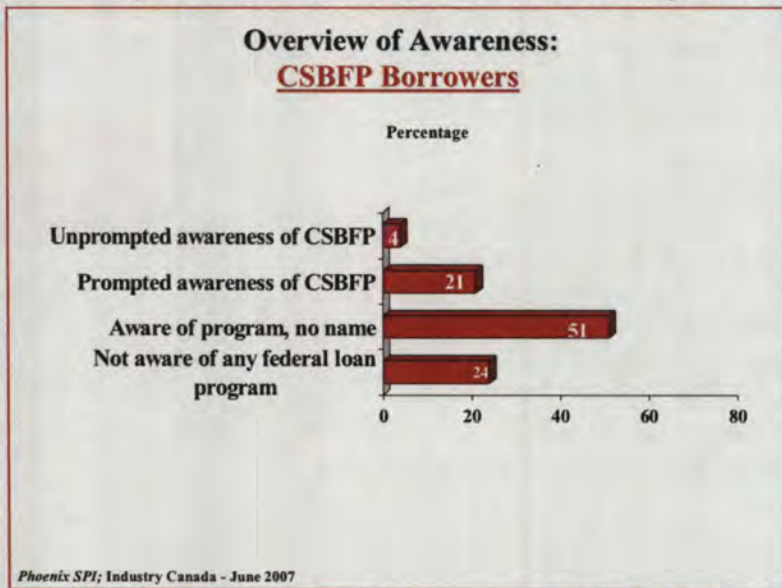
**Most Unaware of CSBFP Program by Name on Aided Basis**

As a final measure of awareness of the CSBFP, all participants who had not identified the program by name were asked directly if they had ever heard of the program (with its name provided to them). Even on this aided basis, only about one in five (19-22%) claimed to have heard of the program. Nearly three-quarters (72-74%) of the CSBFP borrowers and representatives of SMEs who were asked this question said that they had not heard of the program.



**One-Quarter of CSBFP Borrowers Aware of Program by Name**

Total awareness of the CSBFP among borrowers is 25%. In other words, one-quarter of executives of businesses that received a loan under this program acknowledge awareness of the program by name. Moreover, awareness is much more likely to be aided than unaided. In all, only 4% of borrowers identified the CSBFP by name in an unprompted manner. This includes borrowers who acknowledged receiving a loan covered by a federal program, those whose firm was turned down for a loan, and others who indicated awareness of this program when asked explicitly about federal programs that guarantee the loans of small businesses.

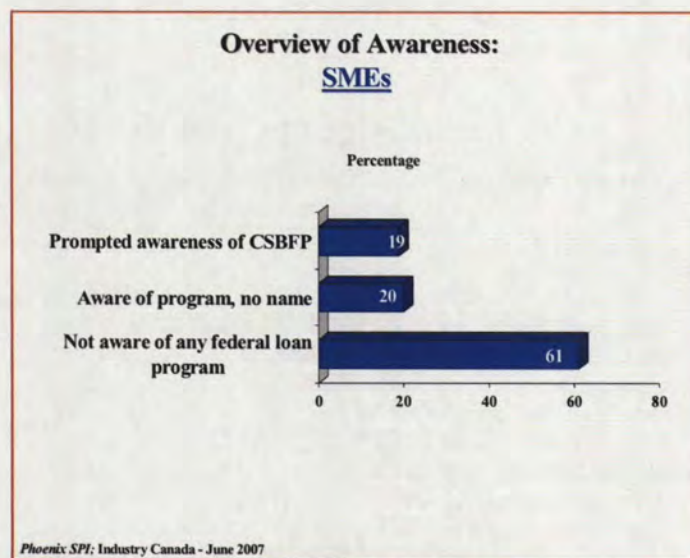


In addition, 51% claimed to be aware of federal government loans programs in general. That is, they said they knew that there was one or more federal programs that share the risk with financial institutions, even if they knew nothing else about such programs.

Finally, 24% percent were not even aware that there were any such programs. To be clear, these 24% consistently indicated in all related questions that they were not aware of any federal government programs that guarantee the loans of small businesses and share the risk with financial institutions.

### Limited Awareness of CSBFP Among SMEs

Awareness of the CSBFP among representatives of SMEs is relatively limited. Only one in five (19%) claimed awareness of the program by name, almost all of whom were able to do so on an aided basis only. Only one SME representative identified the CSBFP by name in an unprompted manner.



In addition, 20% claimed to be aware of federal government loans programs in general – they knew there was one or more federal programs that share the risk with financial institutions, even if they knew nothing else about such programs.

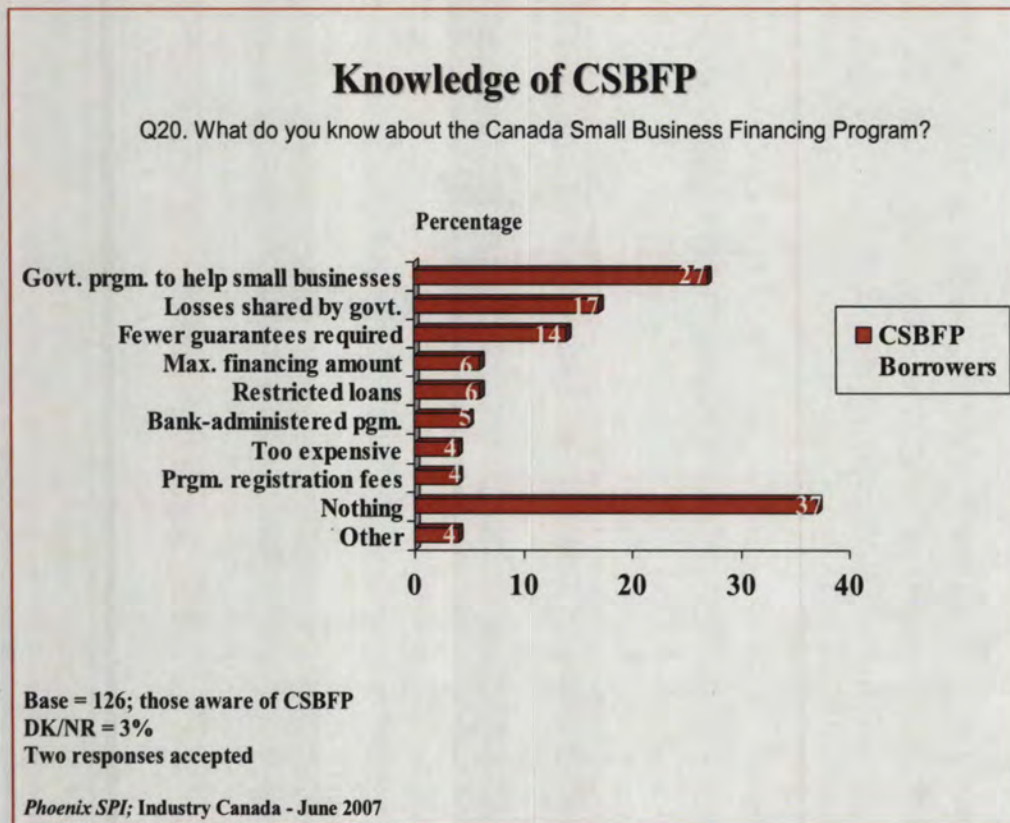
The clear majority, 61%, were not even aware that there were any such programs. Once again, these executives consistently indicated in all related questions that they were not aware of any federal government programs that guarantee the loans of small businesses and share the risk with financial institutions.



**Relatively Limited Knowledge of CSBFP**

All respondents who claimed to be aware of the CSBFP by name (aided and unaided awareness) were asked what they knew about it.

Among CSBFP borrowers, over one-third (37%) said they knew nothing at all about the program, while a further 3% did not provide an answer. In total, therefore, 40% of respondents claiming to be aware of the program by name were unable to provide any substantive feedback about it. The most frequently identified aspect of the program was that it is a government program designed to help small business get financing. Just over one-quarter (27%) identified this. This was followed by the perception that losses are shared by government (17%) and the perception that fewer guarantees are required to secure the loan (14%).



All other responses lacked salience (6% or less). These included the view that there is a maximum financing amount, that the loan is restricted to financing certain kinds of assets, that it is a bank-administered program, that it is too expensive, and that there are program registration fees. Included in the 'other' category are perceptions that the criteria are rigid and that the loan is related to equipment leasing.

**Knowledge of CSBFP (over time):**  
**CSBFP Borrowers**

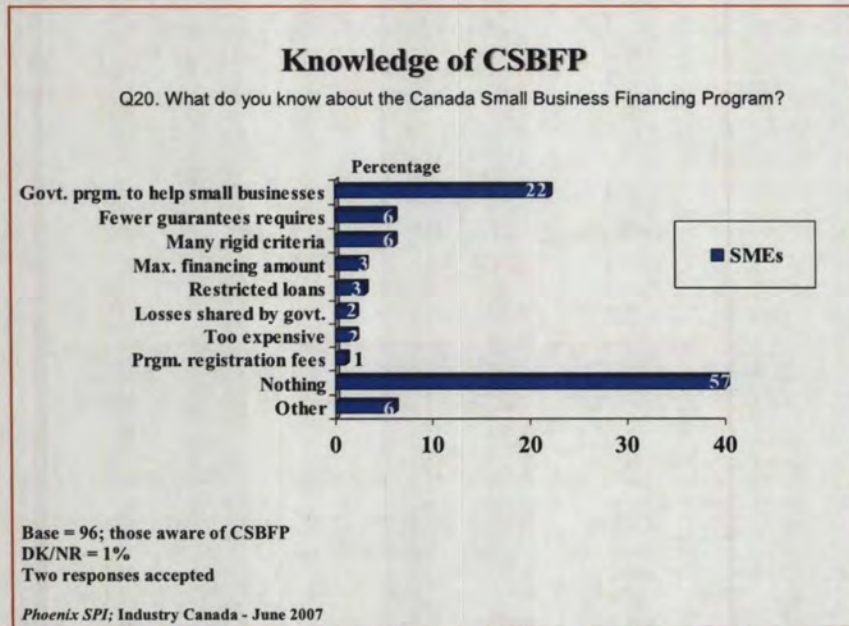
Knowledge of CSBFP	2007 %	2001 %
Govt. program to help small businesses	27	7
Losses shared by Govt.	17	5
Max. financing amount	6	4
Restricted loans	6	2
Nothing/no response	40	50
Other	4	13

*Phoenix SPI; Industry Canada - June 2007*

The inability of borrowers to identify anything about the program has decreased over time (40% vs. 50% in 2001). Current borrowers were much more likely to say the program is designed to help small business get financing (27% vs. 7% in 2001) and that the losses are shared by government (17% vs. 5% in 2001). However, caution should be exercised when tracking responses that have been coded (more open to coding error/difference in wording).

Among representatives of SMEs, a majority (57%) said they knew nothing about the program, while a further 1% did not provide an answer. As was the case among borrowers, the most frequently identified aspect of the program was that it is designed to help small business get financing (22%). All other responses were provided by small numbers (6% or less). These included the view that fewer guarantees are required to secure the loan, that there are many rigid criteria, that there is a maximum financing amount, that the loan is restricted to financing certain kinds of assets, and that it is too expensive.

Included in the 'other' category are perceptions that there are registration fees and that the loan is related to equipment leasing.



As was the case with borrowers, the inability of SME representatives to identify anything about the program has decreased over time (58% vs. 69% in 2001). Current respondents were much more likely to say the program is designed to help small business get financing (22% vs. 6% in 2001).

### Knowledge of CSBFP (over time): SMEs

Knowledge of CSBFP	2007 %	2001 %
Govt. program to help small businesses	22	6
Losses shared by Govt.	2	3
Nothing/no response	58	69
Other	6	12

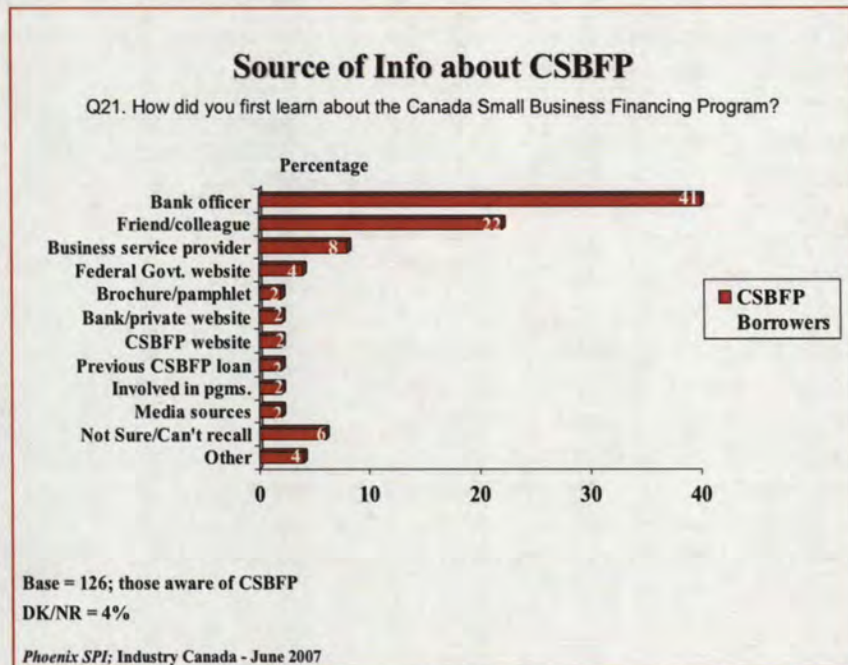
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**Banks – Borrowers’ Main Source of Information About CSBFA**

CSBFP borrowers aware of the program were most likely to have learned about it through a bank officer (41%), followed at a distance by a friend or colleague (22%). The only other source of information identified with any frequency was a business service provider (8%).

Small numbers (4% or less) identified the following: federal government website, brochure/pamphlet, bank/private sector firm website, CSBFP website, a previous CSBFP loan, involvement in funding programs in general, and media sources.

Some (6%) could not recall their source of information, and a further 4% did not provide an answer. Included in the ‘other’ category are business associations and the Internet (unspecified).



The likelihood of having learned about the CSBFP from a bank officer has decreased over time (41% vs. 53% in 2001), though it remains the main source of information about the program. By contrast, the likelihood of having heard about it from a friend or colleague has increased (22% vs. 11% in 2001).

**Source of Info about CSBFP (over time):**  
**CSBFP Borrowers**

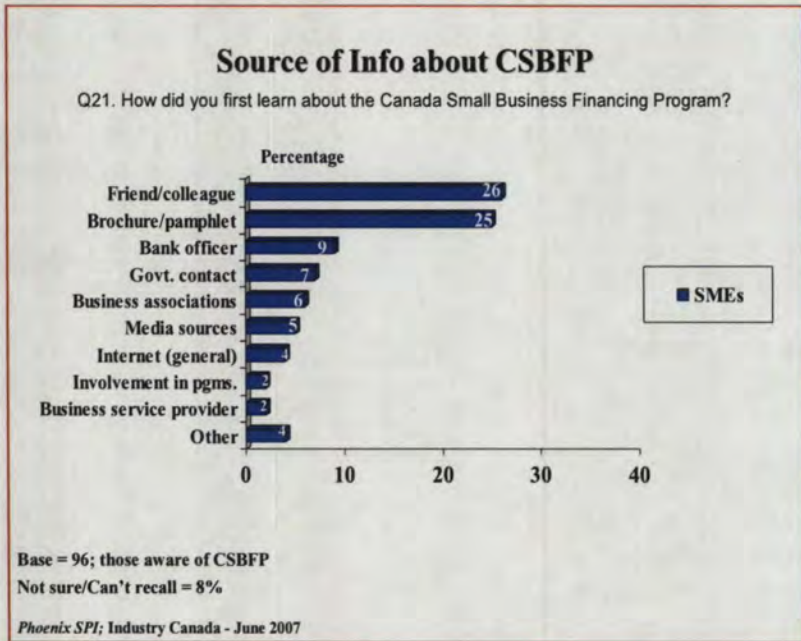
Source	2007 %	2001 %
Bank officer	41	53
Friend/colleague	22	11
Business service provider	8	6
Brochure/Pamphlet	2	6
Other	4	11

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**Acquaintances & Publications – SMEs’ Main Source of Information About CSBFA**

Representatives of SMEs aware of the CSBFP were most likely to have learned about it through a friend or colleague (26%) or a brochure/pamphlet (25%). In contrast to CSBFP borrowers, relatively few SME representatives (9%) learned about the program through a bank officer.

Similar numbers (5-7%) learned about the program through a government contact, business association, involvement in funding programs in general, or a service provider. Some (8%) could not recall their source of information. Included in the ‘other’ category are a federal government website (unspecified), the CSBFP website, and a previous CSBFP loan.



The likelihood of having learned about the CSBFP from friends/colleagues and brochures/pamphlets has increased over time. Conversely, the likelihood of learning about it through media sources and business service providers has decreased.

**Source of Info about CSBFP (over time):**

SMEs

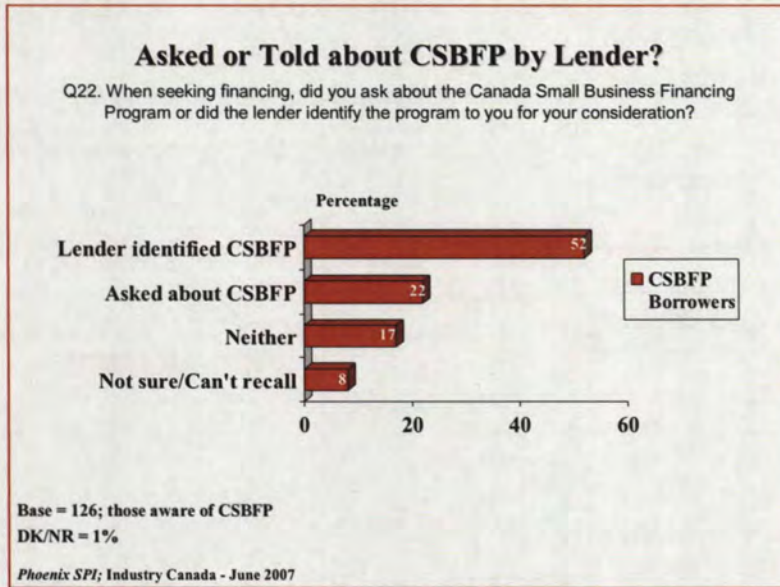
Source	2007 %	2001 %
Friend/colleague	26	14
Brochure/Pamphlet	25	17
Bank officer	9	12
Media sources*	5	12
Internet**	4	5
Business service provider	2	8
CSBFP website	1	5
Other	1	12

\*Newspapers, radio and publications in 2001  
\*\*Website in 2001

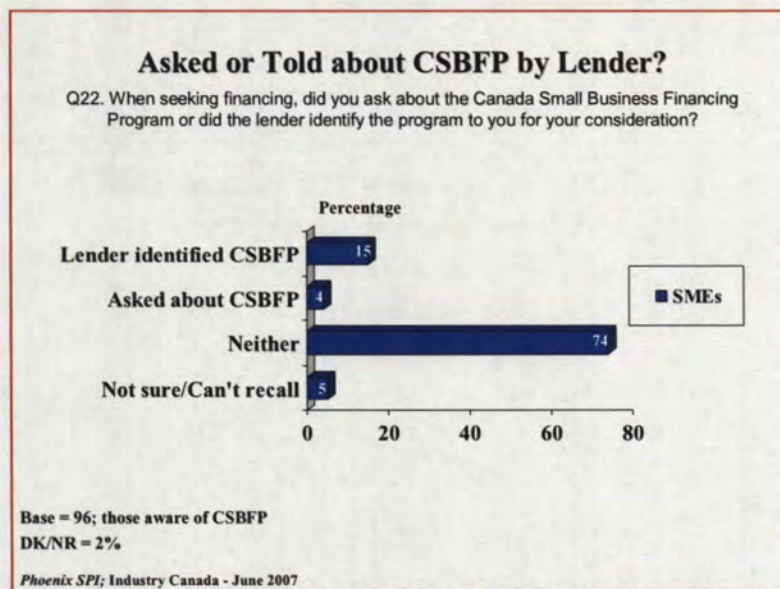
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**Majority of CSBFP Borrowers Informed About Program by Lender**

A majority of borrowers aware of the CSBFP (52%) indicated that when seeking financing, the lender identified the program to them for consideration. Just under one-quarter (22%) said they themselves asked about the CSBFP, while 17% said they neither asked about it nor was it brought to their attention. Eight percent indicated that they could not recall, and 1% did not provide an answer.



Among representatives of SMEs aware of the program, three-quarters (74%) said they neither asked about it nor was it brought to their attention, 15% said the lender identified the program to them for consideration, and 4% said they themselves asked about it. Five percent indicated that they could not recall, and 2% did not provide an answer.

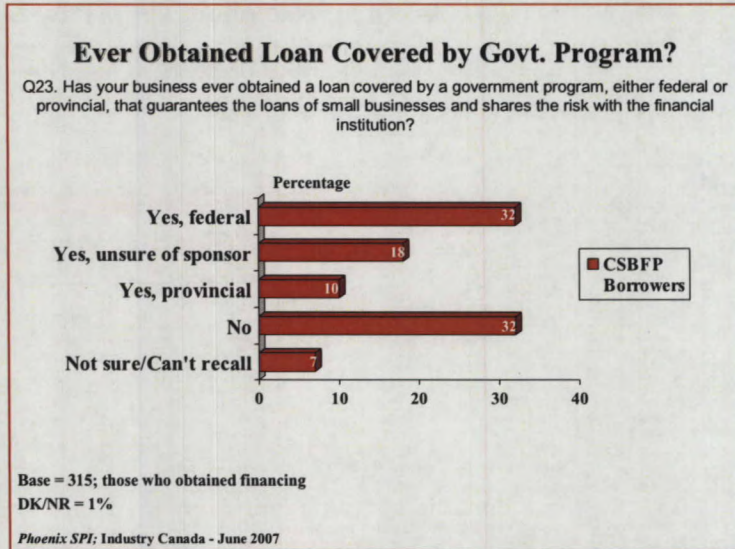


**Many Borrowers Unsure Whether Business Obtained Loan Under Federal Program**

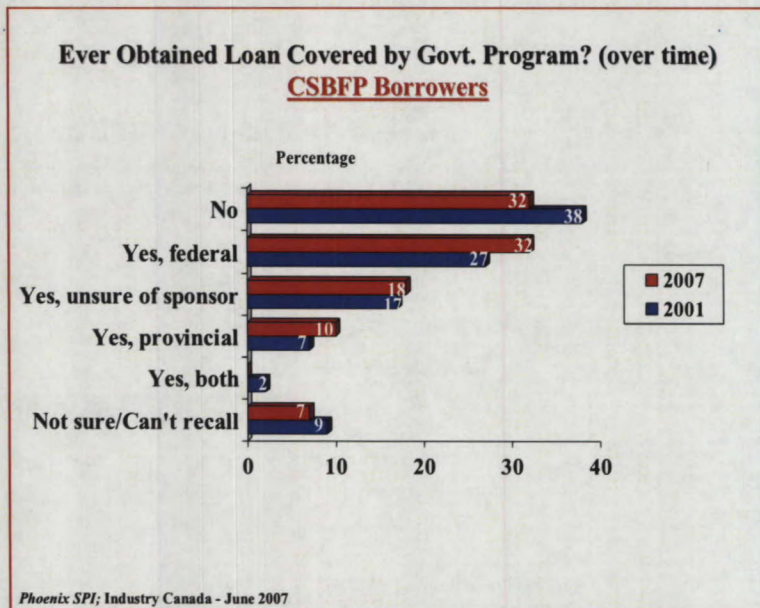
All respondents except those who indicated that their firm has not obtained external financing were asked if their business has ever obtained a loan covered by a government program, either federal or provincial, that guarantees the loans of small businesses and shares the risk with the financial institution.

Among CSBFP borrowers, 60% indicated that their firm has obtained such a loan, either federally (32%), provincially (10%), or they were unsure from which level of government (18%). Conversely, one-third (32%) said they had not received such a loan. Despite the fact that all these participants' businesses received a loan under the CSBFP, only one-third were certain that their business has obtained a loan covered by a federal government program.

Eighteen percent were unsure about the level of government, and 7% were not sure or could not recall.

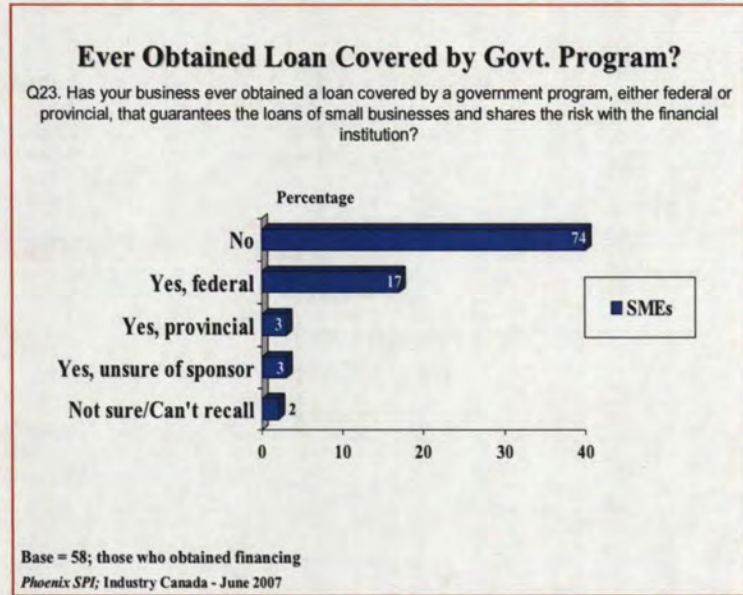


Results have changed little compared to 2001. Borrowers are slightly less likely to indicate that they have never obtained such a loan (32% vs. 38% in 2001) and slightly more likely to indicate that they have received such a loan from the federal government (32% vs. 27% in 2001).

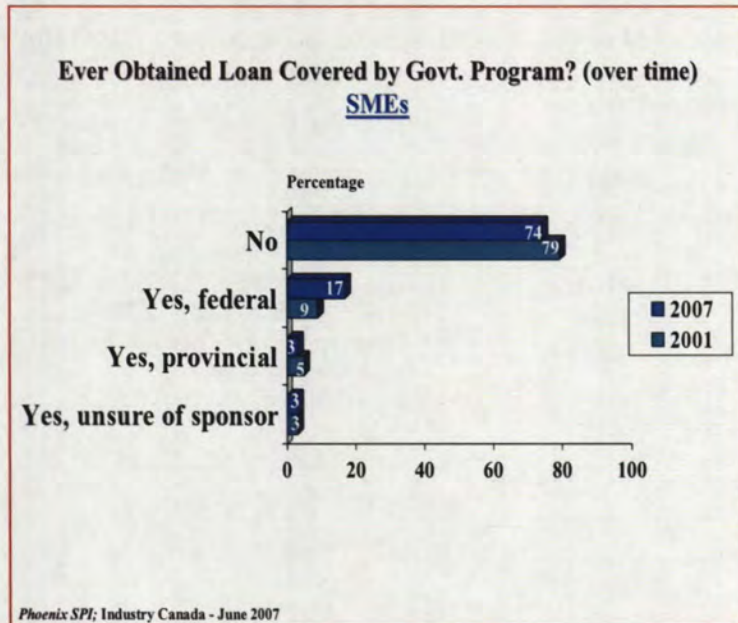


## CSBFP Awareness and Satisfaction Study

Among representatives of SMEs, approximately three-quarters (74%) indicated that their firm has never received such a loan, either federally or provincially. Conversely, 23% indicated that their firm has obtained such a loan. Seventeen percent said they obtained a federal loan, 3% a provincial loan, and 3% were unsure about the sponsor.



Compared to 2001, representatives of SMEs are more likely to indicate that they have received a loan covered under a federal government program (17% vs. 9% in 2001).





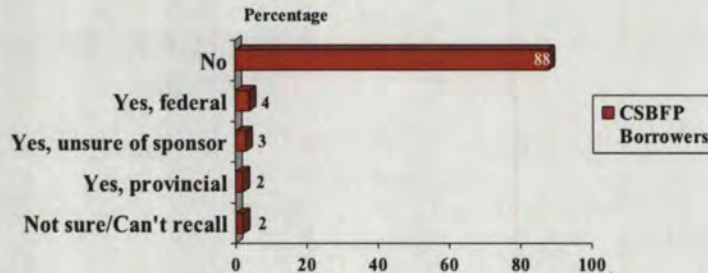
**Vast Majority Have Never Refused Government Guaranteed Loan**

The vast majority of CSBFP borrowers who have obtained external financing for their business (88%) said that they have never refused to accept a government guaranteed loan, either federal or provincial. Nine percent said they have refused such a loan and 3% could not recall or did not answer the question.

Of those who indicated that they refused such a loan, 4% said they refused a federal loan, 2% a provincial loan, and 3% were unsure of the sponsor.

**Ever Decided Not to Use Govt. Loan Program?**

Q24. Has your business ever decided NOT to use a government-guaranteed loan program? This could be under a program operated by either the federal or provincial level of government.



Base = 502; those who obtained financing  
DK/NR = 1%

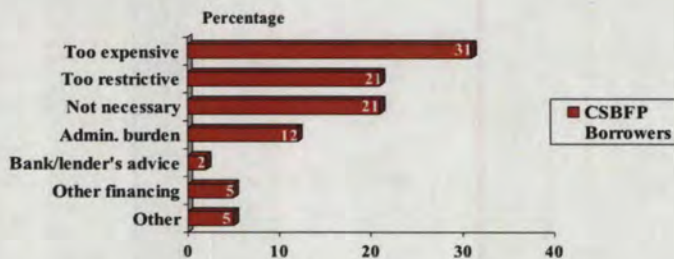
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These results are virtually identical to results in 2001.

When borrowers whose firms refused such a loan (n = 42) were asked why, the most frequently identified reason was that it was too expensive (31%), followed by perceptions that the program was too restrictive and that the loan was not necessary (21% each). Some felt that there was too much of an administrative burden (12%), while a few said they had other financing options or refused on the advice of the banker/lender.

**Reasons for Refusing Govt. Guaranteed Loan**

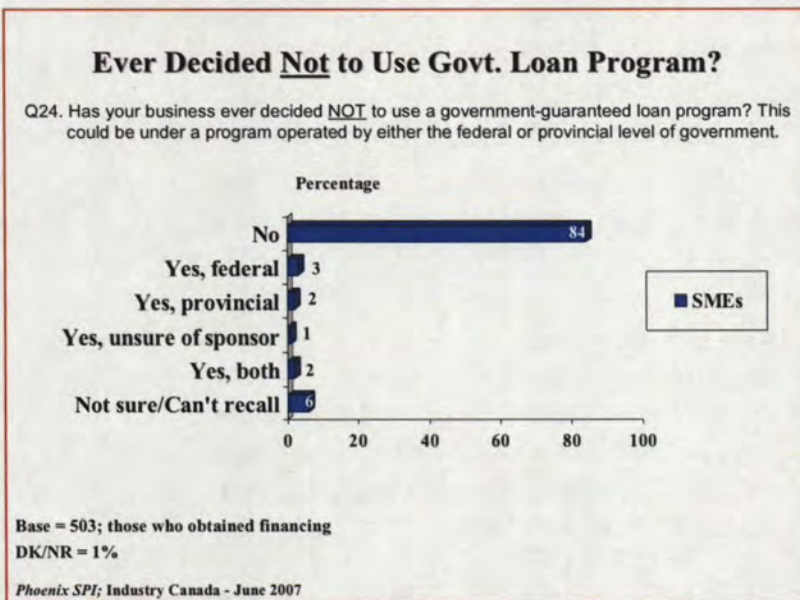
Q25. Why is that [that your business decided NOT to use a government-guaranteed loan program]?



Base = 42; those who decided not to use govt. loan program  
DK/NR = 2%

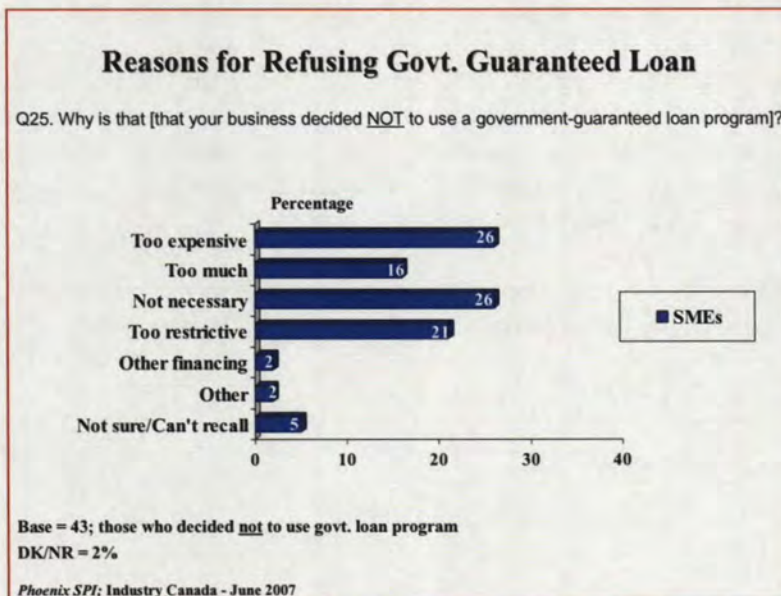
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The situation was similar among representatives of SMEs, with 84% indicating that they have never refused to accept a government guaranteed loan, either federal or provincial. Eight percent said they had refused such a loan and 7% could not recall or did not answer the question. Of those who indicated that they refused such a loan, 3% said they refused a federal loan, 2% a provincial loan, 2% said they refused both, and 1% were unsure of the sponsor.



As was the case among borrowers, these results are virtually identical to results in 2001.

Representatives of SMEs whose firms refused such a loan (n = 43) were most likely to explain their refusal by suggesting that it was too expensive or unnecessary (26% each), followed by the perception that the program was too restrictive (21%). Some felt that there was too much of an administrative burden (16%), while a few said they had other financing options. A few others (5%) could not recall why they refused the loan.



## SATISFACTION WITH FINANCING

This section reports on executives' views of the financing options available to small and medium-sized businesses, including the perceived importance of and satisfaction with different factors related to financing options.

### High Importance Attributed to Many Factors When Considering Financing Options

All surveyed executives were asked to rate the importance of a number of factors to their business when it comes to obtaining financing or considering financing options (using a 5-point scale: 1 = not important at all; 5 = very important). The factors that were assessed were:

- The interest rate.
- The service fees.
- The time required to process applications.
- Access to a variety of financing options.
- The possibility of negotiating the terms of financing, such as service fees and repayment conditions.
- The amount of financing granted compared to the amount requested.
- The securities and guarantees required by financial institutions, whether personal or corporate.
- The quality of service received from the lender(s).

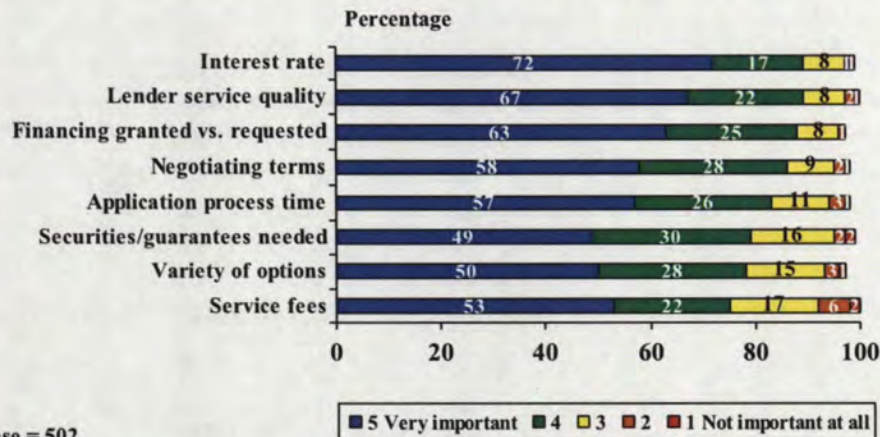
Three-quarters or more of CSBFP borrowers attributed importance to each of these factors. Moreover, each factor was much more likely to be considered *very* important than moderately important. Leading the way, and considered virtually equal in importance (88-89%), were the interest rate, service quality, and the amount of financing granted compared to the amount requested. These factors were followed closely by the possibility of negotiating the terms of financing (86%) and the time required to process applications (83%). Majorities (57-72%) attributed strong importance to each of these factors.

Virtually identical numbers (78-79%) attributed importance to the securities and guarantees required and the variety of financing options, with only slightly fewer (75%) considering the service fees important.

Borrowers who did not attribute importance to these factors were much more likely to rate them as neither important nor unimportant (i.e. scores of 3) than as unimportant.

## Importance of Various Factors Re: Financing Options CSBFP Borrowers

Q26-33. How important are each of the following factors to your business when it comes to obtaining financing or considering financing options?



Base = 502

DK/NR = 2% or less

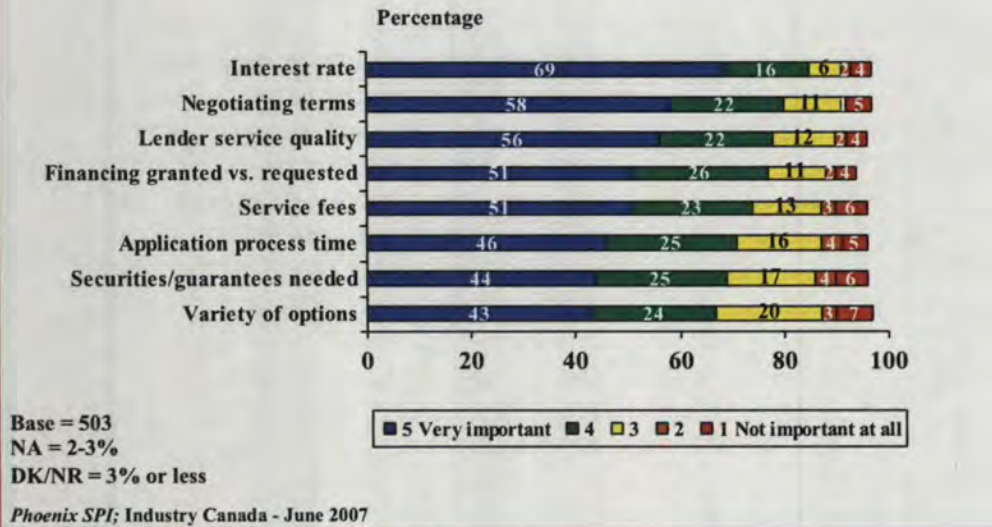
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Among representatives of SMEs, two-thirds or more attributed importance to each of these factors, and like CSBFP borrowers, executives were much more likely to attribute strong than moderate importance to each one. Leading the way in terms of importance was the interest rate (85%). Substantial and similar majorities (77-80%) attributed importance to the possibility of negotiating the terms of financing, service quality, and the amount of financing granted compared to the amount requested. Following this, in descending order of importance, were service fees (74%), the time required to process applications (71%), the securities and guarantees required (69%), and the variety of financing options (67%).

With one exception (interest rates), those who did not attribute importance to these factors were more likely to rate them as neither important nor unimportant than as unimportant. Between 6-10% considered these factors to be of little or no importance.

## Importance of Various Factors Re: Financing Options SMEs

Q26-33. How important are each of the following factors to your business when it comes to obtaining financing or considering financing options?



Borrowers were more likely than representatives of SMEs to attribute importance to each of these factors. This was especially the case regarding the variety of financing options (78% vs. 67%), service quality (89% vs. 78%), the application processing time (83% vs. 71%), the financing granted compared to the amount requested (88% vs. 77%), and the securities and guarantees required (79% vs. 69%).

### Satisfaction With Aspects of Financing Varies Widely

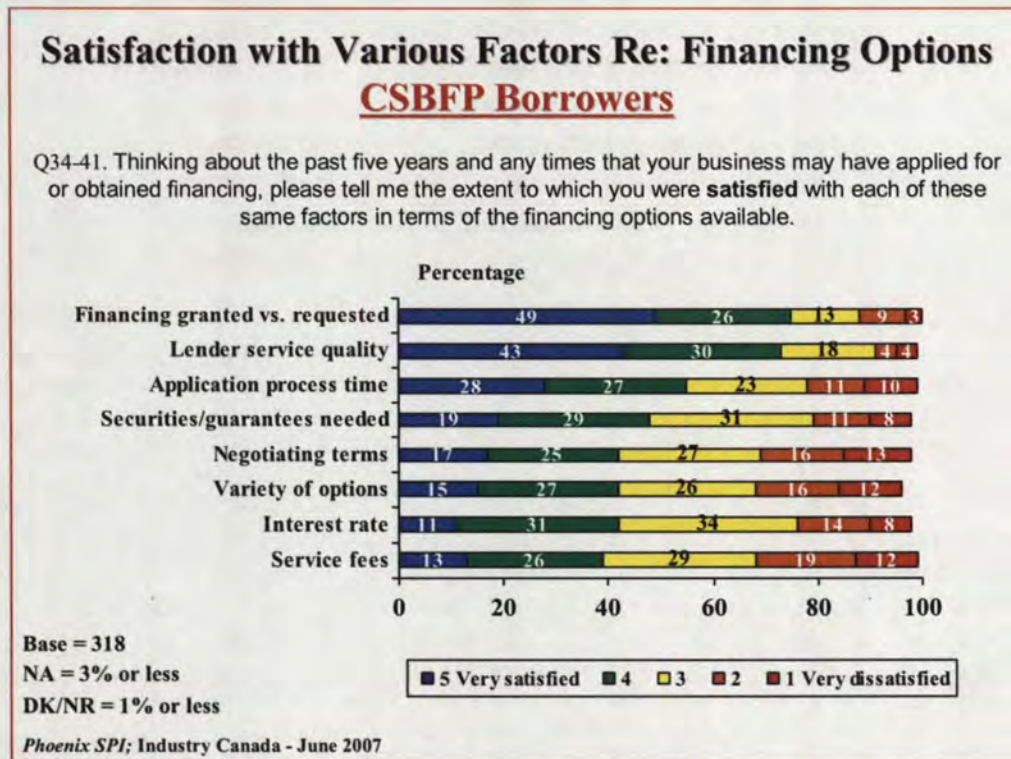
Executives of firms that had used one or more of the main financing options available during the previous five years were asked to rate their level of satisfaction with each of these same factors using a similar 5-point scale (1 = very dissatisfied; 5 = very satisfied). If respondents' firms received financing on multiple occasions, they were asked to think in terms of their experience in general.

Levels of satisfaction with these factors varied widely both among borrowers and representatives of SMEs.

Among borrowers, satisfaction with these factors ranged from a high of 75% to a low of 39%. Substantial numbers of borrowers (73-75%) expressed satisfaction with the financing granted compared to the amount requested, and with the service quality. Moreover, satisfaction with both was more likely to be strong than moderate. A much smaller majority (55%) expressed satisfaction with the application processing time, with the rest almost equally divided between neutrality (scores of 3) and dissatisfaction.

Fewer than half the borrowers expressed satisfaction with each of the remaining factors, and satisfaction was more likely to be moderate than strong for each one. Nearly half (48%) expressed satisfaction with the securities and guarantees required, with the rest more likely to be neutral (31%) than dissatisfied (19%). Borrowers provided mixed assessments of the remaining factors, although they were more likely to express satisfaction than neutrality or dissatisfaction with each one. Similar proportions (39-42%) expressed satisfaction with the possibility of negotiating the terms of financing, the variety of financing options, the interest rate, and the service fees.

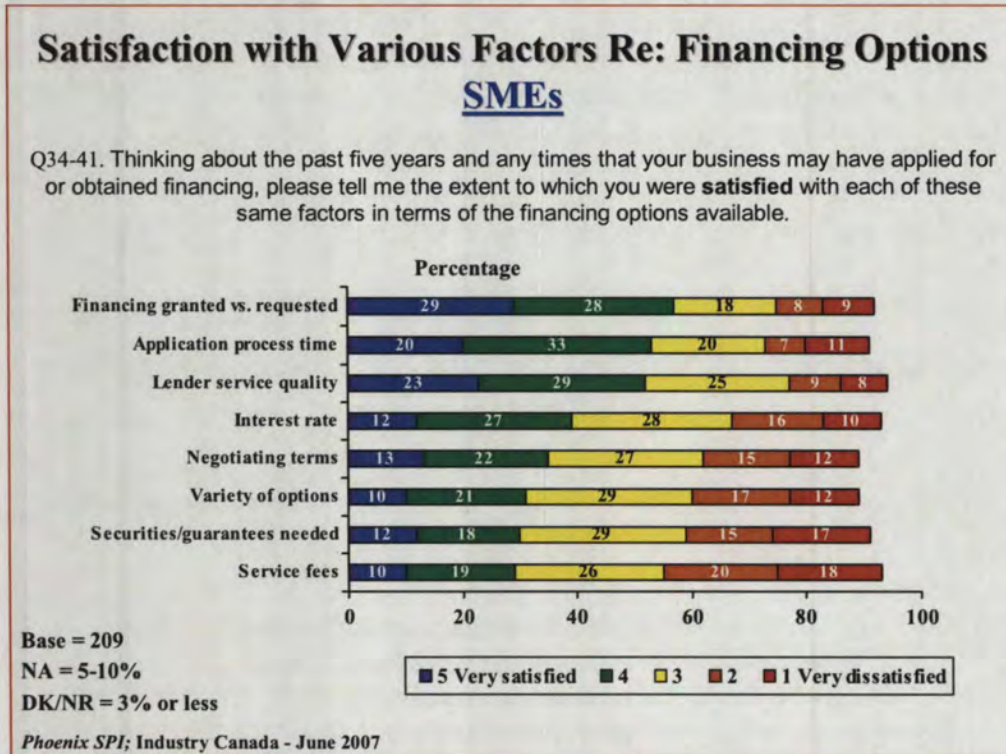
Dissatisfaction was highest regarding the service fees (31%), and ranged from 8-29% for other factors.



Among representatives of SMEs, satisfaction ranged from a high of 57% to a low of 29%. They were most likely to express satisfaction with the financing granted compared to the amount requested (57%). Smaller majorities expressed satisfaction with the processing time (53%) and service quality (52%).

Representatives of SMEs provided mixed assessments of the remaining factors. While they were more likely to express satisfaction with each one, a substantial minority (26-38%) expressed neutrality or dissatisfaction with each. More than one-third (35-39%) expressed satisfaction with the interest rate and the possibility of negotiating the terms of financing, with the rest almost equally divided between being neutral and dissatisfied. Representatives of SMEs were least likely to express satisfaction with the variety of financing options, the securities/guarantees needed, and the service fees (29-31% each).

Dissatisfaction was highest regarding service fees (38%) and the securities/guarantees needed (32%), and ranged from 17-29% for other factors.



Borrowers were more likely than representatives of SMEs to express satisfaction with each of these aspects. More specifically, they were much more likely to be satisfied with the financing granted (75% vs. 57%), lender service quality (73% vs. 52%), the securities needed (48% vs. 30%), the variety of options (42% vs. 31%), and the service fees (39% vs. 29%). Differences were less pronounced concerning the interest rate (42% vs. 39%), the possibility of negotiating terms (42% vs. 35%) and application process time (55% vs. 53%).

The following graphs show the difference between perceived importance and the level of satisfaction with each factor for both survey populations.

**Various Factors RE: Financing Options  
Importance vs. Satisfaction  
CSBFP Borrowers**

Factor	Importance %	Satisfaction %	Gap +/-
Interest rate	89	42	-47
Negotiating terms	86	41	-45
Service fees	75	39	-36
Variety of options	78	42	-36
Securities/guarantees needed	78	48	-30
Application process time	83	55	-28
Lender service quality	89	73	-16
Financing granted vs. requested	88	75	-13

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**Various Factors RE: Financing Options  
Importance vs. Satisfaction  
SMEs**

Factor	Importance %	Satisfaction %	Gap +/-
Service fees	75	29	-46
Negotiating terms	80	35	-45
Interest rate	84	39	-45
Securities/guarantees needed	69	30	-39
Variety of options	66	31	-35
Lender service quality	78	52	-26
Financing granted vs. requested	77	57	-20
Application process time	71	53	-18

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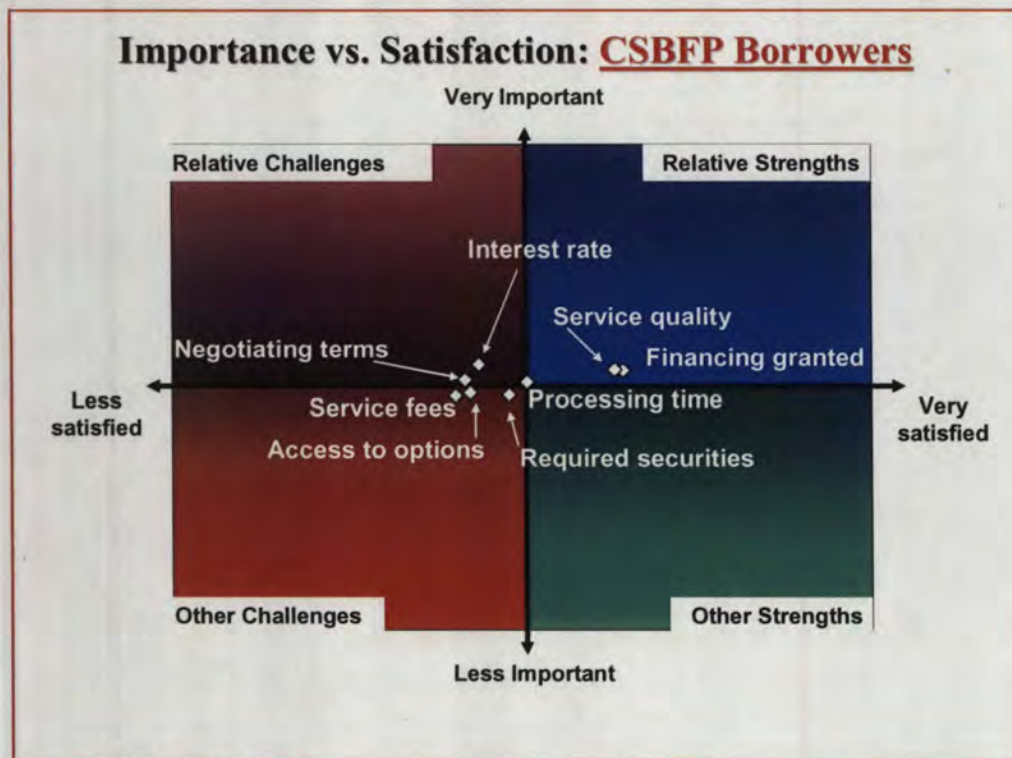


## CSBFP Awareness and Satisfaction Study

As well, the following graphs plot the perceived importance of the various factors against satisfaction in the same areas. They are based on the mean scores for each issue on the 5-point scale for each population.

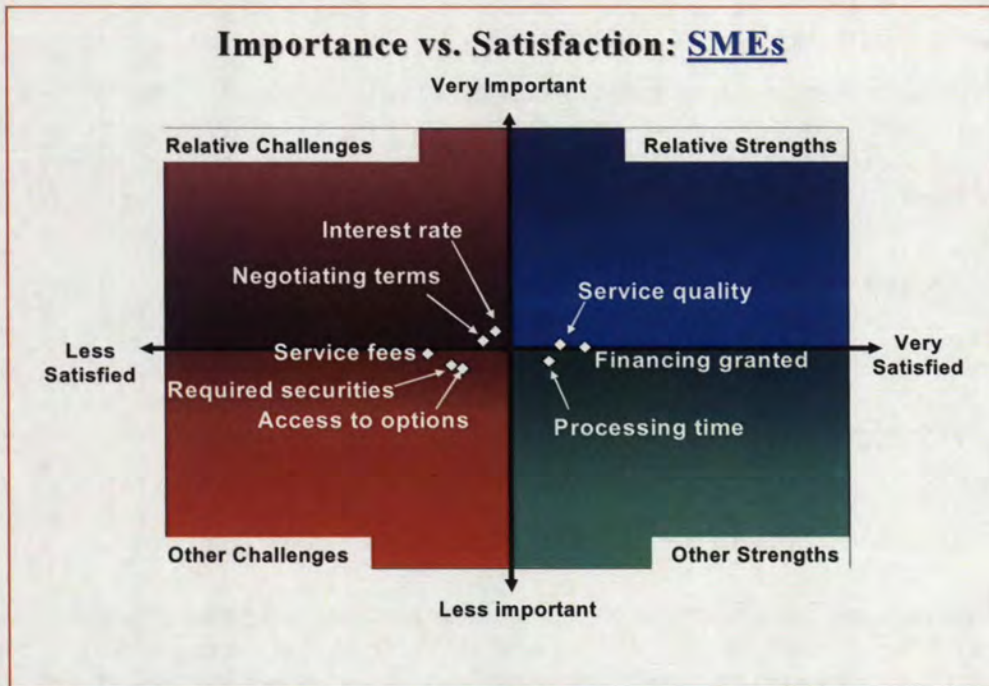
In the graph pertaining to borrowers, all issues above the horizontal line received mean importance ratings of 4.39 or higher, and all issues below the line received ratings of less than 4.39. All issues to the right of the vertical line received mean satisfaction ratings of 3.47 or higher and all issues to the left of the line received ratings of less than this.

As can be seen, relative strengths (i.e. areas where both importance and satisfaction were assessed above the mid-point on the scale) include service quality and the amount of financing granted compared to the amount requested. Relative challenges include the interest rate and the possibility of negotiating the terms of financing.



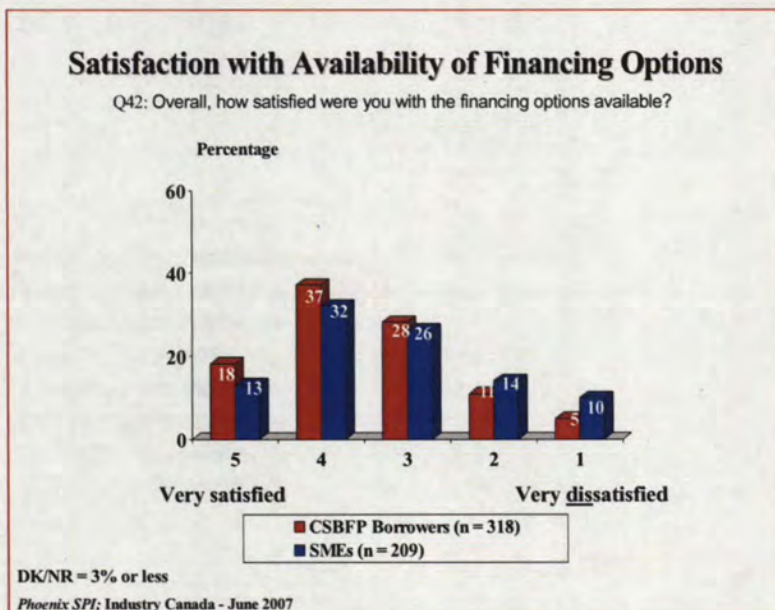
In the graph pertaining to representatives of SMEs, all issues above the horizontal line received mean importance ratings of 4.33 or higher, and all issues below the line received ratings of less than this. All issues to the right of the vertical line received mean satisfaction ratings of 3.21 or higher and all issues to the left of the line received lower ratings.

As can be seen, relative strengths include service quality and the financing granted. Relative challenges include the possibility of negotiating the terms of financing and the interest rate.



#### Many Satisfied with Available Financing Options

A majority of borrowers (55%) and a near majority of representatives of SMEs (45%) whose firms had used one or more of the financing options during the previous five years expressed overall satisfaction with the financing options available to them. Using a 5-point scale (1 = very dissatisfied; 5 = very satisfied), many expressed satisfaction with this, although it was more likely to be moderate than strong.



Borrowers who did not express satisfaction were more likely to be neutral (28%) than dissatisfied (16%). SME representatives who did not express satisfaction were similarly likely to be neutral or dissatisfied (24-26%).

**Satisfaction With Aspects of CSBFP**

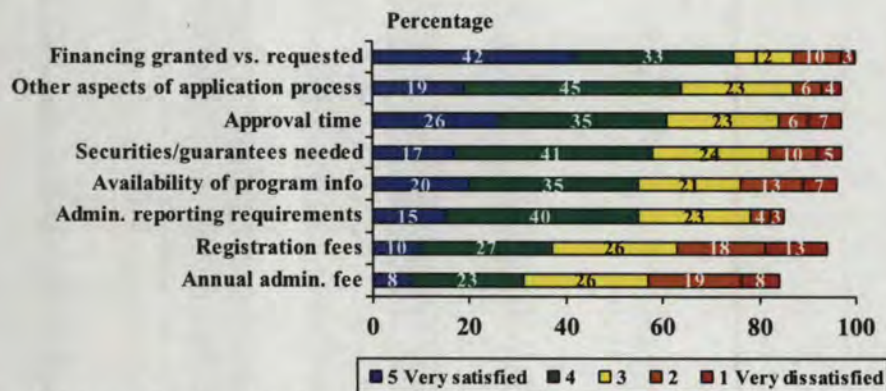
CSBFP borrowers\* that acknowledged receiving a CSBFP loan in the previous 12 months (i.e. were aware that the loan they received was part of the CSBF program) were asked how satisfied they were with various aspects of their CSBFP loan. Using a 5-point scale (1 = very dissatisfied; 5 = very satisfied), they were asked to rate their level of satisfaction with the following:

- The availability of information on the CSBF Program.
- The administrative reporting requirements related to the 'life' of the loan.
- The time needed to obtain approval.
- Other aspects of the application process.
- The program registration fees.
- The annual administration fee.
- The securities and guarantees that are required.
- The amount of financing granted compared to the amount requested.

Satisfaction with CSBFP loan aspects among borrowers ranged considerably, from 31% to 75%. They were most apt to be satisfied with the financing they received relative to their request (75%). Almost two-thirds (61-64%) were satisfied with other aspects of the application process, and the approval time. More than half also expressed satisfaction with the availability of program information and the administrative requirements (55-58%).

**Satisfaction with Aspects of CSBFP Loan**  
**CSBFP Borrowers**

Q43-50. Thinking specifically about the CSBFP loan(s) your business received in the past 12 months, I'd like you to tell me how satisfied you were with each of the following aspects of the loan.



Base = 175; those who acknowledged use of CSBFP

NA = 12% or less

DK/NR = 5% or less

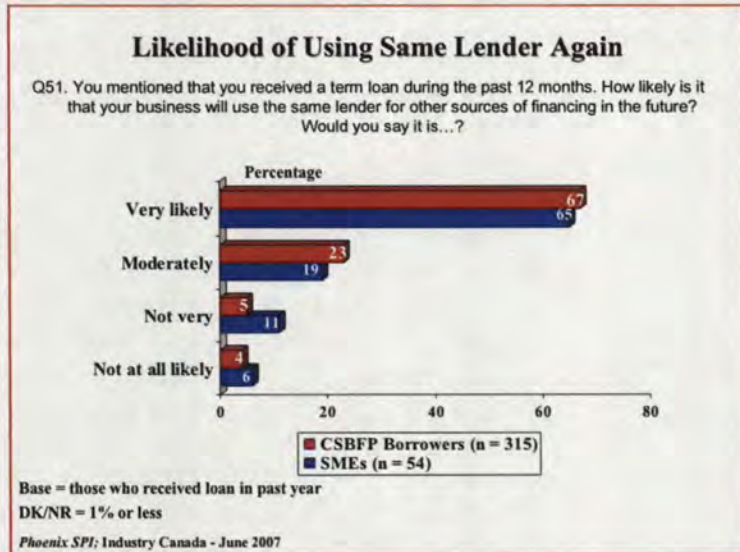
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\* Representatives of SMEs were not asked about this because none of their firms had received a CSBFP loan.

Satisfaction was lowest concerning fees associated with the CSBFP loan, including both the registration fees (37%) and the annual administration fee (31%). Dissatisfaction with these fees was correspondingly higher than with other loan aspects (27-31% vs. 7-20%).

### Substantial Majorities Likely to Use Same Lenders in Future

The large majority of CSBFP borrowers (90%) and SME representatives (84%) whose firms received loans during the previous 12 months said their business would be at least moderately likely to use the same lender for financing in the future. Moreover, two-thirds from each population said their business would be *very likely* to do this. Representatives of SMEs were more likely to indicate that there would be little or no likelihood that their businesses continue to use the same lenders in future (17% vs. 9% of borrowers).



Borrowers who indicated that their firm would not be likely to use the same lender for financing in the future (n = 28) most often pointed to poor service quality to explain why (12 borrowers). This was followed by high service fees (8 borrowers), services no longer meeting their needs (5 borrowers), complex documentation or lack of need (4 borrowers each), and the guarantees required (2 borrowers) (multiple responses accepted).

Of the nine representatives of SMEs who said that their firm would not be likely to use the same lender in future, no more than two identified any one reason. Reasons included lack of need, high service fees, complex documentation, poor quality service, and services no longer meeting needs.

### Most of Those Who Were Refused Loans Were Not Satisfied With Explanation

Respondents who indicated that their business was refused financing for a loan(s) in the past 12 months (30 borrowers; 27 SMEs) were asked how satisfied they were with the reason(s) provided by the financial institution to explain why the loan was refused. Using a 5-point scale (1 = very dissatisfied; 5 = very satisfied), the vast majority (83-85% or 23-25 respondents) expressed dissatisfaction with the explanation given, and most said they were *very* dissatisfied. Borrowers were more likely to express strong dissatisfaction than SME representatives (73% or 22 respondents vs. 52% or 14 representatives of SMEs).

## SATISFACTION WITH CSBFP PROGRAM PARAMETERS

This section reports on executives' perceptions of various features of the Canada Small Business Financing Program.

### Mixed Views of CSBFP Features

After being provided with a brief description of the CSBFP, surveyed executives were asked to indicate whether they consider the following features of the program to be too high, about right, or too low:

- The maximum loan size is \$250,000.
- There is a registration fee of 2% of the total amount of the loan.
- The maximum amount of financing available is 90% of the eligible cost of the project or equipment.
- The interest rate is capped at prime plus 3%.

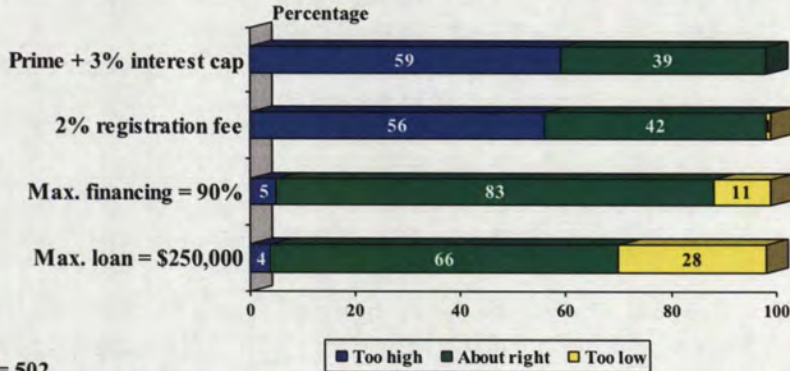
The results tended to be similar among both sample populations. Majorities in both populations agreed with two features of the CSBFP. There was widespread agreement among borrowers and representatives of SMEs (79-83%) that the maximum amount of financing of 90% is about right. That said, among those who did not agree with this, borrowers were more likely to think it was too low (11%), while representatives of SMEs were more likely to think it was too high (11%). Two-thirds in each population (66-68%) also agreed that the maximum loan size of \$250,000 is about right. Moreover, in both populations, most of those who did not agree with this felt that the amount is too low.

Majorities disagreed with the two other features of the program. Well over half of the borrowers and SME representatives (59-62%) felt that the cap on the interest rate at prime plus 3% is too high, with nearly all the rest (34-39%) thinking it is about right. As well, over half the borrowers and SME representatives (52-56%) felt that the 2% registration fee is too high; virtually all the rest (42% in each group) said it is about right.

### Perceptions of CSBFP Features

#### CSBFP Borrowers

Q54-57. I'd now like to ask you some questions about the Canada Small Business Financing Program. This is a federal government program, where any losses on loans made to businesses under the program are shared by the government with financial institutions. For each of the following features of the program, please tell whether you think the amount is too high, about right, or too low. How about...?



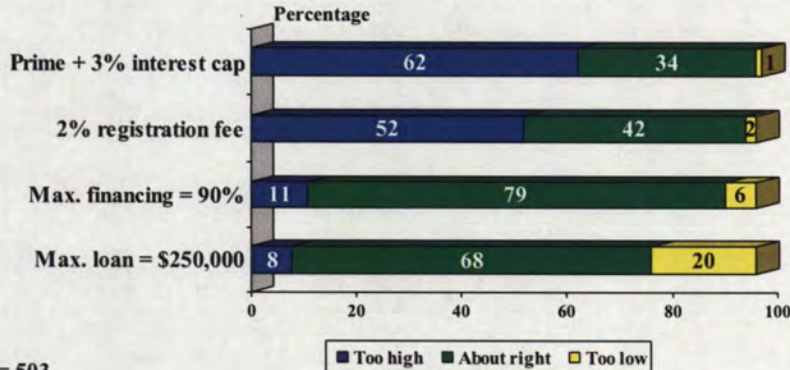
Base = 502  
DK/NR = 1%

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### Perceptions of CSBFP Features

#### SMEs

Q54-57. I'd now like to ask you some questions about the Canada Small Business Financing Program. This is a federal government program, where any losses on loans made to businesses under the program are shared by the government with financial institutions. For each of the following features of the program, please tell whether you think the amount is too high, about right, or too low. How about...?



Base = 503  
DK/NR = 3-4%

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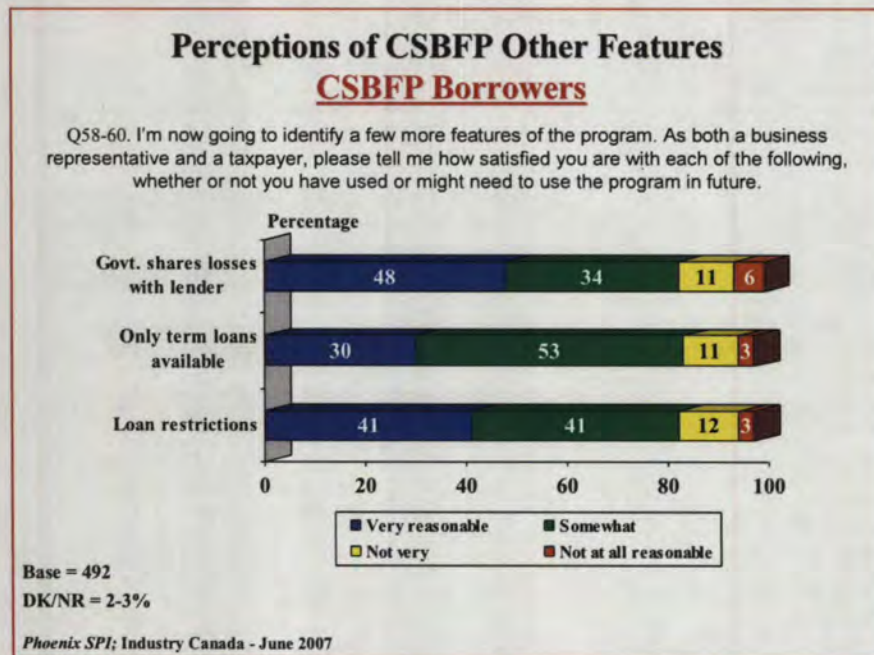
**Most Regard Other Program Features as Reasonable**

All respondents were then asked to comment on the ‘reasonableness’ of some additional features of the CSBFP. Thinking as both business representatives and taxpayers, they were asked whether they would describe each of the following features as very, somewhat, not very, or not at all reasonable:

- Only term loans are available under the program.
- CSBF loans are restricted to financing for equipment, real property or immovables, leasehold improvements, and program registration fees.
- If a borrower defaults on a loan, the federal government is responsible for 85% of eligible losses under the program, and the lender is responsible for 15% of the loss.

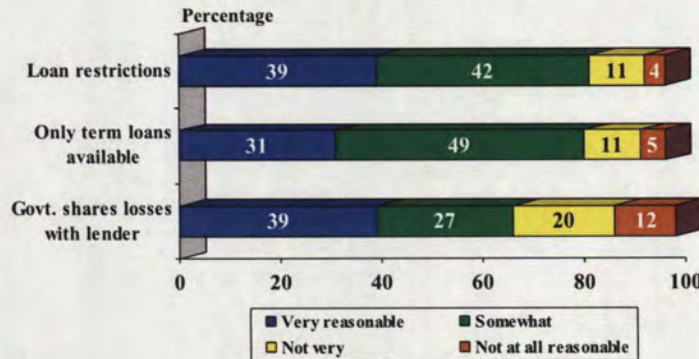
At least two-thirds of borrowers and representatives of SMEs regarded each of these features as at least somewhat reasonable. Moreover, with one exception, perceptions tended to be very similar both in number and intensity.

Strong and nearly identical majorities in both populations (80-83%) regarded the restriction to term loans and the financing restrictions as at least somewhat reasonable. By contrast, borrowers were much more likely to regard the loss sharing arrangements as at least somewhat reasonable (82% vs. 66% of representatives of SMEs). However, representatives of SMEs were almost twice as likely to regard this feature as not reasonable (32% vs. 17% of borrowers).



**Perceptions of CSBFP Other Features**  
SMEs

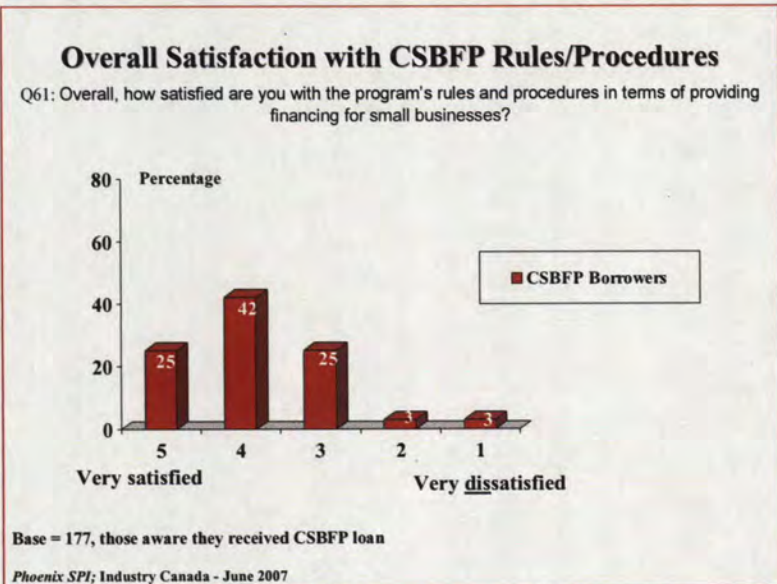
Q58-60. I'm now going to identify a few more features of the program. As both a business representative and a taxpayer, please tell me how satisfied you are with each of the following, whether or not you have used or might need to use the program in future.



Base = 493  
DK/NR = 3%  
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**Most Who Acknowledge Receipt of CSBFP Express Satisfaction With Program Rules**

Borrowers\* who acknowledged receiving a CSBFP loan in the previous 12 months (n = 177) were asked how satisfied they were with the program's rules and procedures in terms of providing financing for small businesses. Using a 5-point scale (1 = very dissatisfied; 5 = very satisfied), 67% of borrowers indicated that they were satisfied with the program's rules and procedures. More specifically, one-quarter said they were very satisfied (score of 5), and 42% were moderately satisfied (score of 4). The remaining borrowers were much more likely to hold a neutral view, as opposed to a negative one (25% vs. 6%)

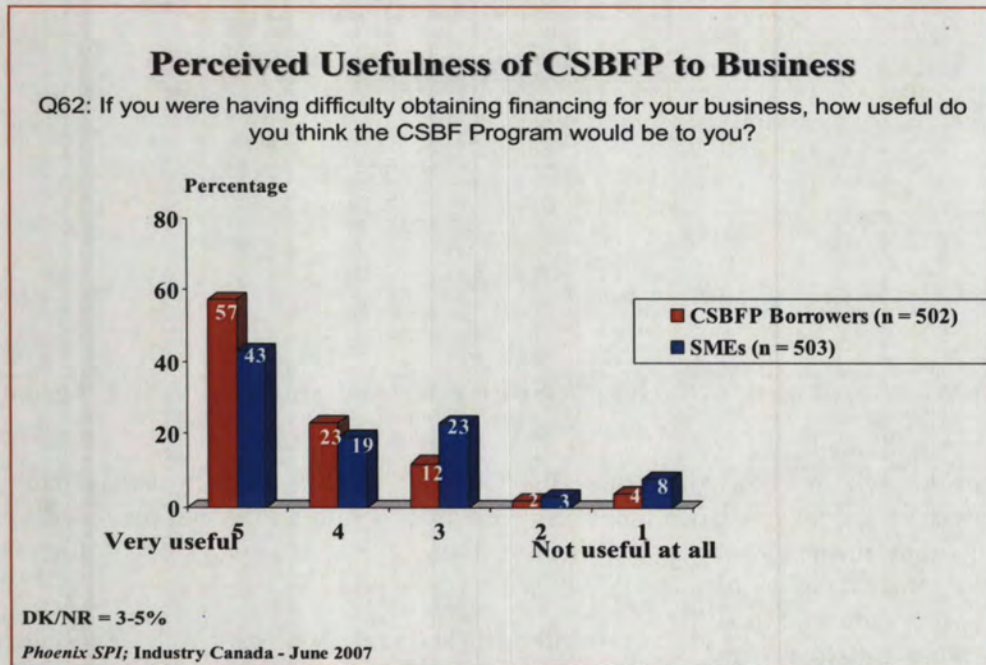


\* Representatives of SMEs were not asked about this because none of their firms received a CSBFP loan.



**Borrowers More Likely to View CSBFP as Useful Than Representatives of SMEs**

While majorities of both borrowers and representatives of SMEs regard the CSBFP as useful to themselves if they were having difficulty obtaining financing, borrowers were much more likely to think this. Using a 5-point scale (1 = not useful at all; 5 = very useful), 80% of borrowers rated the program as useful, with over half (57%) describing it as *very* useful. By comparison, 62% of SME representatives rated the program as useful.



## **SUBGROUP VARIATIONS**

This section presents subgroup differences for key issues explored in this survey, including variations based on region, language, age of firm, location (i.e. urban-rural), and revenue size. Results are presented first for the CSBFP borrowers, and then for the SMEs. The findings are presented in two ways. First, we provide summary descriptions of the main differences or patterns in each area. These summaries are primarily textual in nature for ease of access to the information. Second, we provide a detailed table that presents a breakdown of the findings for the various subgroups. The tables are also organized by theme.

For this analysis, the different characteristics have been grouped as follows:

### **Region:**

- West
- Ontario
- Quebec
- Atlantic

### **Language:**

- English
- French

### **Age of firm:**

- 3 years and less ('start-up firms')
- 4 years and older ('older firms')

### **Location:**

- Urban
- Rural

### **Revenue:**

- Less than \$100,000
- \$100,000-\$299,000
- \$300,000-\$999,000
- \$1 million or more

To provide further insight on specific issues of interest, additional analysis was performed on selected variables using the following sub-groups:

### **Perceived Usefulness of CSBFP to Firm:**

- Not useful
- Somewhat useful
- Very useful

**Overall Satisfaction with CSBFP Rules and Procedures**

- Dissatisfied
- Neither satisfied nor dissatisfied
- Satisfied

**Overall Awareness of CSBFP**

- Aware
- Not aware

**Overall Satisfaction with Financing Options Available**

- Dissatisfied
- Neither satisfied nor dissatisfied
- Satisfied

Caution should be used when interpreting these results, as in some cases the sample sizes are relatively small.

**CSBFP Borrowers**

Overview

While a number of experiential, behavioural, and attitudinal differences were evident among respondents across the various subgroups, there were no strong or consistent patterns. To the extent that any patterns were evident, they tended to be based on firm age, location, language, and, to a lesser extent, revenue.

Differences by age of firm and location were most evident regarding loan-related activity and experience. Older firms and rural firms were more likely to have applied for a term loan during the previous 12 months, more likely to have received a loan for the full amount requested, and more likely to have received funding that met all their needs.

Differences in awareness, to the extent that they existed, were most evident regionally and by language. Executives in Ontario and the West and English-speaking executives were more likely to be aware of federal government loan programs in general and the CSBFP in particular.

Differences in satisfaction were most evident by language and location. Executives of rural firms and French-speaking executives were more likely than urban or English-speaking ones to express satisfaction with various factors related to financing. They were also more likely to express satisfaction with the financing options available to them. Finally, they were more likely to describe the program characteristics of the CSBFP as about right

Differences by revenue, where they existed, either distinguished the smallest firms from the others or the largest ones from the others. For example, firms with revenues in excess of \$100,000 were most likely to have received the full amount of requested financing, most

likely to have heard about the CSBFP through a bank officer, and most likely to view the maximum financing of 90% for CSBFP as about right. Executives of firms with revenues of \$1 million or more were most likely to express satisfaction with the financing options available to them, to view the CSBFP registration fee as too high, and to view the maximum loan amount as too low.

These and other subgroup differences are discussed in greater detail below.

#### Financing Options Used

In terms of the financing options being used or that have been used, the following subgroup differences presented themselves:

- Atlantic firms were noticeably more likely to use lines of credit and credit from suppliers than those in other regions, while those in Quebec were much less likely to make use of credit cards.
- Older firms were more likely to make use of lines of credit than their younger counterparts.
- Firms with revenues of \$1 million or more were much more likely to use lines of credit, while use of credit cards increased with revenue.
- Rural firms were more likely than urban ones to use term loans, lines of credit, and credit from suppliers.
- English executives were more than twice as likely as French executives to report use of credit cards and credit from suppliers.

#### Applications for Term Loans in Past 12 Months

Executives in the West, in older firms, and in rural firms were most likely to report that their firm applied for a term loan during the previous 12 months. Awareness of the CSBFP was not a factor in making these applications (i.e. those aware and those not aware of the CSBFP were just as likely to have applied for a term loan)<sup>3</sup>.

#### Success Obtaining Loans

In terms of success obtaining loans, the following sub-group differences were evident:

- Older firms were somewhat more likely to have received the full amount requested.
- Firms with revenues of less than \$100,000 were least likely to have received the full amount of requested financing, while those with revenues of \$1 million or more were the most likely to have received it.
- Rural businesses were more likely than urban ones to have received the full amount of financing.

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<sup>3</sup> Not included in tables: 66% of those aware and 66% of those not aware of CSBFP applied for term loan.

Extent to Which Loans Met Needs

Regarding the extent to which the loans received met their financing needs, the following variations were evident:

- Regionally, only in Quebec did a majority of respondents report that all of their financing needs were met.
- Older firms were more likely to have received financing that met all of their needs.
- Rural firms were much more likely to receive financing that met all of their needs.
- French-speaking executives were most likely to report that their firm received financing that met 100% of their needs.

Overall Awareness of CSBFP and Federal Government Loans Programs

Overall awareness of the CSBFP program (i.e. unaided and aided) was highest among English-speaking executives, executives in Ontario and the West, and executives in younger or start-up firms.

Similarly, awareness of federal government loan programs in general was highest among English-speaking executives, executives in Ontario and the West, and those in urban locations.

Source of Information about CSBFP

The following were most likely to have first learned of the CSBFP through a bank officer:

- Executives in the West and the Atlantic region
- Executives in older firms
- Executives in firms with revenues in excess of \$100K
- Rural executives
- English-speaking executives.

Executives in firms with revenues of \$100,000 or less and rural executives were more likely to have heard about the CSBFP through a friend or colleague.

Importance of Financing Factors

While there were sub-group differences regarding the importance attributed to various factors regarding financing, there was no consistent pattern, nor were differences that large in general. The following differences are worth noting:

- Regionally, executives in the Atlantic region were most likely to attribute importance to all factors, except service quality and application process time.
- Executives in start-up firms were more likely to attribute importance to the securities/guarantees needed.
- The importance the application process time increased with firm revenue.

## CSBFP Awareness and Satisfaction Study

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- Executives in rural firms were more likely to assign importance to the financing granted vs. the amount requested, while executives in urban firms were more likely to assign importance to application processing time.
- Borrowers dissatisfied with CSBFP rules and procedures overall were much less likely than others to attribute importance to lender service quality, negotiating terms of financing, the securities and guarantees needed, and service fees. This gap was most pronounced regarding the latter. Those satisfied with the rules were considerably more apt to attribute importance to lender service quality.

### Satisfaction with Various Factors of Financing Options

As was the case regarding the importance of these factors, differences in satisfaction with them were evident, but followed no noticeable pattern. Differences included:

- Executives in older firms were more likely to be satisfied with the quality of service, the amount of financing granted, the application processing time, the possibility of negotiating terms, and the variety of financing options available. Executives in start-up firms were more likely to be satisfied with the securities and guarantees required from them.
- Executives in firms with revenues of \$300,000 or more were most likely to be satisfied with the application processing time, and the variety of options available. Satisfaction with the securities and guarantees required decreased as firms' revenues increased in size.
- Executives of rural firms were more likely to express satisfaction regarding all factors, except service fees. Moreover, they were *much* more likely than urban executives to express satisfaction regarding most of these factors.
- French-speaking executives were more likely to express satisfaction regarding most factors. Moreover, they were much more likely than English-speaking executives to express satisfaction regarding the amount of financing granted, the variety of options, and negotiating terms.

### Satisfaction with Availability of Financing Options

A majority of executives in all regions except Atlantic Canada expressed satisfaction with the financing options available. The following were also more likely to express satisfaction: executives in older firms, executives in firms with the largest revenues (i.e. \$1 million or more), executives in rural areas, and French-speaking executives.

### Perceptions of CSBFP Features

While there were differences regarding the various features of the CSBFP, there was no evident or consistent pattern to them:

- The registration fee of 2% was regarded as too high by a majority of executives in Ontario and the West, while bare majorities in Quebec and the Atlantic region regarded it as about right. Executives in firms with revenues over \$1 million and English-speaking executives were also more likely to view the registration fee as

## CSBFP Awareness and Satisfaction Study

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too high. Those who thought that the CSBFP was very useful were also the least apt to see this fee as too high, and the most to see it as just right.

- The maximum loan size of \$250,000 was most likely to be viewed as about right in Quebec and the Atlantic region, among rural executives, and among French-speaking executives. Executives in firms with revenues over \$1 million, executives in urban firms, English-speaking executives, and those who felt the program was at least somewhat useful to them were more likely to view this as too low.
- The maximum financing amount of 90% was most likely to be viewed as about right by executives in firms with revenues over \$100,000. By contrast, those in Ontario and English speakers were much more likely than others to see it as too high. Executives for whom the program was not useful were more apt to agree this maximum was about right. Those who thought the program was somewhat useful were considerably more likely than others to view this maximum as too low.
- The interest rate was viewed as too high by a majority of executives in all regions, except Quebec. Mirroring this, English-speaking executives were much more likely to feel this way than French-speaking executives. The more useful executives viewed the program to be, the more apt they were to feel that this is about right, and the less likely they were to see it as too high.

Regardless of region, firm age, revenue, location, language, or perceived usefulness of the program, the large majority of executives (at least seven in ten) regarded the following features of the CSBFP as at least moderately reasonable:

- The government shares losses with the lender.
- Only term loans are available.
- CSBFP loans have restricted financing uses.

### Satisfaction with Aspects of CSBFP Financing

A number of differences were also apparent in terms of satisfaction with various aspects of their CSBFP loans. These included:

- Executives in Ontario were much less likely than others to express satisfaction with the financing granted, the annual administration fee, and along with those in Atlantic Canada, the securities and guarantees required. Those in Atlantic Canada were more apt than others to be satisfied with the financing granted, availability of program information, the administrative reporting requirements, registration fees, and annual administration fees. The latter four increased as executives were located further east (i.e. increased from west to east).
- Executives of firms four years of age or older were much more likely than others to be satisfied with the approval time, and other aspects of the application process.
- Firms with the highest revenues (i.e. \$1 million or more) were the most likely to be satisfied with the registration fees and the approval time (the latter increased with revenue size). Meanwhile, satisfaction with the securities and guarantees needed increased the smaller the firm's revenues. Smaller firms were also much more satisfied with the availability of program information.

- Executives in rural firms were more likely than their urban counterparts to express satisfaction with all aspects of their CSBFP financing.
- Similarly, French-speaking executives were noticeably more apt to express satisfaction with each aspect of CSBFP financing compared to English speakers.
- As one might expect, executives that were satisfied with the CSBFP rules and procedures overall were considerably more likely than others to be satisfied with each individual aspect of their CSBFP loan. With the exception of approval times and the annual administration fee, the greater their overall satisfaction, the more likely executives were to be satisfied with each aspect (i.e. those dissatisfied overall were less likely than those neither dissatisfied nor satisfied to express satisfaction with specific aspects).

Overall Satisfaction with CSBFP Rules and Procedures:

Executives who were satisfied overall with the financing options available to them were also much more likely than those not satisfied to express satisfaction with CSBFP rules and procedures.

Perceived Usefulness of CSBFP

Perceptions of the usefulness of the CSBFP tended to vary little across all subgroups. The only differences worth noting were as follows. In terms of regional differences, stronger majorities of executives in the West and in Ontario perceived the CSBF program as useful should they encounter difficulties obtaining financing in the future. Borrowers that were satisfied with the CSBFP rules overall were also more likely to perceive the program to be useful. This was also the case with those satisfied overall with the financing options available to them.



CSBFP Awareness and Satisfaction Study

**Table 1: CSBFP Borrowers Subgroup Variations (Main)**

	Region					Firm Age		Firm Revenue				Rural vs. Urban		Language		Satisf. w/CSBFP rules		
	All	West	On.	Que.	Atlc.	Under 4 yrs.	4 yrs. +	<\$100K	\$100-299K	\$300-\$999K	\$1 million +	Rural	Urban	Eng.	Fr.	Dissat.	Neither	Sat.
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Financing Options Used in Past 5 Years</b>																		
Term loans	72	72	68	74	73	70	73	72	68	74	67	77	69	71	73	-	-	-
Lines of credit	40	41	39	39	47	38	44	33	41	39	56	46	39	41	37	-	-	-
Credit cards	27	31	30	12	33	25	29	20	27	29	30	26	27	31	12	-	-	-
Credit from suppliers	10	11	11	4	20	9	11	8	10	11	11	13	9	12	4	-	-	-
<b>Applied for TERM LOAN in past 12 months</b>																		
	66	70	65	63	65	64	70	70	65	64	67	77	63	67	64	-	-	-
<b>Success Obtaining Loan(s)</b>																		
Received full amount requested	81	82	79	84	85	78	87	74	86	81	89	87	80	81	84	-	-	-
Received less than requested	10	12	10	9	6	13	6	18	7	9	2	5	12	10	9	-	-	-
Were turned down	5	3	8	4	6	6	4	6	2	6	6	3	6	5	4	-	-	-
<b>Extent Loan(s) Met Needs</b>																		
Loan met 100% of needs	43	44	35	51	48	40	47	34	41	52	39	55	39	40	53	-	-	-
Loan met 76-99%	20	22	16	24	16	20	20	19	24	17	20	17	21	19	23	-	-	-
Loan met 50-75%	28	25	36	21	32	30	27	34	28	25	27	22	31	31	19	-	-	-
Less than half of needs	8	9	13	3	3	9	7	11	6	6	14	5	10	10	3	-	-	-
<b>Awareness of CSBFP</b>																		
Not aware	75	69	69	92	78	68	85	73	72	77	79	79	74	70	93	-	-	-
Prompted awareness of CSBFP	21	25	25	8	22	26	13	22	23	21	16	16	22	25	7	-	-	-
Unprompted awareness of CSBFP	4	6	6			6	2	5	5	3	6	4	4	5		-	-	-
<b>Overall Awareness of CSBFP</b>																		
No	75	69	69	92	78	68	85	73	72	77	79	79	74	70	93	-	-	-
Yes	25	31	31	8	22	32	15	27	28	23	21	21	26	30	7	-	-	-

CSBFP Awareness and Satisfaction Study

<b>Overall Awareness of Federal Gov't Loan Pgms.</b>																		
Yes	71	71	75	65	67	70	72	70	79	66	70	67	72	72	64	-	-	-
No	29	29	25	35	33	30	28	30	21	34	30	33	28	28	36	-	-	-
<b>First learned of CSBFP through...</b>																		
Bank officer	41	47	40	11	45	39	50	27	47	45	47	48	40	43	14	-	-	-
Friend/colleague	22	21	28	11	9	22	21	27	19	21	20	9	25	24		-	-	-
<b>Importance of Financing Factors</b>																		
Interest rate (4-5)	90	89	87	89	98	91	87	90	91	88	90	92	89	89	89	91	84	89
Lender service quality (4-5)	89	93	85	89	84	86	93	86	87	91	91	93	87	88	89	73	80	92
Financing granted vs. requested (4-5)	88	87	88	87	94	87	90	89	86	87	93	94	87	88	88	91	96	89
Negotiating terms (4-5)	86	82	88	88	92	85	89	84	82	89	91	88	86	86	88	73	91	86
Application process time (4-5)	83	84	85	86	73	85	81	80	82	84	89	79	85	83	87	91	84	82
Variety of options (4-5)	78	75	78	80	86	76	81	77	76	78	84	76	79	78	80	73	76	77
Securities/guarantees needed (4-5)	78	76	81	77	82	81	74	84	74	81	71	74	80	79	77	73	80	79
Service fees (4-5)	75	73	73	77	84	75	75	76	78	73	73	77	75	75	77	18	87	65
<b>Satisfaction with Financing Factors</b>																		
Financing granted vs. requested (4-5)	75	77	68	84	74	72	79	69	80	77	71	82	73	73	84	-	-	-
Lender service quality (4-5)	73	83	65	76	61	69	80	64	80	75	73	84	69	72	78	-	-	-
Application process time (4-5)	55	54	59	61	32	52	60	48	48	63	62	66	51	54	61	-	-	-
Securities/guarantees needed (4-5)	48	51	46	46	48	51	44	56	48	48	36	54	46	48	47	-	-	-
Variety of options (4-5)	42	40	38	54	39	39	47	38	39	46	44	45	41	39	53	-	-	-
Interest rate (4-5)	42	47	38	43	39	42	43	43	37	47	40	48	40	43	42	-	-	-
Negotiating terms (4-5)	41	36	43	52	32	37	48	44	40	40	40	47	39	39	52	-	-	-
Service fees (4-5)	39	39	38	39	42	38	40	42	32	41	42	37	40	39	39	-	-	-
Satisfaction with available financing options overall (4-5)	54	57	52	60	45	51	60	51	57	54	60	60	53	54	59	-	-	-
<b>Satisfaction with CSBFP Financing Aspects</b>																		
Financing granted vs. requested (4-5)	75	77	70	78	85	74	77	80	73	74	78	86	72	75	77	45	53	87
Other aspects of application process (4-5)	65	65	58	75	69	61	70	64	63	66	67	75	61	62	74	9	47	76

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Approval time (4-5)	62	65	58	69	46	56	70	55	61	62	74	75	57	60	69	36	40	73
Securities/guarantees needed (4-5)	58	61	53	61	54	58	57	66	59	55	48	61	56	57	60	18	36	70
Availability of program info (4-5)	55	45	50	72	85	57	53	61	61	47	52	61	53	51	71	18	42	64
Administrative reporting requirements (4-5)	55	50	52	64	69	56	53	57	55	53	56	59	53	53	63	18	29	69
Registration fees (4-5)	38	34	36	42	54	38	37	34	39	36	44	43	36	36	43	9	29	43
Annual administration fee (4-5)	31	34	25	33	38	32	29	34	33	25	33	41	27	30	34	27	16	37
CSBFP would be useful to firm if needed (4-5)	79	80	82	76	73	78	81	80	80	77	80	79	79	79	78	82	80	87

**Table 2: CSBFP Borrowers Subgroup Variations (Program Characteristics)**

	Region					Firm Age		Firm Revenue				Rural vs. Urban		Language		Perceived Usefulness of CSBFP		
	All	West	On.	Que.	Atlc.	Under 4 yrs.	4 yrs. +	<\$100K	\$100-299K	\$300-999K	\$1 million +	Rural	Urban	Eng.	Fr.	Not	Somewhat	Useful
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Interest rate capped at prime plus 3%																		
Too high	59	58	68	46	61	59	59	63	63	53	60	55	60	63	45	71	64	58
About right	40	42	31	49	37	40	39	36	35	44	39	42	38	37	49	26	34	41
Too low	0				2		1			1		1		0		0	0	0
Registration fee is 2% of total loan amount																		
Too high	56	57	64	48	45	56	56	53	58	54	64	54	57	59	46	61	66	55
About right	42	42	33	50	51	42	42	44	40	43	36	45	41	39	51	35	33	44
Too low	1	1	2		2	1	1	2		1		1	1	1		0	2	1
Maximum financing is 90% of eligible project/equipment cost																		
Too high	5	5	10	1		5	5	7	5	4	3	4	5	6	1	3	8	5
About right	83	86	75	87	88	83	82	78	85	83	87	87	82	82	88	90	70	85
Too low	11	9	13	9	12	10	11	13	8	11	10	8	11	11	9	3	21	10
Maximum loan size is \$250,000																		
Too high	4	5	5	5		5	3	4	8	3		5	4	4	5	10	8	4
About right	67	64	64	72	71	65	68	71	73	62	56	73	64	65	71	68	59	68
Too low	28	30	30	23	29	28	28	24	18	33	44	21	31	30	23	23	33	28

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If default on a loan, GoC responsible for 85% of eligible losses																		
Not at all reasonable	6	6	6	6	2	5	7	5	8	6	3	8	5	5	7	13	10	4
Not very reasonable	11	14	8	12	6	10	12	9	13	11	7	11	11	11	12	16	8	11
Somewhat reasonable	34	32	32	35	42	32	37	33	38	31	36	36	33	34	34	29	38	34
Very reasonable	48	46	51	43	50	51	42	52	40	49	52	43	49	49	44	42	39	50
Restricted to equipment, real property or immovables, leasehold improvements, and program registration fees																		
Not at all reasonable	3	2	4	5	4	4	2	3	4	3	4	2	4	3	4	10	5	3
Not very reasonable	12	8	12	16	10	12	12	17	12	10	7	13	11	11	15	29	15	10
Somewhat reasonable	41	39	41	41	48	39	44	38	45	39	42	37	42	41	40	26	41	43
Very reasonable	41	49	39	36	35	41	41	40	38	43	45	45	40	42	38	32	34	42
Only term loans are available.																		
Not at all reasonable	3	1	5	3	4	4	2	5	3	3		3	3	3	3	10	3	3
Not very reasonable	11	7	11	15	15	11	11	8	8	14	12	6	12	10	15	6	15	11
Somewhat reasonable	52	57	49	53	50	53	52	52	52	51	61	54	52	53	51	52	61	52
Very reasonable	30	32	31	26	31	29	32	34	32	27	28	34	29	31	28	29	18	32

## SME Representatives

### Overview

Among the experiential, behavioural, and attitudinal differences evident across the various subgroups, attitudinal differences were the only ones subject to any pattern. Specifically, differences in satisfaction were evident by region, language, location, age of firm, and revenue. Satisfaction with most or all factors related to financing was most likely to be expressed by executives in Quebec, French-speaking executives, executives in rural firms, executives in older firms, and executives in firms with revenues over \$1 million. Executives in Quebec, executives in older firms, and French-speaking executives were also *much* more likely to express satisfaction with the financing options available to them. As well, satisfaction with available financing options increased noticeably with revenue.

Differences in awareness were evident by age of firm, location, language, and, to a lesser extent, revenue. Executives in 'start-up' firms, urban firms, and English-speaking executives were more likely to be aware of federal government loan programs in general and the CSBFP in particular. Awareness of the CSBFP was also somewhat higher among executives in firms with revenues over \$1 million, while awareness of government programs in general increased with firm size.

### Financing Options Used

In terms of the financing options being used or that have been used, the following subgroup differences were evident:

- Quebec firms were noticeably less likely to use lines of credit, term loans, and credit from suppliers than those in other regions.
- Older firms were more likely to make use of lines of credit, while start-up firms were more likely to use credit cards and term loans.
- The likelihood of using lines of credit increased with revenue.
- Rural firms were more likely than urban ones to use term loans, while urban ones were more likely to use credit cards.
- English executives were more than twice as likely as French executives to report use of lines of credit, credit cards and credit from suppliers.

### Applications for Term Loans in Past 12 Months

Executives in the Atlantic region, firms with revenues of \$300,000 or more, and executives in rural firms were more likely to report that their firm applied for a term loan during the previous 12 months. Awareness of the CSBFP was not a factor in making these applications<sup>4</sup>.

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<sup>4</sup> Not included in tables: 15% of those aware and 16% of those not aware of CSBFP applied for term loan.

### Success Obtaining Loan(s)

In terms of success obtaining loan(s), executives from firms in Quebec and the West, from start-up firms, and French-speaking executives were much likely to indicate that their firm received the full amount requested. Executives in firms with revenues of less than \$100,000 or \$1 million or more were also more likely to indicate this.

### Extent to Which Loans Met Needs

The following were much more likely to indicate that the financing received met all of their needs:

- Executives in Quebec and the West
- Executives in older firms
- Executives in firms with revenues of \$300,000 or more
- Executives in rural firms
- French-speaking executives.

### Overall Awareness of CSBFP and Federal Government Loans Programs

Overall awareness of the CSBFP program (i.e. unaided and aided) was similar in all regions, except Quebec, where it was noticeably lower. Awareness of the program was also higher among executives in start-up firms, and somewhat higher among executives in firms with revenues of \$1 million or more, executives in urban firms, and English-speaking executives.

Overall awareness of federal government loan programs in general was highest in the Atlantic region and among executives in start-up firms, urban locations, and among English-speaking executives. Awareness also increased with revenue size.

### Source of Information about CSBFP

The following were most likely to have first learned of the CSBFP through a brochure or pamphlet:

- Executives in Quebec
- Executives in older firms
- Executives in rural firms
- French-speaking executives.

The following were most likely to have first learned of the CSBFP through a friend or colleague:

- Executives in start-up firms
- Executives in firms with revenues of \$100,000 or less
- Executives in urban firms
- English-speaking executives.

Importance of Financing Factors

While there were sub-group differences regarding the importance attributed to various factors regarding financing, there was no consistent pattern, nor were differences that wide in general. The following differences were evident:

- Executives in start-up firms were more likely to attribute importance to the possibility of negotiating terms and the amount of financing received vs. the amount requested.
- Executives in firms with revenues of \$100,000 or less were least likely to attribute importance to all factors, except the interest rate and the securities/ guarantees needed.
- Executives in rural firms were somewhat more likely to assign importance to the financing granted vs. the amount requested, the application processing time, and the variety of options available.
- French-speaking executives were somewhat more likely to assign importance to the application processing time.

Satisfaction with Various Factors of Financing Options

Differences in satisfaction with these same factors did, however, reveal certain patterns. Difference included:

- French-speaking executives were most likely to express satisfaction with all these factors. Those in Quebec were the most apt to be satisfied with the application process time, interest rate, ability to negotiate, the variety of options, the securities/guarantees needed, the service fees, and along with those in Atlantic Canada, the quality of service from their lenders.
- Executives in older firms were more likely to be satisfied with the application process time, quality of service, and variety of options. Conversely, those with younger firms were more apt to be satisfied with the interest rate, securities required, and the service fees.
- Executives in firms with revenues of \$1 million or more were most likely to be satisfied with the quality of lender service, the interest rate, the ability to negotiate, and the service fees. Moreover, satisfaction with the latter two increased with size of revenue. Those with revenues of less than \$100,000 were much less likely than others to be satisfied with the financing granted to them and the processing time.
- Executives from rural firms were more likely to express satisfaction regarding all factors, except the interest rate. Executives in urban firms were more likely to express satisfaction with the latter.

### Satisfaction with Availability of Financing Options

The following were much more likely to express satisfaction with the financing options available to them: executives in Quebec, executives in older firms, executives in rural areas, and French-speaking executives. As well, satisfaction with financing options available increased noticeably with revenue.

### Perceptions of CSBFP Features

While there were differences regarding the various features of the CSBFP, there were no consistent patterns:

- The registration fee of 2% was regarded as too high by a majority of executives in Ontario and the West, while those in Quebec and the Atlantic region were most likely to regard it as about right. Executives in rural firms and English-speaking executives were also more likely to view the registration fee as too high, while those in urban firms and French-speaking executives were more likely to view it as about right. Finally, executives in firms with revenues over \$1 million were most likely to view the registration fee as too high. Those who felt that the CSBFP would be useful were the most likely to see this as about right, while majorities of others felt it was too high.
- The maximum loan size of \$250,000 was most likely to be viewed as about right among French-speaking executives, and least likely among those who did not expect the CSBFP to be useful to them. Executives in firms with revenues over \$1 million were most likely to view this as too low.
- The maximum financing amount of 90% was most likely to be viewed as about right by French-speaking executives, and those who thought the program could be useful to their company.
- The interest rate was most likely to be viewed as too high by executives in Ontario and the West, executives in rural firms, and English-speaking executives. The perception that the interest rate is too high also increased with revenue size.

Regardless of region, firm age, revenue, location, language, or perceived usefulness of the program, the large majority of executives regarded the following features of the CSBFP as at least moderately reasonable: only term loans are available and CSBFP loans have restricted financing uses. The provision according to which the government shares losses with the lender was somewhat more likely to be viewed as at least moderately reasonable by executives in start-up firms. This was also much more likely among those who felt that the program would be useful. Moreover, while majorities in each region considered this to be at least moderately reasonable, a smaller majority in the Atlantic region felt this way.

### Perceived Usefulness of CSBFP

The following were most likely to perceive the CSBFP as useful should they encounter difficulties obtaining financing in the future:

- Executives in Ontario
- Executives in firms with revenues over \$100,000



## CSBFP Awareness and Satisfaction Study

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- Executives in urban firms
- English-speaking executives.

In addition, the more satisfied executives were with the overall availability of financing options, the more apt they were to perceive the CSBFP to be useful should they need it.

CSBFP Awareness and Satisfaction Study

**Table 3: SME Subgroup Variations (Main)**

	Region					Firm Age		Firm Revenue				Rural vs. Urban		Language	
	All	West	On.	Que.	Atlc.	Under 4 yrs.	4 yrs. +	<\$100K	\$100-299K	\$300-999K	\$1 million +	Rural	Urban	Eng.	Fr.
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Financing Options Used in Past 5 Years</b>															
Lines of credit	43	45	47	32	40	33	45	30	43	47	49	37	39	44	35
Term loans	29	35	29	16	31	32	27	20	30	29	34	38	28	30	17
Credit cards	24	32	29	8	17	28	23	23	22	28	22	17	31	27	9
Applied for TERM LOAN in past 12 months	16	16	15	14	23	17	16	10	13	20	20	28	14	16	15
<b>Success Obtaining Loan(s)</b>															
Received full amount	58	75	43	75	42	71	56	64	53	58	65	59	55	55	77
Received less than requested	4	4		6	8		5		11	3			5	3	8
Were turned down	28	13	50	13	25	18	30	18	32	33	18	24	41	31	8
<b>Extent Loan(s) Met Needs</b>															
100% of your needs	45	55	25	62	33	31	51	43	23	57	54	62	31	42	64
76-99%	23	20	50	8	11	38	17	14	31	19	23	23	38	26	9
50-75%	19	10	17	15	44	15	20	14	23	19	15	15	15	19	18
Less than half of needs	11	10	8	15	11	15	10	14	23	5	8		15	12	9
<b>Awareness of CSBFP</b>															
Not aware	81	79	78	88	81	77	82	85	81	82	73	90	73	79	90
Prompted awareness	19	21	22	11	19	23	18	15	18	18	27	10	26	21	10
Unprompted awareness	0			1			0		1				1	0	
<b>Overall Awareness of CSBFP</b>															
No	81	79	78	88	81	77	82	85	81	82	73	90	73	79	90
Yes	19	21	22	12	19	23	18	15	19	18	27	10	27	21	10
<b>Overall Awareness of Federal Gov't. Loan Pgms.</b>															
No	71	75	70	77	60	68	73	75	73	71	69	80	68	71	79
Yes	29	25	30	23	40	32	27	25	27	29	31	20	32	29	21
<b>First learned of CSBFP through...</b>															
Brochure/pamphlet	26	25	24	31	20	17	27	25	46	14	13	33	12	24	33
Friend/colleague	24	28	32	15	10	30	25	38	18	28	26	17	38	28	11

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<b>Importance of Financing Factors</b>															
Interest rate (4-5)	85	86	84	86	79	84	85	83	87	85	81	87	84	84	87
Negotiating terms (4-5)	80	80	81	80	77	84	79	74	84	80	81	80	79	81	78
Lender service quality (4-5)	78	79	79	77	73	78	78	70	84	79	76	82	80	79	75
Financing granted vs. requested (4-5)	78	78	76	79	75	81	76	72	77	79	81	85	76	78	75
Service fees (4-5)	75	78	74	75	67	77	74	70	79	73	76	75	77	75	72
Application process time (4-5)	71	72	66	80	67	68	71	67	72	72	71	77	69	69	79
Securities/guarantees needed (4-5)	70	70	68	71	62	72	68	68	66	67	77	72	74	68	70
Variety of options (4-5)	67	68	67	69	52	65	67	59	74	64	65	78	67	66	65
<b>Satisfaction with Financing Factors</b>															
Financing granted vs. requested (4-5)	57	58	56	56	55	58	57	47	60	57	59	69	48	56	62
Application process time (4-5)	53	50	49	69	45	48	54	44	56	52	56	62	52	49	74
Lender service quality (4-5)	52	46	53	59	60	43	54	50	50	51	63	59	52	50	65
Interest rate (4-5)	39	38	40	44	35	45	38	35	40	36	50	34	44	37	50
Negotiating terms (4-5)	36	28	37	46	40	35	36	26	37	37	41	38	34	34	47
Variety of options (4-5)	31	29	26	44	35	28	32	29	29	33	31	34	28	27	50
Securities/guarantees needed (4-5)	31	25	29	46	25	38	29	29	34	32	22	41	30	28	44
Service fees (4-5)	29	29	27	36	20	35	27	21	26	29	41	28	25	26	41
Satisfaction with available financing options overall (4-5)	44	40	44	56	40	40	46	41	43	43	56	66	36	42	59
CSBFP would be useful to firm if needed (4-5)	62	58	68	58	60	65	61	50	66	64	64	58	64	63	57

**Table 4: SME Subgroup Variations (Program Characteristics)**

	Region					Firm Age		Firm Revenue				Rural vs. Urban		Language		Perceived Usefulness of CSBFP		
	All	West	ON.	Que.	Atlc.	Under 4 yrs.	4 yrs. +	<\$100K	\$100-299K	\$300-999K	\$1 million +	Rural	Urban	Eng.	Fr.	Not	Some-what	Use-ful
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Interest rate capped at prime plus 3%</b>																		
Too high	62	70	67	50	50	62	62	55	60	63	72	72	62	66	46	61	68	61
About right	35	28	30	43	48	35	34	43	36	32	27	25	36	31	48	37	29	36
Too low	1		1	3		1	1		1	1				0	2	0	2	1
<b>Registration fee is 2% of total loan amount</b>																		
Too high	53	58	58	38	48	51	53	50	44	53	70	67	54	56	38	61	58	49
About right	42	34	39	56	48	44	42	43	52	42	26	30	43	40	54	35	38	46
Too low	2	3	2	3	4	1	3	2	2	3	2	2	1	2	3	2	2	3

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<b>Maximum financing is 90% of eligible project/equipment cost.</b>																		
Too high	11	11	12	6	15	12	11	11	11	12	8	7	11	12	6	13	11	10
About right	80	80	78	80	79	81	79	79	81	75	83	83	81	78	83	76	77	83
Too low	6	5	6	9	4	6	6	6	5	7	7	8	7	6	6	9	7	5
<b>Maximum loan size is \$250,000.</b>																		
Too high	8	6	7	13	12	8	8	14	9	6	3	12	6	7	13	13	8	7
About right	69	67	65	74	71	66	68	73	74	68	51	65	68	67	74	61	67	71
Too low	19	23	23	11	15	23	19	8	13	21	43	23	22	22	9	22	21	19
<b>If default on loan, GoC responsible for 85% of eligible losses.</b>																		
Not at all reasonable	12	13	8	13	21	7	13	17	10	12	8	20	9	12	12	15	17	9
Not very reasonable	20	19	21	21	15	9	22	22	17	21	20	12	19	20	19	23	23	19
Somewhat reasonable	27	30	27	25	23	33	26	20	30	27	30	25	33	27	25	19	25	29
Very reasonable	39	36	41	39	35	49	36	37	40	37	41	42	36	38	42	43	32	42
<b>Only term loans are available</b>																		
Not at all reasonable	5	4	5	4	8	4	5	7	4	4	5	7	5	5	4	9	5	4
Not very reasonable	11	10	11	14	8	13	11	14	9	13	9	13	12	11	15	15	16	10
Somewhat reasonable	49	52	45	51	56	42	51	49	51	49	48	45	50	49	54	40	60	47
Very reasonable	32	33	35	27	25	38	30	28	33	30	36	33	31	33	24	34	17	37
<b>Restricted to equipment, real property or immovables, leasehold improvements, and program registration fees.</b>																		
Not at all reasonable	4	3	4	5	10	7	4	7	3	4	5	5	5	4	4	13	5	3
Not very reasonable	11	9	12	13	8	13	10	12	11	9	12	7	10	10	12	19	17	7
Somewhat reasonable	42	39	46	41	44	37	44	40	49	43	33	43	42	43	40	34	48	44
Very reasonable	40	48	35	37	35	41	39	37	33	41	50	45	41	40	38	30	29	46

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**Table 5: CSBFP Borrowers and SME Subgroup Variations  
(Additional Perceptions of CSBFP)**

	Overall Satisfaction with Available Financing Options (Borrowers)				Overall Satisfaction with Available Financing Options (SMEs)			
	All (Borrowers)	Dissatisfied	Neither	Satisfied	All (SMEs)	Dissatisfied	Neither	Satisfied
	%	%	%	%	%	%	%	%
<b>Perceived Usefulness of CSBFP</b>								
Not useful	6	13	6	3	11	8	9	10
Somewhat useful	12	13	17	6	23	29	27	15
Useful	79	70	76	88	62	59	64	71
<b>Satisfaction with CSBFP Rules &amp; Procedures</b>								
Dissatisfied	6	23	4	3	-	-	-	-
Neither	25	31	39	18	-	-	-	-
Satisfied	67	46	57	77	-	-	-	-

## **REGRESSION ANALYSIS**

### **Predicting the Drivers of Satisfaction with Financing Options Available**

In order to add texture to the survey results, multivariate analysis was undertaken with selected findings from the survey. The main purpose of the regression analysis is to help determine the drivers of overall satisfaction with the financing options available to SMEs. Consequently, the dependent variable chosen for this analysis was question 42 (Overall, how satisfied were you with the financing options available?). Separate analyses were undertaken for each survey population: CSBFP borrower firms and SME participants.

A set of independent variables was tested for this dependent variable using a stepwise technique that allows statistically significant predictors to enter the model based on their predictive power. Regression models included questions 34 to 41 (satisfaction with the range of financing options available). The questions used in the model are included at the end of this section. The results of regression analysis are described below.

#### **MODEL 1: Results of Regression Analysis for SMEs**

The set of independent variables explained 68% of the variance observed in the dependant variable. This is a highly acceptable regression “fit”.

The regression analysis suggests that, while controlling for the effect of all independent variables entered into model, the following items are statistically significant predictors of overall satisfaction with financing options available:

- The quality of service received from lender(s).
- The possibility of negotiating the terms of financing, such as service fees and repayment conditions.
- Access to a variety of financing options.
- The amount of financing granted compared to the amount requested.
- The securities and guarantees required by financial institutions, whether personal or corporate.

This regression model suggests that, among five statistically significant predictors, the first two predictors account for 60% of the variance in the dependent variable. **For SMEs, the quality of service received from the lender(s) is, by far, the strongest driver of overall satisfaction. The possibility of negotiating the terms of financing is the second most powerful predictor of overall satisfaction with the financing options available.** Still statistically significant, although to a lesser degree, are the other independent measures.

#### **MODEL 2: Results of Regression Analysis for CSBFP Borrowers**

The results of the regression analysis for this audience suggest a smaller, although still acceptable, “fitness” of the model at 60% variance in the dependent variable explained by independent variables. While controlling for the effect of all independent variables entered

in the model, five measures were found to be significant predictors of overall satisfaction with financing options available. These include:

- Access to a variety of financing options.
- The service fees.
- The quality of service received from lender(s).
- The amount of financing granted compared to the amount requested.
- The possibility of negotiating the terms of financing, such as service fees and repayment conditions.

This regression model suggests that, among the five statistically significant predictors listed, the first three predictors account for 57% of the variance in overall satisfaction. **For CSBFP borrowers, access to a variety of financing options is, by far, the strongest driver of overall satisfaction. The service fees and the quality of service received from the lender(s) are other two most powerful predictors of overall satisfaction with the financing options available.** The other independent measures also predict the satisfaction with financing options available, although to a lesser degree.

### **Summary**

Regression models for both SME and CSBFP borrower firms show that independent measures are reliable and stable predictors of overall satisfaction with the financing options available. The regression model for the SMEs explains over two-thirds of the variance in overall satisfaction, while the model for CSBFP borrowers explains 60% of the variance in overall satisfaction with the financing options available. The quality of service received from lenders and access to a variety of financing options were among the three most powerful predictors for both audiences.

### **Questions Included in Regression Analyses**

The following questions were included in the regression analysis of overall satisfaction with financing options available.

#### **Dependent variable:**

Q42: *Overall, how satisfied were you with the financing options available?*

#### **Independent variables:**

Q34: *The interest rate.*

Q35: *The service fees.*

Q36: *The time required to process applications.*

Q37: *Access to a variety of financing options.*

Q38: *The possibility of negotiating the terms of financing, such as service fees and repayment conditions.*

Q39: *The amount of financing granted compared to the amount requested.*

Q40: *The securities and guarantees required by financial institutions, whether personal or corporate.*

Q41: *The quality of service you receive from your lender(s).*





**APPENDIX**

## Canada Small Business Financing Program (CSBFP)

### Awareness and Satisfaction Survey

#### *Introduction*

Hello, my name is \_\_\_\_\_. I'm calling on behalf of Phoenix, a public opinion research company. We've been commissioned by Industry Canada, a department of the Government of Canada, to conduct a survey among business owners and managers. The purpose is to explore financing issues facing small and medium-sized businesses in Canada. The findings will help Industry Canada design programs that address the financing needs of small and medium-sized businesses like yours.

Your participation in this survey is voluntary, but would be extremely helpful. All responses will be kept entirely confidential. No individuals or businesses will be identified in any way to Industry Canada. The survey takes only 15 minutes to complete, and is registered with the national survey registration system.

IF RESPONDENT SAYS THE FIRM DOES NOT USE FINANCING, SAY: We are interested in the views of businesses whether or not they have recently tried to obtain financing.

Would you be willing to take part in this survey? We can do it now or at a time more convenient for you.

- Yes, now. (CONTINUE)
  - ASK SCREENER 'A' IF NON-CSBFP SAMPLE
  - SKIP TO Q1 IF CSBFP SAMPLE
- Yes, call later. (SPECIFY DATE/TIME)
- Refused. (THANK & DISCONTINUE)

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#### ASK NON-CSBFP SAMPLE ONLY:

A. Before we start, we are conducting this survey with businesses with annual revenues of \$5 million or less. In 2006, did your business have annual revenues of \$5 million or less, before taxes and deductions?

- Yes
- No (THANK & DISCONTINUE)

## CSBFP Awareness and Satisfaction Study

### INTERVIEWER NOTES:

PARTICIPANTS MUST BE THE OWNER, CEO, PRESIDENT OR SENIOR MANAGER/EXECUTIVE IN THE FINANCIAL AREA. ASK FOR APPROPRIATE REFERRAL IF RESPONDENT DOES NOT FIT CRITERIA OR DISCONTINUE INTERVIEW.

IF RESPONDENT SAYS THERE IS SOMEONE MORE APPROPRIATE TO RESPOND TO THE SURVEY ON BEHALF OF HIS/HER COMPANY AT ANY POINT DURING THE INTERVIEW, ASK TO BE REFERRED TO THIS NEW PERSON (AND OBTAIN PHONE NUMBER). RE-START SURVEY.

IF RESPONDENT QUESTIONS THE VALIDITY OF THE RESEARCH, INVITE HIM/HER TO: 1) CALL THE NATIONAL SURVEY REGISTRATION SYSTEM, OR 2) CAROLINE LEFEBVRE OF INDUSTRY CANADA 1-613-954-3464 OR HAVE CAROLINE CALL THE RESPONDENT.

IF RESPONDENT ASKS ABOUT NATIONAL SURVEY REGISTRATION SYSTEM, SAY:

The registration system has been created by the survey research industry to allow the public to verify that a survey is legitimate, get information about the survey industry or register a complaint. The registration system's toll-free phone number is 1-800-554-9996.

PARTICIPANTS' COMMENTS WILL BE PROTECTED IN ACCORDANCE WITH THE PROVISIONS OF THE PRIVACY ACT. INDICATE THIS IF RELEVANT. ALSO SAY IF RELEVANT: "YOUR REPOSSES TO THIS SURVEY WILL HAVE NO IMPACT ON YOUR DEALINGS WITH INDUSTRY CANADA OR THE FEDERAL GOVERNMENT"

THE TERM 'BUSINESS' IS USED INSTEAD OF 'COMPANY' IN MOST OF THE SURVEY SINCE THIS TERM APPLIES BETTER FOR VERY SMALL BUSINESSES. HOWEVER, THE INTENT IS THE SAME - BY 'BUSINESS' WE MEAN 'COMPANY'.

HEADINGS IN BLUE SHOULD NOT BE READ TO RESPONDENTS.

SCALE INSTRUCTIONS: RESPONSE CATEGORIES/INSTRUCTIONS FOR SOME OF THE SCALE QUESTIONS ARE REPETITIVE. ADJUST THE FREQUENCY OF REPEATING THE INSTRUCTIONS TO ENSURE CLARITY BUT AVOID TEDIUM.

ALL QUESTIONS IN THE SURVEY WILL ALLOW FOR 'DON'T KNOW/NO RESPONSE' OPTION.

IF RESPONDENT WANTS TO KNOW MORE ABOUT THE PROGRAM, OFFER CAROLINE LEFEBVRE'S PHONE NUMBER (1-613-954-3464) AT THE END OF THE INTERVIEW AND INVITE HIM/HER TO CALL CAROLINE.

## Section 1: Corporate Characteristics

I'd like to start with a few questions about your business.

1. Could you please confirm for me your position within your company or business? (DO NOT READ LIST; ACCEPT ONE RESPONSE; SEE STUDY REQUIREMENTS; ASK FOR REFERRAL TO APPROPRIATE EXECUTIVE IF NECESSARY)

- Owner
- President/CEO
- CFO/Chief Financial Officer
- Senior Manager/Executive (financial areas\*)
- Other (specify) \_\_\_\_\_

\*ENSURE TOP MANAGER OR EXECUTIVE IN FINANCIAL AREA. IF UNCERTAIN ASK: For this study, we need to speak to one of the top managers or executives in your business who is most responsible for financial matters. Are you this person? IF NO, THANK & ASK FOR REFERRAL

2. How many employees work for your business, including yourself? By this, we mean both full-time and part-time staff. Please include part-time staff as the number of full-time equivalents. (READ LIST IF HELPFUL) (NOTE: DOES NOT INCLUDE CONTRACT STAFF OR OUTSOURCED WORK) (INCLUDES ALL LOCATIONS IN CANADA)

- One
- 2-4
- 5-20
- 21-50
- 51-100
- 101-150
- 151-200
- More than 200

3. Approximately how many years has your company or business been in operation? (READ LIST) (WATCH SAMPLE QUOTAS)

- Less than one year      CODE AS 'START-UP BUSINESS'
- 1-3 years                      CODE AS 'START-UP BUSINESS'
- 4-5 years
- 6-10 years
- 11-20 years
- 21-50 years
- Over 50 years

CSBFP Awareness and Satisfaction Study

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4. For 2006, what were your business' total revenues? Please include business revenue from all sources, before taxes and deductions. Were your revenues...? (READ LIST; WANT ESTIMATE, NOT EXACT AMOUNT. REMIND RESPONDENT OF CONFIDENTIALITY OF RESPONSE IF NECESSARY)

- Under \$100,000
- \$100,000 - \$300,000
- \$300,001 - \$500,000
- \$500,001 - \$1 million
- \$1,000,001 - \$5 million

5. In which industry or sector does your business operate? If you are active in more than one sector, please identify the main sector. (DO NOT READ LIST; ACCEPT ONE RESPONSE)

- Accommodation Services
- Administrative and Support, Waste Management, Remediation Services
- Agriculture/Fishing/Hunting/Forestry
- Art, Entertainment, Recreation
- Construction
- Educational Services
- Finance & Insurance
- Food Services & Drinking Places
- Health Care & Social Assistance
- Information and Cultural Industries
- Manufacturing
- Mining/Oil/Gas
- Other Services
- Professional, Scientific and Technical Services
- Real Estate and Rental/Leasing
- Retail Trade
- Transportation and Warehousing
- Utilities
- Wholesale Trade
- Other (specify) \_\_\_\_\_

## Section 2: Financial Dealings

The following questions ask about your business' financial dealings, such as what banks you use, what types of financing options, whether you have tried to obtain a loan, and other relevant issues. We are only looking for information on a general level, and will not ask for any detailed information about your business' financial affairs. (IF HELPFUL, REMIND RESPONDENT ABOUT CONFIDENTIALITY OF RESPONSES)

6. Does your business use more than one financial institution for your banking and other financial arrangements?

- Yes
- No

7. Which financial institution does your business use most often for your banking? **If more than one financial institution, ask:** What other financial institutions does your business use? (DO NOT READ LIST; RECORD FIRST MENTION, ACCEPT MULTIPLE RESPONSES) (IF HELPFUL, REMIND RESPONDENT ABOUT CONFIDENTIALITY OF RESPONSES; DO NOT PUSH. ACCEPT DON'T KNOW/REFUSE IF RESPONDENT DOES NOT WANT TO PROVIDE THIS INFORMATION)

- Royal Bank of Canada/RBC
- Toronto Dominion-Canada Trust/TD-Canada Trust
- Bank of Nova Scotia/BNS/Scotiabank
- Bank of Montreal
- Canadian Imperial Bank of Commerce/CIBC
- National Bank
- Caisses populaires
- Credit unions
- Other (specify) \_\_\_\_\_
- Don't know/refuse

8. During the past five years\*, what financing options have been or are being used by your business? How about... [DO NOT READ LIST. ACCEPT ALL RESPONSES] (\*CHANGE TO LESS THAN 5 YEARS IF FIRM IS YOUNGER THAN THIS)

- Term loans
- Credit cards for larger purchases, such as equipment
- Capital leasing for equipment [DEFINE IF NEEDED - SEE BELOW]
- Operational leases [DEFINE IF NEEDED - SEE BELOW]
- Lines of credit
- Venture capital
- Government grants (includes all levels of government)
- Credit from suppliers
- Equity financing
- Other (specify) \_\_\_\_\_

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- None, business has not attempted to obtain external financing\*

\*GO TO SECTION 3.

INTERVIEWER NOTE:

**Capital leasing for equipment** is the financing of equipment and vehicles by way of a lease. The equipment and vehicles secure the borrower's obligation to make payments over the term of the agreement. The lease provides for the transfer of ownership to the lessee at the end of the lease term.

**Operational leases** refer to a lease in which the lessor transfers only the right to use the property to the lessee. Since the lessee does not assume the risk of ownership, the lease expense is treated as an operating expense.

9. In the past 12 months, did your business apply for a **term loan** from a financial institution? Please include all loan applications, whether or not you received the loan.

- Yes  
 No [GO TO SECTION 3]  
 Don't know [GO TO SECTION 3]

INTERVIEWER NOTE:

'TERM LOAN' DOES NOT INCLUDE LINES OF CREDIT OR WORKING CAPITAL, BUT DOES INCLUDE LOANS USED TO PURCHASE THINGS LIKE LAND, BUILDINGS, EQUIPMENT OR FURNITURE. THIS INCLUDES BUSINESSES THAT RECEIVED OR WERE TURNED DOWN FOR A LOAN.

'TERM LOAN' **DOES** INCLUDE MORTGAGES RELATED TO A RESPONDENT'S BUSINESS.

10. How often did your business apply for a loan during the past 12 months? (READ LIST IF HELPFUL)

- Once  
 Twice  
 3 times  
 4 times  
 Over 4 times

11. Did your business succeed in obtaining the loan(s), either in full or in part, or were you turned down? Did you... [READ FULL LIST; ACCEPT ALL THAT APPLY]

- Receive the loan(s) for the full amount requested  
 Receive the loan(s), but for less than the amount requested, or  
 Were you turned down for the loan(s)? [GO TO Q15]  
  
 Volunteered: Received some loans, but turned down for others  
 Volunteered: Not sure/Can't recall [GO TO SECTION 3]

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12. To what extent did the loan(s) meet your financing needs? In percentage terms, would you say it met... (READ LIST; ACCEPT ONE RESPONSE)

- Less than half of your needs
- 50-75%
- 76-99%
- 100% of your needs

13. Was your loan(s) covered by a program offered by the federal government that provides a guarantee on loans to small business?

- Yes
- No [SKIP NEXT QUESTION]
- Not sure /Can't recall [SKIP NEXT QUESTION]

**\*GO TO SECTION 3 UNLESS RESPONDENT VOLUNTEERED AT Q11 THAT THEY RECEIVED SOME LOANS, BUT NOT OTHERS. IF THE LATTER, GO TO Q15.**

**IF YES, ASK:**

14. Do you remember the name of the program? If so, what is it? (DO NOT READ LIST)

- No/ Can't recall
- Small Business Loans Act (SBLA)
- Canada Small Business Financing Program (CSBFP)
- Business Improvement Loan (BIL)
- Farm Improvement and Marketing Co-operatives Loans Act (FIMCLA)
- Other (specify) \_\_\_\_\_

**INTERVIEWER NOTE:**

NOVA SCOTIA HAS A PROGRAM CALLED 'THE SMALL BUSINESS FINANCING PROGRAM'. THIS IS NOT THE SAME AS THE CANADA SMALL BUSINESS FINANCING PROGRAM (CSBFP). WHEN CONDUCTING INTERVIEWS IN NOVA SCOTIA (OR EVEN ELSEWHERE IN ATLANTIC CANADA), PLEASE BE AWARE OF THIS AND DO NOT CODE 'THE SMALL BUSINESS FINANCING PROGRAM' AS THE CANADA SMALL BUSINESS FINANCING PROGRAM. PROBE AS NECESSARY TO CONFIRM WHETHER THE RESPONDENT IS INCORRECTLY IDENTIFYING A PROVINCIAL PROGRAM. IF SO, BACK UP ONE SCREEN AND RE-INPUT ANSWER SAYING 'NO' TO AWARENESS OF FEDERAL GOVERNMENT LOAN PROGRAM.

**ASK IF BUSINESS TURNED DOWN FOR LOAN:**

15. Did the financial institution that turned down your application for a loan bring to your attention any programs offered by the federal government that provide a guarantee on loans to small business?

- Yes
- No [GO TO SECTION 3]
- Not sure/Can't recall [GO TO SECTION 3]



**IF YES, ASK:**

16. Do you remember the name of the program? If so, what is it? (DO NOT READ LIST)

- No/ Can't recall
- Small Business Loans Act (SBLA)
- Canada Small Business Financing Program (CSBFP)
- Business Improvement Loan (BIL)
- Farm Improvement and Marketing Co-operatives Loans Act (FIMCLA)
- Other (specify) \_\_\_\_\_

INTERVIEWER NOTE: SEE NOVA SCOTIA FOR Q14.

**Section 3: Awareness & Use of the CSBFP**

**SKIP NEXT QUESTION IF RESPONDENT AWARE OF FEDERAL PROGRAM AT Q14 & 16.**

17. Are you aware of any programs of the federal government that guarantee the loans of small businesses and share the risk with the financial institution?

- Yes
- No [SKIP NEXT QUESTION]

**IF YES, ASK:**

18. Do you remember the name of any such programs? If so, what is it? (DO NOT READ LIST)

- No/Can't recall
- Small Business Loans Act (SBLA)
- Canada Small Business Financing Program (CSBFP)\*
- Business Improvement Loan (BIL)
- Farm Improvement and Marketing Co-operatives Loans Act (FIMCLA)
- Other (specify) \_\_\_\_\_

INTERVIEWER NOTE: SEE NOVA SCOTIA FOR Q14.

**ASK IF 'NO' AT Q17 OR RESPONDENT ANSWERED 'YES' AT Q13, 15, OR 17 BUT DID NOT IDENTIFY 'CSBFP' AT FOLLOW-UP QUESTION:**

19. Have you ever heard about the Canada Small Business Financing Program, also known as CSBFP (C-S-B-F-P)?

- Yes [CONTINUE]
- No [SKIP TO Q23]
- Not sure/Can't recall [SKIP TO Q23]

CSBFP Awareness and Satisfaction Study

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**IF YES, ASK:**

20. What do you know about the Canada Small Business Financing Program? (DO NOT READ LIST; RECORD FIRST MENTION; ACCEPT TWO RESPONSES)

- Government program to help small business get financing
- Losses shared by government
- Maximum financing amount
- There are program registration fees
- Loans are restricted to financing for certain kinds of assets
- Too expensive
- Bank discourages use
- Nothing
- Other (specify) \_\_\_\_\_

21. How did you first learn about the Canada Small Business Financing Program? (DO NOT READ LIST; ACCEPT ONE RESPONSE)

- Friend/colleague
- Bank officer
- Business service provider (e.g. accountant, financial advisor)
- Brochure/pamphlet
- Bank/other private sector website
- Federal government website
- CSBFP website
- Previously obtained CSBFP Loan
- Canada Business Network/CBN\*
- Other (specify) \_\_\_\_\_
- Not sure/Can't recall

INTERVIEWER NOTE: CANADA BUSINESS NETWORK IS ALSO KNOWN BY FOLLOWING NAMES:

Canada Ontario Business service centre  
Manitoba Business service centre  
Saskatchewan Business service centre  
Alberta – The Business Link or The Business Link Business service centre  
British Columbia service centre or Small Business BC  
Newfoundland and Labrador Business service centre  
Nova Scotia Business service centre  
New Brunswick Business service centre  
Prince Edward Island Business service centre  
Québec service centre or Info entrepreneurs / Ressources Entreprises (ville de Québec)  
Yukon Business service centre  
Nunavut Business service centre  
Northwest Territories Business service centre

CSBFP Awareness and Satisfaction Study

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22. When seeking financing, did you ask about the Canada Small Business Financing Program or did the lender identify the program to you for your consideration? DO NOT READ LIST; ACCEPT ONE RESPONSE

- Asked about the CSBFP
- Lender identified the CSBFP
- Neither
- Not sure/Can't recall

**ASK EVERYONE EXCEPT THOSE WHO HAVE NOT OBTAINED FINANCING:**

23. Has your business ever obtained a loan covered by a government program, either federal or provincial, that guarantees the loans of small businesses and shares the risk with the financial institution? **IF YES, ASK:** Was the program offered by the federal or provincial government? INTERVIEWER NOTE: THIS INCLUDES ANY TIME IN THE HISTORY OF THE BUSINESS.

- No
- Yes, federal
- Yes, provincial
- Yes, but unsure about program sponsor
- Yes, both
- Not sure/Can't recall

24. Has your business ever decided NOT to use a government-guaranteed loan program? This could be under a program operated by either the federal or provincial level of government. **IF YES, ASK:** Do you recall which level of government?

- No
- Yes, federal
- Yes, provincial
- Yes, but unsure about program sponsor
- Yes, both
- Not sure/Can't recall

**IF YES, ASK:**

25. Why is that? (DO NOT READ LIST; ACCEPT ONE RESPONSE)

- Too expensive
- Too much administration, paper burden
- From the advice of a banker or lender
- Lender offered "umbrella credit"\*
- Not necessary/financial
- Other (specify) \_\_\_\_\_
- Not sure/can't recall

INTERVIEWER NOTE: THIS MEANS THAT BUSINESSES CAN ACCESS SEVERAL DIFFERENT FINANCING VEHICLES AT THE SAME TIME.

#### **Section 4: Satisfaction with Financing**

##### **ASK EVERYONE:**

How important are each of the following factors to your business when it comes to obtaining financing or considering financing options? Please rate each of the following using a 5-point scale, where '1' means not important at all, and '5' means very important. [READ/ROTATE LIST] (RECORD 'DOES NOT APPLY' AND 'DON'T KNOW' SEPARATELY)

26. The interest rate.
27. The service fees.
28. The time required to process applications.
29. Access to a variety of financing options.
30. The possibility of negotiating the terms of financing, such as service fees and repayment conditions.
31. The amount of financing granted compared to the amount requested.
32. The securities and guarantees required by financial institutions, whether personal or corporate.
33. The quality of service you receive from your lender(s).

##### **IF RESPONDENT HAS NEVER OBTAINED FINANCING, SKIP QUESTIONS 34-42.**

Thinking about the past five years\* and any times that your business may have applied for or obtained financing, please tell me the extent to which you were **satisfied** with each of these same factors in terms of the financing options available. To do this, please use a 5-point scale, where '1' means very dissatisfied, and '5' means very satisfied. If you have applied for or received financing on multiple occasions, please think about your experience overall during the past five years. As well, if something does not apply to your situation, please just say so. [READ/ROTATE LIST] (RECORD 'DOES NOT APPLY' AND 'DON'T KNOW' SEPARATELY)

34. The interest rate.
35. The service fees.
36. The time required to process applications.
37. Access to a variety of financing options.
38. The possibility of negotiating the terms of financing, such as service fees and repayment conditions.
39. The amount of financing granted compared to the amount requested.
40. The securities and guarantees required by financial institutions, whether personal or corporate.
41. The quality of service you receive from your lender(s).

\*CHANGE TO LESS THAN 5 YEARS IF FIRM IS YOUNGER THAN THIS.

42. Overall, how satisfied were you with the financing options available? Please use a 5-point scale, where '1' means very dissatisfied and '5' means very satisfied.

CSBFP Awareness and Satisfaction Study

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**ASK THOSE WHO ACKNOWLEDGED RECEIVING CSBFP LOAN:**

Thinking specifically about the CSBFP loan(s) your business received in the past 12 months, I'd like you to tell me how satisfied you were with each of the following aspects of the loan. Please use a 5-point scale, where '1' means very dissatisfied, and '5' means 'very satisfied'. If something does not apply to your situation, please just say so. [READ/ROTATE LIST; QS 46/47 MUST BE ROTATED TOGETHER, WITH Q46 ALWAYS PRECEDING Q47] (RECORD 'DOES NOT APPLY' AND 'DON'T KNOW' SEPARATELY)

- 43. The availability of information on the CSBF Program.
- 44. Your administrative reporting requirements related to the 'life' of the loan.
- 45. The time needed to obtain approval.
- 46. Other aspects of the application process.
- 47. The program registration fees.
- 48. The annual administration fee.
- 49. The securities and guarantees that are required.
- 50. The amount of financing granted compared to the amount requested.

**ASK EVERYONE WHO RECEIVED LOAN IN PAST 12 MONTHS:**

51. You mentioned that you received a term loan during the past 12 months. How likely is it that your business will use the same lender for other sources of financing in the future? Would you say it is...?

- Very likely
- Moderately likely
- Not very likely
- Not at all likely

**IF 'NOT VERY' OR 'NOT AT ALL LIKELY', ASK:**

52. Why is that? (DO NOT READ LIST; ACCEPT MULTIPLE RESPONSES)

- Services offered by financial provider no longer meet needs
- Trying to diversify financing sources
- Documentation requested is too complex
- Service fees are too high
- Branch is closed
- Other (specify) \_\_\_\_\_

**ASK THOSE WHO WERE TURNED DOWN FOR A LOAN:**

53. Earlier you mentioned that your business was refused financing for a loan(s) in the past 12 months. How satisfied were you with the reason(s) provided by the financial institution to explain why the loan was refused? Please use a 5-point scale, where '1' means very dissatisfied and '5' means very satisfied.

## **Section 5: Satisfaction with CSBF Program Parameters**

### **ASK EVERYONE:**

I'd now like to ask you some questions about the Canada Small Business Financing Program. This is a federal government program, where any losses on loans made to businesses under the program are shared by the government with financial institutions. For each of the following features of the program, please tell whether you think the amount is too high, about right, or too low. How about...? (READ/ROTATE LIST)

54. The maximum loan size is \$250,000.
55. There is a registration fee of 2% of the total amount of the loan.
56. The maximum amount of financing available is 90% of the eligible cost of the project or equipment.
57. The interest rate is capped at prime plus 3%.

I'm now going to identify a few more features of the program. As both a business representative and a taxpayer, please tell me how reasonable you think each of the following is, whether or not you have used or might need to use the program in future. How about...? Is this very reasonable, somewhat reasonable, not very reasonable or not at all reasonable? (READ/ROTATE LIST; ACCEPT DON'T KNOW/NO RESPONSE)

58. Only term loans are available under the program.
59. CSBF loans are restricted to financing for equipment, real property or immovables, leasehold improvements, and program registration fees
60. If a borrower defaults on a loan, the federal government is responsible for 85% of eligible losses under the program, and the lender is responsible for 15% of the loss.

### **ASK THOSE AWARE THEY RECEIVED A CSBFP LOAN:**

As a business that received a CSBFP loan,

61. Overall, how satisfied are you with the program's rules and procedures in terms of providing financing for small businesses? Please use a 5-point scale, where '1' means very dissatisfied and '5' means very satisfied.

### **ASK EVERYONE:**

62. If you were having difficulty obtaining financing for your business, how useful do you think the CSBF Program would be to you? Please use a 5-point scale, where '1' means not useful at all and '5' means very useful.

That completes the survey. Thank you for your participation. It is sincerely appreciated.

### **Record by observation or from database:**

Gender  
Province  
Urban vs. Rural  
Language

## Programme de financement des petites entreprises du Canada (FPEC)

### Sondage sur la sensibilisation et la satisfaction

#### *Introduction*

Bonjour Madame/Monsieur. Je suis \_\_\_\_\_ et je vous téléphone de la part de Phoenix, une maison de recherche sur l'opinion publique. Industrie Canada, un ministère du gouvernement fédéral, nous a confié la tâche de mener un sondage auprès de propriétaires et de gestionnaires d'entreprises. L'étude porte sur les difficultés auxquelles font face les petites et moyennes entreprises du Canada en matière de financement. Les observations recueillies vont aider Industrie Canada à concevoir des programmes en fonction des besoins de financement des petites et moyennes entreprises comme la vôtre.

Votre participation au présent sondage est volontaire mais elle serait des plus précieuses. Toutes les réponses seront traitées de manière absolument confidentielle. Aucun nom de personne ou d'entreprise ne sera transmis de quelque façon que ce soit à Industrie Canada. Le sondage ne prend que 15 minutes et il est enregistré auprès du système national d'enregistrement des sondages.

SI LE RÉPONDANT DIT QUE SON ENTREPRISE N'A PAS RECOURS À DU FINANCEMENT, PRÉCISER : Nous sommes intéressés à connaître le point de vue des entreprises, qu'elles aient cherché ou non récemment à obtenir du financement.

Acceptez-vous de participer à ce sondage? Nous pouvons le faire maintenant ou au moment qui vous conviendra le mieux.

- Oui, maintenant. (CONTINUER)
  - DEMANDER LE SÉLECTIONNEUR 'A' POUR ÉCHANTILLON NON-FPEC
  - SAUTER À Q1 SI ÉCHANTILLON FPEC
- Oui, plus tard. (PRÉCISER LA DATE ET L'HEURE)
- Refus. (REMERCIER & METTRE FIN À L'ENTREVUE)

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#### **DEMANDER AUX MEMBRES DE L'ÉCHANTILLON NON-SPEC SEULEMENT :**

A. Avant de commencer, je dois préciser que le sondage s'adresse à des entreprises dont le chiffre d'affaires annuel est inférieur ou égal à 5 millions de dollars. En 2006, le chiffre d'affaires de votre entreprise a-t-il été inférieur ou égal à 5 millions de dollars, avant taxes et déductions?

- Oui
- Non (REMERCIER ET METTRE FIN À L'ENTREVUE)

**ENQUÊTEUR :**

IL FAUT QUE LES PARTICIPANTS SOIENT PROPRIÉTAIRE, PDG, PRÉSIDENT OU PRINCIPAL GESTIONNAIRE/DIRECTEUR DU SERVICE DES FINANCES. DEMANDER LA BONNE PERSONNE SI LE RÉPONDANT NE CORRESPOND PAS À CE CRITÈRE, OU METTRE FIN À L'ENTREVUE.

EN COURS D'ENTREVUE, SI LE RÉPONDANT DIT QU'IL Y A QUELQU'UN DE MIEUX PLACÉ POUR RÉPONDRE AU SONDAGE AU NOM DE SON ENTREPRISE, DEMANDER À PARLER À CETTE PERSONNE (ET OBTENIR SON NUMÉRO DE TÉLÉPHONE). RECOMMENCER LE SONDAGE.

SI LE RÉPONDANT S'INTERROGE SUR LA VALIDITÉ DE LA RECHERCHE, L'INVITER À COMMUNIQUER AVEC : 1) AVEC LE SYSTÈME NATIONAL D'ENREGISTREMENT DES SONDAGES OU 2) CAROLINE LEFEBVRE D'INDUSTRIE CANADA AU 1-613-954-3464, OU DEMANDER À CAROLINE DE RAPPELER LE RÉPONDANT.

SI LE RÉPONDANT VEUT SAVOIR CE QU'EST LE SYSTÈME NATIONAL D'ENREGISTREMENT DES SONDAGES, LUI DIRE CECI :

Le système d'enregistrement a été créé par le secteur de la recherche par sondage afin de permettre au public de vérifier la légitimité d'un sondage, de se renseigner sur le secteur ou de déposer une plainte. Le numéro de téléphone sans frais du système d'enregistrement est le 1-800-554-9996.

LES PROPOS DES PARTICIPANTS SERONT PROTÉGÉS EN VERTU DES DISPOSITIONS DE LA LOI SUR LA PROTECTION DES RENSEIGNEMENTS PERSONNELS. LE MENTIONNER, AU BESOIN. MENTIONNER AUSSI, S'IL Y A LIEU : «VOS RÉPONSES AU PRÉSENT SONDAGE N'AURONT AUCUN EFFET SUR VOS RELATIONS AVEC INDUSTRIE CANADA OU LE GOUVERNEMENT FÉDÉRAL.»

AU COURS DU SONDAGE, NOUS EMPLOYONS SURTOUT LE MOT «ENTREPRISE» PLUTÔT QUE «COMPAGNIE» PARCE QU'IL CONVIENT MIEUX AUX TRÈS PETITES ENTREPRISES. L'INTENTION EST CEPENDANT LA MÊME – PAR «ENTREPRISE» NOUS VOULONS DIRE «COMPAGNIE».

LES TITRES EN BLEU NE DOIVENT PAS ÊTRE LUS AUX RÉPONDANTS.

DIRECTIVES AU SUJET DES ÉCHELLES : LES CATÉGORIES DE RÉPONSE ET LES DIRECTIVES TOUCHANT CERTAINES QUESTIONS SONT RÉPÉTITIVES. EN ADAPTER LA FRÉQUENCE EN CHERCHANT À ÊTRE CLAIR SANS ÊTRE ENNUYEUX.

TOUTES LES QUESTIONS DU SONDAGE COMPORTENT L'OPTION «JE NE SAIS PAS/PAS DE RÉPONSE».

SI LE RÉPONDANT VEUT EN SAVOIR PLUS AU SUJET DU PROGRAMME, PROPOSER DE LUI DONNER LE NUMÉRO DE TÉLÉPHONE DE CAROLINE LEFEBVRE (1-613-954-3464) À LA FIN DU SONDAGE ET L'INVITER À TÉLÉPHONER À CAROLINE.



## Section 1 : Caractéristiques de l'entreprise

Pour commencer, j'aurais quelques questions au sujet de votre entreprise.

1. Pourriez-vous me confirmer votre position au sein de votre compagnie ou entreprise? (NE PAS LIRE LA LISTE; ACCEPTER UNE SEULE RÉPONSE; VOIR LES CONDITIONS DE L'ÉTUDE; AU BESOIN, DEMANDER À PARLER AU BON DIRIGEANT)

- Propriétaire
- Président/PDG
- Directeur des finances
- Principal gestionnaire/directeur (service des finances\*)
- Autre (préciser) \_\_\_\_\_

\*ASSUREZ-VOUS DE VOUS ADRESSER AU GESTIONNAIRE OU DIRECTEUR EN CHEF DU SERVICE DES FINANCES. EN CAS D'INCERTITUDE, DEMANDER : Pour cette étude, nous devons nous adresser au gestionnaire ou au directeur qui, dans votre entreprise, est le principal responsable des questions financières. Êtes-vous cette personne? SI C'EST NON, REMERCIER ET DEMANDER À PARLER À CETTE PERSONNE

2. Combien d'employés travaillent pour votre entreprise, y compris vous-même? Il s'agit des employés à temps plein aussi bien qu'à temps partiel. Pour les employés à temps partiel, donnez l'équivalent temps plein. (LIRE LA LISTE, AU BESOIN) (N.B. : NE COMPREND PAS LES PERSONNES À CONTRAT OU À QUI DU TRAVAIL A ÉTÉ IMPARTI) (INCLURE TOUS LES EMPLACEMENTS AU CANADA)

- Un
- 2-4
- 5-20
- 21-50
- 51-100
- 101-150
- 151-200
- Plus de 200

3. Depuis combien d'années environ votre compagnie ou entreprise fonctionne-t-elle? (LIRE LA LISTE) (ATTENTION AUX QUOTAS DE L'ÉCHANTILLON)

- Moins d'un an                      CODER COMME «JEUNE ENTREPRISE»
- 1-3 ans                              CODER COMME «JEUNE ENTREPRISE»
- 4-5 ans
- 6-10 ans
- 11-20 ans
- 21-50 ans
- Plus de 50 ans

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4. En 2006, quel a été le chiffre d'affaires de votre entreprise? Cela comprend le revenu de l'entreprise de toutes sources, avant taxes et déductions. Votre chiffre d'affaires était-il de... ou se situait-il entre...? (LIRE LA LISTE; NOUS VOULONS UN MONTANT APPROXIMATIF, NON PAS EXACT. AU BESOIN, RAPPELER AU RÉPONDANT LE CARACTÈRE CONFIDENTIEL DE SA RÉPONSE.)

- Moins de 100 000 \$
- 100 000 \$ - 300 000 \$
- 300 001 \$ - 500 000 \$
- 500 001 \$ - 1 million \$
- 1 000 001 \$ - 5 millions \$

5. Dans quelle industrie ou quel secteur votre entreprise se situe-t-elle? Si vous fonctionnez dans plusieurs secteurs, veuillez nommer le principal. (NE PAS LIRE LA LISTE; ACCEPTER UNE SEULE RÉPONSE)

- Agriculture, foresterie, pêche et chasse
- Art, spectacles et loisirs
- Commerce de détail
- Commerce de gros
- Construction
- Extraction minière et extraction de pétrole et de gaz
- Fabrication
- Finance et assurances
- Hébergement
- Industrie de l'information et industrie culturelle
- Services administratifs, services de soutien, services de gestion des déchets et services d'assainissement
- Services d'enseignement
- Services de restauration
- Services immobiliers et services de location et de location à bail
- Services professionnels, scientifiques et techniques
- Services publics
- Soins de santé et assistance sociale
- Transport et entreposage
- Autres services
- Autre (préciser) \_\_\_\_\_

## Section 2 : Opérations financières

Mes prochaines questions concernent les opérations financières de votre entreprise, c'est-à-dire, les banques avec lesquelles vous faites affaire, vos options de financement, votre tentative ou non d'obtenir un prêt et d'autres questions de même nature. Nous ne voulons que des renseignements d'ordre général et nous n'entrerons pas dans les détails des affaires financières de votre entreprise. (AU BESOIN, RAPPELER AU RÉPONDANT LE CARACTÈRE CONFIDENTIEL DE SA RÉPONSE)

6. Votre entreprise fait-elle affaire avec plusieurs institutions financières pour ses opérations bancaires et autres dispositions financières?

- Oui
- Non

7. Avec quelle institution financière votre entreprise fait-elle le plus souvent affaire pour ses opérations bancaires? **S'il y a plusieurs institutions financières, demander :** Avec quelles autres institutions financières votre entreprise fait-elle affaire? (NE PAS LIRE LA LISTE; NOTER LA PREMIÈRE MENTION; AU BESOIN, RAPPELER AU RÉPONDANT LE CARACTÈRE CONFIDENTIEL DE SA RÉPONSE; ACCEPTER PLUSIEURS RÉPONSES; NE PAS INSISTER. ACCEPTER «JE NE SAIS PAS/REFUS DE RÉPONDRE» SI LE RÉPONDANT NE VEUT PAS FOURNIR L'INFORMATION DEMANDÉE)

- Banque Royale du Canada/RBC
- Toronto Dominion-Canada Trust/TD-Canada Trust
- La Banque de Nouvelle-Écosse/BNS/Banque Scotia
- Banque de Montréal
- Banque Canadienne Impériale de Commerce/CIBC
- Banque Nationale
- Caisses populaires
- Credit unions
- Autre (préciser) \_\_\_\_\_
- Je ne sais pas/Refus de répondre

8. Durant les cinq dernières années\*, quelles sont les options de financement que votre entreprise a utilisées ou utilise encore? Qu'en est-il de ceci... [NE PAS LIRE LA LISTE. ACCEPTER TOUTES LES RÉPONSES] (\*NOMBRE INFÉRIEUR À 5 DANS LE CAS D'UNE JEUNE ENTREPRISE)

- Prêts à terme
- Cartes de crédit pour achats majeurs, comme de l'équipement
- Location à bail d'équipement [DÉFINIR, AU BESOIN – VOIR CI-DESSOUS]
- Contrats de service [DÉFINIR, AU BESOIN – VOIR CI-DESSOUS]
- Marges de crédit
- Capital de risque
- Subventions gouvernementales (tous les niveaux de gouvernement compris)
- Crédit auprès des fournisseurs

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- Financement par actions
- Autre (préciser) \_\_\_\_\_
- Aucune, l'entreprise n'a pas cherché à obtenir du financement externe\*

**\*PASSER À LA SECTION 3.**

ENQUÊTEUR :

La **location à bail d'équipement** consiste à financer de l'équipement et des véhicules au moyen d'un bail. L'équipement et les véhicules servent de garantie à l'obligation de l'emprunteur de rembourser sa dette au moyen de versements étalés sur la durée de l'entente. Le bail prévoit le transfert de propriété au preneur à l'échéance du bail.

Les **contrats de service** consistent en un bail où le locateur ne transfère au preneur que le droit d'utiliser le bien ou la propriété en cause. Puisque le preneur n'assume pas le risque de propriété, les dépenses liées au bail sont traitées comme frais d'exploitation.

9. Au cours des 12 derniers mois, votre entreprise a-t-elle demandé un **prêt à terme** à une institution financière? Veuillez tenir compte de toutes vos demandes de prêt, que vous ayez ou non obtenu le prêt.

- Oui
- Non [PASSER À LA SECTION 3]
- Je ne sais pas [PASSER À LA SECTION 3]

ENQUÊTEUR :

LES «PRÊTS À TERME» NE COMPRENNENT PAS LES MARGES DE CRÉDIT NI LE FONDS DE ROULEMENT MAIS ILS COMPRENNENT LES PRÊTS SERVANT À L'ACHAT DE BIENS COMME UN TERRAIN, UN IMMEUBLE, DE L'ÉQUIPEMENT OU DU MOBILIER. IL S'AGIT ICI DES ENTREPRISES QUI ONT OBTENU OU SE SONT VU REFUSER UN PRÊT.

L'EXPRESSION «PRÊT À TERME» **COMPREND** LES PRÊTS HYPOTHÉCAIRES LIÉS À L'ENTREPRISE DU RÉPONDANT.

10. Combien de fois votre entreprise a-t-elle fait une demande de prêt au cours des 12 derniers mois? (LIRE LA LISTE, AU BESOIN)

- Une fois
- 2 fois
- 3 fois
- 4 fois
- Plus de 4 fois

11. Votre entreprise a-t-elle pu obtenir le(s) prêt(s), en entier ou en partie, ou bien est-ce que ce(s) prêt(s) lui a(ont) été refusé(s)? Avez vous..... [LIRE LA LISTE AU COMPLET; ACCEPTER TOUTE RÉPONSE PERTINENTE]

- Obtenu le(s) prêt(s) à hauteur du montant demandé
- Obtenu le(s) prêt(s) mais de valeur inférieure au montant demandé, ou

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- Vu votre ou vos demandes de prêt rejetée(s)? [PASSER À Q15]
- Spontanément : Obtenu certains prêts, d'autres vous ayant été refusés
- Spontanément : Incertain/Je ne me rappelle pas [PASSER À LA SECTION 3]

12. Dans quelle mesure le ou les prêts ont-ils comblé vos besoins de financement? En pourcentage, diriez-vous qu'ils les ont comblés à raison de... (LIRE LA LISTE; ACCEPTER UNE SEULE RÉPONSE)

- Moins de la moitié
- 50-75%
- 76-99%
- 100% de vos besoins

13. Votre ou vos prêts étaient-ils couverts par un programme du gouvernement fédéral qui offre une garantie de prêt aux petites entreprises?

- Oui
- Non [SAUTER LA QUESTION SUIVANTE]
- Incertain /Je ne me rappelle pas [SAUTER LA QUESTION SUIVANTE]

**\*PASSER À LA SECTION 3 À MOINS QUE LE RÉPONDANT AIT DIT SPONTANÉMENT À Q11 AVOIR OBTENU CERTAINS PRÊTS MAIS PAS D'AUTRES. EN L'OCCURRENCE, PASSER À Q15.**

**SI C'EST OUI, DEMANDER :**

14. Vous rappelez-vous le nom du programme? Si oui, quel est-il? (NE PAS LIRE LA LISTE)

- Non/ Je ne me rappelle pas
- Loi sur les prêts aux petites entreprises (LPPE)
- Programme de financement des petites entreprises du Canada (FPEC)
- Prêt destiné à l'amélioration d'entreprise (PAE)
- Loi sur les prêts destinés aux améliorations agricoles et à la commercialisation selon la formule coopérative (LPAACFC)
- Autre (préciser) \_\_\_\_\_

**ENQUÊTEUR :**

LA NOUVELLE-ÉCOSSE A UN PROGRAMME DE FINANCEMENT DES PETITES ENTREPRISES QUI N'EST PAS LE MÊME QUE CELUI DU GOUVERNEMENT DU CANADA, SOIT LE FPEC. LORS DES ENTREVUES AVEC DES RÉPONDANTS DE LA NOUVELLE-ÉCOSSE (OU MÊME DES AUTRES PROVINCES DE L'ATLANTIQUE), FAITES ATTENTION DE NE PAS CODER LE PROGRAMME PROVINCIAL EN TANT QUE PROGRAMME DE FINANCEMENT DES PETITES ENTREPRISES DU CANADA. VÉRIFIER, S'IL Y A LIEU, AUPRÈS DU RÉPONDANT POUR VOIR S'IL NE SE SERAIT PAS TROMPÉ ET, EN L'OCCURRENCE, REULER D'UN ÉCRAN AFIN DE RÉPONDRE CETTE FOIS PAR «NON» À LA QUESTION SUR LA CONNAISSANCE D'UN PROGRAMME DE PRÊT DU GOUVERNEMENT FÉDÉRAL.

**DEMANDER, SI L'ENTREPRISE A VU UNE DEMANDE DE PRÊT REJETÉE :**

15. L'institution financière qui a rejeté votre demande de prêt vous a-t-elle mis au courant d'autres programmes offerts par le gouvernement fédéral et qui procurent une garantie de prêt aux petites entreprises?

- Oui
- Non [PASSER À LA SECTION 3]
- Incertain/Je ne me rappelle pas [PASSER À LA SECTION 3]

**SI C'EST OUI, DEMANDER :**

16. Vous rappelez-vous le nom du programme? Si oui, quel est-il? (NE PAS LIRE LA LISTE)

- Non/ Je ne me rappelle pas
- Loi sur les prêts aux petites entreprises (LPPE)
- Programme de financement des petites entreprises du Canada (FPEC)
- Prêt destiné à l'amélioration d'entreprise (PAE)
- Loi sur les prêts destinés aux améliorations agricoles et à la commercialisation selon la formule coopérative (LPAACFC)
- Autre (préciser) \_\_\_\_\_

ENQUÊTEUR : VOIR LA NOTE SUR LA NOUVELLE-ÉCOSSE À Q14.

**Section 3 : Connaissance et utilisation du programme FPEC**

**SAUTER LA QUESTION SUIVANTE SI LE RÉPONDANT A DIT QU'IL CONNAISSAIT LE PROGRAMME FÉDÉRAL À Q14 ET 16.**

17. Êtes-vous au courant d'un programme du gouvernement fédéral qui offre une garantie de prêt aux petites entreprises et en partage le risque avec l'institution financière?

- Oui
- Non [SAUTER LA QUESTION SUIVANTE]

**SI C'EST OUI, DEMANDER :**

18. Vous rappelez-vous le nom d'un programme de ce genre? Si oui, quel est-il? (NE PAS LIRE LA LISTE)

- Non/Je ne me rappelle pas
- Loi sur les prêts aux petites entreprises (LPPE)
- Programme de financement des petites entreprises du Canada (FPEC)\*
- Prêt destiné à l'amélioration d'entreprise (PAE)
- Loi sur les prêts destinés aux améliorations agricoles et à la commercialisation selon la formule coopérative (LPAACFC)
- Autre (préciser) \_\_\_\_\_

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ENQUÊTEUR : VOIR LA NOTE SUR LA NOUVELLE-ÉCOSSE À Q14.

**DEMANDER, SI C'EST «NON» À Q17 OU SI LE RÉPONDANT A DIT «OUI» À Q13, 15 OU 17 MAIS QU'IL N'A PAS NOMMÉ LE PROGRAMME «FPEC» EN RÉPONSE À LA QUESTION DE SUIVI :**

19. Avez-vous déjà entendu parler du Programme de financement des petites entreprises du Canada, aussi appelé FPEC (F-P-E-C)?

- Oui [CONTINUER]
- Non [SAUTER À Q23]
- Incertain/Je ne me rappelle pas [SAUTER À Q23]

**SI C'EST OUI, DEMANDER :**

20. Que savez-vous du Programme de financement des petites entreprises du Canada? (NE PAS LIRE LA LISTE; NOTER LA PREMIÈRE MENTION; ACCEPTER DEUX RÉPONSES)

- Programme gouvernemental pour aider les petites entreprises à obtenir du financement
- Pertes partagées par le gouvernement
- Somme maximum pouvant être empruntée
- Droits d'enregistrement au programme
- Prêts limités au financement de certains genres de biens
- Trop coûteux
- La banque dissuade les gens de l'utiliser
- Rien
- Autre (préciser) \_\_\_\_\_

21. Comment avez-vous appris l'existence du Programme de financement des petites entreprises du Canada? (NE PAS LIRE LA LISTE; ACCEPTER UNE SEULE RÉPONSE)

- Ami/collègue
- Responsable bancaire
- Fournisseur de services aux entreprises (p. ex. comptable, conseiller financier)
- Brochure/dépliant
- Site Web d'une banque/du secteur privé
- Site Web du gouvernement fédéral
- Site Web du programme FPEC
- Déjà obtenu un prêt du FPEC
- Réseau Entreprises Canada/REC\*
- Autre (préciser) \_\_\_\_\_
- Incertain/Je ne me rappelle pas

ENQUÊTEUR : LE RÉSEAU ENTREPRISES CANADA EST AUSSI CONNU SOUS D'AUTRES NOMS :

Centre de service aux entreprises Canada - Ontario  
Centre de service aux entreprises du Manitoba  
Centre de service aux entreprises de la Saskatchewan

Centre de service aux entreprises de l'Alberta (Liaison Entreprises)  
Centre de service aux entreprises de la Colombie-Britannique (Petites entreprises C.-B.)  
Centre de service aux entreprises de Terre-Neuve-et-Labrador  
Centre de service aux entreprises de la Nouvelle-Écosse  
Centre de service aux entreprises du Nouveau-Brunswick  
Centre de service aux entreprises de l'Île-du-Prince-Édouard  
Centre de service aux entreprises du Québec ou Info entrepreneurs / Ressources Entreprises (ville de Québec)  
Centre de service aux entreprises du Yukon  
Centre de service aux entreprises du Nunavut  
Centre de service aux entreprises des Territoires du Nord-Ouest

22. Lorsque vous cherchiez du financement, avez-vous demandé des renseignements sur le Programme de financement des petites entreprises du Canada ou le prêteur a-t-il porté le programme à votre attention? NE PAS LIRE LA LISTE; ACCEPTER UNE SEULE RÉPONSE

- Demandé des renseignements sur FPEC
- Le prêteur a mentionné le programme FPEC
- Ni l'un ni l'autre
- Incertain/Je ne me rappelle pas

**DEMANDER À TOUS, SAUF À CEUX QUI N'ONT PAS OBTENU DE FINANCEMENT :**

23. Votre entreprise a-t-elle déjà obtenu un prêt couvert par un programme du gouvernement, fédéral ou provincial, qui garantit les prêts des petites entreprises et en partage le risque avec l'institution financière? **SI C'EST OUI, DEMANDER :** Ce programme était-il offert par le gouvernement fédéral ou provincial? ENQUÊTEUR : IL S'AGIT DE N'IMPORTE QUAND DEPUIS QUE L'ENTREPRISE EXISTE.

- Non
- Oui, fédéral
- Oui, provincial
- Oui, mais incertain du responsable du programme
- Oui, les deux
- Incertain/Je ne me rappelle pas

24. Votre entreprise a-t-elle déjà décidé de ne PAS recourir à un programme de prêt garanti par le gouvernement? Il peut s'agir d'un programme offert par le gouvernement fédéral ou provincial. **SI C'EST OUI, DEMANDER :** Vous rappelez-vous quel était le niveau de gouvernement?

- Non
- Oui, fédéral
- Oui, provincial
- Oui, mais incertain du responsable du programme
- Oui, les deux
- Incertain/Je ne me rappelle pas



**SI C'EST OUI, DEMANDER :**

25. Et quelle était la raison? (NE PAS LIRE LA LISTE; ACCEPTER UNE SEULE RÉPONSE)

- Trop coûteux
- Trop de tracas administratifs, de paperasserie
- Sur les conseils d'un responsable bancaire ou d'un prêteur
- Le prêteur a offert un «mécanisme général de crédit»\*
- Non nécessaire/raison financière
- Autre (préciser) \_\_\_\_\_
- Incertain/Je ne me rappelle pas

ENQUÊTEUR : CELA SIGNIFIE QU'ON DONNE À L'ENTREPRISE ACCÈS À PLUSIEURS VÉHICULES DE FINANCEMENT EN MÊME TEMPS.

**Section 4 : Satisfaction à l'égard du financement**

**DEMANDER À TOUS :**

Dans quelle mesure chacun des facteurs suivants est-il important pour votre entreprise lorsqu'elle songe à obtenir du financement ou envisage diverses options de financement? Veuillez évaluer chacun d'eux selon une échelle de 5 points où «1» signifie pas du tout important et «5», très important. [LIRE LA LISTE/EN ROTATION] (NOTER SÉPARÉMENT LES RÉPONSES «SANS OBJET» ET «JE NE SAIS PAS»)

- 26. Le taux d'intérêt.
- 27. Les frais de service.
- 28. Le délai de traitement des demandes.
- 29. L'accès à diverses options de financement.
- 30. La possibilité de négoier les modalités du financement, comme les frais de service et les conditions du remboursement.
- 31. La somme accordée en comparaison de la somme demandée.
- 32. Les titres et garanties exigés par les institutions financières, qu'ils soient personnels ou de l'entreprise.
- 33. La qualité du service reçu de votre ou de vos prêteurs.

**SILE RÉPONDANT N'A JAMAIS OBTENU DE FINANCEMENT, SAUTER LES QUESTIONS 34-42.**

Au cours des cinq dernières années\*, à chaque fois que votre entreprise a demandé ou obtenu du financement, dites-moi s'il vous plaît dans quelle mesure vous avez été **satisfait** de chacun des mêmes facteurs en ce qui concerne les options de financement disponibles. Pour ce faire, veuillez vous servir d'une échelle de 5 points où «1» signifie très insatisfait et «5», très satisfait. Si vous avez demandé ou obtenu du financement à plusieurs reprises, veuillez considérer l'ensemble de votre expérience au cours des cinq dernières années. De même, s'il y a quoi que ce soit qui ne concerne pas votre situation, veuillez simplement le préciser. [LIRE LA LISTE/EN ROTATION] NOTER SÉPARÉMENT LES RÉPONSES «SANS OBJET» ET «JE NE SAIS PAS»)

- 34. Le taux d'intérêt.

35. Les frais de service.
36. Le délai de traitement des demandes.
37. L'accès à diverses options de financement.
38. La possibilité de négoier les modalités du financement, comme les frais de service et les conditions du remboursement.
39. La somme accordée en comparaison de la somme demandée.
40. Les titres et garanties exigés par les institutions financières, qu'ils soient personnels ou de l'entreprise.
41. La qualité du service reçu de votre ou de vos prêteurs.

\*NOMBRE INFÉRIEUR À 5 S'IL S'AGIT D'UNE JEUNE ENTREPRISE.

42. Dans l'ensemble, dans quelle mesure avez-vous été satisfait des options de financement disponibles? Veuillez vous servir d'une échelle de 5 points où «1» signifie très insatisfait et «5», très satisfait.

**DEMANDER À CEUX QUI ONT DÉCLARÉ AVOIR OBTENU UN PRÊT DU PROGRAMME FPEC :**

En ce qui concerne précisément le ou les prêts FPEC que votre entreprise a obtenus au cours des 12 derniers mois, j'aimerais savoir dans quelle mesure vous avez été satisfait de chaque aspect suivant du ou des prêts. Veuillez vous servir d'une échelle de 5 points où «1» signifie très insatisfait et «5», très satisfait. S'il y a quoi que ce soit qui ne concerne pas votre situation, veuillez simplement le préciser. [LIRE LA LISTE/EN ROTATION; Q46 ET Q47 DOIVENT ÊTRE PERMUTÉES ENSEMBLE, Q46 PRÉCÉDANT TOUJOURS Q47] (NOTER SÉPARÉMENT LES RÉPONSES «SANS OBJET» ET «JE NE SAIS PAS»)

43. La disponibilité de l'information au sujet du programme de FPEC.
44. Les exigences en matière de déclarations pour la durée de vie de votre prêt.
45. Le délai avant d'obtenir une approbation.
46. Les autres aspects du processus de demande.
47. Les droits d'enregistrement au programme.
48. Les frais d'administration annuels.
49. Les titres et garanties exigés.
50. La somme accordée en comparaison de la somme demandée.

**DEMANDER À TOUS CEUX QUI ONT OBTENU UN PRÊT DANS LES 12 DERNIERS MOIS :**

51. Vous avez dit avoir obtenu un prêt à terme au cours des 12 derniers mois. Quelle est la probabilité que votre entreprise s'adresse au même prêteur pour d'autres sources de financement à l'avenir? Diriez-vous que c'est...?

- Très probable
- Assez probable
- Pas tellement probable
- Pas du tout probable

**S'IL N'EST «PAS TELLEMENT» OU «PAS DU TOUT» PROBABLE, DEMANDER :**

52. Pourquoi est-ce ainsi? (NE PAS LIRE LA LISTE; ACCEPTER PLUSIEURS RÉPONSES)

- Les services offerts par le prêteur ne répondent plus à nos besoins
- Nous essayons de diversifier nos sources de financement
- La documentation exigée est trop compliquée
- Les frais de service sont trop élevés
- La succursale a fermé ses portes
- Autre (préciser) \_\_\_\_\_

**DEMANDER À CEUX À QUI ON A REFUSÉ UN PRÊT :**

53. Vous avez mentionné tout à l'heure que votre entreprise s'est vu refuser un ou plusieurs prêts au cours des 12 derniers mois. Dans quelle mesure avez-vous été satisfait de la ou des raisons que l'institution financière vous a données pour expliquer son refus de vous prêter? Veuillez répondre selon une échelle de 5 points où «1» signifie très insatisfait et «5», très satisfait.

**Section 5 : Satisfaction à l'égard des paramètres du programme FPEC**

**DEMANDER À TOUS :**

J'aurais maintenant quelques questions à vous poser au sujet du Programme de financement des petites entreprises du Canada. Il s'agit d'un programme par lequel le gouvernement fédéral partage avec les institutions financières les pertes sur les prêts consentis aux entreprises en vertu du programme. Pour chaque aspect ci-dessous du programme, dites-moi s'il vous plaît si vous croyez que le montant est trop élevé, juste bien ou trop bas. Qu'en est-il de ceci...? LIRE LA LISTE/EN ROTATION

- 54. Le maximum qu'on peut emprunter, soit 250 000 \$.
- 55. Les droits d'enregistrement de 2 % du montant total du prêt.
- 56. Le montant maximum du financement disponible est de 90 % du coût admissible du projet ou de l'équipement.
- 57. Le taux d'intérêt est plafonné au taux préférentiel plus 3 %.

Je vais maintenant vous mentionner quelques autres caractéristiques du programme. À titre aussi bien de représentant d'une entreprise que de contribuable, dites-moi s'il vous plaît dans quelle mesure vous trouvez raisonnable chaque aspect suivant, que vous ayez déjà ou non utilisé le programme ou que vous ayez ou non besoin de l'utiliser à l'avenir. Qu'en est-il de ceci...? Est-ce très raisonnable, plutôt raisonnable, pas très raisonnable, ou pas du tout raisonnable ? (LIRE LA LISTE/EN ROTATION)

- 58. Le programme n'offre que des prêts à terme.
- 59. Les prêts FPEC ne peuvent servir qu'à financer des biens réels, des immeubles et des terrains, des améliorations locatives ou de l'amélioration de biens locatifs et les droits d'enregistrement au programme.
- 60. Si un emprunteur ne rembourse pas un prêt, le gouvernement fédéral est responsable de 85 % de toute perte admissible dans le cadre du programme. Le prêteur doit absorber 15 % de la perte.

**DEMANDER À CEUX QUI SAVENT QU'ILS ONT OBTENU UN PRÊT FPEC :**

À titre d'entreprise qui a obtenu un prêt du programme de FPEC,

61. Dans l'ensemble, dans quelle mesure êtes-vous satisfait des conditions et modalités du programme pour ce qui est de procurer du financement à des petites entreprises? Veuillez répondre selon une échelle de 5 points où «1» signifie très insatisfait et «5», très satisfait.

**DEMANDER À TOUS :**

62. Selon vous, si vous éprouviez de la difficulté à obtenir du financement pour votre entreprise, dans quelle mesure le programme FPEC vous serait-il utile? Veuillez répondre selon une échelle de 5 points où «1» signifie pas du tout utile et «5», très utile.

Le sondage est maintenant terminé.  
Nous vous sommes très reconnaissants de votre participation.

**Noter d'après votre observation ou la base de données :**

Sexe  
Province  
Milieu urbain ou rural  
Langue

