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SME PROFILE

CO-OPERATIVES IN CANADA

Innovation, Science and Economic Development Canada
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SME PROFILE

CO-OPERATIVES IN CANADA

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EXECUTIVE SUMMARY

This profile presents comparisons between co-operatives and small and medium-sized enterprises (SMEs) based on the 2020 *Survey on Financing and Growth of Small and Medium Enterprises (SFGSME)*.

Due to the COVID-19 pandemic, 15.8% of co-operatives had to close temporarily in 2020, for an average of 12 weeks, compared with 33.4% of SMEs. Several government programs were available to provide financial assistance to firms struggling to survive or stay open.

Approximately 54% of co-operatives applied for the Canada Emergency Wage Subsidy (CEWS), compared with 44.8% of SMEs. In comparison, 65.2% of SMEs and 45.7% of co-operatives applied for the Canada Emergency Business Account (CEBA) program.

Approximately 83% of co-operatives requested external financing in 2020, compared with 82% of SMEs. These figures are up from 47% and 65%, respectively, in 2017.

The type of financing most often requested was government financing for both SMEs and co-operatives, by a large margin. This was largely due to the introduction of several programs by the Government in response to the COVID-19 pandemic that aimed to support businesses. Approximately 22% of co-operatives and 16% of SMEs requested debt financing in 2020.

The main source of debt financing was credit unions and caisses populaires for co-operatives and domestic chartered banks for SMEs. As for their debt financing requests, co-operatives obtained a higher approval rate than SMEs (95.7% versus 90.8%).

Co-operatives tended to be older than SMEs, with an average age of 44 years, compared with 18 years for SMEs. They also tended to be larger; 43% of co-operatives had between 20 and 499 employees in 2020, compared with 12% of SMEs.

Co-operatives were generally more locally oriented than SMEs, intending to expand locally, while SMEs intended to expand more outside their province or even outside the country. More co-operatives adopted advanced technologies over the last three years than SMEs.

Co-operatives were more likely to have an online presence than SMEs, typically using social media accounts, while SMEs tended to use websites. Finally, co-operatives were more innovative than SMEs; 39% innovated compared with 28% of SMEs.

1. INTRODUCTION

The purpose of this profile is to study for-profit co-operatives with 1 to 499 employees and annual gross revenues of \$30,000 or more. The 2020 *Survey on Financing and Growth of Small and Medium Enterprises (SFGSME)* surveyed 9,957 SMEs and 391 co-operatives. A co-operative is a legally incorporated corporation that is owned by an association of member-owners seeking to satisfy common needs such as access to goods or services, sale of their products or services, or employment.¹

In 2019, there were 5,564 active non-financial co-operatives in Canada, of which 64.5% were non-profits.² Non-financial co-operatives were over-represented in Quebec, with 44.3% located in that province, while 18.8% were located in Ontario. In 2019, non-financial co-operatives generated revenues totalling \$53 billion, and employed 104,040 workers who received \$2.5 billion in wages and salaries.

According to the results of the SFGSME, due to the COVID-19 pandemic, 15.8% of co-operatives had to close temporarily in 2020, for an average of 12 weeks, compared with 33.4% of SMEs. Several government programs were available to provide financial assistance to firms struggling to survive or stay open.³ Approximately 54% of co-operatives applied for the Canada Emergency Wage Subsidy (CEWS), compared with 44.8% of SMEs. In comparison, 65.2% of SMEs and 45.7% of co-operatives applied for the Canada Emergency Business Account (CEBA) program.⁴

Approximately 83% of co-operatives requested external financing in 2020, compared with 82% of SMEs. These figures are up from 47% and 65%, respectively, in 2017. The type of financing most often requested was government financing for both SMEs and co-operatives, by a large margin. This was largely due to the introduction of several programs by the Government in response to the COVID-19 pandemic that aimed to support businesses. Approximately 22% of co-operatives and 16% of SMEs requested debt financing in 2020. The main source of debt financing was credit unions and caisses populaires for co-operatives and domestic chartered banks for SMEs.

As for their debt financing requests, co-operatives obtained a higher approval rate than SMEs (95.7% versus 90.8%). Co-operatives tended to be older than SMEs, with an average age of 44 years, compared with 18 years for SMEs. They also tended to be larger; 43% of co-operatives had between 20 and 499 employees in 2020, compared with 12% of SMEs.

1 See [Information Guide on Co-operatives - Co-operatives in Canada](#) for more details on co-operatives.

2 Statistics Canada, [Table 33-10-0216-01 Canadian Co-operatives, selected financial data by categorical variables](#).

3 All programs can be found here: [Completed measures to respond to COVID-19 - Canada.ca](#).

4 Businesses could apply for more than one program.

Co-operatives were generally more locally oriented than SMEs, intending to expand locally, while SMEs intended to expand more outside their province or even outside the country. More co-operatives adopted advanced technologies over the last three years than SMEs. Co-operatives were more likely to have an online presence than SMEs, typically using social media accounts, while SMEs tended to use websites. Finally, co-operatives were more innovative than SMEs; 39% innovated compared with 28% of SMEs.

The remainder of this profile is structured as follows: Section 2 describes the definitions and data used; Section 3 presents the results for financing requests made by SMEs and co-operatives; Section 4 outlines business characteristics; and the final section presents conclusions.

2. DATA AND DEFINITIONS

The *2020 Survey on Financing and Growth of Small and Medium Enterprises* was designed to understand the types of financing used by SMEs and to collect information on recent attempts by SMEs to obtain new financing. Furthermore, the survey collected data on obstacles to growth, business ownership characteristics, innovation and intellectual property.

The target population for the survey was derived from Statistics Canada's Business Register (BR).

It consisted of private-sector, for-profit SMEs with 1 to 499 employees and annual revenues of \$30,000 or more in 2020. The main target population of 859,375 SMEs was stratified by business age, business size, industry, and geographic location, with random sample selection from these strata to generate estimates representative of the entire survey population.

The survey was conducted by Statistics Canada from April to August 2021.

The base sample size was 19,283 SMEs, with a response rate of 55.5%. See the [methodology report](#) and [questionnaire](#) for more details.

The survey also produced statistics on co-operative SMEs by oversampling co-operative businesses. The co-operative sample size was 638 businesses, with a response rate of 70.2%.

3. FINANCING

This section presents statistics on the requests for financing by co-operatives and SMEs in 2020.

3.1 Financing requests

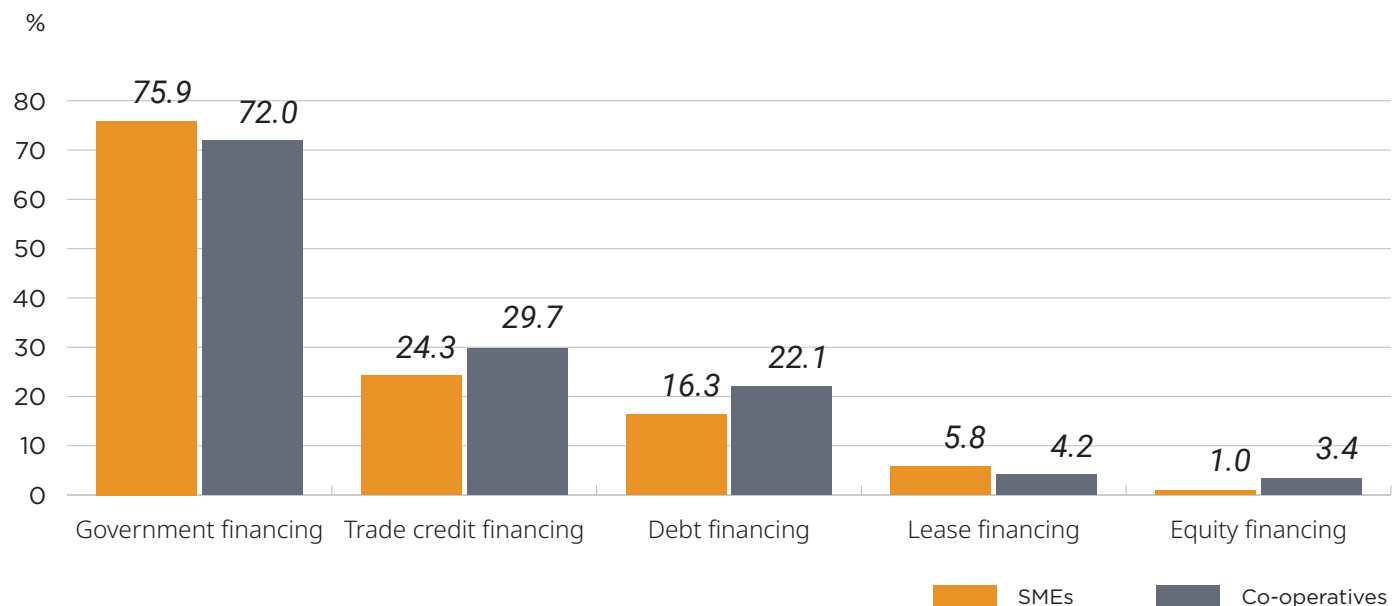
According to the SFGSME, 82.4% of SMEs and 82.6% of co-operatives requested external financing in 2020. In comparison, 47.1% of SMEs and 64.9% of co-operatives requested external financing in 2017.⁵ The availability of government support during the COVID-19 pandemic in 2020 was likely the main factor for this significant increase in external financing requests.

3.2 Type of financing

Requests for external financing made by SMEs and co-operatives may have included any of the following types of financing: debt financing (non-residential mortgage loans, lines of credit, term loans, and credit cards), lease financing, trade credit financing, equity financing, and government financing.

Figure 1 shows financing requests, by types of financing. For both co-operatives and SMEs, government financing represented the majority of financing requests (75.9% for SMEs and 72.0% for co-operatives), while equity financing represented the minority of requests for SMEs (1.0%) as well as for co-operatives (3.4%).

Figure 1: Financing requests by type of financing (% of businesses)



Source: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

⁵ Innovation, Science and Economic Development Canada, *SME Profile: Financing and Growth of Co-operatives in Canada*, 2017.

Of the SMEs and co-operatives that requested government financing, approximately 86% of SMEs applied for CEBA, compared with 63.5% of co-operatives (Figure 2).

Nearly 76% of co-operatives that requested government financing applied for CEWS, compared with 59% of SMEs.

Figure 2: Government financing (% of businesses)

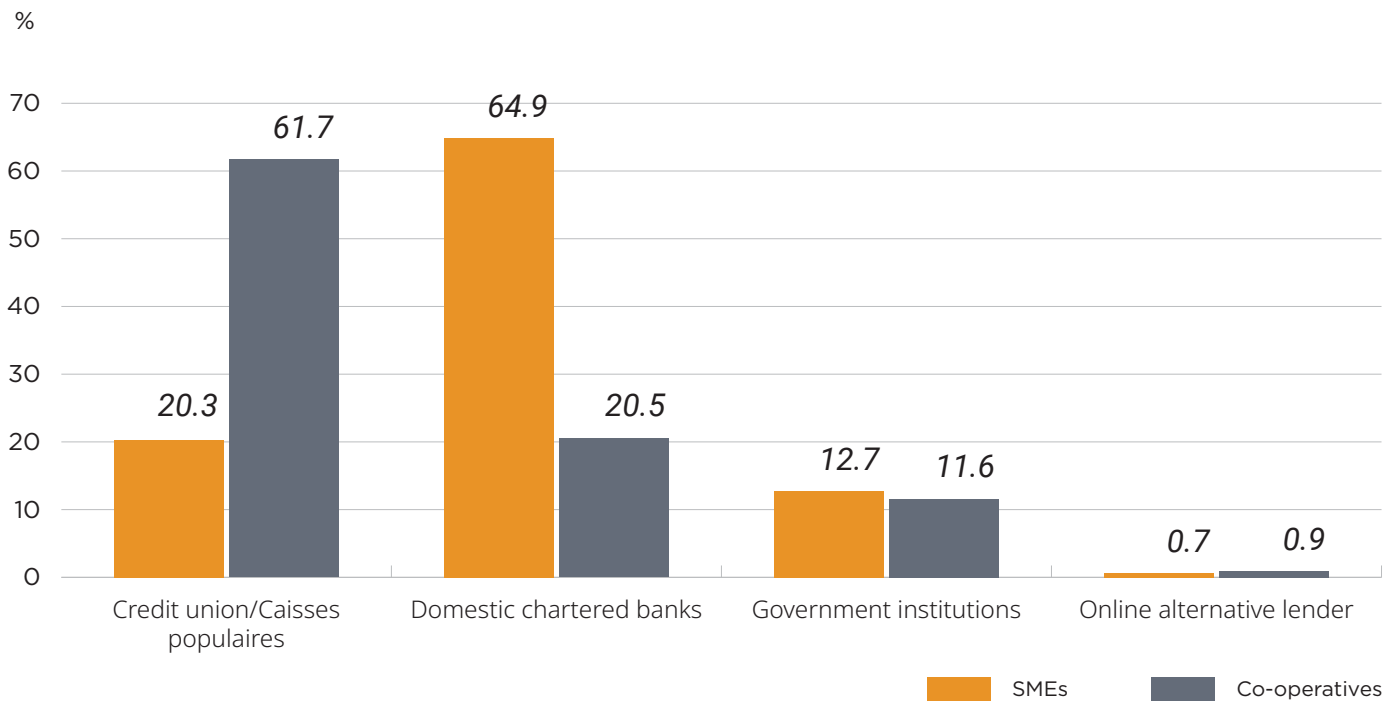


Source: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

3.3 Debt financing providers

In 2020, 61.7% of co-operatives obtained their debt financing from credit unions and caisses populaires, 20.5% from domestic chartered banks, 11.6% from government institutions, and 0.9% from online alternative lender/crowdsourcing/peer-to-peer lending (Figure 3). By contrast, 64.1% of SMEs received debt financing from domestic chartered banks, 20.3% from credit unions and caisses populaires, 12.7% from government institutions, and 0.7% from online alternative lender/crowdsourcing/peer-to-peer lending.

Figure 3: Debt financing providers (% of businesses)



Source: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

3.4 Debt financing by type of instrument

The SFGSME also provided request rates for the different types of debt financing: non-residential mortgage loans, lines of credit, term loans, and credit cards. Table 1 below shows the different request rates and the overall (full and partial) approval rates. Note that for both co-operatives and SMEs, the request rates for these debt financing instruments all occupied the same rank, from most to least requested. The most requested instrument was line of credit, followed by credit cards, term loans, and non-residential mortgage loans. Overall, co-operatives had a higher approval rate than SMEs for all types of debt financing instruments.

Table 1: Rate of request (% of businesses) and overall approval rate (%) by debt financing instrument

Debt financing instrument	SMEs		Co-operatives	
	Requested (%)	Overall approval rate (%)	Requested (%)	Overall approval rate (%)
Line of credit	7.3	83.1	9.1	93.7
Credit card	5.9	89.7	8.7	97.9
Term loans	4.8	89.0	6.6	97.2
Non-residential mortgage loan	2.5	95.5	3.2	100

Source: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

3.5 Financing amount

The total amount of debt financing received is shown in Table 2. In 2020, a total of approximately \$129.8 million⁶ was received in debt financing by co-operatives, while SMEs received approximately \$39.4 billion.⁷ Overall, the authorized-to-requested amount of debt financing was 92.3% for SMEs and 99.1% for co-operatives.

Table 2: Total amount requested and authorized (\$ billions) and authorized-to-requested rate (%) by debt financing instrument

Debt financing instrument	SMEs			Co-operatives		
	Total amount requested (\$)	Total amount authorized (\$)	Total amount authorized-to-requested (%)	Total amount requested (\$)	Total amount authorized (\$)	Total amount authorized-to-requested (%)
Line of credit	14.03	12.46	88.8	N/A	N/A	100
Credit card	0.94	0.66	91.6	0.001††	0.001††	100
Term loans	9.14	8.52	93.3	0.22††	0.02††	95.0
Non-residential mortgage loan	17.84†	17.50†	98.1	N/A	N/A	100

Source: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.
 Notes: †Estimates with quality code D (mediocre). ††Estimates with quality code E (poor, treat with caution).
 N/A: Estimates with N/A are of quality code F, so they are not reliable.

⁶ The quality of this estimate from the survey is low (quality code D—mediocre). Therefore, it should be treated with caution.

⁷ Note that co-operatives represented around 0.11% of the total number of SMEs.

In Table 3, the total amount authorized and the approval rate by financing type is shown. For SMEs, most of their loans came from government financing (\$40.9 billion) and debt financing (\$39.4 billion). As for co-operatives, most of their loans came from debt financing (\$0.13 billion).⁸ Table 3 also reveals that co-operatives had a higher approval rate (95.7%) than SMEs (90.8%) for debt financing.

Table 3: Total amount authorized (\$ billions) and approval rate (%) by financing types

Type of financing	SMEs		Co-operatives	
	Total amount authorized (\$)	Approval rate (%)	Total amount authorized (\$)	Approval rate (%)
Government	40.93	98.2	0.07	98.2
Trade credit	14.75	96.8	N/A	100
Debt	39.35	90.8	0.13†	95.7
Lease	4.54	98.5	N/A	100
Equity	7.25†	—	N/A	—

Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.
 Notes: †Estimates with quality code D (mediocre).
 N/A: Estimates with N/A are of quality code F, so they are not reliable.

For debt financing requests, 8.3% of SMEs were rejected, compared with 0.8% of co-operatives.

In 100% of the cases, requests by co-operatives were rejected due to insufficient sales or cash flow, insufficient collateral, or because the business operated in an unstable industry (Table 4).

Reasons were more varied for SMEs.

The most common reason for turning down their debt financing request was insufficient sales or cash flow (34.2%).

The second most common reason was a poor or lack of credit experience or history (25.5%).

Other reasons were that the business operated in an unstable industry (13.2%), that there was insufficient collateral (9.2%), and that the project was considered too risky (8.3%).

⁸ The quality of this estimate from the survey is low (quality code D—mediocre). Therefore, it should be treated with caution.

Table 4: Reasons given by credit provider for turning down debt financing request (% of businesses)

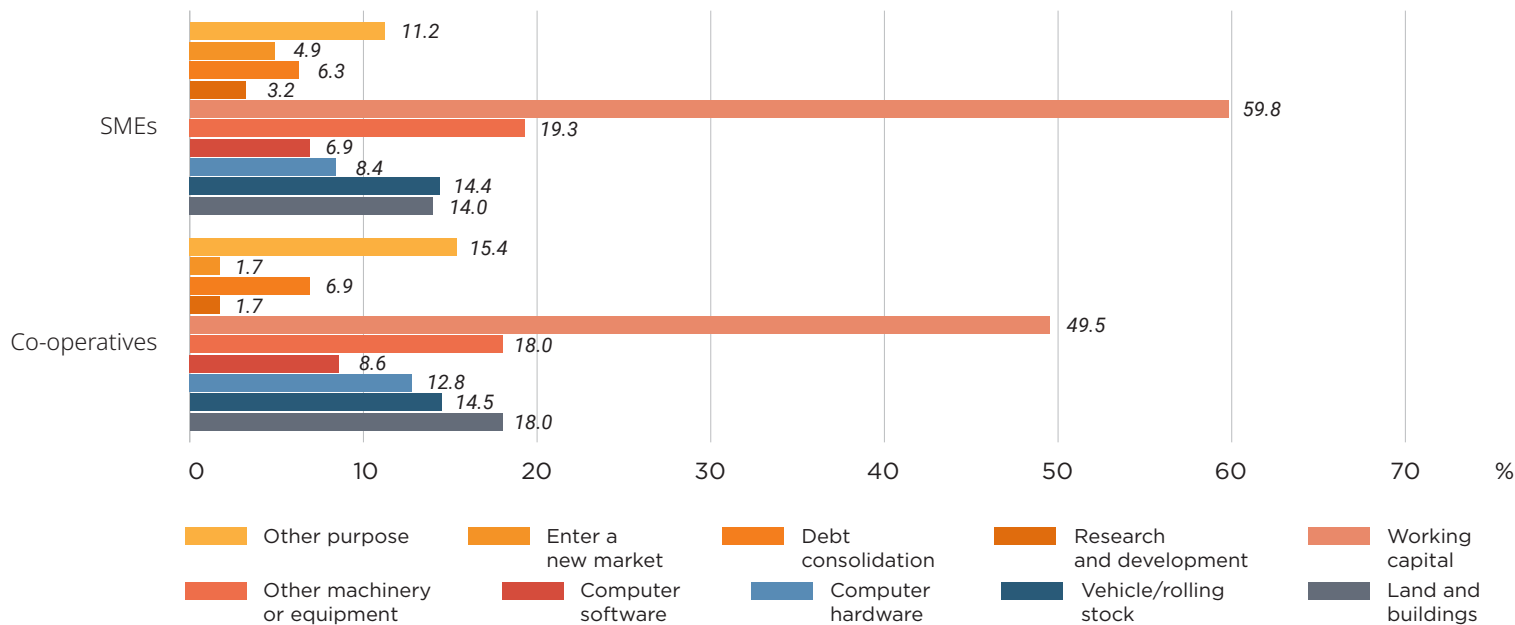
Reasons	SMEs	Co-operatives
	%	%
Insufficient sales or cash flow	34.2	100
Insufficient collateral	9.2	100
Poor or lack of credit experience or history	25.5	0
Project was considered too risky	8.3	0
Business operates in an unstable industry	13.2	100
Other reason	16.7	0
No reason given	24.6	0

Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.
 Note: Total percentages may exceed 100% since firms could choose more than one answer.

3.6 Intended use of debt financing

In Figure 4, the intended use of debt financing is shown. Debt financing was primarily used for working capital or operating capital by SMEs (59.8%) and co-operatives (49.5%). The second most common use of debt financing was to acquire machinery and equipment, both for SMEs (19.3%) and co-operatives (18.0%). Research and development was the least common use of financing for SMEs (3.2%) and co-operatives (1.7%).

Figure 4: Intended use of debt financing (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.
 Note: Total percentages may exceed 100% since firms could choose more than one answer.

4. BUSINESS CHARACTERISTICS

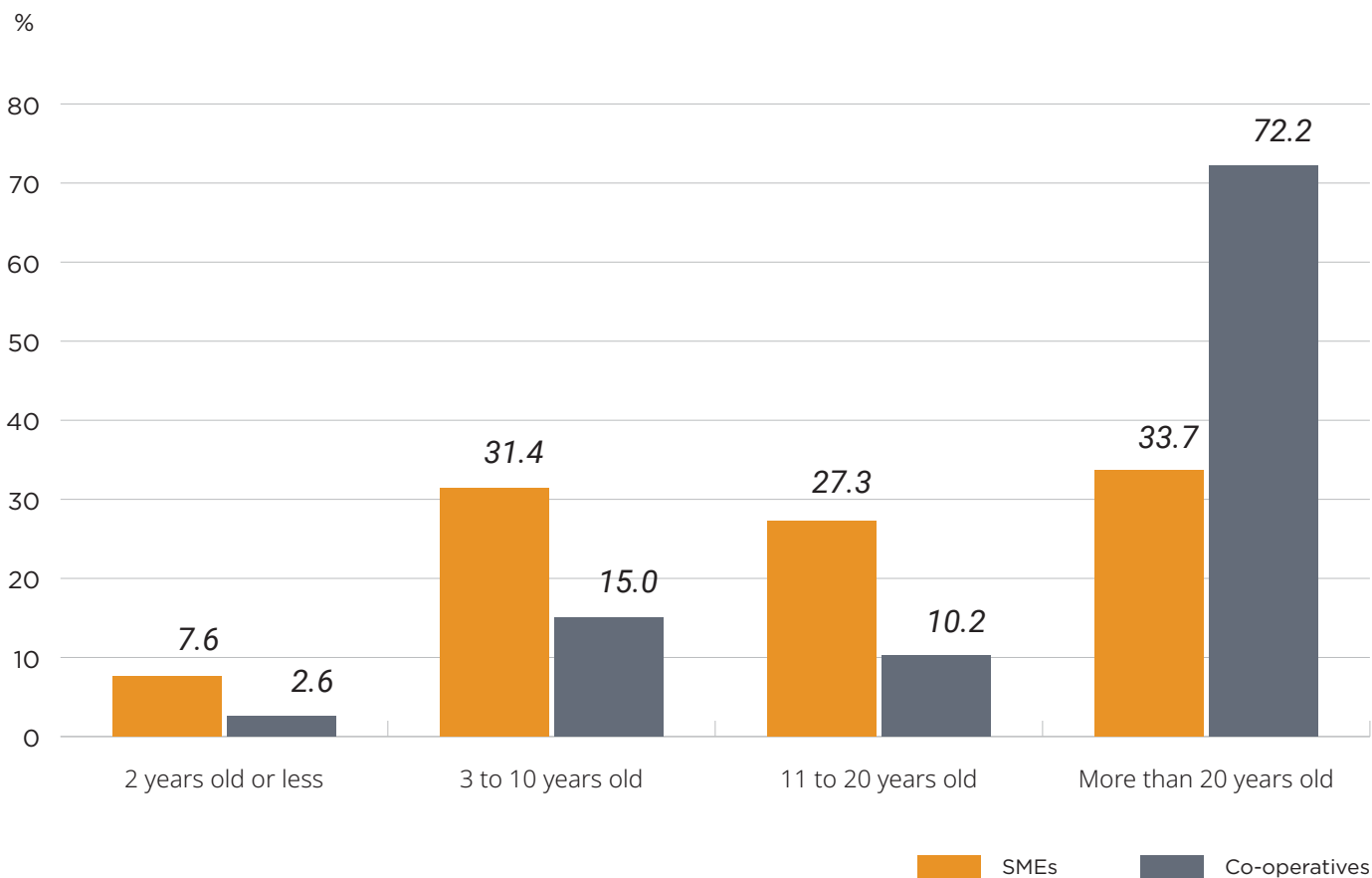
This section analyzes the various business characteristics of SMEs and co-operatives, such as age, size, ownership, growth, exports, and innovation.

4.1 Business age

Co-operatives were, on average, approximately 2.44 times older than SMEs. The average age of SMEs was 18 years while the average age of co-operatives was 44 years.

More specifically, 7.6% of SMEs were two years old or less, compared with only 2.6% of co-operatives. Approximately 31% of SMEs were three to ten years old, compared with 15% of co-operatives (Figure 5). In addition, 27.3% of SMEs were 11 to 20 years old, compared with 10.2% of co-operatives. Lastly, 33.7% of SMEs were more than 20 years old, whereas a considerably higher percentage of co-operatives (72.2%) were in this age range.

Figure 5: Age of business (% of businesses)

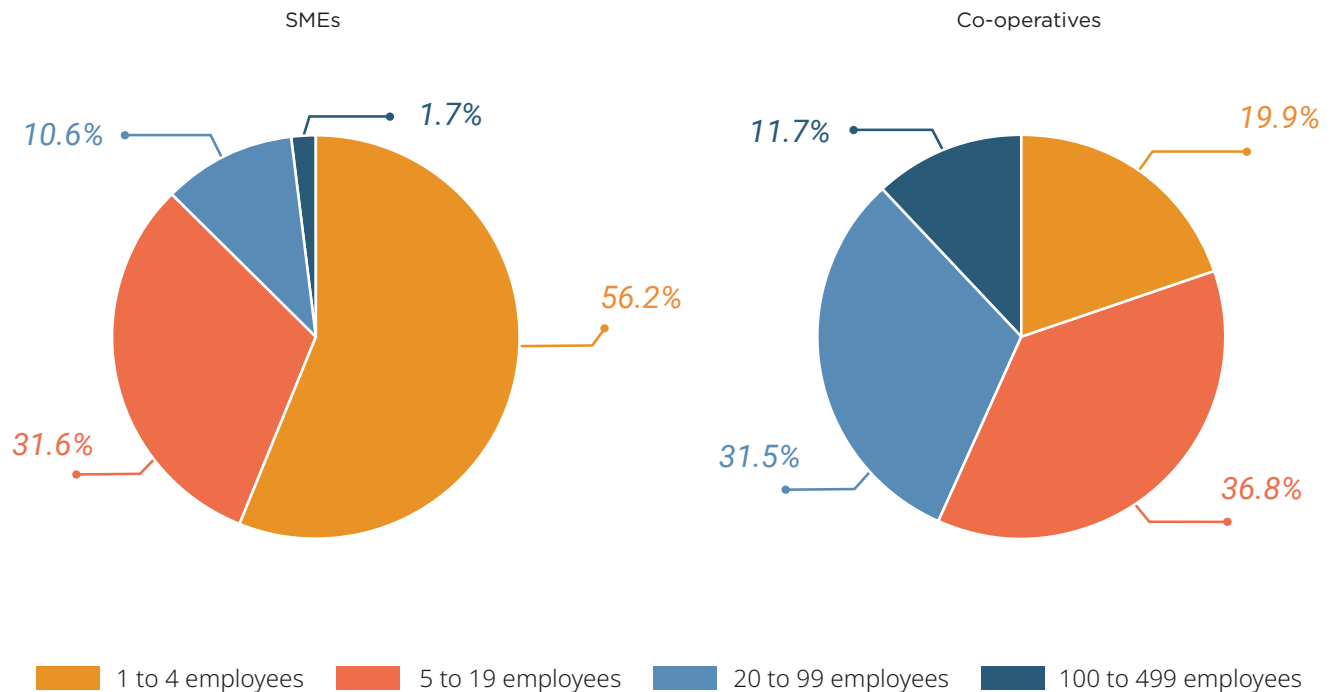


Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.2 Business size

Co-operatives tended to be larger in terms of their number of employees than SMEs, as shown in Figure 6. More than 56% of SMEs had 1 to 4 employees, compared with 19.9% of co-operatives. Also, approximately 43% of co-operatives had 20 to 499 employees, compared with only 12.3% of SMEs. Nearly 70% of co-operatives had 5 to 99 employees.

Figure 6: Size distribution of SMEs and co-operatives

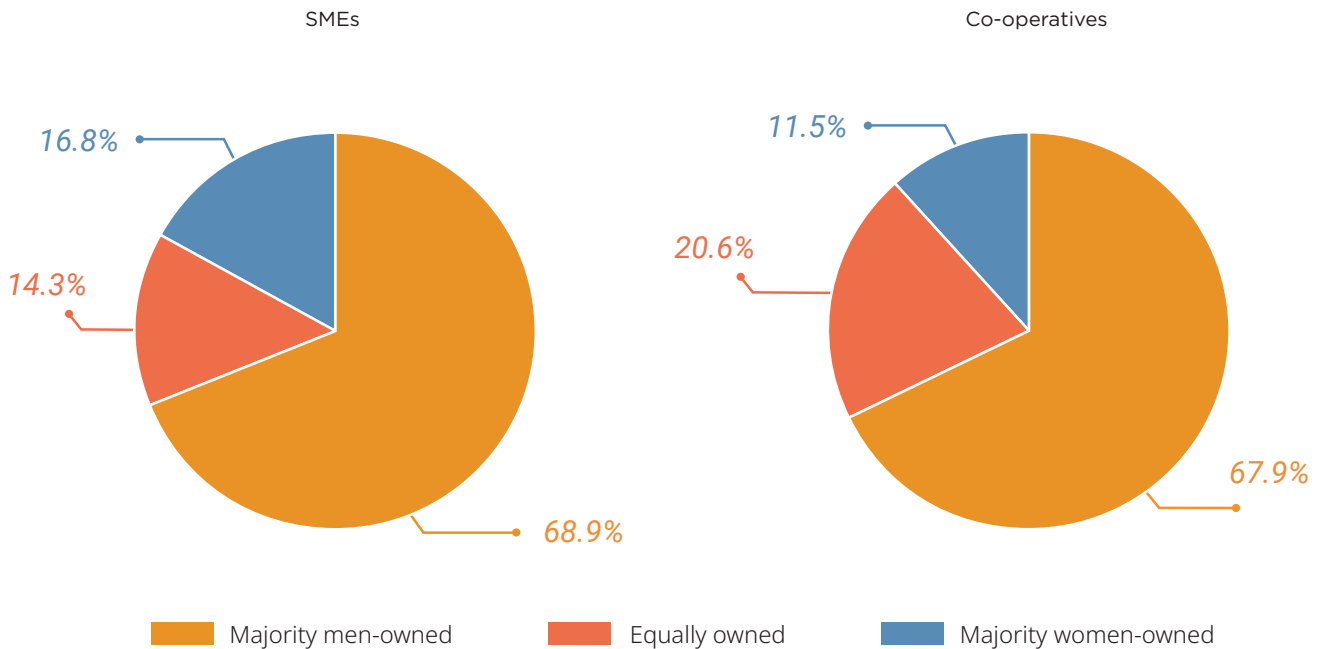


Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.3 Business ownership

Overall, more SMEs than co-operatives were majority owned by women or majority owned by men, while more co-operatives than SMEs were equally owned (Figure 7). Nearly 17% of SMEs were majority owned by women, compared with 11.5% of co-operatives. By contrast, 68.9% of SMEs were majority men-owned, compared with 67.9% of co-operatives. Co-operatives (20.6%) were more likely than SMEs (14.3%) to be equally owned by men and women.

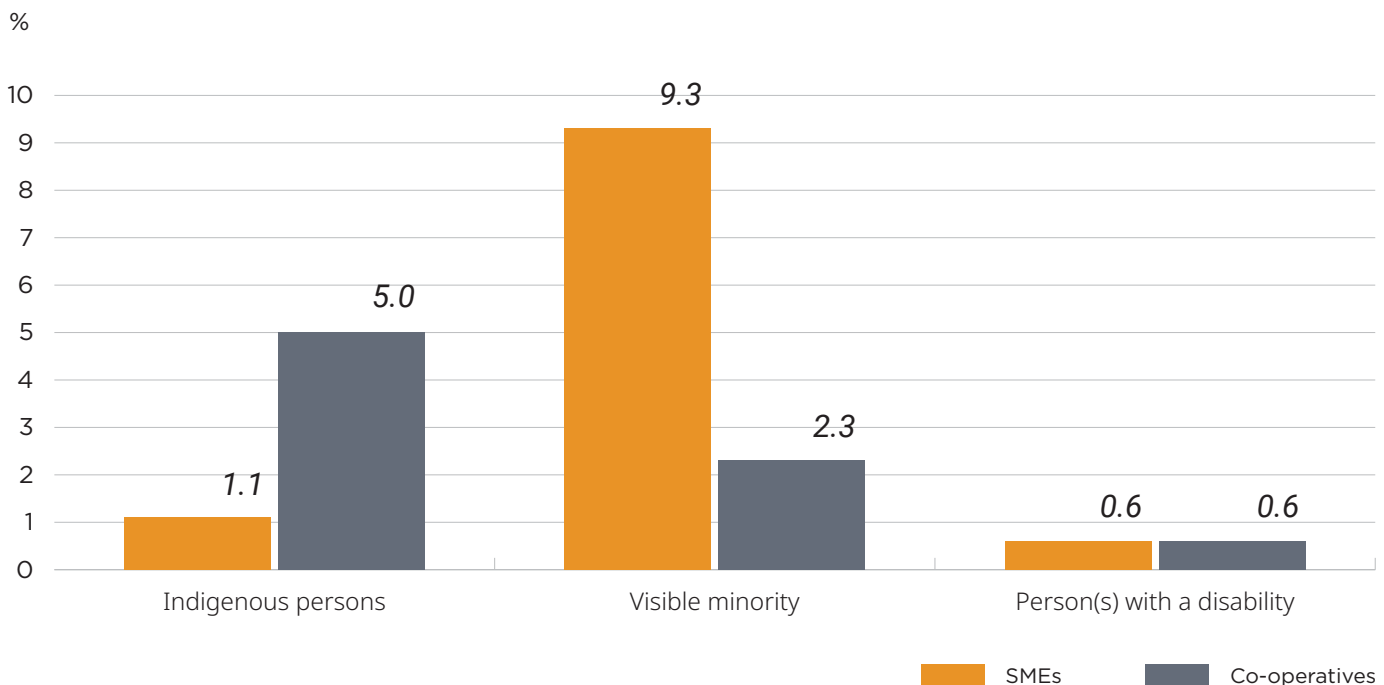
Figure 7: Gender of majority ownership (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

Figure 8 shows the majority ownership of businesses held by diverse groups. SMEs were less likely to be owned by Indigenous peoples (1.1%) than co-operatives (5%). On the other hand, a higher percentage of SMEs were owned by visible minorities⁹ (9.3%) than co-operatives (2.3%). Similar proportions of SMEs and co-operatives were owned by persons with a disability.

Figure 8: Majority ownership by different groups (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

⁹ The term 'visible minorities' here excludes Indigenous peoples.

4.4 Growth

The growth of SMEs and co-operatives can be analyzed over two periods. Figures 9 and 10 present statistics based on firms' growth over the previous three years (2018 to 2020) and about firms' expectations for growth over the next three years (2021 to 2023).

From 2018 to 2020, 20.9% of SMEs and 16.7% of co-operatives experienced less than zero (negative) growth in sales or revenues.

Furthermore, 17.5% of SMEs and 13.4% of co-operatives did not grow at all. Combining these numbers, we see that 38.4% of SMEs and 30.1% of co-operatives did not undergo positive growth in the last three years.

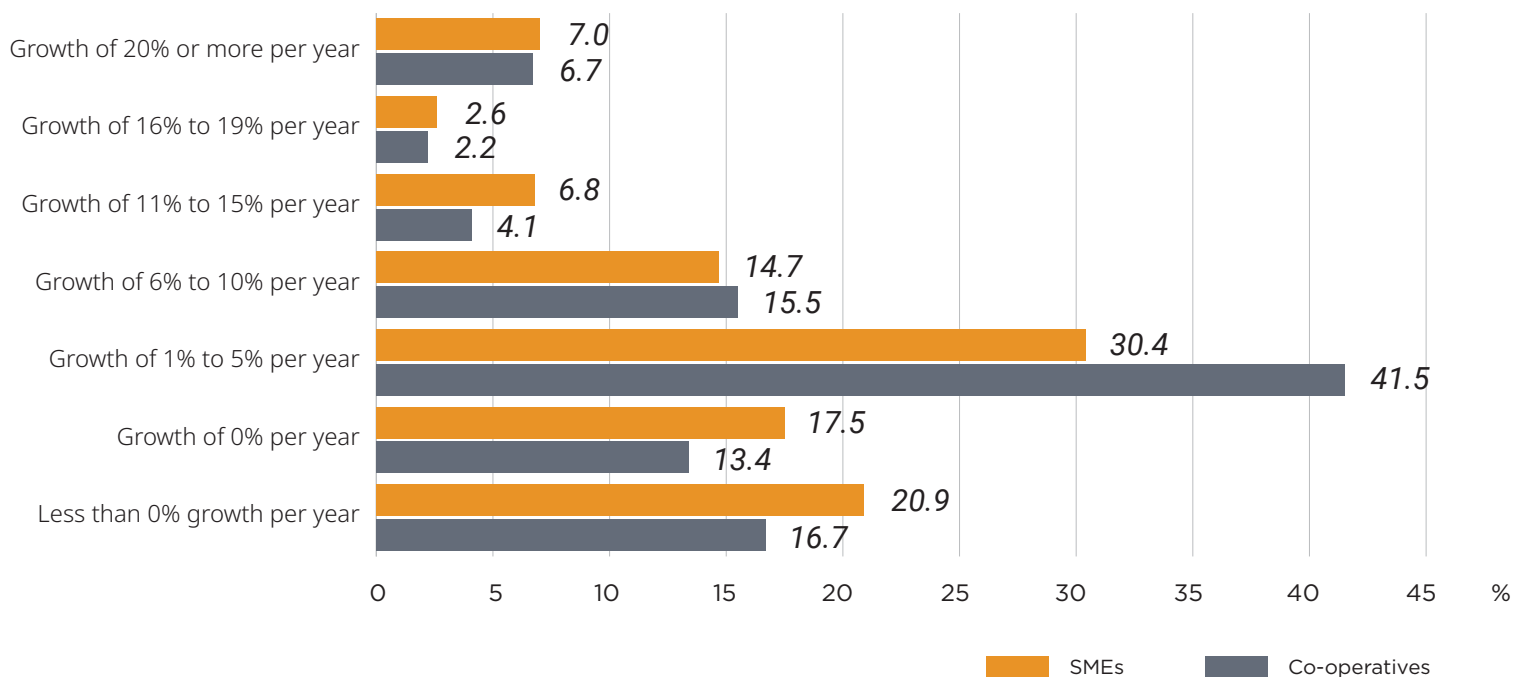
Thirty percent of SMEs and 41.5% of co-operatives grew by 1% to 5%.

Seven percent of SMEs grew by 20% or more over the last three years, compared with 6.7% of co-operatives.

Most firms were optimistic in their expectations of growth from 2021 to 2023, expecting to experience positive growth in sales or revenues (Figure 10).

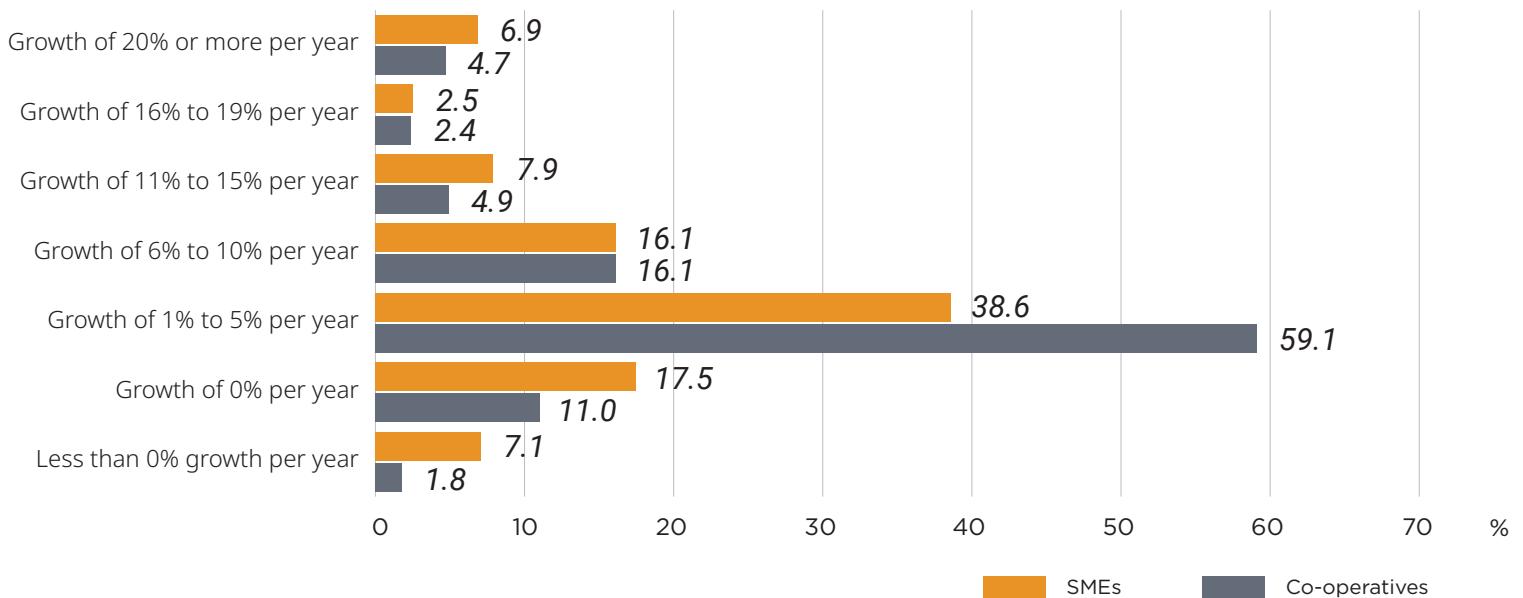
Only 7.1% of SMEs and 1.8% of co-operatives expected to experience negative growth over the next three years.

Figure 9: Average yearly growth in sales/revenues over the last 3 years (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

Figure 10: Expected average yearly growth in sales/revenues over the next 3 years (% of businesses)

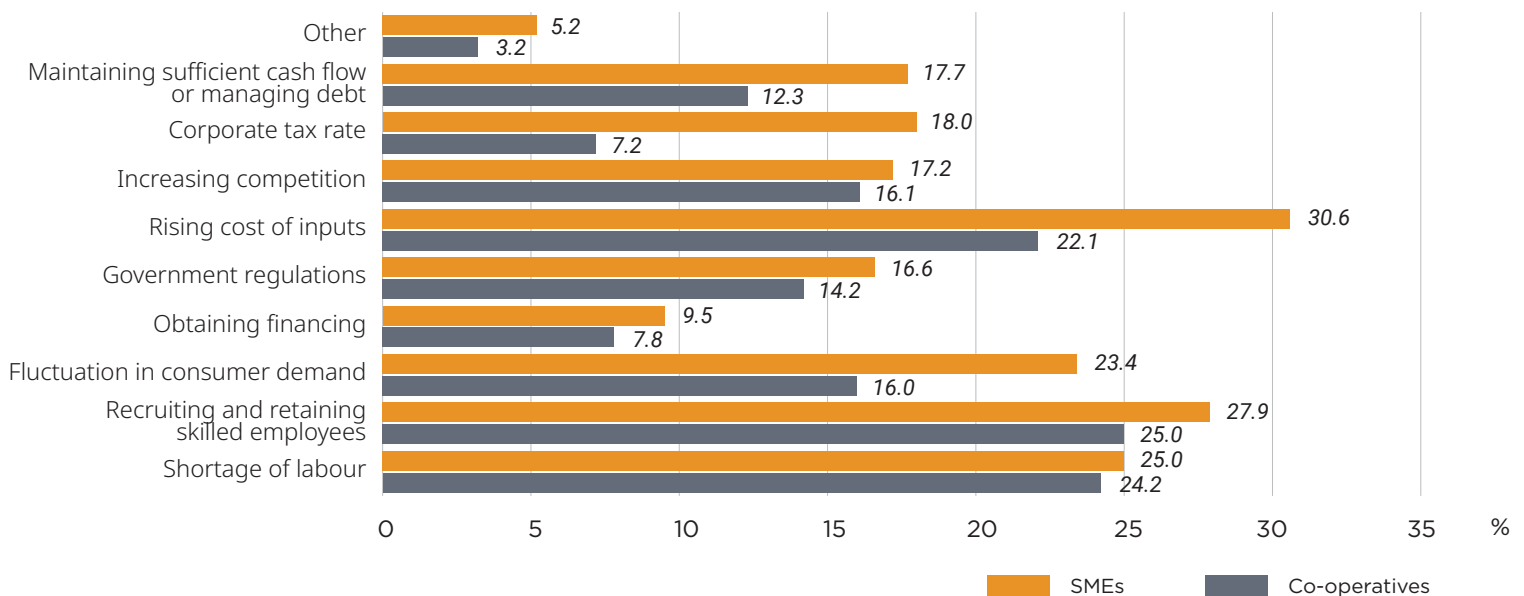


Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.5 Obstacles to growth

Figure 11 shows major obstacles to growth reported by SMEs. Generally, SMEs and co-operatives faced similar obstacles to their growth. For co-operatives (25.0%), the most commonly reported major obstacle to growth was recruiting and retaining skilled employees, while for SMEs (30.6%), the most commonly reported major obstacle to growth was the rising cost of inputs.

Figure 11: Major obstacles to growth (% of businesses)



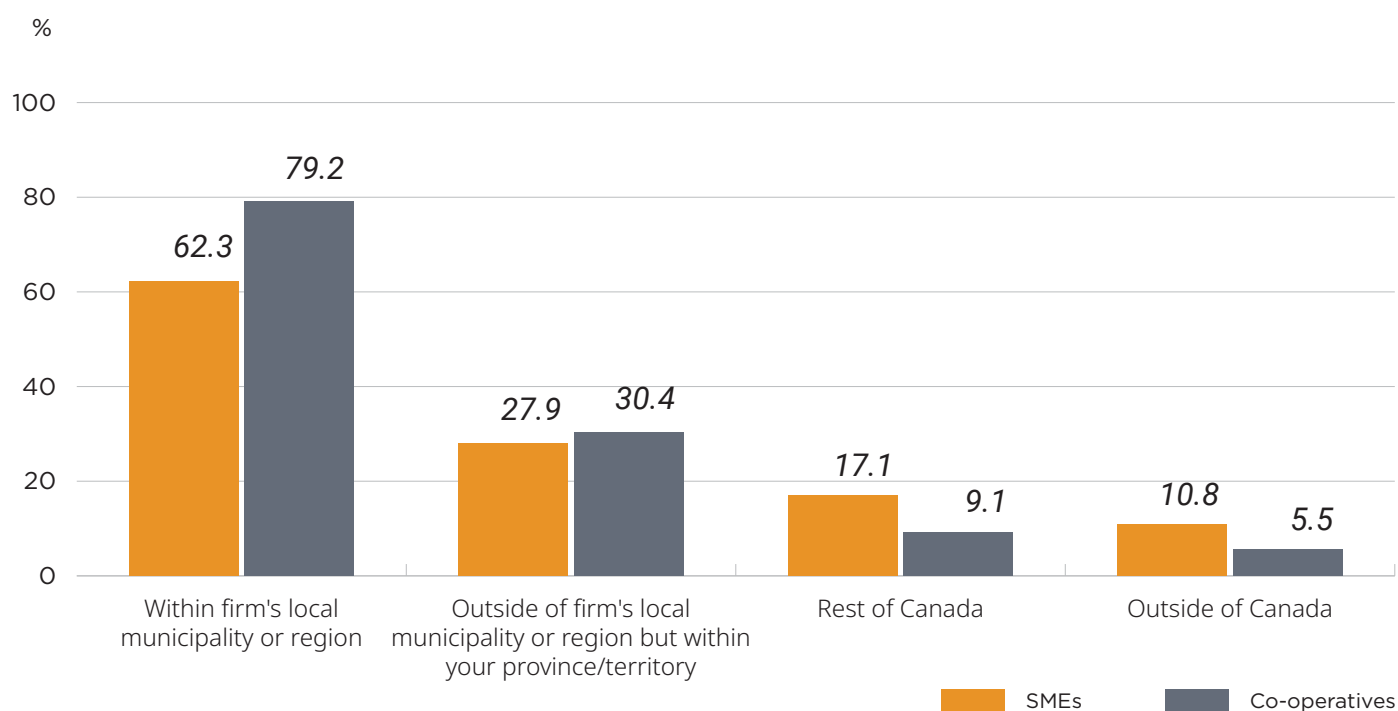
Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.6 Intentions to expand

Over the next three years, 76.8% of SMEs reported intending to expand sales into a new market, compared with 86.4% of co-operatives. However, only 5.5% of co-operatives and 10.8% of SMEs intended to expand their sales in a market outside of Canada, with the majority of co-operatives (79.2%) and SMEs (62.3%) planning to expand within their local municipality or region, as shown in Figure 12.

For those planning to expand outside of Canada, the top country targeted was the United States (86.8% of SMEs and 65.4% of co-operatives). The second most popular target was Europe, excluding the United Kingdom, with 27.2% of SMEs and 55.2% of co-operatives planning to establish themselves there.¹⁰

Figure 12: Intentions to expand for SMEs and co-operatives (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.7 Exports

In 2020, about 12.1% of SMEs and 7.4% of co-operatives were engaged in exporting. SMEs primarily exported services (44.7%), followed by goods (37.6%), and both goods and services (17.7%). As for co-operatives, 48.4% exported goods exclusively, 23% exported services exclusively, and 28.5% exported both goods and services. For both SMEs (83.7%) and co-operatives (84.5%), the United States was the preferred foreign destination for exports.

¹⁰ The quality of the estimates for co-operatives from the survey is low (quality code D—mediocre). Therefore, it should be treated with caution.

4.8 Reasons for not exporting

Both SMEs and co-operatives indicated that the local nature of their business was the principal reason for not exporting (86.7% of SMEs versus 90.4% of co-operatives).

Table 5: Reasons for not exporting (% of businesses)

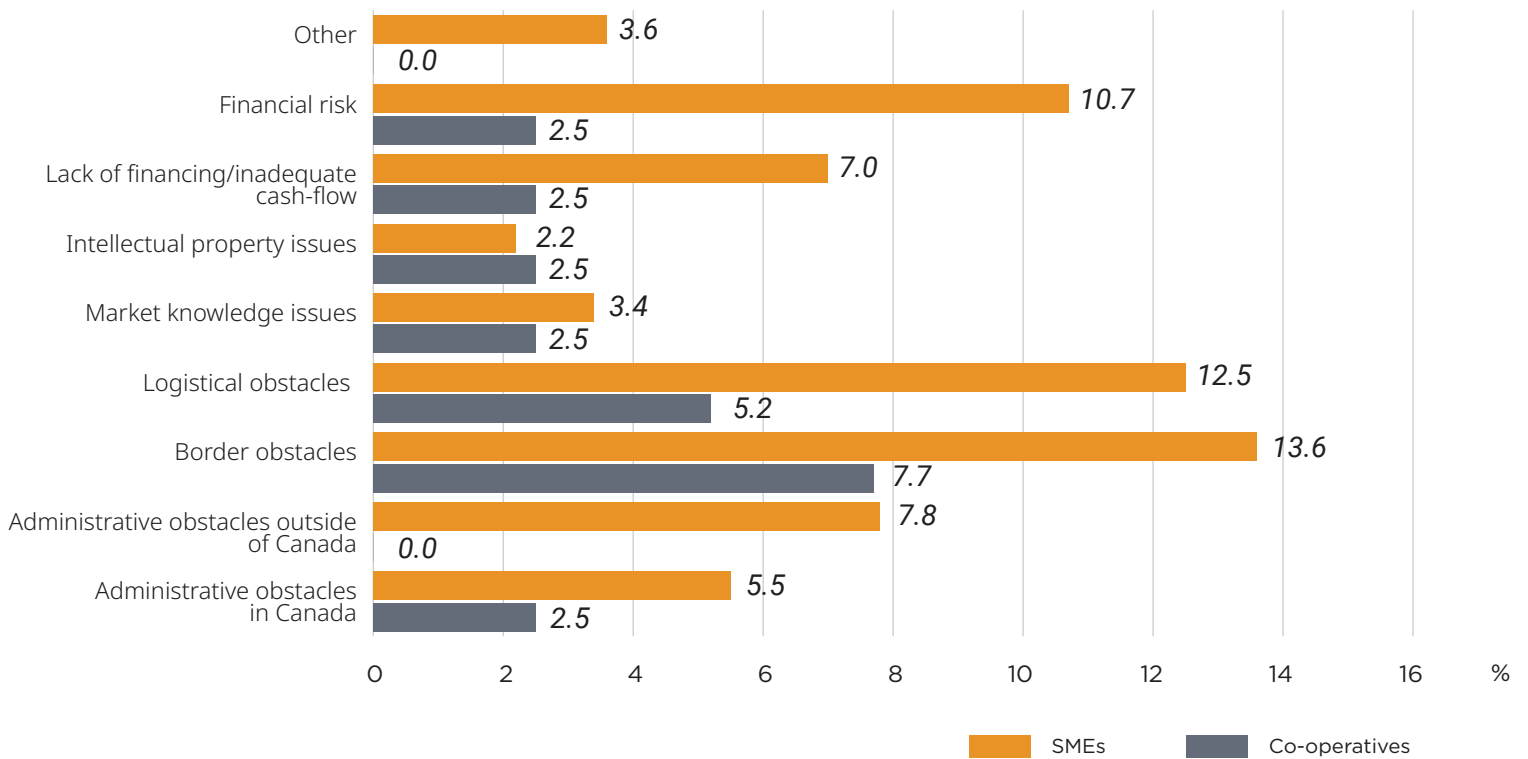
Reasons for not exporting	SMEs	Co-operatives
	%	%
Local nature of business	86.7	90.4
Administrative obstacles in Canada	2.7	2.5
Administrative obstacles outside of Canada	2.7	1.4
Border obstacles	3.2	1.8
Logistical obstacles	3.3	2.2
Market knowledge issues	2.4	1.4
Intellectual property issues	0.4	0.4
Lack of financing/inadequate cash flow	1.5	0.8
Financial risk	1.9	1.4
Other	9.8	7.9

Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.9 Obstacles to exporting

Regarding obstacles to exporting for those who exported in 2020 (Figure 13), both SMEs and co-operatives most often indicated border obstacles as a major obstacle to exporting (13.6% and 7.7% respectively), followed by logistical obstacles (12.5% of SMEs and 5.2% of co-operatives). Administrative obstacles outside of Canada were not considered a major obstacle to growth for co-operatives, while 7.8% of SMEs considered it a major obstacle.

Figure 13: Major obstacles to exporting (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.10 Innovation

The SFGSME surveyed innovation activities over the previous three years (2018 to 2020), as shown in Table 6. Around 16% of SMEs and 23.4% of co-operatives developed a product innovation. For each type of innovation, more co-operatives engaged in innovation activities than all SMEs.

Approximately 28% of SMEs and 39.3% of co-operatives were considered innovators, meaning that they developed at least one type of innovation.

Table 6: Innovation activities (% of businesses)

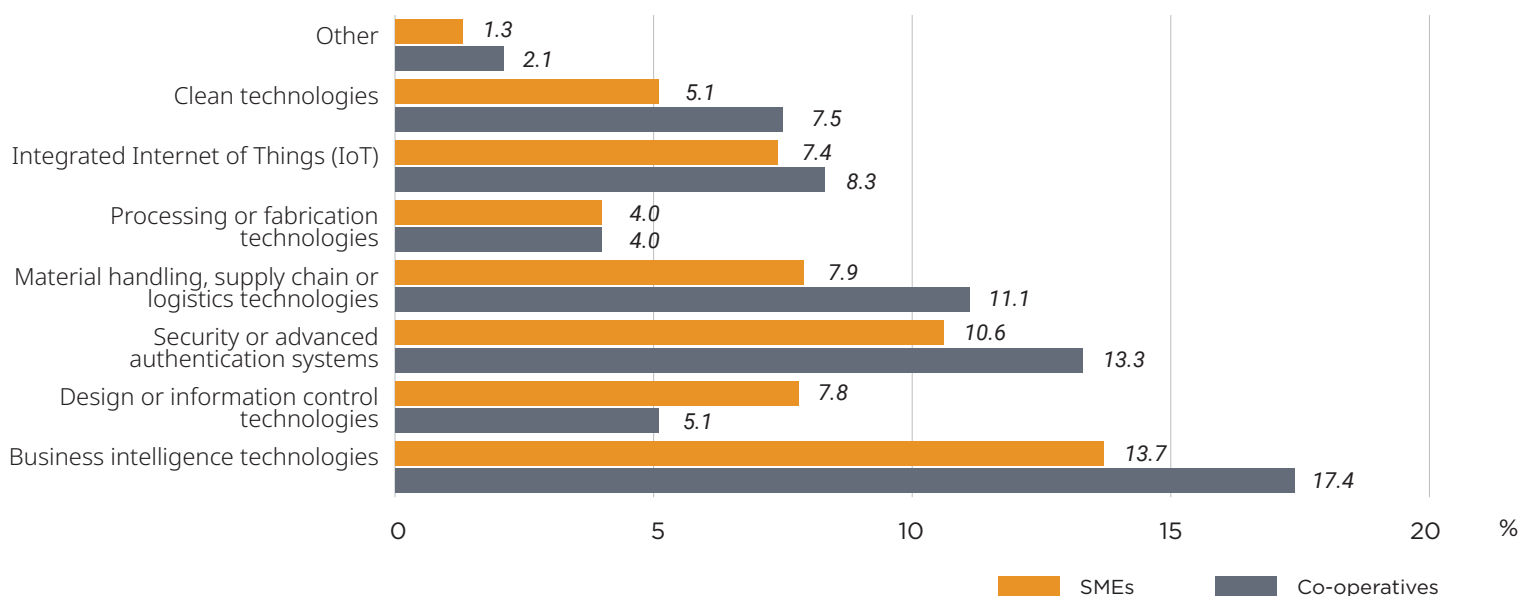
Innovation activities in the last three years	SMEs	Co-operatives
	%	%
A new or significantly improved good or service (product innovation)	16.4	23.4
A new or significantly improved production process or method (process innovation)	8.3	11.0
A new organizational method in business practices, workplace organization, or external relations (organizational innovation)	8.6	15.9
A new way of selling goods or services (marketing innovation)	9.2	15.4

Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

4.11 Advanced technology adoption

Overall, 13.7% of SMEs adopted at least one advanced technology compared with 17.4% of co-operatives over the past three years (2018-2020). The advanced technology (Figure 14) most commonly adopted by both SMEs (13.7%) and co-operatives (17.4%) was business intelligence. ¹¹ This was followed by security or advanced authentication systems (10.6% of SMEs versus 13.3% of co-operatives). The third most adopted technology by co-operatives and SMEs was material handling, supply chain or logistic technologies, respectively by 11.1% and 7.9%.

Figure 14: Technology adoption (% of businesses)



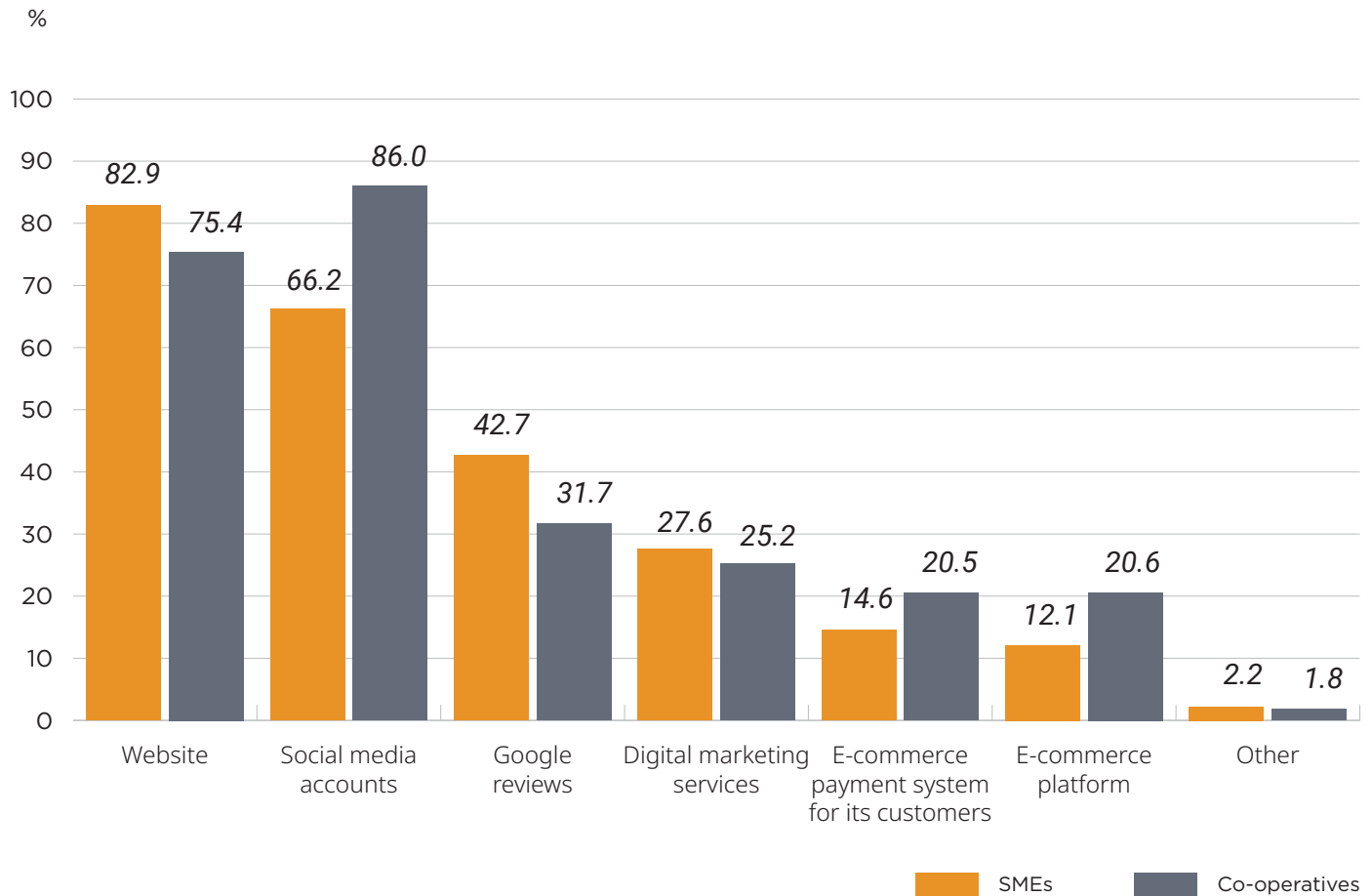
Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

11 For more details about advanced technologies, see Question 64 in the [survey questionnaire](#).

4.12 Online presence

Regarding the online presence of firms, co-operatives (72.9%) were more likely than SMEs (58.5%) to have an online presence. Figure 15 shows the types of services and sites used by SMEs and co-operatives. The most common types of online presence were social media accounts (66.2% of SMEs and 86% of co-operatives) and websites (82.9% of SMEs and 74.4% of co-operatives). Digital marketing services were also used by SMEs and co-operatives (27.6% and 25.2%, respectively).

Figure 15: Online presence by type of sites and services used (% of businesses)



Source: Statistic Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2020.

CONCLUSION

The data collected by the 2020 Survey on Financing and Growth of Small and Medium Enterprises allows for a comparison of co-operatives that are small and medium-sized enterprises (SME) with all SMEs. This profile presents results on impacts of the COVID-19 pandemic, financing, growth, innovation, and online presence.

Due to the COVID-19 pandemic, 15.8% of co-operatives had to close temporarily in 2020, for an average of 12 weeks, compared with 33.4% of SMEs.

Several government programs were available to provide financial assistance to firms struggling to survive or stay open.

Approximately 54% of co-operatives applied for the Canada Emergency Wage Subsidy (CEWS), compared with 44.8% of SMEs.

In comparison, 65.2% of SMEs and 45.7% of co-operatives applied for the Canada Emergency Business Account (CEBA) program.

Co-operatives tended to be older than SMEs, with an average age of 44 years, compared with 18 years for SMEs.

They also tended to be larger: 43% of co-operatives had 20 to 499 employees in 2020, compared with 12% of SMEs.

Approximately 83% of co-operatives requested external financing in 2020, compared with 82% of SMEs.

Government financing was the most requested type of external financing for both SMEs and co-operatives. This could be explained by the introduction of several COVID-19-related programs by the Government.

Approximately 22% of co-operatives and 16% of SMEs requested debt financing in 2020, and the main source of debt financing was credit unions and caisses populaires for co-operatives and domestic chartered banks for SMEs.

The overall approval rate of debt financing requests was 95.7% for co-operatives and 90.8% for SMEs.

Co-operatives were generally more locally oriented than SMEs, as they intended to expand locally, while SMEs intended to expand more outside their province or even outside the country.

More co-operatives adopted advanced technologies over the last three years than SMEs.

Both co-operatives and SMEs were likely to have an online presence, most commonly social media accounts or websites.

Finally, co-operatives were more innovative than SMEs, with 39% considered to be innovators, compared with 28% of SMEs.