



SMALL BUSINESS

Financing Profiles

SME Financing Data Initiative

June 2007

Small and Medium-Sized Enterprises in British Columbia

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Because small and medium-sized enterprises (SMEs) account for nearly all businesses in British Columbia, they are strong drivers in job creation and provincial economic growth. SMEs are also strong contributors to productivity, and have led larger firms in productivity growth in the last 10 years.¹ The big role that SMEs play in B.C.'s economy requires a sound infrastructure to facilitate their growth and expansion. Access to financing is critical for these businesses to develop and expand. This article provides an overview of the characteristics of SMEs in B.C. and looks at the differences in financing activity between the average B.C. firm and the average Canadian firm, using data from the SME Financing Data Initiative.

Summary of Key Findings: *British Columbia is home to a wide variety of SMEs in all industry sectors. The financing activity and needs of B.C.'s SMEs are very similar to the average Canadian firm. In B.C., debt is typically the most requested form of financing by SMEs, with a small number of firms seeking equity financing, as is the case in the rest of Canada. Risk capital is a growing source for capital among high-growth and technology-focused SMEs in British Columbia, particularly as provincial tax-credit programs encourage investments at the early stage.*

Definitions

This analysis defines small and medium-sized enterprises (SMEs) as commercial (for-profit) businesses with fewer than 500 employees and less than \$50 million in annual revenues.

Excluded are non-profit and government organizations, schools, hospitals, subsidiaries, co-operatives, and finance and leasing companies.

This analysis compares the profile and financing activity of SMEs in British Columbia with national averages.

GENERAL CHARACTERISTICS

SMALL FIRMS MAKE BIG IMPACT IN B.C.

According to Statistics Canada's 2004 *Survey on Financing of Small and Medium Enterprises*, approximately 200 000 SMEs operate in British Columbia.² This represents roughly 15 percent of all SMEs in Canada, which is slightly higher than B.C.'s share of the Canadian population in 2004 at 13 percent (see Table 1).³

Table 1
Distribution of SMEs, Gross Domestic Product (GDP) and Population across Canada, 2004

Region	SME Share	GDP Share	Population
	(% Canada)		
Atlantic Provinces	6	6	7
Quebec	22	20	24
Ontario	36	40	39
Prairie Provinces	22	21	17
British Columbia	15	12	13
Territories	<1	<1	<1
Canada Total	100	100	100

Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

Statistics Canada, CANSIM, Table 051-0001, Estimates of Population, by Age Group and Sex, Canada, Provinces and Territories.

Statistics Canada, CANSIM, Table 384-0002, Gross Domestic Product, Expenditure-Based, by Province and Territory.

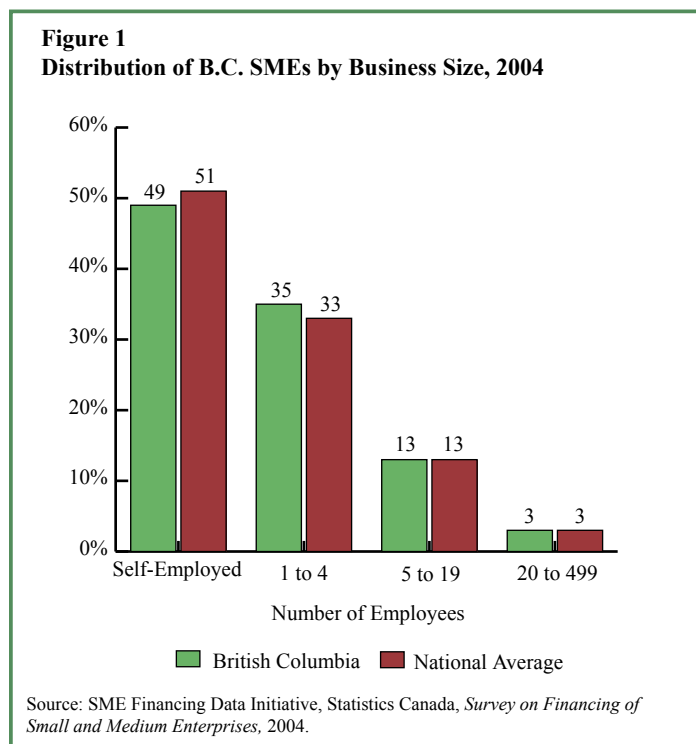
¹ RBC, "Small and Medium-Sized Businesses are Driving Productivity Gains," October 2006.

² Survey data exclude non-profit and government organizations, schools, hospitals, subsidiaries, co-operatives, and finance and leasing companies.

³ Statistics Canada, CANSIM, Table 051-0001, Estimates of Population, by Age Group and Sex, Canada, Provinces and Territories.

SMEs are a major job creator in the Canadian economy. Employment growth in SMEs was estimated at 2.4 percent a year from 1983 to 2003, more than double the 1-percent employment growth seen among large firms.⁴ During the same period, SMEs created more than 78 percent of all net new jobs in Canada. In B.C., small businesses with fewer than 50 staff members employed one million individuals in 2004, representing nearly 60 percent of all private-sector jobs in B.C.⁵

SMEs in B.C. are relatively young, with a higher than average proportion of firms in operation for less than three years.⁶ Roughly 14 percent of the province's SMEs are in the start-up stage, compared with 11 percent for the national average. Half of B.C.'s SMEs intend to expand in the next two years.



Exporting is one possible growth strategy for B.C. firms given the province's business, trade and transportation networks with the United States and the Asia-Pacific region. One out of 10 SMEs in B.C. exported products or services outside Canada in 2004. This is slightly higher than the national average of 8 percent. Export sales play an important role in the provincial economy, having generated 20 percent of the total provincial gross domestic product (GDP) in 2004 and comprised one third of total revenues for B.C.'s exporting SMEs.

MOSTLY SMALL FIRMS IN B.C.

The financing needs of SMEs depend largely on the size of the firm. SMEs in B.C. are mostly small businesses, with 97 percent employing fewer than 20 people (see Figure 1). Medium-sized and large firms are more likely to seek external financing, whereas small firms typically turn to informal sources of capital, including personal finances.⁷

The self-employed are prominent in B.C., representing nearly half of all of B.C.'s SMEs, similar to the national average, although less than the Prairies at 60 percent. From 2000 to 2005, self-employment rose 20 percent in B.C., much more rapidly than the 9-percent growth seen overall in Canada.⁸ The majority of self-employed individuals (76 percent) worked in the services sector during this period, the rest in the goods-producing sector. Self-employed firms are more likely to use personal savings and personal credit cards to finance their operations compared with larger firms.

⁴ BMO, "SME Job Engine Drives Canadian Employment Growth," *Small Business Research*, Vol. 3, October 2003.

⁵ BC Stats, "2005 Small Business Profile." Note that small businesses are defined in this report as those firms with fewer than 50 employees.

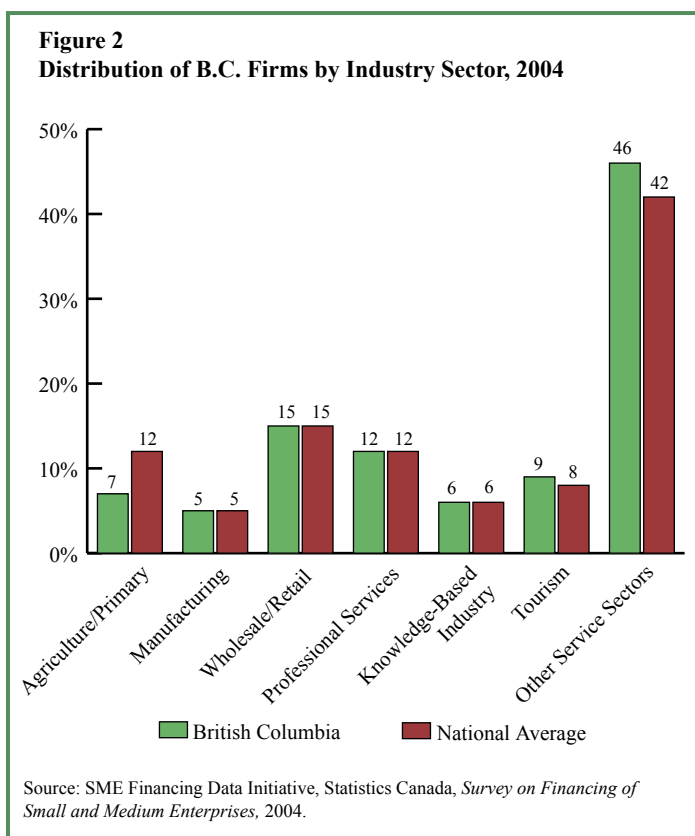
⁶ Firms less than three years old (i.e. businesses that first started selling goods or services between 2002 and 2004).

⁷ Corporate Research Associates, "The Canadian SME Report, Spring 2005," July 2005.

⁸ Statistics Canada, *Labour Force Survey*, Tables 282-0089 and 282-0012.

B.C. FIRMS DOMINANT IN SERVICES

SMEs in B.C. operate in all major industry sectors, with 79 percent (see Figure 2) in the services sector,⁹ which contributes heavily to the provincial economy, generating 74 percent of the province's GDP in 2004.¹⁰ SMEs in the services sector are found largely in the wholesale/retail (15 percent), professional services (12 percent) and knowledge-based industry sectors (6 percent).



B.C. ranks second (6 percent) to Ontario (7 percent), but ahead of the Prairies and Quebec (5 percent each) in terms of the portion of Canadian knowledge-based industries operating there. While firms in all sectors requested some form of debt financing in 2004, those in the knowledge-based sector were twice as likely as

those in other sectors to seek equity financing. Other research suggests that businesses in knowledge-based industries had a lower authorization rate for debt financing compared with companies in the agriculture and primary sectors.¹¹

SME OWNERS REPRESENTATIVE OF B.C.'S POPULATION

Similar to the province's population, B.C. entrepreneurs are very diverse in terms of language, ethnic background and gender (see Table 2). Representing 22 percent of the overall B.C. population,¹² it is not surprising that B.C. has the highest representation of SMEs owned by visible minorities at 12 percent, followed by 10 percent in Ontario.

B.C. also has the highest share of SMEs owned by recent immigrants in Canada. Immigration in B.C. rose 21 percent in 2005 from the previous year, nearly double the national immigration rate.¹³ The top three countries of origin for immigrants are China, India and the Philippines.

Given the presence of visible minorities and recent immigrants in B.C., the province also has the highest percentage of SME owners whose mother tongue is other than English or French at 23 percent, followed by Ontario at 20 percent. This closely follows the 24 percent of B.C. residents whose first language is neither English nor French.

While recent research has found no significant difference between visible minority business owners' access to financing and other entrepreneurs, further research will be needed to determine whether those

⁹ For the purposes of this analysis, services sector includes the wholesale and retail sector, professional services, knowledge-based industries and other sectors. Knowledge-based firms are defined using Industry Canada's categorization of industries in the science and technology field and those considered "high knowledge" based on measures of research and development activity.

¹⁰ Statistics Canada, CANSIM, Table 379-0025, Gross Domestic Product (GDP) at Basic Prices, by North American Industry Classification System (NAICS) and Province, Annual.

¹¹ SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

¹² Statistics Canada, 2001 Census.

¹³ Citizenship and Immigration Canada, *The Monitor*, 2006, Issue 2.

Table 2
Profile of Entrepreneurs, Comparison between B.C. and Canada, 2004

B.C. Entrepreneurs	Characteristics	National Average
20 percent owned by women, 57 percent owned by men and 23 percent are partnerships	Gender	16 percent owned by women, 64 percent owned by men and 20 percent are partnerships
12 percent visible minority, 3 percent Aboriginal, 3 percent disabled and 2 percent are recent immigrants	Minority Status	7 percent visible minority, 2 percent Aboriginal, 4 percent disabled and 1 percent are recent immigrants
3 percent are under 30, 86 percent are between 30 and 64, and 11 percent are over 65 years	Age	3 percent are under 30, 87 percent are between 30 and 64, and 10 percent are over 65 years
76 percent speak English, 1 percent speak French and 23 percent speak a non-official language	First Language	67 percent speak English, 19 percent speak French and 14 percent speak a non-official language
14 percent have fewer than 5 years, 20 percent have 5 to 10 years and 66 percent have more than 10 years	Managerial Experience	12 percent have fewer than 5 years, 19 percent have 5 to 10 years and 69 percent have more than 10 years
84 percent urban-based and 16 percent rural-based	Location	72 percent urban-based and 28 percent rural-based
10 percent export outside Canada	Export Activity	8 percent export outside Canada

Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

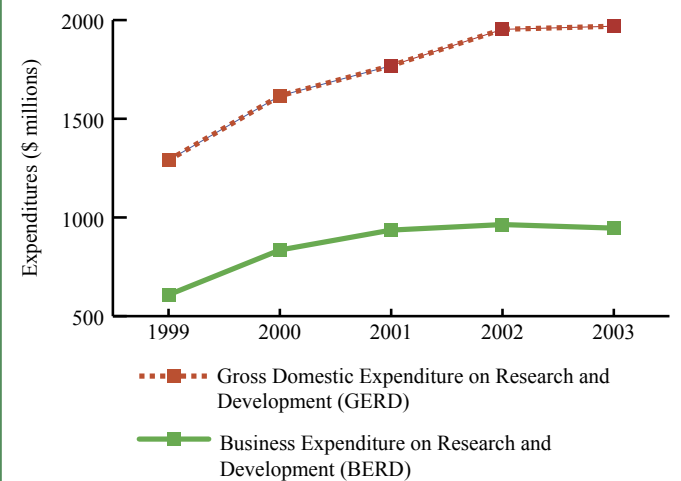
recent immigrants face other obstacles as immigration continues to increase in B.C.¹⁴

SME INNOVATION ACTIVITY

From 1999 to 2003, small, medium-sized and large firms in B.C. funded in excess of \$4 billion in research and development (R&D), accounting for nearly half of the R&D expenditures in the province (see Figure 3).¹⁵ Business R&D expenditures in B.C. accounted for less than 10 percent of the Canadian total in 2004. While this puts B.C. in third place in share of business R&D expenditures in Canada, the province is well behind Ontario (52 percent) and Quebec (30 percent).

According to the 2004 *Survey on Financing of Small and Medium Enterprises*, 60 000 firms or nearly 30 percent of SMEs in B.C. invested in R&D activities in 2004, similar to the national average. Approximately 118 SMEs in B.C. reported spending more than 10 percent of their investment expenditure on research and development.

Figure 3
Expenditures on Research and Development in British Columbia, 1999–2003



Source: Statistics Canada, CANSIM, Table 380-0017 and Catalogue No. 88F0006XIE, Estimates of Canadian Research and Development Expenditures.

According to Statistics Canada, SMEs that accessed equity financing were more likely to conduct R&D activities than firms that sought debt funding.¹⁶ SMEs in Ontario, Quebec and B.C. were more likely to

¹⁴ Carrington, C. "Small Business Financing Profiles: Visible Minority Entrepreneurs," SME Financing Data Initiative, Industry Canada, March 2005.

¹⁵ Statistics Canada, CANSIM, Table 380-0017 and Catalogue No. 88F0006XIE, Estimates of Canadian Research and Development Expenditures.

¹⁶ Baldwin, J., G. Gellatly and V. Gaudreault. "Financing Innovation in New Small Firms: New Evidence from Canada," Statistics Canada, May 2002.

request equity financing than most other regions. It is interesting to note that SMEs in these regions were more likely to devote more than 20 percent of their investment expenditure to R&D than other regions.

BUSINESS GROWTH

B.C. entrepreneurs tend to be more optimistic about economic conditions and their own business growth than entrepreneurs in other parts of Canada. In *The Canadian SME Report*, firms in B.C. had a more positive outlook for the provincial economy compared with other regions.¹⁷ The survey also found that more firms in Western Canada plan to introduce a new product or service in the following year than firms in Eastern Canada. These findings support results from the 2004 *Survey on Financing of Small and Medium Enterprises* where 45 percent of B.C. firms reported their intentions to expand their firm in size and scope, compared with 40 percent in Ontario and 35 percent in the Prairies.

Table 3
Perceived Obstacles to Business Growth and Development, 2004

		B.C. SMEs	SME National Average
		%	
External to the Firm	Levels of Taxation	49	47
	Finding Qualified Labour	39	37
	Instability of Consumer Demand	37	36
	Government Regulations	30	33
Internal to the Firm	Insurance Rates	34	36
	Low Profitability	34	38
	Obtaining Financing	17	20
	Management Capacity	13	13

Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

Developing a growth strategy is contingent on identifying drivers and obstacles to growth. Firms across Canada reported productivity, commercialization, succession planning and access to financing as the top drivers for business success.¹⁸ The main obstacles to growth faced by firms in B.C. and across Canada are current tax levels, lack of qualified labour, and fluctuations in consumer demand (see Table 3).

B.C. firms are less likely than firms in any other region to report access to financing as an obstacle to business development. However, results from the 2004 *Survey on Financing of Small and Medium Enterprises* suggest that B.C. firms that spent at least 10 percent of investment expenditures on R&D are more likely to find financing an obstacle to growth, along with consumer instability and low profitability.¹⁹

FINANCING ACTIVITY

One quarter of all SMEs in B.C. applied for some form of external financing in 2004. B.C. firms were more likely to apply for financing than firms in Ontario and Quebec. However, entrepreneurs in the Prairie provinces were most active in seeking financing in 2004. B.C. firms typically sought debt financing for working capital, acquisition of fixed assets or debt consolidation.

Table 4 presents an overview of the financing activity of SMEs in B.C. compared with the Prairie provinces, Ontario and Canada on average. In 2004, B.C. entrepreneurs made fewer requests for debt and leasing than the Prairie provinces, reflecting the higher demand for debt among the agriculture sector in the Prairies. While B.C. had a fairly high request rate for lease financing compared with most other regions, the approval rate in B.C. was much lower, at 88 percent, than the Prairies (99 percent) and Ontario (98 percent).

¹⁷ Corporate Research Associates, "The Canadian SME Report, Spring 2005," July 2005.

¹⁸ Ibid.

¹⁹ Observations did not yield statistically significant results. More detailed analysis is required to assess the obstacles to financing for innovative firms in B.C.

Table 4
Financing Request and Approval Rates, 2004

Type of Financing		British Columbia	Prairie Provinces	Ontario	Quebec	Atlantic Provinces	Canada
		%					
Debt Financing	Request Rate	20	23	15	18	20	19
	Approval Rate	82	82	77	88	82	81
Lease Financing	Request Rate	4	5	2	3.2	3	3
	Approval Rate	88	99	98	97	94	96
Equity Financing	Request Rate	1.1	0.9	1.3	1.4	1.7	1.2
	Approval Rate*	78	—	—	—	80	—
Government Grant or Subsidy	Request Rate	1.8	6	1.5	3.1	3.9	3
	Approval Rate	—	72	72	68	80	70

* Data not available due to low quality or confidentiality concerns.

Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

FINANCING ENVIRONMENT

In general, SMEs in B.C. did not seem to encounter any barriers to financing compared with other regions in Canada. B.C. entrepreneurs faced similar application requirements from financial institutions as elsewhere in Canada, with the exception of a slightly higher emphasis on the personal financial state of the owner (see Figure 4). This finding is consistent with newer firms and firms in the services sector.

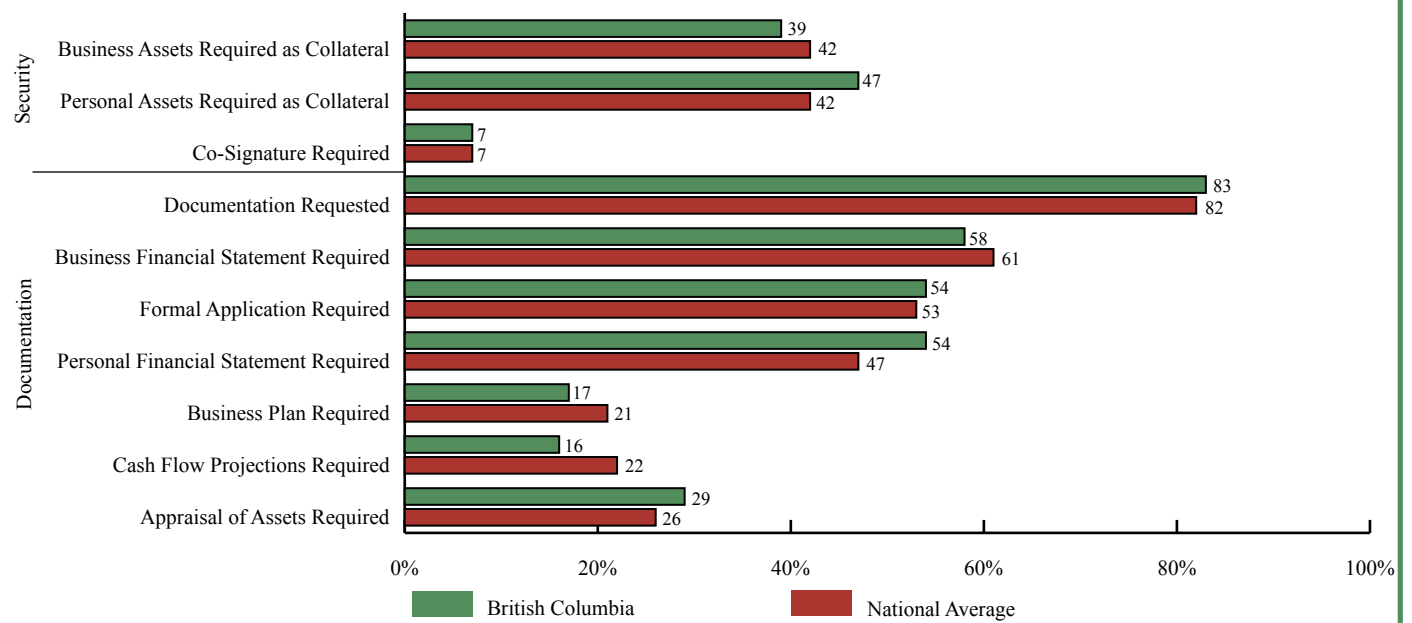
In 2004, approximately \$81.8 billion in debt financing was authorized in B.C., representing 10 percent of authorized financing in Canada. Outstanding debt amounts totalled \$49 billion in the province, equivalent to 13 percent of total outstanding debt in Canada.²⁰

Chartered banks are the main source for debt financing in B.C., which is consistent with the composition of the financial services sector in B.C. In line with the rest of the country, approximately 68 percent of those SMEs in BC that sought debt financing in 2004 approached a chartered bank, while 23 percent of firms applied at a credit union (see Figure 5). In 2004, banks accounted for 73 percent of total authorizations to all business in B.C. From 2000 to 2004, credit unions in B.C. increased their market share in total authorizations from 8 percent to 10 percent with insurance companies dropping from 12 percent to 8 percent of the market.²¹

²⁰ SME Financing Data Initiative, Statistics Canada, *Survey of Suppliers of Business Financing*, 2004. Note that total authorization amounts are defined as the sum of clients' maximum amount of money they are permitted to borrow from a supplier. This may not be the amount the client actually borrows. Outstanding debt is defined as the principal amount of money that a client has actually borrowed but not yet paid back, aggregated over all clients.

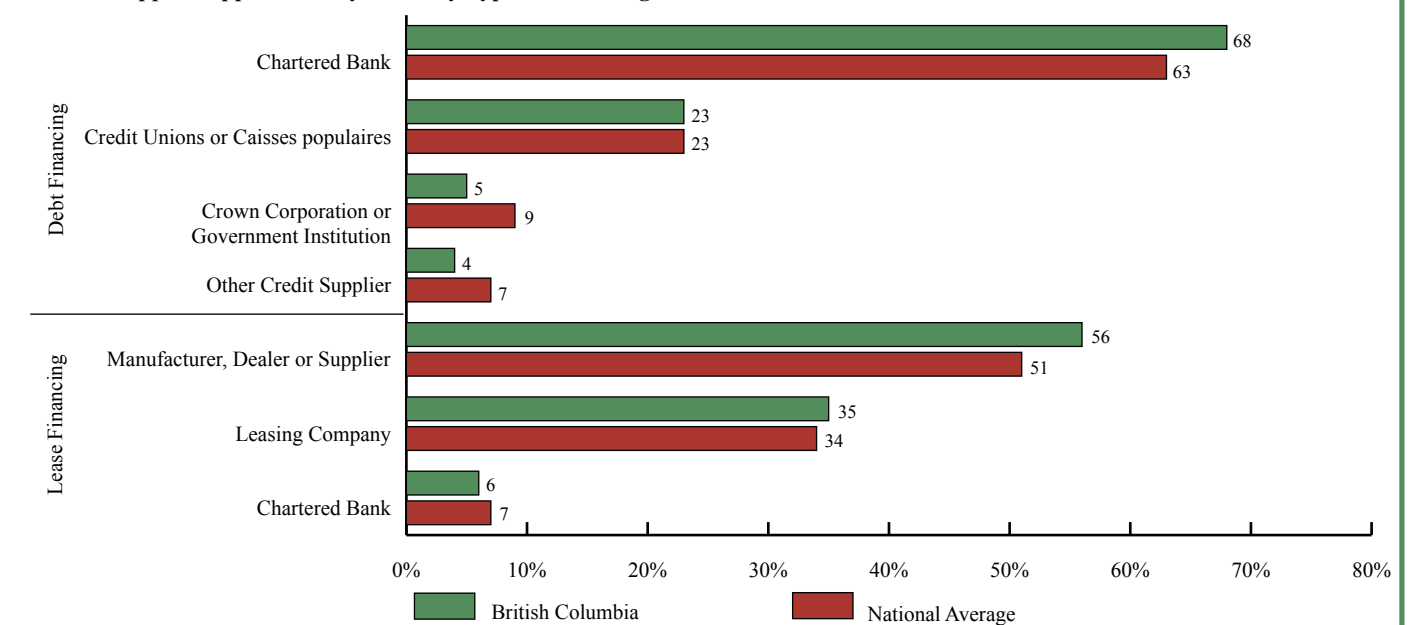
²¹ Ibid.

Figure 4
Security and Documentation Required by Financial Providers, 2004



Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

Figure 5
Financial Supplier Approached by SMEs by Type of Financing, 2004



Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

CAPITAL STRUCTURE

Entrepreneurs typically look to informal sources of financing, such as personal loans and personal savings, when starting a business or funding day-to-day operations. Informal sources of financing may be easier for SMEs to access than formal sources, like commercial loans. Figures 6 and 7 list the sources of financing used by an average B.C. firm compared with the average firm in Canada during start-up and during established operations in 2004.

At the start-up stage, the main sources of financing for most B.C. and Canadian firms are personal savings and personal credit instruments. Among established firms, B.C. companies are more likely than other regions to use informal sources, such as retained earnings, personal savings and personal credit cards, while the reverse is true at the start-up stage. Personal equity was also found to be a major source of financing among successors taking over SMEs.²²

RISK CAPITAL

As noted earlier, accessing risk capital is a specialized financing strategy typically used by high-growth, knowledge-based or technology-based firms.²³ These firms typically are in the process of developing a concept or product and bringing that product to the market. Since these firms are often not yet generating revenues and lack tangible assets, they have problems accessing credit.²⁴ Risk capital is more suitable for such firms, as it offers a means to raise money that does not require a cash flow to support repayments. Risk capital includes angel investment, loans from friends and family, and formal venture capital, as well as subordinated debt and capital from public share offerings on capital markets.

Most B.C. firms that seek equity financing turn to informal sources. Of the 1 percent of B.C. firms that sought equity financing (see Table 4) in 2004, 20 percent approached friends and family and 13 percent sought angel financing. Informal investment activity in B.C. is lower than other provinces (e.g. approximately 26 percent of SMEs in Quebec and Ontario seek financing from friends and family, and 23 percent of Quebec firms seek angel financing). Across Canada, 23 percent of firms approached friends or family, 22 percent sought out angels, 20 percent looked to existing stakeholders and 7 percent contacted a venture capital firm.

While roughly half of SMEs in B.C. intend to expand in the next two years, only 41 percent stated they were willing to share equity in their business to achieve their growth objectives. By comparison, 46 percent of entrepreneurs in Canada are willing to share ownership in their business to obtain growth capital. However, results from the 2004 *Survey on Financing of Small and Medium Enterprises* suggests that B.C. entrepreneurs who budget at least 10 percent of investment expenditures on R&D are more likely to expand and to share equity for growth capital compared with the Canadian average.

VENTURE CAPITAL ACTIVITY ON THE RISE

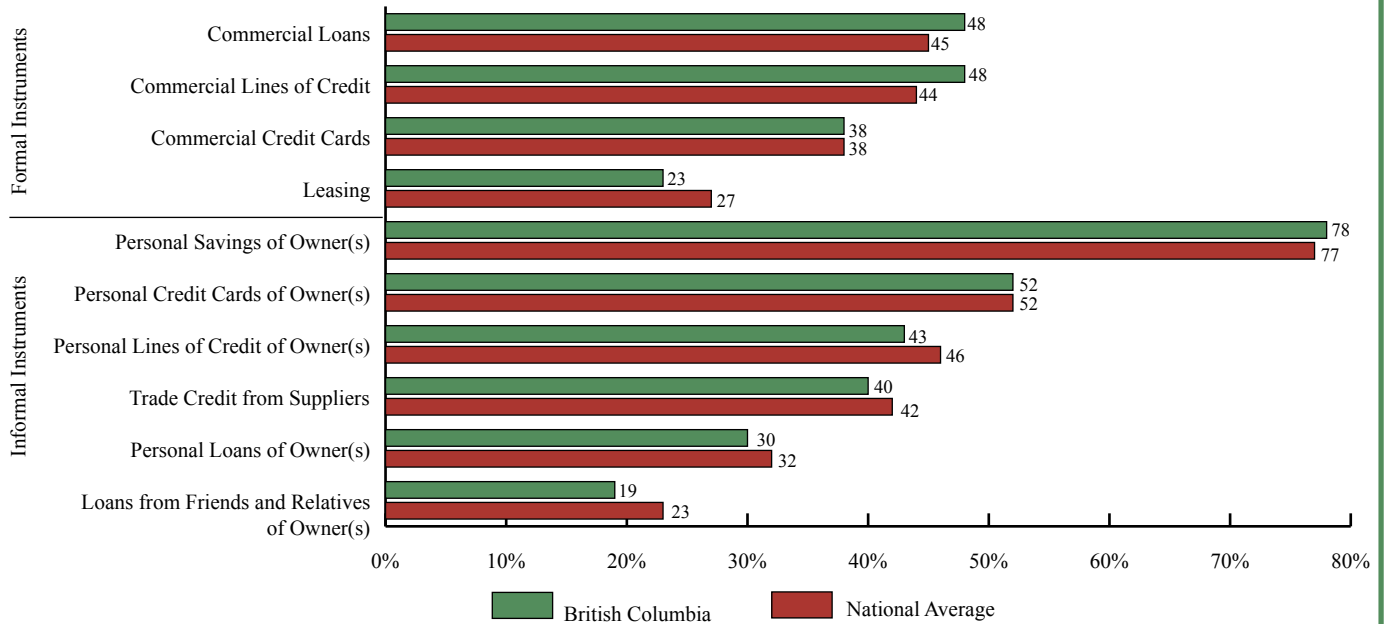
Venture capital (VC) is another form of financing used to support a small number of high-growth potential start-up firms as they expand and move beyond seed financing. VC activity in B.C. rebounded from its lows in 2003, caused by the tightened investment conditions following the technology bubble in 2000, and, in recent years, has seen some strong activity (see Figure 8). In the first three quarters of 2006,

²² Canadian Federation of Independent Business, "Succession Can Breed Success: SME Succession and Canada's Economic Prosperity," June 2005.

²³ Industry Canada, *Canadian Venture Capital Activity: An Analysis of Trends and Gaps, 1996–2002*.

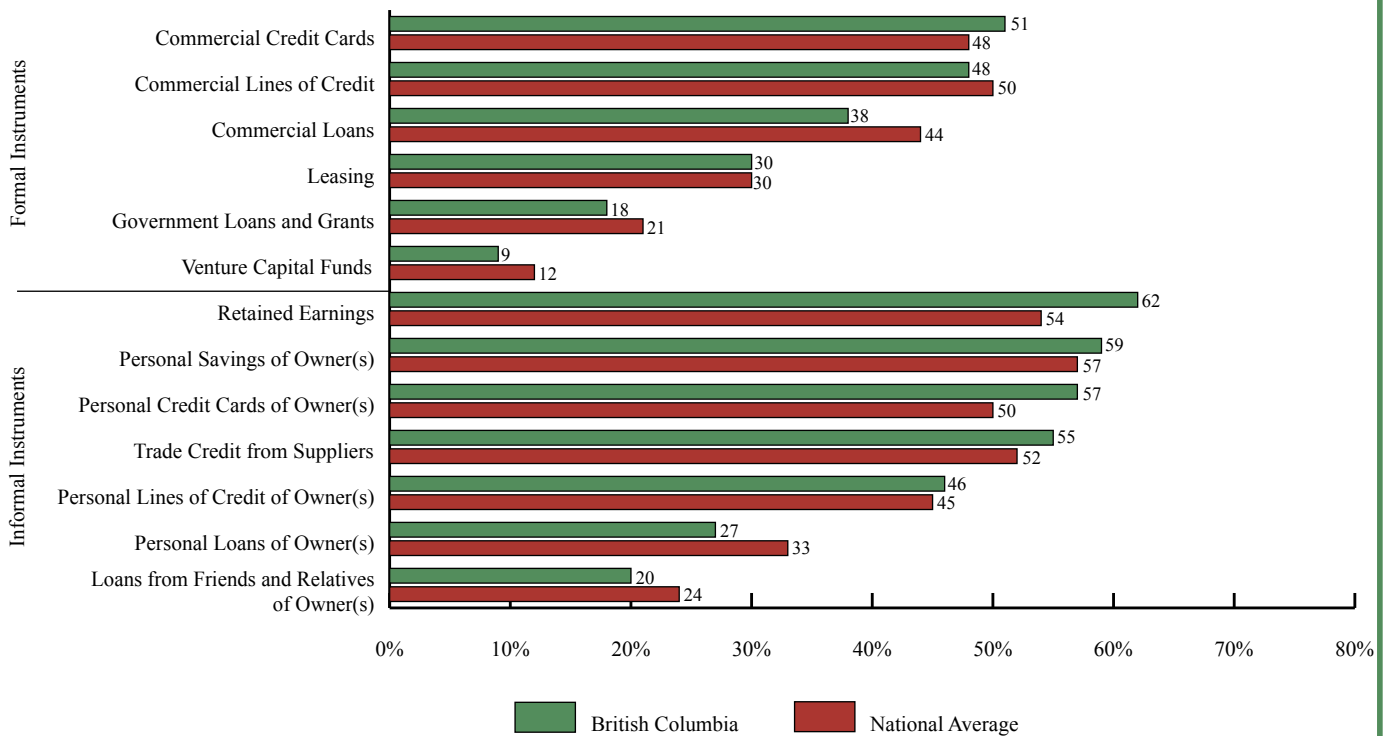
²⁴ SME Financing Data Initiative, Industry Canada, *Small and Medium-Sized Enterprise Financing in Canada, 2003*.

Figure 6
Sources of Financing Used During Start-up*



* Start-up is defined as the period prior to the first sale of goods or services. Includes any source used, regardless of whether it was authorized or obtained in a previous year.
Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

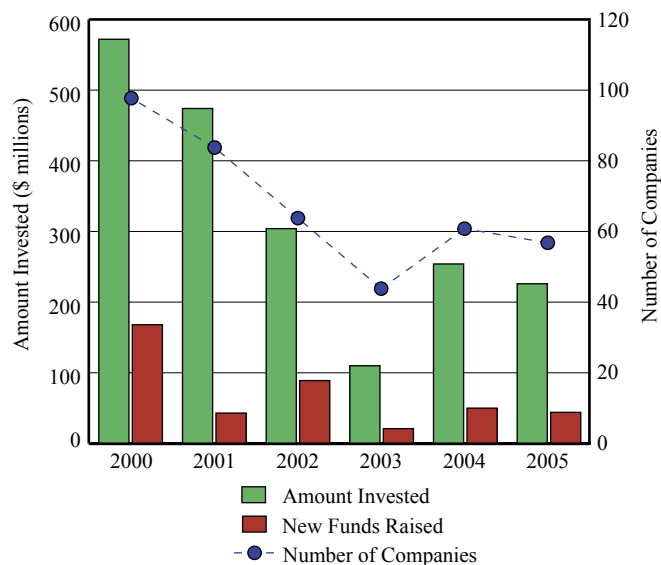
Figure 7
Sources of Financing for Established Firms, 2004*



* Includes any source used, regardless of whether it was authorized or obtained in a previous year.
Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

investments in B.C. totalled nearly \$260 million, more than the total investments for all of 2005. B.C.'s share of national investments was 12-percent in 2006 (see Figure 9).

Figure 8
Venture Capital Activity in British Columbia, 2000–2005

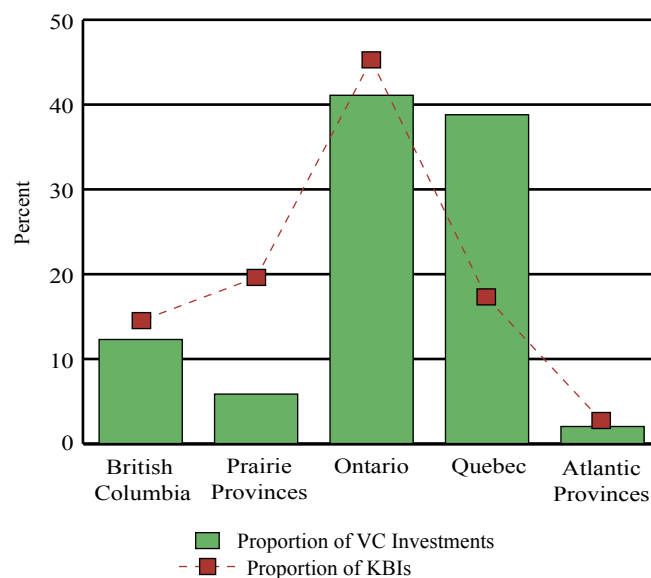


Source: Thomson Financial, 2005.

VC investments in B.C. typically focus on technology sectors (information technology (IT) and other technologies), with a rising trend in the life sciences sector (Figure 10). In the last few years, the life sciences sector has received more VC dollars than the technology sector. However, the technology sector still dominates in terms of number of financings, averaging 60 percent of all financings in B.C. from 2000 to 2005, with life sciences averaging 25 percent of all financings. Over the same period, fewer and fewer VC investments have been made in traditional B.C. sectors.

Other VC measures indicate the prominence of the VC market in B.C. The province is now second in Canada in average deal size for early-stage investments, behind Ontario and ahead of Quebec.²⁵ Comparative investment rates across regions in Canada show that B.C. is third after Ontario and Quebec for VC funding as a percentage of GDP. B.C. had the second largest VC exit value after Quebec during the 1997–2004 period, indicating that VC investments in B.C. perform better than investments in most other provinces.²⁶

Figure 9
Regional Shares of Venture Capital Investment, 2006



Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004; Thomson Financial, 2006.

Provincial VC programs have helped increase early-stage equity investments in B.C. with tax credits of up to 30 percent for any B.C. resident who invests in B.C. small businesses (fewer than 100 employees). The current allowable maximum tax credit budget is \$20 million a year, which allows for up to \$66.7 million to be raised.

²⁵ Brander, J.A., E.J. Egan and A.E. Boardman, "The Equity Capital Program in B.C.: An Assessment of Capital Availability, Program Efficiency and Policy Alternatives," *Leading Edge British Columbia*, April 2005.

²⁶ Hellmann, T.F., E.J. Egan and J.A. Brander, "Value Creation in VC: A Comparison of Exit Values across Canadian Provinces and U.S. States," *Leading Edge British Columbia*, October 2005.

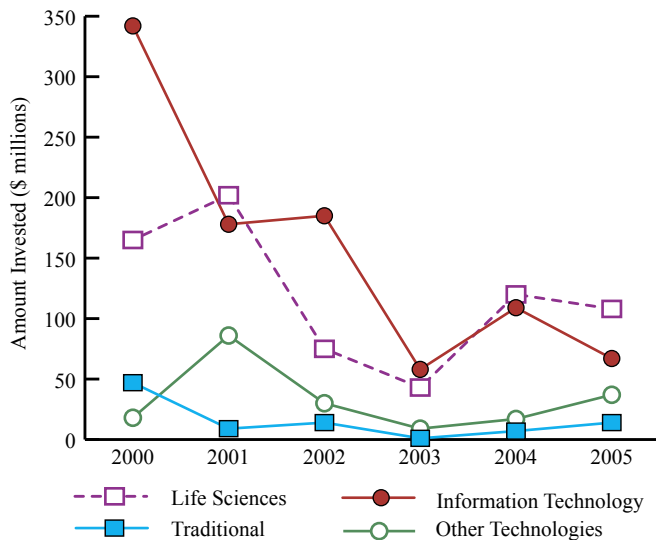
Despite signs of healthy activity, there are some reports of difficulties in securing VC funding in B.C., particularly for new and early-stage firms. Earlier this year, the B.C. Technology Industry Association released a report pointing out that the lack of available VC funding and the shortages of investment opportunities in B.C. are hindering the growth of B.C. businesses.²⁷

SUMMARY AND DISCUSSION

In general, the financing needs of B.C.'s SMEs are characterized by their attributes. Typically, SMEs in B.C. are very small firms with fewer than four employees and are strongly represented in the services sector. B.C.'s SMEs appear to have adequate access to financing and have not experienced barriers compared with the average Canadian firm. Similar to Canadian SMEs, most SMEs in B.C. turn to informal debt instruments, such as personal savings and personal credit. One notable difference with SMEs in B.C. is the lower rate of government financing activity. More work is needed to investigate why government funding requests are lower in B.C. compared with other jurisdictions.

While less commonly accessed, risk capital appears to be a growing source of financing among high-growth and technology-focused SMEs in B.C., particularly as provincial tax-credit programs encourage investments at the early-stage level. Further analysis should be conducted in this area to assess SMEs' access to risk capital in B.C. and to explore possible means of improving VC capacity in the province.

Figure 10
Venture Capital Investments in British Columbia by Sector, 2000–2005



Source: Thomson Financial, 2005.

²⁷ B.C. Technology Industry Association, "2006 Advocacy Initiatives," March 2006.

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SME FINANCING DATA INITIATIVE

Small Business Financing Profiles is an ongoing series of articles on specific segments of the marketplace and a component of Industry Canada's reporting efforts on SME financing.

Consistent with recommendations in 1999 from the Task Force on the Future of the Canadian Financial Services Sector, the SME Financing Data Initiative is a comprehensive data collection program on SME financing in Canada. In partnership with Statistics Canada and Finance Canada, Industry Canada reports on the supply of, and demand for, small and medium-sized business financing to provide a complete picture of SME financing.

As part of the initiative, Statistics Canada administers a series of national surveys on small and medium-sized enterprises (*Survey on Financing of Small and Medium Enterprises*) and financial providers (*Survey of Suppliers of Business Financing*). Industry Canada supplements these surveys with additional research into niche areas of SME financing.

For further information on the SME Financing Data Initiative and access to statistical findings and reports, visit www.sme-fdi.gc.ca. For information regarding the methodology of the *Survey on Financing of Small and Medium Enterprises*, visit Statistics Canada's website at www.statcan.ca.

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Cat. No. Iu188-4/7-2007E-PDF

ISBN 978-0-662-45323-9

60201

Aussi offert en français sous le titre *Profils de financement des petites entreprises - Petites et moyennes entreprises de la Colombie-Britannique*.