SUCCESS OF SMALL BUSINESSES IN SMALL PLACES IN CANADA

Prepared by

Gary McNeely
Research Associate
Rural Development Institute
Brandon University
mcneelyg@brandonu.ca

Rural Development Institute Brandon University

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Abstract

For Objective 3 of the Aurora research project, two literature scans were conducted through July and October 2019. The first scan focused on statistical measurements of enterprise success, and in particular start-up success rates of Small- and Medium-sized enterprises (SMEs) in the Canadian and Manitoban contexts, and specifically newcomer-owned SMEs located in rural regions. The second scan aimed at identifying factors relating to enterprise success. The first scan revealed a number of research studies from Statistics Canada addressed the issue of SME success and applied four SME success criterion, including SME survival, positive employment growth, contribution to exports, and contribution to GDP. Two references address Objective 3 directly. Ostrovsky and Picot (2018) provide survival rates for Canadian- and Immigrant-owned SMEs from 2003 to 2009. Both start similarly at ~88% at year 1 but decline to 58% for Canadian-born and 56% immigrant-owned SMEs after seven years. Archambault and Song (2018) show a declining survival rate of SMEs over a 10-year period (2002-2011); their data indicates an SME survival rate of 54% at year 7, which is similar to the findings of Ostrovsky et al. Archambault et al. address the issue of SME survival rates by geographic region. Their research shows that SMEs located in the prairie region retain a higher survival rate compared to the rest of Canada. The first scan lacked an analysis of success rates for rural-based SMEs in Manitoba. The second scan revealed five main themes of business success, including: personality traits; education, training and experience; business and management skills; social networks; and community engagement. An alignment of the success factors listed under each theme against the Aurora Program modules established that business and management skills, and social networks were addressed most directly. The Aurora Program did not include explicit reference to the remaining three themes. Based on the findings of both scans, a number of avenues for future research are outlined: 1) an updated analysis of the Statistics Canada databases to assess whether SMEs success rates remain consistent over the last decade and to analyze success rates for immigrant-owned SMEs by industry sectors and by rural census sub-divisions in Manitoba; 2) a series of case studies of rural SMEs in Manitoba could provide an analysis of factors leading SME success or failure as well as criteria of success adopted by SME owner/managers; and 3) a scan focussed on best practices on business start-ups and entrepreneurship may help identify elements that could strengthen the Aurora Program. This research was completed prior to the Covid-19 pandemic. This ongoing 'crisis' highlights the significant ramifications that unforeseen contingencies can have on SMEs. The current circumstances faced by SMEs opens a fourth area of research – an analysis of the planning, preparation, resources and other factors that were instrumental in the survival of SMEs through the Covid-19 period.

Introduction

This report offers important insights for stakeholders involved in business development. This research establishes that entrepreneurs starting a business are advantaged by also planning and organizing for their enterprise's growth over the long term. This study shows that business advisors and coaches need to inform their clients of the importance of ongoing risk assessments both prior to and after launching a business. It also suggests that governments need to have employment and industry sector data updated regularly to aid entrepreneurs in their business planning and operations.

This report presents the findings of Rural Development Institute's research project focused on the Aurora Business Leadership Program (ABLP) – a business development tool delivered to immigrants in the Brandon area. This report identifies the success rates of start-up businesses in Canada and concepts of successful business start-ups. These findings establish benchmarks for measuring the success and growth of enterprises owned or operated by Canadians and immigrants. Both dimensions of success may help inform government agencies, chambers of commerce and policy analysts as well as investors and business advisors helping start-ups, and entrepreneurs themselves in their planning for business development in rural regions.

Business development and entrepreneurship by Canadians and newcomers are vital for Manitoba's economic prosperity. The Aurora Business Leadership Program (ABLP) is a business development tool for entrepreneurs. The program is organized into five stages: 1) Recruit newcomers to participate in the ABLP; 2) Orient newcomers to the ABLP and assess their readiness to start a business; 3) Develop a business plan based on the program's four-volume (12 modules) business model; 4) Start their business; and 5) Provide ongoing advice. The ABLP recruits newcomers in the Brandon area and assists each person through to starting their own business. The ABLP is to be delivered by Trenton Zazalak from BoLu Intermediary Services. The Rural Development Institute is subcontracted to provide an arms-length assessment of ABLP in accomplishing the main goal: "To create economic prosperity and business diversity by empowering Canada's newcomer entrepreneurs."

The Impact of newcomer business development based on the Aurora Project includes seven objectives:

Objective 1: Commence Project Start-up and establish the Aurora Evaluation Advisory Group.

Objective 2: (1) Recruit business leaders and subject area experts in business entrepreneurship from the Brandon region to provide feedback on the ABLP and concepts of business success within the Canadian and Manitoban contexts, and (2) recruit newcomers from the Brandon region to participate in the ABLP.

Objective 3: Conduct a literature review on (1) success rates of start-up businesses in Canada and Manitoba and (2) concepts of successful business start-ups with particular reference to newcomers' conceptions, leading to a briefing paper on newcomer business success informed by comments and reflections provided by business leaders and subject area experts.

Objective 4: Conduct a series of Reaction E-surveys and Learning E-surveys leading to separate formative reports based on the Reaction E-survey and Learning E-survey findings.

Objective 5: Conduct two annual summative assessments of the Aurora Business Leadership program, reporting on (1) participating newcomers' perceptions of their contributions to the completion of the ABLP, and (2) the impacts on the success of newcomer business start-ups.

Objective 6: Conduct open-ended interviews with participating newcomers who have reached Stage 5 to better understand the social processes that accompany participants': 1) involvement with the ABLP, 2) identity and status transformations experienced in the context of a business start-up, and 3) experience of undertaking management-related activities.

Objective 7: Prepare and distribute research findings in a Final Project Report.

This Briefing Paper focuses on Objective 3. Specific Objective 3 Research Questions include:

1. What are the success rates of business start-ups across Canada and in Manitoba, by Canadians and newcomers?

2. What are pertinent criteria for successful business start-ups, with an emphasis on newcomers' notions of success?

Research Methods

Literature Scan 1 – Statistical Measurements of Enterprise Success

A review of webpages with potential resources/references/reports that detail entrepreneurial success rates in the Canadian and Manitoban contexts was conducted through July and October of 2019. The RDI Research Team suggested a number of potential leads for this literature scan, including STATCAN's Key Small Business Reports, Small Business Associations' Reports, Chambers of Commerce reports, Canadian Federation of Independent Businesses (CFIB), Canadian Association for Women Executives and Entrepreneurs (CAWEE), Business Development Bank of Canada (BDC). Of particular relevance were data sources that speak to the success of new businesses in Manitoba as well as Canada and especially sources that address SME success in rural census sub-divisions in Manitoba. Given this comparative focus on Canada and Manitoba, a review of provincial government department websites was also undertaken.

While reviewing the suggested sources, efforts were undertaken to consider the websites' Research and/or Reference drop-down menus for additional sources. When drop-down menus were available and publically accessible (i.e. not restricted to organizational members), research reports and references were considered for closer scrutiny based on a keyword search of the Titles and Abstracts (if available) and scan of the text's introduction. Keywords or phrases ranged from business success, rural enterprise success, to starting a business, growing a business, and entrepreneurs. Geographical references in the search included Canada, Manitoba, and other prairie provinces.

Two specific requests for additional data and/or reports were made to Statistics Canada via email. The first request sent July 22 asked for data on Canadian-owned versus immigrant-owned SMEs in all provinces in Canada, in Manitoba, and in rural sub-division census areas. A reply received on July 26 acknowledged STATCAN does not have data by rural or census sub-division areas as a standard product but offered two references, which Infostats staff thought might address Objective 3 – identifying success rates of SMEs in Canada, in Manitoba, and in rural regions. Based on the lack of relevance of the two references provided, a discussion that is noted below, a second request was made on August 1. This request drew attention to the methodology and databases applied in one of the relevant STATSCAN references: Ostrovsky, Y., & Picot, G. (2018). The Exit and Survival Patterns of Immigrant Entrepreneurs: The Case of Private Incorporated

Companies. Research and Evaluation, Immigration, Refugees and Citizenship Canada, and Institute for Research in Public Policy Social Analysis and Modelling Division, Statistics Canada. Ostrovsky and Picot (2018) provide a comparative analysis of Canadian- and immigrant-owned SMEs across Canada based on the Canadian Employer–Employee Dynamics Database (CEEDD). The comprehensiveness of CEEDD suggests that a more refined presentation of the data is possible, as it provides more contexts for identifying success rates for SMEs in Manitoba and rural census sub-divisions. The second email requested a costing for two specific questions, the first being the priority. Based on the CEEDD, the two questions were:

1. Is it possible to separate the data to identify SMEs in Manitoba, SMEs in Manitoba Metro vs. Rural Census Sub-divisions, so a calculation of Rural SMEs' success rates can be undertaken?

2. Is it possible to identify counts of Manitoban Rural SMEs in terms of Industry sectors, so a calculation of Rural SME success rates according to Industry Sectors can be undertaken?

An acknowledgment was received on August 1, but no reply emails were forthcoming.

Literature Scan 2 – Attributes of Enterprise Success

A review of academic journal databases was conducted between July and October of 2019. This scan used various keyword searches, including variables, factors, reasons for business success or failure, rural business success, or failure. The aim was to identify key factors, variables, or characteristics that can be used to describe a successful business. The scan attempted to find sources that addressed successful businesses in the Canadian and rural context, given the aims and objectives of the Aurora project. The scan was followed by two analyses. The first was a thematic analysis to develop an organizational scheme of a broad set of success factors. The second was a comparative analysis that attempted to align the specific success factors with the Aurora Program modules. The comparison was conducted to avoid or limit any interpolation of the main themes or specific success factors with the descriptions of the Aurora Program modules.

Results and Discussion

The Results and Discussion includes Section I and Section II examining the findings of the two literature scans with each including three parts: 1. Overview of the Literature Scan; 2. Thematic Analysis; 3. Limitations, which is followed by the Conclusion.

Section I

1. Overview of Literature Scan 1 – Statistical Measurements of Enterprise Success

The literature search of resources and references from Chambers of Commerce reports, Canadian Federation of Independent Businesses (CFIB), Canadian Association for Women Executives and Entrepreneurs (CAWEE), Business Development Bank of Canada (BDC) were generally not relevant to the key Objective 3 research questions. These websites focused mostly on programs and tools available to entrepreneurs, including newcomers, interested in starting and growing an enterprise in Canada. A number of these sites presented studies recognizing the importance of immigrants starting businesses in the context of enhancing provincial and national economic growth.

Various reports from Statistics Canada did address Objective 3. Table 1 highlights a number of elements shared among the five references. All five utilize Statistics Canada data. More significantly, Green, Liu, Ostrovsky, and Picot (2016), Ostrovsky and Picot (2018), and Picot and Rollin (2019) make use of the Canadian Employer–Employee Dynamics Database (CEEDD). The CEEDD is a collection of databases, including data from 1) Corporation Income Tax Return (Form T2), 2) Income Tax and Benefit Return (Form T1), 3) Statement of Remuneration Paid (T4 slips), 4) Longitudinal Employment Analysis Program (LEAP) dataset, 5) Longitudinal Immigration Database (IMDB). These five data sets provide a comprehensive perspective on enterprises in Canada. All threes' use of longitudinal databases is an important element in their analysis of SME success over time. The crossover of authorship for these three references attests to their familiarity with the databases. Similarly, Archambault and Song (2018) utilize a longitudinal database, the National Accounts Longitudinal Microdata File, for their analysis. In contrast, the Government of Canada (2019) framed their analysis based on an independent survey of enterprises. All five adopt a strictly quantitative methodology.

Additionally, the references share a reasonably close timeframe for their analysis, covering a period from 2000 to 2014. All five sources overlap data from 2003 to 2010. This consistency adds a layer of confidence to their analyses, especially for those using the CEEDD databases. Table 1 reveals a number of thematic similarities addressed by the five references' Key Analytic Contexts. The five themes include SME ownership, Characteristics of SME owners, SME Survival rates, Distribution of SMEs (e.g. location), and SME Employment (e.g. size, sector). The references that share these themes are noted in Table 2.

Table 1. Overview of References outlining Statistical Measurements of Enterprise Success

Reference	Database(s) & years of analysis	Key Statistical Measurements
Green, D., Liu, H., Ostrovsky, Y., & Picot, G. (March, 2016). *Immigration, Business Ownership and Employment in Canada.*	Statistics Canada: Canadian Employer–Employee Dynamics Database (CEEDD); combines Corporation Income Tax Return (Form T2), Income Tax and Benefit Return (Form T1), Statement of Remuneration Paid (T4 slips), Longitudinal Employment Analysis Program (LEAP) dataset, Longitudinal Immigration Database (IMDB); Scan of SMEs 2001 – 2010; Focused analysis on the 2010 immigrant cohort	• Comparative counts of incorporated SMEs - by Age group of Canadian vs. immigrant owners, by immigrant gender, regional origin, education level, immigrant class; • Distribution of SME numbers by Industry sectors for Canadian vs. Immigrant owners; • Distribution of employee numbers by Industry sectors for Canadian vs. Immigrant owners; • Distribution of SME by size (6 groupings of employee numbers: 1-2, 2-4, 4-9, 10-24, 25-49, 50+); • Similar analyses for self-employed Immigrant SME owners
Ostrovsky, Y., & Picot, G. (January 2018). *The Exit and Survival Patterns of Immigrant Entrepreneurs: The Case of Private Incorporated Companies.*	Statistics Canada: Canadian Employer–Employee Dynamics Database (CEEDD); combines Corporation Income Tax Return (Form T2), Income Tax and Benefit Return (Form T1), Statement of Remuneration Paid (T4 slips), Longitudinal Employment Analysis Program (LEAP) dataset, Longitudinal Immigration Database (IMDB); 2001 – 2011; SMEs are not defined (presumed to follow Stats. Canada's definition of SME = 1 – 499 employees	• Comparative SME survival rate for immigrant vs. Canadian owners (2003 – 2009); • Comparative SME survival rates for Canadian owners vs. immigrant owners resident in Canada over the short term (<10yrs), midterm (10-19yrs), and long-term (20-28yrs); • Immigrant SME owner survival rate by education level, by immigrant class, by regional origin, by SME industry sectors
Archambault, R., & Song, M. (May 2018). *Canadian New Firms: Birth and Survival Rates over the Period 2002–2014.*	Statistics Canada: Economic Analysis Division, National Accounts Longitudinal Microdata File; 2002 – 2014 Analysis limited to SMEs with 1 – 99 employees	• SME Birth rates • Survival rates for SMEs • Survival rates for Goods vs. Service Sectors • Survival rates by entrant size • Survival rates by regions • Increase in Employee numbers by Survival rate

Reference	Database(s) & years of analysis	Key Statistical Measurements
Government of Canada (January 2019). *Key Small Business Statistics.*	Statistics Canada: Survey on Financing and Growth of Small and Medium Enterprises, 2014; 2000 - 2014 Groups SMEs (1-99; 100-499) vs. large Enterprises (500+)	• Number of businesses by size (1-99, 100-400, 500+) by province; • Number of SMEs by size & Goods vs. Services; • Number of SMEs by size & by Industry sectors; • Survival rates of Enterprises – Canada, Goods & Service sectors; • Survival rate relative to initial business size (1-4, 5-19, 20-49, 50-99); • Employment numbers by business size and by province; • Employment numbers by Industry sector and by business size; • Employment change by province and by business size (2013-2017); • Employment change by Industry sector and by business size; • SMEs contribution to Exports and value of Exports; • SME contribution to GPD by business size (2002-2014); • SME contribution to GPD by Business size and Industry Sectors (2000-2014)
Picot, G., & Rollin, A-M. (April 2019). *Immigrant Entrepreneurs as Job Creators: The Case of Canadian Private Incorporated Companies*	Statistics Canada: Canadian Employer–Employee Dynamics Database (CEEDD); combines Corporation Income Tax Return (Form T2), Income Tax and Benefit Return (Form T1), Statement of Remuneration Paid (T4 slips), Longitudinal Employment Analysis Program (LEAP) dataset, Longitudinal Immigration Database (IMDB); 2003 and 2013 Private sector employment between 2003 – 2013	• Characteristics of SMEs (age & size, sector, ownership status) • Jobs created & lost by business entrants & incumbents • Net jobs created • Share of jobs created by enterprise age & ownership status • Estimates of Immigrant-owned firms as high-growth or rapidly shrinking by owner characteristics, (immigrant class, gender, education level, regional origin)

Table 2. Thematic Similarities of Statistical Measurements

Themes	References
SME Ownership (Canadian vs. Immigrant)	Green et al.,2016; Ostrovsky et al., 2018; Picot et al., 2019
Characteristics of SME owners	Green et al., 2016; Ostrovsky et al., 2018; Picot et al., 2019
SME Survival Rates	Archambault et al., 2018; Government of Canada, 2019; Ostrovsky et al., 2018
Distribution of SMEs	Archambault et al., 2018
SME Employment	Archambault et al., 2018; Government of Canada, 2019; Green et al., 2016; Picot et al., 2019

2. Thematic Analysis – Criteria of SME Success

The success rate of SMEs is a measurement of enterprises as a going concern. SME success can be measured on an individual basis (as specific case-studies) and as an aggregate of SMEs, such as counts of SMEs by size (employee numbers), by geographical location, or by industry sectors. All five references measured SME success as an aggregate according to one or more of the four criteria of success. The criteria are noted in Table 3 with a list of references that utilize the separate criteria.

Table 3. SME Success Criteria

Success Criterion	References
Survival Rates of SMEs	Archambault & Song (2018); Ostrovsky & Picot (2018); Government of Canada (2019)
Positive Employment Growth	Green, Liu, Ostrovsky, & Picot (2016); Government of Canada (2019); Picot & Rollin (2019)
Contribution to Exports	Government of Canada (2019)
Contribution to GDP	Government of Canada (2019)
SME Employment	Archambault et al., 2018; Government of Canada, 2019; Green et al., 2016; Picot et al., 2019

Table 3 shows that some references apply more than one criterion. It should be noted that the different criteria are not incompatible. Rather, as will be discussed below, the criteria are more often combined to provide a more comprehensive analysis of SME vitality and prosperity.

Representative graphics or tables from these sources illustrating their findings on SME success according to the four criteria are discussed in separate sections below.

2.1 Survival Rates of SMEs

Archambault et al. (2018), Ostrovsky et al. (2018), and Government of Canada (2019) recognize SME success in terms of a firm's survival. All three references do not state explicitly a definition of an SME's Survival Rate. However, their data establish survival rate as a percentage of SMEs that remain as an active business over a period of time from the SME's birth. Each reference offers a number of different dimensions on SME survival, including survival rates relative to 1) SME ownerships (Canadian vs. Immigrant), SME geographical location, SME industry sectors, and SME size at birth.

Ostrovsky et al. (2018) provide clear evidence of survival rates for Canadian- and Immigrant-owned SMEs (Figure 1). Their findings are a cross-Canada analysis of SMEs. Ostrovsky et al. address Objective 3 in the Aurora Research project, although their analysis does not discriminate between SMEs' locations either by region or province or in terms of location by rural and metro census sub-divisions.

Figure 1. Survival Rate of Business Ownership, Immigrant and Canadian-born business owners
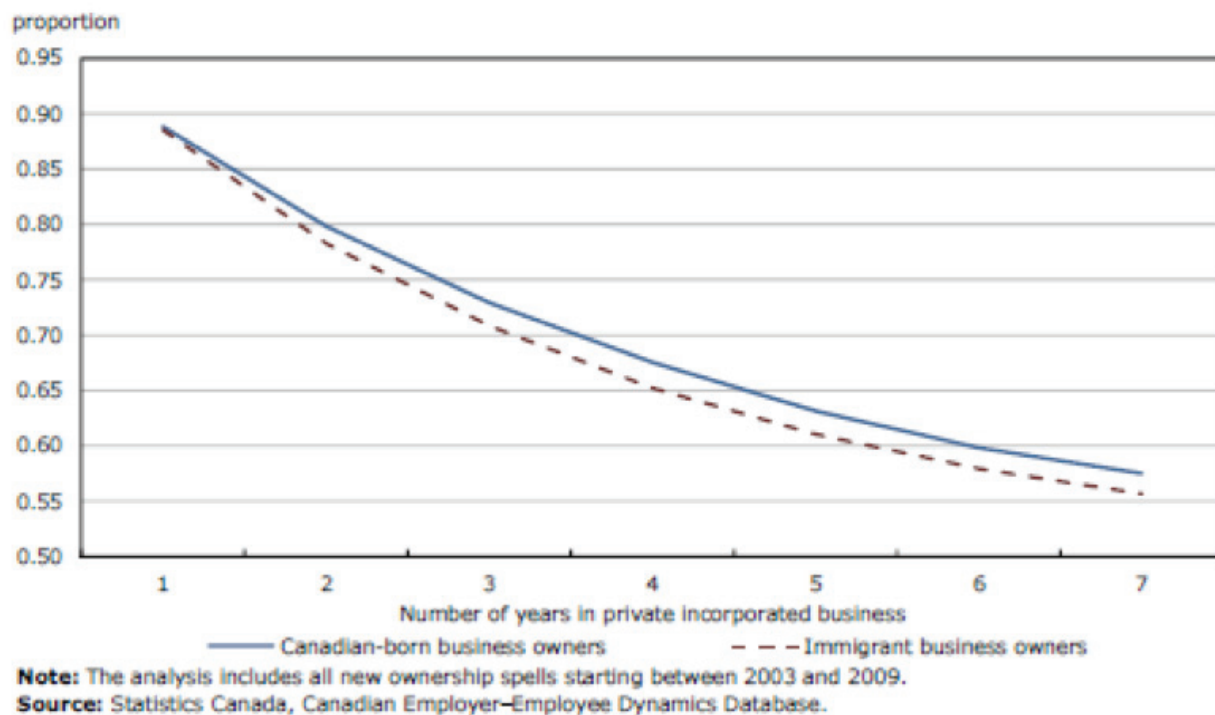
Source: Ostrovsky & Picot (2018), pg. 20

Figure 1 shows that both Canadian-born and immigrant business owners share similar survival rates after one year at ~88% that declines to 56- 58% survival rate after 7 years. Ostrovsky et al. clarify this aggregate calculation by detailing comparative survival rates for Canadian SME owners and immigrant-owned SMEs relative to immigrant settlement in Canada over the short term (less than 10 years), midterm (10 – 19 years) and long-term (20-28 years). Figure 2 shows immigrant-owned SMEs have a survival rate close to 0.8% lower in the short term compared to their Canadian counterparts, but this closes to near parity for immigrant-owned SMEs resident in Canada the long-term.

Figure 2. Survival Rate of Business Ownerships, Recent-immigrant, and Canadian-born Business Owners
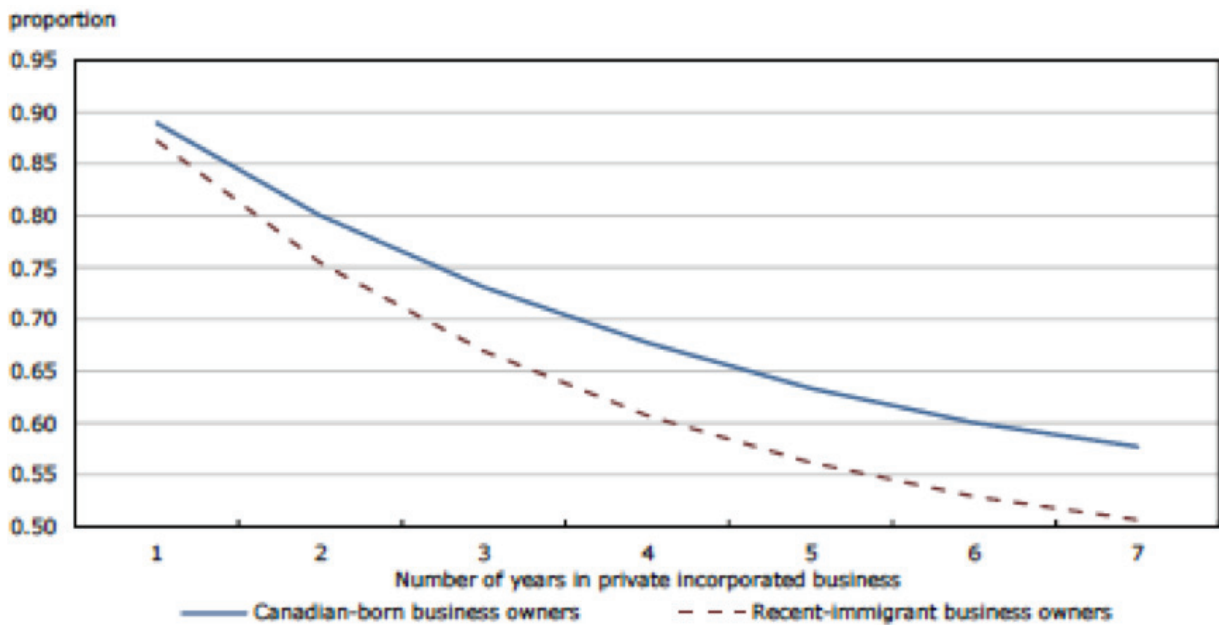
Notes: Recent immigrants have lived in Canada for less than 10 years. The analysis includes all new ownership spells starting between 2003 and 2009.
Source: Statistics Canada, Canadian Employer–Employee Dynamics Database.

Source: Ostrovsky & Picot (2018), pg. 20

Archambault et al. (2018) present an average survival rate for SMEs in Canada, but they do not differentiate between Canadian-born and Immigrant-owned SMEs (see Figure 3). Their survival rate at year 7 at 54% is close to the average survival rate noted by Ostrovsky et al. in Figure 1.

Figure 3. Average Survival Rate, Canada
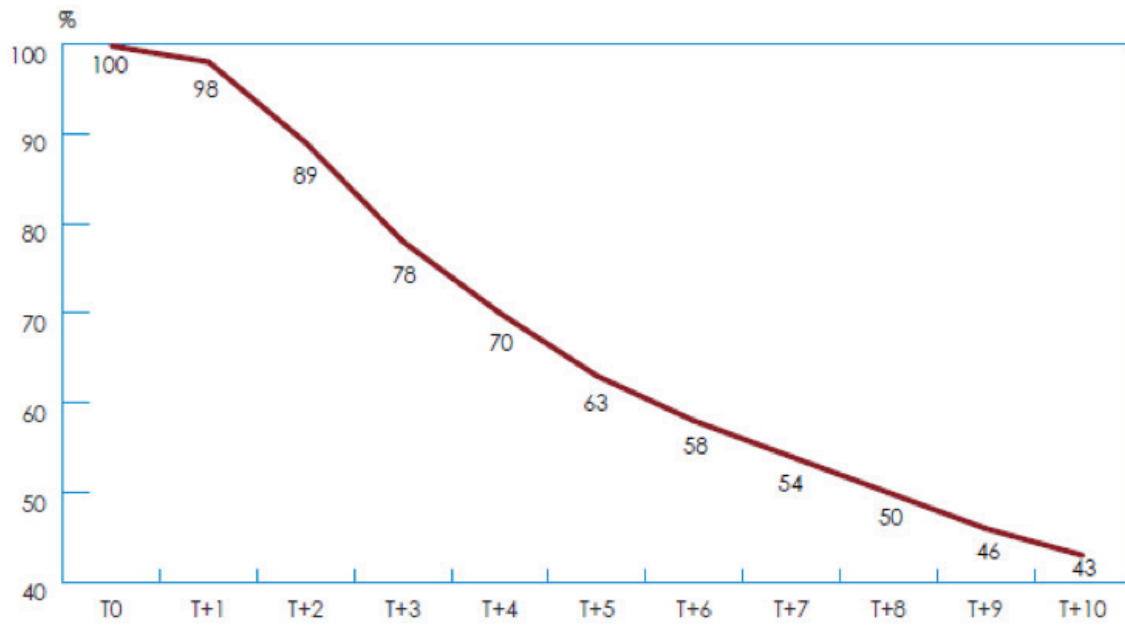
Figures 1, 2, and 3 clarify the need for describing SMEs in greater detail such as in terms of their numbers relative to their regional location, industry sector, and SME size. A number of sources apply these descriptors to draw additional findings on SME survival rates.

Table 4. Total Number of Employer Businesses by Business Size and Number of SMEs per 1,000 Provincial Population, December 2017

| Province/Territory | Small businesses (1—99 employees) | | Medium-sized businesses (100—499 employees) | | Large businesses (500+ employees) | | Total | Number of businesses per 1,000 individuals (18+ years) |
	Number	%	Number	%	Number	%		
Newfoundland and Labrador	16,580	97.9	310	1.8	43	0.3	16,933	38.7
Prince Edward Island	5,963	98.3	94	1.5	11	0.2	6,068	49.4
Nova Scotia	28,874	97.9	554	1.9	68	0.2	29,496	37.3
New Brunswick	24,827	98.0	449	1.8	59	0.2	25,335	40.5
Quebec	236,705	97.9	4,447	1.8	603	0.2	241,755	35.3
Ontario	417,742	97.7	8,744	2.0	1,232	0.3	427,718	37.2
Manitoba	38,226	97.6	822	2.1	122	0.3	39,170	37.8
Saskatchewan	40,072	98.3	625	1.5	86	0.2	40,783	45.4
Alberta	160,264	98.0	2,933	1.8	387	0.2	163,584	48.8
British Columbia	179,517	98.3	2,829	1.5	324	0.2	182,670	46.1
Territories	3,999	97.0	119	2.9	4	0.1	4,122	46.4
Canada	**1,152,769**	**97.9**	**21,926**	**1.9**	**2,939**	**0.2**	**1,177,634**	**39.7**

Sources: Statistocs Canada, Table 33-10-0037-01 – Canadian Business Counts, with employees, December 2017; Statistics Canada, Table 17-10-0005-01 – Population estimates on July 1st, by age and sex; and ISED calculations.
Source: Government of Canada (2019), pg. 5

For the Aurora Research Project, and specifically Objective 3 with its focus on SMEs in Manitoba, the number of SMEs relative to their size is important, despite the number of SMEs in non-metro, rural census sub-division locations not being specified. Table 4 establishes that small SMEs with employee numbers ranging from 1 to 99 dominate the business landscape regardless of province or territory. Based on their research, Archambault et al. (2018) offer some insight into SME survival rates based on their regional location. Figure 4 shows that SMEs in the Prairies (Alberta, Saskatchewan, and Manitoba) have a higher rate than Ontario and Quebec, and 9% higher than the Atlantic Provinces.

Figure 4. Average Survival Rate by Region
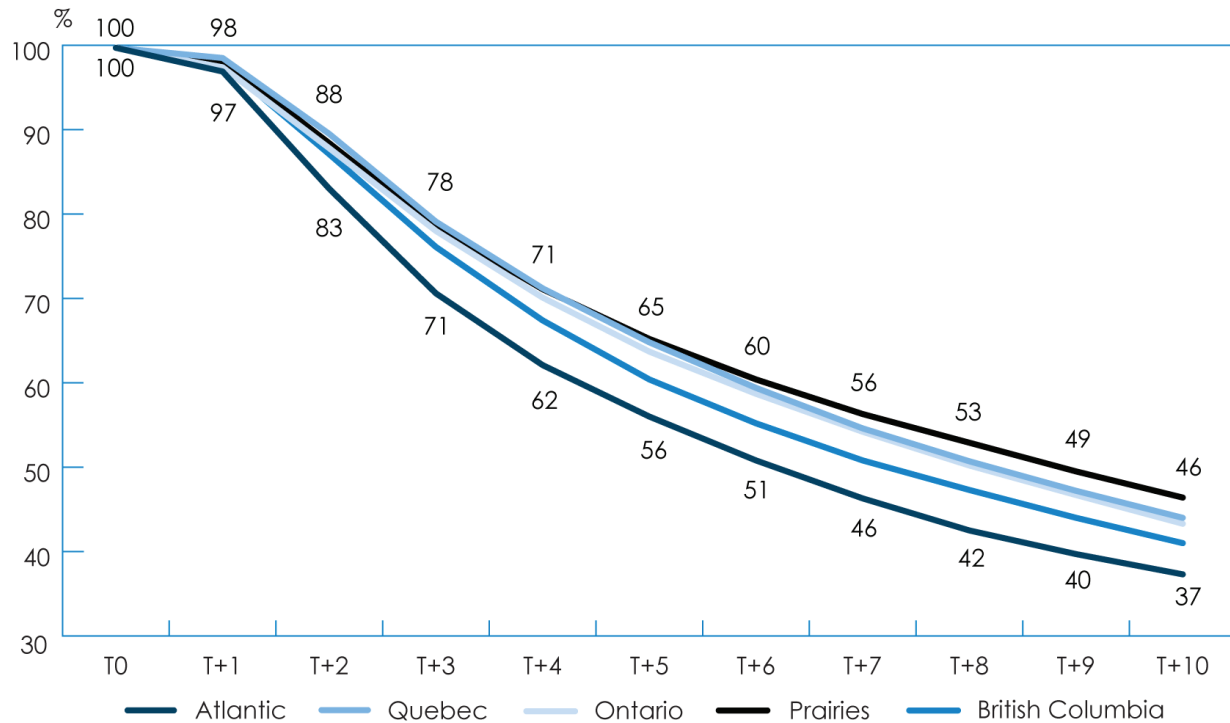
Sources: National Account Longitudinal Microdata File; and ISED's calculations
Source: Archambault & Song (2018), pg. 15.

The Government of Canada (2019) and Archambault et al. (2018) add context to the analysis of SME survival rate, addressing other variables that help to distinguish SMEs. Both sources provide data pertaining to the survival rates of SMEs in differing Industry Sectors. The Government of Canada (2019) provides aggregate Canada-wide numbers of SMEs divided in terms of goods-producing and service-producing Industry Sectors (see Table 5). Figure 5 in turn details survival rates for goods-producing and service-producing SMEs, with goods-producing SMEs having a 5% higher survival rate at 47.8% in year 10 compared to service-producing SMEs.

Table 5. Number of Employee Businesses by Sector and Number of Employee, December 2017.

	Small businesses (1–99 employees)		Medium-sized businesses (100–499 employees)		Large businesses (500+ employees)		
	Number	%	Number	%	Number	%	Total
Goods-Producing Sector	**248,245**	**97.7**	**5,323**	**2.1**	**538**	**0.2**	**254,106**
Agriculture, forestry, fishing and hunting	47,665	99.4	292	0.6	10	0.0	47,967
Mining, quarrying, and oil and gas extraction	8,844	95.4	338	3.6	88	0.9	9,270
Utilities	1,286	90.1	109	7.6	32	2.2	1,427
Construction	143,451	98.9	1,432	1.0	117	0.1	145,000
Manufacturing	46,999	93.2	3,152	6.2	291	0.6	50,442
Service-Producing Sector	**904,524**	**97.9**	**16,603**	**1.8**	**2,401**	**0.3**	**923,528**
Wholesale trade	57,234	98.0	1,076	1.8	66	0.1	58,376
Retail trade	140,001	97.9	2,961	2.1	28	0.0	142,990
Transportation and warehousing	66,231	98.2	1,053	1.6	150	0.2	67,434
Information and cultural industries	17,365	96.5	544	3.0	80	0.4	17,989
Finance and insurance	41,080	97.8	766	1.8	145	0.3	41,991
Real estate and rental and leasing	50,366	99.1	389	0.8	49	0.1	50,804
Professional, scientific and technical services	141,551	99.1	1,185	0.8	108	0.1	142,844
Management of companies and enterprises	5,933	86.6	663	9.7	254	3.7	6,850
Administrative and support, waste management and remediation services	50,874	96.6	1,565	3.0	219	0.4	52,658
Educational services	13,065	93.1	534	3.8	434	3.1	14,033
Health care and social assistance	109,543	97.7	2,257	2.0	366	0.3	112,166
Arts, entertainment and recreation	17,462	96.4	571	3.2	76	0.4	18,109
Accommodation and food services	80,003	98.2	1,389	1.7	58	0.1	81,450
Other services (except public administration)	107,108	99.4	568	0.5	32	0.0	107,708
Public administration	6,708	82.5	1,082	13.3	336	4.1	8,126
All Industries	**1,152,769**	**97.9**	**21,926**	**1.9**	**2,939**	**0.2**	**1,177,634**

Source: Statistics Canada, Table 33-10-0037-01 – Canadian Business Counts, with employees, December 2017.
Source: Government of Canada (2019), pg. 7

Figure 5. Survival Rate of Businesses with One or More employees, Goods Producing Sector and Service Producing Sector
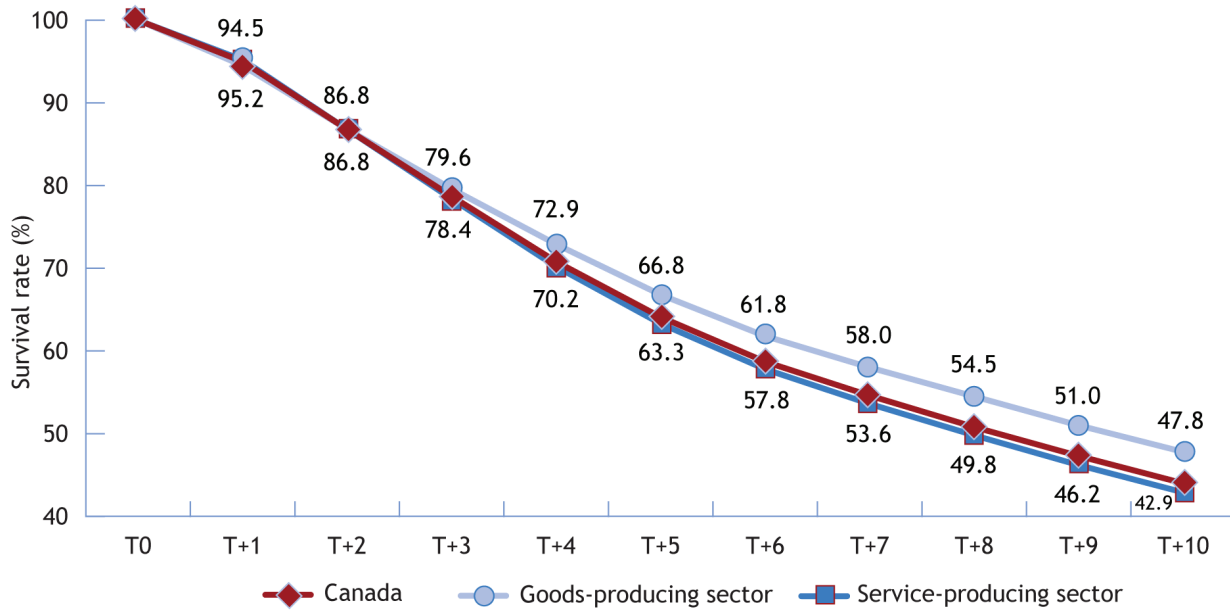
Source: Statistics Canada, Canadian Centre for Data Development and Economic Research, National Accounts Longitudinal Microdata File.
Source: Government of Canada (2019), pg. 10

Archambault et al. (2018) present similar findings in terms of Goods and Services Sectors (see Table 6). Archambault et al.'s findings vary slightly from those presented by the Government of Canada, especially for years T+1 through T+3. Archambault et al. present rates close to 5% higher for the Goods sectors at year T+1 but this discrepancy between the two sources narrows in years T+9 and T+10.

Table 6. Average Survival Rate by Industry (percent)

	T0	T+1	T+2	T+3	T+4	T+5	T+6	T+7	T+8	T+9	T+10
Goods Sector	**100**	**99**	**88**	**78**	**72**	**66**	**61**	**57**	**53**	**50**	**46**
Agriculture, forestry, fishing and hunting	100	99	91	83	77	72	68	63	57	54	52
Mining, quarrying, and oil and gas extraction	100	99	94	86	80	74	69	64	60	56	53
Construction	100	98	87	76	69	64	59	55	51	48	45
Manufacturing	100	99	91	82	75	69	64	58	54	49	45
Services Sector	**100**	**98**	**89**	**78**	**70**	**63**	**58**	**53**	**49**	**45**	**42**
Wholesale trade	100	99	92	84	77	71	66	60	55	51	47
Retail trade	100	99	90	79	70	63	57	51	46	42	38
Transportation and warehousing	100	99	90	81	74	68	62	57	51	46	43
Information and cultural industries	100	99	93	84	77	69	63	58	55	52	49
Finance and insurance	100	90	76	71	67	65	62	59	56	53	50
Real estate and rental and leasing	100	99	93	86	80	75	72	67	63	60	57
Professional, scientific and technical services	100	99	93	86	80	76	71	67	63	59	56
Administrative and support, waste management and remediation services	100	98	87	75	67	61	56	52	48	45	41
Arts, entertainment and recreation	100	99	90	79	71	65	59	54	50	46	42
Accommodation and food services	100	98	87	73	63	55	49	43	39	34	31
Other services (except public administration)	100	97	85	71	59	49	44	40	37	34	31

Sources: National Account Longitudinal Microdata File; and ISED's calculations.
Source: Archambault & Song (2018), pg. 10.

Ostrovsky et al. (2018) focus on the same issue of survival rates for SMEs in Industry sectors but stresses the comparative between Canadian-born and immigrant-owned SMEs. Figure 6 shows that the survival rates for SMEs across a range of Industry sectors vary considerably, even for long-term immigrants. This finding on SME survival rate by Industry Sector prompts the question of whether the survival rates vary more or less significantly for immigrant-owned SMEs in the short-term (immigrants in Canada <10 years) and midterm (immigrants in Canada for 10-19 years).

Figure 6. Estimated Unadjusted Survival Rate of Business Ownership of Longer-term Immigrants by Industry
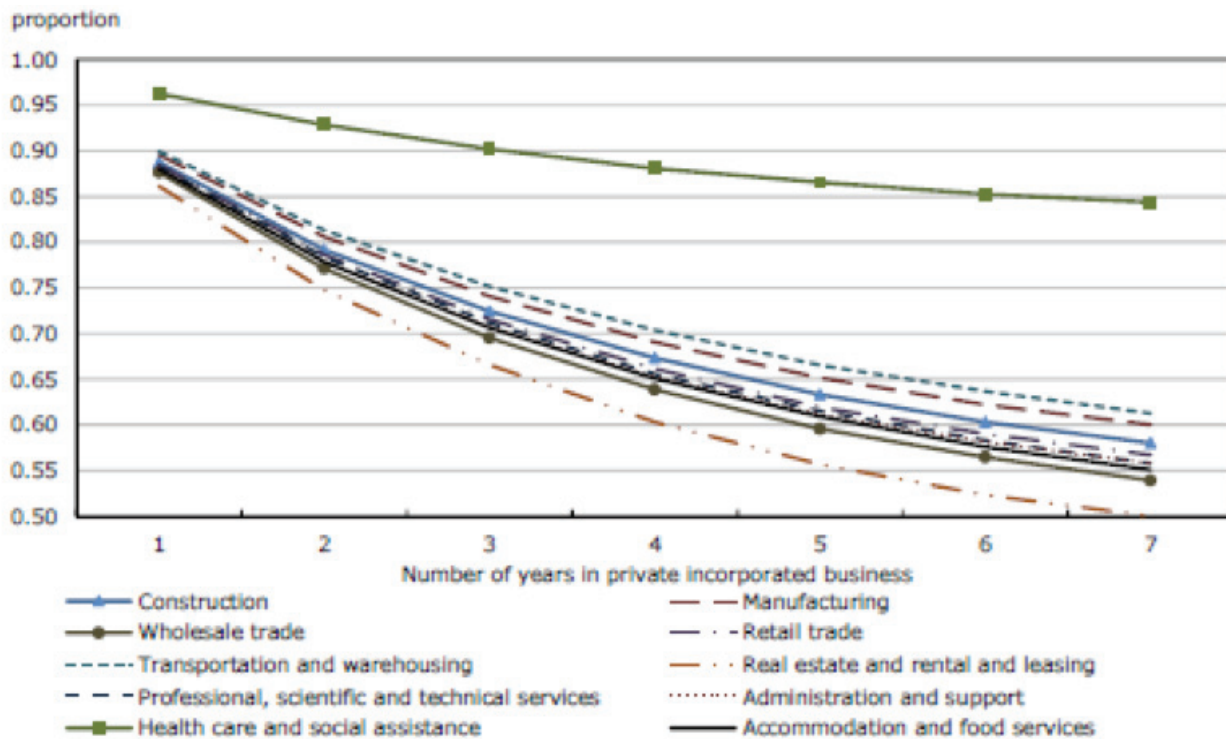

Notes: The full name for "Administration and support" is "Administration and support, waste management and remediation services." Industry is defined by the two-digit North American Industry Classification System (NAICS) 2007 code. Longer-term immigrants have lived in Canada for 10 to 28 years. The analysis includes all new ownership spells starting between 2003 and 2009.
Source: Statistics Canada, Canadian Employer–Employee Dynamics Database.

Source: Ostrovsky & Picot (2018), pg. 25

Ostrovsky et al.'s research address another factor pertinent to the survival rate of SMEs specifically the survival rate of immigrant-owned SMEs based on the immigrant class of recent newcomers. Figure 7 shows that at year 7 the Family class ranks highest at 58%. This rate might be attributed to a number of actors: 1) the additional supports provided by family members, 2) the smaller size of the enterprise with fewer employees, and 3) lower financial start-up costs, depending on SME's industry sector. The Skilled worker and provincial nominees class rank a close second at ~58%. These owners were employed directly on entry to Canada. This employment "security" might facilitate gaining Canadian work experience and may aid in their community and cultural integration, which could enable some to pursue new business ventures. Surprisingly, the Business immigrant class is lowest at 45% at year 7. Surprisingly, prior business experience and financial banking could be assumed to be critical conditions for facilitating SME survival. Ostrovsky et al. add to this point of analysis by providing data for long-term immigrants by immigrant class. In this case, at year 7, the Business class fairs better at ~57% compared to the Family and Skilled/provincial nominee classes at ~61%.

Figure 7. Estimated Unadjusted Survival Rate of Business Ownership of Recent Immigrant, by Immigrant Class

proportion
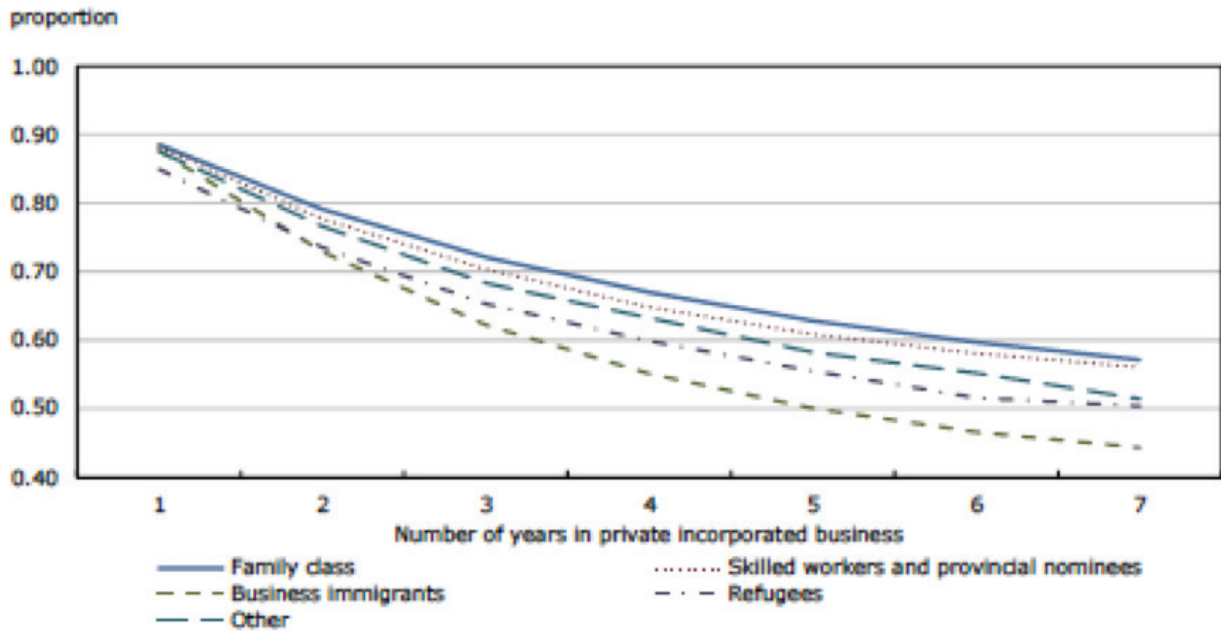
Note: Recent immigrants have lived in Canada for less than 10 years. The analysis includes all new ownership spells starting between 2003 and 2009.
Source: Statistics Canada, Canadian Employer–Employee Dynamics Database.

Source: Ostrovsky & Picot (2018), pg. 23

2.2. Positive Employment Growth

Picot and Rollin (2019) acknowledge that SMEs figure significantly in maintaining Canada's employment rate. They also note the immigrant-owned SMEs play a larger role in net employment in the Canadian labour market compared to Canadian-born SME owners. As significantly, their research reports on a comparative analysis of whether immigrant-owned or Canadian-born owned SMEs are more likely to be high growth or rapidly shrinking firms (see Table 7). Picot and Rollin define positive employment growth as the firm's average employment over two consecutive years: a high average in the second year indicates positive jog growth. Their analysis found that for incumbent SMEs, immigrant-owned firms were 1.3 times more likely to be high-growth than firms with Canadian-born owners. According to their analysis, characteristics of the immigrant owners (source region, educational attainment, and immigrant class) had little effect on the likelihood of a firm being a high-growth or rapidly shrinking firm. The more important factor contributing to immigrant-owned SMEs is that the firms were younger and thus more dynamic in terms of creating jobs.

Table 7. Estimated Probability of being a High-growth or Rapidly Shrinking Firm based on Logistic Regression, for incumbent firms, by firm characteristic

	Probability of being a high-growth firm	Probability of being a rapidly shrinking firm
	coefficient	
Firm characteristic		
Ownership status		
Canadian-born-owned (reference)	21.9	19.3
Immigrant-owned	23.7 ***	19.7 ***
Firm age (years)		
1 to 4	36.5 ***	17.6 ***
5 to 9	21.2 ***	20.2 ***
10 to 14	18.0 ***	20.2 ***
15 to 19	16.1 ***	20.0 ***
20 or older (reference)	13.3	19.7
Firm size (ALUs)		
1 to 4	22.9 ***	23.1 ***
5 to 19	21.6 **	15.8 ***
20 to 49	19.2	11.7 ***
50 to 99	18.2	10.0
100 to 499	18.4	9.5
500 or more (reference)	19.0	9.3
	number	
Number of firm-year observations (weighted)	5,273,100	5,273,100

** significantly different from reference category (p < 0.01)
*** significantly different from reference category (p < 0.001)
Notes: Incumbent (continuing) firms with an average size of 1 average labour unit (ALU) or more in years T-1 and T only. High growth is defined as having an employment growth rate of 0.2 or more. Rapidly shrinking is defined as having an employment growth rate of -0.2 or less. The probabilities presented are average marginal probabilities over the sample, based on logistic regression. The probabilities were multiplied by 100. The logistic regression also included controls for the number of owners, the gender of the owners, the firm's industry, the firm's main province of employment and the year.
Source: Statistics Canada, Canadian Employer–Employee Dynamics Database.
Source: Picot & Rollin (2019), pg. 27

The Government of Canada (2018) adds details on the net employment changes for enterprises in each province. Table 8 shows that average annual growth rates vary across the country for the 2013-2017 reporting period, but significantly, SMEs across the country contribute 85.4% of net employment change from 2013-2017. For Manitoba, the percentage is a little higher at 87.2%.

Table 8. Average Annual Growth Rate and Contribution to Net Employment Change in the Private Sector by Province and Business Size, 2013-2017

Province	Small businesses (1—99 employees)			Medium-sized businesses (100—499 employees)			Large businesses (500+ employees)			Total		
	AAGR* (%)	NEC** (000)	CNEC*** (%)	AAGR* (%)	NEC** (000)	CNEC*** (%)	AAGR* (%)	NEC** (000)	CNEC*** (%)	AAGR* (%)	NEC** (000)	CNEC*** %
Newfoundland and Labrador	–0.2	–1.1	26.8	–0.7	–0.9	20.5	–4.5	–2.2	52.6	–0.6	–4.2	100
Prince Edward Island	0.8	1.4	47.4	4.1	1.2	42.7	2.3	0.3	9.8	1.4	2.9	100
Nova Scotia	–1.0	–10.9	88.4	–1.4	–3.7	29.5	2.5	2.2	–17.9	–0.9	–12.4	100
New Brunswick	0.1	0.9	—	–0.6	–1.4	—	0.8	0.7	—	0.0	0.2	100
Quebec	0.8	70.9	55.8	1.3	36.5	28.7	1.2	19.8	15.5	1.0	127.2	100
Ontario	1.5	223.2	70.3	0.9	44.3	14.0	1.9	50.1	15.8	1.4	317.6	100
Manitoba	0.9	12.4	75.7	0.5	1.9	11.5	1.3	2.1	12.8	0.8	16.4	100
Saskatchewan	1.0	12.6	80.1	1.1	2.8	17.9	0.3	0.3	2.0	1.0	15.7	100
Alberta	0.4	19.1	132.5	–0.9	–11.4	–79.2	1.1	6.7	46.7	0.2	14.4	100
British Columbia	1.8	103.5	64.0	3.3	44.3	27.4	2.9	13.8	8.6	2.2	161.6	100
Canada	**1.1**	**431.8**	**67.6**	**1.0**	**113.6**	**17.8**	**1.6**	**93.8**	**14.7**	**1.1**	**639.2**	**100**

* AAGR: Average annual growth rate.
** NEC: Net employment change from 2013−2017.
*** CNEC: Contribution to net employment change. For small businesses in Canada, for example, CNEC = 431.8/639.2, or 67.5 percent.
If the total change is very small, as is the case in the goods-producing sector, CNEC by business size is not indicated in the table.
Sources: Statistics Canada, Labour Force Survey; and ISED calculations.
Source: Government of Canada (2019), pg. 14

Archambault at al. (2018) add detail to the business job growth for firms in the Goods and Services Sectors over the 10-year reporting period. Table 9 shows that over 10 years the Goods Sector performs slightly better at 6.7 compared to 6.2 for the Services Sector.

Table 9. Average Employment by New Firm (T0) and Survivors (T+1 to T+10)

	T0	T+1	T+2	T+3	T+4	T+5	T+6	T+7	T+8	T+9	T+10
Goods Sector	2.5	3.7	4.1	4.5	4.8	5.1	5.4	5.8	6.1	6.5	6.7
Agriculture, forestry, fishing and hunting	2.5	3.0	3.2	3.5	3.7	3.8	3.8	4.0	4.2	4.4	4.3
Mining, quarrying, and oil and gas extraction	2.1	4.5	4.1	4.9	6.3	6.9	7.8	9.1	10.4	12.7	9.0
Construction	2.3	3.1	3.4	3.8	4.1	4.3	4.5	4.8	5.2	5.6	5.9
Manufacturing	4.4	7.6	8.0	8.3	8.7	9.1	9.5	9.9	10.1	10.3	11.0
Services Sector	2.6	3.7	3.9	4.2	4.5	4.7	4.9	5.1	5.4	5.8	6.2
Wholesale trade	2.8	4.0	4.3	4.7	4.9	5.1	5.3	5.6	6.0	6.5	7.0
Retail trade	3.7	5.7	5.9	6.2	6.7	6.9	7.1	7.1	7.6	8.1	8.3
Transportation and warehousing	1.5	2.1	2.3	2.7	2.9	3.1	3.2	3.4	4.0	4.5	4.5
Information and cultural industries	2.9	3.4	3.4	3.8	4.1	4.6	4.5	4.8	5.2	5.6	4.4
Finance and insurance	1.6	2.0	2.6	2.9	3.2	3.3	3.5	3.6	3.9	3.9	4.1
Real estate and rental and leasing	1.8	2.6	2.6	3.0	3.3	3.7	4.0	4.3	4.0	4.3	4.6
Professional, scientific and technical services	1.6	2.1	2.3	2.6	2.8	3.0	3.1	3.3	3.5	3.8	4.2
Administrative and support, waste management and remediation services	2.9	4.3	4.9	5.7	6.3	6.6	6.9	7.2	7.6	8.3	9.6
Arts, entertainment and recreation	3.2	4.6	4.9	5.3	5.5	5.7	5.7	6.0	6.3	6.3	6.9
Accommodation and food services	6.2	8.7	8.6	9.1	9.7	10.2	10.5	11.0	11.3	11.8	12.6
Other services (except public administration)	1.4	1.8	1.9	2.1	2.2	2.4	2.7	2.9	3.2	3.5	3.7

Sources: National Account Longitudinal Microdata File; and ISED's calculations.
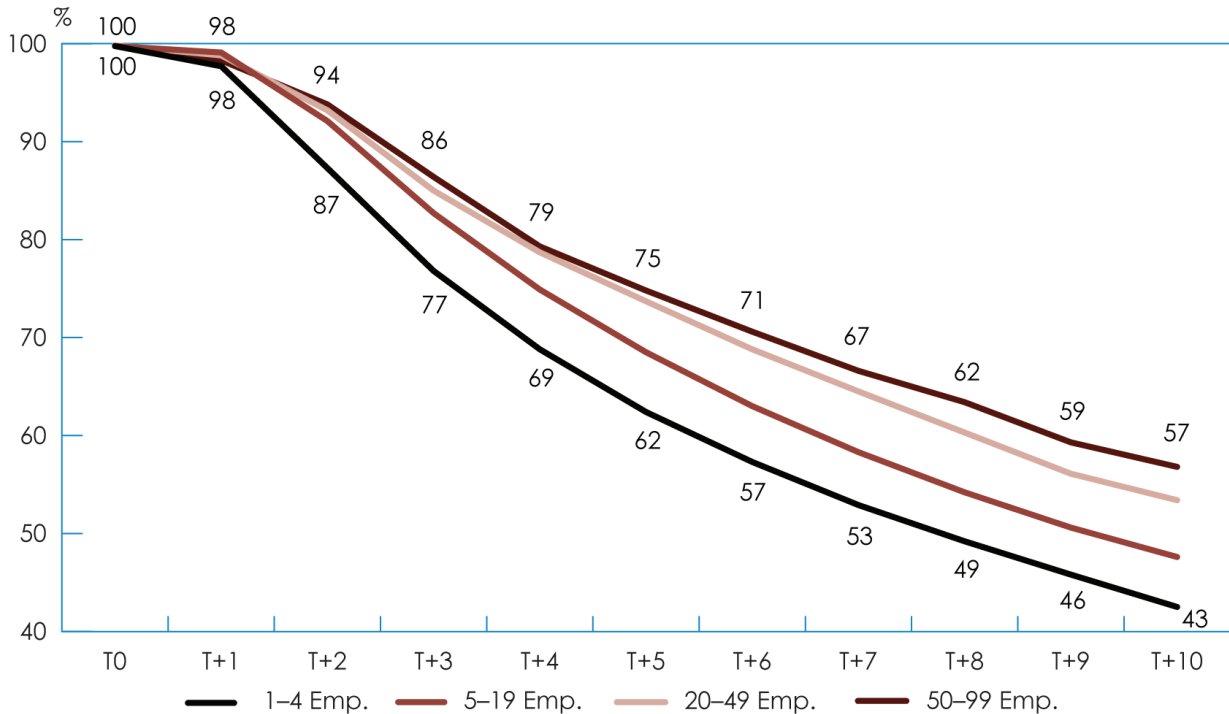Source: Archambault and Song (2018), pg. 17

Archambault et al. also show that the size of the enterprise (i.e. number of SME employees at birth) does have an impact on the firm's employment growth and survival rate. Although the percentage of employment growth for a smaller SME (under 20 employees at SME birth) may be higher than the percentage for a larger SME with over 100 employees, the average employment growth of larger firms is significantly higher than for smaller SMEs (see Figure 8). For SMEs with less than 20 employees, the average employment remains relatively static from year 1 thru to year 10. Archambault et al. also note that the survival rate of SMEs correlates with the size of SMEs at birth (see Figure 9). SMEs with less than 5 employees have a survival rate of 43% at year 10, but the survival rate jumps to 57% for SMEs with between 50 and 99 employees. Figures 8 and 9 suggest that, when correlated with the projected average employment growth and higher survival rates, the size of SMEs at birth with employee levels between 20 and 100 might indicate a "sweet point" for SMEs' survivability and growth. This correlation might not apply similarly to Canadian-born and immigrant-owned SMEs. Concerning immigrant-owned SMEs, as noted earlier, Picot and Rollin note that owner characteristics such as source region, educational attainment, and immigrant class) have little effect on the likelihood of a firm being a high-growth or rapidly shrinking firm.

Figure 8. Average Employment by New Firms (T0) and Survivors (T+1 to T+10)
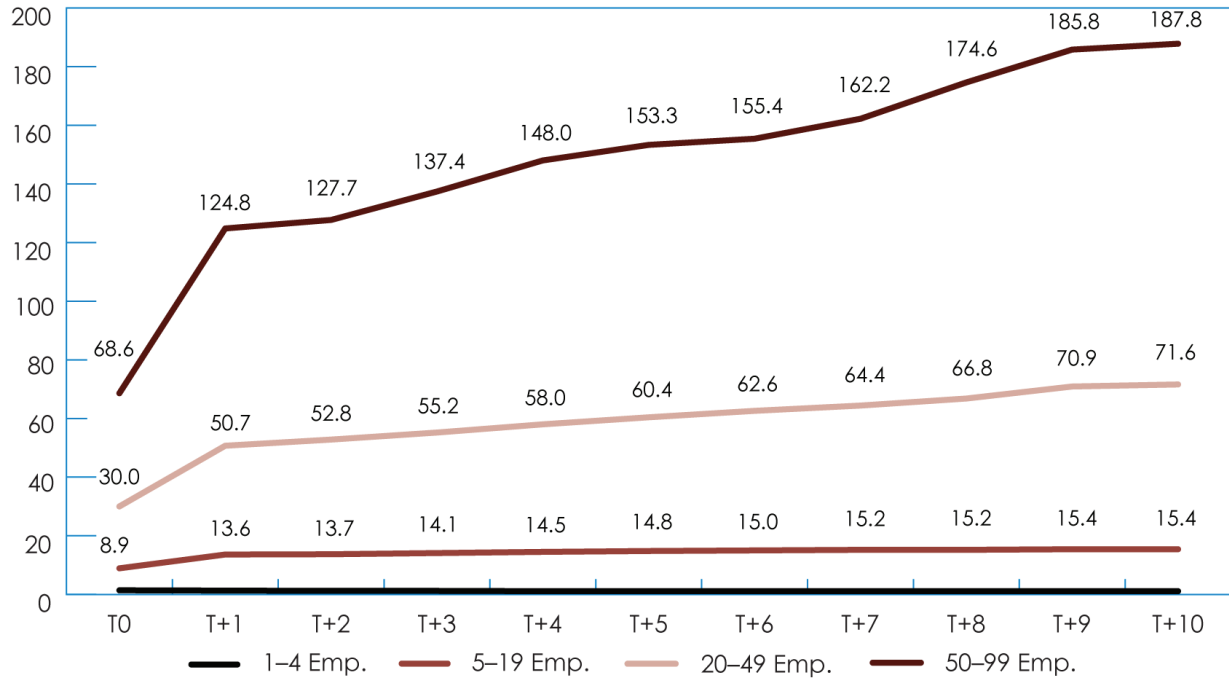
Sources: National Account Longitudinal Microdata File; and ISED's calculations.
Source: Archambault and Song (2018), pg. 16

Figure 9. Average Survival Rate by Initial Firm Size

Sources: National Account Longitudinal Microdata File; and ISED's calculations.
Source: Archambault & Song (2018), pg. 13

2.3. Contribution to Exports

In its recent report, Key Small Business Statistics, the Government of Canada (2019) examines SME success in terms of their contribution to Canada's exports. The report notes that in 2017 the value of Canada's export of goods increased to $483.6 billion with SMEs contributing 41.9% of that amount worth $202.6 billion. The report also adds that of the more than 48,000 enterprises that exported goods, SMEs account for the main employers at 97.4% (see Figure 10). The significance of this percentage cannot be understated. It draws attention to the importance of the employment numbers that these enterprises provide whether at the provincial, regional, or local levels.

Figure 10. Contribution of SMEs to the Export of Goods by Number of Exporters and Value of Exports, Canada, 2017
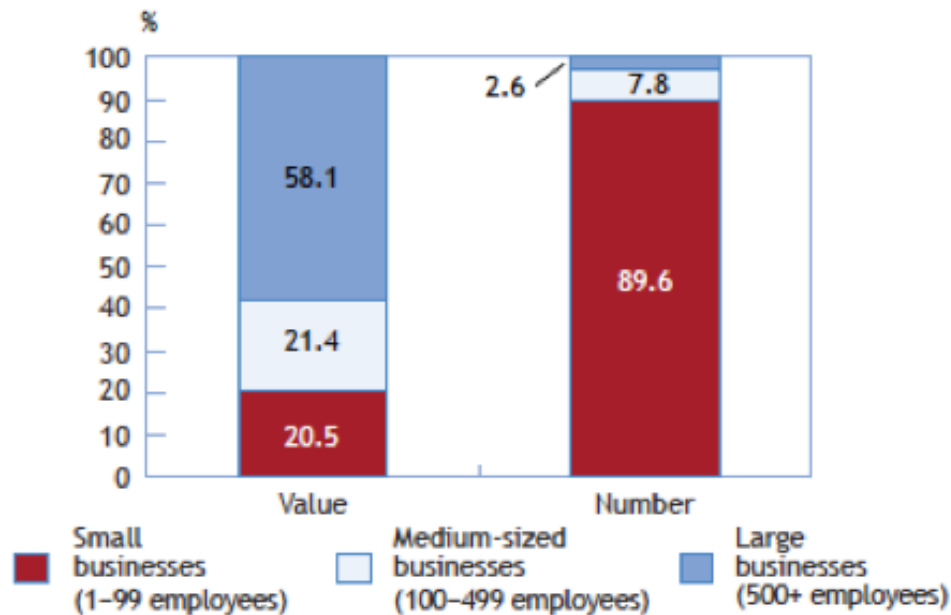
Sources: Statistics Canada, Table 12-10-0094-01 – Trade in goods by exporter characteristics, by enterprise employment size and industry; and ISED calculations.
Source: Government of Canada (2019), pg. 19

The report's reference to Canada's exports is important, but even more so as it is linked to SME's contribution to Canada's GDP. In this respect, the publication is focused on the monetary value of international exports and imports as a calculation of GDP. While this connection between Exports and GDP is significant, it fails to acknowledge that SME success can also be measured in terms of regional as well as inter-provincial exports, excluding international exports. Certainly, larger SMEs with employee numbers between 100 and 499 could be better equipped to export internationally; however, this capacity does not diminish the success of SMEs, even of the same or smaller size, that only export inter-provincially. Smaller, regionally-based enterprises, on a case-by-case basis, could contribute significantly to provincial economies despite having limited international markets. However, as noted in the next section, on a sector-wide basis SMEs, as an aggregate within specific industry sectors, do contribute directly to international exports. This is not surprising since Canada's economy is driven by sales to international markets, which would be accounted for in GDP numbers.

Notwithstanding the Government of Canada's findings on SMEs' contribution to exports and the more positive analysis offered by Picot and Rollin (2019), El-Assal (2018) takes an opposing perspective, remarking that immigrant-owned SMEs underperform as exporters since their enterprises are typically smaller compared to Canadian-born owners. Citing Sui and Horatio (2014), El-Assal asserts that recent immigrant entrepreneurs (in Canada for less five years) are more than twice as likely to export beyond the U.S. compared to non-immigrant SME owners, but they are more inclined to employ "business models based on price competition than on delivering innovative products and services" (p. 10). El-Assal's point is that adopting this business model makes it difficult for immigrant entrepreneurs to build the long-lasting competitive advantage they need to succeed in global markets. This strategy will make it more difficult to contribute significantly to Canada's exports and thus GDP numbers. On the contrary, El-Assal identifies 6 factors influencing recent immigrant entrepreneurs' weaker contributions to exports:

- Language and cultural barriers in Canada;

- Weak social and business networks in Canada;

- Lack of Canadian business and regulatory knowledge;

- Lack of awareness of domestic and international business supports;

- Overconfidence in their export-enabling attributes;

- Financial difficulties; and

- Logistical challenges.

He acknowledges that more established immigrant entrepreneurs (those in Canada over 10 years) may be more adept at managing these challenges – a point evidenced by Ostrovsky et al. (2018) that the survival rate for long-term immigrant-owned SMEs is perceptively higher than for recent owners.

2.4. Contribution to GDP

The success of SMEs can also be measured in terms of SMEs' contribution to GDP. This criterion is determined by individual SME's inclusion with an industry sector. The Government of Canada report notes that over the period from 2002 to 2014 contribution to GPD by businesses, whether small, medium, or large, remained fairly consistent (see Government of Canada (2018), pg. 23). Small- and Medium-sized enterprises contributed a little over 50% to GDP over this period. A more nuanced perspective on businesses is the report's findings on contribution to GDP according to the industry sector (see Table 10).

Table 10. Contribution to GDP by Business Size and Industry Sector, Average from 2010-2014

	Small businesses (1—99 employees)	Medium-sized businesses (100—499 employees)	SMEs	Large businesses (500+ employees)
Goods-Producing Sector	**30.9**	**12.7**	**43.6**	**56.4**
Agriculture	90.6	5.1	95.7	4.4
Forestry, fishing, mining, quarrying, and oil and gas extraction	5.5	6.3	11.8	88.2
Utilities	4.2	3.0	7.2	92.7
Construction	67.7	13.8	81.5	18.5
Manufacturing	25.0	19.6	44.6	55.4
Service-Producing Sector	**63.3**	**11.2**	**74.5**	**25.5**
Wholesale trade	38.2	17.9	56.1	43.9
Retail trade	47.7	10.7	58.4	41.6
Transportation and warehousing	33.1	11.3	44.4	55.6
Finance, insurance, real estate and leasing	32.2	7.4	39.6	60.4
Professional, scientific and technical services	56.0	13.5	69.5	30.5
Business, building and other support services	45.1	15.4	60.4	39.6
Educational services	75.9	13.6	89.5	10.5
Health care and social assistance	84.2	6.0	90.2	9.8
Information, culture and recreation	10.6	7.8	18.4	81.6
Accommodation and food services	63.5	15.9	79.4	20.6
Other services (except public administration)	83.9	5.1	89.0	11.0
Total	**38.4**	**11.8**	**50.2**	**49.8**

Source: Statistics Canada.
Source: Government of Canada (2019), pg. 23

The comparison between SMEs and large businesses in goods-producing and service-producing industry sectors is illuminating. Goods-producing SMEs contributed 43.6% to GDP compared to 56.4 for large businesses. The dramatic contrast between SMEs in Agriculture (95.7%) and Construction (81.5%) and large businesses in Utilities (92.7%) and resource-extraction sectors (88.2) is not surprising. Size matters in the latter sectors. In service-producing enterprises, SMEs stand out in five sectors, including Professional, scientific and technical services (69.5%); Education (89.5%); Health care and support services (90.2%); Accommodation and food services (79.4%); and Other services (89.0%).

A provincial and territorial breakdown of GDP by the industry for 2018 notes that Manitoba's GDP declined from +3.1% in 2017 to +1.3% in 2018 (Statistics Canada, 2019). A major factor in this overall drop was due to closures in the mining sector, whereas service-producing sectors (+1.4%) were close to the GDP average of +1.3%. These Statistics Canada provincial reports highlight the significance of industry sectors contributing to GDP. What these Pan-Canadian reports do not provide, however, is a breakdown in the number of businesses, whether small- or medium-sized or large, in each of the represented industry sectors by province. As illustrated in Table 4, Manitoba had over 39,000 SMEs in 2017, which account for 99.7% of the total, but how many SMEs are represented in each sector is not given. The reports also do not differentiate between rural and urban located SMEs.

The Literature Scan 1 on SME success rates identified four different measurements of SME success. The four criteria of success include SME survival, positive employment growth, contribution to exports, and contribution to GDP. The varying application of these criteria by the sources is an acknowledgment that the criteria can be applied in differing contexts to provide more nuanced analyses of business success. A key issue here is whether the survival rate of SMEs, i.e. continuing as an enterprise over time, is too limiting as a measure of success. For instance, on a provincial or federation level, the strength of SMEs in specific industry sectors is more often associated with (1) increased sales of goods/services beyond local or regional markets to those that cross provincial, intra-provincial, national and international boundaries and (2) increased SME employee numbers to facilitate the increase in sales of goods and services.

On this score, the references provide different dimensions of SME success. Only Ostrovsky & Picot (2018) differentiate success rates for Canadian vs. immigrant SME owners, noting that both groups of owners start similarly at ~88% at year 1 but decline to 58% for Canadian-born and 56% immigrant-owned SMEs after seven years. Archambault et al. (2018) confirm an SME survival rate of 54% at year 7, which is similar to Ostrovsky et al.'s data. Archambault et al. also address the issue of SME survival rates by geographic region. Their data shows that SMEs located in the prairie region retain a higher survival rate compared to the rest of Canada. Archambault et al. (2018) and The Government of Canada (2019) analyze the survival rates of SMEs in differing Industry Sectors. Both identified that at year 7, the survival rate of Service-producing sectors at 53% is 5% lower compared to Goods-producing sectors. Ostrovsky et al.'s findings confirm that survival rates vary for immigrant-owned SMEs based on the owner's immigrant class and the SME's industry sector. Immigrants entering Canada under the Family, and Skilled or Provincial Nominee classes fair better than those in the Business class. Likewise, immigrant-owned SMEs in the Health care and social services sector have an estimated survival rate at 85%, which is much higher than the next sector, Transportation and warehousing, at 61% in year 7. Regarding the SME success criteria, both the Government of Canada (2019) and Archambault et al. (2018) analyze the employee growth rates of SMEs. The Government of Canada (2019) shows that employee growth rates vary across all provinces and territories, whereas Archambault et al. highlight that over a ten-year period SME employee rates (gains or losses) varied by Industry sector. Archambault et al. add to this analysis noting employee growth rates and SME survival rates are correlated to the size of the SME at birth. SMEs with 50 – 100 employees have stronger employment growth rates and higher survival rates than SMEs starting with less than 20 employees. Only the Government of Canada (2019) report addresses the criteria of SME contribution to Export and GDP. Two key findings are that far fewer large businesses (500+ employees) contribute to more than 50% of Exports compared to SMEs. In certain goods-producing and service-producing sectors, such as Agriculture (95.7%), Construction (81.5%), Education (89.5%), and Health care and support services (90.2%) SMEs predominate in contributing to GDP, whereas large businesses overshadow other sectors.

3. Literature Scan 1 – Limitations:

The literature scan revealed several limitations:

The sources did not adopt a common set of statistical criteria for measuring SME success. This issue is not surprising given the distinctive focus of the five main references described in Table 1, but it may have a bearing on the evaluation of the Aurora project in achieving the goal of launching new SMEs that are successful. Enterprise survivability is a minimum benchmark of success, but it is not a condition conducive to SME growth.

The years of data for the analysis undertaken by the five references are limited to roughly ten years, commencing around 2001-2003. This timeframe might suggest that the data is out of date, despite the reliability of the three references, Green et al. (2016), Ostrovsky et al. (2018), and Picot et al. (2019) that use the CEEDD database. Whether the research methodology applied by Archambault et al. (2018) Ostrovsky et al. (2018) is robust enough to extrapolate the survival rates of SMEs in 2019 is an open question.

Concerning the specific research questions linked to Objective 3, the lack of analysis of immigrant-owned SMEs by industry sectors and by province and region (i.e. in rural census sub-division) requires a more cautious approach to this Brief's findings on the statistical measurements of enterprise success.

Section II

1. Overview of Literature Scan 2 – Attributes of Enterprise Success

This literature scan was conducted to identify key attributes or characteristics of business success and to ascertain whether the Aurora Business Leadership Program's (9 module) business model addresses these attributes. By doing so, the ABLP could anticipate that newcomers, having completed the 9 modules, would be better prepared to succeed in launching their business and succeed in sustaining and growing their business in the future.

Table 11 outlines the main themes uncovered through the analysis. The themes were terms used directly by the sources' author. The five themes represent the authors' specific point of interest and analysis, but their emphasis on specific themes does not indicate that one or more themes is more central to business success than others.

Table 11. Thematic Similarities of Success Factors

Themes	References
Personality Traits	Dalziel, 2008; Diochon et al., 2005; Ensign et al., 2011; Frazier et al., 2013; LeBrasseur et al., 2003; LeBrasseur et al., 2005; St-Jean et al., 2015
Education, Training, Experience	Dalziel, 2008; Diochon et al., 2005; Ensign et al., 2011; Frazier et al., 2013; Lussier et al., 2010; St-Jean et al., 2015
Business, Management Skills	Chamberlin et al., 2010; Ensign et al., 2011; Frazier et al., 2013; LeBrasseur et al., 2003; LeBrasseur et al., 2005; Lussier et al., 2010; St-Jean et al., 2015
Social Networks	Dalziel, 2008; Ensign et al., 2011; Frazier et al., 2013; LeBrasseur et al., 2005; Lussier et al., 2010; St-Jean et al., 2015
Community Engagement	Ensign et al., 2011; Frazier et al., 2013; St-Jean et al., 2015

Table 12 presents a more detailed set of success factors or attributes grouped under each theme. As in Table 11, the success factors were identified as terms used by the respective authors. For this report, the matrix serves as a heuristic device for organizing the dimensions or conditions for identifying successful enterprises. Moreover, given the limits of this literature scan, the matrix cannot be considered exhaustive or finalized. As importantly, the sources frequently acknowledge that the attributes under one theme are not insulated or isolated from those under another theme. Rather, the attributes are interconnected. It seems commonplace to recognize that self-confidence, tenacity and goal orientation, combined with previous business experience, financial capital and controls, an innovative product or service, and a solid marketing plan can lead to a successful enterprise. Even so, none of the eight factors can be generalized as the necessary and sufficient condition for business success. Given the context and circumstances of individual enterprises, the eight suggested above more likely serve as contributing conditions for business success.

Conversely, an absence of one or more attributes, e.g. a complete disregard for financial controls, could be the deciding factor for the failure of a business, but in practice, many factors are likely responsible. Frazier et al. (2013) make this point, noting "The difference between success and failure for [...businesses] has been traced to a multitude of factors, including ineffective managerial skills, poor capital management, failure to innovate, and inability to manage growth and expansion" (p. 445).

Table 12. Matrix of Success Factors for Entrepreneurs (owner/managers) and Business Firms

Themes	Success Factors
Personality Traits	• Self-confidence • Fulfilling intrinsic motivations, e.g. personal achievement, autonomy and independence, job satisfaction • Fulfilling extrinsic motivations, e.g. financial gain • Goal orientation • Propensity for risk-taking • Tolerance of ambiguity • Tenacity and passion • Problem-solving and decision-making skills • Leadership skills • Willingness to engage in self-reflection and self-examination • Balance of family and business responsibilities
Education, Training, & Experience	• College or university degree • Prior business experience and/or career experience; • Educational or occupational training • Family business background

Themes	Success Factors
Business & Management Skills	• Innovative products or services (timely, value-added in the current market) • Sufficient financial capitalization • Financial controls and record-keeping • Profitability and attaining projected revenue • Developed/expanded marketing strategy and advertising profile • Strategic intentions • Expansion intentions • Superior firm performance • Sustained competitive advantage • Customer service orientation • Operations management skills • Expanded managerial capabilities • Hiring skilled employees • Human Resource development, e.g. mentoring programs & upgrading employee skills • Information Technology Skills
Social Networks	• Trusting family supports • Trusting relations with business advisors • Dialogue with mentors and coaches • Supportive social networks • Supportive (ethnic) community relationships
Community Engagement	• Bilateral exchange between new entrepreneurs and established businesses • Social interaction between local businesses and consumers • Businesses financially support the community at large

2. Thematic Analysis – Business Success Factors

Several observations emerge from the literature scan in Tables 11 and 12. The first is that each theme is represented by several sources. Second, the sources added significant detail for describing the success factors for personality traits and business and management skills. Of these two themes, business and management skills stood out as central to recognizing business success, notwithstanding the importance of all other attributes falling under the other four themes. The point is that no amount of family support and encouragement, or personal tenacity can correct for terrible customer service or incompetent employees. The success factors under business and management skills follow our usual stereotype of a thriving business as a going concern.

LeBrasseur et al. (2005) draw attention to this typical way of understanding of business success but adds, significantly, that this conception conflates two assessments of business. They note that there is an important

distinction between business survival and business success (para. 6). Business survival is an absolute measurement: "survival" is not "death" in contrast to a business's launch or start-up as in a "birth". On the other hand, business success is a relative measurement: "success" is often measured, for example, by increased profitability, additional employees, or expanded sales into new markets. This distinction was not explicit in the sources from the first scan. The four success criteria examined earlier encompass both measurements; the first on "survival rates" is the absolute measure, whereas the remaining three – positive employee growth, contributions to export and GDP – are relative measures. Likewise, business failure is also understood from a purely business perspective. This is the point emphasized by Frazier et al. (2013) above. However, Diochon et al. (2005) counter that when considering the wide range of reasons why businesses close shop, "most people gave up because they wanted to, not because they had to (p. 18 of 22). That is, financial necessity (i.e. lack of profitability) was not the overriding factor. A change in personal or family priorities or circumstances or the lack of job satisfaction due to work demands could be even more compelling reasons than a healthy bottom line to discontinue a business operation.

Two sources, St-Jean et al. (2015) and Frazier et al. (2013), address the challenges of enterprise start-up and success in the context of rural communities or regions. St-Jean et al. (2015) provide a sectoral analysis of forestry enterprises in Eastern Canada. The forestry industry in Quebec is dominated by larger firms to harvest and process, but this provides opportunities for SMEs to enter the field. Their analysis focuses on how five motivational factors (Personality Traits) have a significant bearing on achieving a measure of success. These factors include interesting work, involuntary constraints, financial success, family culture, and exercising leadership. They conclude that entrepreneurs who launch a business because the work is interesting or is a means to financial success, the business is more likely to succeed than if the business was started due to involuntary constraints. They also note that introducing an innovation (product or service) is not a critical factor in starting and growing a forestry-based business. This claim highlights the importance of the industry sector and the context of the business. There is an assumption that business success requires some tangible, innovation that is introduced to an existing market, whereas success could be due to other factors. This is telling for other rural-based industry sectors that are found in Manitoba; for instance, success in agricultural manufacturing or transportation may not be due to innovations alone, but because of other business factors such as strategic marketing and advertising, customer service, and skilled employees.

Frazier et al. (2010) apply an institutional theory (DiMaggio & Powell, 1983) "to examine how rural community social norms and accepted standards of behavior relate to community and business sector optimism for survival and success of potential new businesses" (p. 446). They acknowledge the business start-ups in rural communities can be riskier than in larger urban centers since the business stands out as the newcomer. Their point is that new businesses must work within the existing constraints and expectations of the local community including its businesses to survive. Both the local community and the new business must be open to change to accommodate (potentially support) the other. Rural communities are more optimistic about new business success if the new entrants meet local consumer demands, and likewise, businesses are optimistic about success when residents patronize and support local business. Their analysis stresses how the themes of business and management skills and community engagement are intertwined. That is, successful rural businesses gain an interest in contributing to the community's wellbeing, quite separately from working to satisfy the needs of local consumers.

A complementary analysis is offered by Ensign et al. (2011), one of the two sources that contrast between immigrant and non-immigrant (owner/manager) business success. Ensign et al. argue that immigrant entrepreneur success is contingent on the introduction of innovation (product or service) into an existing

market. That is, the immigrant entrepreneur recognizes an opportunity that is unmet in the current market. The immigrant entrepreneur may begin by seeking support from consumers within their ethnic community, efforts to succeed entails expanding their foothold in the mainstream market. The existing market may, in turn, recognize the merits of the innovation. Ensign et al. describe the interaction between immigrant entrepreneurs and existing businesses as a "bilateral exchange" wherein immigrant-owned businesses are seen as "breaking out" into existing markets and established businesses "break into" market developed by immigrant entrepreneurs. As with Frazier et al. (2010), Ensign et al. (2011) stress the business and management skills as the central pillar to business success but that this cannot be achieved with interacting with the broader community included existing businesses. This interaction cannot be subsumed under the unidirectional efforts of enterprises developing or expanding the marketing efforts, as a specific management skill.

Dalziel (2008) develops a comparative analysis of immigrant and non-immigrant businesses that includes an examination of four themes, including personal traits, education and previous experienced, business and management skills, and social networks. She recognizes a suite of personality traits such as a need for achievement, tenacity and passion as well as education and previous business ventures as common factors in business success but also stresses that cultural differences may have an even more important impact on entrepreneurial activities. On this issue, she notes that immigrant entrepreneurs who make use of social networks that include trusting relations (whether from families or within ethnic communities) may better able to develop business and management resources and capabilities that are instrumental in their business success. She describes these social networks as an expression of "bounded solidarity" that serves as a source of social capital (p. 8 of 15), which can help mitigate the challenges experienced by immigrants in a new country with a new social and business environment. She concludes cautiously that "the difference in performance between immigrants and non-immigrants may be due to the former's personality traits or their more effective social networks, or the cause may lie elsewhere" (p. 12 of 15).

As a last highlight of Tables 11 and 12, LeBrasseur et al. (2003) argue that the Pre-start phase is critical for future business success. Guarantees of success are not assured even when the business owner follows through with addressing these factors (e.g. developing a comprehensive business plan, ensures adequate capitalization, ensure adequate financial accounting skills, has a detailed marketing and advertising plan, etc.), but these details provide a sound basis of business success. Enterprises that spend time, effort and resources before launching are better prepared to weather the inevitable storms of fickle marketplaces and other uncertainties. This preparation in developing business plans and concrete cash flow projections can lead to a more efficient capital structure, which can enable the business owner/manager to become less mired in day-to-day business operations but to develop and expand the managerial skills. At launch, new businesses (SMEs) are highly dependent on their owner/manager as the main resource and decision-maker, but as the enterprise matures and grows, it often becomes necessary to shift from an entrepreneurial approach to decision-making to a professional management style of leadership. To do so, the skill base of the organization must not rely solely on the owner/manager's managerial and or technical capabilities.

This focus on preparation and planning for growth is expanded in LeBrasseur et al. (2005). In this study, they reiterate "that higher levels of management capability, particularly in the marketing area, are associated with early-stage survival. More specifically, efforts to bolster the operation in the areas of pricing, customer service, and new service/product offerings … appear to enhance the prospects for survival in the early stages" (p. 11 of 15). They add that building up of the firm's skill base (whether through the hiring of full-time expertise or the judicious use of the external support network), in such areas as financial analysis and reporting, or customer relationship management [can] provide a more consistent basis for decision-making (p. 11 of 15). LeBrasseur et

al. (2005) describe this developmental experience as "entrepreneurial learning". Their claim is obvious to aid in business success going forward, entrepreneurs need to expand their skills set but also admit that they cannot do everything, manage every task; they must engage in critical self-assessment to admit that business advisors can be indispensable and invaluable by offering a fresh perspective, new insights that could prove essential in some business management decisions. In this way, LeBrasseur et al. (2003, 2005) draw a direct line between three themes – personality traits, business and management skills and social networks.

Chamberlin et al. (2010)   advance a similar emphasis that the prelaunch development phase includes strategies for various aspects of innovation both in terms of product development and marketing strategies, coupled with advancements in an enterprise's human resources. In their estimation, business success depends on advancing the training opportunities of their employees as well as developing strategic partnerships or alliances.

This thematic analysis of Literature Scan 2 highlights the importance of various success factors under each of the five themes. The various sources outline differing research agendas and interests, which draw attention to specific success factors as being more relevant than others. In turn, this overview provides the context for aligning the business success factors with the Aurora Program modules. Table 13 presents this alignment.

The first column outlines the central question organizing the set of learning objectives in the nine modules. Module 9 serves more as a summative conclusion. The remaining two columns map the business success factors drawn from the Literature Scan 2 sources. The alignment was intended to match similar terms or concepts where possible. These two columns were distinguished in terms of Pre-Startup Business Planning and Business Launch and Future Expectations. This distinction adopts the time frame applied by the Literature Scan 2 sources that describe how entrepreneurs engage in a series of pre-start-up activities in preparation for launching their business. Going forward, entrepreneurs put this "business plan" into action and then adjust it as their business survives and succeeds to grow.

Table 13 establishes that the Aurora Program is aligned most closely with business success factors from two themes – Business and Management Skills and Social Networks. This is not surprising given the aim of the Aurora Program which was to provide advice and coaching on business plan development before the business launch. The scope and organization of the Aurora Program modules stressed a number of success themes under Business and Management Skills, including innovative products or services, financial resources and controls, human resources, management skills, management skills, and customer services. From Social Networks, drawing on family as well as business advisors or mentors for supports was evident. A number of the learning objectives in Module 3 aligned with one of the Personality Trait factors – problem-solving and decision-making skills.

Table 13. Alignment of Business Success Factors with the Aurora Program Modules

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 1: What is your business idea?		
1/ Identify the various sources to generate potential ideas for new ventures	- Prior business experience - Family business background	- Expanded marketing and advertising profile - Trusting relations with a business advisor - Dialogue with mentors and coaches
2/ Describe the process to develop value proposition statements	- Innovative products or services (timely, value-added in the current market)	- Innovative products or services (timely, value-added in the current market) - Strategic intentions - Expansion intentions
3/ Analyse business ideas to determine the feasibility	- Strategic intentions - Expansion intentions - Financial controls and record-keeping Profitability and attaining projected revenue - Problem-solving and decision-making skills	- Strategic intentions - Expansion intentions - Financial controls and record-keeping - Sustained competitive advantage - Superior firm performance - Profitability and attaining projected revenue - Problem-solving and decision-making skills

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 2: Getting to know your customer		
1/ Identify accurately and extrapolate the appropriate customer characteristics that link most closely to your business and its intended customers	- Strategic intentions - Customer service orientation	- Strategic intentions - Expansion intentions - Customer service orientation
2/ Create a customer profile		
3/ Demonstrate the value proposition links between your customer and your product/service	- Innovative products or services (timely, value-added in the current market) - Strategic intentions - Developed marketing and advertising profile - Operations management skills	- Strategic intentions - Expansion intentions - Sustained competitive advantage - Expanded marketing and advertising profile - Expanded managerial capabilities

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 3: Value Proposition		
1/ Understand what value you deliver to the customer	- Innovative products or services (timely, value-added in the current market) - Problem-solving and decision-making skills	- Innovative products or services (timely, value-added in the current market) - Expanded marketing and advertising profile - Strategic intentions - Expansion intentions
2/ Determine which one of your customer's problems are you helping to solve	- Innovative products or services (timely, value-added in the current market) Problem-solving and decision-making skills	- Innovative products or services (timely, value-added in the current market) - Expansion intentions - Expanded marketing and advertising profile
3/ Determine which job you are helping the customer get done	- Innovative products or services (timely, value-added in the current market) - Problem-solving and decision-making skills	- Innovative products or services (timely, value-added in the current market) - Expansion intentions - Expanded marketing and advertising profile
4/ Identify which customer needs you are satisfying	- Innovative products or services (timely, value-added in the current market) - Problem-solving and decision-making skills	- Innovative products or services (timely, value-added in the current market) - Expansion intentions - Expand marketing and advertising profile
5/ Determine which bundles of products and services you are offering to each customer segment	- Innovative products or services (timely, value-added in the current market	- Innovative products or services (timely, value-added in the current market) - Expansion intentions - Sustained competitive advantage

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 4: Reaching your customer		
1/ Develop the processes for the various channels needed to connect with your customers	- Customer service orientation - Developed marketing and advertising profile - Operations management skills	- Expanded marketing and advertising profile - Expanded managerial capabilities
2/ Distinguish the differences between communication and distributing channels	- Operations management skills	- Operations management skills - Expanded managerial capabilities
3/ Develop and implement a channel plan	- Developed marketing and advertising profile - Operations management skills - Expanded managerial capabilities	- Expanded marketing and advertising profile

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 5: Managing your customer relationships		
1/ Identify whom you are creating value for	- Developed marketing and advertising profile - Customer service orientation	- Strategic intentions - Expansion intentions - Sustained competitive advantage - Customer service orientation
2/ Understand who your most important customers, clients, or users are	- Developed marketing and advertising profile - Customer service orientation	- Strategic intentions - Expansion intentions - Sustained competitive advantage - Expanded marketing and advertising profile - Customer service orientation
3/ Demonstrate how you can get your customers helping you to get more customers?	- Developed marketing and advertising profile - Customer service orientation	- Strategic intentions - Expansion intentions - Expanded marketing and advertising profile - Sustained competitive advantage - Customer service orientation

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 6: Where does your money come from?		
1/ For what value are your customers willing to pay	- Financial controls and record-keeping - Expansion intentions	- Expanded marketing and advertising profile - Strategic intentions - Expansion intentions - Sustained competitive advantage - Customer service orientation
2/ How would they prefer to pay?	- Financial controls and record-keeping	- Financial controls and record-keeping
3/ How much does each revenue stream contribute to overall revenues in terms of percentages of the total?	- Sufficient financial capitalization - Financial controls and record-keeping	- Sufficient financial capitalization - Financial controls and record-keeping

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 7: What are your key resources?		
1/ Identify which key resources your value propositions require based on:		
• Understand your distribution channels	- Customer service orientation - Operations management skills	- Expanded marketing and advertising profile
• Understand your customer relationships	- Customer service orientation - Operations management skills	- Expanded marketing and advertising profile - Customer service orientation
• Determine your revenue streams	- Sufficient financial capitalization - Financial controls and record-keeping - Expansion intentions	- Profitability and attaining projected revenue - Expanded marketing and advertising profile - Strategic intentions - Expansion intentions - Sustained competitive advantage

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 8: What are your key partners?		
1/ Identify who are your key partners	- Trusting family supports - Dialogue with business mentors & advisors - Supportive social networks - Supportive (ethnic) community relationships	- Trusting family supports - Dialogue with business mentors & advisors - Supportive social networks - Supportive (ethnic) community relationships
2/ Identify who are your key suppliers		
3/ Identify which key resources are we acquiring from partners	- Dialogue with business mentors & advisors - Supportive social networks - Supportive (ethnic) community relationships	- Trusting relations with a business advisor - Dialogue with mentors and coaches - Supportive social networks - Supportive (ethnic) community relationships
4/ Identify which key activities partners will perform for you	- Dialogue with business mentors & advisors - Supportive social networks - Supportive (ethnic) community relationships	- Trusting relations with a business advisor - Dialogue with mentors and coaches - Supportive social networks - Supportive (ethnic) community relationships

Aurora Modules and Learning Objectives	Pre-Startup Business Planning	Business Launch and Future Expectations
Module 9: What are your key activities?		
1/ Understand what key activities you require to undertake for:		
• Value propositions & achievements	- Innovative products or services (timely, value-added in the current market)	- Innovative products or services (timely, value-added in the current market) - Strategic intentions - Expansion intentions
• Distribution channels achievements	- Customer service orientation - Developed marketing and advertising profile - Operations management skills	- Expanded marketing and advertising profile - Expanded managerial capabilities
• Customer relationships achievements	- Customer service orientation - Developed marketing and advertising profile - Operations management skills	- Financial controls and record-keeping - Sustained competitive advantage - Superior firm performance - Profitability and attaining projected revenue - Expansion intentions - Strategic intentions
• Revenue streams achievements	- Sufficient financial capitalization - Financial controls and record-keeping - Expansion intentions - Strategic intentions	

The linkage between pre-launch business planning and post-launch business operations and management, as stressed by the Literature Scan 2 sources (e.g. LeBrasseur et al. 2003, 2005), was used to extrapolate which of the business success factors applied to the Business Launch and Future Expectations column. The issue here is that while a business launch can be marked a finite point in time, the business planning continues through the enterprise's management and operations. The Aurora Program does not address this post-launch phase, yet the business success factors apply in both the pre- and post-launch phases.

The Literature Scan 2 sources report that there might be a sort of constellation of factors across the themes that can provide the basis to launch and succeed in business. Consider – a mix of drive, determination, critical self-reflection, prior business education of experience, a carefully designed product, a good marketing plan with a clear customer profile, backed with sufficient financial backing, as well as the support from family or business advisor can coalesce around a successful start but then the real work begins. A fateful start allows every business to survive for a time, but this cannot be deemed a success. The sources stress that SME success and growth must be planned and managed; business success is rarely a coincidence of circumstance.

Module 8 of the Aurora Program – What are your Key Partners – aligns every closely with the Literature Scan 2 sources that acknowledge that need for external supports or resources that can offer expertise and experiences to help resolve difficult financial or management decisions. Business success is determined less by the owner/manager's individual efforts than by an admission, a self-critical awareness that she has strengths, weaknesses and gaps as an owner/manager that can be best addressed by others, whether family, business advisors, or mentors. The Aurora Program's recognition of partners as supports is an important acknowledgment that business success usually requires a team effort.

The Aurora Program is essentially silent on the two themes of Personality Traits, and Education, Training and Experience. Newcomers who participated in the Aurora Program were asked to give a personal profile that included a listing of previous education and business experience. While these factors were not addressed explicitly in the Aurora Program modules, it is reasonable to expect that the program participants would have relied upon the prior education and business experience while working through the modules. Lastly, the Aurora Program does not make any reference to Community Engagement as explained by Frazier et al. The modules might anticipate but do not address intended expansion plans or expectations of success (as measured by profitability, expanded markets, numbers of additional employees) that would enable to business to afford to give back to the community.

3. Literature Scan 2 – Limitations:

Two major limitations frame Literature Scan 2. Firstly, given the breadth of the bibliographies in each of the listed sources, the scope of the scan was very limited. The reference lists show that the literature is far more expansive in terms of analyses or case studies focused on success factors for business or industry sectors. A more critical review of the search parameters may also aid in identifying sources that examine successful rural enterprises in Manitoba or other Canadian rural regions as well as enterprises owned or managed by immigrants. Secondly, the alignment of the business success factors with the Aurora Program modules could be considered an interpretive exercise. A more thorough analysis of the entire set of modules could lead to a revision of Table 13.

Conclusion

This Briefing Paper addressed two research questions:

1. **What are the success rates of business start-ups across Canada and in Manitoba, by Canadians and newcomers?**

2. **What are pertinent criteria for successful business start-ups, with an emphasis on newcomers' notions of success?**

Concerning the first question, the Literature Scan 1 sources identified four quantitative criteria for measuring SME success rates. The criteria include SME survival, positive employment growth, contribution to exports, and contribution to GDP. The sources' reliance on a set of Statistics Canada databases provides a measure of validity when applying the four criteria to assess the vitality and prosperity of SMEs. While survivability is a benchmark of success, more insightful measurements of success are determined by the employment growth and contributions to exports and GDP.

The Literature Scan 2 showed a significant cohesion among the sources that successful business start-ups can be identified according to five themes: Personality Traits, Education, Training and Experience, Business and Management Skills, Social Networks and Community Engagement, and their respective success factors. The scan did not identify specific criteria on newcomers' notion of business success. The sources uniformly acknowledged that Business and Management Skills were central to successful business start-up and as a condition for post-launch business growth. The Literature Scan 2 sources added that for individual owner/ managers, personal achievement or community contributions could be more important measures of success than profitability or an increase in personal wealth.

Two of the five themes of successful business start-ups, specifically Business and Management Skills, and Social Networks, aligned closely with the objectives of the nine Aurora Program modules. As with the Literature Scan 2 sources, the Aurora Program modules focussed on Business and Management Skills as the core concern in business planning prior to launch. This correlation is evidence that the Aurora Program provides a constructive platform for preparing entrepreneurs to start a business.

The findings from both scans argue for the need for future research pertaining to SME success in Canada and Manitoba. First, the Literature Scan 1 focused their analyses on data spanning ten years, commencing around 2001-2003. This timeframe suggests that the data may be out of date, which could be resolved by a renewed analysis of the Statistics Canada CREED databases to assess whether SMEs success rates remain consistent over the last decade and to analyze success rates for immigrant-owned SMEs by industry sectors and by province and region (i.e. rural census sub-divisions in Manitoba). Second, a series of case studies of SMEs in rural Manitoba, by region and Industry sectors, and by Canadian or immigrant ownership or management could provide a more informed analysis of factors leading SME success or failure as well as criteria of

success adopted by SME owner/managers. Third, a scan focussed on best practices on business start-ups and entrepreneurship may help identify elements that could strengthen the Aurora Program.

While the two literature scans were completed before the Covid-19 pandemic broke out, it is important to acknowledge the serious impacts that the pandemic has had on all businesses across Canada and globally. This ongoing 'crisis' highlights the significant ramifications that unforeseen contingencies can have on SMEs, whether these enterprises are rurally based or owned/managed by immigrants, or not. How SMEs are able to deal with these circumstances will have a direct bearing on their start-up planning as well as their business survival once launched. The current landscape faced by SMEs opens a fourth line of research – an analysis of the planning, preparation, resources and other factors that were instrumental in the survival of SMEs through the Covid-19 period.

Acknowledgement

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Contact Us
Rural Development Institute, Brandon University
270-18th Street, McMaster Hall, Lower Level
Brandon, Manitoba R7A 6A9
Phone: 204-571-8515
Email: rdi@brandonu.ca
www.BrandonU.ca/RDI