



Increasing Productivity in Traditional SMEs

Presentation to SELA/INADEM/OECD
Conference
Puerto Vallarta, Jalisco
November 3, 2016

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Vice-President
Government Relations



Agenda

- 1. Overview of BDC**
- 2. SME Management Challenges**
- 3. Developing Solutions**
- 4. BDC Entrepreneurs Toolkit**



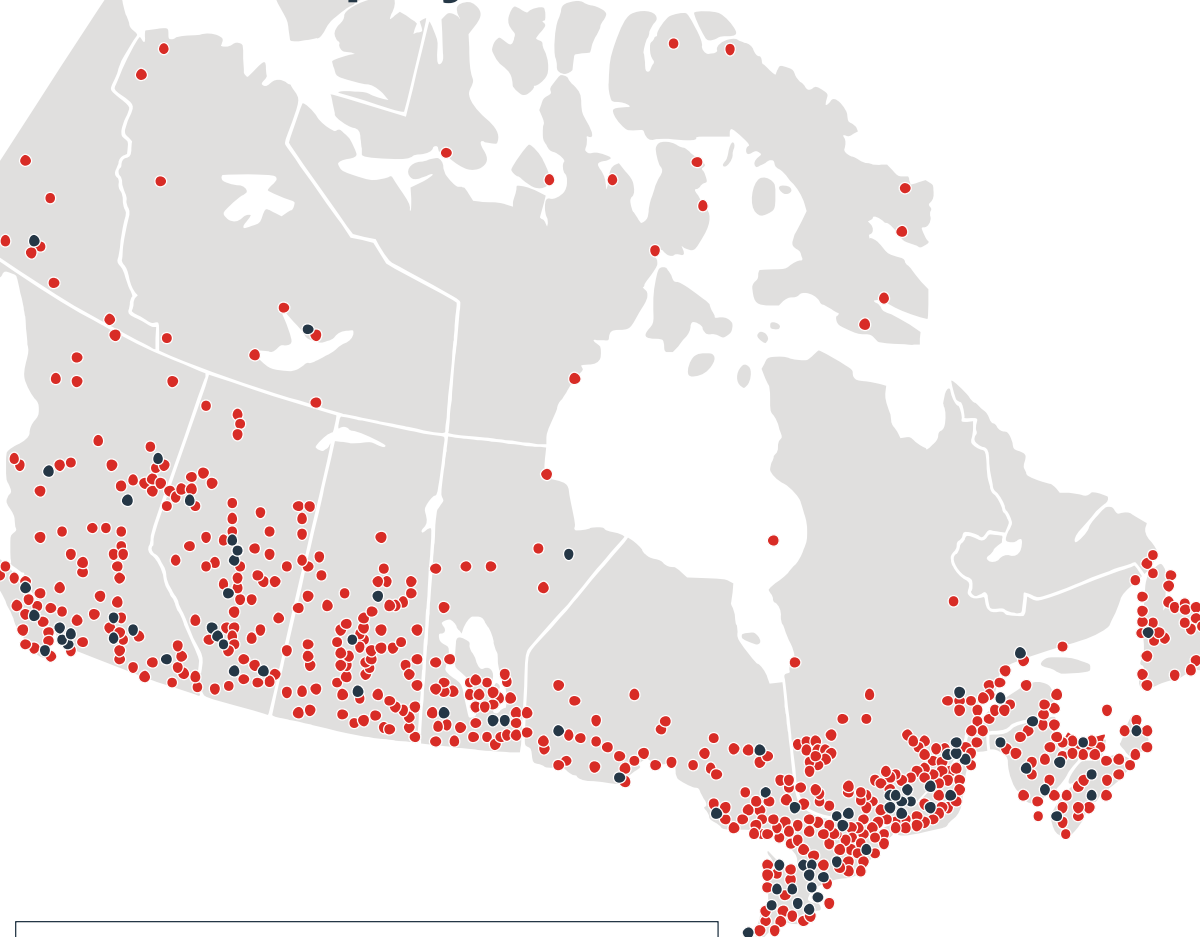
We are the only bank in Canada dedicated exclusively to entrepreneurs

Our mandate is to support Canadian entrepreneurship with a focus on small and medium-sized businesses



BDC has more than...

110 business centres and
2,000 employees across Canada



● BDC Clients ● BDC Business Centres

OUR
42,000+
CLIENTS

Employ more than
700,000 people

Generate \$235B
in annual revenue

Generate \$25B
in export revenue

BDC has flexible tools to meet the challenges of small businesses



BDC offering

(As at March 31, 2016)

financing

\$ 23B

committed

indirect financing

\$ 805M

committed

growth & transition capital

\$ 816M

committed

venture capital

\$ 1.2B

committed

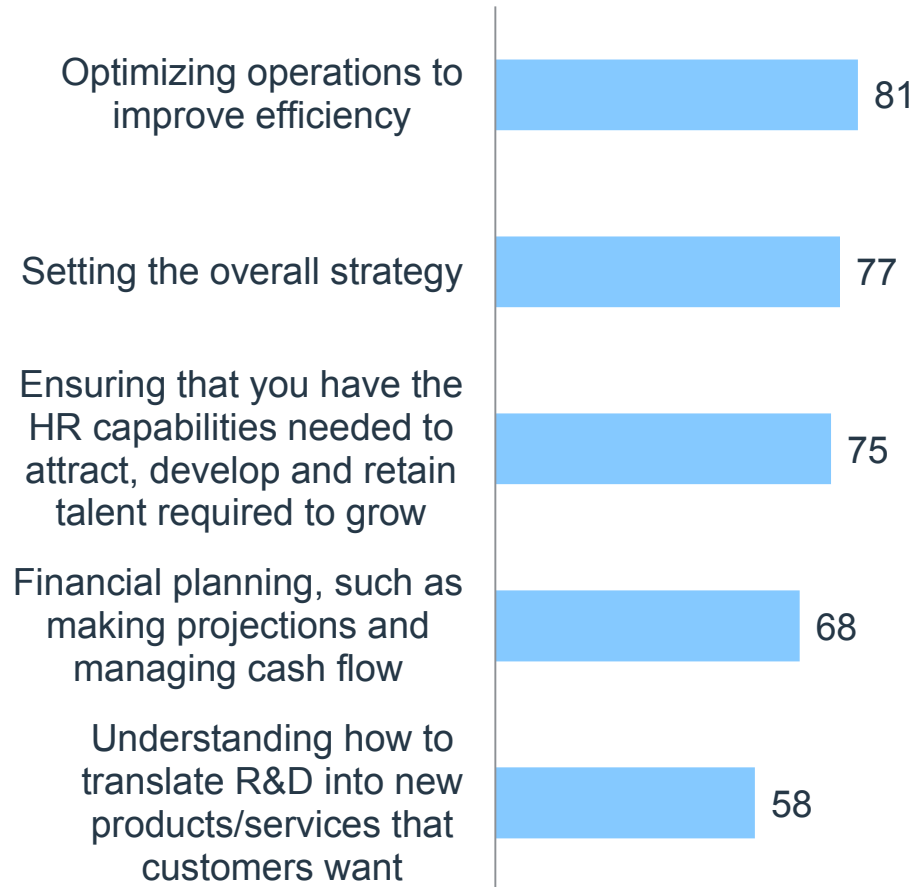
advisory services

1,872

mandates

Growing SMEs are facing multiple management capabilities challenges; there is a need for public policy responses

Top management challenges of growing SMEs



Main conclusions from our research of the knowledge and learning ecosystem

- There is a need for entrepreneur education
- There is room for public actors such as BDC to play
- There are leaders in this space (Kauffman Foundation, centres of advanced education focused on entrepreneurship)

We have deep knowledge of clients, existing and prospective...



How to Excel at Customer Intimacy

- **Segment and target** markets precisely and then **tailor offerings** to match exactly the demands of those niches
- Combine detailed customer knowledge with **operational flexibility** to respond quickly to almost any need, from customizing a product to fulfilling special requests

Organizational capabilities required



- Deep entrepreneur knowledge and insights into their business specifics, markets and industries



- Bundle products and services into tailored “solutions”



- Be client focused by delivering seamless omni-channel experience to respond quickly to client needs and create deep, long-lasting relationships

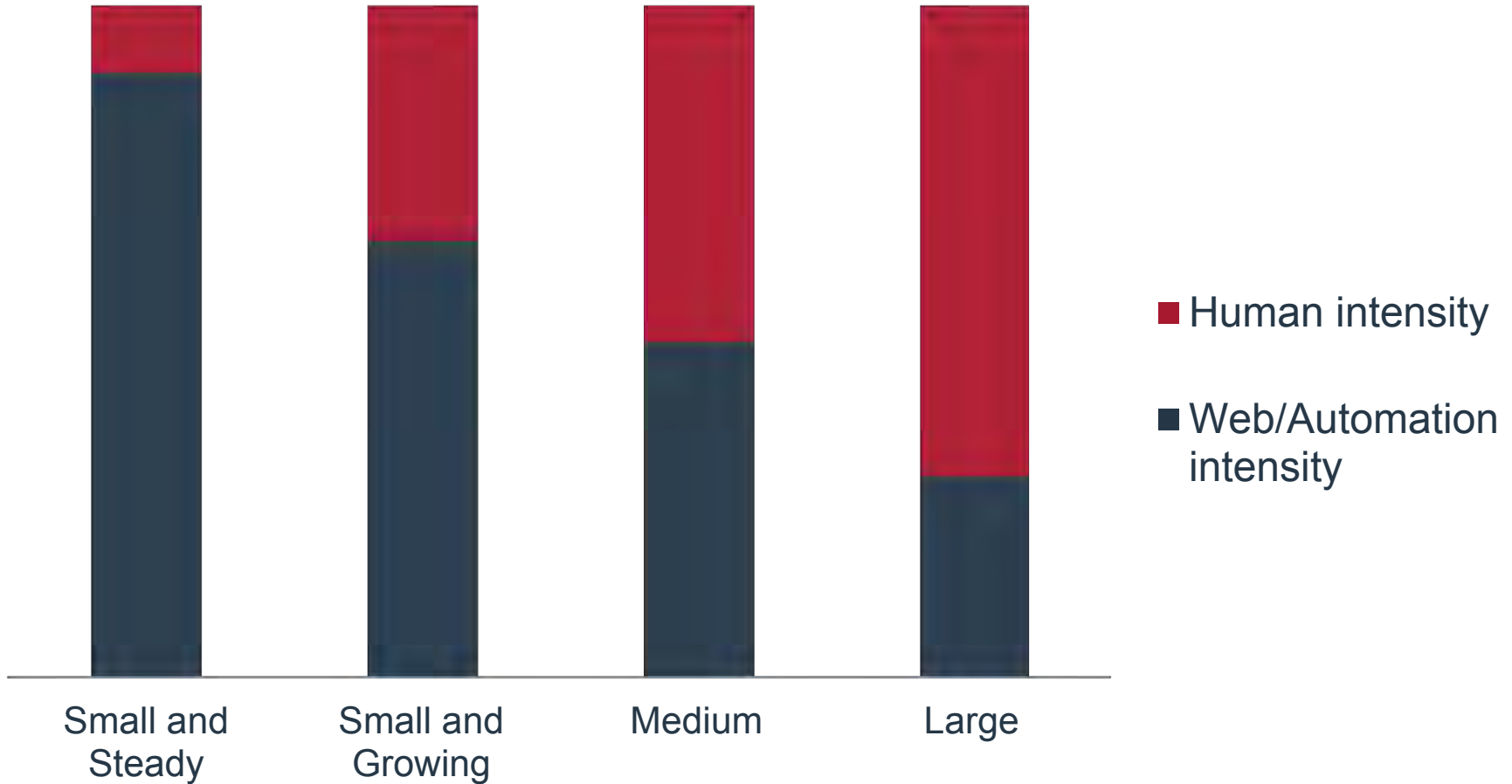


- Offer guidance, expertise and superior service



- Develop a strong ecosystem of partners to deliver value

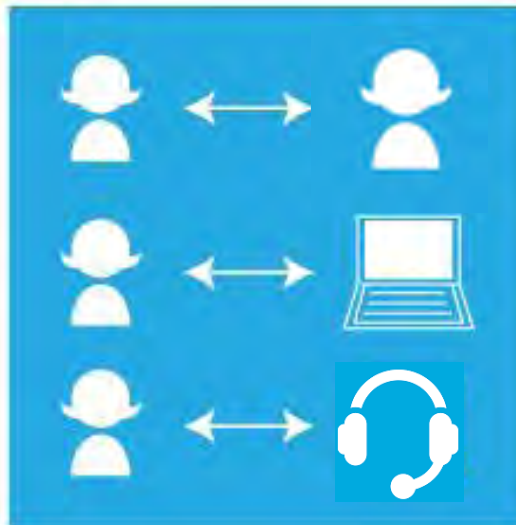
...with an evolving operating model shaped according to market segment



... leading toward an “omnichannel” client experience



Single Channel (1990s):
Account Managers
as our channel



Multi Channel (today):
Open up the other
channels that client
expect



Omnichannel (future):
Coordination among
channels for best value
prop and experience



Leveraging new technologies



To have the means to work from anywhere, at anytime and from any device, bringing guidance and expertise directly to the entrepreneurs

To have new insightful, powerful and predictive information and to fuel proactive business decisions and actions to improve client and employee experience

To enable employees, entrepreneurs and partners to develop deep and long lasting relationships by seamlessly communicating and collaborating inside and outside the boundaries of organizations





eLearning for all – in a nutshell

What

- Online, on-demand, just-in-time offering comprised of a searchable knowledge base and eLearning "rich" content
 - Strong focus on management and growth challenges of SMEs
 - Addresses entrepreneur's broad business challenges with content delivered in a way that is pragmatic and written for the entrepreneur
-

Success factors

- Advisors and external experts who work with entrepreneurs will guide the identification of relevant content topics
 - Strong and evolving content, based on current needs of SMEs
 - Expertise in developing e-learning tools
 - Marketing and promotion to drive traffic
 - Measurement tools to track usage, client data and feedback
 - Volume of value added content consumed
-



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Create your website

How to build a website for your business

Click on icons to open corresponding content below



Your website is the “go-to” source of information about your business—and it needs to stay open 24 hours a day. Learn how to come up with a winning website design, one that attracts visitors and turns them into customers.

What challenges are you facing?

Read the content below to find helpful tips on the steps involved in creating a website for your business.

+ [Why should my business have a website?](#)

+ [What kind of website do I need?](#)

- [How do I create a website?](#)

Just like an engineer wouldn't start a building without blueprints, you must have a plan that sets out must-haves and nice-to-haves for your website, regardless of whether it is intended to be a one-time

BDC solutions

Financing

- > [Apply online for a flexible small business loan up to \\$50k](#)
- > [Invest in IT with a technology loan](#)

Consulting

- > [Transform your website into an effective sales vehicle](#)
- > [Develop a marketing](#)

Articles and tools

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How to create

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TOP QUERIES

- Create a business plan
- Create opportunities
- Create sales plan
- Create Website
- Create other

> View all results

POPULAR CHALLENGES

- > How do I prepare business plan
- > Growing my network
- > Developing my sales strategy
- > How do I create a website
- > Defining my target market

What cha

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a business

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How to create a website

SEARCH

- All results (23)
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- Videos (3)
- e-Learning (1)

Result 1 - 10 of 23



1. Building your website | ARTICLES



Should you create your company's **website** or hire a web developer or agency to do the job for you? With the proliferation of inexpensive DIY platforms such as WordPress, Squarespace and Shopify creating your own **website** has never been easier, even for a company with no IT staff.

2. How to improve your business's website | ARTICLES



In today's business world, your **website** is like your storefront. It's one of the main ways customers are finding you and forming an impression about you. A properly designed site is especially important if your business is growing and you are trying to improve your profile.

3. Top 10 questions for a website developer | ARTICLES



Entrepreneurs often make the mistake of hiring a website developer before they've done their homework. That's the consensus of entrepreneur Stephen Leves and consultant Jennifer Colley, who

4. How to leverage the marketing power of the Internet | VIDEOS



In this special webinar, **web** marketing expert Ravi Dindayal will explain why it's better for small and medium-sized **businesses** to focus on

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Building your website: Do it yourself or hire a pro?

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Should you create your company's website or [hire a web developer or agency](#) to do the job for you?

With the proliferation of inexpensive DIY platforms such as WordPress, Squarespace and Shopify creating your own website has never been easier, even for a company with no IT staff.

On the other hand, a developer or agency can bring you a lot of added value. For example, professionals can make sure your site is easy for visitors to use and is optimized to rank higher in search engine results.

"Both approaches have pluses and minuses. The choice comes down to how much time and money you have," says BDC Business Consultant Martin Wiedenhoff, who advises entrepreneurs on [online marketing \(def.\)](#).

Wiedenhoff offered these pros and cons of each option.

DIY website

Pros—[DIY platforms](#) are much less costly than hiring a professional to create your site. Using them is also fairly simple thanks to user friendly software, how-to guides, discussion forums and tutorials. They can be upgraded as you expand. And you don't need to deal with a call for bids to find a professional to design your site.

Cons—Building a good-quality DIY site takes much more time than if a web developer does it for you. You have to research which platform to use and learn how it works. Then, you have to add content, update it regularly and optimize the site to rank higher in search results.

You also risk hurting your brand if your site doesn't end up looking professional or isn't easy to use. While you don't need programming skills, you should be comfortable with computers and the Internet.

A DIY site also won't work as well if you have many products or complex requirements, such as the need to integrate your site with other business systems such as accounting and inventory management.

Related topics

[How to find the best Internet address for your business](#)



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Entrepreneur's toolkit

- Business assessments
- Ratio calculators
- **Templates and business guides**
- eBooks
- Publications
- In Business\$
- Monthly Economic Letter
- Profit\$ Magazine
- Oil Market Update
- Manage my email subscriptions
- Webinars
- iPhone application

Blog

Online marketing

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Online marketing (also called Internet marketing or web marketing) is marketing and advertising on the Internet aimed at building awareness about a company's products, services or brand, drive traffic to its website and increase sales.

Companies use many different online marketing strategies, including the following:

- **Pay-per-click (PPC)** (def.)—Paying to have ads appear on search engines like Google when users search on keywords related to a company's products or services.
- **Banner advertising**—Paying to place ads on other organizations' websites.
- **Search engine optimization (SEO)** (def.)—Making sure the company website uses keywords and other techniques to rank highly in search engine results.
- **Content marketing** (def.)—Publishing online content (e.g., blogs and social media posts) on topics of interest to customers.
- **Email marketing**—Emailing promotional business information or offers to prospective or existing customers.
- **Social media marketing** (def.)—Posting content and advertising on social media platforms such as Facebook, Twitter or LinkedIn to become better known and promote products or services.

More about online marketing

All online marketing has a cost, but some forms have a more direct cost than others—e.g., pay-per-click versus SEO. However, even SEO costs a company time and effort, which should be considered marketing expenses.

For more information on online marketing, read [BDC's online marketing eBook](#).

Find more in our [Glossary](#)

Related definitions

- > [CPC](#)
- > [Web analytics](#)
- > [Search engines](#)

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Glossary

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Accelerated payment

When the borrower requests to reduce his loan amortization period by increasing the amount or frequency of payments so the loan is paid off earlier. [↻](#)

Accounting Standards

A set of accounting standards applicable to Canadian private enterprises. [↻](#)

Accounts payable

Money owed by a company to its suppliers or other parties for services or goods. It is a current liability on the balance sheet. [↻](#)

Accounts receivable

Money owed to a company by its customers for services or goods that have been delivered. It is a current asset on the balance sheet. [↻](#)

Amortization period

Total length of time that it takes to pay a debt in full. Under accounting principles, the amortization period usually refers to the useful economic life of an intangible asset.

See also depreciation and depreciation expense. [↻](#)

Angel investor

A wealthy individual who invests in companies typically in the early stages of development. [↻](#)

Asset

Any tangible (e.g. inventory, machinery, building, etc.) or intangible (e.g. intellectual property, goodwill, etc.) resource that is owned by a person, group of persons or business and is perceived by others to have value. [↻](#)



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• Business loan calculator

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• eBooks

Canadian business productivity benchmarking tool

Use BDC's free productivity benchmarking tool and find out in just a few minutes where you stand compared to other Canadian businesses in your industry.

It's the first step to making your business leaner, stronger and more profitable.

The benchmarking tool will calculate and display your results online*. You will then be able to download a printable report containing your results, plus recommended readings and information on best practices.



3 reasons to benchmark your productivity:

› Compare your business

to other Canadian firms in your industry

› Discover your potential

for improvement

› Get a detailed, printable report

for easy reference

Start

The data used in this benchmarking tool is provided by the [Canadian Center for Data Development and Economic Research](#) (CDER) of Statistics Canada.

Benchmark your firm's productivity



Enter your business information

Industry

In which industry does your business operate?

113311 | Logging (except contract)

x



Tax year

For which tax year are you entering the information below?

2015



Company

- ⓘ To fill out the questionnaire, have on hand the following federal corporate tax records :
1. T2 Income Statement Information (schedule 125)
 2. T2 Balance Sheet Information (schedule 100)
 3. T4 Statement of Remuneration Paid
 4. Capital Cost Allowance (CCA - schedule 8)

If you don't have these documents on hand, [click here](#) to receive a list by email.
You can also provide estimates; however, the results will be less accurate.



Enter this information

Total revenue

T2 Income Statement Information (schedule 125) - line 8299 [?](#)

\$ 30,000,000

Number of employees

Average number of employees [?](#)

25

Total tangible capital assets

T2 Balance Sheet Information (schedule 100) - line 2008 [?](#)

\$ 1,000,000

Total accumulated amortization of tangible capital assets

T2 Balance Sheet Information (schedule 100) - line 2009 [?](#)

\$ -750,000

Total labour cost

T4 Statement of Remuneration Paid - line 14 [?](#)

\$ 700,000

Net income/loss (positive or negative)

T2 Balance Sheet Information (schedule 100) - line 3680 [?](#)

\$ 500,000

Capital cost allowance (CCA)

T2 Schedule 8 - column 12 [?](#)

\$ 25,000

Benchmark

Benchmark your firm's productivity



Summary of your company information

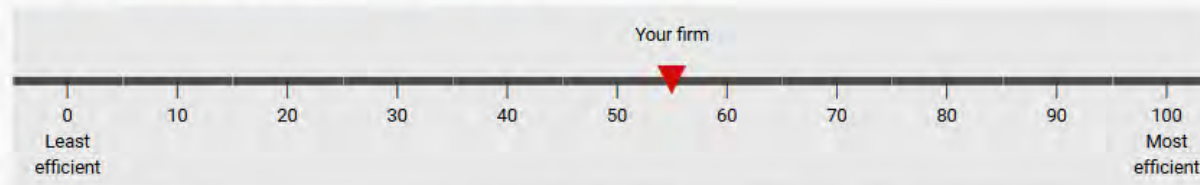
Industry 113311 Logging (except contract)	Tax year 2015	Employees 25
Company		
Total revenue \$30,000,000	Total accumulated amortization of tangible assets \$-750,000	Net income/loss (positive or negative) \$500,000
Total tangible capital assets \$1,000,000	Total labour cost \$700,000	Capital cost allowance (CCA) \$25,000

Your company's results* compared with other Canadian businesses in your industry

Total number of companies in your industry in Canada

1,156 companies in Logging (except contract)

What was your overall level of productivity in 2015?



Compared to other businesses in your industry, **your firm's level of productivity ranks between 50 and 60 on a scale of 0 to 100.**

This means that at least 50 percent of Canadian firms in your industry are less efficient than yours, but **at least 40 percent are more efficient.**



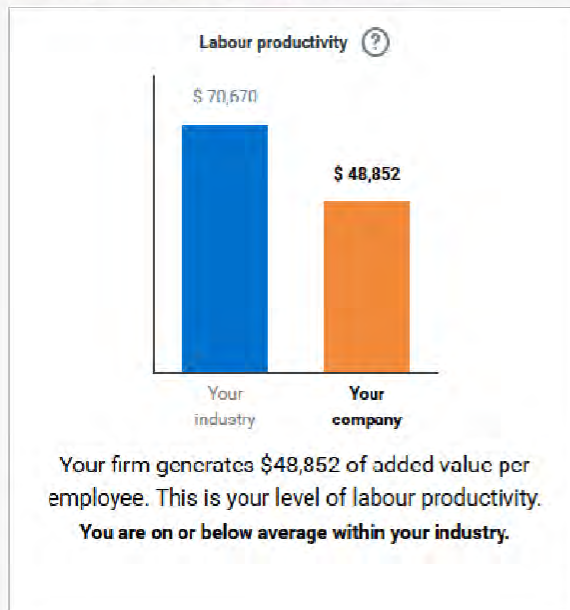
What is your revenue per employee?



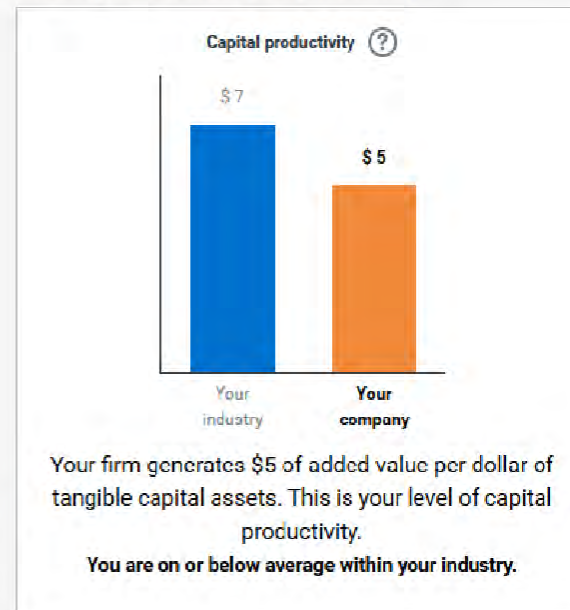
What is your profit per employee?



What is your level of labour productivity?



What is your level of capital productivity?





Results overview

Overall, your **firm's productivity level** ranks between 50 and 60 on a scale of 0 to 100 (which ranks all Canadian firms in your industry).

Your firm ranks above average with regard to:

- your overall productivity level
- your revenue per employee

However, your firm ranks on or below average with regard to:

- your profits per employee
- your labour productivity
- your capital productivity



Get a detailed, printable report of your results

- Learn more about best practices
- Get a list of recommended readings
- Discover our solutions to help your business grow

Obtain a more detailed report

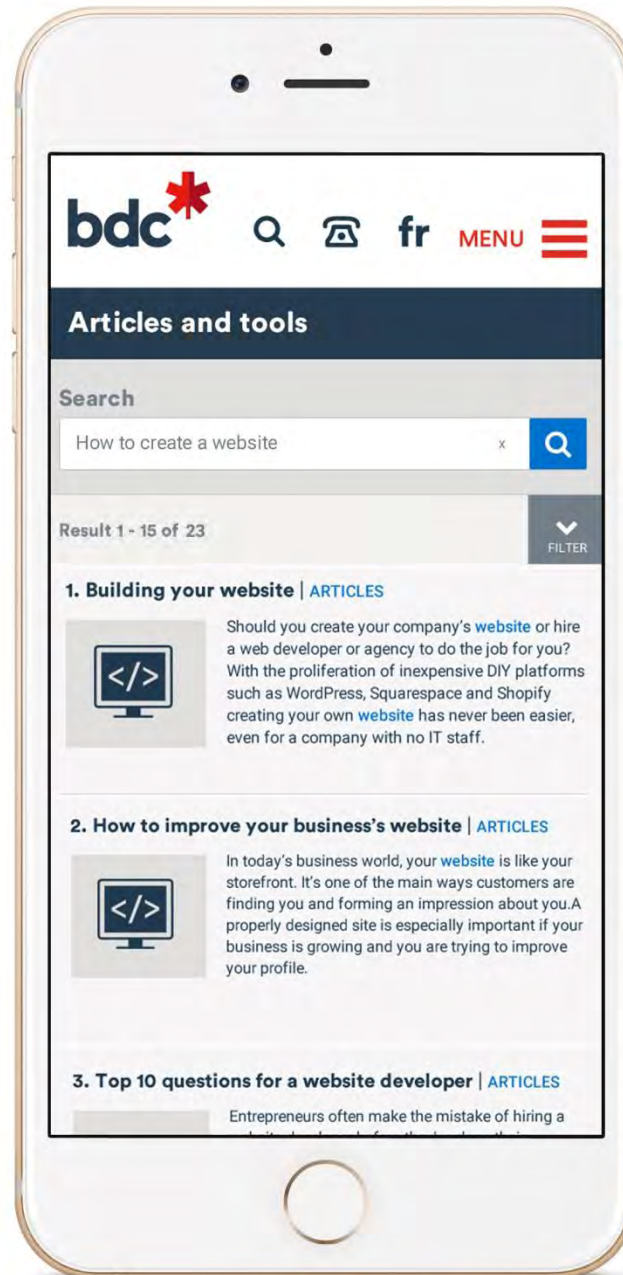
[Modify data](#)

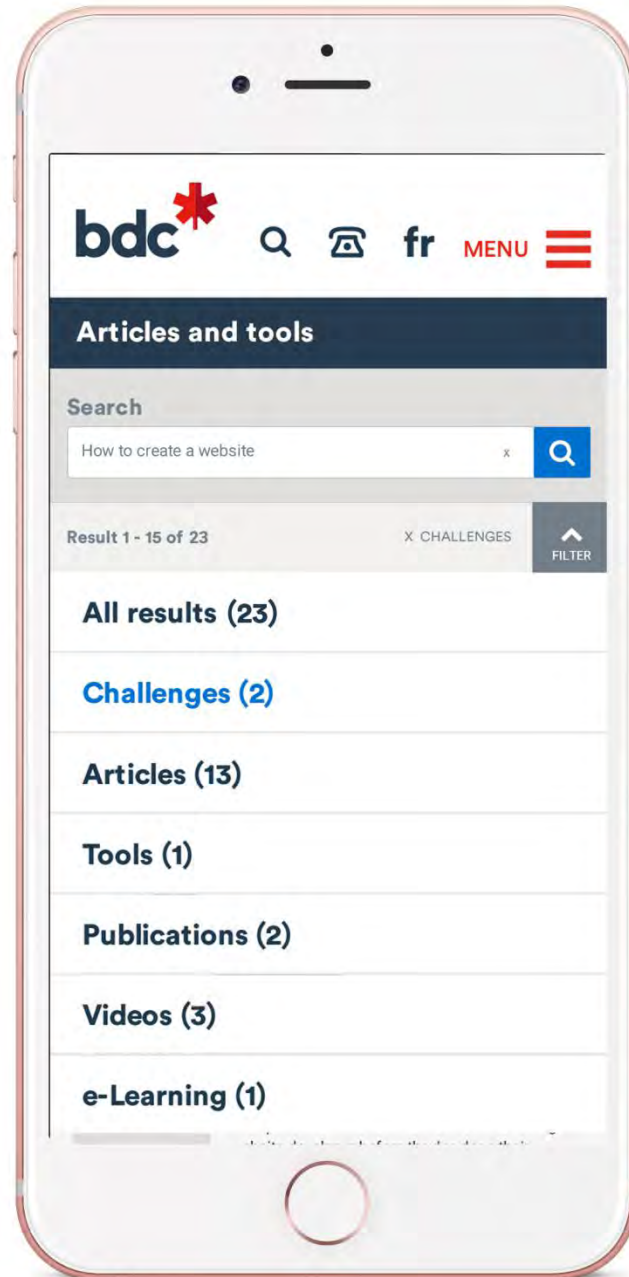
* Disclaimer

The business productivity benchmarking tool is offered free of charge, on an as-is basis, without warranties. Technical assistance is not provided.



*Mobile view of
Articles and Tools*







Thank you.

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