

Survey of Innovation and Business Strategy, 2012

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Business strategy

In 2012, 87.8% of enterprises mainly focused their long-term business strategy on the positioning of their goods or services, while 12.2% focused on low-price and cost leadership. Business strategies comprise strategic directions such as long-term focus, product positioning, competition surveillance and management practices.

Table 1
Enterprises' most important long-term strategy, Canada, by regions, all surveyed industries, 2012

	Canada	Atlantic region ¹	Quebec	Ontario	Alberta	Rest of Canada ²
	%					
Main focus on good or service positioning	87.8 ^A	79.6 ^E	91.0 ^A	88.2 ^B	85.3 ^B	87.1 ^B
Main focus on low-price and cost leadership	12.2 ^A	20.4 ^E	9.0 ^A	11.8 ^B	14.7 ^B	12.9 ^B

A very reliable (standard error between 0% and 2.49%)

B reliable (standard error between 2.50% and 7.49%)

E use with caution

1. The Atlantic region comprises Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick.

2. The rest of Canada comprises Manitoba, Saskatchewan, British Columbia, Yukon, the Northwest Territories and Nunavut.

Note(s): Estimates from the 2012 Survey of Innovation and Business Strategy (SIBS) are expressed as percentages and accompanied by quality indicators. Data quality indicators are based on the standard error (SE) and number of observations in the estimates. Quality indicators for SIBS are the following: A is very reliable (SE between 0% and 2.49%); B is reliable (SE between 2.50% and 7.49%); E is use with caution (SE between 7.50% and 14.99%); and F is too unreliable to be published (SE greater than or equal to 15.00%). Categories are not mutually exclusive and will not add up to 100%.

Human resource management practices

In 2012, 56.0% of enterprises promoted employees based on their efforts and abilities. The next most common practice was to promote employees partly on the strength of their efforts and abilities and partly on the strength of other factors such as their tenure (38.3%).

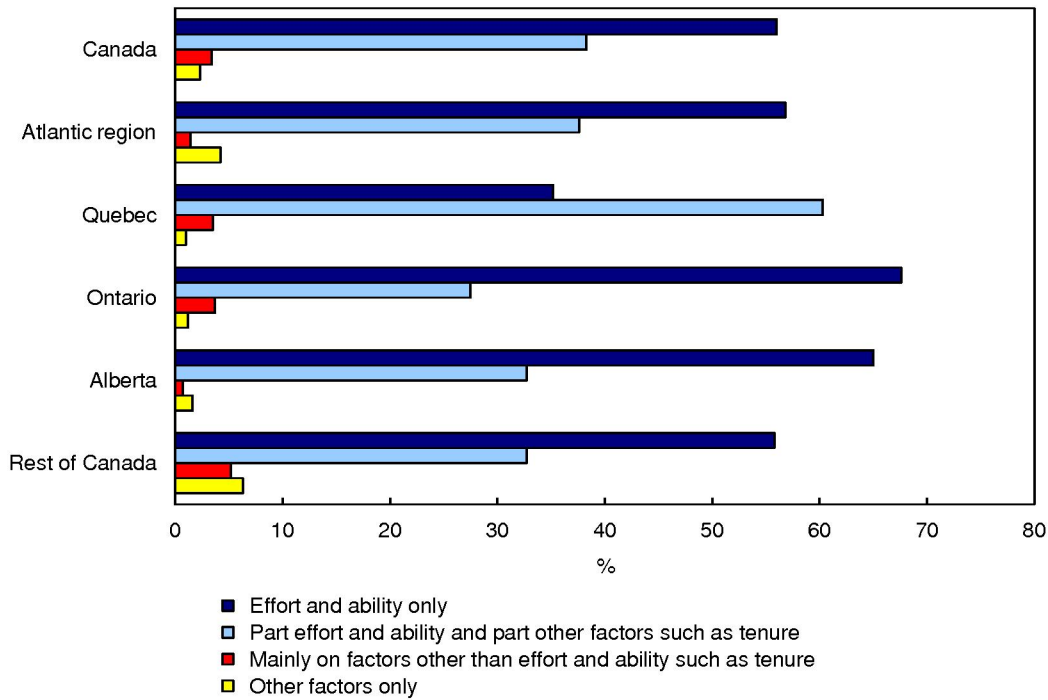
A regional perspective on promotion practices

Most enterprises headquartered in Quebec favoured employee promotion based partly on effort and ability as well as on other factors such as tenure (60.3%). On the other hand, enterprises in all other provinces and regions favoured a mode of promotion based solely on the efforts and abilities of employees.



Chart 1

Main factors for employee promotion within enterprises, by region, all surveyed industries, 2012

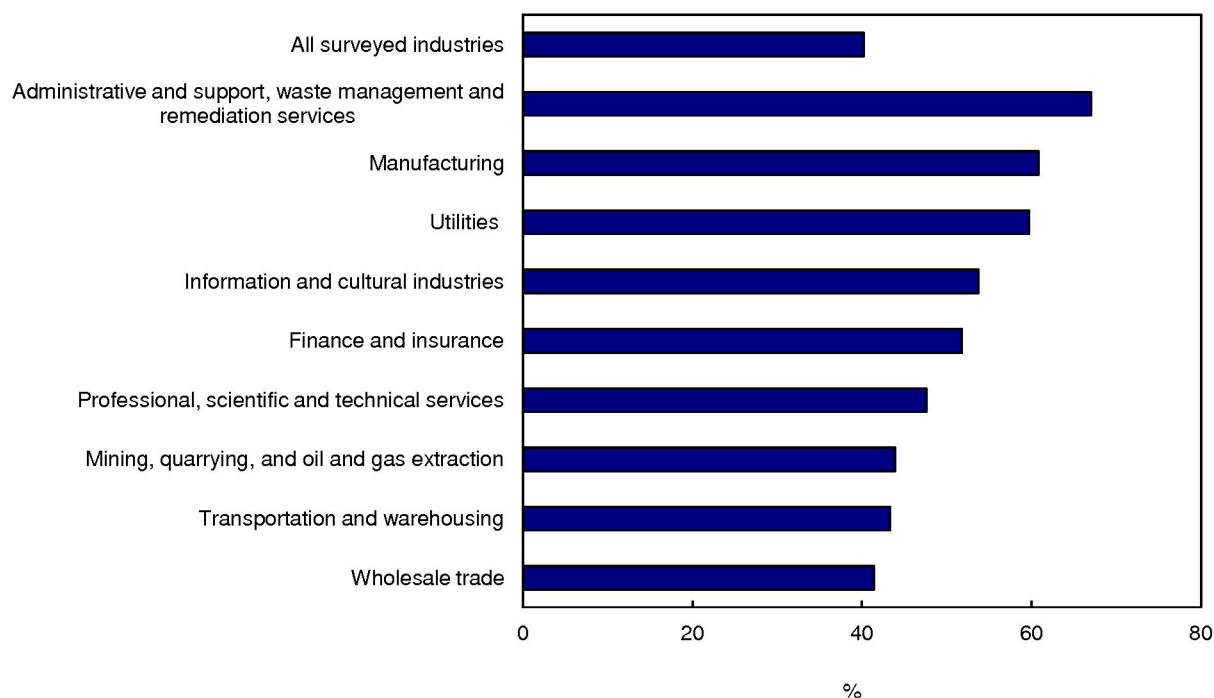


Problem resolution practices for the production of goods and the delivery of services

In 2012, 40.2% of all enterprises in Canada reported that they had a systematic process or procedure in place to resolve problems associated with the production of goods or the provision of services.

Chart 2

Enterprises with systematic problem resolution practices for the production of goods or delivery of services, selected sectors, all surveyed industries, 2012



The percentage of enterprises with a systematic process to resolve problems varied across sectors in 2012. Enterprises in administrative and support, waste management and remediation services (67.0%), manufacturing (60.8%) and utilities (59.7%) most often used this type of process in 2012.

The percentage of enterprises with a systematic process to resolve problems increased by size of enterprise, with 37.5% of small enterprises, 50.1% of medium-sized enterprises and 61.5% of large enterprises employing this type of management practice in 2012.

Competition and business strategies

The business strategy of an enterprise can be affected by several business environment factors, notably competition.

Competition from multinational enterprises

Overall, 50.2% of enterprises in Canada were competing against a multinational enterprise in the main market for their highest selling good or service in 2012. Among all surveyed industries, this percentage increased with the size of the enterprise, with 48.7% of small enterprises, 58.3% of medium-sized enterprises and 79.2% of large enterprises indicating that they had such competition.

Competition from new competitors in the market

In 2012, 35.0% of enterprises in Canada reported that a new competitor had entered the main market for their highest selling good or service. In terms of regional distribution, new competitors were most prevalent in Alberta (45.5%). Ontario (37.5%) recorded the second highest proportion, followed by Quebec (35.0%), other provinces and territories (26.1%) and the Atlantic provinces (23.3%).

Chart 3

Enterprises who competed against multinational enterprise competitors, by enterprise size, selected sectors, all surveyed industries, 2012

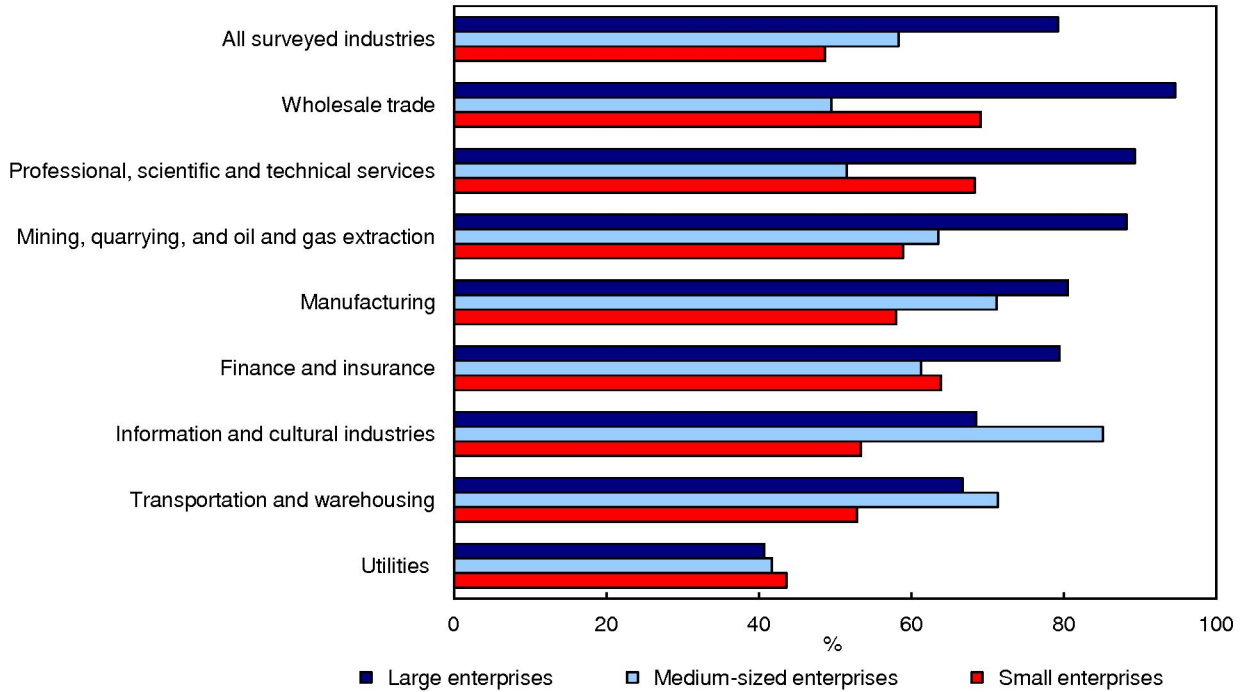


Table 2
Enterprises' type of competitors in main market for their highest selling good or service, by region, all surveyed industries, 2012

	Canada	Atlantic region ¹	Quebec	Ontario	Alberta	Rest of Canada ²
	%					
Multinational enterprise competitors	51.4 ^B	41.4 ^E	47.7 ^B	56.7 ^B	57.4 ^B	44.8 ^E
New competitors	35.0 ^B	23.3 ^B	35.0 ^B	37.5 ^B	45.5 ^B	26.1 ^B

^B reliable (standard error between 2.50% and 7.49%)

^E use with caution

1. The Atlantic region comprises Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick.

2. The rest of Canada comprises Manitoba, Saskatchewan, British Columbia, Yukon, the Northwest Territories and Nunavut.

3. New competitors may include multinational enterprises.

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Note to readers

The 2012 Survey of Innovation and Business Strategy (SIBS) is a joint initiative of Statistics Canada; Industry Canada; the Department of Foreign Affairs, Trade and Development; the Atlantic Canada Opportunities Agency; Institut de la statistique du Québec; the Ontario Ministry of Economic Development and Trade and Employment and the Ontario Ministry of Research and Innovation; and Alberta Innovation and Advanced Education.

SIBS 2012 provides key information on strategic decisions, innovation activities and operational tactics used by Canadian enterprises. Innovation data are collected for a three-year period. For SIBS 2012, the three-year period was from 2010 to 2012 while for the previous iteration of SIBS (2009), the three-year period was from 2007 to 2009.

The SIBS 2012 sample was composed of 7,818 enterprises in Canada with at least 20 employees and revenues of \$250,000 or more. These enterprises spanned 14 sectors within the North American Industry Classification System (2007). In 2012, the sample was stratified into five regions: the Atlantic region; Quebec; Ontario; Alberta; and the rest of Canada; the previous SIBS (2009) was not stratified by region. For Canada, the sample was also stratified by industry groups and by enterprise size: small (20 to 99 employees); medium (100 to 249 employees) and large (250 or more employees). Data collection for the 2012 reference period was undertaken between March and August 2013.

SIBS 2012 estimates are expressed as percentages and accompanied by quality indicators. Data quality indicators are based on the standard error and number of observations in the estimates. Quality indicators for SIBS are the following:

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Available in CANSIM: tables 358-0226 to 358-0228.

Definitions, data sources and methods: survey number 5171.

This is the last of three planned releases from the 2012 Survey of Innovation and Business Strategy.

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