

Great Canadian Survey of 2021

Insights for the Council of Canadian Innovators

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Motivation

- ❖ What do innovation-based firms and entrepreneurs think about Canada's innovation policy mix?
 - what do they want (policy goal);
 - how do they want it (instrument); and
 - who should deliver it (administrator)
- ❖ How do they evaluate some of the available programs (e.g., support for talent acquisition)? How might they want them reformed (e.g., SR&ED expansion), if at all?

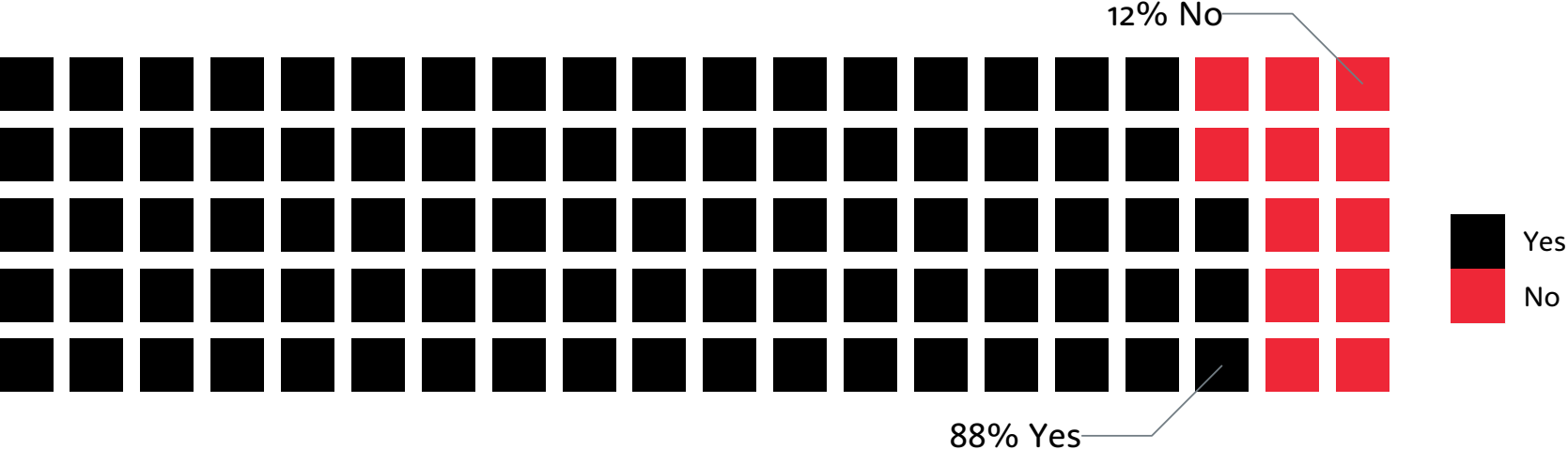
Content

- I. Experience with and opinion of different types of innovation and growth support offered by Canadian governments.
- II. Policy Mix Choice-based Conjoint
- III. Ranking program support
- IV. Tax question (CCI specific)
- V. Appendix (firm attributes)*

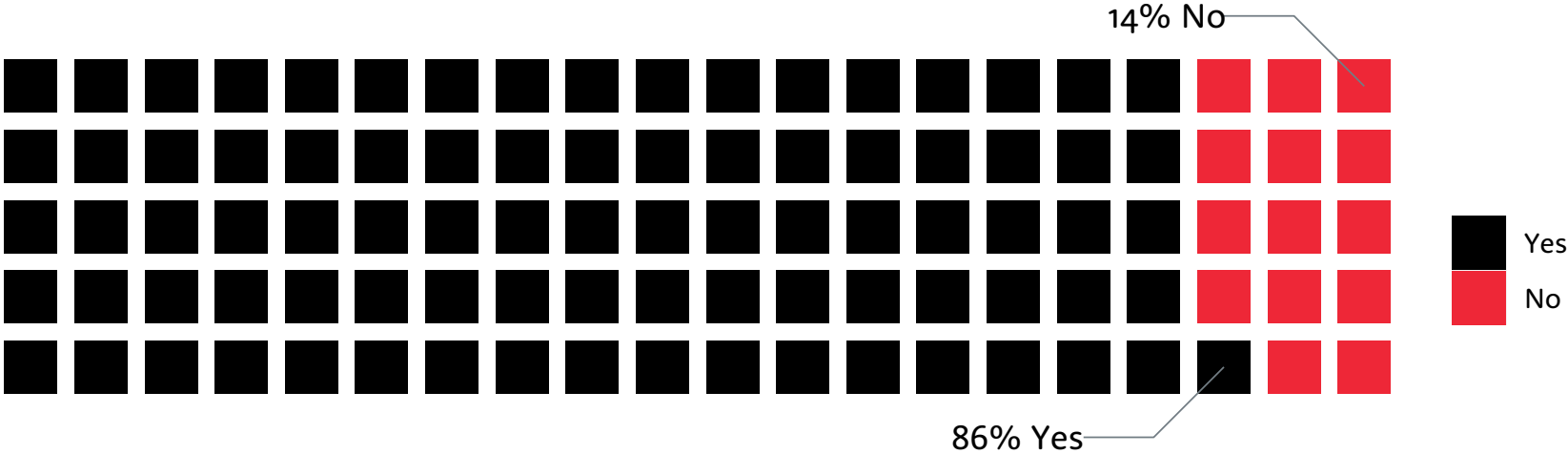
* See supplementary document

I. Innovation and growth support

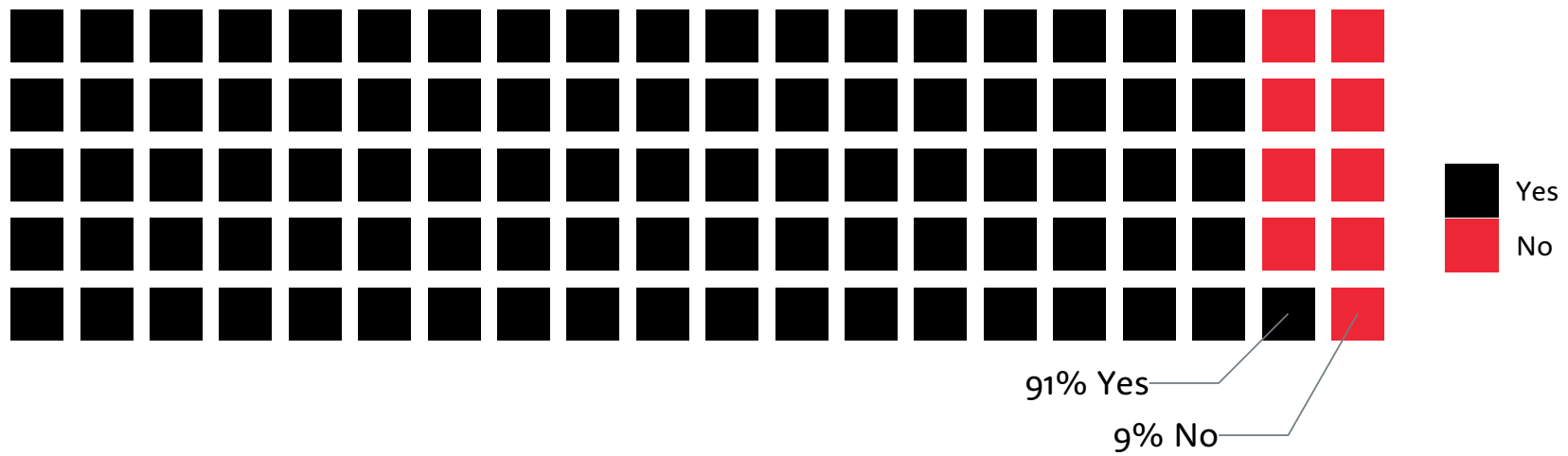
Has your company recieved government support?



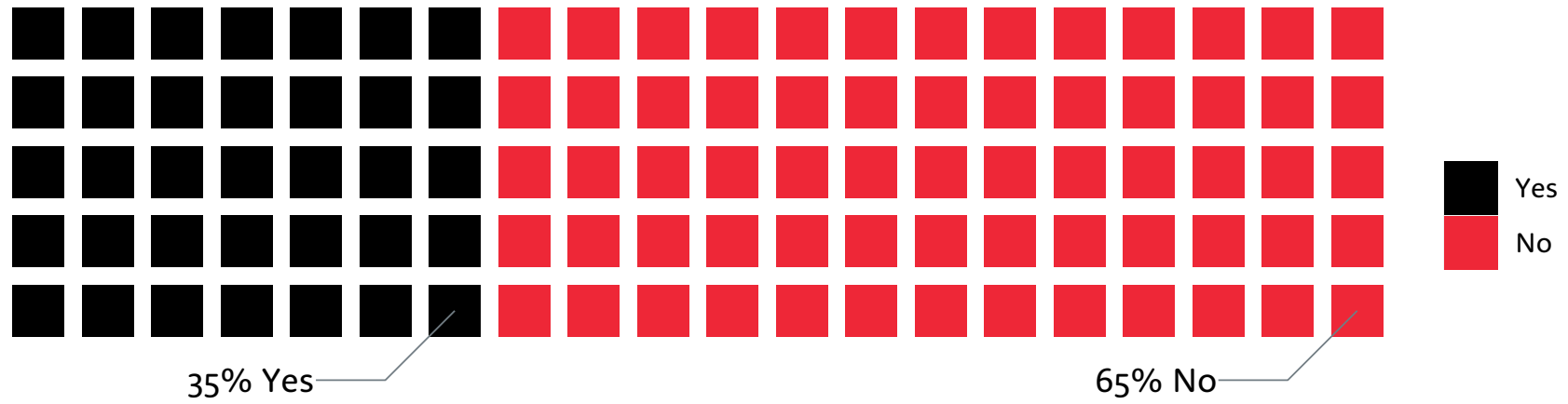
Has your company recieved direct financial support?



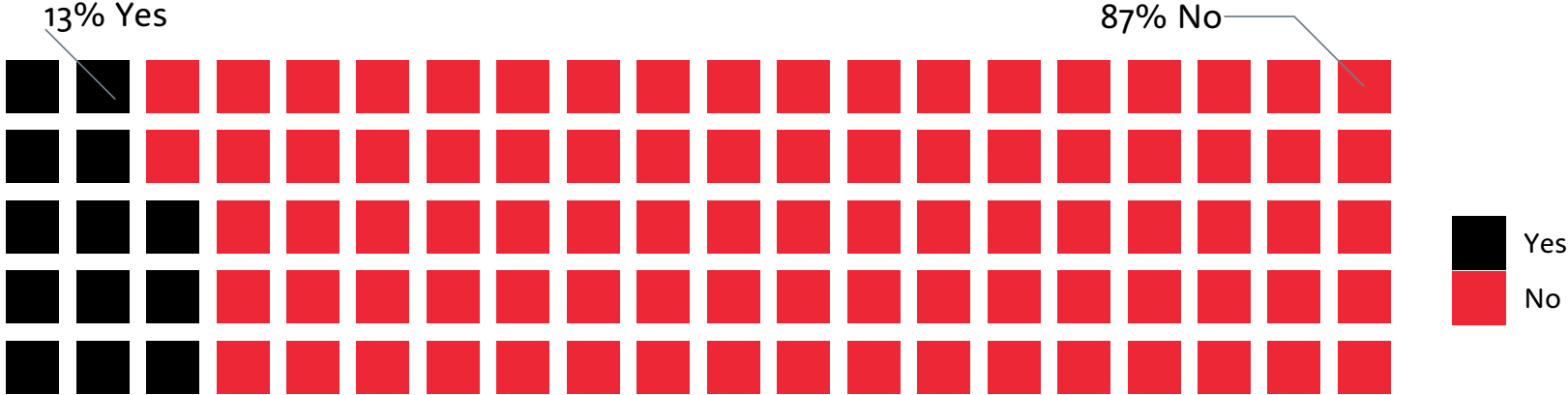
Has your company recieved indirect financial support?



Has your company recieved government advisory services?



Has your company participated in government procurement?



II. Policy Mix Experiment

Experiment setup – intro

“Now, we are going to ask you to evaluate hypothetical policy options regarding growth, innovation and R&D, and other related firm supports that federal, provincial, or municipal governments in Canada provide to companies.

You will be shown a program administrator, the policy goal, and the instrument of choice for implementing the policy. Then, you will be asked to choose which policy you most support. The options are purely hypothetical. Even if you are not sure, please choose the option you would most support.”

Experiment setup – design 1

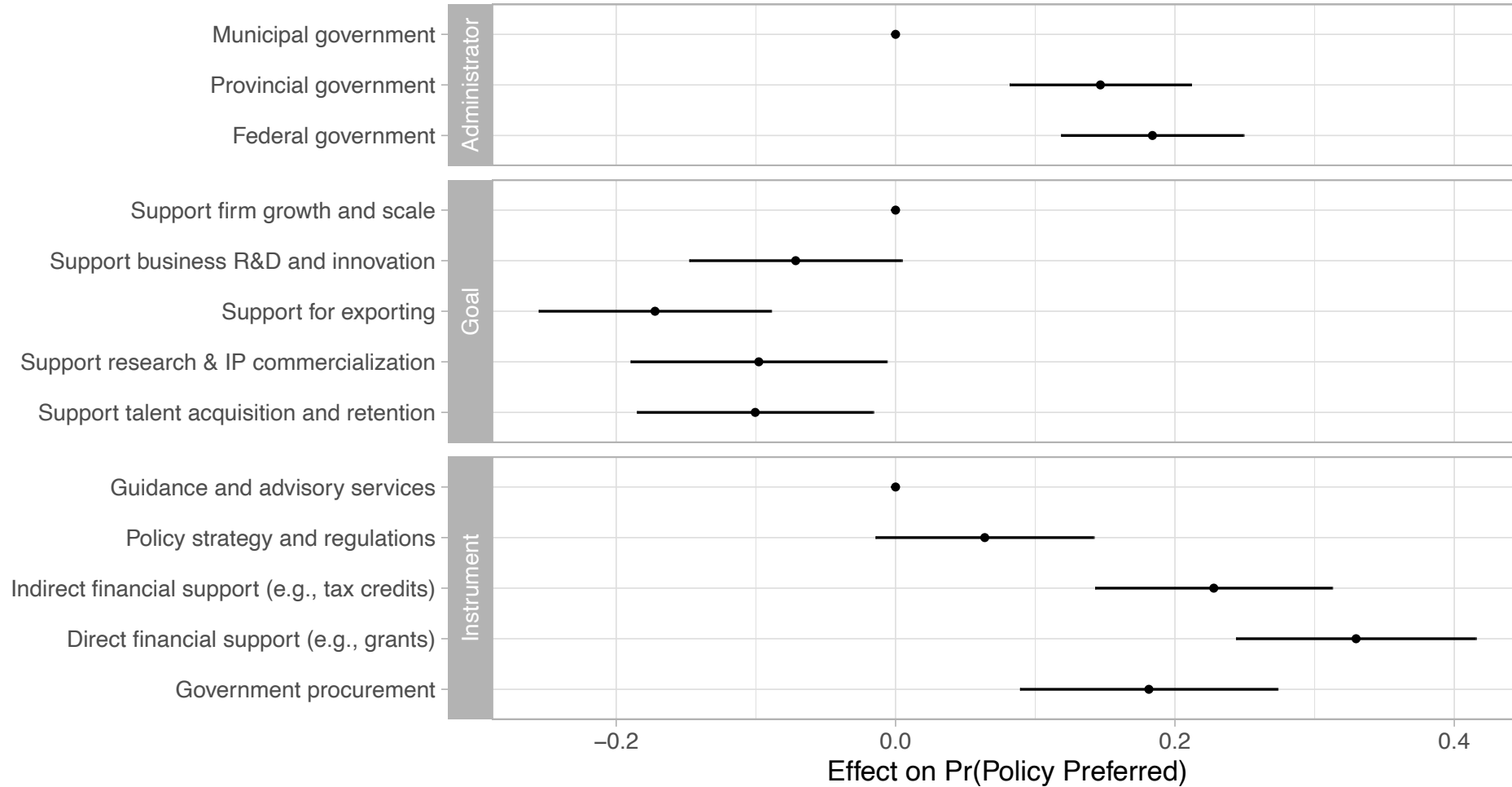
| <i>Imagine that the Canadian government is offering new business support. Please evaluate the following policy proposals and choose which of the two you would most support.</i> | |
|--|-----------------------|
| Policy A | Policy B |
| Program Administrator | Program Administrator |
| Policy Goal | Policy Goal |
| Policy Instrument | Policy Instrument |
| DV1: Which of the two policies do you most support? Please pick one. | |

Experiment setup – design 2

| Attribute (<i>randomized attribute</i>) | Values (<i>randomized task</i>) |
|--|--|
| Program Administrator 3 levels | Federal government Provincial government Municipal government |
| Policy Goal 5 levels | Support business R&D and innovation Support talent acquisition and retention Support firm growth and scale Support research & IP commercialization Support for exporting |
| Policy Instrument 5 levels | Direct financial support (e.g., grants) Indirect financial support (e.g., tax credits) Guidance and advisory services Policy strategy and regulations Government procurement |

Experiment Results

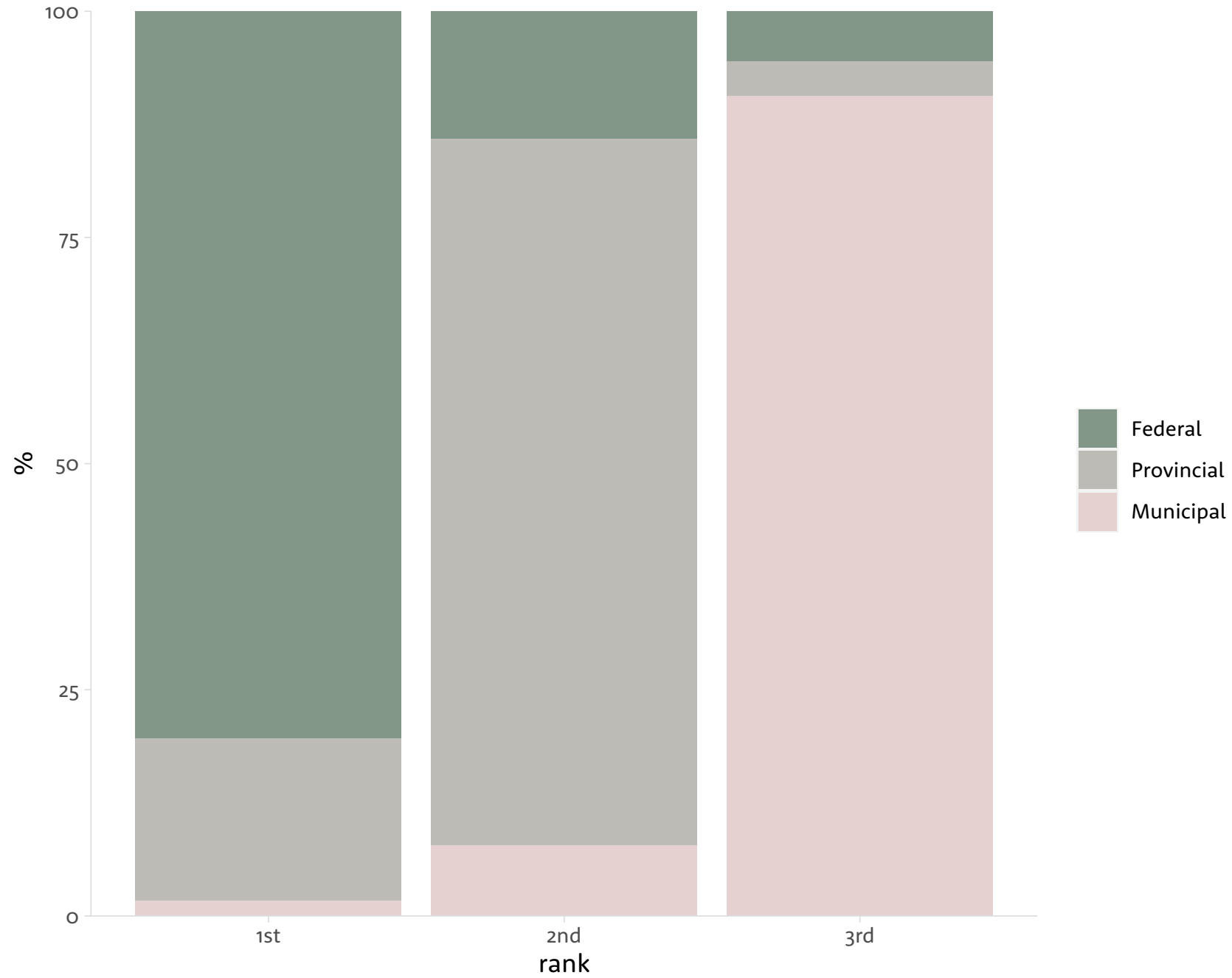
Effects of Policy Mix Attributes on Probability of Policy Being Preferred



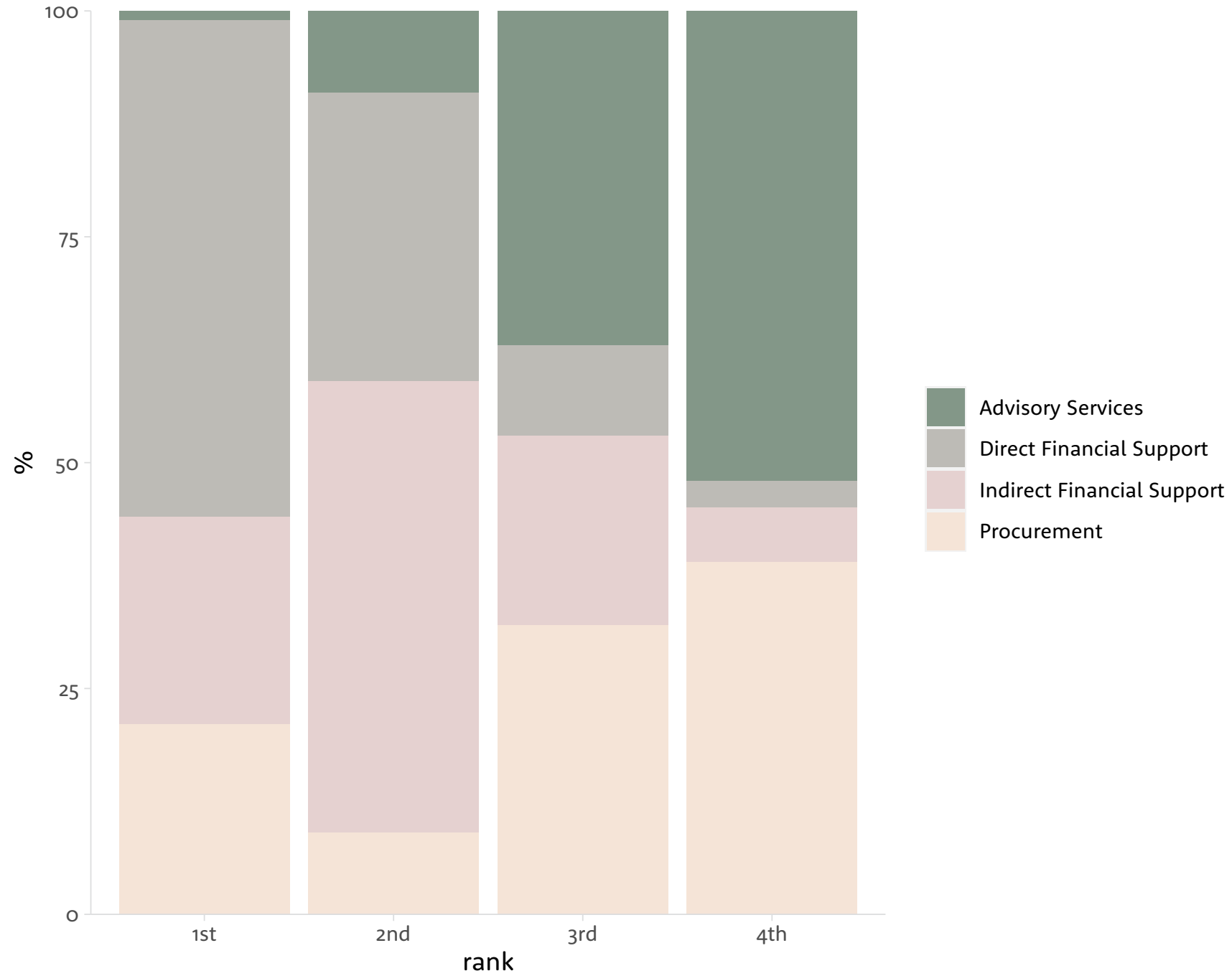
Estimates represent the effects of the randomly assigned attribute values on the probability of being a policy being preferred relative to the baseline value. Estimates are based on the benchmark OLS model. Error bars represent 95% confidence intervals.

III. Ranking program support

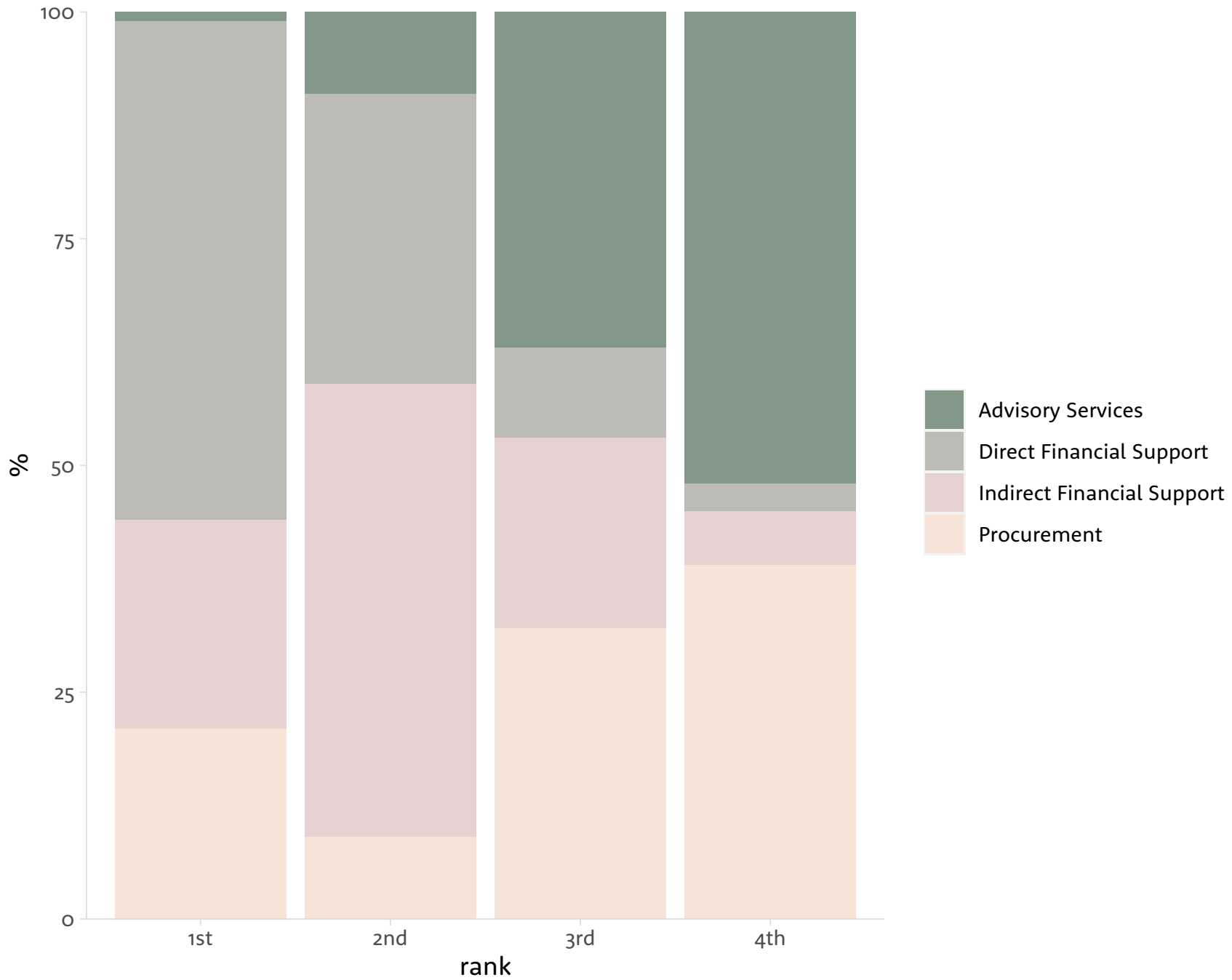
Ranking of Differeng Government Levels Best Positioned to Provide Support



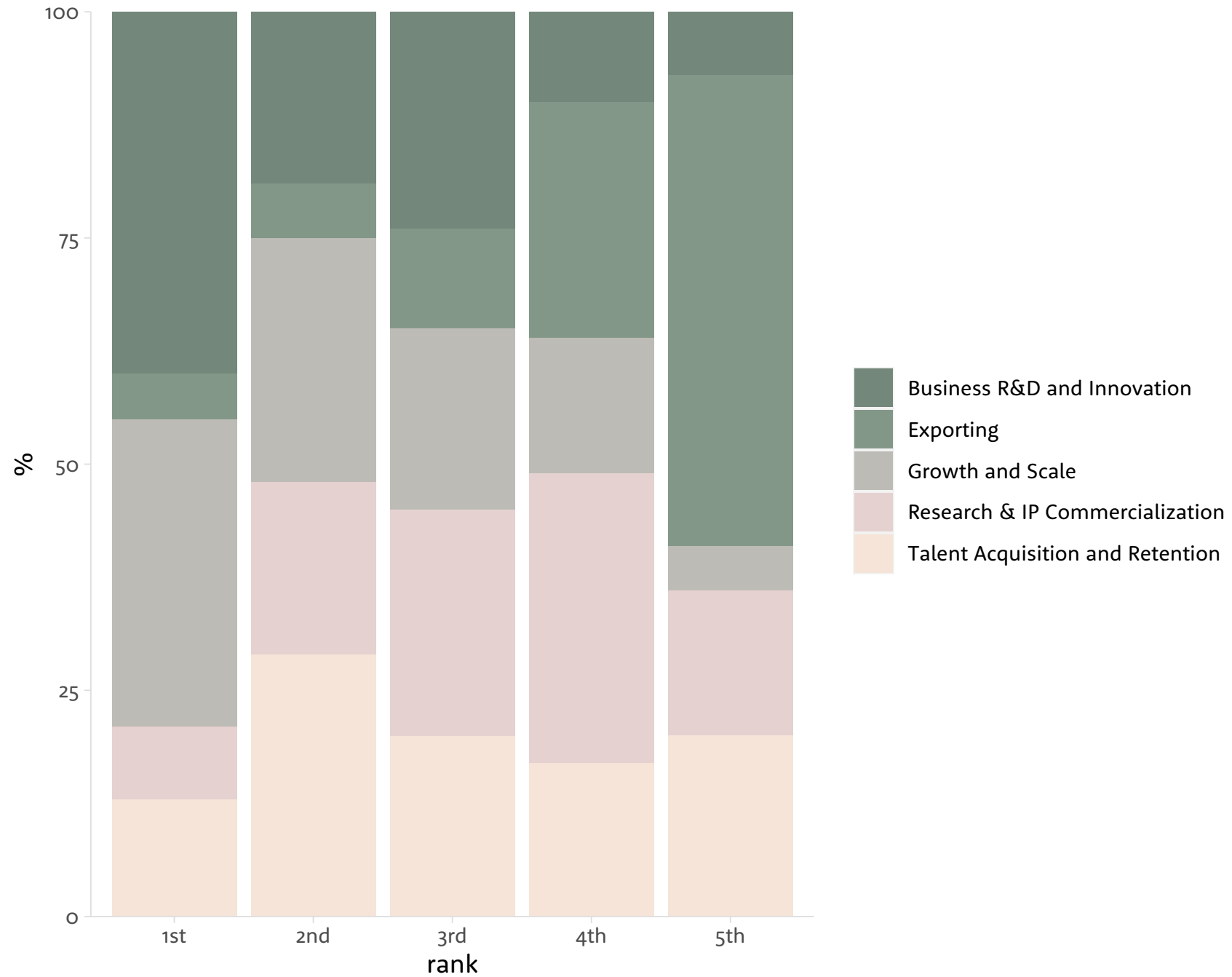
Ranking of Different Programs Best Positioned to Provide Support



Ranking of Different Programs Best Positioned to Provide Support

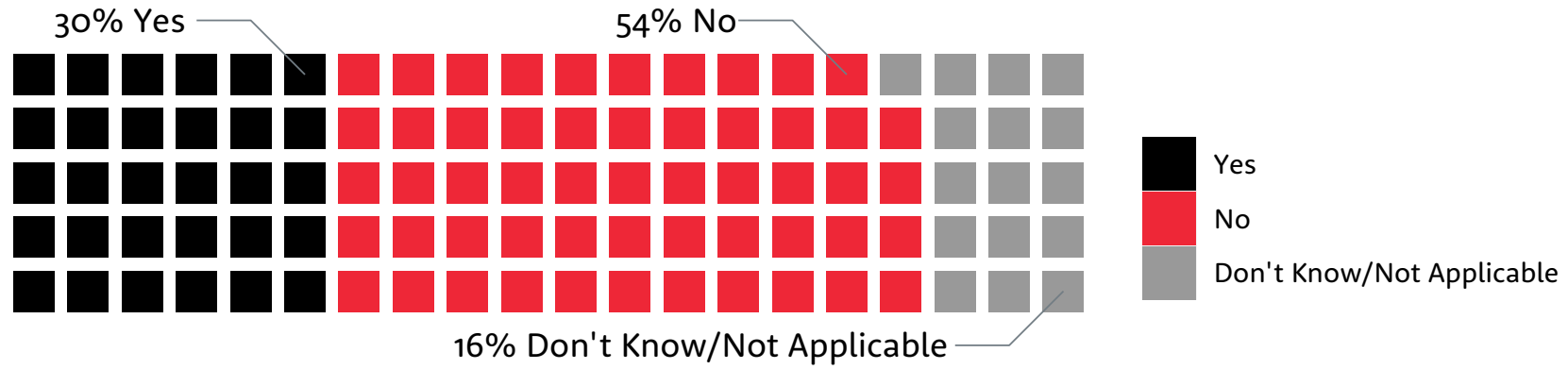


Ranking of Policy Objectives by Preference

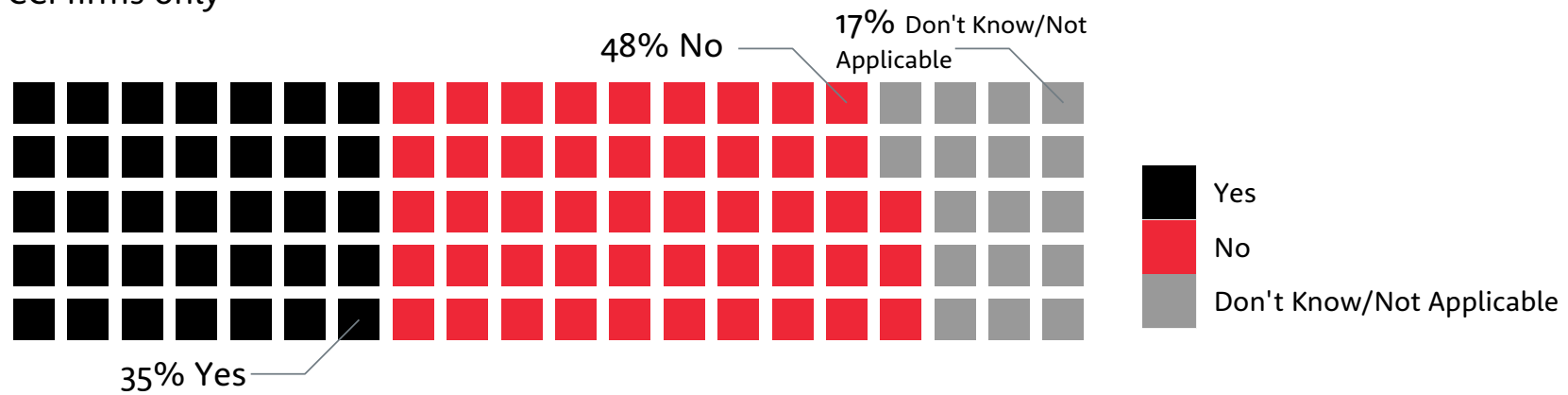


III. Tax Question

Are personal tax rates hindering your ability to recruit new talent?



Are personal tax rates hindering your ability to recruit new talent?
CCI firms only



Addendum

- Although not all takers of the survey were CCI members (41/128 were not), the exclusion of non-CCI member answers did not substantively change *any* of the findings.

Great Canadian Survey of 2021 – Appendix

The survey ran from July 21-July 13, 2021. A total of 128 CEOs (or individuals representing their company) completed the survey. The survey was designed by Steven Denney (University of Toronto) and Viet Vu (Brookfield Institute), programmed by AskingCanadians, and distributed by the Council of Canadian Innovator through their industry network via an open link. A total of 128 CEOs (or individuals representing their company) completed the survey (incompletes were discarded). For quality control purposes, firms’ identities were verified. The response rate among those who interacted with the link was eight percent.

Below are attributes for the firms of the 128 respondents.

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Industries

| <i>Industry</i> ¹ | <i>n</i> | <i>Prop.</i> |
|---------------------------------|----------|--------------|
| Construction | 1 | 1% |
| Finance | 2 | 2% |
| Non-advanced manufacturing | 1 | 1% |
| Professional Services | 4 | 3% |
| Technology | 113 | 88% |
| Other services | 5 | 4% |
| Other products-based industries | 2 | 2% |

Geographic Information

| <i>Location of firm HQ</i> | <i>n</i> | <i>Prop.</i> |
|----------------------------|----------|--------------|
| Canada | 125 | 98% |
| United States | 3 | 2% |

| <i>Provincial location (Canadian HQs only)</i> | <i>n</i> | <i>Prop.</i> |
|--|----------|--------------|
| British Columbia | 15 | 12% |
| Alberta | 13 | 10% |
| Saskatchewan | 2 | 2% |
| Manitoba | 5 | 4% |
| Ontario | 72 | 58% |
| Quebec | 18 | 14% |

Firm Size and Performance

| <i>Employee Counts</i> | <i>n</i> | <i>Prop.</i> |
|------------------------|----------|--------------|
| 1-9 | 16 | 13% |
| 10-49 | 40 | 31% |
| 50-99 | 22 | 17% |
| 100-499 | 37 | 29% |
| 500+ | 13 | 10% |

¹ Industries not recording any respondents: accommodation and food services, administrative support, wholesale trade, and retail.

| <i>Revenue for the year 2019 (pre-pandemic)?</i> | <i>n</i> | <i>Prop.</i> |
|---|-----------------|---------------------|
| None (pre-revenue) | 12 | 9% |
| Less than \$2 million | 36 | 28% |
| \$2-10 million | 36 | 28% |
| Greater than \$10 and less than 100 million | 32 | 25% |
| \$100 million or greater | 10 | 8% |
| <i>n/a</i> | 2 | 2% |

| <i>Does firm hold formal intellectual property?²</i> | <i>n</i> | <i>Prop.</i> |
|--|-----------------|---------------------|
| Yes | 105 | 82% |
| No | 22 | 17% |
| Don't know | 1 | 1% |

| <i>From 2016-2019, did the firm develop or introduce new innovations?³</i> | <i>n</i> | <i>Prop.</i> |
|--|-----------------|---------------------|
| Yes | 86 | 100% |
| No | 0 | 0% |
| Don't know | 0 | 0% |
| <i>n/a (new firm; founded after 2016)</i> | 42 | |

Misc.

| <i>Is the firm a member of the Council of Canadian Innovators?</i> | <i>n</i> | <i>Prop.</i> |
|---|-----------------|---------------------|
| Yes | 87 | 68% |
| No | 41 | 32% |

² This includes copyrights, trademarks, and patents.

³ These include the following improving a good or service, improving a production process or method, introducing a new organizational method, or introducing a new way of selling goods or services.