



Entrepreneurship Revival Report 2021

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Ownr Entrepreneurship

REVIVAL REPORT

Small businesses are the engine of the Canadian economy. In 2019, the Government of Canada reported that small businesses represented 98 per cent of all businesses in the country, employing 8.4 million Canadians.

As the needle on COVID-19 vaccination rates move steadily higher, so do the hopes and dreams of Canadian entrepreneurs. As we look forward to returning to a sense of normalcy, we asked small business owners who used Ownr to incorporate and manage their business how they felt about entrepreneurship.

This report captures the essence of being an entrepreneur and a small business owner in Canada. We share what drives them, what their goals are, and what worries them.

A strong small business industry will have a positive impact on Canada's economy. From launching services that enhance lives to creating employment opportunities for millions of Canadians, entrepreneurs are excited about the future. And at Ownr, we're committed to supporting the dreams of entrepreneurs.



What's inside this report?

- 01 The current state of entrepreneurship
- 02 Who is an entrepreneur?
- 03 Let's talk money
- 04 Where do entrepreneurs need support?
- 05 Key takeaways

About the survey

The survey, conducted between July 5 to 16, 2021, captures the responses of 806 participants who use Ownr for their business needs. Every participant is either an existing entrepreneur or will soon launch their business. The results of this report have an estimated three per cent margin of error.



01

The current state of entrepreneurship

Entrepreneurial ventures come in many shapes and sizes. The breadth of industries our entrepreneurs operate in is a tribute to the creativity needed to build solutions that touch the different facets of our lives. The results of our survey showed that most of our entrepreneurs operate in:

Professional, scientific, and technical services (14 per cent), including management and technical consulting, computer system design, and even advertising and public relations.

Retail trade (13.6 per cent), including clothing stores, e-commerce, and personal care shops.

Arts, entertainment, and recreation industries (9.7 per cent), including independent artists, writers, and presenters at events

There's a world of untapped opportunities in the entrepreneurial space, and our data confirms that our entrepreneurs are exploring several different industries to launch their business.

Top industries of our entrepreneurs



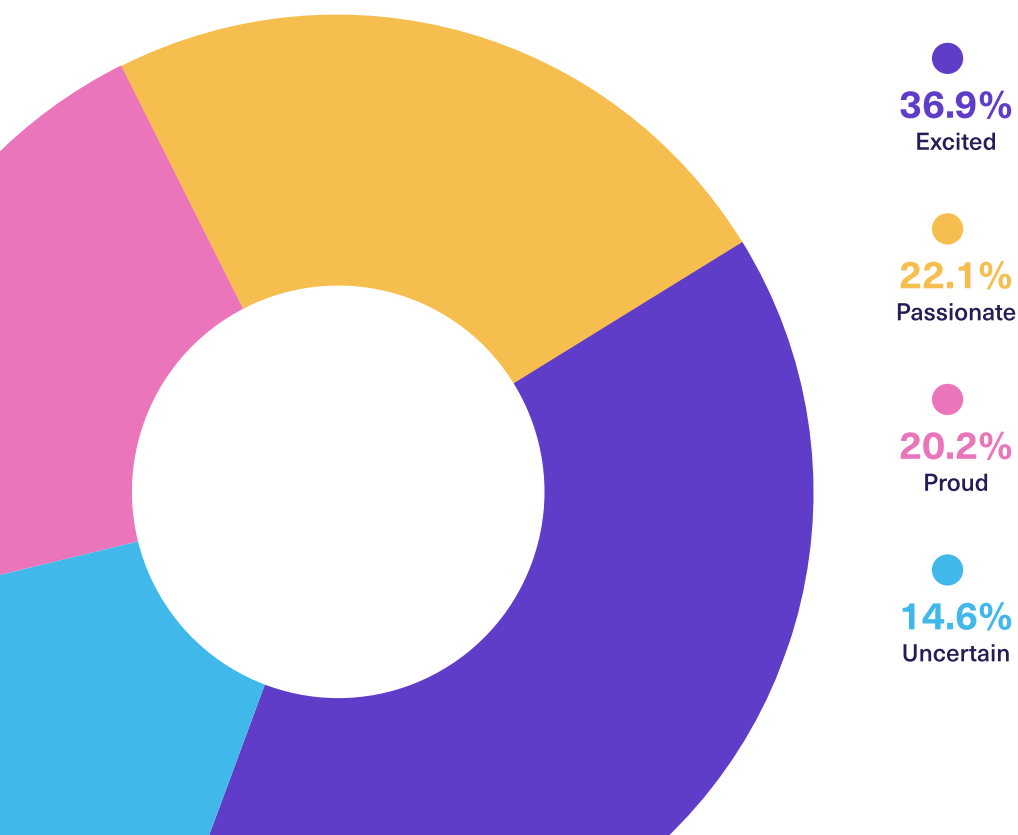


One in three (36.9 per cent) entrepreneurs are excited about the future. Entrepreneurs also report feeling passionate (22.1 per cent) and proud (20.2 per cent) of what they do. With 16.9 per cent of entrepreneurs looking to hire new employees in the next six months, it's also clear that expansion plans for their business are on the horizon.

Even though 17 per cent of our entrepreneurs reported that hiring the right people can be a source of worry, half of our entrepreneurs told us they feel confident about finding skilled workers in their industries (51.3 per cent) going forward.



How do entrepreneurs feel about running a business?





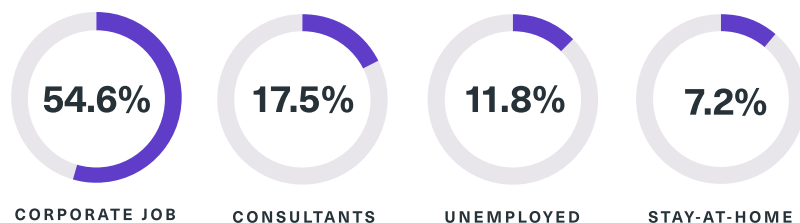
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Who is an entrepreneur?

What image comes to your mind when you think of an entrepreneur? Our data shows that entrepreneurs come from every walk of life.

More than half of entrepreneurs (54.6 per cent) held corporate jobs before launching their own businesses. Others who found their calling in entrepreneurship worked as consultants or freelancers (17.5 per cent), individuals who were unemployed (11.8 per cent), and stay-at-home parents (7.2 per cent). We also learned that you're never too young or too old to launch a business. The age of the entrepreneurs surveyed ranged from 19 years to over 70 years old.

What were entrepreneurs doing before they launched their business?



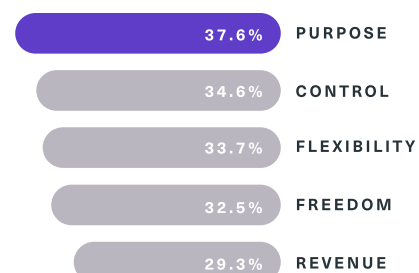
In what motivates entrepreneurs to finally take the plunge to pursue their dreams, **the biggest reason was to gain more purpose in their lives (37.6 per cent)**. Other factors that played a role included:

- **Greater control over career development** (34.6 per cent)
- **More flexibility with their schedule** (33.7 per cent)
- **Creative freedom** (32.5 per cent)
- **Create an additional source of revenue** (29.3 per cent)

Bottom line:

Entrepreneurship gives people the creative freedom they didn't have in their corporate jobs.

Why did entrepreneurs start a business?



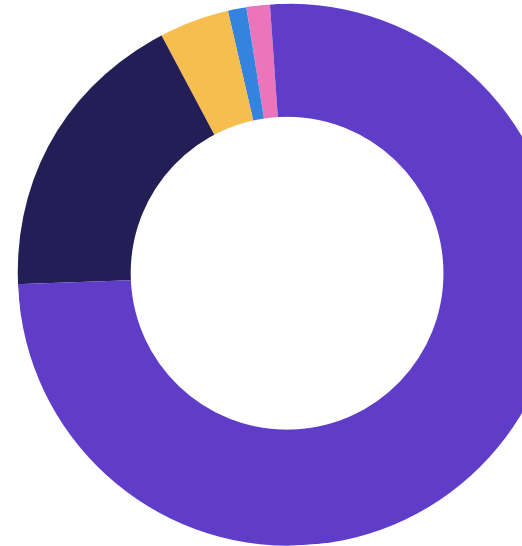


The lone go-getter.

An overwhelming majority of entrepreneurs (74.3 per cent) responded that they are sole business owners.

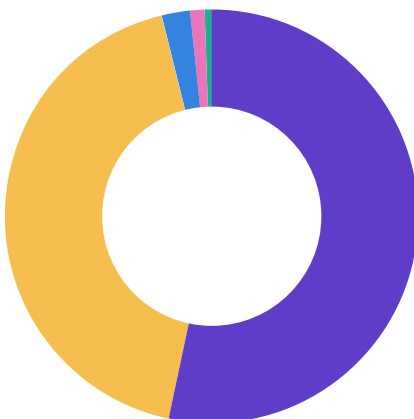
More than half (57.6 per cent) of entrepreneurs also reported that their business doesn't employ any staff yet. What this means is that an entrepreneur doesn't need a team to launch and run their businesses. They are a powerhouse of productivity, able to deal with multiple tasks on their own.

Common types of business ownership



Of those surveyed, male entrepreneurs made up the majority of our respondents (53.4 per cent) compared to women (42.9 per cent).

The women entrepreneurs Ownr surveyed feel hopeful about their business. They are excited about the future (34.7 per cent), passionate about what they do (23.1 per cent), and proud of the work they have done (20.7 per cent). Their goals for the next six months are to develop a new product or service (41.1 per cent), which will unlock new growth opportunities for their entrepreneurial ventures. Women entrepreneurs also want to invest in marketing and sales (37 per cent) to tap into revenue streams.



Which gender do our entrepreneurs identify with?





One out of every two women entrepreneurs held a corporate 9-to-5 job before launching their business (53 per cent). Their biggest reasons for pursuing entrepreneurship were to have more purpose in life (18.5 per cent) and contribute to society and solve a problem (16.6 per cent).

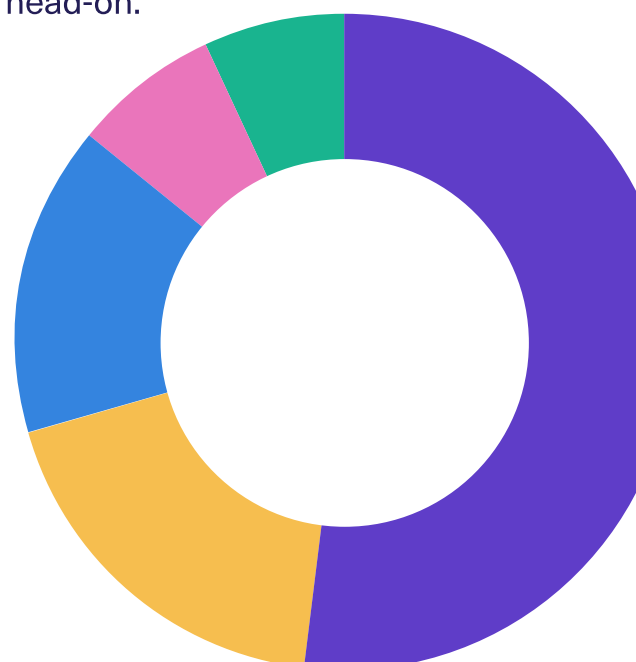
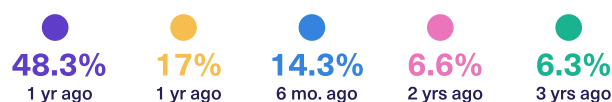
Entrepreneurs who identify as visible minorities or Indigenous make up 35.4 per cent of entrepreneurs surveyed. They are new business owners who have either just started their entrepreneurial journey (41.7 per cent) or are in the process of growing their venture (43.2 per cent).

Registering a business. The start of something exciting.

At the beginning of 2021, many Canadians wondered how this year would look in the midst of the pandemic. However, that wasn't the case with entrepreneurs who were busy launching businesses.

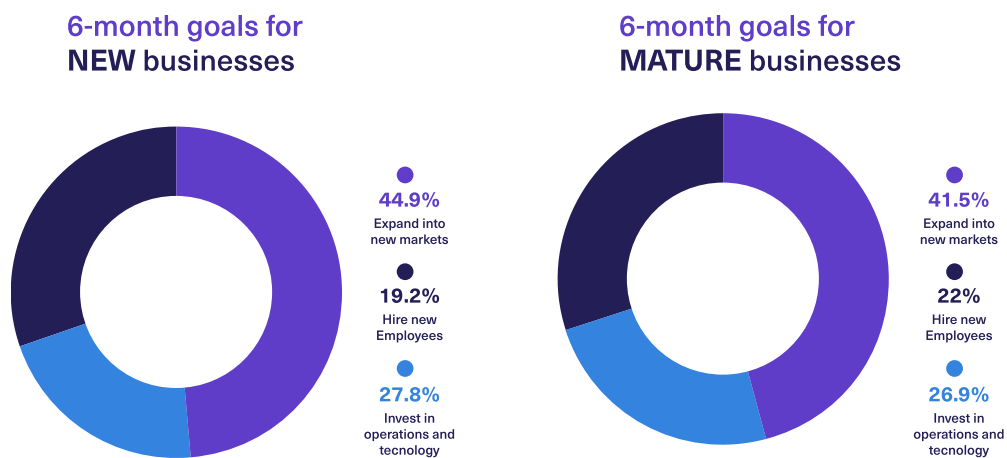
A whopping 65.3 per cent of entrepreneurs registered their business or incorporated in the past year, with 48.3 per cent of them taking place in the last six months. Dealing with the pandemic has been difficult for many people, but our entrepreneurs were ready to tackle business challenges head-on.

When did our entrepreneurs incorporate or register their business?





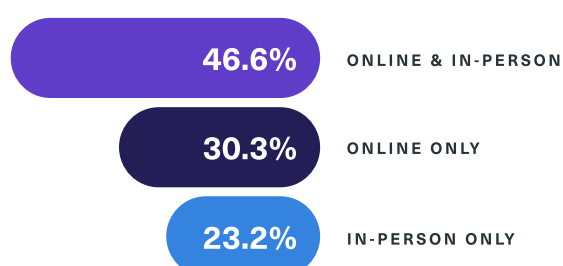
New business owners are bullish about their goals, with 44.9 per cent making plans to expand into new markets and another 19.2 per cent looking to hire employees for their business. Even for mature companies that are at least two years old, the top goals remain the same: 41.5 per cent of entrepreneurs are looking to expand into new markets and 22 per cent want to hire new employees.



Digital businesses make inroads.

COVID-19 accelerated the need to cater to customers online and many entrepreneurs have had to pivot their business models. **Three out of four (76.9 per cent) entrepreneurs said their business has an online presence, with 46.6 per cent of entrepreneurs operating both online and in-person.** However, 46.1 per cent of entrepreneurs don't plan to open a physical retail location once the pandemic is over. A further 31.5 per cent are undecided and will decide whether to open a retail store based on their company's growth.

Businesses which are online



Three out of four businesses are online





Entrepreneurs whose business operates exclusively online made up 30.3 per cent of the people we surveyed. Among this group, **more than half of them (56.4 per cent) don't plan to open a physical retail location. However, entrepreneurs hope for government support and believe that it will be crucial to their business.** Forty-two per cent of respondents say that access to loans and grants will help their business grow.

A robust support system for entrepreneurs, from loyal patrons to adequate government resources, will help build confidence and rejuvenate our communities. Local stores make up the fabric of our cities, yet many of them were lost during the pandemic.





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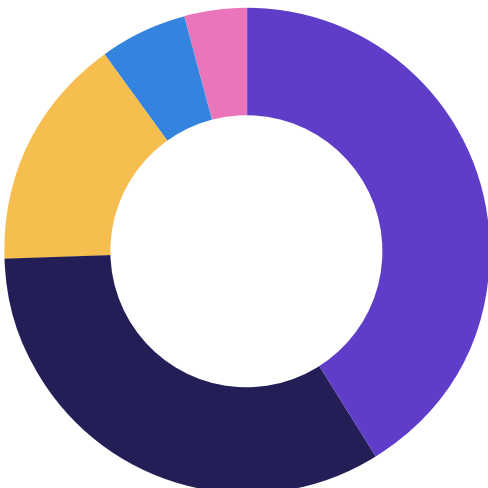
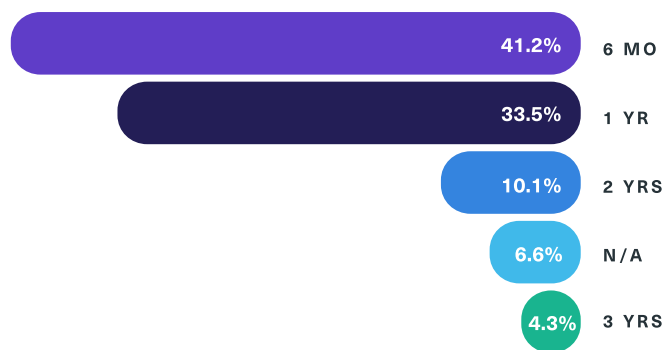
Let's talk money

Revenue goals in entrepreneurial ventures.

Generating revenue is a significant milestone in an entrepreneur's business journey and can often be the most challenging goal to achieve. Of the businesses we surveyed that don't yet generate revenue, **41.2 per cent expect to see the revenue flow within six months, and a further 33.5 per cent within a year.**

There are several ways entrepreneurs can generate revenue from their business. The biggest bets are being made on developing a new product or service (40.4 per cent) and investing in marketing and sales (32.7 per cent) to create more revenue.

When do our entrepreneurs expect to get revenue?



How do our entrepreneurs plan to generate revenue?





Our data shows that **most of our entrepreneurs make between \$1,000 to \$4,999 per month**. The sky's the limit, though, with some entrepreneurs reporting a revenue of over \$30,000 per month. Curious as to what these entrepreneurs do? Of the entrepreneurs who make \$30,000 plus each month, 30.4 per cent are in the professional, scientific, and technical services industry, while 21.7 per cent are experts in the retail sector.



Industries in which entrepreneurs make over \$30,000 per month





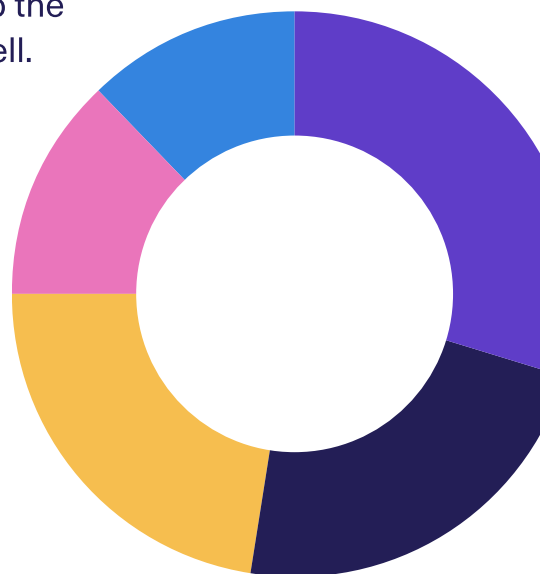
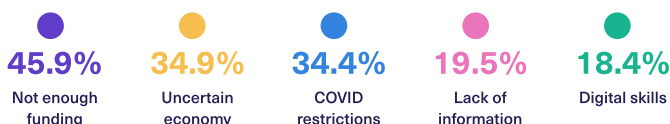
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Where do entrepreneurs need support?

Every new business needs funding to launch. **In fact, the biggest challenge that entrepreneurs face is related to inadequate funding (45.9 per cent).** The pandemic has created an unpredictable economic situation (34.9 per cent), both provincially and globally, that makes it difficult for entrepreneurs to gauge how their business will be impacted.

Similarly, COVID-19 restrictions (34.4 per cent) also create roadblocks for entrepreneurs to launch their business. Could this mean we have an untapped pool of budding entrepreneurs in Canada who haven't yet made the leap due to the uncertainties of this pandemic? Only time will tell.

Challenges to launch a new business



Customers: win some, lose some.

The reality is COVID-19 hit some industries harder than others. Of the entrepreneurs we surveyed, 27.3 per cent reported they lost customers due to the pandemic, while 26.7 per cent reported that the pandemic helped them gain new customers. This reinforces our belief that even though the pandemic created challenges, many of our entrepreneurs are adept at finding opportunities to attract new customers and grow their business.



Entrepreneurs who gained customers during the pandemic say their focus over the last six months has been in investing in technology (27.6 per cent), professional services (23.8 per cent), and advertising and marketing (19.3 per cent).

How did entrepreneurs gain customers in the last 6 months?

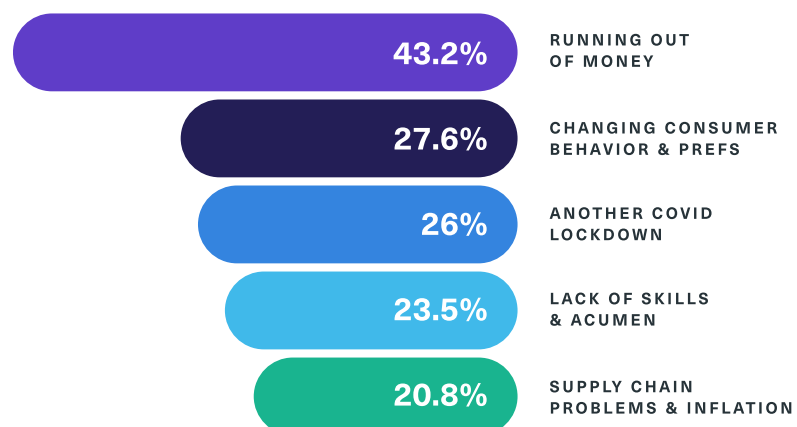


For those entrepreneurs who lost customers, they plan to win back market share by expanding into new markets (43.1 per cent) and hire new employees (19 per cent) to help them scale. The three top industries where entrepreneurs lost customers were in the retail trade (16.6 per cent), professional and scientific services (10.7 per cent), and the arts and entertainment sector (10.2 per cent).

Almost every entrepreneur who lost a customer (92.1 per cent) is worried that further lockdowns and an uncertain economy will present challenges for them. They most require help with funding opportunities (49 per cent).

Running out of money (43.2 per cent) and changing consumer preferences (27.6 per cent) rank high on the list of the biggest worries for entrepreneurs. As Canadians, we have always been proud supporters of local businesses, and we must continue carrying on our culture of helping entrepreneurs succeed.

What do our entrepreneurs worry about?





05

Key takeaways from the report

Our new entrepreneurship report fuels us with optimism on what lies ahead for small businesses in Canada. Challenges persist, but entrepreneurs share a common thread of resiliency to overcome them. Here are five key takeaways from our report:

01

Money is the biggest source of concern for entrepreneurs.

Most entrepreneurs expect their businesses to start generating revenue in the first year of their operations.

02

Whether a business was recently launched or has been around for more than two years, their goals are similar.

Most entrepreneurs are looking to expand into new markets and hire employees to grow their business.

03

Pandemic-related economic uncertainties, COVID-19 lockdowns, and inadequate funding are the leading cause of worry for many entrepreneurs.

04

About half of our entrepreneurs are in the process of growing their business. And entrepreneurs are making bets on new products and services to drive growth in their sector.

05

Access to government support and funding opportunities in the form of loans and grants will help entrepreneurs grow their business.



At Ownr, we know that starting and running a business can be daunting. By simplifying and automating legal tasks like business formation and incorporating, we help small businesses thrive. More than 45,000 entrepreneurs trust our affordable suite of services, and we're just getting started. [Learn more about Ownr here.](#)