



August 2025

Canadian Entrepreneurs on Productivity

Insights and Success Stories



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Acknowledgements

Special thanks to Catherine Schwartz, writer at BDC. This study is also the result of a great collaboration with Anouk Magnan, Marc-François St-Pierre and Samuel St-Pierre Thériault at BDC.

This study is based on discussions and data that have been analyzed and interpreted by BDC. Any error or omission is the sole responsibility of BDC. All figures in this study have been rounded. Reliance on and use of the information herein is the reader’s responsibility.

Seizing opportunities



Pierre Cléroux
Vice President,
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For businesses, the concept of productivity that economists use is often synonymous with increased efficiency, reduced waste and adaptation to change. It is based primarily on improving work methods and frequently comes with more intensive technological tools or machinery.

Productivity does not mean working harder or longer—it means working differently.

A more productive company sells more goods or services with the same human and material resources, or, as you will also see in this study, with fewer resources. It is not only more competitive, but it also has a higher value.

A recent study on the topic, *Canada's Productivity Puzzle: Solutions for Entrepreneurs*, demonstrates this unequivocally. With the same number of employees, companies in the top 10% of their industry for productivity generate six times more sales and four times more profits. Moreover, their earnings before interest, taxes, depreciation and amortization (EBITDA)—a measure used to calculate a company's value—are tripled.

This study comprises inspiring stories from companies whose leaders confronted a problem head-on to improve their productivity and profits. We hope these stories will inspire you to follow in their footsteps!



Improving productivity in Canada

Productivity is an ongoing concern in Canada.

For over two decades, Canada's productivity has grown at half the speed of our largest trading partner, the United States. Canadian productivity is 28% lower than in the U.S. and 18% lower than the G7 average. Despite a slight rebound in 2024, productivity has been declining in Canada since the pandemic.

Because of our low productivity growth, we now rank 27th among 37 countries with recent data in the Organisation for Economic Cooperation and Development (OECD) for GDP per hour worked. We ranked 11th two decades ago. Productivity growth is directly linked to wage increases and our level of collective wealth. Increasing labour productivity is a key factor in improving the standard of living of all Canadians.

The productivity gap between Canada and the United States is partly explained by differences in our industrial structures, especially the importance of the U.S. technology sector. However, one of the key factors behind Canada's poor performance is our low investment in capital and innovation.

We also have fewer large companies than the United States, and larger companies are generally more productive. Small and medium-sized businesses in Canada account for half of the private sector's gross domestic product (GDP). Their productivity is more than 40% lower than that of large companies.

Helping Canadian small and medium-sized businesses become more efficient will improve our collective wealth.

A company's productivity level determines its ability to produce more goods or services with the same human and material resources. A productive company increases output per hour worked and generates more profits. This allows it to attract better talent with competitive salaries and invest more to remain competitive. It's a virtuous cycle that benefits the company and the entire economy.

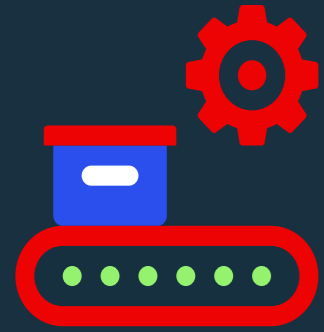
Knowing what needs to be improved to increase productivity can be challenging when you are at the heart of your company's operations. It is crucial to take a step back, seek advice and work with your business partners.

Reviewing and improving business processes is a vital step to take before investing in new technologies or more advanced machinery. It is also essential to minimize sources of waste, such as overproduction and unnecessary travel.

Reaching out to other entrepreneurs can also be inspiring. That's why we conducted this study. By highlighting success stories from across the country, we hope we can help entrepreneurs learn from each other.

We hope these stories are useful and help you improve your business productivity. This will benefit your competitiveness and significantly impact our economy and wealth.

The 8 types of waste within a company



Overproduction

Producing sooner or in greater quantity than what is required by the process that follows



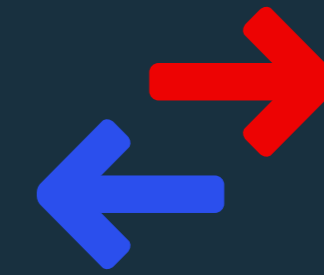
Waiting

An employee who waits
An idle machine that should be operating



Transport

Moving parts and products unnecessarily because of excessive distance between workstations



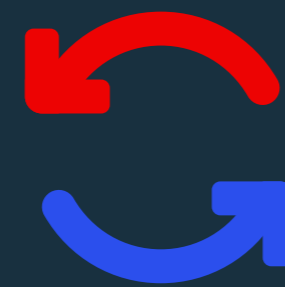
Inefficient operations

Unnecessary or non optimal operations



Inventory

Having more inventory than what is required in a pull system



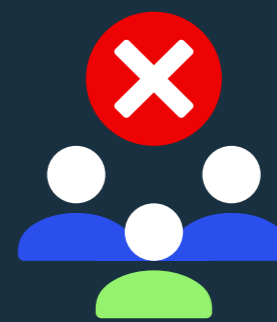
Motion

Employees straining or making unnecessary movements



Poor quality

Poorly made or designed products or services



Misused resources

Underused or mismatched employee skillsets

Insights

Improving productivity leads to higher wages and greater collective wealth. Boosting labour productivity is crucial for enhancing the living standards of Canadians.

Canadian productivity is in decline

- 28% lower than U.S. productivity
- 18% lower than the G7 average
- GDP per capita ranked 27th out of 37 OECD countries

Entrepreneurs who invest in productivity get results

The entrepreneurs featured in this study have a lot in common. They're resilient, innovative and found solutions to problems that were, in some cases, hidden beneath the surface. They gained a good deal in the process:

Increased sales per employee

- 70% increase at Kraun Electric.
- 300% increase at Randmar thanks to a new integrated IT platform.
- 22,000\$ gross margin increase per employee per year at Millwork Innovations.

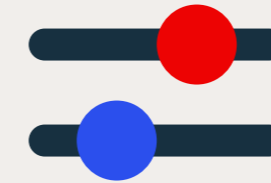
A solid ROI

- 3X return on investment at Randmar thanks to savings generated by AI.
- Business volume doubled with half the input cost at Rosso Coffee.
- Productivity on the bouquet line up 70% at MacArthur's Quality Flowers & Plants Inc.

Better staff retention

- Hiring needs were offset with automation at Gourma.
- Happier, more engaged employees at Dr.'s Choice Optical.

Things you can do



Adapt to change

All the companies featured in this study adapted to changing market conditions and overcame labour shortages and production bottlenecks.



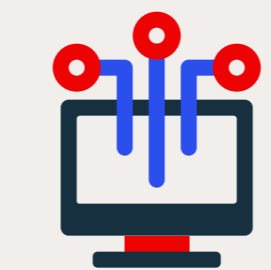
Get lean

Companies like Randmar, Millwork Innovations and Rosso Coffee have adopted the main principles of operational efficiency to eliminate waste and improve team morale. They centralized production, improved inventory management and optimized warehouse layouts.



Engage with your employees

Companies like Gourma and MacArthur's Quality Flowers & Plants Inc. show how important it is to listen to employees and involve them in decision-making processes. This has led to smoother operations, better problem resolution and increased employee satisfaction.



Invest in technology

Many companies, such as Kraun Electric and Dr.'s Choice Optical, significantly improved their productivity by investing in advanced technologies and automation. This includes adopting AI software, integrating systems, and using specialized machinery to streamline operations and reduce costs.

Trust the process

MacArthur's Quality Flowers & Plants Inc.

MacArthur's Quality Flowers & Plants Inc. was officially incorporated in 2000 with a single mission: to provide quality floral products to Atlantic Canadians.

"Boxes of flowers come into our facility, and they leave as a bouquet," says Mike Lebens, the company's co-owner. This multi-family-owned business sources flowers from local and international growers, then hand-crafts fresh bouquets and distributes them.

Key outcomes

- ➔ Increased productivity on the bouquet line by 70%.
- ➔ Saw a 30% drop in space use and work in progress.

"We were blown away by the improvements in our productivity and bottom line, and also saw a very positive impact on our company's culture."

– Mike Lebens, Co-owner



Challenge

Too many steps

MacArthur's Quality Flowers & Plants Inc. were undergoing significant changes. The company was building a new facility and preparing to move equipment to the new space. Mike knew there were productivity issues: "We took too many steps and touched the product too many times," he says.

He also realized he needed an extra set of eyes to consider the issues: "As the business grew, I knew that I couldn't do everything myself."

Solution

A new arrangement

Mike knew what he wanted to accomplish—it was simply a matter of getting started. By changing how the production line was set up, MacArthur's could use what they already had to increase their productivity. It was a question of shifting different stations and perspectives: "We were able to increase our output tenfold just by using our equipment. We just reused all the gear and all the equipment that we had. We used some things that weren't being utilized properly. That was probably the biggest and most impressive part."

The leadership team also designated key employees to lead others in new ways of working. The results were impressive: "The frontline team in the production room felt heard. They felt recognized. They were able to see the vision and run with it," says Mike.



Benefits

Better business culture

The productivity improvements fostered a more collaborative work environment and better employee engagement: "It really changed the dynamic and the culture of the business to be happier, more collaborative. Everybody can do every job now," says Mike.

Innovating and centralizing processes

Randmar

Founded by Rosario Armand in 1936 in Montreal, Quebec. Now, three generations later, Gislain Armand heads the company.

This family-owned business specializes in inventory management for resellers of technology products from major brands such as HP, Sharp, Canon, Epson and Lexmark.

Key outcomes

- Tripled sales per employee thanks to the new integrated IT platform.
- Savings generated by AI are three times higher than the investment costs.
- Staff members are motivated and engaged.

“The harmony between youth and experience can lead to remarkable results. Entrepreneurs should not hesitate to call on young talent to improve their ways of doing things. In today’s uncertain environment, adapting to change keeps us competitive.”

– Gislain Armand, President



Challenge

Scattered processes

In 2016, like most companies in its sector, Randmar still relied on faxes to notify its departments of changes to inventory and delivery addresses. Sending paper documents was cumbersome, and each location had its way of doing things.

A cybersecurity breach spurred Armand to rebuild the company's IT infrastructure from scratch.



Solution

Centralized systems with new technologies

Based on his software engineering experience, Armand developed in-house software to manage inventory, orders and distribution. Over five years, he modernized all processes and centralized operations. Randmar's new software gives real-time updates and synchronizes warehouse data across its Montreal, Toronto, Edmonton, and Vancouver locations. Armand also created portals for resellers and manufacturers to improve transparency and efficiency in customer interactions.

The company collaborated with Vooban to develop its AI software to optimize inventory management. This AI model predicts demand and automatically places products in warehouses closest to the customers, reducing transportation costs and improving service quality. By investing in its own artificial intelligence solution, Randmar has achieved savings three times greater than the initial cost. Reduced transport costs through optimised inventory management are among the main factors contributing to this profitability.



Benefits

More sales, significant savings and improved flexibility

With better inventory management and improved service quality, Armand has noticed a sharp increase in productivity. Sales per employee have tripled. And the savings generated by the AI program are three times greater than the investment in the AI solution.

At Randmar, productivity is measured by the number of daily system changes. The higher this number, the greater the productivity. An average of ten changes are made daily, enabling the company to remain competitive and adapt to technological changes.

Optimized inventory management and reduced transportation costs are behind this profitability. "The cost savings from using AI are three times higher than the cost of developing our AI," says Armand.



Reimagined with excellence

Millwork Innovations

Founded in 2007 in Lethbridge, Alberta and co-owned by Jill Chouinard and Willy Reger.

The company manufactures in-house architectural millworks and cabinetry for commercial properties such as schools and hospitals. It sells its millwork across Alberta, British Columbia, Saskatchewan, the Northwest Territories and Nunavut.

Key outcomes

- 25% less building space is used, leading to increased revenue from subletting.
- 40% increase in sales per employee per year.
- 22,000\$ gross margin increase per employee per year.

“Embarking on a productivity improvement process was a real leap of faith. We didn’t know what to expect or what the return on investment would be.”

– Jill Chouinard, Co-Owner



Challenge

The struggle to meet demand

With growing sales, Millwork Innovations sometimes had trouble meeting demand. However, Chouinard and Reger knew that more staff and space would not solve their problems or be financially sustainable.

They had a feeling there was a better option.

Solution

Leadership, employee engagement and operational efficiency

Chouinard and Reger took a structured approach to improve productivity in their business.

Regular [process mapping](#) sessions with staff members gave every team member a chance to speak about the operational difficulties they faced. They engaged the team in problem-solving and made specific action plans to tackle the causes behind significant issues. What's more, introducing [key performance indicators \(KPIs\)](#) and [a dashboard](#) moved decision-making from an intuitive to a data-driven process.



Benefits

A culture of continuous improvement

The most significant difference is the improved company culture, which has profoundly affected its owners and staff. Today, employees hold themselves accountable. They discuss how to work better and share their ideas in a formalized process. Team members always find something to improve—this has become a big part of what makes the job rewarding. Everybody is engaged and takes responsibility for their role.

Employees feel valued and supported, resulting in lower turnover rates and stronger loyalty to the company. Reger and Chouinard have created a thriving workplace where everyone feels empowered to contribute to the company's success.

Using technology to help staff

Gourma

Founded by Charles Verdy in 2013 in Saint-Norbert, Quebec.

The company operates greenhouses and distributes a variety of fresh herbs, such as basil, throughout Quebec.

Key outcomes

- Overall productivity increase of 15%.
- Offset hiring needs with automation.
- Reduced damage to plants while improving time to shelf.

“You must involve [employees] in the project’s development and implementation of new activities. You need to explain what you want to achieve. In our case, we emphasized that we wanted to improve how we work and that robots would work side-by-side with our team members, not replace them.”

– Charles Verdy, President



Challenge

A growing market with a shrinking labour force

Confident there was a growing market for fresh herbs, Charles Verdy wanted to double his agricultural operation's production area. The labour shortage got in the way of those plans.

Verdy realized that if he wanted to expand and optimize the company's processes, he could not rely on existing hiring practices and production methods. It was time to turn to automation.

Solution

Automation, wherever possible

Still, fresh herbs and automation don't always mix. Each of Gourma's 34 different varieties has unique characteristics. It was unrealistic to automate production for all its plant cultivars. Verdy decided to limit automation to basil, the company's most popular product.

He turned to BDC, which assisted him in preparing specifications, developing acceptance tests for equipment, anticipating pitfalls, and avoiding foreseeable problems. Automating basil plant production resulted in significant productivity gains for Gourma, particularly in the packaging stage.



Benefits

Smoother operations and happier employees

Gourma now boasts over 20,000 square metres of greenhouses, 65 employees and a more productive operation. "For our entire plant production system, our automation project yielded an increase in productivity of at least 15%," declares Verdy.

"Switching to a more automated production didn't lead to any employee layoffs," Verdy says. "But it did help us overcome our recruitment challenges."

Before doubling its production area, Gourma had 12 employees assigned to basil. After the expansion, it needed 25 employees to meet the new capacity demands.

"Thanks to the automation project, we now only need four," says Verdy. Those freed-up employees were reassigned to other herbs, allowing the company to retain its entire staff. This enabled Gourma to overcome its staffing challenges and diversify the work of its teams.

Verdy was careful to include employees throughout the automation project. He sees them as the production experts: "Their knowledge is crucial, and without their input, a project like ours would have been impossible," he says.

"Today, our employees are so familiar with the technology that they can teach our integrator new things," said Verdy. "It was a major success."

Scaling to meet demand

Rosso Coffee

Founded by David Crosby in 2007 in Calgary, Alberta.

The company began as a coffee shop—it now roasts premium coffee beans and operates multiple cafés. Rosso Coffee has a strong presence in the industry, and its business is now worldwide. It is also B Corp Certified.

Key outcomes

- Two to three times the volume of business with half the input cost.
- Reduced roasting costs by over 66%.
- Reduced perishable inventories in cafés by 50%.

“One key takeaway is the importance of discipline and focusing on the core business. Saying yes to opportunities is crucial in the early stages. Still, as the business grows, it’s equally important to say no to distractions and focus on what leads to profitability.”

– David Crosby, Founder



Challenge

Production line bottlenecks

Rosso Coffee grew to reach seven coffee shops and 82 employees by 2020. Employees roasted coffee in one of their cafés and bagged it off-site at their office. The process was cumbersome. In addition, Crosby and his team struggled with managing multiple cafés, an in-house kitchen, pop-up events, catering, and trade shows. Despite generating revenue, these activities were not always profitable and diverted attention from their primary business.

And then the COVID-19 pandemic struck. The company's revenue from cafés dropped by as much as 90%. Crosby and his team refocused their efforts on wholesale and online sales, which increased by 450%. Rosso Coffee needed to be more efficient to keep up with demand and to keep growing.



Solution

Have a game plan

With some help from BDC, Crosby developed a strategic plan. It featured clear performance indicators and milestones for the next five years, the next decade and beyond. Rosso Coffee had a roadmap to increase efficiency.



Benefits

Better processes mean better quality

Rosso Coffee made several changes. They centralized production by moving to a larger space and investing in a larger roaster, which increased their capacity. Then, they introduced technology—a silo for storing green coffee and sorters that use AI and spectrometry—to ensure bean quality.

The team also optimized their warehouse layout to reduce the time and steps required for picking and packing orders. Centralizing this process and upgrading from a 12-kilo roaster to a 45-kilo roaster improved efficiency. The cost of roasting decreased by almost two-thirds, while deliveries increased dramatically. Rosso Coffee also invested in an [enterprise resource planning system](#) (ERP) to integrate all business aspects and adopted route optimization technology to be more efficient with transportation costs.

Now, Rosso Coffee does two to three times the volume of business with half the input cost. The team can now bag coffee at a rate of 10 to 12 bags per minute, compared to six bags per minute before the improvements. These changes have strengthened the company's bottom line and allowed it to grow even more.

“We always ask ourselves: how can we make it more efficient? How can we implement technology? How can we push the coffee to a better quality? How can we make this company run better and make it easier for team members and customers?” adds Crosby. The company's CFO, Thomas Kaune, notes that “being flexible in adapting to new strategies and technologies” is a key part of success.

Continued investment to grow the business

Kraun Electric

Founded in St. Catharines, Ontario, in 1996 and bought by two business partners, Aaron Jones and Kelly Braun, in 2018.

With expertise in the residential, commercial and industrial markets, Kraun Electric takes on a broad range of contracts, from replacing a ceiling fan to designing and building the electrical system of a multimillion-dollar project.

Key outcomes

- The ratio of sales to employee increased by 70%.
- Profit per employee quadrupled.
- Time to recoup technology investments varies from one to two years

“It’s really important that you help your employees feel safe during those transitions to a new technology and new processes, because at the end of the day, they’re the ones who are going to use it and they’re the ones who will make or break that return on investment.”

– Aaron Jones and Kelly Braun, Co-Owners



Challenge

Heavy workloads

Demand took off under the new management team. It didn't take long for Aaron and Kelly to run into the challenges that come with quick success. "I was doing a lot of the work. Kelly was doing a lot of the work, and we realized that we needed to share that workload, or we weren't going to be able to grow well," Jones recalls.



Solution

The right technological tools for the job

Working with [BDC technology experts](#), Jones and Braun asked about the positions they needed to develop their strategic plan. In the process, they also considered expanding into new markets.

With a freshly minted three-year plan, the company had a clear direction and a set of changes to implement. And something else allowed them to grow rapidly and more efficiently: new technology.

Kraun Electric adopted best-in-class software for each area of its business and integrated the different systems. It uses one product for day-to-day office work, another to manage sales efforts, and a third for its services operations. In addition, project managers and supervisors work in the field with construction-specific software.



Benefits

Making room for growth and opportunities

Technology has helped the company adjust its pricing in a competitive market by analyzing the costs of thousands of electrical components. Its software uses AI to suggest which employee should be dispatched for a given job to minimize driving time and best meet customers' requirements. Ultimately, Jones predicts that technology will impact the construction industry more directly.

"We will eventually start to see those technologies trickle out to the field, whether it's through surveying equipment or laying out

construction work or even, at some point in the future, using some advanced tools or robotics out in the construction market," he says. "We haven't seen much of that yet, but we're keeping our eye out for it."

Braun says entrepreneurs are used to overcoming obstacles independently but shouldn't hesitate to seek outside expertise, especially on technology: "You're going to get there a lot faster if you get help, and you're going to avoid a lot of mistakes," she says.



Investing in automation

Dr.'s Choice Optical Lab

Founded by Tom Aquino in 1996 in Trenton, Ontario. Tom's son, Kyle Aquino, joined the business in 2012 and recently took over as President.

One of Ontario's few independent optical labs, Dr's Choice offers personalized service to 30 eye care professionals across Ontario, B.C. and Saskatchewan.

Key outcomes

- Tripled production capacity.
- Reduced downtime and increased quality.
- Higher employee engagement.

"Automation is the best investment we've ever made. We've been continuously upgrading, and this is one of the main reasons why we are still here when many other small optical labs are disappearing or struggling to survive."

— Kyle Aquino, President



Challenge

Staying competitive in a challenging industry

Optical lens manufacturing is a harsh, highly competitive industry dominated by big players who expand aggressively. Investing in technology and automation is a matter of survival for a small, independent optical lab.

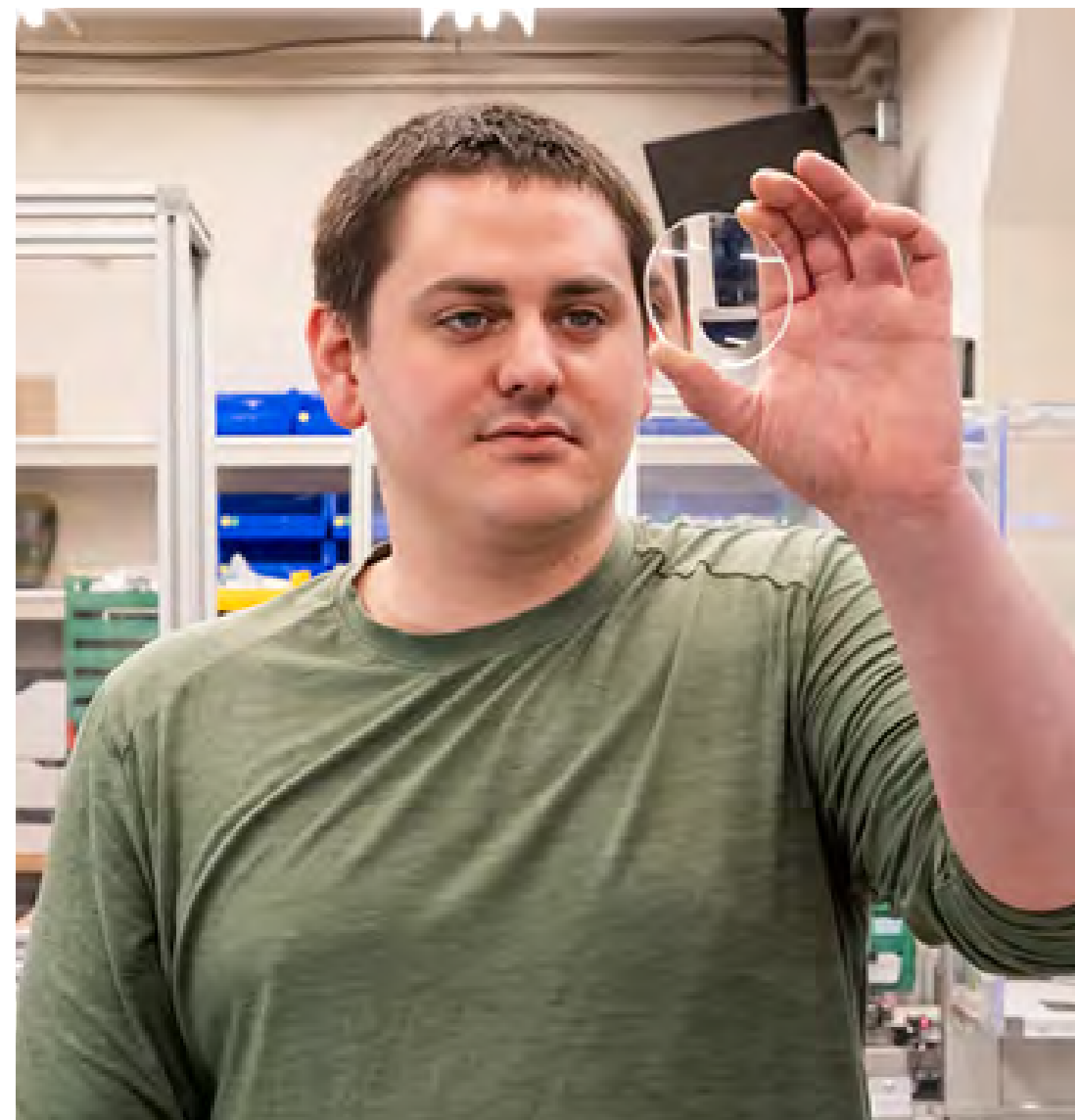
Tom Aquino remembers when another regional optical lab shut down a few years ago: “They reached out to see if we wanted to buy any of their equipment. I went around, and there was nothing I could use; everything was outdated. They had stopped improving and investing in technology a long time ago. When you do that, you also stop growing and you’re eventually out of the game,” he says. He knew his company had to keep investing to stay competitive.

Solution

A fully automated production line

Aquino invested in a \$2 million fully automated production line in a brand-new facility to produce lenses for prescription glasses. It became fully operational in 2024.

The fully automated line helps Dr.’s Choice be better, faster and more precise at every stage, from cutting and shaping the lenses to coating and polishing them. Everything is automated—there is minimal human intervention. The machines are all controlled by computer systems. Employees oversee the production line and only intervene if needed.



Benefits

Delivering top-notch products to clients across Canada

The new automated line tripled production capacity to 300 pairs of lenses a day. Dr.’s Choice can manufacture up to 400 pairs of lenses daily while simultaneously running the old and new automated lines. “We are more efficient than we’ve ever been,” says Kyle Aquino. “We now have the capacity to handle bigger orders, serve larger clients and expand even farther across Canada,” he adds.

The new production line works as an automated conveyor system. You can switch between automated and manual at every juncture, and employees can take over if the job is too sophisticated or if the machine

breaks down. This reduces downtime and prevents delays. Automating the lens production from start to finish minimizes the risk of damage, which translates into better lens quality. “By replacing manual processes with high-powered machines, we manage to provide our customers with top-quality lenses and dependable personalized service,” notes Kyle Aquino.

Employees benefit from automation, as well. Instead of doing manual work, employees now monitor the machine, ensuring everything is running smoothly. Their job is more engaging and provides more added value.

From challenge to triumph

Improving productivity means solving problems. It's something entrepreneurs do every day. The difference lies in the kind of challenges to overcome. In these case studies, business owners began by getting curious about inefficiencies. Some of them were hidden. Others were more visible.

Challenge	Solution	Key benefits
Poor communication	Regular team meetings	Improved company culture Better employee retention
Scattered processes	Centralized systems Software	Sales per employee triple
Struggle to meet demand	KPIs and performance dashboard Listening to employees' suggestions	Gross margin up by \$22,000 per employee per year
Growing market with a shrinking labour force	Automation	Overall productivity up by 15%
Heavy workloads	Software adoption and integration	Sales to employee ratio jumped by 70%
Staying competitive in a challenging industry	Automation	Tripled production capacity

With planning and persistence, entrepreneurs found the right solutions and have since benefited from the changes they implemented, big or small.

Get the help you need to boost your business

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Ce document est aussi disponible en version française.

ISBN: 978-1-990813-82-5
ST-PRODUCTIVITY-E2506

