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BDC State of Entrepreneurship Report 2025



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Message from the → Chief Economist

The entrepreneurial
spirit shapes the
Canadian economy



Pierre Cléroux
Vice President and
Chief Economist, BDC

Unwavering commitment in a changing world

Canada is undergoing a period of economic transformation marked by uncertainty, trade tensions and global challenges. Entrepreneurs remain integral to the country's economic vitality. Our latest data reveals that 92% of entrepreneurs would choose the path of entrepreneurship again, underscoring their commitment, resilience and desire for independence. This data is much more than a statistic: it reflects the robust nature of Canada's entrepreneurial sector and its significance for our economic security.

As part of Small Business Week, this inaugural report on the state of entrepreneurship offers a nuanced portrait of the challenges and strategies adopted by Canadian businesses. In response to economic pressures, 74% of business owners have implemented measures aimed at improving productivity, such as investing in new or existing technologies (50%), optimising processes (38%),

automating tasks (20%), and training staff (22%). These actions reflect the various strategies entrepreneurs employ to adapt to changing circumstances.

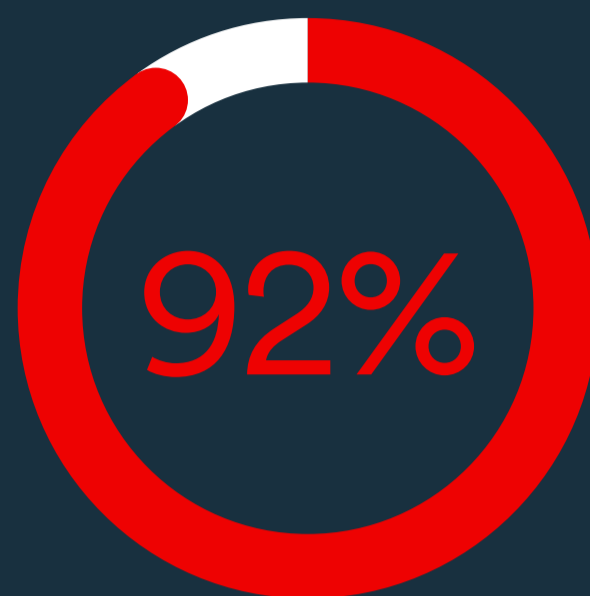
Across Canada, 142,000 entrepreneurs are planning a business transition by 2030. Their commitment will be crucial to ensure continuity and growth in an ever-changing environment.

Together, we are approaching this important milestone in our history with confidence and determination. Supporting entrepreneurs means investing in a stronger, more agile and more sustainable economic future.

National highlights

In a year shaped by economic and geopolitical uncertainty, Canadian entrepreneurs adapted quickly to protect their profits and build resilience. Their commitment remains strong—and their determination to move forward is unwavering.

➔ Entrepreneurship, a commitment that goes beyond economic cycles



of business owners would choose entrepreneurship again if they had to start over.

➔ Two sides to the coin

Entrepreneurship offers certain freedoms, but it also comes with its share of challenges.



Advantages of entrepreneurship*

51% cite the freedom to make their own decisions

39% cite greater control over work-life balance

34% mention higher income



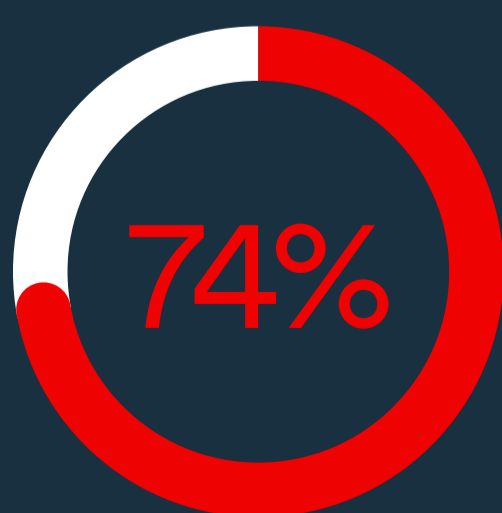
Disadvantages of entrepreneurship*

42% cite increased stress and responsibility

36% mention having to work longer hours

29% cite lower or unstable income

➔ Perseverance, action and innovation have carried Canadian businesses forward



have implemented measures in the last year to increase productivity in response to economic pressure.



30% have adopted new technologies*

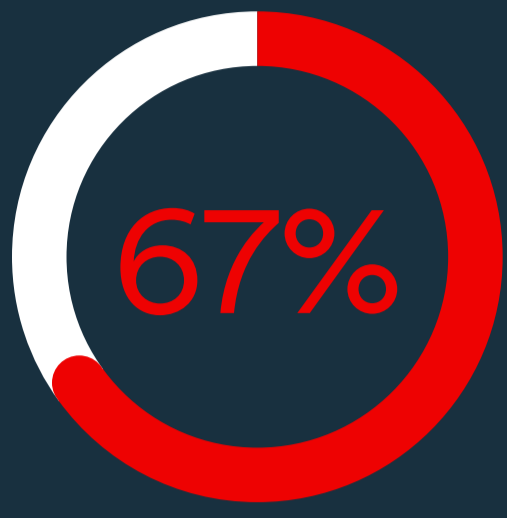
24% have reviewed their internal processes*

22% trained their staff*

* Respondents could select up to three answers.

National highlights (cont.)

→ Focus on profitability



of businesses reported a profit in the last 12 months

For the coming year*:

40%

plan to take measures to increase their profitability

28%

will focus on customer retention

25%

will target cost reduction

→ Growth projections

34%

of business owners are aiming for moderate growth this year

21%

expect strong growth

12%

are preparing for a radical transformation of their business

→ Ambitions that cross interprovincial barriers

Faced with global uncertainty, business owners are choosing to focus on growing opportunities close to home.



22%

of Canadian SMEs plan to acquire new customers in their current province*

7%

plan to expand their operations to other provinces*

→ Entrepreneurial well-being and financial outlook

86%

of business owners say they are in good health

85%

own real estate

54%

have experienced emotional or mental exhaustion during the year

68%

hope to retire before the age of 70

71%

say that more than 50% of their household income comes from their business

Business owner case studies



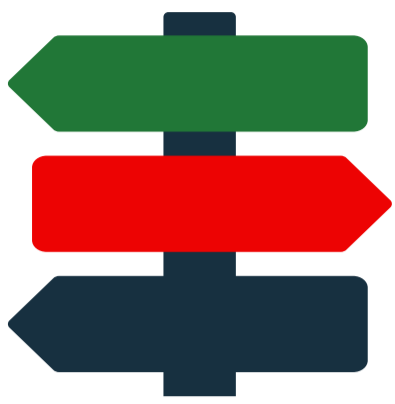
BDC followed 10 business owners over the year to analyze how they have adapted to trade uncertainty and the economic downturn.

These entrepreneurs have shown impressive adaptability, stepping up as leaders and rallying their teams to get through crisis periods. They are focused on strengthening profitability, and their growth projects are progressing despite uncertainty.

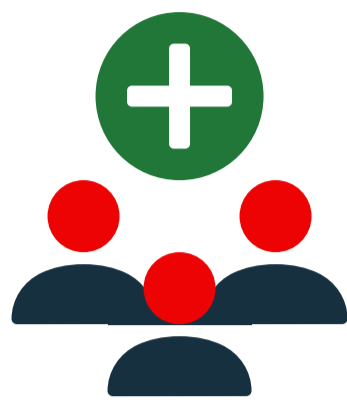
Business owners' perseverance softened the impact of tariffs.

Challenge	Actions taken	Outcome
Financial management	Rigorous management, cost control, budget adjustments, requests for moratoriums on principal payments and monitoring of working capital	Preserved liquidity
Understanding tariff mechanisms	Adjusted methods to highlight only the portion subject to tariffs	Prevented all goods from being subject to tariffs
Price and exchange rate fluctuations	Maintained open communication with suppliers and customers, implemented exchange rate strategies	Limited losses
Sharing knowledge and experience	Focus groups, roundtables and discussions with peers	Shared practical solutions and benefited from others' experience
Competitiveness	Ongoing investment in productivity, use of AI and exploration of new opportunities	Absorbed external shocks more effectively and remained competitive

Still, specific challenges remain.



Switching suppliers is easier and faster than finding new customers, which requires time, energy and money. Despite the risks, the United States remains an important market because of its size and proximity.



Business owners continue to face familiar challenges such as a shortage of skilled labour and cost control.



Managing growth projects remains a significant challenge due to price fluctuations and ongoing uncertainty.

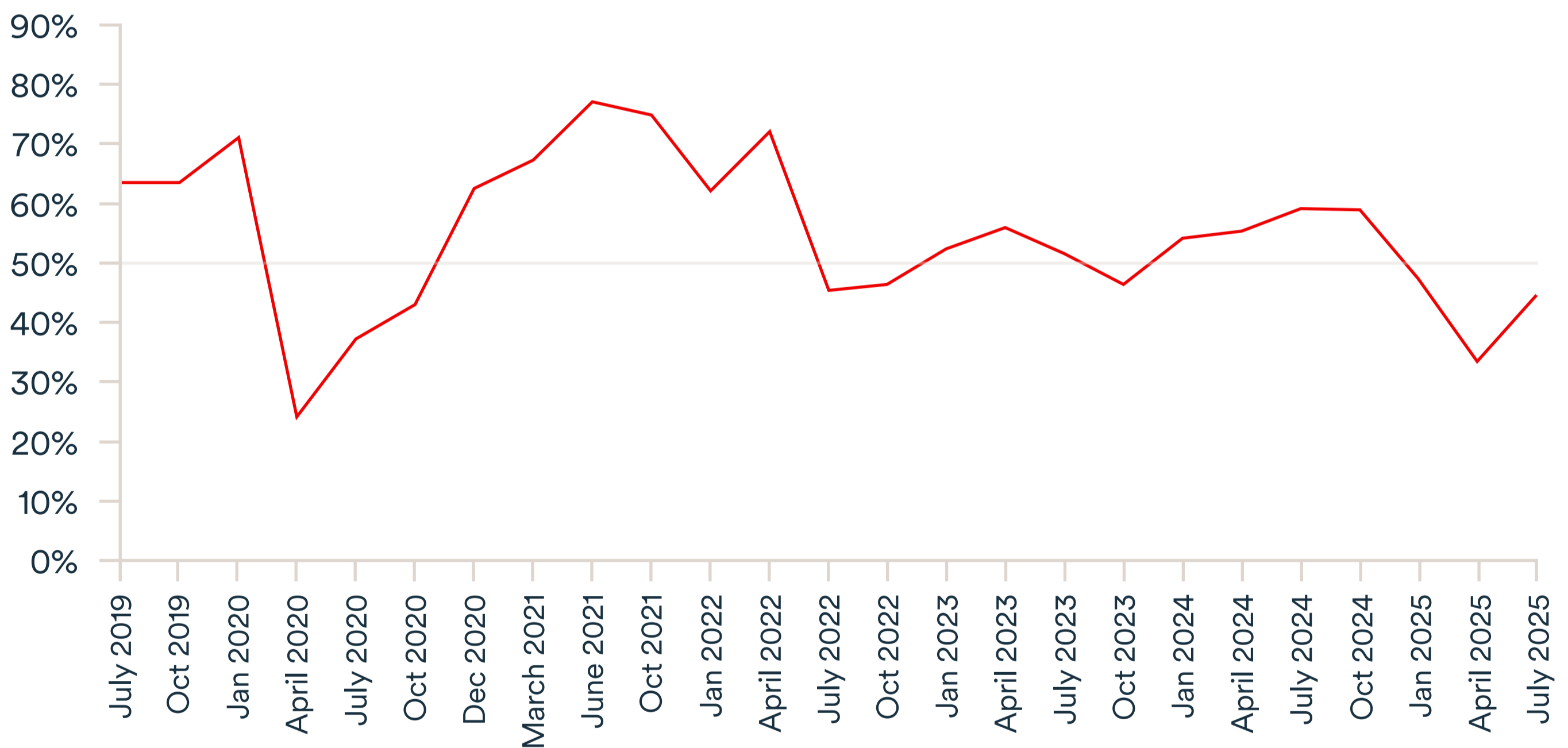


The economic downturn is weighing on entrepreneurs

After falling sharply due to inflation between 2022 and 2024, optimism rose among businesses until the end of last year.

Since then, growth prospects have weakened. The economy has slowed, in particular because of U.S. trade policy. In this context, optimism dipped at the beginning of the year. While most Canadian businesses are now pessimistic about economic conditions over the next 12 months, they were more confident in the third quarter (45%) than in the second quarter (33%).

Graph 1: Share of SMEs that are optimistic about the economic outlook for the next 12 months



Source: BDC, Survey on investment and financing outlook for SMEs

Most businesses have moderate growth objectives

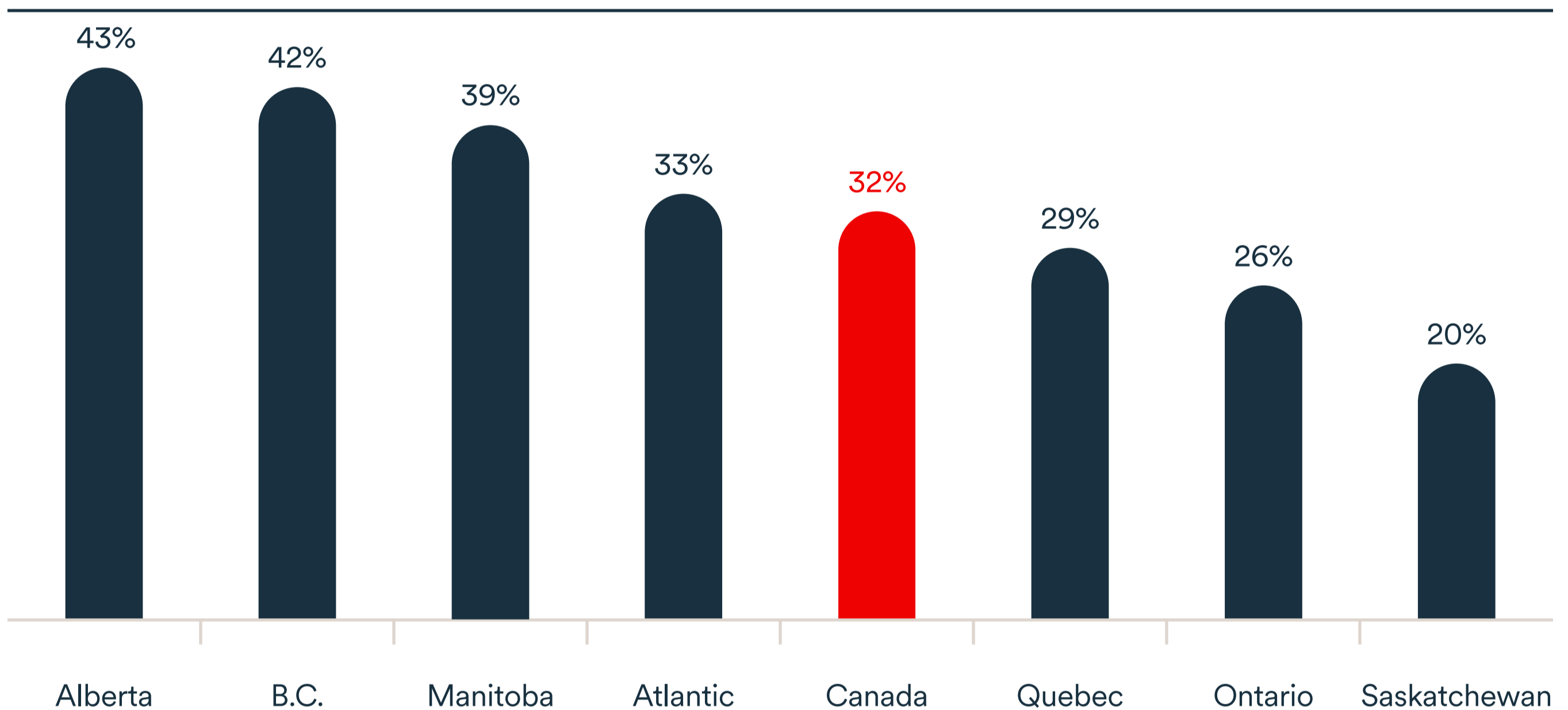
Most Canadian entrepreneurs are targeting modest to moderate growth (67%), while one third (32%) are targeting significant expansion (21%) or a radical transformation (12%) of their business.

In Alberta and British Columbia, entrepreneurs are more ambitious than average in terms of growth. With the expansion of the Trans Mountain Pipeline

System, the energy sector is performing well, which may have a positive impact on business development in both provinces.

Businesses in Ontario and Saskatchewan face challenges linked to tariffs. U.S. tariffs on automobiles and steel are slowing growth in Ontario, while Chinese tariffs affect farmers in Saskatchewan.

Graph 2: Percentage of SMEs seeking significant growth or major transformation



Source: BDC, State of Entrepreneurship Survey

Key challenges: Inflation, weaker demand and industry pressures

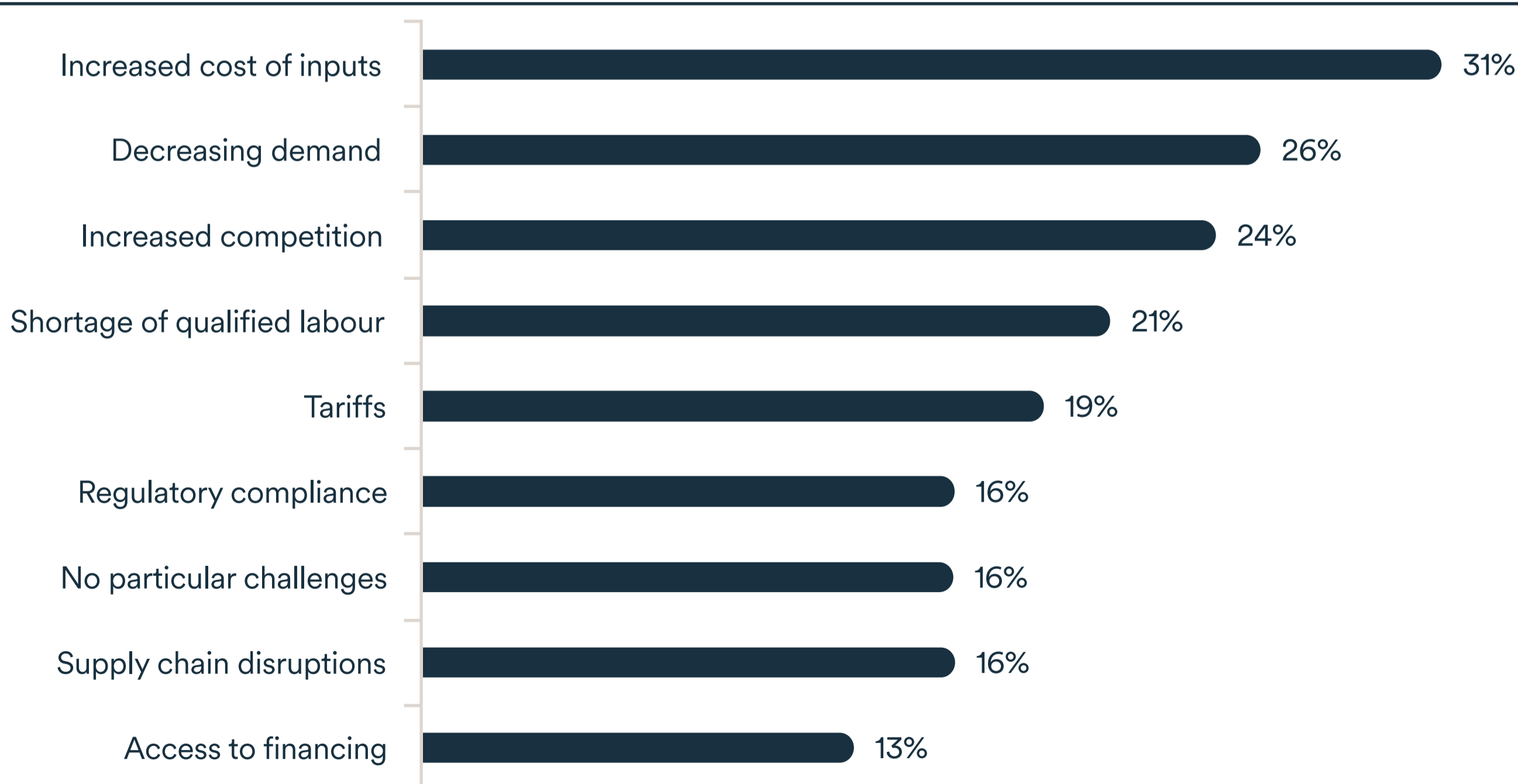
Rising costs remain the main challenge for businesses. Although overall inflation has come under control compared to 2023, it remains high in specific industries, particularly the service sector. Canadian counter-tariffs on U.S. products have driven up costs for many businesses across the country. These cost increases have been especially challenging in manufacturing (48%), hospitality and food service (45%) and construction (41%).

In addition to facing persistent inflation, many entrepreneurs (26%) are experiencing weaker demand for their products and services. Such is the case for Ontario (29%), where U.S. tariffs are slowing the economy. As the economy weakens, businesses must work harder to retain or win new customers, increasing competition.

While the skilled labour shortage remains an issue in Canada, especially when hiring staff with particular skills, it is no longer the top concern for SMEs. Many Canadians face a job shortage, with unemployment rising recently, particularly among youth. For Quebec SMEs, however, the labour shortage remains a more pressing challenge than elsewhere (25%). According to [Statistics Canada data](#), in September 2025, the unemployment rate in Quebec was 1.4 percentage points below the Canadian average.

Across Canada, only a minority of businesses (19%) cited tariffs as a major challenge over the past 12 months. However, some sectors were more affected, including construction (25%), retail trade (29%) and wholesale trade (34%). The removal of Canadian counter-tariffs on certain U.S. products as of September 1 is expected to provide relief for these sectors.

Graph 3: The main challenges faced by SMEs over the past 12 months



Source: BDC, State of Entrepreneurship Survey

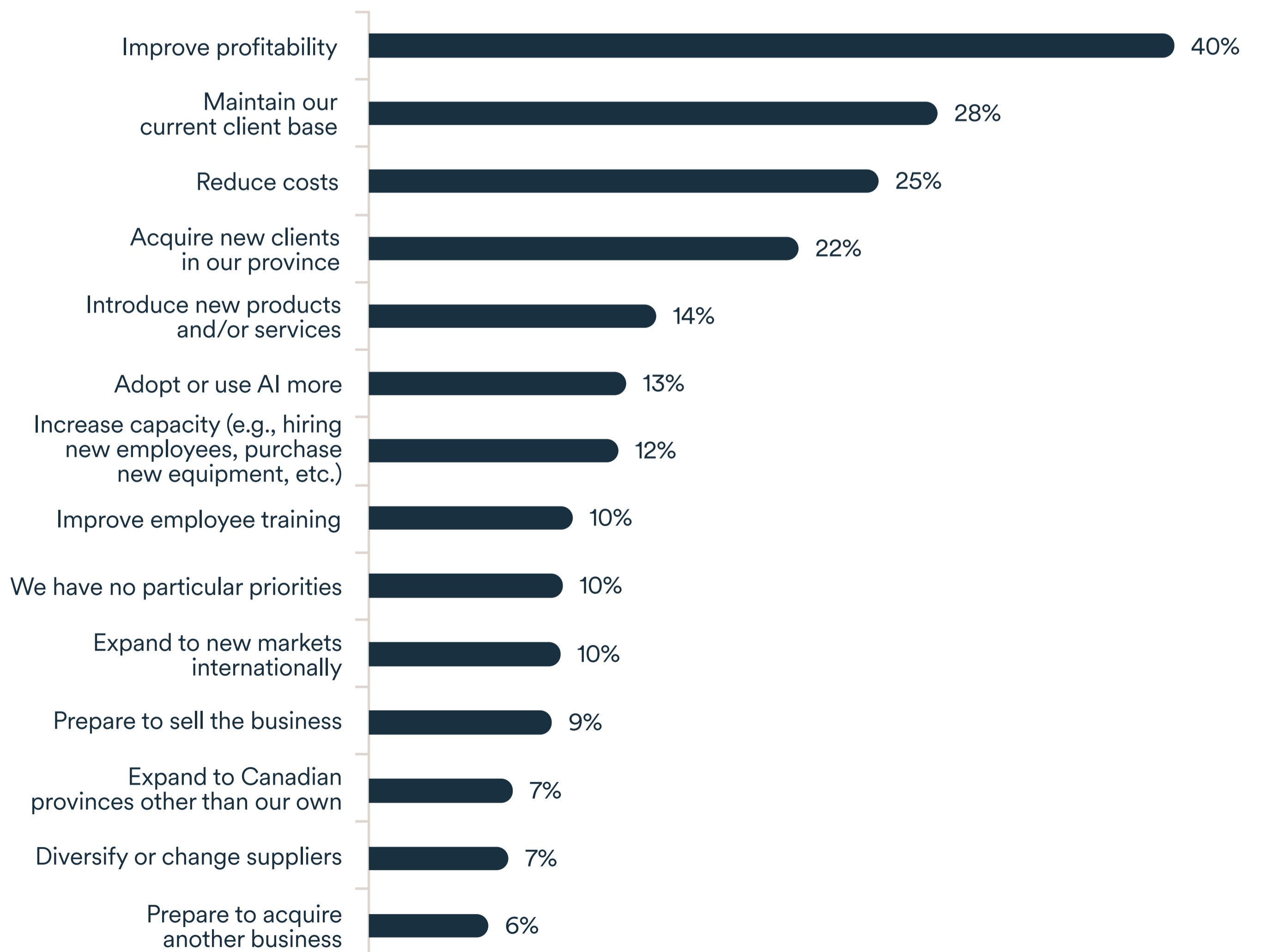
Boosting profitability remains a priority for businesses

With rising costs and slowing demand, entrepreneurs expect to concentrate their efforts on profitability (40%) rather than on growth projects. More than four out of 10 businesses (41%) are dissatisfied with their current level of profitability.

As such, they seek to strengthen their position by focusing on customer retention (28%) and cost reduction (25%) over the next 12 months. Reducing costs is an even higher priority for businesses in Ontario (30%), where the slowdown has been more pronounced.

While only 7% of entrepreneurs are considering interprovincial expansion, this trend remains one to watch. Local purchasing and trade sovereignty have recently influenced consumer choices and could continue to guide business strategies. In fact, one out of ten businesses are interested in expanding internationally (10%).

Graph 4: Priorities of SMEs for the next 12 months



Source: BDC, State of Entrepreneurship Survey

Abatement Technologies: From uncertainty to strategic growth



Founded in 1985, Abatement Technologies is a family-owned air filtration and containment product manufacturer based in Fort Erie, Ontario. The company designs and manufactures abatement products, which are used to remove or reduce exposure to harmful particulates, bioaerosols and volatile organic compounds.

Under the leadership of Andrew Harber, the founder's grandson, the company turned recent economic uncertainty into a catalyst for growth.



“Sorting out the tariff situation, not panicking and letting it play out, fueled ingenuity. We’re in good shape. Our staff deserves unbelievable credit.”

Andrew Harber, CEO of Abatement Technologies

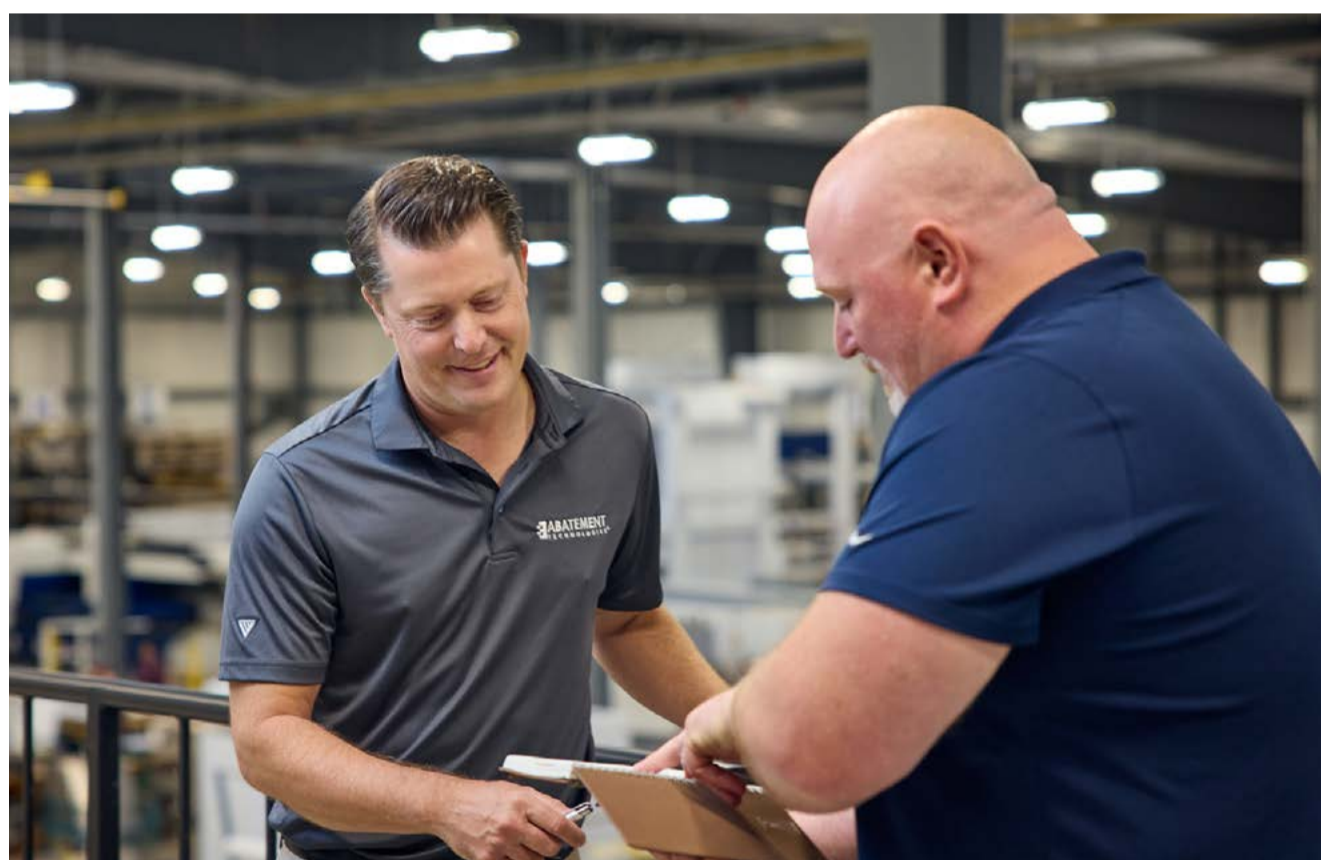
Tariffs as a shock to the system

For Harber, the announcement of U.S. tariffs on aluminum and steel was like “an asteroid hitting our strategic plan.” The business faced a potentially significant cost increase, with 20% of its revenue tied to U.S. operations.

A multi-pronged strategic response

Rather than reacting hastily, the company adopted a deliberate and informed approach:

- They secured a six-month exemption from Canadian counter-tariffs due to a strong presence in the healthcare sector.
- Filed for tariff remission on aluminum imports that are exported back to the U.S., resulting in significant monthly savings.
- Resolved the tariff classification of its flagship product, which uses 100% U.S.-sourced aluminum, preserving its competitive edge in the U.S. market.



Planning for the long term

Despite the challenges, the company remains committed to expanding its presence in the United States. The market’s size, strategic importance and long-term potential continue to make it a priority.



The company is also diversifying its markets. In Canada, that means expanding beyond healthcare into casinos, hotels and airports.

Internationally, Abatement Technologies is exploring European partnerships and vertical integration to reduce reliance on U.S. suppliers. The company is positioning itself to continue growing and unlocking its full potential in North America and beyond.



La Maison Orphée and the art of adaptation



Founded in 1983 and led by sisters Élisabeth and Éline Bélanger, La Maison Orphée is a family business that manufactures oils, vinegars, mustards and natural and/or organic salad dressings.

With a presence in over 3,000 points of sale in Canada, the company has built a reputation for quality and authenticity. It has also developed an operational and administrative efficiency culture, enabling it to remain competitive in a demanding market.



“There is always a way to turn a setback into an opportunity. You just have to find it and make it happen.

Élisabeth Bélanger, CEO,
Maison Orphée



Focusing on quality, innovation and the brand

To overcome these challenges, La Maison Orphée implemented several strategies.

- It bolstered its marketing outside Quebec and focused on product innovation to continue to develop major distributors.
- The company implemented an exchange rate risk management policy, developed over 18 months in collaboration with experts, to anticipate import costs.
- In addition, Maison Orphée never takes its customers for granted. The company pays attention to their tastes and preferences, adapting accordingly without diluting its brand.

La Maison Orphée has protected its employees' jobs and maintained its production capacity despite industry challenges. The company has strengthened its internal leadership and is working to build on the organizational gains achieved in the last few years.

A clear, sustainable vision

The company continues to focus on its ability to innovate, maintain efficient productivity and build lasting relationships with its customers.

Contending with a complex market

Soaring costs are a recurring issue in the food industry. La Maison Orphée has learned to partially offset them by optimizing its processes and boosting productivity. The company developed a disciplined approach well before the recent economic turbulence began.

La Maison Orphée has also had to contend with tariffs on imported products, even though these only make up a small portion of its sales. Moreover, the company lost a customer they were developing due to tariff-related uncertainty.

Fluctuations in the Canadian dollar have added to these business challenges.



City Wide Produce diversifies supply chains to drive strategic growth



In 2010, Gopal Gupta and his wife, Fazleen Khan-Gupta, founded City Wide Produce. Over the years, the business became a high-volume fresh fruit and vegetables supplier to retailers and restaurants across Western Canada.

Today, with a growing team and a strong emphasis on customer service, City Wide has built its reputation on consistency, trust and long-term partnerships.



“Each year might have some uncertainty, but with the right team, we’ll navigate and get to where we need to.”

Gopal Gupta and his wife, Fazleen-Khan-Gupta, co-founder, City Wide Produce

Tariffs as a catalyst for change

In 2025, Canadian counter-tariffs on U.S. imports posed a serious challenge for City Wide. With over 90% of its imports coming from the United States, City Wide faced climbing costs, exchange rate volatility and shifting consumer preferences.

“We were paying tariffs on three commodities: tomatoes, watermelons and citrus,” says Gopal. “The rate of use or consumption had slowed down on some kinds of produce, whereas on others it was unchanged.”



A strategic shift in leadership and logistics

Still, the company saw this disruption as a chance to evolve.

- City Wide [diversified](#) its supplier base to mitigate the impact of tariffs, sourcing from Mexico, South Africa and Chile.
- The company also used a strategy commonly used in investment practice: cost averaging. This approach involves investing the same amount of money in something at regular intervals over a certain period, regardless of price.
- Peer support also played a key role: Gopal joined a WhatsApp group of entrepreneurs to share strategies.

Investing in growth and resilience

Now, City Wide remains committed to growth by continuing recruitment and strategic investment. The business is deploying a new software system to enhance margin visibility, traceability and operational efficiency.

City Wide is also exploring acquisitions and vertical integration, including repackaging and brand development. AI tools are being adopted for forecasting and contract support, with plans to expand their use.



Marid Industries nurtures relationships to work through trade tensions



Marid Industries is a full-service steel fabricator based in Halifax, Nova Scotia. The company handles everything from design and manufacturing to on-site erection of steel structures.

With a team of 150 employees and a strong reputation for reliability, Marid has built long-standing relationships with clients across Canada and the U.S.



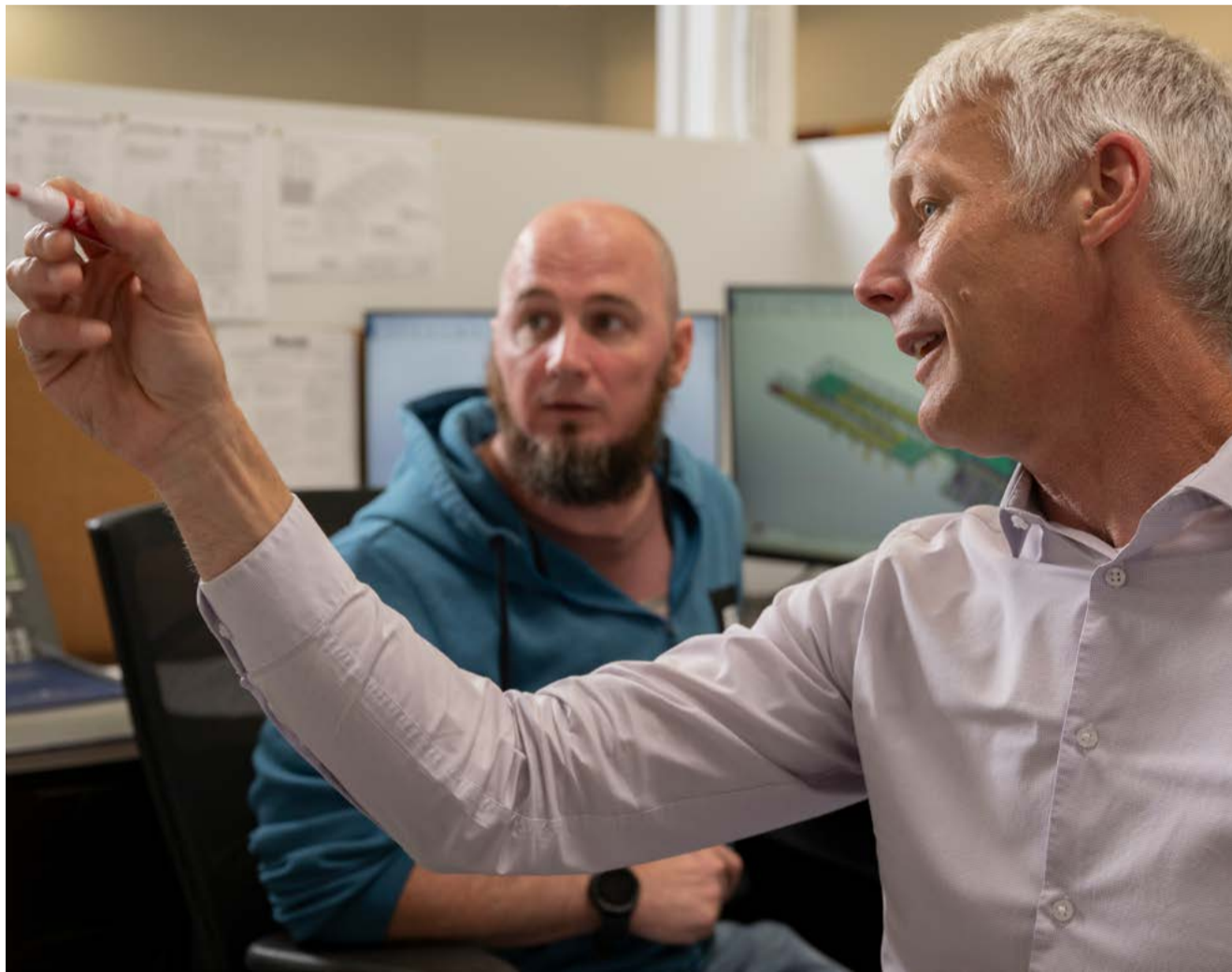
“We’re good at making steel. But in times like these, you need to be just as good at making decisions. That means staying focused, staying informed and being willing to adapt.”

Tim Houtsma, CEO, Marid Industries

Clear vision in the face of trade turbulence

In March 2025, the U.S. government imposed tariffs on Canadian steel imports. For Marid, a business that exports a portion of its production to long-time U.S. clients, the impact was immediate.

With contracts already signed and production underway, the company initially absorbed the cost to maintain client relationships and avoid disrupting operations.



From surprise to strategy

As tariff pressures intensified, Tim Houtsma and his team adjusted the company's approach.

- The company rebalanced its pricing strategy with U.S. clients, sharing the cost burden while maintaining transparency and trust. Marid Industries takes special care to clearly itemize invoices, ensuring that charges are applied only where appropriate.
- It paused efforts to grow its U.S. market and redirected its focus to local and provincial projects. The company also began targeting specialized work—such as bridge repairs and retrofit projects—where its expertise could deliver better margins and operational efficiency.
- The company reduced its reliance on subcontracting, which had been driving up costs and complexity.

Operational discipline and focused growth

Marid Industries is doubling down on its core strengths, focusing on the work it does best and the clients who value that expertise. By narrowing its focus and reinforcing its operational discipline, Marid is positioning itself for long-term resilience.



Businesses accelerate their transformation

Faced with economic uncertainty, labour shortages, rapid technological change and growing pressure to adopt sustainable practices, Canadian businesses did not wait for things to change. They took action, often with agility and determination, to transform their business models, review their internal processes and invest in innovative solutions.

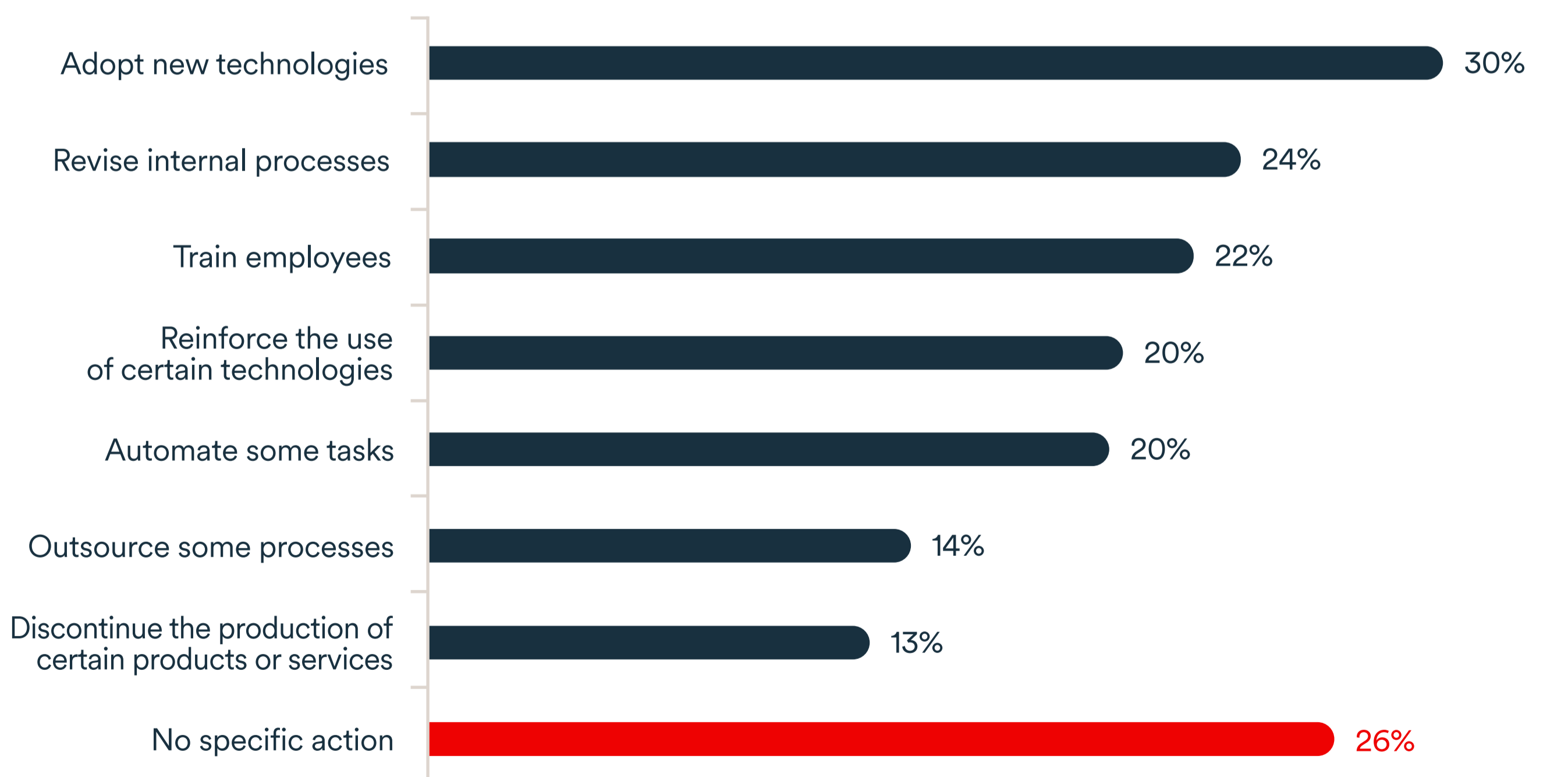
This is reflected in the data, as three quarters of businesses (74%) made moves to improve productivity over the past 12 months. Technology is central to productivity growth, and businesses know it. Nearly one-third (30%) adopted new technologies over the last 12 months, while 20% stepped up their use of

existing ones. Adopting new technologies was more common among businesses that faced a labour shortage (42%).

Business transformation is not solely dependent on digital technology. A significant proportion of business owners (24%) are focusing on process optimization, while 14% outsourced certain processes.

Lastly, many businesses have also invested in employee training. This is a crucial strategy in Quebec (29%), where the shortage of skilled labour is more severe than elsewhere in Canada. The rise of artificial intelligence (AI) is also pushing entrepreneurs to train their teams to ensure the technology is used effectively. Nearly one-third (29%) of businesses using AI trained their staff in the past 12 months.

Graph 5: Steps taken by SMEs in the past 12 months to boost productivity



Source: BDC, State of Entrepreneurship Survey

AI, a productivity driver

Many of the technologies adopted by businesses over the past year are based on AI. In fact, half (50%) of SMEs now use AI for a wide variety of tasks.

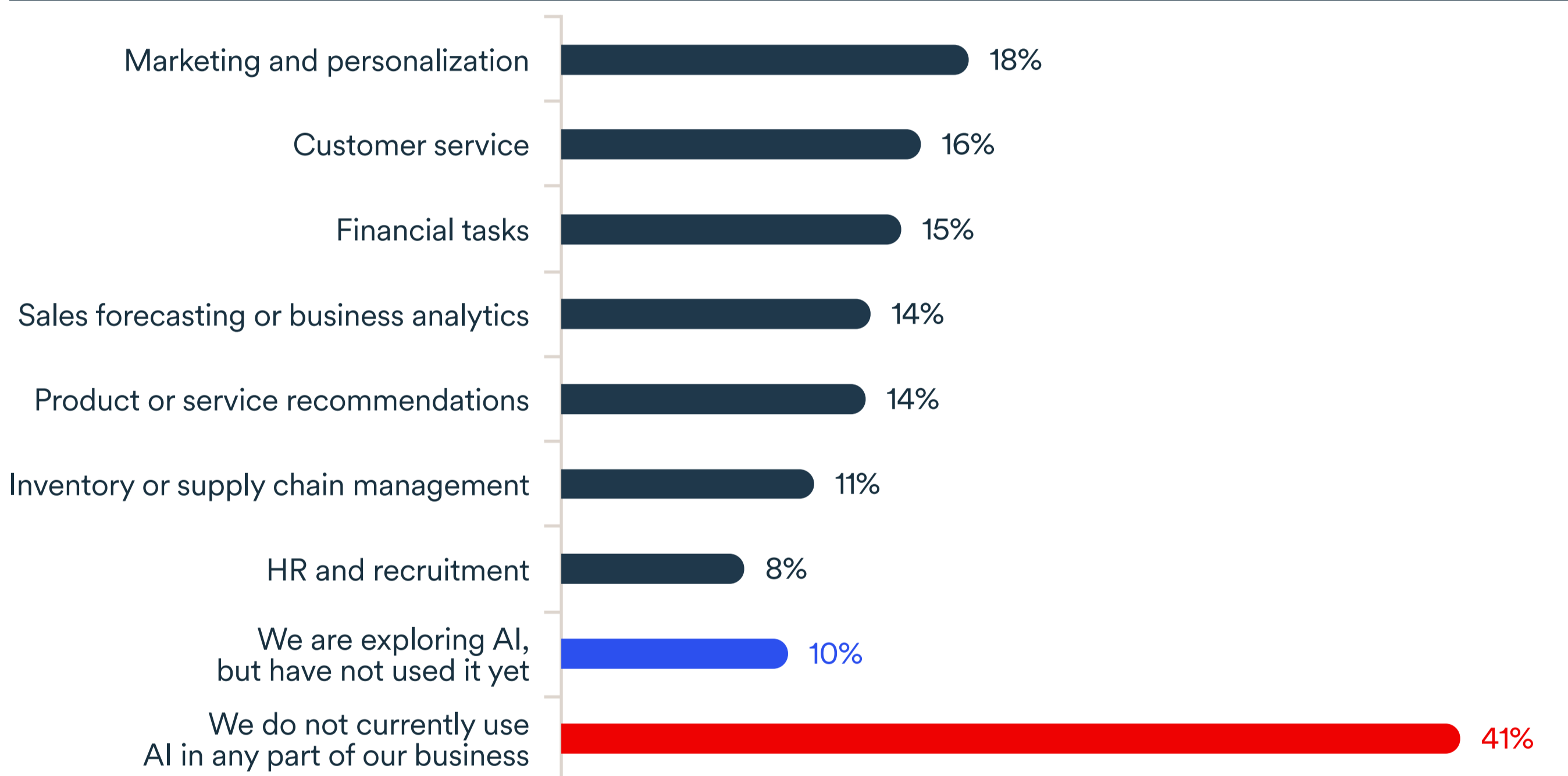
Furthermore, the proportion of profitable businesses is higher among those that use AI (72%) than among those that do not (62%).

Entrepreneurs use AI in their marketing activities, in particular to produce targeted advertisements or write emails to customers. They also use it to

respond to public enquiries thanks to the proliferation of chatbots, which are often affordable and ready-to-use tools.

AI is also used to automate certain day-to-day financial tasks and to better forecast sales and inventory levels.

Graph 6: Percentage of SMEs using artificial intelligence by task



Source: BDC, State of Entrepreneurship Survey

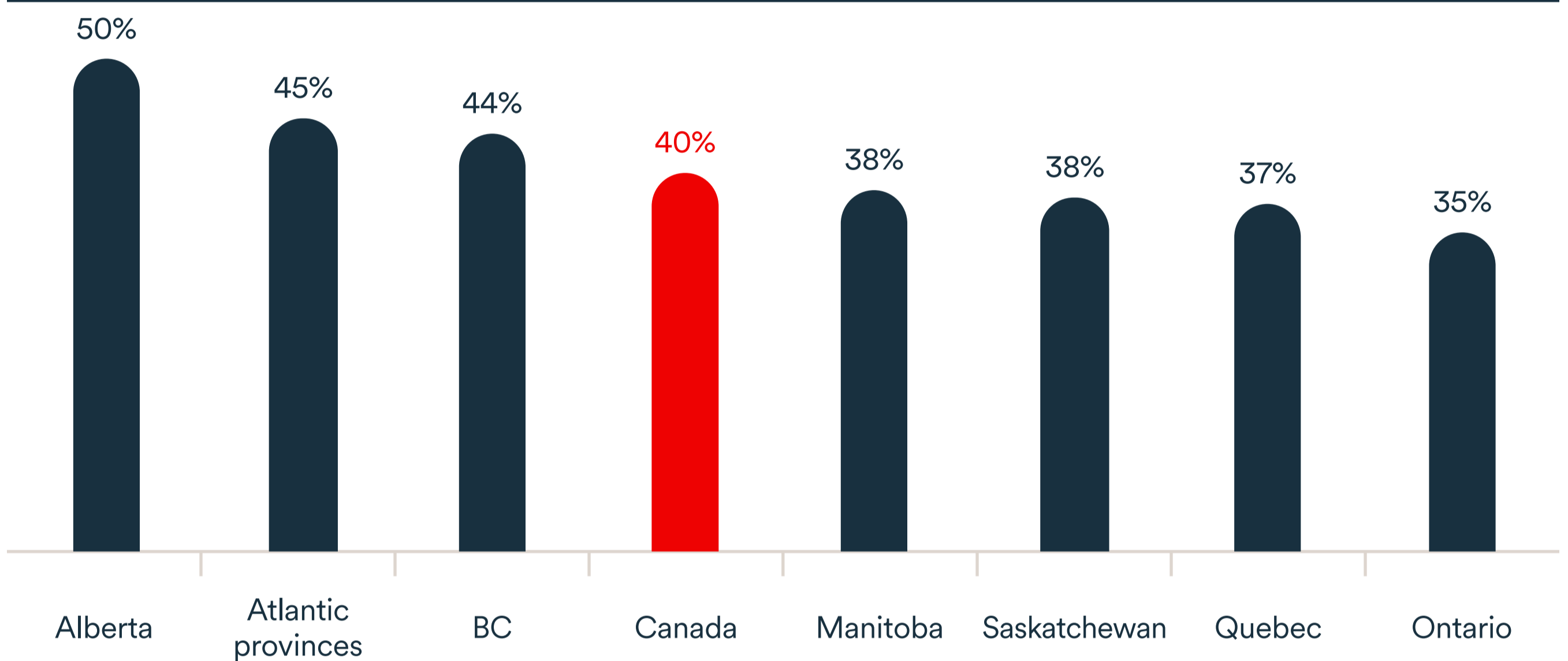
Business owners are eager to learn

Many owners are also investing in their professional development to improve productivity. Continuing education is becoming a key strategy for adapting to new market realities, integrating emerging technologies and strengthening management skills.

Across Canada, four out of 10 business owners took a course or training program in the past 12 months, a clear sign that learning is perceived as a performance driver.

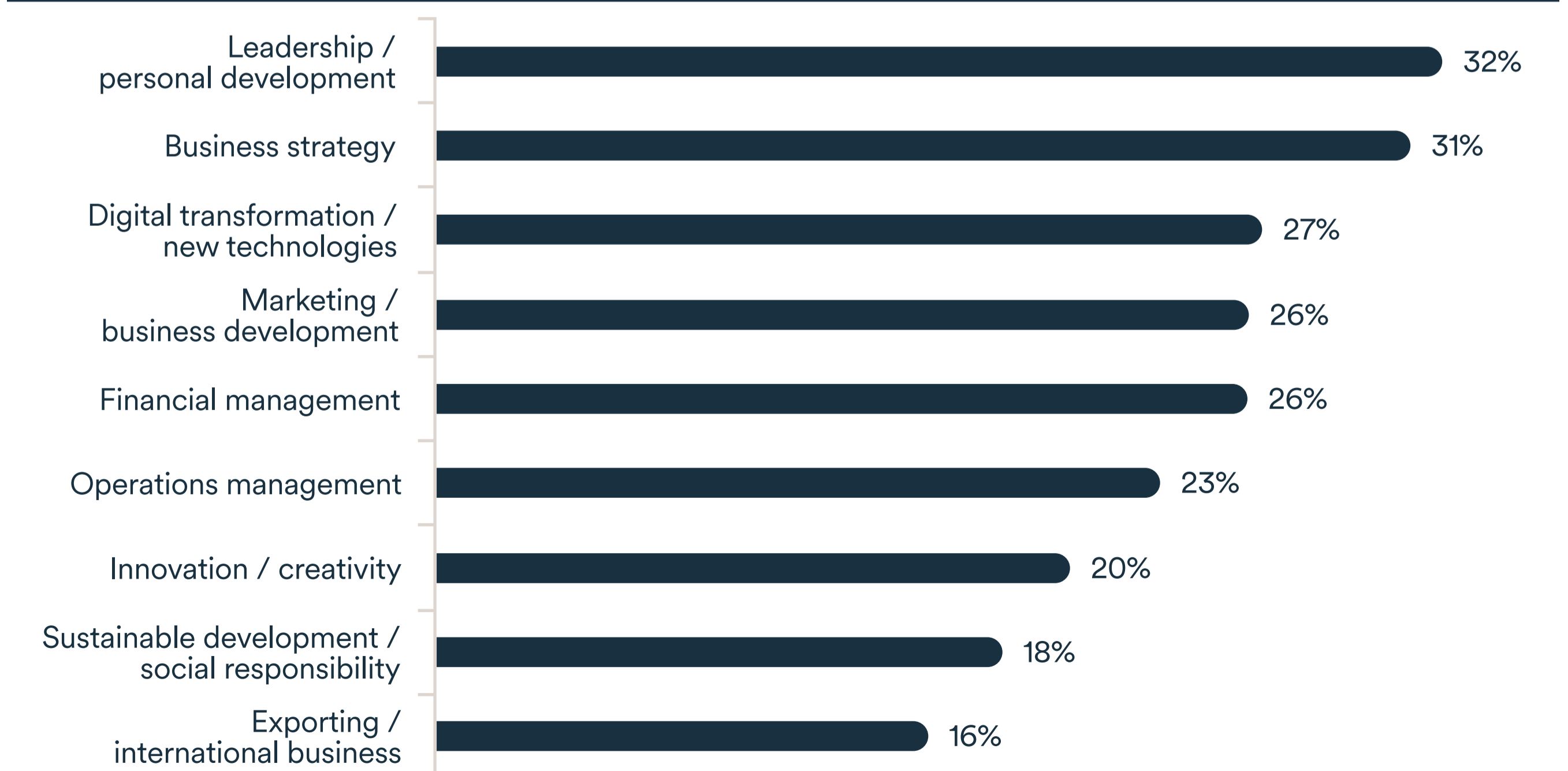
Younger entrepreneurs are more inclined to take courses: 66% of those under 35 did so, compared with 27% of those over 55.

Graph 7: Percentage of entrepreneurs who took a course or training program in the past 12 months



Source: BDC, State of Entrepreneurship Survey

Graph 8: Training topics pursued by entrepreneurs



Source: BDC, State of Entrepreneurship Survey

Bizi Transport turns uncertainty into opportunity



In 2012, Abu Bizimana founded Bizi Transport in Red Deer, Alberta. The company has since moved to Blackfalds, a town further north. With a single truck and a clear vision, Bizimana drew on his experience in accounting and the oil and gas sector to build a business that operates over 300 different pieces of equipment, such as power units and trailers, and employs over 120 people.

Through vertical integration, Bizimana also launched Bizi Sul, a manufacturer of sulphur-based fertilizers, and Bizi Distribution, a parts import and resale business. Each is designed to strengthen operational control and reduce costs. Now, these three companies make up Bizi Group. Each company creates synergies that reduce costs and provide steady work for the transport division.



“Lives change. Priorities shift. Our goal is to maintain a highly effective, fully engaged team.”

Abu Bizimana, CEO, Bizi Transport

Facing trade turbulence

Tariffs and exchange rate fluctuations have created a volatile environment for Canadian exporters. While Bizi Transport's trucking operations are mostly domestic, Bizi Sul exports up to 65% of its fertilizer to the U.S., making it vulnerable to trade policy shifts. Fluctuations in supplier pricing and changes in tariffs on imported parts have affected overall expenses.



Strategies to stay ahead

As a result, the company shifted focus toward the Canadian market to reduce dependence on exports south of the border.

- Bizi Transport developed a custom app, Loadtraxs. It streamlines dispatch processes and driver reporting and sends invoices in real time.
- Bizimana also turned to AI tools for preventive maintenance and driver performance monitoring, which enhances safety and increases operational oversight. It also fosters a culture of accountability within the company.
- Bizimana prioritizes employee engagement, recently implementing a comprehensive company-wide survey to ensure that roles remain aligned with shifting organizational objectives.

Looking ahead

Despite economic headwinds, Bizi Transport is positioning itself for long-term growth. While every business under Bizimana's leadership has been built from the ground up, he now views acquisitions as a practical shortcut for entering new markets.



MacArthur's Quality Flowers & Plants Inc.: When uncertainty becomes strategic momentum



MacArthur's Quality Flowers & Plants Inc. is a multi-family-owned business that sources flowers from local and international growers, then arranges and distributes them to major Canadian retailers.

In 2022, the company's co-owner, Mike Lebans, realized he needed an extra set of eyes to consider the issues. He worked with BDC to develop an optimization plan. It was designed to evolve and to fit in MacArthur's new facility, which opened in 2023.

“You can wait for change, or you can guide it.”

Mike Lebans, Co-owner,
MacArthur's Quality Flowers & Plants Inc.

Facing internal and external headwinds

Then, 2025 brought a new set of challenges: currency fluctuations, shifting trade dynamics and rising pressure to localize supply chains. Rather than retreat, the company leaned into the moment.



Practical solutions

MacArthur's moved decisively to improve its internal efficiencies while also reducing its exposure to U.S. imports.

- MacArthur's started by changing how the production line was set up and using what they already had to increase their productivity. "We were able to increase our output tenfold just by using our existing equipment," explains Lebas. "We just reused what we had, and 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 company is sourcing more from Latin America and emphasizing the local value-added nature of its products.

A forward-looking vision

Today, productivity at MacArthur's is not just a metric—it's a mindset. The company continuously evaluates how work is done, seeking ways to streamline operations without compromising quality or craftsmanship.

This operational discipline is matched by a long-term vision. Lebas is preparing the next generation of leaders by involving them in strategic planning and innovation workshops.



Lepage Millwork: From succession to strategic resilience



When tariffs were imposed, Lepage Millwork didn't wait for the storm to pass. Founded in 1947 in Rivière-du-Loup, Quebec, François-Xavier Bonneville and his brother, Marc-Antoine, took over the business in 2023. The company, known for its high-quality doors and windows, wasted no time rallying.

Teamwork and the quick coordination of key functions are part of the company's well-established culture of agility. This responsiveness also highlights a long-term strategic vision.



“It’s about trusting ourselves, staying calm and always doing our best.”

François-Xavier Bonneville,
Managing Director, and Marc-
Antoine Bonneville, Business
Director, Lepage Millwork

Blending tradition and innovation

Lepage Millwork stands out with a hybrid approach: the company manufactures custom, high-quality doors and windows on an industrial scale. “We called it the industrial workshop. The idea was to standardize artisanal expertise,” explains François-Xavier Bonneville.

This strategy helps the company carve out its place in a market primarily dominated by American giants. However, it retains a strong identity and the ability to adapt.



Developing the U.S. market

By focusing on customers who are looking for high-end products, Lepage Millwork sees exports to the United States as its main growth driver.

Today, most sales are south of the border, where the potential exceeds that of the

Canadian market. Despite uncertainty, the company is pushing ahead, powered by a strong existing network.

Even under protectionist pressure, the company has kept strong business ties thanks to clear and open communication.

Sharing knowledge and training

For the company, training new team members and standardizing skills are major challenges.

- Lepage Millwork responded to the labour shortage by creating the Lepage Academy, a structured training program. The academy assists with the integration of new workers.
- To safeguard both quality and continuity, the company focuses on documenting its processes and standardizing skills. François-Xavier Bonneville’s message is clear: “The company’s foundation is its people. Now it’s about passing that knowledge forward,” he states.

An internal committee is working on integrating AI into planning, manufacturing and work instructions. The goal is to strengthen competitiveness while managing the complexity of the products.

Lepage Millwork is not looking to follow the market, but to redefine it.



Entrepreneurship transcends challenges

Despite the economic turbulence of recent years, the entrepreneurial spirit remains deeply rooted. An overwhelming majority of business owners (92%) would still choose this path if they had to do it all over again. This figure reflects a strong attachment to the entrepreneurial way of life, far beyond financial considerations.

While profitability remains a factor, even among those who have suffered significant losses recently, 63% reaffirm their choice. This reveals that for many, entrepreneurship is driven by purpose.

Graph 9: Share of people who would choose entrepreneurship again if they had to start over, by profitability level in the past 12 months



Source: BDC, State of Entrepreneurship Survey

Independence and the drive behind entrepreneurship

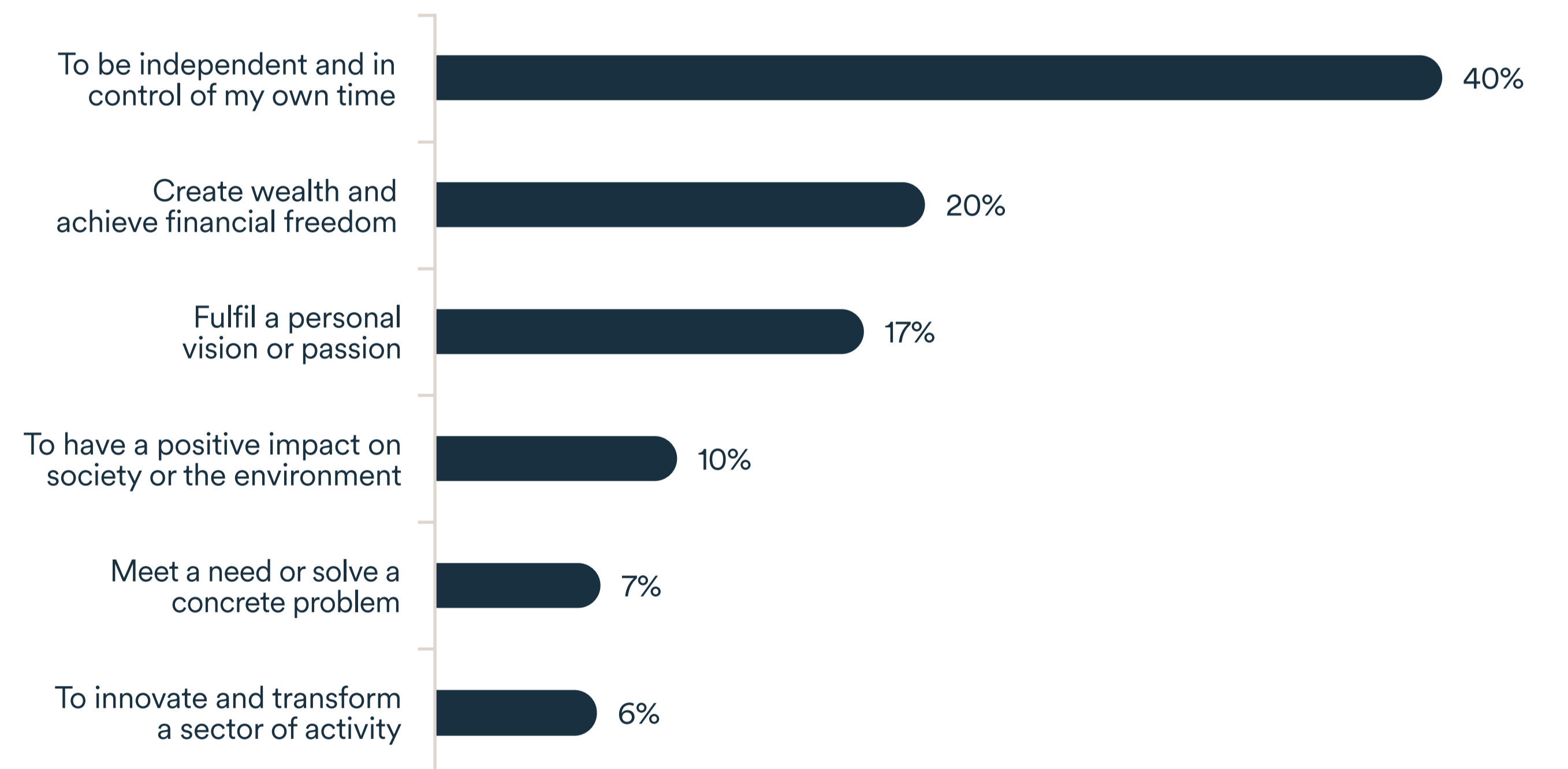
For 40% of business owners in Canada, independence is the number one motivator. That figure rises to 48% among microenterprise owners with one to four employees.

Wealth creation comes second, cited as the top driver by 20% of entrepreneurs. This figure is slightly lower in Quebec at 16%.

Younger entrepreneurs show a broader range of motivations. Beyond independence and financial goals, 12% are motivated by the desire to innovate, while 16% are driven by the potential to positively impact society.

Among young business owners, motivations are more diverse and reflect a renewed vision of entrepreneurship. Independence and financial reasons remain important, but other aspirations are becoming increasingly significant. The desire to innovate motivates 12% of young entrepreneurs, while 16% are driven by the desire to have a positive impact on society. This generation of entrepreneurs seeks to transform models, respond to social challenges and create a more sustainable future.

Graph 10: Main motivation of entrepreneurs



Source: BDC, State of Entrepreneurship Survey

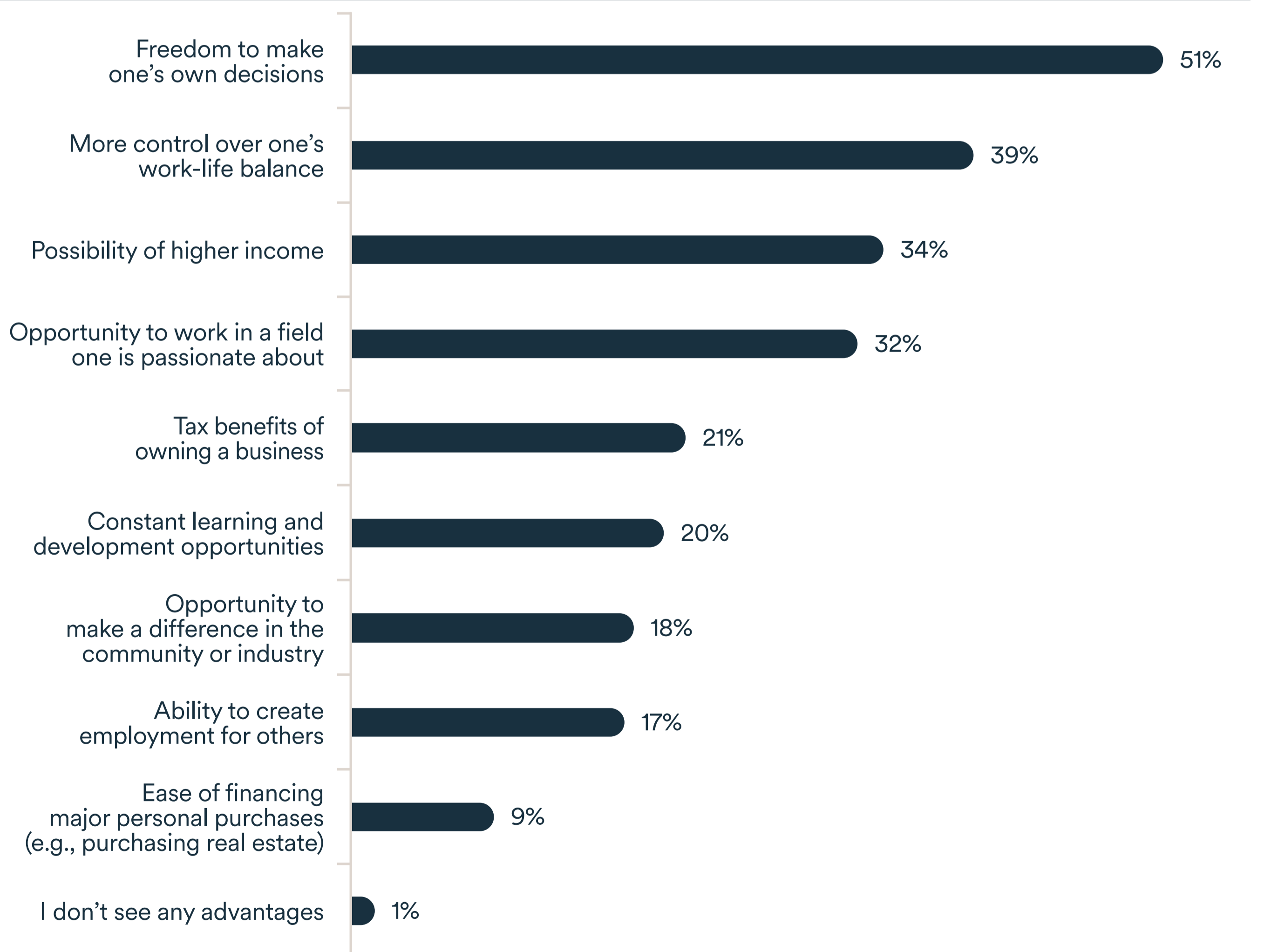
Business ownership: Freedom, balance and financial potential

More than half of business owners see the freedom to make their own decisions as a key advantage. Work-life balance also ranks highly, especially for those who manage household responsibilities. In that group, 44% cite it as a benefit, compared with 34% among those without such duties.

High income potential is another significant advantage, cited by one in three entrepreneurs. This is especially important for immigrants, at 41% compared with 32% for those born in Canada.

Immigrants often face more limited job opportunities. According to [Statistics Canada](#), in August 2025, the unemployment rate was 8% for immigrants compared with 6.6% for those born in Canada. For many immigrants, entrepreneurship is often a way to earn a higher income.

Graph 11: Advantages of entrepreneurship according to entrepreneurs



Source: BDC, State of Entrepreneurship Survey

Entrepreneurial life: Autonomy, challenges and perseverance

While business owners rarely regret their decision to strike out independently, entrepreneurship has its pros and cons.

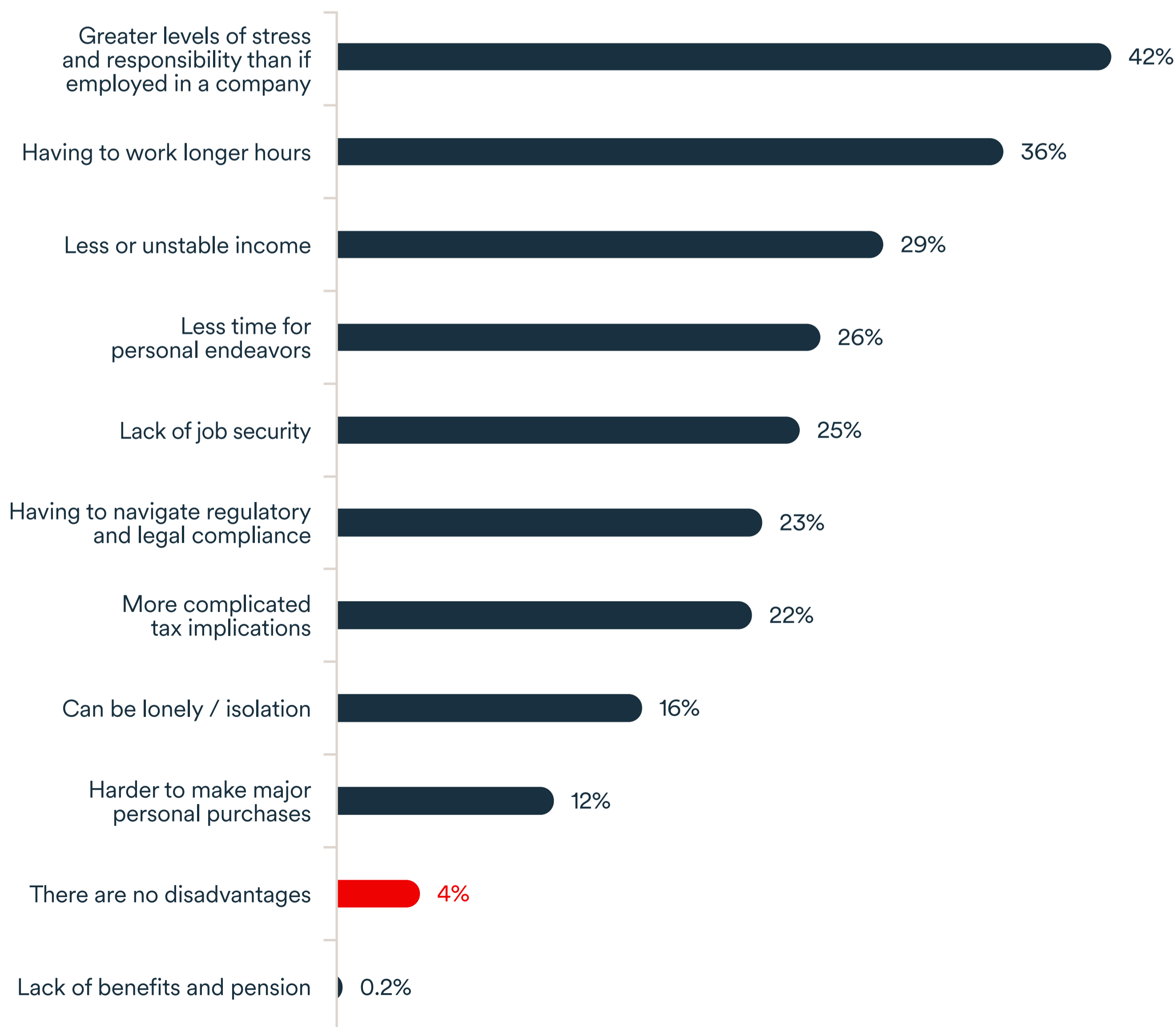
High stress levels are the most frequently cited issue (42%), sometimes leading to burnout.

Long working hours are also a common issue, especially among entrepreneurs in the food and hospitality sector and in retail (46% in these two sectors, compared to 36% on average).

Income instability is another major inconvenience, especially for small businesses (36% among those with fewer than five employees, compared with 19% among those with more than 100).

It is also more likely to be cited as a disadvantage by startups (37%) and women entrepreneurs (35%).

Graph 12: Disadvantages of entrepreneurship according to entrepreneurs



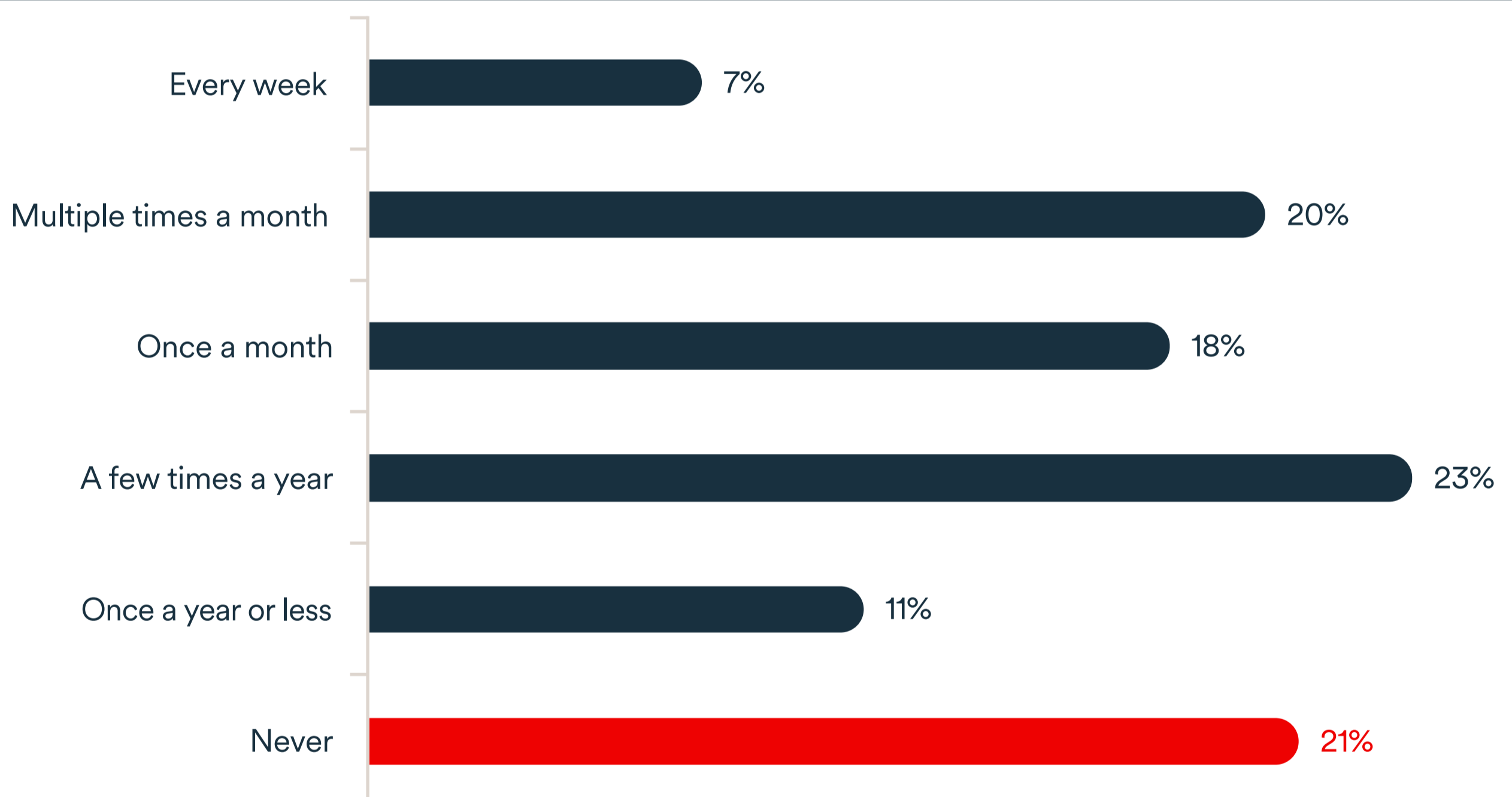
The key levers of mentorship and networking

Mentorship and networking help business owners navigate uncertainty.

Networking events allow entrepreneurs to share experiences and find support from peers facing similar challenges.

Nearly eight in 10 business owners (79%) participate in networking activities, and almost half (45%) attend at least once a month.

Graph 13: Frequency of business owners' participation in networking activities



Source: BDC, State of Entrepreneurship Survey

Catalysts for entrepreneurial success

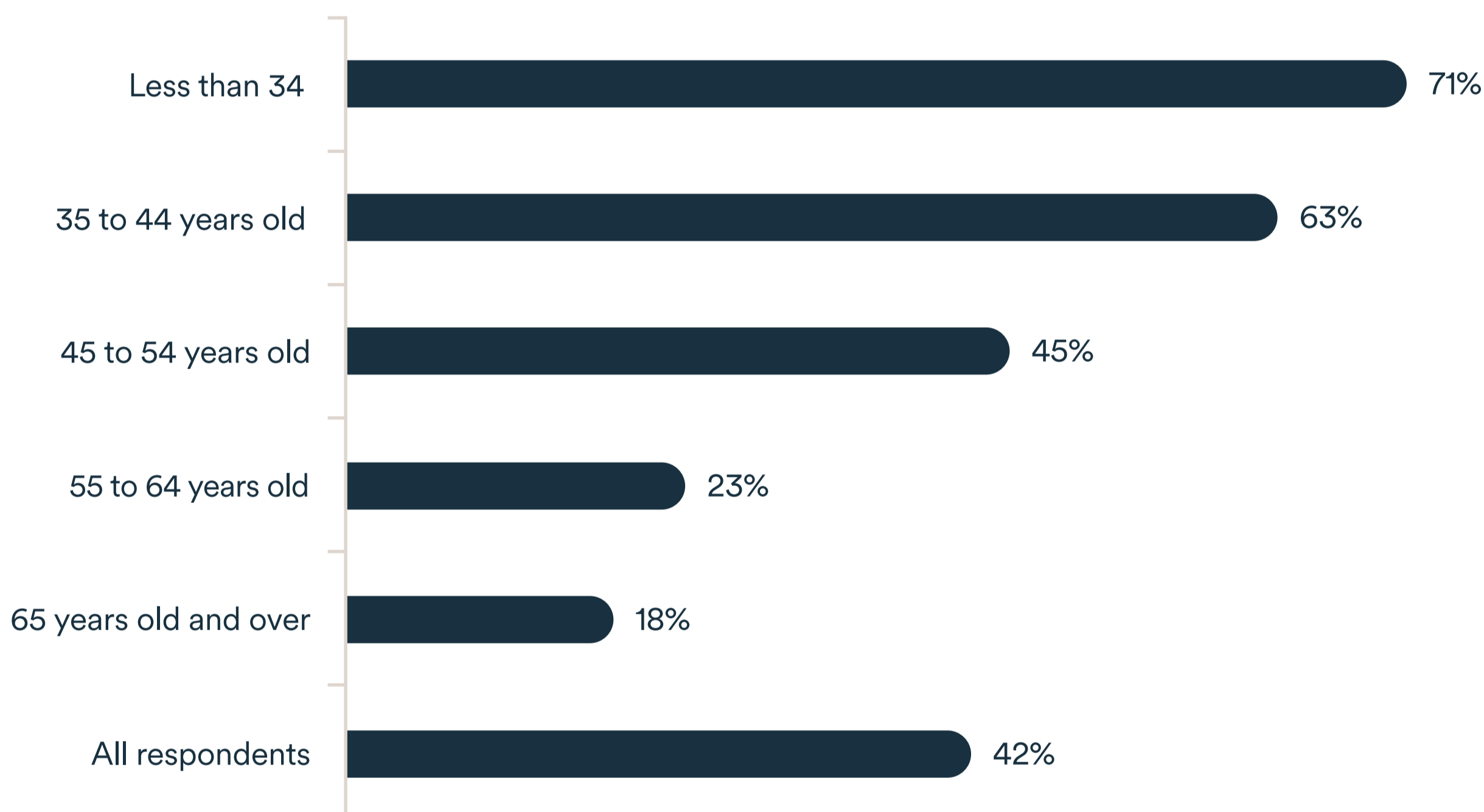
Around four in 10 business owners (42%) benefit from mentorship, which guides them throughout their journey.

Younger entrepreneurs are more likely to have a mentor, but even among those over 65, 18% still rely on a mentor.

Having a mentor can help business owners—especially those just starting out—to avoid making management mistakes.

About 70% of entrepreneurs with a mentor are satisfied with their profitability levels, compared to only 51% for those without professional guidance.

Graph 14: Percentage of business owners with a mentor, by age group



Source: BDC, State of Entrepreneurship Survey

The many responsibilities of business owners

Beyond their entrepreneurial role, business owners assume a variety of personal and professional responsibilities.

Women entrepreneurs are more likely to handle household duties (62% compared with 49% of men) and to be involved in community activities (33% compared with 27%). Men entrepreneurs, on the other hand, are more likely to support a spouse or partner without paid employment (27% compared with 15%).

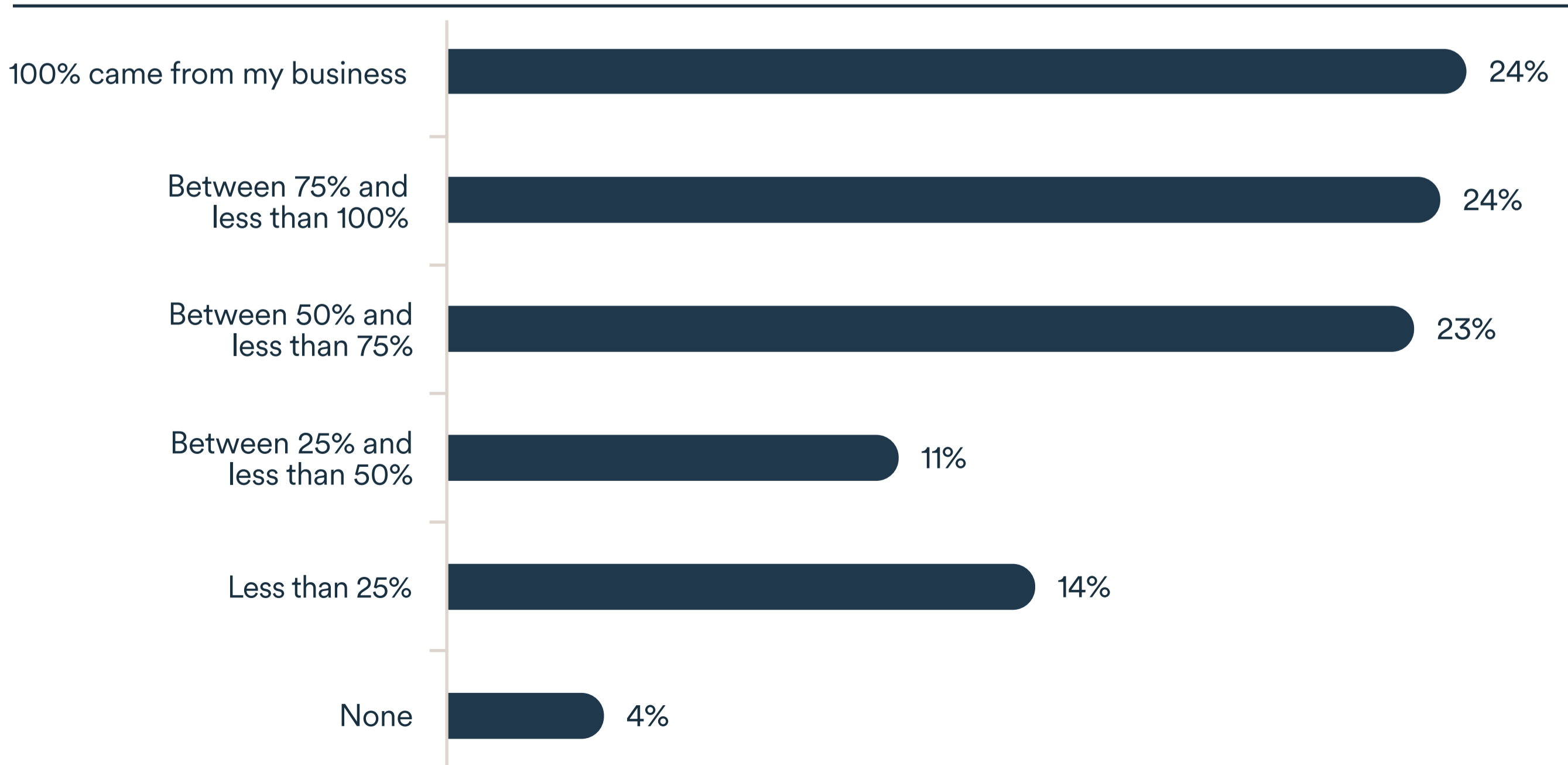
The business plays a central role in household finances for women and men. For 71% of business owners, income from the company makes up the majority of household earnings.

This substantial dependence on business income may contribute to the elevated stress levels reported by entrepreneurs, as individuals relying exclusively on their business are more likely to experience stress (48% versus 42%).

Table 1: Personal responsibilities of business owners outside their role as owners

Personal responsibility	Total	Women	Men
Managing household or domestic tasks	53%	62%	49%
Taking part in community or volunteer activities	28%	33%	27%
Caring for dependent children	25%	25%	25%
Supporting a spouse or partner without paid employment	23%	15%	27%
Caring for elderly or dependent parents	23%	23%	23%
Pursuing education or training	21%	21%	20%
Serving on a board of directors	18%	15%	19%
Having no specific personal responsibility	11%	9%	12%

Graph 15: Portion of household income generated by the business



Retirement outlook for business owners in Canada

Even though business income is central to household finances, selling the business is not always at the heart of retirement planning. Like other Canadians, business owners rely primarily on RRSPs and TFSAs, especially microenterprise owners (46%).

For 20% of retiring owners, selling the business will be the primary source of retirement income, a figure that rises to 34% among SMEs with more than \$1 million in revenue.

Business owners also tend to retire later than the average Canadian. In 2024, according to [Statistics Canada](#), the median retirement age was 67 for business owners and 65 for private sector employees. Yet most entrepreneurs (55%) would prefer to retire at 65 or earlier.

Table 2: Desired retirement age of business owners in Canada

Desired retirement age	Before 65	At 65	Between 66 and 70	After 70	I never plan to retire, even if I could	I don't think I'll ever be able to afford retirement
Canada	38%	17%	20%	8%	13%	4%

Table 3: Main source of retirement income in Canada

Main source of income	Registered savings (RRSP, TFSA)	Sale of my business	Government programs	Business income as a passive owner	Other savings	Sale of personal assets	I don't know	Family support
Canada	38%	20%	11%	11%	7%	6%	4%	3%

Portrait of Canadian business owners' habits

In addition to the data already presented, the annual state of entrepreneurship study will track how several other indicators evolve. Here are a few highlights from this first edition:

Younger entrepreneurs devote more time to hobbies, with 87% of those under 35 doing so at least once a week, compared with 74% of those over 55. A cultural shift toward entrepreneurship may be underway.

Entrepreneurs are more likely (85%) than the Canadian average to own their home (66%), regardless of age group. Still, one quarter of business owners aged 25 to 34 do not own personal real estate.

Table 4: Lifestyle profile of business owners in Canada

Percentages	Lifestyle habits of business owners in Canada
86%	Describe themselves as being in good physical health
76%	Are satisfied with their mental health
82%	Exercise at least once a week
76%	Spend time on hobbies at least once a week
85%	Own personal real estate

Green Beaver and the power of agility



Combining their scientific expertise and commitment to natural health, Alain Ménard, a microbiologist, and his wife, Karen Clark, a biochemist, founded Green Beaver over 20 years ago. In Hawkesbury, in Eastern Ontario, Green Beaver specializes in producing and marketing biodegradable natural care products that pose no health risks.

Today, the company is well established in the primary distribution channels across the country and is developing a dynamic online presence.



“We were ready to take action, as the planning had already been done.”

Alain Ménard, CEO, Green Beaver



- The company had already worked with engineers to improve its processes, enabling it to absorb increased demand without any major disruptions.
- Switching from a “just-in-time” model to an enhanced stock management strategy, Green Beaver increased its raw material and key product reserves.
- The company hired additional staff, used an HR consultant and instituted targeted training for executives to better manage stress and growth.
- The company also started an employee program to review how teams work together, with the aim of making everyone more efficient while keeping a positive workplace and team spirit.

Buying local in response to economic pressure

2025 was marked by a series of economic upheavals that pushed the buy local movement to the forefront.

In the first few weeks of February, following the United States presidency’s announcement on the imposition of customs tariffs on Canadian imports, Green Beaver saw its online sales quadruple. They subsequently stabilized at more than double the previous year’s level.

In-store sales also jumped by 50%, driven by a strategic repositioning of products in frequently visited areas, making them more visible and accessible to customers.

A proactive and nimble strategy

Green Beaver was able to react quickly and to meet this sudden demand thanks to a series of earlier strategic decisions:

Becoming an iconic Canadian brand

Thanks to these steps, Green Beaver was not only able to act quickly to respond to a sudden shift in the market, but also to maintain and consolidate its growth.

Increased online sales, which now represent 12% to 13% of total revenue, have boosted the company’s liquidity, thanks to higher margins and faster cash collection.

In short, Green Beaver has what it takes for sustainable growth.

Its “natural and Canadian” positioning hasn’t changed, but it resonates more than ever with consumers across the country.



Jayne's Cottages leverages the "Buy Canadian" boom



Jayne McCaw, a former marketing and sales executive, founded Jayne's Cottages in 2014. The company, based in Muskoka, Ontario, manages nearly 300 high-end rental properties and serves two key client groups: property owners and vacation renters.

Her team handles everything, from cleaning and concierge services to greeting guests personally. This full-service approach delivers a hotel-like experience in a cottage setting.



“The more we can control, the better. That’s how we ensure quality and consistency across every property.”

Jayne McCaw, Founder,
Jayne's Cottages

Canadians are choosing the lake, and coming back for more

In 2025, Canadian demand for local cottages surged, leading to the highest July bookings in the company's history. Canadians rediscovered the value of vacationing in the country.

Adapting to changing times

Jayne's Cottages adapted to shifting demand by adjusting prices on underperforming listings to stimulate interest.

- Pricing flexibility helped fill inventory and maintain momentum during peak season.
- The company also invests in AI to improve operational efficiency, notably by matching guest preferences to available properties. McCaw keeps up with industry trends and regulations, and her team takes courses about AI to stay in the loop.



A vision for national expansion

McCaw's long-term vision is focused on Canada. She's exploring new regions like Whistler, Kelowna, Niagara, and Prince Edward County and aims to replicate her high-touch model in other lakefront destinations. "There's so much opportunity here," she says. "We want to grow the brand in Canada."

She's also exploring expanding her hospitality offerings to serve her clientele better.

Rather than outsourcing, McCaw is considering bringing services in-house—an approach that reflects her desire for greater control and consistency. "It's about serving our clients better," she says. This move signals a more profound commitment to vertical integration, allowing Jayne's Cottages to elevate the guest experience while opening new avenues for growth.



NRG Management is creating smarter building systems and contributing to a stronger Canada



Founded in 1994 in Winnipeg, Manitoba, NRG Management is a full-service industrial, Commercial, and Institutional (ICI) contractor that specializes in mechanical systems, energy retrofits, and medium-voltage grid equipment. From HVAC and plumbing to solar installations and custom substations, NRG's multidisciplinary team—including tradespeople, engineers, project managers, manufacturing and service personnel—helps clients reduce waste, accelerate delivery times, simplify contracts and save money.

NRG is also proudly Indigenous owned, with deep roots in the Red River Métis community. This identity guides the company's values and facilitates the development of constructive partnerships with Indigenous communities throughout the Prairies.



“Sometimes, knowing the history of how communities ended up where they are is key to supporting their goals when it comes to building infrastructure across their territories.”

Justin Rodger, Vice President, NRG

Tariffs disrupt, but don't derail

Recent tariffs on industrial equipment and components have affected NRG's operations, particularly on imported goods like compressors and copper wiring.

The ripple effects have introduced price volatility and added complexity to procurement. "It's not just about cost—it's about stability. We've had to rethink how and where we source material," he adds.

Strategic responses: Diversify, educate and scale

In response to these disruptions, NRG expanded its supplier base across Canada, sourcing from provinces like Alberta, Quebec, and British Columbia.

- The team also began exploring European and Asian suppliers to bypass tariffs and reduce risk.
- Client education has also become a priority. "We build the same quality as global original equipment manufacturers, but without the brand markup," he adds.
- Beyond sourcing, NRG is also exploring acquisitions and joint ventures to scale. This approach allows NRG to grow strategically while supporting other businesses in transition.

What's next: Investing in Canada's future

NRG is well-positioned to benefit from the surge in infrastructure investment across Canada. From military base expansions to Indigenous-owned microgrid projects, opportunities abound.

The company is also expanding its energy audit services, helping clients reduce utility costs and improve building performance.

With a growing portfolio of retrofit projects and a reputation for quality, NRG is ready to lead in Canada's evolving industrial landscape.



Methodology

Survey of business owners

Two online surveys were conducted as part of this study.

The first, titled *State of Entrepreneurship Survey*, was conducted among 1,502 business owners on the Sago Asking Canadians online panel. The survey was conducted between July 17 and August 1, 2025. BDC's Research and Market Intelligence team led data processing and analysis.

For a probability sample of 1,502 respondents, the maximum margin of error is ± 2.5 percentage points, 19 times out of 20. However, since this survey is based on a non-probability sample, this figure is provided for reference only.

The second, *SME Investment and Financing Outlook Survey*, was conducted among 1,007 business owners on the Sago Asking Canadians online panel. The survey was conducted between July 8 and July 18, 2025. BDC's Research and Market Intelligence team led data processing and analysis.

For a probability sample of 1,007 respondents, the maximum margin of error is ± 3.1 percentage points, 19 times out of 20. However, since this survey is based on a non-probability sample, this figure is provided for reference only.

Results were weighted by region and number of employees to ensure representativeness of Canada's SME population.

Case studies

Ongoing interviews were conducted with 10 client businesses from various industries across Canada between May and September 2025. Each company participated in at least two sessions, spaced about two months apart, to track the evolution of their situation and assess the impact of the strategies implemented.



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