Survey of Innovation and Business Strategy

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Outline

- Survey Context and Content
- General Survey Information
- Focus on Intangibles: Results
- Other Related Surveys
What are the market and policy factors that encouraged or discouraged the adoption of growth and innovation-oriented business strategies?
Survey of Innovation and Business Strategy (SIBS)

This fourth iteration of the survey covers reference year 2019
Previous years include 2009, 2012, 2017
Next iteration 2022

Business survey covering firms with

20+ Employees
$250K Revenue

Across 14 sectors

Approx. 15,000 firms in the sample

75% response rate

Stratified by:

- **Size** (small, medium and large) based on number of employees
- **Region** (Atlantic, Quebec, Ontario and Rest of Canada)
- **Sector** (14 NAICS sectors and over 75 subsectors, industry and industry groups)
Between 2017-2019, 80% of all enterprises in Canada introduced at least one innovation

**Definition:** An innovation is a new or improved product or process (or combination thereof) that differs significantly from the unit’s previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process). *Oslo Manual 2018*
Training and Marketing among the most common innovation activity

Prevalence of innovation activity

- Employee training specifically for innovation projects
- Marketing and brand equity activities linked to the introduction of new goods, services or business processes
- Acquisition or development of advanced technology
- Research and experimental development (R&D), both in-house and outsourced (contracted out or granted), to other organizations
- Software development and database activities
- Engineering, design and other creative work
- Innovation management
- Intellectual property activities to realize innovation projects
- Other innovation activities

Average expenditures on innovation activities

- Acquisition or development of advanced technology
- Research and experimental development (R&D), both in-house and outsourced
- Software development and database activities
- Engineering, design and other creative work
- Innovation management
- Intellectual property activities to realize innovation projects
- Other innovation activities

% of enterprises engaged in innovation activity

$ in thousands
The **average % of sales** that came from products that were new to one of the business’ market or new to the business

The % of innovative businesses that introduced product innovations that resulted in product-related **cost savings**

The % of innovative businesses with innovations that had **environmental benefits**
Other key findings relating to innovation

- **Larger businesses** were more likely to be innovative (86%) than **small** (79%).

- Fewer than one in five businesses cooperated on innovation activities with other businesses or organizations. Among these businesses, 53% cooperated with suppliers, while 43% cooperated with their parent, affiliated or subsidiary businesses.

- Approximately 3 in 10 businesses in Canada indicated that they used various types of **government programs** from various levels of government to aid in their innovation-related activities over the 2017-to-2019 period.

- Slightly more than half of all businesses in Canada reported that they faced **obstacles** related to innovation in 2019. Of these obstacles, almost one in three cited lack of skills and uncertainty and risk as the most frequent barriers.
Nearly half of businesses use advanced technology in 2019

Use of Advanced Technology

- Any advanced or emerging technology use
- Business intelligence technologies
- Design or information control technologies
- Security or advanced authentication systems
- Material handling, supply chain or logistics technologies
- Clean technologies
- Integrated Internet of Things (IoT) systems
- Processing or fabrication technologies
- Other types of advanced technologies
- Artificial intelligence (AI)
- Geomatics or geospatial technologies
- Additive manufacturing
- Virtual, mixed and augmented reality
- Biotechnology
- Blockchain technologies
- Nanotechnology

% of enterprises
Most enterprises focus on product positioning rather than cost leadership as their long-term business strategy.
The strategic focus of enterprises is more often geared towards expanding sales of existing products.

Enterprise Main Strategic Focus in 2019

For **goods and services products**:
- **EXPAND sales of existing products/business processes**: 60%
- **MAINTAIN sales of existing products/business processes**: 20%
- **INTRODUCE new or improved products/business processes**: 10%
- **Don't know**: 10%

For **business processes**:
- **EXPAND sales of existing products/business processes**: 50%
- **MAINTAIN sales of existing products/business processes**: 30%
- **INTRODUCE new or improved products/business processes**: 20%
- **Don't know**: 10%
Survey Content Coverage

INNOVATION
- Goods or Services
- Business process
- Innovation Activities and Expenditures
- Co-operation
- Government Support Programs
- Obstacles
- Advanced Technology Use
- Environmental Benefits

BUSINESS STRATEGY
- Strategy and Planning
  - Business Practices
  - Skills and Training
  - Main Business Market

GLOBAL VALUE CHAIN
- Imports/Exports
- Ownership
- Employment
- Activities in Canada and abroad
- % Sales to various markets
Other related surveys

R&D related indicators:
- Expenditures
- Personnel
- Field of research
- Intellectual Property

Digitalization related Indicators:
- Online internet use
- Web presence
- ICT adoption and use

Annual Survey of Research and Development in Canadian Industry

Survey of Advanced Technology

Technology related Indicators:
- Adoption and use
- Field of application
- Obstacles to adoption
- Expenditures and revenue related to technology adoption

Survey of Digital Economy and Internet Use

Intellectual Property Awareness and Use Survey

IP related indicators:
- Awareness and use
- Obstacles to IP protection
- Support sought
- IP strategy
Thank you

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