

Activity: Determining Growth Potential Using Business Statistics

Part 1. Look for trends in your industry.

Visit the BC Stats page on "Analytical Reports" <http://bcstats.gov.bc.ca/Publications/AnalyticalReports.aspx>. Look for the most current report titled "Small Business Profile" and download the document. Read the report to gain an insight into small business growth, employment and the contribution to the economy. For detailed statistics consult the appendices at the end of the document.

Example: The following table is from the *Small Business Profile for British Columbia – 2014*. It shows that in the Thompson-Okanagan region, the number of small businesses in the construction industry decreased by 7.1% between 2008. The number of small businesses concerned with health and education increased by 12.7% over the same period.

THOMPSON-OKANAGAN	2008	2009	2010	2011	2012	2013	2008-2013 Change	
							#	%
Mining, Oil & Gas	100	102	99	95	114	122	22	22.0%
Other Primary	1,472	1,456	1,415	1,468	1,523	1,557	85	5.8%
Utilities	38	38	38	36	42	43	5	13.2%
Construction	3,460	3,444	3,309	3,161	3,153	3,215	-245	-7.1%
Manufacturing	923	901	895	848	863	863	-60	-6.5%
Transportation & Storage	887	869	844	802	847	905	18	2.0%
Trade	3,706	3,674	3,654	3,578	3,587	3,594	-112	-3.0%
F.I.R.E	1,714	1,753	1,746	1,753	1,982	2,013	299	17.4%
Health & Education	2,014	2,080	2,110	2,114	2,138	2,270	256	12.7%
Public Administration	68	69	84	79	77	85	17	25.0%
Professional & Business Serv.	3,269	3,364	3,317	3,266	3,335	3,420	151	4.6%
Other Services	3,683	3,669	3,698	3,608	3,693	3,818	135	3.7%
Total	21,334	21,419	21,209	20,808	21,354	21,905	571	2.7%
High Tech	699	729	722	717	758	773	74	10.6%
Tourism	2,002	1,940	1,965	1,891	1,990	2,048	46	2.3%
Secondary Manufacturing	747	728	707	668	690	678	-69	-9.2%

Source: BC Small Business Profile-2014, page 30.

Explore the statistics related to the business you are considering buying. What trends do you see? Do you foresee any impediments for growth in your business?

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Part 2. Compare the performance of your business to others in the same industry.

1. Visit Innovation, Science and Economic Development Canada's website <http://www.ic.gc.ca/eic/site/icgc.nsf/eng/home>.
2. Under the "Just for businesses" tab, choose "Find statistics and research," and then the "Find statistics by industry" link.
3. Click the industry that your business is part of, and then choose the specific category for your business.
4. Click the link to "Financial Performance Data."

The report will give you average revenues, expenses, and profits for small and medium sized businesses, which you can use to see how your business measures up. You will need some financial data from your business to compare to the average. How does the revenue and profitability of your business compare?