



100 GLOBAL CHAMPIONS

SUPPORTING INTERNATIONAL SUCCESS
FOR MID-SIZED CANADIAN COMPANIES

AIMIA



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100 CANADIAN GLOBAL CHAMPIONS

Do we, as a country, have the ambition to be the best in the world, to lead on the global business stage? We have had generations of economic success supported by leaders in natural resources and industries such as agriculture and financial services. Our lofty goal is to collaboratively work with others to inspire and support the next generation of leading global companies – 100 Global Champions – that are the very best in the world at what they do.

To inform this conversation, we commissioned research surveying almost 350 companies with at least 50 employees to understand how companies perceive the major motivations and deterrents to going global, and assess the major obstacles and pain points that both global and non-global companies have encountered along their journey. What we learned, and that you will discover throughout this report, is fascinating.

First, a global strategy has paid off for almost every Canadian company surveyed. They expanded their range of clients, accessed new partners, insulated themselves from economic slowdowns in Canada and achieved higher returns on investment. Therefore, if we can help more Canadian companies take that step of global expansion, they will quite likely be successful, benefiting both the company and the Canadian economy as a whole.

On the other end, the majority of Canadian companies that aren't considering going global do not see any of the benefits of global expansion or don't have the desire to go global in the first place. We need to create a culture and business community with an ambitious,

outward-looking global mindset. To do so, we must collectively support and encourage those that are not yet global to recognize and achieve the benefits of international business.

The process of setting up international business can be long and intensive, and many Canadian companies do not have the time or resources. Even though Canadian businesses are aware that support is available from established agencies and consultancy services, they are unsure of their relevance in addressing the rapidly changing needs of modern business.

We have the ingredients: a well-educated and healthy workforce, a strong Canadian brand, a diverse population with first-hand knowledge of markets around the world, and a stable business climate at home.

But to succeed, first there has to be ambition. We need to foster a generation of business leaders that look beyond Canada's borders and dream of being the best in the world in what they do.



A handwritten signature in black ink that reads "Rupert Duchesne".

RUPERT DUCHESNE
Group Chief Executive,
Aimia Inc.

In today's interconnected world, the international success of the Canadian business community will drive the future prosperity of our country. A prosperous Canada will be supported by companies that have honed their business and reached capacity at home, and can make the next logical step and enter new international markets with relative ease and peace of mind, or are international from the onset.

Having rapidly grown out of Aeroplan, the frequent flier loyalty program originally run by just six people, to a global data-driven marketing and loyalty analytics company with 3,200 employees in 17 countries, Aimia's experience in 'going global' is ongoing.

Guided by this experience, we want to support other Canadian companies' growth by initiating a conversation on Canadian global business ambition.

KEY INSIGHTS

1

Try and you'll succeed. Most (90%) Canadian global companies report their global expansion as a success.

They expanded their range of clients, accessed new partners, insulated themselves from economic slowdowns in Canada and achieved higher returns on investment. Seventy-six per cent of global companies saw an expanded range of clients upon going global.

2

Six out of 10 companies not currently considering expansion do not see the benefit of going global.

They cite a lack of suitability for the global market. Three out of four companies in this group also have no long-term desire to go global.

3

Companies considering global expansion don't know when or where to start.

Half actually do not know how to tell if their company is ready for expansion, and 63 per cent are unsure of the required steps to take their company to another market. One out of four companies (24%) don't even know where to start.

4

The perceived barriers to going global loom heavily.

Risk exposure, resource and knowledge gaps, and lacking the right people are perceived barriers to going global. Forty-five per cent of companies considering expansion do not have the right local insights or partners, whereas 78 per cent and 59 per cent of global companies do, respectively.

5

There is a clear opportunity to build Canada's knowledge economy.

The majority of companies that want to go global are service-based, at 60 per cent. This illustrates an ambition among Canada's less traditional sectors. However, goods-based companies still demonstrate a deeper understanding of the benefits of global expansion, presenting an opportunity to develop confidence and capacity among the service-based group.

METHODOLOGY

OVERVIEW

Edelman, in partnership with Aimia, commissioned Vision Critical to conduct the 100 Global Champions study.


SAMPLE SIZE

348 Canadian business leaders participated in the study.

FIELDWORK

Fieldwork took place from February 17 to February 25, 2016. Survey length was 14 minutes.

STATISTICAL SIGNIFICANCE

 Denotes figures that are significantly higher than those belonging to a corresponding group at a 95 per cent confidence level.

STUDY DESIGN

Companies meeting the study's qualifying criteria were classified into categories based on their attitudes towards global expansion. Findings throughout the study draw on attitudinal and behavioural differences measured between these groups. Quotas were established to ensure we were able to obtain a sufficient number of companies within each category to allow for a statistically significant comparison.

QUALIFYING CRITERIA

All survey participants are owners, C-suite or senior management / executives at companies headquartered in Canada and have 50 or more employees. Participating business leaders were then classified into one of the three groups on the right based on the current state of their organization:

NOT CONSIDERING GLOBAL EXPANSION (N=106)

Business leaders at organizations headquartered in Canada that do not currently offer products, services or solutions beyond North America, and are not interested in globally expanding their business.

CONSIDERING GLOBAL EXPANSION (N=123)

Participants qualifying for this group are business leaders at Canadian companies that have not expanded beyond North America, but are interested (or have already taken steps) to expand globally.

GLOBAL COMPANIES (N=119)

Global Companies are composed of business leaders who participated in or have knowledge of their Canadian company's experience expanding into markets outside of North America.



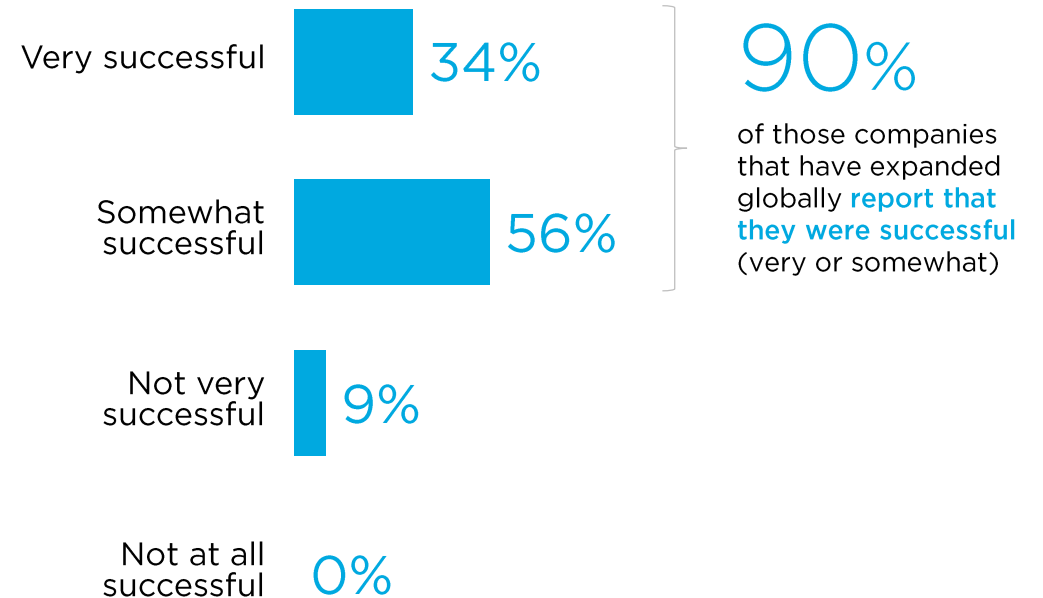
SUCCESS IN INTERNATIONAL EXPANSION

TRY AND YOU WILL SUCCEED.

GLOBAL BUSINESS LEADERS
REPORT SUCCESSFUL
EXPANSION EFFORTS.

Companies cited trusted networks of partners, Canada's reputation, their high level of expertise and the great potential in other markets as reasons for their success.

REPORTED SUCCESS OF GLOBAL EXPANSION



GLOBAL COMPANIES BELIEVE IN EXPANSION AS A METRIC OF SUCCESS.

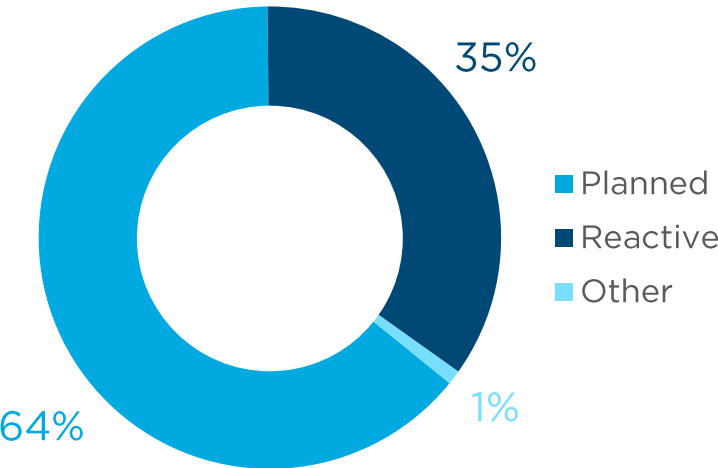
	NOT CONSIDERING	CONSIDERING	GLOBAL
My company is well suited for business outside of Canada and the United States	20%	63%	81%
Canadian companies that expand its markets outside of North America are more influential in Canada than those that do not	39%	67%	64%
Expansion into markets outside of North America is a key measure of a company's success	13%	46%	62%
I have no desire to expand my business beyond Canada and the United States	74%		

 Denotes a value that is significantly higher at a 95% confidence level.

Base: All Respondents (n=348), Not Considering (n=106), Considering (n=123)
QC1. Please indicate the extent to which you agree or disagree with the following statements.

MOST GLOBAL CANADIAN COMPANIES PLANNED THEIR MOVES TO OTHER MARKETS.

IMPETUS TO GO GLOBAL



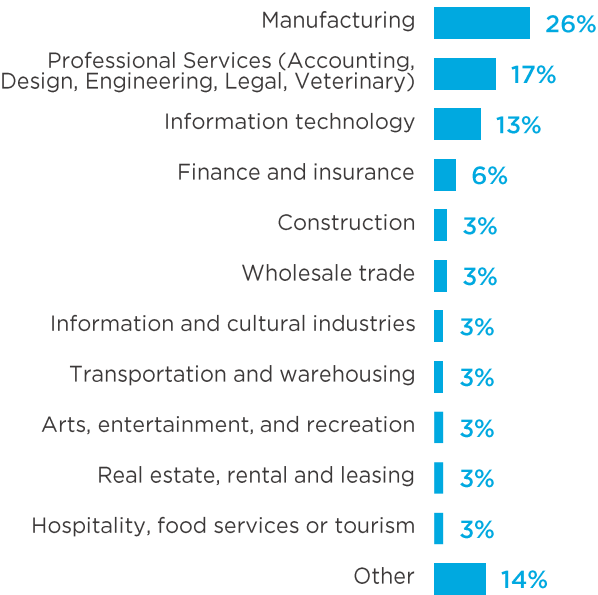
TYPE OF BUSINESS



64%

Have services to offer international customers

INDUSTRY



Base: Global Companies (n=119)
QS10. And does your business offer...
QD1. Thinking back to when your expansion started, was your expansion a planned move or was it reactive (i.e.: in response to a specific opportunity)?
QF5. Which of the following categories best describes your business?



WHY BE GLOBAL?

SEEING IS BELIEVING.

GLOBAL COMPANIES SEE SUBSTANTIVE BENEFITS.

	NOT CONSIDERING	CONSIDERING	GLOBAL
Expanded range of clients	17%	54%	76%
Access to new partners	12%	50%	59%
Insulation from economic slowdowns in Canada	8%	46%	54%

COMPANIES NOT CONSIDERING GOING GLOBAL SEE FEW BENEFITS.

	NOT CONSIDERING	CONSIDERING	GLOBAL
Increased reputation in Canada	13%	47%	52%
Higher return on investment (ROI)	9%	37%	52%
Increased expertise	8%	31%	42%
Increased productivity	4%	25%	36%
Decreased labour/ wage costs	4%	11%	18%
None of the above	63%		

More likely to operate in Retail, Hospitality, Food Services and Health Services; less likely to have team members with origins outside of NA, and less likely to have lived/worked outside of NA.

SERVICE-BASED COMPANIES RECOGNIZE FEWER BENEFITS TO GLOBAL EXPANSION.

	SERVICES ONLY BUSINESSES	GOODS ONLY BUSINESSES
Increased reputation in Canada	38%	39%
Higher return on investment (ROI)	31%	38%
Increased expertise	26%	30%
Increased productivity	11%	35%
Decreased labour/ wage costs	6%	17%

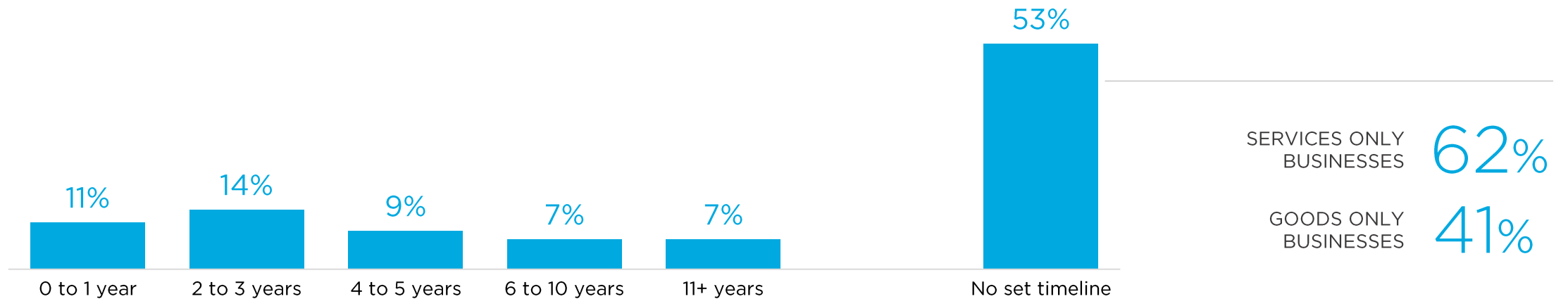
OPPORTUNITY: DEEPEN SERVICE-BASED COMPANIES' CONFIDENCE IN THEIR CAPACITY TO GO GLOBAL AND THE PERCEIVED BENEFITS.

	SERVICES ONLY BUSINESSES	GOODS ONLY BUSINESSES
My company is well suited for business outside of Canada and the United States	50%	62%
Canadian companies that expand its markets outside of North America are more influential in Canada than those that do not	57%	58%
Expansion into markets outside of North America is a key measure of a company's success	32%	52%

While 60 per cent of service-based companies are considering global expansion, goods-based companies still display more confidence in their capacity to go global and recognize greater benefits.

HALF OF CONSIDERING COMPANIES HAVE NO SET TIMELINE FOR EXPANSION.

A larger proportion (6 out of 10) of service-based businesses considering or taking steps to globally expand have “no set timeline” to do so.



THERE'S NO PLAN IN PLACE.

The background of the slide features two men in business attire (shirts and ties) working at a desk. A large, semi-transparent blue triangle is overlaid on the image, pointing towards the bottom right. The text 'WHAT'S HOLDING COMPANIES BACK?' is written in white, sans-serif, all-caps font across the center of the blue triangle. A thin white horizontal line is positioned below the text.

WHAT'S HOLDING COMPANIES BACK?

GLOBAL EXPANSION:

FOUR MAJOR BARRIERS

1

KNOWLEDGE

2

TALENT

3

RESOURCES

4

RISK
EXPOSURE

1 OUT OF 4
COMPANIES
CONSIDERING
GOING GLOBAL
DON'T EVEN
KNOW WHERE
TO START.

KNOWLEDGE
BARRIERS

I'm **not sure where** to start

21%

24%

I don't know how to **navigate regulatory and tariff barriers**

30%

36%

I don't know how to **navigate the language and cultural differences**

27%

34%

I don't have **sufficient tax expertise** for global operations

25%

34%

I don't know how to **find qualified employees abroad**

27%

33%

I don't know where to **find information about opportunities overseas**

22%

28%

I don't know how to **source customers overseas**

25%

28%

I don't know where to **find partners or distributors** for my goods

20%

28%

Base: Considering (n=123), Not Considering (n=106)

QA1. Please select the factors that pose a barrier to your company from expanding globally, and those that pose a barrier to other companies in your industry.

CANADIAN BUSINESSES HAVE THE RIGHT OFFERINGS – NOT THE RIGHT PEOPLE.



Base: Considering (n=123), Not Considering (n=106)

QA1. Please select the factors that pose a barrier to your company from expanding globally, and those that pose a barrier to other companies in your industry.

COMPANIES DO NOT HAVE THE SUPPORT THEY NEED.

Companies do not feel like they have the right kind of support from government agencies and consulting companies to help with their expansion.

I don't feel that I have adequate resources in other markets

(e.g. government support, consulting companies, etc.) to help me make the move outside of Canada

NOT CONSIDERING

47%

CONSIDERING

59%

SERVICES

50%

GOODS

60%

A RESOURCE GAP EXISTS BETWEEN GLOBAL COMPANIES & THOSE CONSIDERING.

RESOURCE BARRIERS

I don't have market research/insights to inform my global expansion plans

It's hard to find the right partner in new markets

I don't have the money needed to expand my business globally

NOT CONSIDERING CONSIDERING

27%

45%

34%

45%

24%

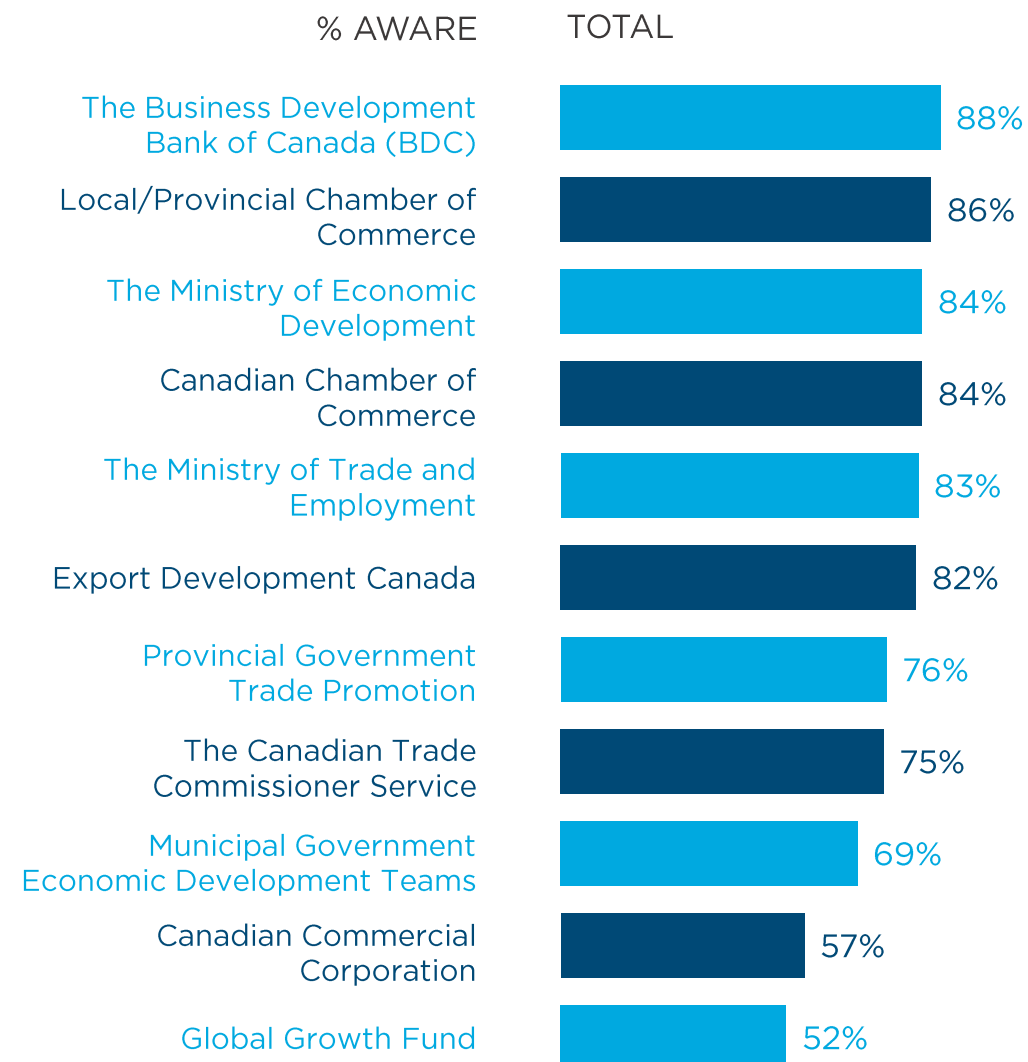
36%

Base: Considering (n=123), Not Considering (n=106)

QA1. Please select the factors that pose a barrier to your company from expanding globally, and those that pose a barrier to other companies in your industry.

COMPANIES CLAIM TO KNOW CANADIAN AGENCIES...

Goods-based companies are more likely to engage Canadian agencies than services-based companies.

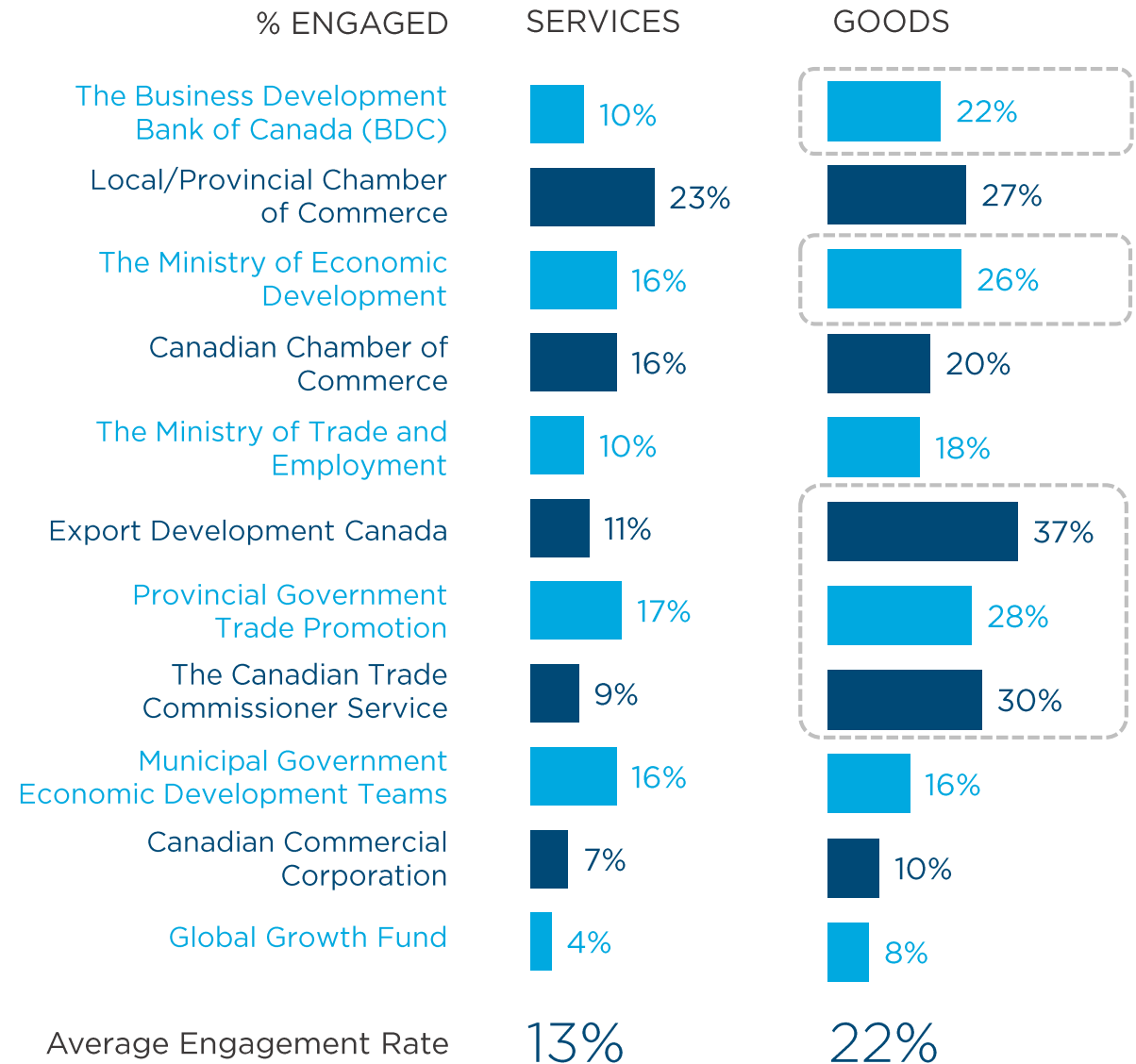


Base: Total (n=348), Services / Goods: Base = Those aware of each agency, varies.

QE2. Please indicate if you have engaged with any of the following agencies. If you haven't engaged with any of the agencies below, please indicate if you are aware of it or not.

BUT FEW ENGAGE THEM FOR SUPPORT.

Goods-based companies are more likely to engage Canadian agencies than services-based companies.



Base: Total (n=348), Services / Goods: Base = Those aware of each agency, varies.

QE1. Please indicate if you have engaged with any of the following agencies. If you haven't engaged with any of the agencies below, please indicate if you are aware of it or not.

RISK EXPOSURE RECOGNIZED BY ALL.

		NOT CONSIDERING	CONSIDERING	GLOBAL
RISK EXPOSURE BARRIERS	The current economic climate makes it challenging to expand my business globally	29%	46%	45%
	The risks involved with political uncertainty (e.g. corruption, instability) are too high	35%	41%	40%
	The competition is too fierce	30%	40%	37%
	Global expansion would not be a financially sound decision	38%	38%	25%
	Expanding globally exposes my company to intellectual property rights risks	20%	31%	33%

Base: Not Considering (n=106), Considering (n=123), Global Companies (n=119)

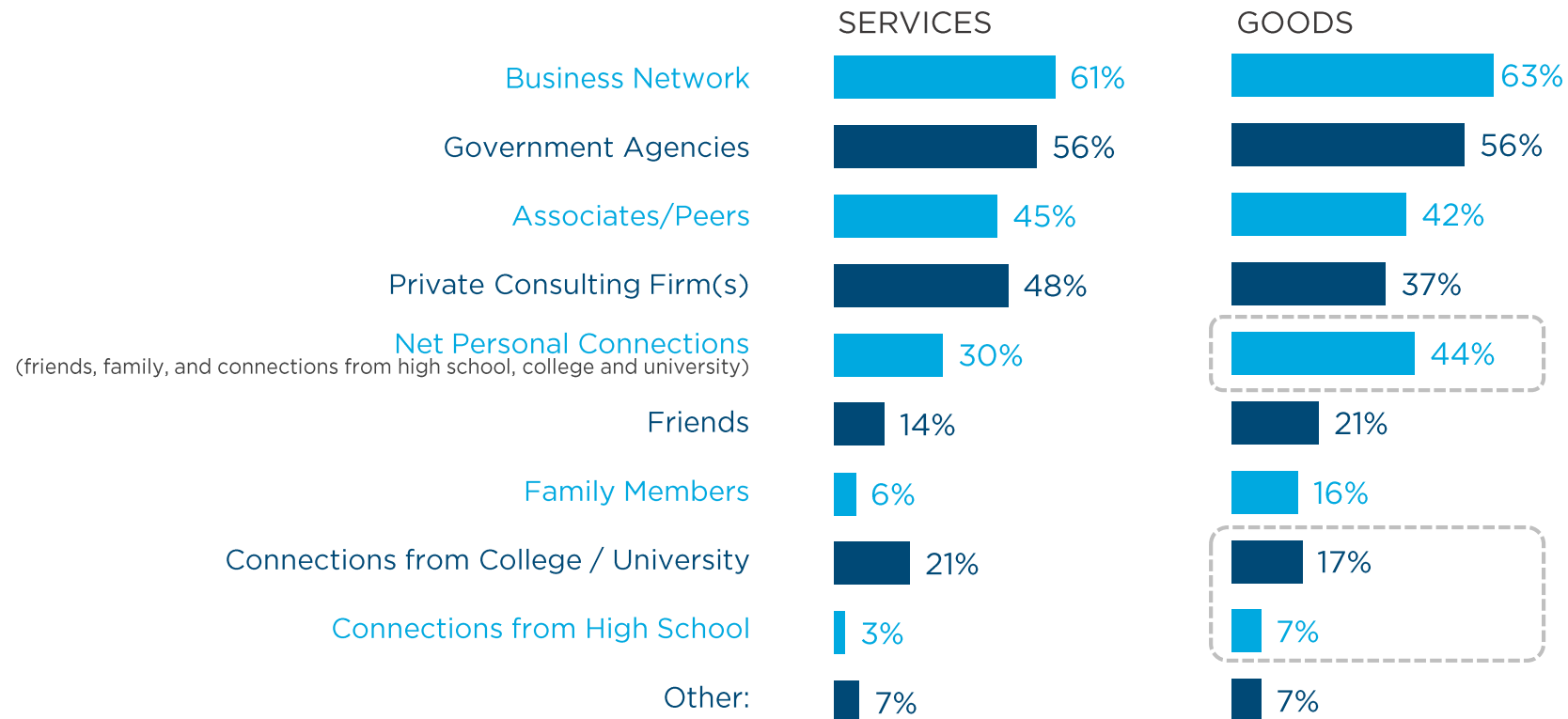
QA1. Please select the factors that pose a barrier to your company from expanding globally, and those that pose a barrier to other companies in your industry.



MOVING FORWARD

PERSONAL CONNECTIONS MATTER.

THEY PLAY A SIGNIFICANT ROLE IN SUPPORTING COMPANIES' EXPANSION EFFORTS.



Base: Global or Considering Goods Companies (n=135), Global or Considering Services Companies (n=107)

QD3. Taking a business globally involves a significant amount of work. Businesses often receive counsel on how to proceed with that process. To the best of your knowledge, which of the following resources would your organization leverage for information and support before going global? Taking a business globally involves a significant amount of work. Businesses often receive counsel on how to proceed with that process. To the best of your knowledge, which of the following resources did your organization leverage for information and support before going global?

LEADERS WORRY BOTH ABOUT EXPANDING AND STANDING STILL.

	NOT CONSIDERING	CONSIDERING	GLOBAL
If my company's expansion into another country fails , I am worried that my company will be crippled as a result	42%	50%	34%
If my company's expansion into another country fails, I worry I am personally to be blamed for its failure	22%	42%	27%
If my company doesn't expand to new countries our competitors will overtake us	6%	33%	52%

Base: Not Considering (n=106), Considering (n=123), Global Companies (n=119),
QC1. Please indicate the extent to which you agree or disagree with the following statements.

MORE THAN HALF OF CONSIDERING COMPANIES DON'T KNOW IF THEIR BUSINESS IS READY.

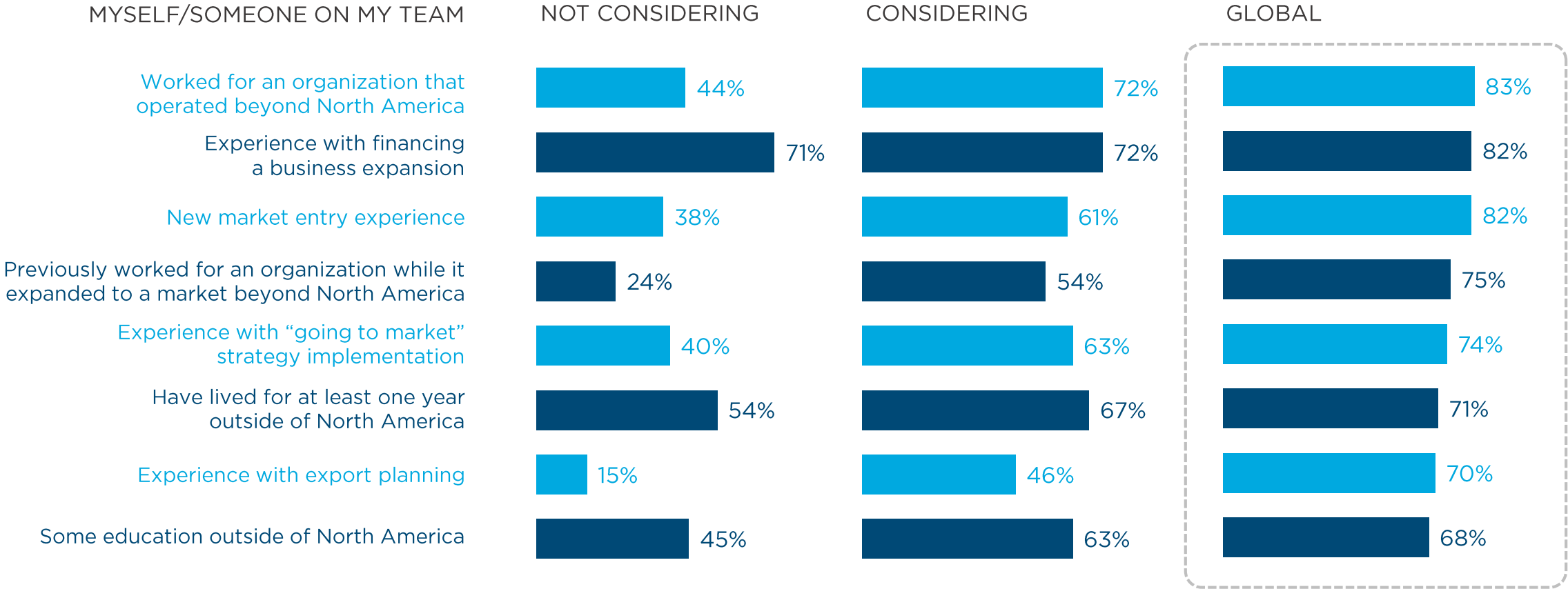
	NOT CONSIDERING	CONSIDERING	GLOBAL
I don't know how to tell if my company is ready to expand into a new country	24%	51%	27%
It is important to understand the cultural environment of a country you are expanding your business into	74%	88%	92%
Having access to mentorship (in market expansion) would be of great value to me	36%	79%	76%
I find it difficult to identify which country/market makes the most sense to expand to	35%	46%	39%

GLOBAL COMPANIES HAVE DEVOTED TIME AND RESOURCES TO DEVELOPING EXPANSION STRATEGIES AND KNOW-HOW.

Both global companies and those considering expansion identify with the cost of developing expansion strategies. The difference in the results between the two groups indicates that the cost is perceived to be higher than it is by those considering expansion.

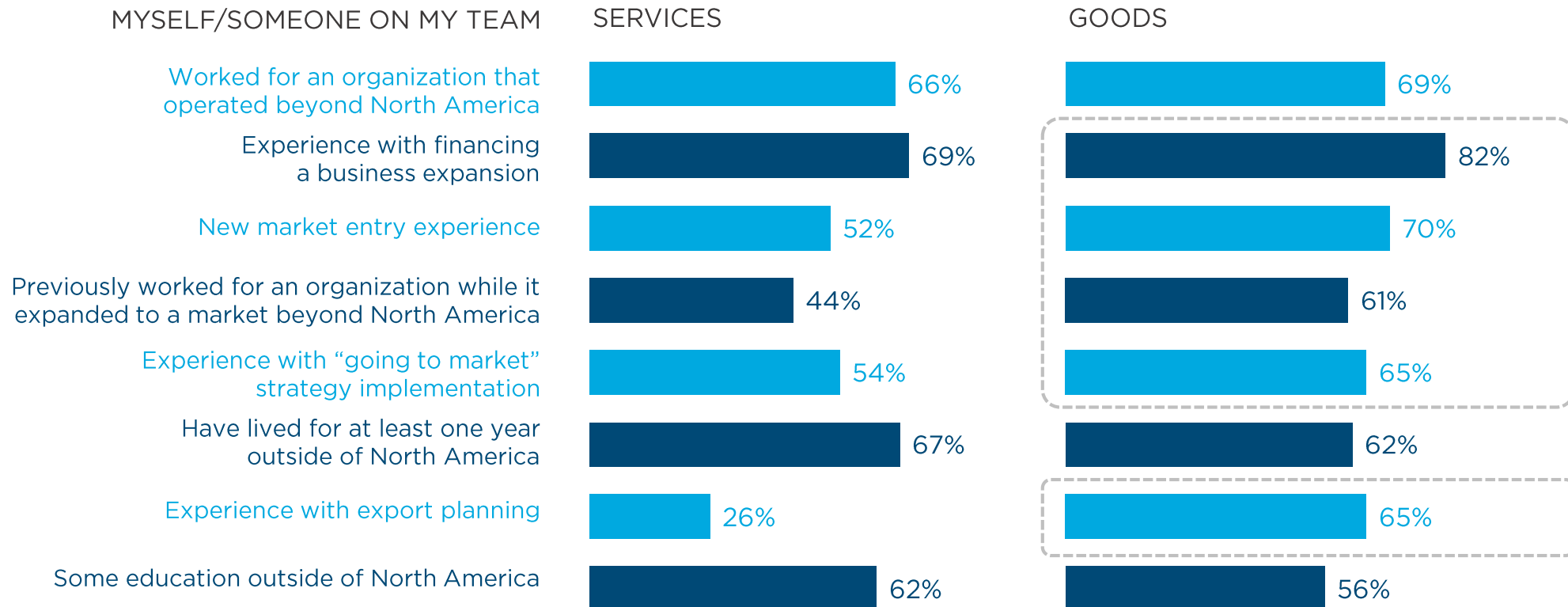
	NOT CONSIDERING	CONSIDERING	GLOBAL
Developing an expansion strategy into a new country would be a serious drain on the time/resources of my company	56%	73%	51%
I am far too busy to develop an expansion strategy into a new country	57%	60%	44%
I am not sure what all the steps are that I need to take in order to expand my company into another country	38%	63%	34%

GLOBAL COMPANIES HAVE LEADERS WITH MORE INTERNATIONAL EXPERIENCE AND EXPOSURE.



Base: Not Considering (n=106), Considering (n=123), Global Companies (n=119)
 QF2. [Myself/ Someone on my team] [NOT Global Companies]Thinking about your leadership team, do you or anyone on the team have the following experiences?
 [Global Companies]Thinking about your leadership team at the time your business expanded to markets beyond North America - did you or anyone on the team have the following experiences?

GOODS COMPANIES HAVE LEADERS WITH MORE INTERNATIONAL BUSINESS EXPERIENCE.



Base: Goods (n=165), Services (n=183)

QF2. [Myself/ Someone on my team] [NOT Global Companies]Thinking about your leadership team, do you or anyone on the team have the following experiences?

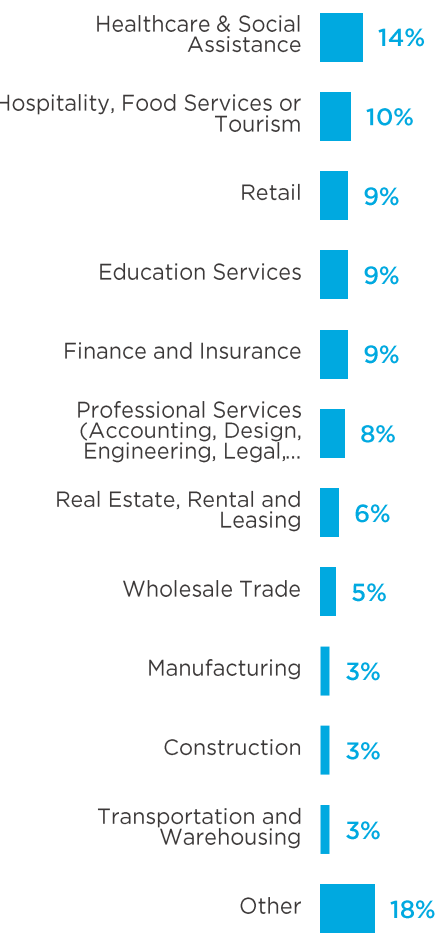
[Global Companies]Thinking about your leadership team at the time your business expanded to markets beyond North America – did you or anyone on the team have the following experiences?



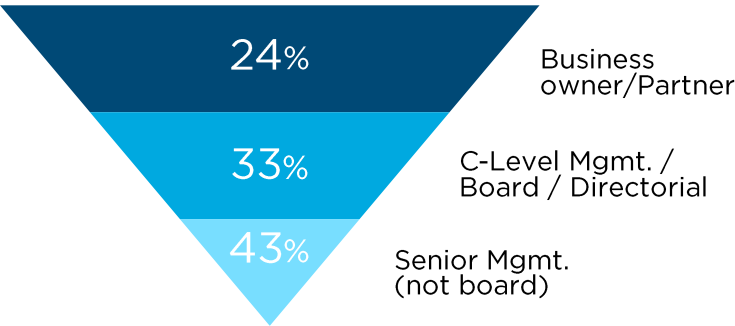
APPENDIX

BUSINESS LEADERS WHO ARE NOT CONSIDERING GLOBAL EXPANSION

INDUSTRY



COMPANY OWNERSHIP

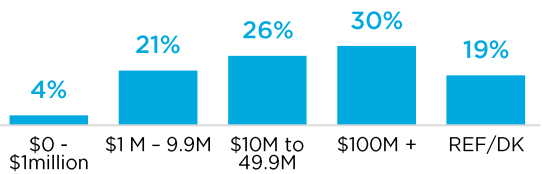


26.4
YEARS

AVERAGE NUMBER
OF YEARS IN BUSINESS



REVENUE

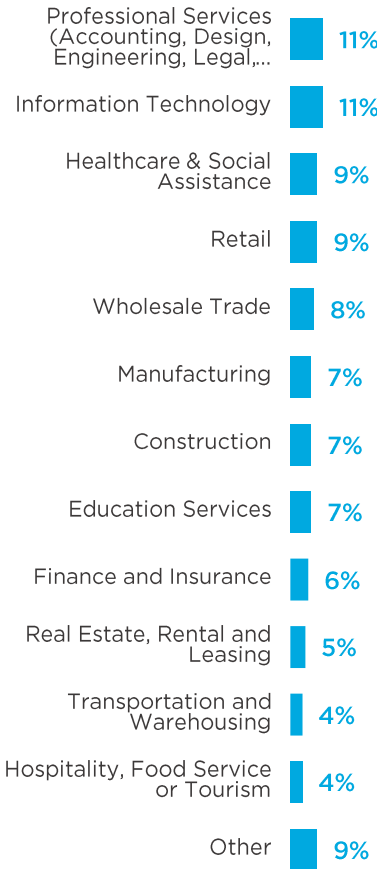


NUMBER OF EMPLOYEES

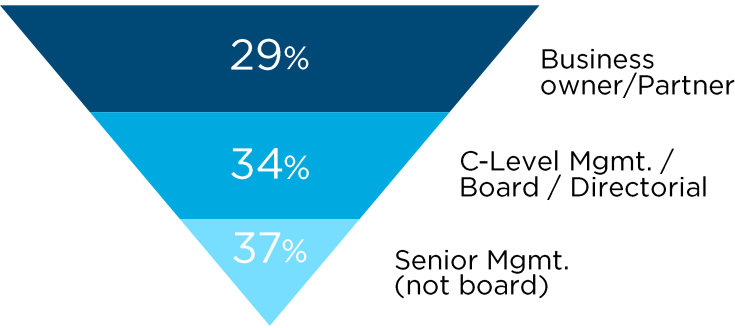


BUSINESS LEADERS WHO ARE CONSIDERING GLOBAL EXPANSION

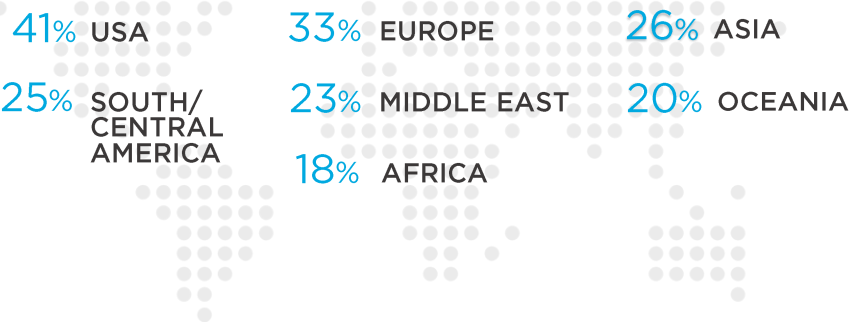
INDUSTRY



COMPANY OWNERSHIP



REGIONS CURRENTLY CONSIDERING

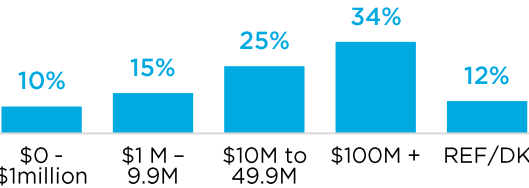


20.6
YEARS

AVERAGE NUMBER
OF YEARS IN BUSINESS



REVENUE

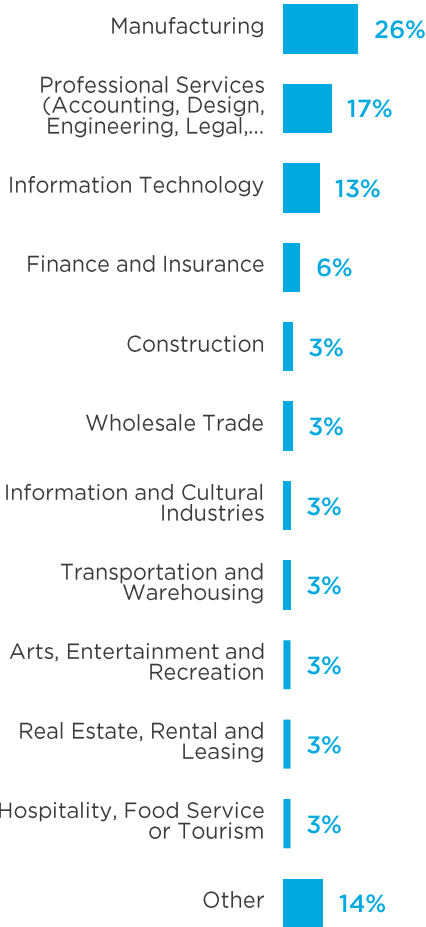


NUMBER OF EMPLOYEES

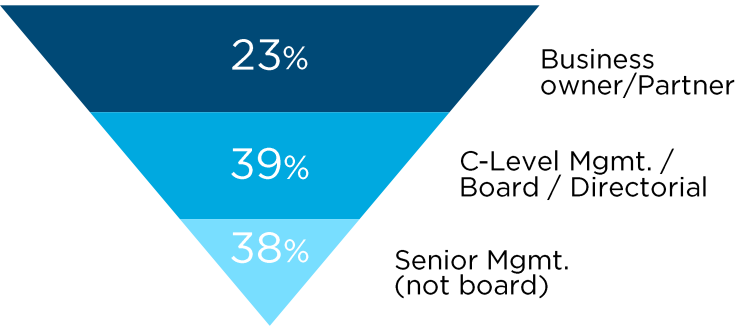


BUSINESS LEADERS WHO HAVE EXPANDED GLOBALLY

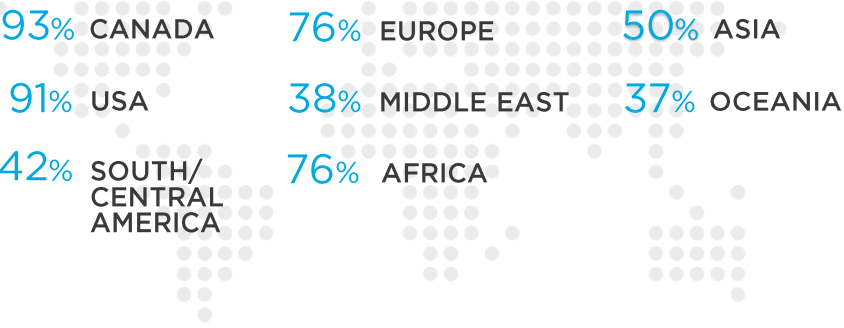
INDUSTRY



COMPANY OWNERSHIP



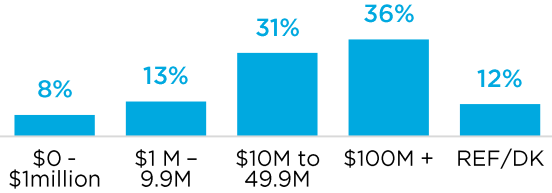
REGIONS PROVIDED



22.9
YEARS
AVERAGE NUMBER
OF YEARS IN BUSINESS

20% CONSUMER GOODS
35% GOODS TO OTHER BUSINESSES
43% SERVICES
21% GOODS & SERVICES

REVENUE



NUMBER OF EMPLOYEES





CHERYL KIM

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