

# Future Skills Centre Podcast

## Episode 3

### Supporting the Future of Small Business and Entrepreneurs through Skills Development

Small and medium-sized enterprises (SMEs) are an important part of the Canadian economy and the workplace of many Canadians. But these businesses face steep difficulties in the coming years as COVID-19 government supports end. How can SMEs tackle challenges, such as skill and labour shortages, to flourish as businesses and employers?

In this episode we speak to three guests about the economic trends and opportunities facing SMEs in their region, from remote-first small businesses to new jobs in the green economy. They discuss the skills, roles, and supports needed to take advantage of these opportunities.

#### Guests

Jason Rasevych, Partner, National Indigenous Client Services Lead, Deloitte Canada; President,

Anishnawbe Business Professional Association

Dorinda So, Executive Director, pointA

Patrick Sullivan, President and CEO, Halifax Chamber of Commerce

#### Host

Linda Nazareth

## Links

Future Skills Centre and Conference Board of Canada links, such as recommended articles and webpages, social media handles, etc.

#### Future Skills Centre Homepage:

<https://fsc-ccf.ca/>

#### pointA:

<https://pointa.ca/>

#### Future Skills Centre Twitter:

[https://twitter.com/fsc\\_ccf\\_en](https://twitter.com/fsc_ccf_en)

#### Halifax Chamber of Commerce:

<https://halifaxchamber.com/>

#### The Conference Board of Canada Homepage:

<https://www.conferenceboard.ca/>

#### Anishnawbe Business Professional

#### Association:

<https://www.anishnawbebusiness.com/>

#### The Conference Board of Canada Twitter:

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## Transcript

### **Linda Nazareth:**

You're listening to Season Two of the Future Skills Centre Podcast, gathering experts from all over Canada to explore the most crucial challenges to the future of work. I'm your host Linda Nazareth. This podcast is brought to you by the Future Skills Centre and the Conference Board of Canada.

Canada is facing wide demographic and technological changes, and the COVID-19 pandemic has accelerated these disruptions to our work environment. Our economy is changing fast, and this means we have to change fast too.

### **Linda Nazareth:**

Today's episode looks at the challenges of skills development for small and medium-sized enterprises – or SMEs – businesses that have under 100 and 100 to 499 paid employees, respectively. We also speak about start-ups, who might not yet have paid employees.

SMEs form a significant portion of Canada's economy. In fact, nearly 98% of Canada's employer businesses are small businesses, employing close to 8 million people across the country. Many of these small companies have been experiencing a shortage of talent and skills as they usually do not invest as much as big business in skills training.

We first wanted to hear how small businesses have been doing in the wake of the COVID-19 pandemic. Patrick Sullivan is President and CEO of the Halifax Chamber of Commerce. The Chamber represents over 1,700 member businesses, the vast majority of which have less than 20 employees. Over 65,000 people work in these member businesses in the Greater Halifax Area.

### **Patrick Sullivan:**

If I was to do a rough percentage, about 70 to 75%, I suppose, of businesses are okay. They've done okay. But that 25%, that includes restaurants, hospitality, the service industry,

which may include hotels or, or even small retail have not done well during the pandemic. And repeated closures or lockdowns have impacted those businesses significantly, and sadly, many small local retailers have seen some of their business migrate to larger operators who may be able to deliver things and who may be transnationals rather than local companies.

Halifax was having a pretty good run, prior to the pandemic. Of course, the pandemic struck, and we've since had that significant decline. Halifax has actually recovered quite well. In most areas there has been growth and employment. We've seen a complete, pretty much recovery of the employment levels in Nova Scotia, but we've still seen that exit from the service industry to other areas. So, although employment has grown in total, we're still seeing the losses and labor shortages in some of those service sectors.

### **Linda Nazareth:**

Canada's economy and labour markets have gone through unprecedented disruption in 2020 and 2021. While job losses were massive during the height of the pandemic, with the economy reopening, labour shortages and job vacancies have quickly surged to the forefront.

SMEs received massive support from the federal government during the pandemic, especially through programs like the (partially) forgivable loan program (Canada Emergency Business Account—CEBA) and the (Canada Emergency Wage Subsidy (CEWS). These programs had the intended effect: they sustained small businesses through the shutdowns caused by COVID-19. In fact, small business counts increased during the pandemic, business bankruptcies decreased, and corporate profits reached new highs at the end of last year.

The coming months are expected to be rough for many SMEs. Businesses are likely to face financial challenges as support programs come to an end. Even if the economy is reopening, many businesses continue to face higher

operating costs and are unable to operate at full capacity. For some industries, there will be lasting structural changes from COVID-19 that may make operations unviable. The Conference Board of Canada expects a significant shakeup in the mix of small businesses—so called creative destruction—that could hamper near-term business investment. We are likely to see an increase in bankruptcies.

The pandemic has accelerated structural changes that have led to a surge in demand for certain skills and occupations. Tech-led economic growth has resulted in a growth in demand for high-skilled occupations over the past two years. For instance, employment in the computer services industry has grown by a whopping 23% since late 2019.

Alleviating labour market pressures is now a major priority for policymakers. For example, the federal government is bolstering immigration to catch up on the workforce gap that has accumulated over the past two years. In addition, retraining and reskilling have also been a focus for federal and provincial governments.

Labour shortages are a major issue for Halifax Chamber of Commerce members, particularly in hospitality and tourism businesses. In Patrick's view, welcoming more newcomers to settle in the region is important to help fill the job vacancies.

**Patrick Sullivan:**

There is a project called the Atlantic Immigration Pilot that is seeking foreign workers for many of the positions in Nova Scotia. And this program began in 2019. It's just been designated a permanent program.

I think one of the great partners has been government, the province of Nova Scotia and the labour skills and immigration. That group has a program called Graduate to Opportunity. And that will provide funds for a new grad, or an employer to recruit new graduates to the tune of 25% of the first-year salary. And if that employee is a member of a designated diversity group, up to 35% of the employee's first year salary, which

is a significant help as companies are growing and hopefully will be a significant help as we come out of the pandemic and as people begin to recruit.

Nova Scotia has a very high concentration of students and in fact, a very high concentration of foreign students. Many of those foreign students will qualify for their permanent residency in Nova Scotia after only one year of work in Nova Scotia. And although this is wonderful and we want to welcome those students, in most areas of Canada, it's actually two. So our recommendation to government would be to change that to two years. We think it would significantly increase the number of people who would stay obviously for that two-year period, and then ultimately after two years, our hope is they've further integrated themselves into the community, they've made friends, perhaps they have a partner, and they'll stay in the community for a longer period of time. So that would certainly help.

**Linda Nazareth:**

Patrick also spoke to the trends that he sees affecting SMEs in his region, and how these changes will affect the skills in demand.

**Patrick Sullivan:**

One of the areas of significant interest in Nova Scotia is the green economy. The new provincial department of economic development has a mandate that is laced with sustainability as a guiding principle. But there's no clarity on how that sustainability will be built and supported within the SME community. Solar is growing in Nova Scotia. So, there's an opportunity there. Nova Scotia has some energy that is generated by coal. Within the next 10 years, all of those coal plants will close down. There is an opportunity for renewables to be developed. And there's a need to train workers to work in those areas. Whether that's wind power, whether that's solar, there's an opportunity to train employees and then have them work, in that green economy.

Much like the rest of Canada, Atlantic, Canada, and Halifax in particular, have seen great demand, for technology skills. We've certainly seen that loss in the service sector, but technology is in great demand and in great demand for a couple of reasons. One – with the increase in working from home, people in Nova Scotia are now working for Google and Facebook, and other organizations that are perhaps US, or have offices in other parts of Canada. And they're happy to have technology employees working in Nova Scotia and living in Nova Scotia. So, technology is significantly in demand.

**Linda Nazareth:**

Next, we travel to Northern Ontario. A member of Ginoogaming First Nation, Jason Rasevych is an economic and business development professional. He is a leader at Deloitte Canada, and the founder and president of the Anishnawbe Business Professional Association. Based in Thunder Bay, Ontario, the Anishnawbe Business Professional Association supports its members in Northern Ontario – a vast area from Sudbury to the Manitoba border, and north to James Bay, comprising over 100 First Nations communities. Jason told us that he started the association after noticing a gap in the conversation around Indigenous business involvement in economic opportunities in the region. He sees potential for Indigenous-led SMEs and entrepreneurs to participate in upcoming economic opportunities in the region, and he uses the association to advocate for these businesses and foster their growth.

**Jason Rasevych:**

There were many developments that were proposed related to infrastructure, for example, the East-West Tie transmission build, or Waytaynikaneyap, which is another transmission build to connect many remote first nations to the Ontario grid. And with these two projects, that are over a billion dollars, there's huge potential in the construction sector, to procure Indigenous business and work with Indigenous peoples.

We like to support the discussion. What are indigenous businesses doing within this area? What could be done for companies to open up the door for Indigenous businesses to participate in the supply chain and the other aspect of what can First Nation owned businesses – so a First Nation community has started a company – what can they do to further develop opportunities that are within their traditional lands?

They're about 15 mines that are in the environmental assessment or planning stages to go to construction in the next decade. And that is going to grow Ontario's potential for supporting critical minerals related to our future to reach net zero by 2050. If a lot of those mines are to be supported through social license by First Nations, it's going to require partnership with First Nations. It's going to require policy to provide First Nations with preferred opportunity for contracting and Indigenous business and hiring and jobs. It's going to require the ability for the community and the grassroots people to be involved in mitigating environmental or cultural impacts, it's going to require an opportunity to have an Indigenous voice throughout the process, throughout the company's decision-making process.

**Linda Nazareth:**

Beyond Northern Ontario, Jason now works with Deloitte to support Indigenous communities and businesses to participate in economic opportunities across Canada. He identified some training strategies that he believes will help Indigenous businesses to grow their participation in the supply chain of projects – and this involves changes for non-Indigenous businesses and governments as well.

**Jason Rasevych:**

I believe there should be more opportunities to raise awareness of how the procurement systems work in Canada, whether it's a government contract or a company contract and provide a pathway for entrepreneurs and First Nation businesses to be able to qualify and understand decisions that are made in these procurement processes. For sure, within large

developments that are happening within First Nation traditional territory, there should be set asides, but within open bid or procurement process, there needs to be more training and understanding to help Indigenous entrepreneurs become more competitive with their bids and also provide an opportunity for companies to create the right environment, the right conditions – and that may require amendment of policies to be able to open the door to Indigenous businesses to supply content.

So that requires a training and mentorship component, and perhaps also an education at the company level to deal with bias in decision-making process. And to also train on cultural awareness and sensitivity related to understanding what reconciliation means, what some of the legacy issues are in our country related to the relationship between Indigenous people and non-Indigenous people and how we can move together better as a society by working together and collaborate.

**Linda Nazareth:**

Back in Northern Ontario, similar to Patrick's assessment in Atlantic Canada, Jason sees opportunities for individuals to expand their skills in order to participate in remote work opportunities, or become entrepreneurs and lead businesses of their own. Both of these approaches, however, do require strong connectivity.

**Jason Rasevych:**

There's huge potential to start training some of our community members a lot earlier as well, to understand that they could pursue a career pathway in the tech sector. And have an opportunity to either work for an organization or become an entrepreneur and be able to also live in their community and work from home or in a hybrid type model with this next normal, if they have the right infrastructure in place, the community level and the opportunity to do so within the market.

So, when we think of many businesses that are successful in rural areas and thriving that have access to fiber optics, telecommunication systems, they're able to then sell their products and services and market it through the internet, they're able to utilize social media a lot easier. They're able to utilize multimedia and also link with other systems and integrate with other systems, whether it's a bookkeeping system or a procurement system, it's an ability to be able to be an entrepreneur in modern times. It's not often the case in remote First Nations or rural areas that lack the broadband services.

At times, the word business – because of the thoughts with capitalism and the colonialism that have been experienced by community members, there's a concern of how that all fits into this society's values, especially in communities where there hasn't been a lot of business development.

So, to get community members comfortable with aspects of that, it's understanding financial literacy and perhaps some corporate literacy, but more on the financial side to understand that there are certain skills and talents that people have, that they could seek self-employment and entrepreneurship, if they're able to develop the right plan.

A lot of people might get intimidated with the business planning, the research phases or the financial forecast, but starting those types of exercises and teachings at a younger age will help prepare people to be ready to be able to move into entrepreneurship through their lifetime.

I think we need to do more targeted education, mentorship and training to Indigenous communities and people, far before high school, to be able to get into the habit of understanding that thought process and putting together student programs to be able to mentor them with an Indigenous business expert. And now there's more of an opportunity to do that because there's more role models that are out there – Indigenous-led and owned businesses.

**Linda Nazareth:**

During the pandemic, the shift to remote work was immediately necessary. Jason sees remote work as a potential opportunity for people living in rural and remote areas to participate in roles remotely while being able to stay in their communities. In Halifax, Patrick told us that they're also seeing agencies work to attract companies to relocate to their city; proposing that these companies continue to work with clients in other regions – remotely – while being able to take advantage of the city's lifestyle and lower cost of living.

The shift for remote workers, for entrepreneurs, and for leaders of SMEs to bring their businesses online does require a new set of skills. Dorinda So is the Executive Director of pointA. Based in Toronto, PointA offers solutions for businesses who want to shift to more sustainable modes of transportation, for the purposes of sustainability, less congestion, and improved wellbeing. They also provide guidance on remote work best practices; for example, helping businesses draft policies and procedures related to remote work. Through her work with many small businesses and entrepreneurs, Dorinda has gained insights into how these businesses are transitioning to remote work.

**Dorinda So:**

Remote work, while an option for many, when the pandemic hit, was very difficult for businesses to pivot. And this was a significant pivot. And I think even now that we're two years in, I think a lot of businesses have found ways certainly to put themselves online, whether it's their actual business and or their services and products, but there are still many that are really struggling with doing this.

**Linda Nazareth:**

We asked Dorinda the implications of remote work for small business – firstly, what she sees as some of the benefits.

**Dorinda So:**

The obvious one of course is you can continue to do your business. That's obviously the big one – because if your business continues, it means your employees can be paid. And that's huge, right? But I think that for us, we realized that there are a lot of, environmental benefits as well to this.

Maybe that's also an obvious one. But it's not just environmental in the sense that your employees don't have to commute to and from office, but it's also that you aren't actually heating and cooling an office that sits empty. And also, you're taking advantage of existing spaces, so that maybe you don't have to just work from home, you can work at other spaces as well, that are created for you to actually take advantage of and help reduce costs.

And I also think that a big part of this that maybe a lot of people don't think about is remote work connection, is more secure, more transparent, and actually enable a lot of communication. So for example, if you have paper files, particularly when it comes to your financials, well only one person can kind of read that same time if it's remote, but when something was online, you can password protect. And not just have somebody behind a lock and a key, you can control the permissions of who actually sees it. You can back it up. And you, can also ensure that there's a lot more communication between people who needed to access it. And that really does ultimately help with improving your overall business processes.

And then I think the last thing is for us, we really care about health and wellbeing of our team. And it is really great to have the opportunity to not spend the time commuting and they can do other things. That's been a huge added benefit and then also I think that it's really encouraged the team to be much more intentional.

**Linda Nazareth:**

Dorinda told us about another trend, that saw new businesses make their start in the remote world during the pandemic.

**Dorinda So:**

You're seeing a lot of different people come into the kind of the entrepreneurial space and a lot of people looking for work opportunities, whether that's in businesses or creating their own business, in response to the lack of employment opportunities that they may be experiencing are facing in their own field.

With the lockdowns, maybe they were furloughed or it was kind of like, well, I don't have a lot to lose at this point. And so, they were starting these remote businesses. There's lots of cases of people doing that. And then there's ones that are just doing kind of their everyday work and launching side hustles of businesses that they really want.

I think what's really inspiring is seeing the resiliency. A lot of people who are willing to kind of do whatever it takes to move forward with, putting food on the table for their family.

**Linda Nazareth:**

The Future Skills Centre has committed to additional investments and partnerships to focus on the skills development needs and opportunities for Canada's SMEs and entrepreneurs. Working with FSC, pointA offers a 5-week virtual course for owners and operators of SMEs. This course focuses on engaging women and persons with disabilities. Dorinda tells us about the program, first describing how she drew from her own experience for its inspiration.

**Dorinda So:**

When the pandemic hit, we were implementing our own remote work strategy. And so, we thought, well, if we could do this and be able to make that transition, hopefully we could teach other people to do the same thing. And so that's why we applied for the Future Skills Centre grant. And we were very thankful we got an opportunity to put together a course to teach entrepreneurs and business owners and

operators particularly running small businesses all across Canada, how to do the same thing, so that no matter where you were in your journey, whether you been running your business for 20 years, or you were just looking to start, you could make a part or your entire business remote. And we were able to teach them that strategy and innovation skills to do that.

I'm really proud of the fact that we were actually able to connect with our target audience. So, we had pretty much all provinces in Canada represented, in the students, in our course. All kinds of business, everything from like construction businesses, to transportation businesses, to retail, a lot of education, and then the traditional like professional services, so lots of different kinds of businesses.

When it comes to remote work, I really believe that people actually have what it takes. They have the skills and the knowledge to be able to move their business online. I don't think it's any kind of specialized skill. I think the biggest challenge and the things that we focused on was really how to think strategically.

One of the people that we worked with, was looking for an accounting solution. When you're a small business, you need like Quickbooks and they're mostly cloud-based ones where you can send invoices and you can capture your expenses and your time. But there are so many out there and often the price points are almost the same. So how do you differentiate between the two? So, for us, because we come from this world of remote work, we will bring it back to the core values of their business. We would ask questions to say, okay, what do you ultimately care about? What's important to you? And once we identify here's the three to five core values that you have, now look at your decision differently.

**Linda Nazareth:**

Dorinda identified some challenges their project experienced in terms of training SME owners and entrepreneurs with remote work skills – and she doesn't think these are unique to this program.

**Dorinda So:**

And so, language like remote work may or may not resonate with someone. In fact, I recently learned that work from home is probably language I should be using. That makes much more sense. The power of language is actually important because if you want to reach business owners, you have to make sure that it lands with whoever it is you're trying to reach and that the benefits are articulated, but also ensures that you're on the same page.

I think the second challenge was around just the nature of this remote work or this virtual experience. Many people were looking for networking opportunities, preferably in person, which was next to impossible given the lockdown measures. I would have loved to have opportunities to do this course in person. I think that really would help because so many of these individuals really felt disconnected, they didn't feel that they had a network of people to tap into. So, if they want to grow their business, they really needed a community because they didn't have traditional avenues of support such as incubators accelerators that they could tap into.

And I think the last piece was probably just with respect to their time. It's hard to break things up into bite-sized pieces that make sense to them, and that fits their schedule. Sometimes time management was the biggest struggle that they had. for us, it was just encouraging them that they could maybe take an hour to go down the street to a library or to a cafe and just say, okay, I'm going to work on this part of my business for one hour a week.

**Linda Nazareth:**

As a leader of a small organization herself, Dorinda shared some challenges she's had herself. In a small organization, an individual might be the only person who is responsible for a task, or even knows how to do that task. This can be an isolating and overwhelming experience, particularly in times of change, such as when a person leaves, and a colleague must take on some of their work. Here's Dorinda on her approach to skills training and how she's adopted a learning culture in her organization.

**Dorinda So:**

And I think what's important is to recognize that we need to provide them with the actual materials, but then also the time to do it and to not penalize them and feel like they have to now add to their work week by doing training outside of their work week. So that's important. The second thing is you can really take advantage of the plethora of opportunities out there that are free. So, someone on my team took a really great course that was free through the Toronto Public Library and it became a one-on-one tutorial, and they learned a lot through that because it was a software skill they have to learn.

And that's really hard to do that otherwise. And then it's also making sure that there is a level of redundancy and contingency across the team. So, if you're going to train one person, train another person, because that way they can maybe attend a training together, if it's one of those opportunities. But it also means that when you're learning together, as you're actually on the job, you have someone else you can ask. Maybe they don't do the same job as you, but they went through the same training.

So, I think it's very much creating a culture of training and make it a normal part of a person's job to constantly be upgrading their skills.

**Linda Nazareth:**

Labour imbalances – due to cyclical and structural changes – can be detrimental to individuals, family, small businesses, and the economy. Understanding where labour shortages and skills gaps may occur is essential to help SME owners in making the right decisions. Reskilling and upskilling initiatives can help address these workforce imbalances and give small and medium businesses the means to seize growth opportunities - whether these are through their existing activities or through remote work development.

While these small businesses often lack the scale and dedicated human resources staff to be able to run skills development initiatives, the examples we heard today show that resources exist.

Partnerships between SMEs, industry associations, governments, and community organizations can help support these initiatives. Some specific solutions for this challenge include government incentives for investment in training, creating networks and shared resources, and flexible, modular training options (such as micro-credentials).

SMEs are the workplace of many Canadians, and a significant portion of Canada's economy. By integrating workforce skills development as a part of their business strategies, they can find a way to support promoting sustainable business growth and participate in the shared economic prosperity in Canada.

**Linda Nazareth:**

If you enjoyed this episode, please subscribe, and recommend the podcast to others who might enjoy it. And join us next time for our episode on micro-credentials. Thanks for listening to this episode of the Future Skills Centre Podcast. I'm your host, Linda Nazareth, talk to you soon.

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