

'Canadian bubble'

Tony Wanless

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Canadian small- to medium-sized enterprises (SMEs) are living in a comfortable bubble that could mean danger for them in future, the new chief of the Canadian Chamber of Commerce says.

Perrin Beatty, who moved to the chamber's chief executive position from a similar job with the Canadian Manufacturing Association in August, suggests his greatest challenge will be instilling a sense of urgency about global competition in Canadian SMEs (generally viewed as businesses with less than 500 employees).

"SMEs provide the majority of job creation in this country," said Mr. Beatty, a multi-portfolio Cabinet minister in the Mulroney government in the 1980s and former chief executive of the Canadian Broadcasting Corp. "But I don't think most Canadian small businesses are aware of the unprecedented level of competition that is occurring globally and threatens them."

Most Canadian small businesses are riding high today because of resource-driven, record-low unemployment, sustainable growth and a high dollar, but these perfect business conditions can blind them to changes that are happening in the rest of the world, Mr. Beatty asserted. Competition is rapidly growing, and businesses in other countries are gearing up to compete around the world.

"The danger is in assuming that the rest of the world is standing still while we enjoy being in the Canadian bubble," he said. "There's a belief here that we don't have to work as hard, but outside Canada there's a transformation of the global economy going on. Businesses in China, for example, have no sense of entitlement and would give their right arms to get what we take for granted."

This means the Canadian Chamber, which until now has primarily been involved in Canadian business-policy formation, will also have to begin educating Canadian SMEs about global business and providing "tools" to them, he added.

This is not without its challenges, however, he admitted.

"The future for most Canadian SMEs is to supply countries around the world, but most of their focus is local," he explained. "Their resources are stretched thin and it's often hard for them to focus on anything but the next quarter. The role of the chambers of commerce, both nationally and locally, will be to help them think beyond their current focus."



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Perrin Beatty was a multi-portfolio Cabinet minister in the Mulroney government in the 1980s and former chief executive of the Canadian Broadcasting Corp.

One way to do this is to work with provincial chambers to integrate local chambers and their SME members with the national chamber and the international system of chambers, Mr. Beatty pointed out. For example, best practices regarding global business can be shared throughout the system.

"I've been meeting with local chambers and I have been struck by the strength within the network," Mr. Beatty said. "Working together, we can help facilitate and act as a catalyst for all members of the chamber system to ready ourselves for the future."

Mr. Beatty also emphasized closer integration with the international chamber system as a way to integrate Canadian SMEs with global business. For example, the World Chambers Network, the business-development arm of the policy-focused International Chambers of Commerce - the world's biggest business organization -- has an online system that links about 12,000 chambers representing upward of 40 million businesses worldwide.

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