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# For More Information:

#### **Curtis Brown**

Principal (204) 894-3298 curtis@probe-research.com

#### Probe Research Inc.

603 – 191 Lombard Ave. Winnipeg, MB R3B 0X1 (204) 926-6565

www.probe-research.com





# **Key Findings**

#### **Core Business Metrics**

- Manitoba businesses are more likely to worry about increased operating costs and the impact of inflation than any
  other issues they face. Seven in ten say inflation is one of their main preoccupations, while attracting staff and
  supply chain disruptions round out the top three issues of concern to businesses in the province.
- Confidence in Winnipeg's economic future has decreased further, with fewer than one-half now optimistic about the economic prospects of Manitoba's largest city (49%, down from 56% last year and 66% in 2021).
- More businesses today say they are in a relatively stable position compared to last year, with only one-quarter saying they are now worse off than at this time 12 months ago (24%, down from 41% in 2022) and about one-quarter saying they are better off. Fewer businesses, however, expect to be better off at this time next year (34%, down from 42% in 2022).
- Meanwhile, the proportion of businesses who report having difficulty finding qualified employees continues to rise (70%, up from 63% in 2022 and 39% in 2021). Only one-quarter expect to hire more employees in the coming year, with fewer than one in ten expecting to lay off staff or reduce their available hours.

#### **Assessment of Government Performance**

Business leaders continue to give the three levels of government failing grades for their efforts to create a positive business climate. Today, only one-quarter of Manitoba businesses praise the work of their local government (24%, down from 32% in 2022), with those outside Winnipeg much more likely to give high marks to municipal officials. Only one in five (21%) continue to say the provincial government is doing an excellent or good job of creating a good business climate. Even fewer express positive views about the federal government (15%, down from 25% in 2022 and 40% in 2021).



# **Key Findings (cont'd)**

#### **Post-Pandemic Recovery**

Nearly all businesses are now fully open and very few are operating at a reduced capacity. More businesses
report their sales today are higher than they were prior to the COVID-19 pandemic (38%, up from 32% in
2022). Three in ten say their sales are at the same level, with one-third indicating their revenue is lower than
it was prior to March 2020.

#### Cybersecurity

- Two-thirds of Manitoba businesses worry about their computer networks being attacked in some way, with
  one in five indicating they are very concerned about this. Overall, 16 per cent say they have been attacked
  at some point, with one-third indicating they know of at least one other company or organization that
  experienced a problem with ransomware, hacking or other types of cyberattacks.
- Seven in ten Manitoba businesses have done something to protect themselves from a cyberattack. Those
  who have taken action are most likely to have purchased software or hired an IT specialist who can address
  these cybersecurity concerns.
- About one in five Manitoba businesses have purchased cybersecurity insurance, with smaller companies less likely to have obtained this.

#### **Government Procurement**

Three in ten Manitoba businesses sell some kind of product or service to a government entity, with those who sell to government most likely to count the provincial government or a municipality as their client.

#### **About the MBLI**

The Manitoba Business Leaders Index is an annual scientific survey of senior business officials from across the province. The survey sample includes a stratified sampling of CEOs, presidents, business owners and designated senior corporate officers from small, mid-sized and large commercial establishments as defined by Statistics Canada and the Manitoba Bureau of Statistics. This business sampling includes publicly traded and private companies from all major sectors of Manitoba industry.

Business listings have been developed based upon the most authoritative and up-to-date sampling sources available including various telephone directories.

## **Survey Instrument**

The survey instrument was designed by Probe Research.

## Methodology

#### Method

Probe Research conducted a survey of 200 business owners and managers located throughout Manitoba between February 2 and 23, 2023. Respondents were contacted via telephone and completed the survey via telephone with a live interviewer or via a secure online survey link.

#### Sample

The survey sample was stratified to ensure representation from small enterprises (1-9 employees), medium-sized companies (10-49 employees) and large businesses (50+ employees). Quotas were also set based on region as well as by business sector (services, manufacturing, resources). The sample does not include government departments/agencies, representatives of other public sector entities or not-for-profit organizations.

With a sample of 200 one can say with 95 percent certainty that the results are within ± 6.9 percentage points of what they would have been if all private-sector business owners/managers in Manitoba had been surveyed. The margin of error is higher within each of the survey's population sub-groups.

All data analysis was performed using SPSS statistical analysis software.

Totals may not add to exactly 100% due to rounding.

# **Profile of Respondents**

DK/NA removed; totals may not add to exactly 100%

	· · · · · · · · · · · · · · · · · · ·		
(Base Size)	Total (N=200) (%)	Winnipeg (n=112) (%)	Rural/Northern (n=88) (%)
Executive Gender			
Male	75	75	74
Female	25	25	26
Company Size			
Small (<10 employees)	43	40	47
Medium (10-49 employees)	38	37	39
Large (50+ employees)	20	23	15
Sector			
Services	86	88	82
Manufacturing	13	11	16
Resources	1	1	1
Region			
Winnipeg	56	100	-
Rural/Northern	44	-	100
Unionized Business			
Yes	7	8	5
Ownership Among Equity-Seeking Groups			
Female-owned	32	29	37
Indigenous-owned	8	5	9
Immigrant/New Canadian-owned	17	14	21

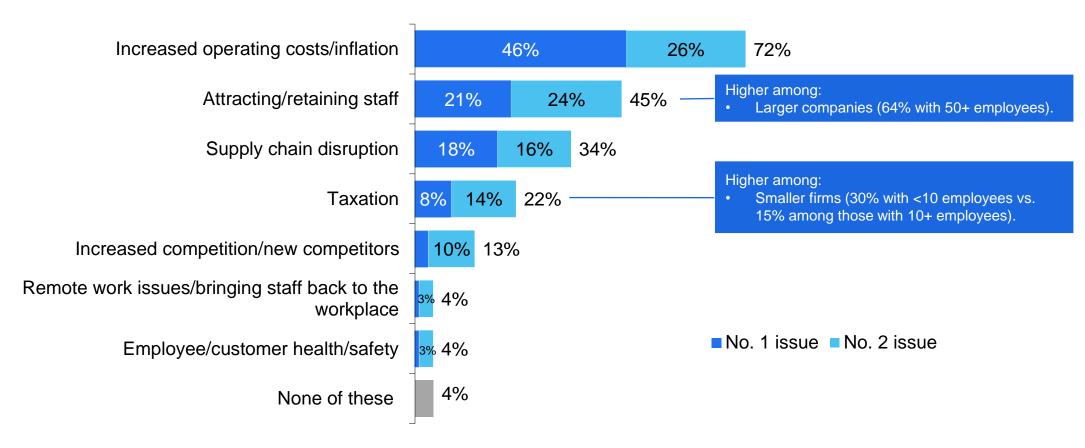




## Most Significant Business Challenges

#### Inflation tops the list of challenges facing Manitoba businesses in 2023

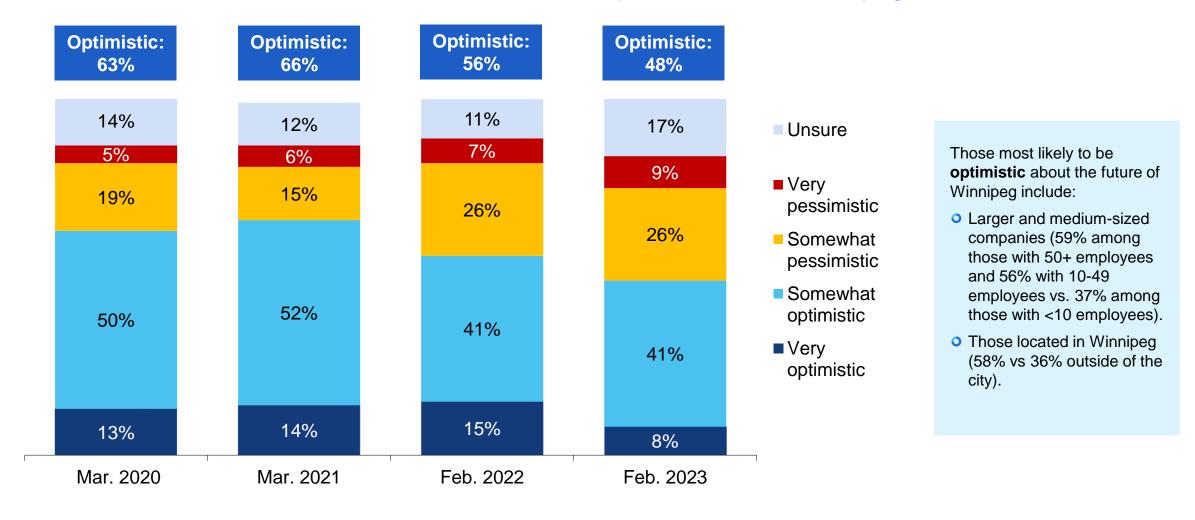
% who rank this as their No. 1 or No. 2 issue/concern



C6b. Thinking about the various business challenges your company might be facing in 2023, please indicate which of the following – if any - are the most significant concerns. Please pick the top two challenges in order of importance from the list below: (RANDOMIZE LIST)

## Confidence in Winnipeg's Economic Future

Fewer than one-half of business leaders are now optimistic about Winnipeg's economic state

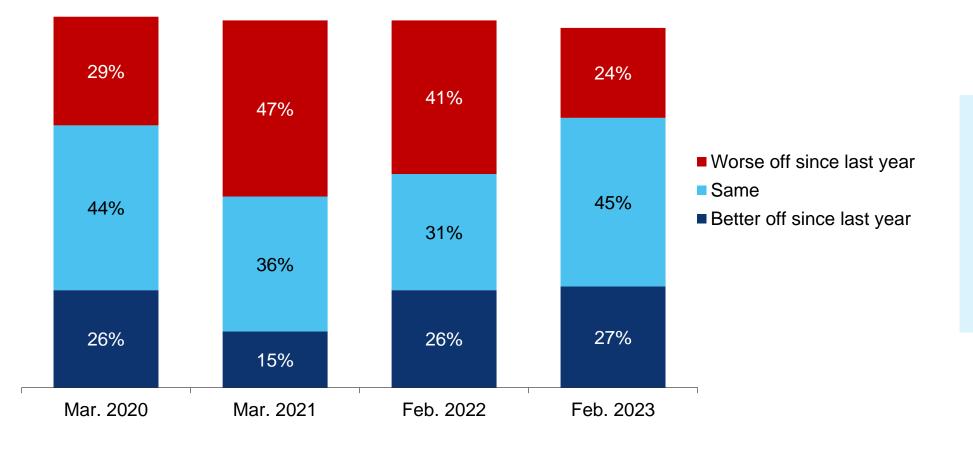


C4. Thinking about the economy: Are you optimistic or pessimistic about the economic future of Winnipeg? Base: Manitoba business leaders (N=200)



### One Year Financial Retrospective

Businesses are more likely to report they are stabilizing as opposed to being worse off



Those most likely to say they are **better off** today include:

- Larger companies (38% with 50+ employees vs. 20% among those with <10 employees).</li>
- Winnipeg-based companies (31% vs. 22% outside Winnipeg).

C2. Would you say that you and your business are better off, worse off, or just the same financially as you were a year ago?

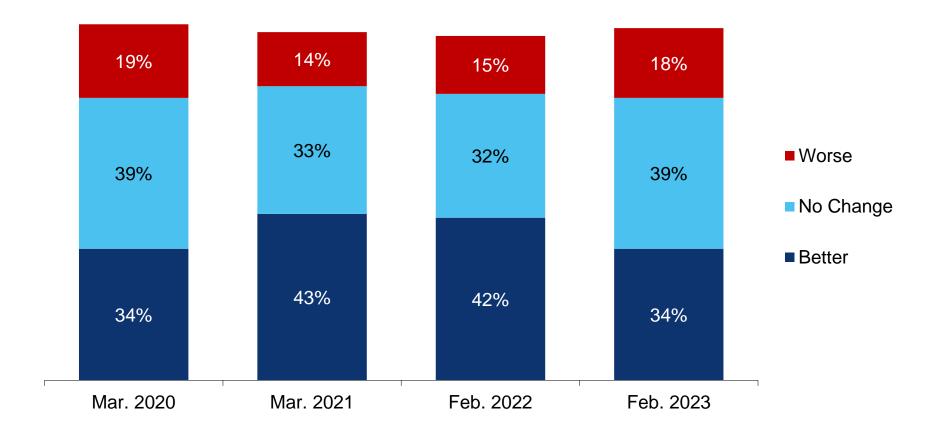
Base: Manitoba business leaders (N=200)



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#### **Financial Forecast**

Only one-third expect to be better off at this time next year, a notable drop since 2022



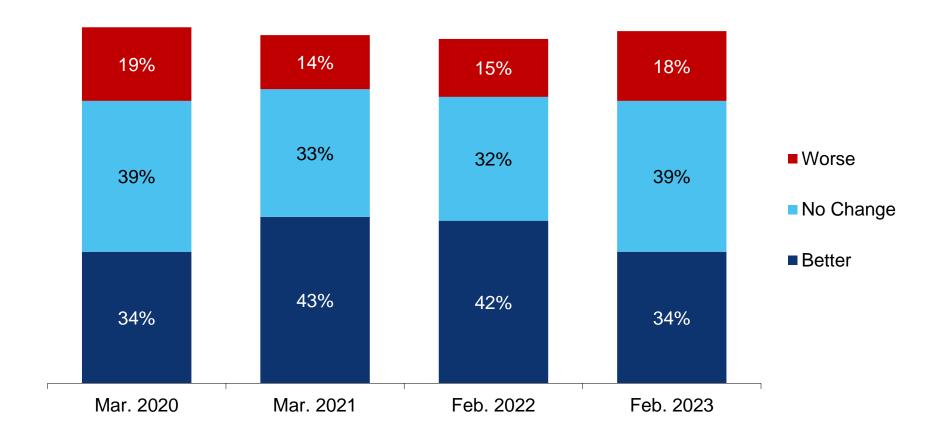
C3. Now looking ahead, do you think that a year from now your business will be better off, worse off, or just the same financially as you are today?

Base: Manitoba business leaders (N=200)



#### **Financial Forecast**

Only one-third expect to be better off at this time next year, a notable drop since 2022



C3. Now looking ahead, do you think that a year from now your business will be better off, worse off, or just the same financially as you are today?

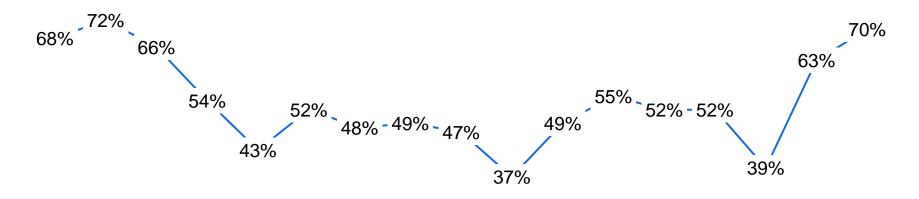
Base: Manitoba business leaders (N=200)



## Difficulty Finding Qualified Employees

#### Seven in ten report having a hard time finding appropriately skilled staff

% of respondents having difficulty finding employees



Those having more difficulty finding qualified workers include:

 Larger and medium-sized firms (82% among those with 50+ employees and 84% among those with 10-49 employees vs. 51% among those with <10 employees).

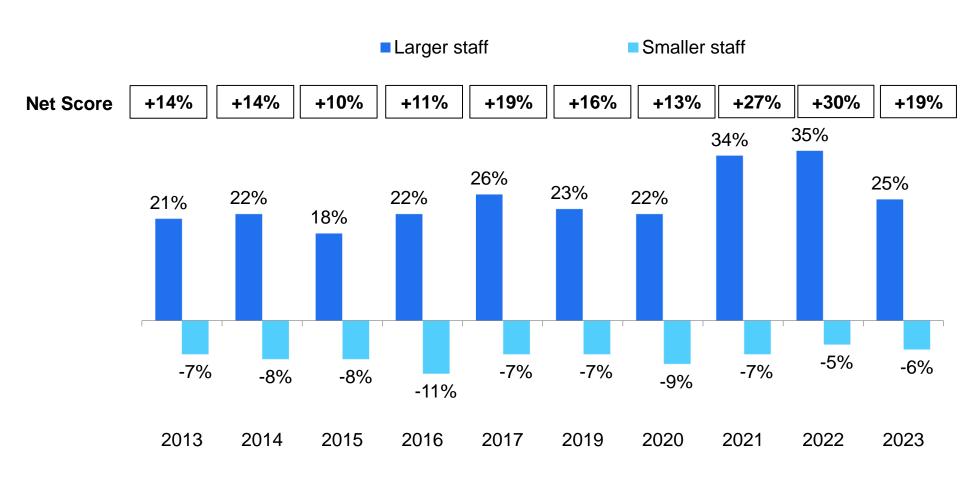
2005 2006 2007 2009 2010 2011 2012 2013 2014 2015 2016 2017 2019 2020 2021 2022 2023

C6a. In the past year, have you had any difficulty finding qualified new employees with relevant skills?



## **Expectations of Increasing Staffing**

Fewer businesses expect to hire more employees in the coming year



 Larger firms are more likely to expect to hire more employees in the coming year (44% among those with 50+ employees vs. 14% among those with <10 employees).

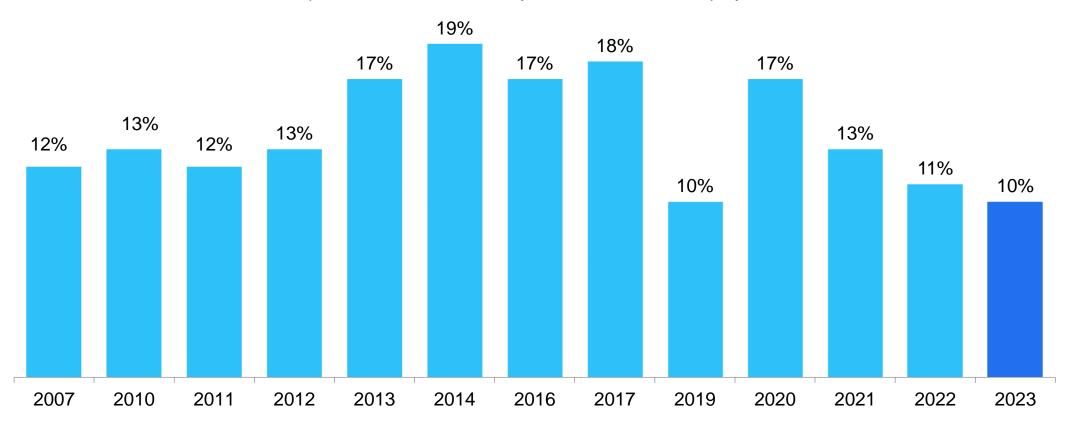
C5. Thinking about 12 months from now, do you expect that the number of people employed by your company in Manitoba will be larger than at present, will you have fewer staff, or do you think your total Manitoba staff will be about the same as it is today by this time next year?



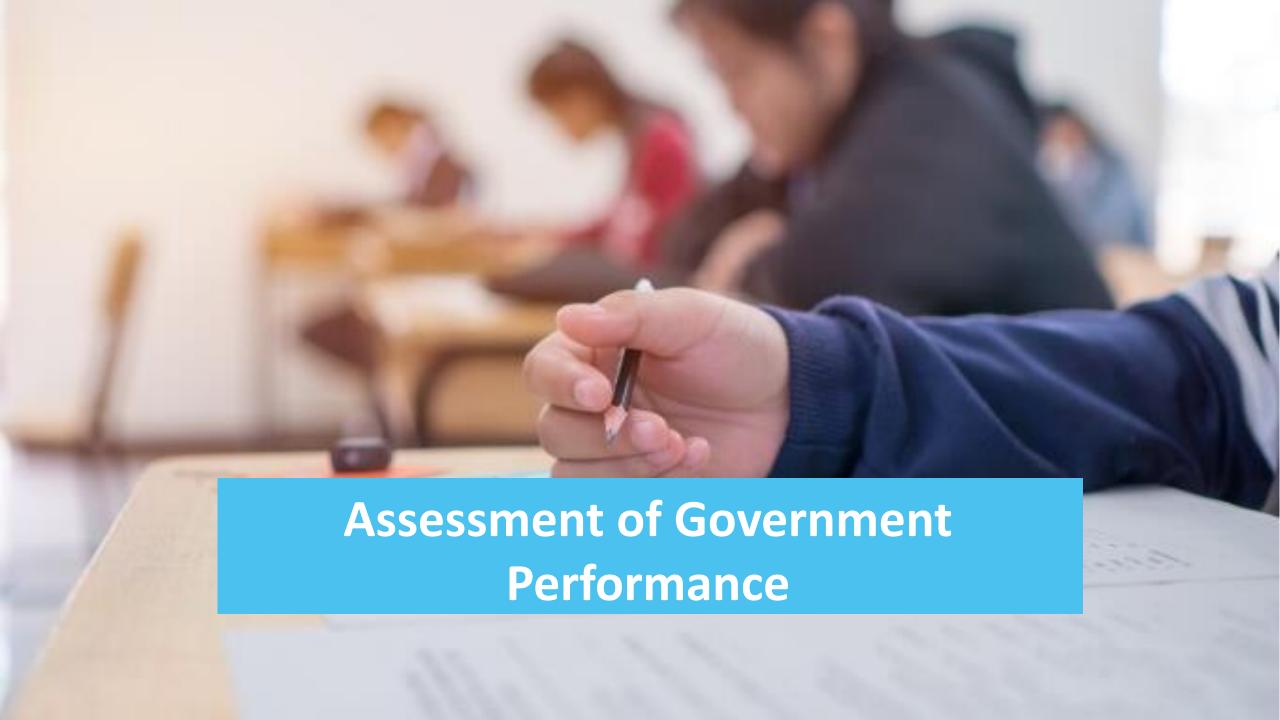
## **Expectations of Layoffs**

#### Only one in ten expect to lay off employees or reduce their hours, stable since 2022

% of respondents who intend to lay off staff or reduce employee hours



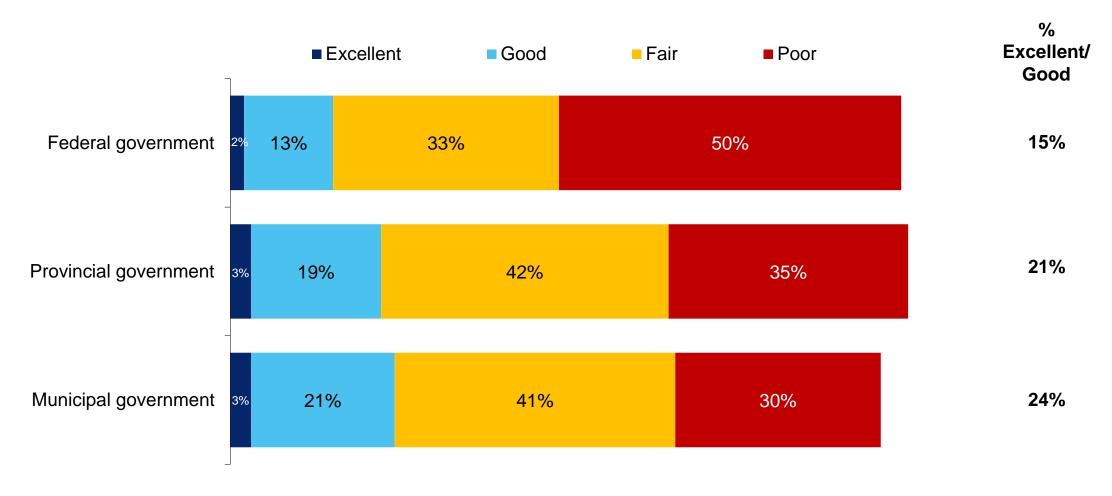
C6. Are you anticipating a need to have layoffs or a reduction in working hours for your staff during the next six months?





#### Views on Government Performance

Business leaders give low marks to all three levels of government, particularly Ottawa



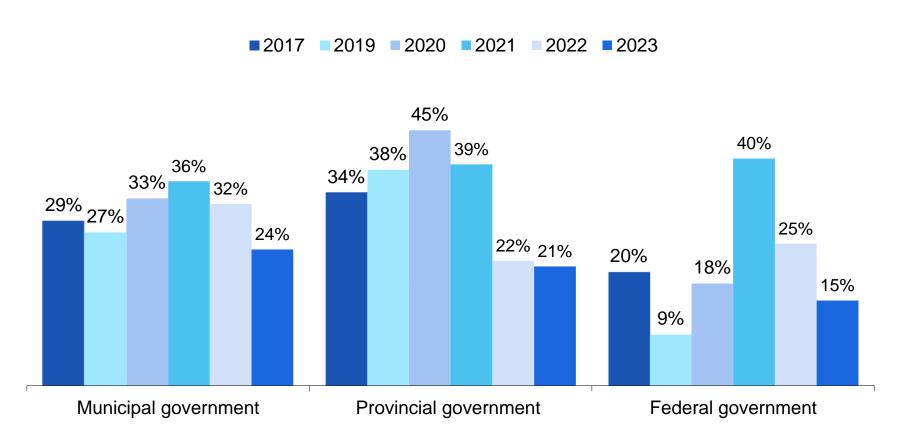
C7. Now I would like to know how you feel the three levels of government here in Manitoba have been performing in terms of creating a good climate for business. First, thinking about the (options randomized), would you say they have been doing an excellent job, a good job, only a fair job or a poor job in this regard?



### **Government Performance: Tracking**

#### Confidence in the federal and municipal governments continues to decrease

% of respondents who say excellent or good



- Those in rural and northern Manitoba are more likely to praise the work of their local municipal government (34% vs. 15% among Winnipegbased businesses who say the City of Winnipeg does an excellent or good job).
- Smaller companies are less likely to approve of the performance of the provincial government (13% <10 employees vs. 28% among those with 10-49 employees) and their municipal government (13% vs. 33% respectively).</li>

C7. Now I would like to know how you feel the three levels of government here in Manitoba have been performing in terms of creating a good climate for business. First, thinking about the \_\_\_\_\_ (options randomized), would you say they have been doing an excellent job, a good job, only a fair job or a poor job in this regard?

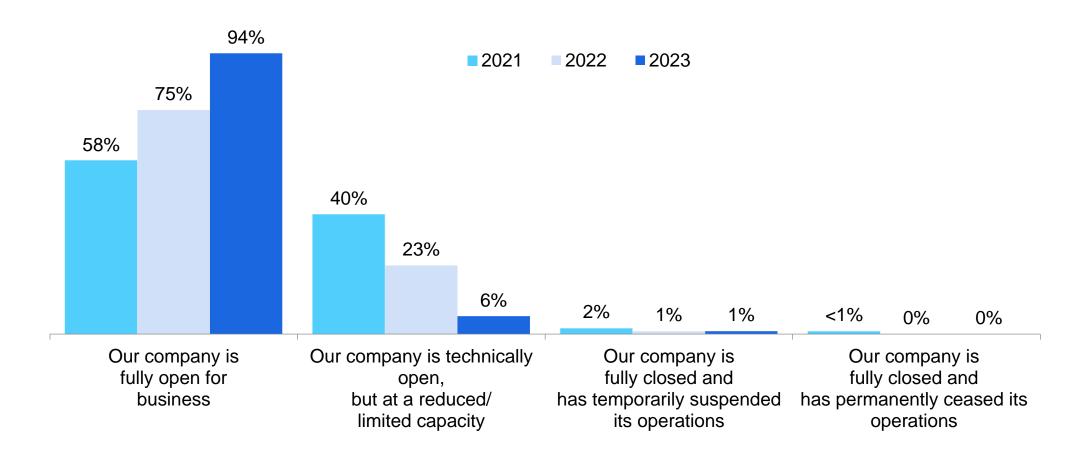




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## Operational Status of Manitoba Businesses

#### Nearly all establishments are fully open for business



C1a. Which one of the following statements best describes your current business situation?



## Comparison of Sales vs. Pre-Pandemic

Nearly four in ten businesses now say their sales are higher than they were prior to COVID-19



Those most likely to report having **higher sales** today include:

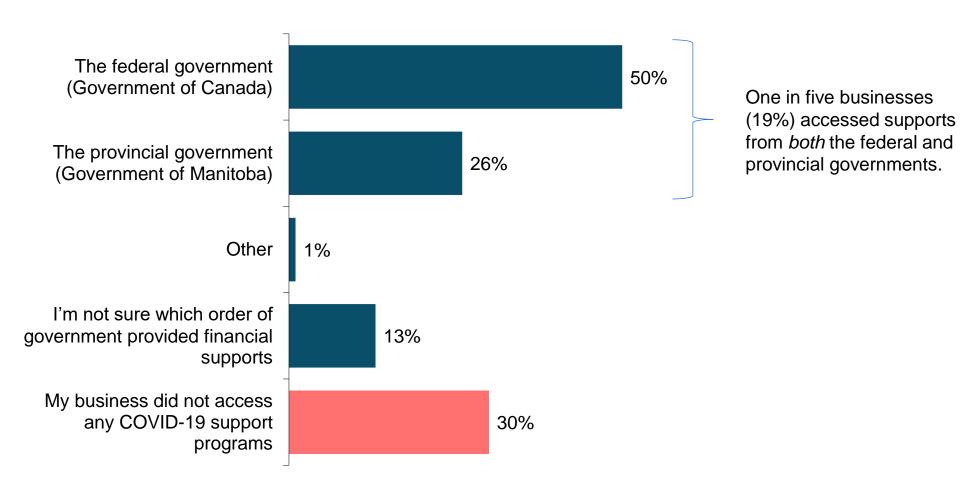
- Larger businesses (46% with 50+ employees vs. 34% among those with <10 employees).
- Manufacturing firms (62%).

C1b. And compared to before the pandemic, would you say your company's current sales are ....



## Access to Financial Support During Pandemic

One in five accessed supports from both the federal and provincial governments

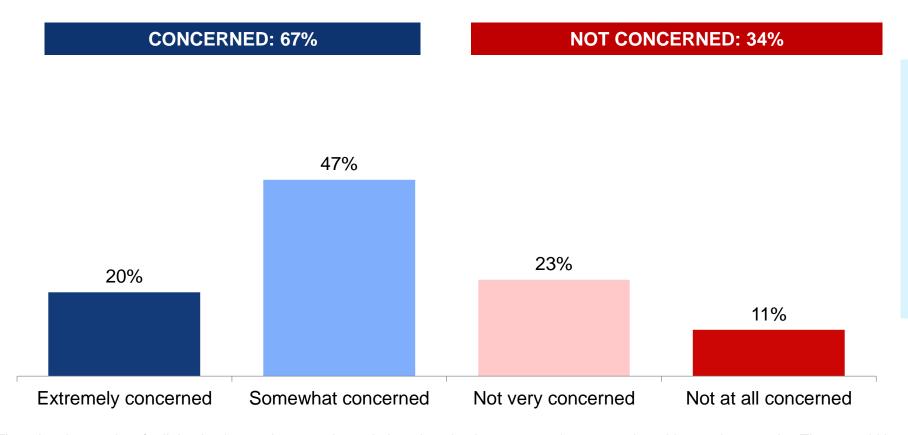


C1a. Did you access any financial supports through the following orders of government during the COVID-19 pandemic? Select all that apply.



## **Concern About Cyber Attacks**

Two-thirds of businesses worry about a cyber security breach, though this worry is muted



Those who are most likely to be **concerned** about a potential cyber attack include:

- Larger firms (79% with 50+ employees vs. 59% among smaller companies with <10 employees).
- Winnipeg-based companies (70% vs. 61% in rural and northern Manitoba).

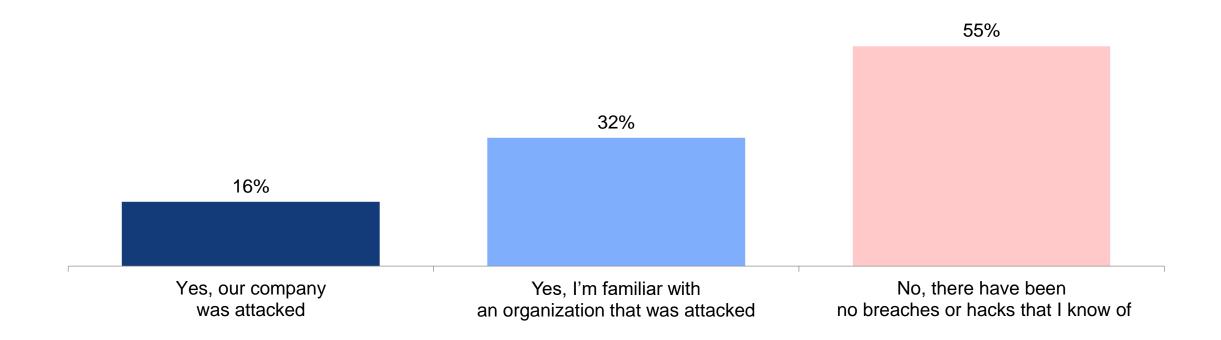
C8. There has been a lot of talk lately about cyber security and about how businesses may be more vulnerable to cyber attacks. These could involve hacking, malware, ransomware or targeted data theft. How concerned, if at all, are you about the security of your company's computer networks and the potential of a cyber attack? Would you say you are...?



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## **Incidence of Cyber Attacks**

Nearly one in five firms experienced a cyber attack, with one-third know of others who were

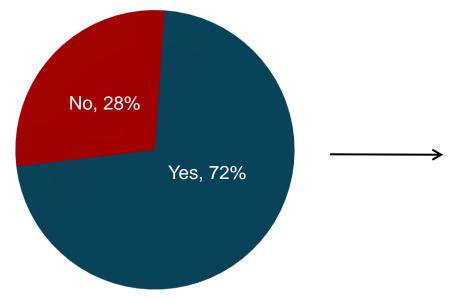


C11. Has your company - or any organization in Manitoba that you are familiar with - been victimized by a cyber attack or hack?



## **Actions Taken to Protect Business Security**

#### More than seven in ten have protected themselves from a potential cyber attack



Those most likely to have **protected themselves** include:

- Larger firms (87% with 50+ employees vs. 59% among smaller companies with <10 employees).</li>
- Manufacturers (85%).
- Winnipeg-based companies (76% vs. 67% in rural and northern Manitoba).

C9. Has your company taken any actions to protect your computer network from a cyber attack?

Base: All respondents (N=200)



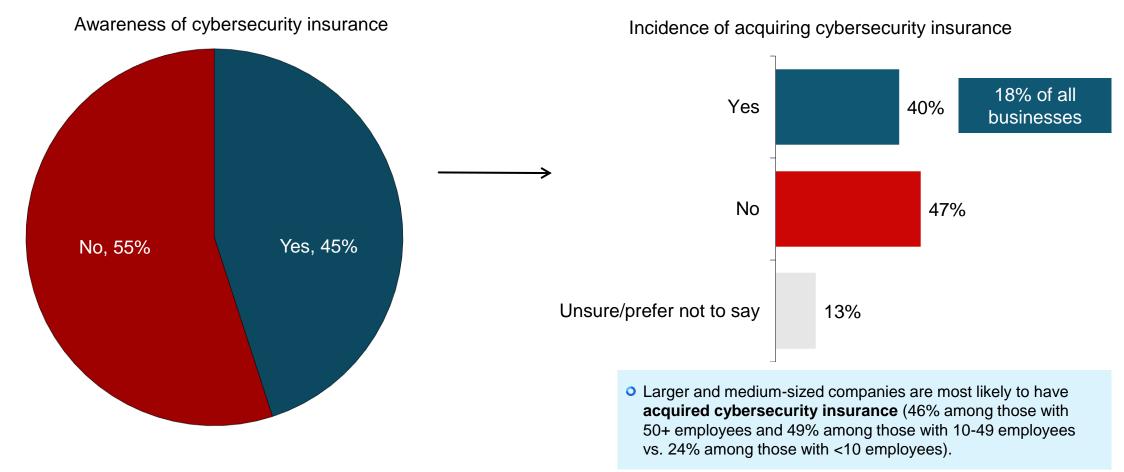
C10. Which of the following actions has your company taken to protect the security of your computer network and your digital infrastructure? (Check all that apply) (RANDOMIZE)

Base: Those who have taken protective action (n=144)



## Awareness of Specialized Cybersecurity Insurance

#### One-half of businesses know about this specialized insurance, with one in five acquiring it



C12. Have you seen, read or heard anything about specialized cybersecurity insurance policies that companies can get to cover or offset the costs of recovery in the event of a cyber attack or hack?

Base: All respondents (N=200)

C12a. And has your company acquired a specialized cybersecurity insurance policy?

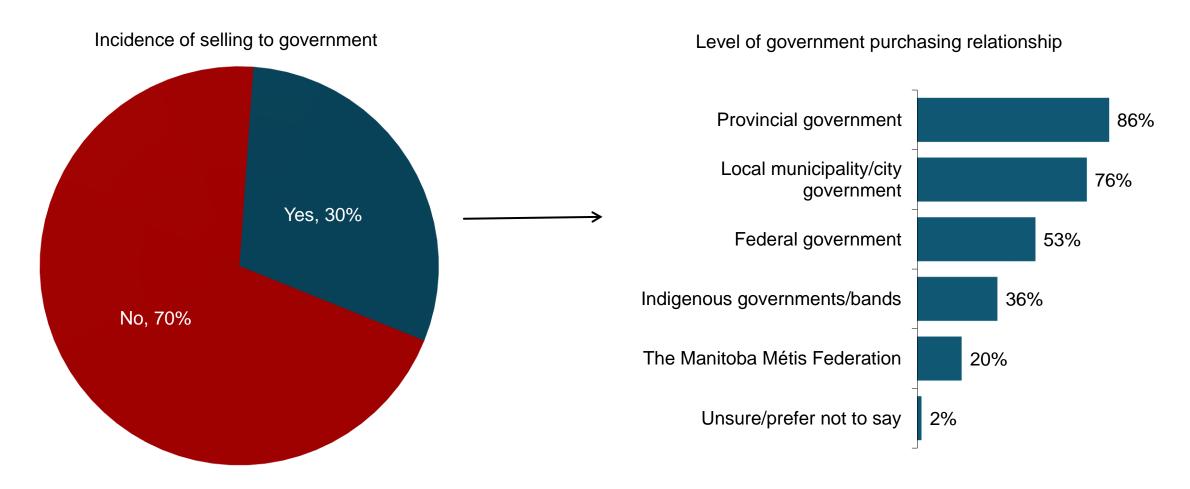
Base: Those aware of the insurance (n=90\*)

\*Caution: Small base



## Incidence of Selling Products or Services to Government

Three in ten sell to government, with the provincial or local governments most likely to be clients



C13. On another topic ... does your company/organization currently sell products and/or services to government?

Base: All respondents (N=200)

C14. Which levels of government do you sell products or services to?

Base: Those who sell to the government (n=59\*)

\*Caution: Small base