

Attention Business/General Assignment Reporters/Editors:

Without paying top dollar for talent, leaders of Canada's fastest-growing companies generating exceptional growth

Fast-growth entrepreneurs more likely to place importance on people for success, but less likely than big business to pay bigger salaries

TORONTO, Aug. 16 /CNW/ - Survey results released today by The Strategic Counsel, PROFIT: Your Guide to Business Success and BMO Bank of Montreal reveal that the leaders of Canada's fastest-growing companies are able to attract and retain the talent needed to generate remarkable growth without paying top dollar. At the same time, while big business is focused on controlling costs to grow the bottom line, the leaders of fast-growth companies are focused on building the right kind of team for success.

Highlights:

The survey of the CEOs and other high level executives whose companies ranked on the 2004 PROFIT 100 list of Canada's Fastest-Growing Companies (which generated average five-year revenue growth of 2,057%) and alumni from previous lists reveals the following highlights:

- Research suggests that fast-growth leaders are more likely than other business leaders to place importance on attracting the right people to their companies.
When asked to rate the importance of factors in keeping a business competitive on a scale of 1 to 7 (1 being "not at all important" and 7 being "very important"), 59% of PROFIT 100 entrepreneurs rated attracting the best staff a 7, while only 52% of Ontario Business leaders(*) said the same.
- Big business leaders are more likely than fast-growth leaders to pay higher salaries.
While three-quarters (75%) of PROFIT 100 entrepreneurs strongly or somewhat agree that "Our company is prepared to pay more in salaries to get the best applicants," this figure is significantly lower than the 92% of Ontario business leaders who strongly or somewhat agree with the statement.

"The leaders of fast-growth companies have been telling us for years that their people are the key to their success," says PROFIT editor Ian Portsmouth. At first glance it may seem inconsistent that fast-growth leaders feel more strongly about attracting the right people yet less likely to pay the big bucks. But adds Portsmouth: "The results of this survey confirm that salary isn't everything when it comes to attracting and keeping the right employees. While every successful growth company is unique, they all tend to offer a particularly attractive working culture that fits high-performing individuals."

Differing approaches to growing the bottom line:

"While bigger businesses tend to take a balance-sheet approach to grow their bottom line, the leaders of fast-growth companies are focusing their energies on creating the right kind of working culture and building the right kind of team for success," says Ellen Eastwood of The Strategic Counsel.

Access to capital is typically seen as one of the key challenges facing entrepreneurs. But the survey results indicate that when it comes to keeping a business competitive, fast-growth entrepreneurs place less emphasis than their big business counterparts on cost cutting:

- PROFIT 100 entrepreneurs are almost three times more likely to see "Attracting the best staff" as critical to keeping a business competitive than "Access to capital at the lowest cost possible" (59% versus 21% respectively).
- Only 23% of fast-growth leaders said keeping costs as low as possible was very important to keeping a business competitive while a whopping 40% of Ontario business leaders said the same.

How we did it:

In May 2004, an online study was conducted with 2004 PROFIT 100 winners and PROFIT 100 alumni from 1999-2003. All respondents are the CEOs/presidents or owner-managers of their respective companies. The margin of error for the total sample is plus or minus 9.3 percentage points, nineteen times out of twenty.

Certain data from this survey has been compared to results generated in a study of the Ontario and U.S. Business Community and Business Leaders, conducted by The Strategic Counsel ("Striking Similarities: Attitudes and Ontario's Prosperity Gap." The Institute for Competitiveness and Prosperity. Working Paper 4. September 2003).

(*) Ontario Business Leaders are defined as those executives (Vice-President and above) who work in one of the 2,000 "top" companies in Ontario or one of the 5,000 "top" companies in the United States.

About PROFIT Magazine:

PROFIT: Your Guide to Business Success, offers news, strategies, tips, interviews and other resources to the CEOs of Canadian growth companies. Each year PROFIT-which currently reaches more than 460,000 readers nationally-hosts a number of events that bring together business leaders in the fast-growth segment and champions the interests of those leaders. PROFIT was founded in April 1982, as Canada's first national magazine geared to entrepreneurs. Visit PROFITguide.com.

About The Strategic Counsel:

Established in 1995, The Strategic Counsel is one of the fastest-growing research firms in North America. The Strategic Counsel provides a full range of research and strategic communications and analysis services to clients in a broad range of sectors, from Internet startups to broad-based Canadian and international corporate clients and governments. For information visit www.thestrategiccounsel.com.

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