

For Immediate Release

Taking Care of Business: The State of Business Succession and Planning in Ontario

March 12th, 2024 – Many employers across Ontario, including in Northern Ontario, will see a change in their owners or leadership in the coming years. Many of these employers have developed succession plans; however, a concerningly large share remain inadequately prepared for this transition. Northern Policy Institute's latest publication explores the state of business succession and planning across Ontario.

NPI partnered with the Ontario Chamber of Commerce and Société Économique de l'Ontario to survey Ontario businesses and other employers about when they expect to undergo a change in ownership or leadership, and whether they have prepared a succession plan. Most business owners surveyed expect to sell or retire within 15 years. This will create opportunities for Ontarians to take over existing businesses, including newcomers, youth, and Francophones.

At the same time, high rates of business succession will require high rates of succession planning. Many employers have not developed succession plans, however, including some that are likely to undergo succession soon. Seventy-three per cent of business owners say their organization does not have a succession plan in place, and approximately one-third of owners who plan to sell or retire within the next five years have no succession plan in place or in the process of being created. Furthermore, although organizations with fewer than 100 employees were more likely to indicate that they expect to undergo succession soon, they are less likely to have a succession plan in place or in the process of being created.

Poorly managed succession is a problem both for the organization itself and for the wider economy. Organizations that struggle with succession are likely to see reduced performance and lost value. This can lead to reduced economic growth, job losses for employees, and reduced options for consumers. Therefore, increasing the number of organizations that adequately plan for succession will be crucial to ensuring that Ontario's successful existing businesses continue to provide employment opportunities, goods and services, and economic growth even as their current leadership departs.

"Economic growth depends on the continued success of existing businesses, not just the creation of new ones" said author William Dunstan. "How we navigate the coming wave of business succession, therefore, will shape our economic future."

Interested in learning more about the state of business succession planning in Ontario? Read the report: <https://www.northernpolicy.ca/taking-care-of-business>

Media Interviews: Author William Dunstan and NPI President & CEO, Charles Cirtwill, are available for comment. To arrange an interview, please contact:

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About the Author:

William Dunstan holds a Bachelor of Public Affairs and Policy Management from Carleton University. During his studies, William learned about the wide world of public policy and developed a particular research interest in economic policy and regional development. Professionally, he has worked in several policy-related roles both in the think tank sphere and with the federal government. Originally from Ottawa, William developed a love for Northeastern (or Central) Ontario and the region's high quality of living during his time as an Experience North intern in 2021.

Martin Lefebvre, PhD, is a true northerner, born in Kirkland Lake and raised in Timmins. After pursuing graduate studies at the University of Western Ontario, he returned to his beloved region. His doctoral thesis focused on institutional investor location preferences in the USA over the past two decades. Martin's research interests also encompass sports analytics, spatial statistics, and location theory. Alongside his contributions to NPI, he imparts his knowledge as a part-time Economics professor at Northern College. In his spare time, Martin enjoys reading, painting, fencing, and watching baseball and Canadian football. With an unwavering passion for his craft and a dedication to education, Martin embodies the spirit of a multifaceted northerner.

About Northern Policy Institute:

Northern Policy Institute is Northern Ontario's independent, evidence-driven think tank. We perform research, analyze data, and disseminate ideas. Our mission is to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts our communities, our province, our country, and our world.

We believe in partnership, reconciliation, collaboration, communication, and cooperation. Our team seeks to do inclusive research that involves broad engagement and delivers recommendations for specific, measurable action. Our success depends on our partnerships with other entities present in or passionate about Northern Ontario.

Based in Thunder Bay and Kirkland Lake, NPI is active in every region of Northern Ontario. During the summer months, we have satellite offices in communities across Northern Ontario staffed by teams of Experience North placements. These placements are university and college students working in your community on issues important to you and your neighbours.