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New Lazaridis Institute report links global growth to success of Canadian technology firms

WATERLOO – What are the core characteristics of high-growth technology firms in Canada? What international business practices are linked to growth? A new report published by the [Lazaridis Institute for the Management of Technology Enterprises](#) at Wilfrid Laurier University, [Grow Global: Key Performance Drivers of Canadian Technology Firms](#), examines these questions and identifies a range of factors linked to the success and growth of Canadian tech firms.

Scratching the surface of the year’s most recent data, the following two business characteristics emerge as being associated with red-hot growth:

- An increase in international sales revenue; and
- Using a cooperation- and reputation-based commercialization strategy that integrates new ideas into an established value chain.

The companies that participated in this year’s study saw growth in their average sales revenue of just over 117 per cent. That’s more than five times the amount most commonly used to describe high-growth companies. It’s the third year that the Lazaridis Institute has released findings examining how Canada’s technology firms grow.

“When you consider that the most commonly used definition of ‘high growth’ is 20 per cent, our firms show an astounding level of performance,” said Lazaridis Institute Research Director [Nicole Coviello](#), Lazaridis Research Professor and professor of Marketing at the [Lazaridis School of Business & Economics](#) at Wilfrid Laurier University. “These Canadian firms — found coast to coast — help us learn in order to help others. So it’s vital that we figure out what they put in their secret sauce.”

The firms in this year’s sample reported that their employee base grew by 91 per cent. Successful older firms (more than six years old) can directly link revenue growth to how they recognize and reward employees. They’re more likely to focus on how employees add value to their organization, not their pay grade. Meanwhile, younger firms with high growth build market traction by engaging with clients early in the new product development cycle. The result? Increased sales and the ability to hire new employees.

Moving quickly to court international clients is also important. The firms included in the study reported they entered global markets within 2.2 years of founding and that their international revenues increased, on average, by 141 per cent. Typically, they knocked on U.S. doors first, with UK and Australia being the next two most popular options. Additional markets are wide-ranging, from Singapore to Spain to South Africa and beyond.

“Considering that 85 per cent of the participating firms generate revenue from outside of Canada, it seems clear that growth means going international,” said Coviello.

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As a token of thanks for participating in the study, firms that provided their names are receiving a set of customized results to help their benchmarking efforts. To learn more about this year's report or future Lazaridis Institute research, please visit us at www.lazaridisinstitute.ca/research.

About the Lazaridis Institute

The Lazaridis Institute is focused on a specific national challenge — the need for more globally competitive technology companies in Canada. The Institute helps Canadian technology companies reach their next level of growth through world-class support in the Lazaridis Scale-Up Program and through a global network of business and technology experts who provide mentorship, connections, and valuable experience. The Institute conducts leading-edge research in innovation, management and disruption in the technology ecosystem. As part of the Lazaridis School of Business & Economics at Wilfrid Laurier University, the Institute is creating direct links between international research, best practices in global scaling, and curriculum to prepare the next generation of business leaders to face tomorrow's challenges in the tech industry. www.lazaridisinstitute.ca

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