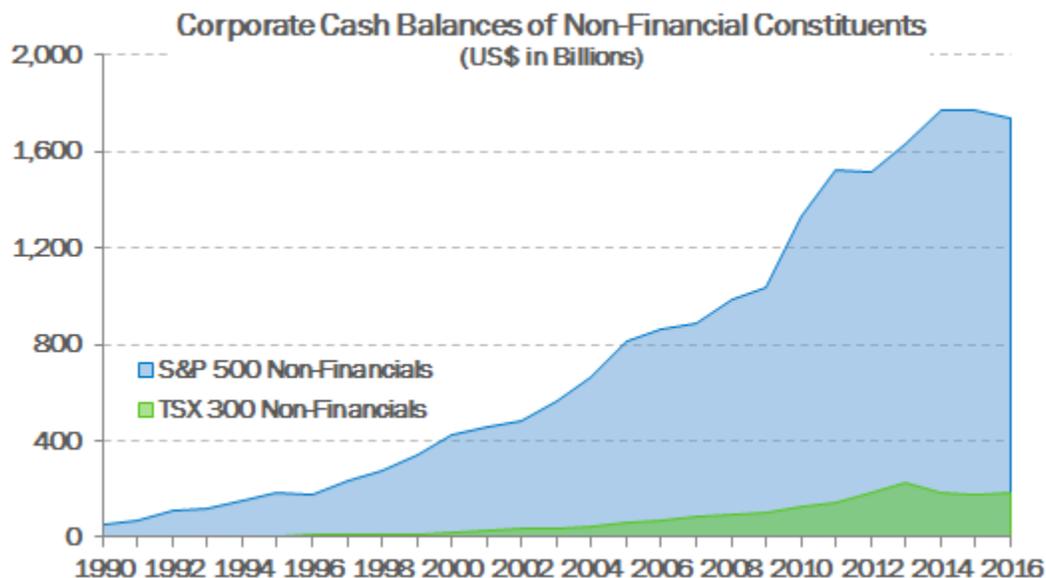


## Valitas Insights: Do 89% of Canadian Business Owners Lack Courage?

Is Corporate Canada sitting on mountains of “dead money” rather than investing it productively? Mark Carney, former Bank of Canada governor, famously stated so back in 2012, suggesting a level of caution amongst business leaders that “could be regarded as excessive”. Carney worried that this excessive caution, or lack of courage, would limit Canada’s ability to compete in the global economy.

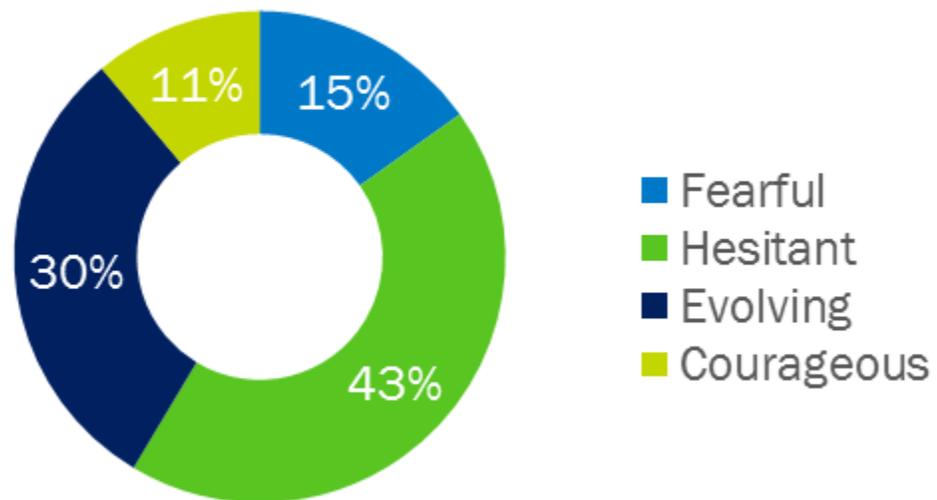


Fast forward to 2016...

Over the past four years, since Carney’s rebuke, have Canadian business leaders become more courageous in their investment decisions? And whether they have or not, is courage actually linked to business success?

According to a recent [Deloitte report](#), the answer to the first question is a resounding no. Canadian businesses still lack courage. To reach this conclusion, Deloitte surveyed 1,200 Canadian business leaders and measured courage based on several core elements including being provocative and challenging the status quo, taking calculated risks and doing what is right. While 44% of those surveyed believed that they were leading courageous organizations, **only 11% were actually found to be courageous.**

## Canadian Businesses by Courage Category



That finding is unfortunate, as the survey also reveals a clear link between business courage and success. Of those surveyed, **courageous businesses experienced higher revenue growth than their more fearful counterparts**. Additionally, fearful businesses were twice as likely to experience revenue decreases. Courageous businesses invested more in innovation and product development and were more likely to hire new employees. The findings suggest that **while courage might not guarantee success, it is an important, even critical component**. Lacking courage, companies fail to make new investments and pursue new ideas and opportunities, settling instead for the status quo and eventually falling behind.

Given the relationship between courage and business success, how does a business owner assess whether he or she is providing courageous leadership? Self-evaluation might not yield success, given the significant perception gap found in the study. While many of the companies surveyed believed they were courageous, in reality, 75% of those were mistaken.

So how do business leaders bridge the perception gap in measuring the courage of their organizations?

Different perspectives play an important role in any honest assessment. Recall the story of The Emperor's New Clothes. Absent the little boy's voice crying out that the



emperor was actually naked, the crowd was willing to just go along. When management shares similar views and lacks diverse voices, bringing in an external perspective can help to bridge the perception gap and accurately assess business courage.

Objective assessment of a company's positioning opens the door for business owners to take the next step in a well-informed manner: mapping out their company's route to business courage. Management, with or without external advice, still faces the challenge of translating the elements of courageous business decision making into a reality. Encouraging a culture of courage throughout the organization with appropriate employee incentives is a powerful tool.

**In becoming more courageous, challenging the status quo and taking calculated risks, business owners increase their growth potential and gain ground on their competitors.**