

PRIVATE COMPANY GOVERNANCE

BY THE NUMBERS

Rotman | The David and Sharon Johnston Centre for Corporate Governance Innovation

\$575B*

Portion of Canada's GDP generated by Private Family-owned companies in 2017

6.9M*

People employed by private family businesses in Canada in 2017

80%*

Companies in Canada are Family Enterprises

67%**

Proportion of Canadian GDP contributed by private companies

50%*

Proportion of private companies that are family businesses.

* Family Enterprise Matters (2019) Family Enterprise Xchange Foundation, pp.7-8. Retrieved from: https://family-enterprise-xchange.com/res/pub/docs/ResearchReports/FEX_2019_Report_Family_Enterprise_Matters.pdf

** Business Development Bank of Canada (2014). Advisory Boards: An Untapped Resource for Businesses. Retrieved from https://www.bdc.ca/en/Documents/analysis_research/bdc_study_advisory_boards.PDF

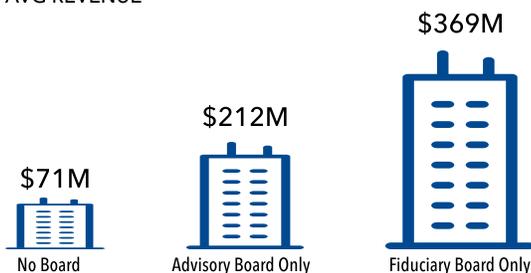
Highlights from our research on Private Companies

1 Family Business Generation Matters to Board Adoption:

PERCENTAGE OF COMPANIES WITH FIDUCIARY BOARDS



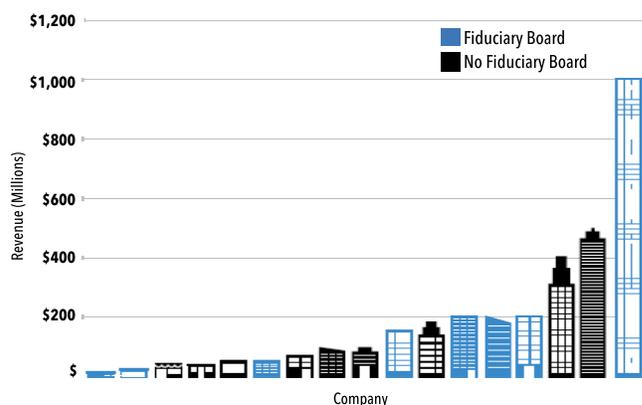
2 Size Matters to Board Adoption: BY AVG REVENUE



3 Governance models are as diverse as companies

We studied 17 different companies of all sizes (see below) and each one had a unique approach to how governance mechanisms add value to decisions. Among these companies, size was not indicative of adoption of formal governance models.

Adoption of fiduciary boards by company size



New Publication
Coming
Q2 2020

Sneak Peek
Board Adoption at 370 Private Companies

50%
No Board

25%
Fiduciary board only

19%
Advisory board only

6%
Advisory and Fiduciary board