

**Issues Ignored or Under-Reported in 2008:
Sectors/Business That Are Thriving Despite the Meltdown;
Harmful Policies at All Three Levels of Government;
Bank-Related Challenges**

**BDO Dunwoody Weekly CEO/Business Leader Poll
By COMPAS in *Canadian Business*
For Publication January 1, 2009**



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1.0 Introduction

With one eye on the past and the other eye on the future, CEOs and business leaders on the COMPAS panel offered their insights into the business issues that were under-reported and not reported adequately. At the top of the list are sectors and business that are thriving despite the meltdown, harmful policies at all three levels of government, and bank ineptitude.

These are the key findings from this past week's Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.

2.0 Top Under-Reported Issues

Table 2 displays a selection of verbatim comments to illustrate the main under-reported business issues.



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*Table 2: Under-Reported Issues¹
 Verbatims Are Bulleted; Non-Bulleted Comments are Summaries*

%	TYPE OF UNDER-REPORTED ISSUE	VERBATIM ILLUSTRATIONS
34	Media positivity because negativity is sowing panic and misleading public and government about appropriate action	<ul style="list-style-type: none"> <input type="checkbox"/> Why do the mismanaged major corporations get the headlines? At the very least there should be comparisons to solid business in the same sector that have made the necessary adjustments [and] not all of them have a history of poor management. <input type="checkbox"/> To be frank, the media coverage exacerbates the whole situation. Believe it or not, there are many of us small business people weathering this 'storm' as we have in the past and will continue to do so in the future. Consumers will begin to regain some confidence, if only the media would start looking for some silver lining... <input type="checkbox"/> A little positive news would go a long way. <input type="checkbox"/> Where are our strengths? <input type="checkbox"/> Companies that prepared for the slow down and are doing well, they do exist! <input type="checkbox"/> The media are too uniformly negative about the economic situation and are partly responsible for self fulfilling prophecies which make our economic situation worse. <input type="checkbox"/> Having faith that things will improve. Everything goes in cycles. There is way too much of "the sky is falling" and fear inducing reporting going on. <input type="checkbox"/> Many publicly traded companies are currently undervalued, and are therefore good buys. <input type="checkbox"/> There are areas in this country that are not suffering the effects of the recession yet. Why? What are they doing differently?

¹ Please tell us one or more business issues that are not being covered by the business media or not being covered adequately.



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18	Government policy risks and errors	<ul style="list-style-type: none"> <input type="checkbox"/> The short term effect a financial stimulus package ultimately has and the potential for more extreme difficulties that will take place down the road if the stimulus package is too great. <input type="checkbox"/> We need new EI flexibility to allow employers to retain staff for four day weeks. <input type="checkbox"/> If taxpayers are footing bailouts, there has to be accountability and transparency. I also believe that top executives should be replaced and salaries slashed and bonuses tied to profitability over long periods. Taxpayers should not pay for bad executives <input type="checkbox"/> The U.S. Federal Reserve. It was their failure to regulate financial institutions that got us into the "sub-prime' mess. <input type="checkbox"/> The media need to review a decade of government tax and other policies that squeezed middle income earners <input type="checkbox"/> City of Toronto, our most important local government, is killing manufacturing through years of poor planning and over regulation. Too late in a recession to turn the corner? <input type="checkbox"/> The Premiers have dropped the ball on imposing sensible national standards for internal trade and not seizing the bull by the horns and requiring transparent tendering for all purchases without exception <input type="checkbox"/> Our company, and we are not alone, pays a significant amount of tax and we are in job creation mode. The media do not address how taking money from job creators to give to failing companies is an effective way of creating jobs that last.
13	Bank-Related Challenges	<ul style="list-style-type: none"> <input type="checkbox"/> What kind of conditions should be attached to loan guarantees? Should the banks be forced to lend or should the treasury take control of the banks and direct lending practices through a legislative approach. i.e. force an increase in consumer and corporate lending to prevent the banks from hoarding cash. Should the treasury create a commercial lending pool and lend companies directly fixed amounts. A stronger more direct stimulus. <input type="checkbox"/> We need to focus more on banks getting money into the system on a prudent basis (just started with Carneys speech yesterday). <input type="checkbox"/> The media should investigate how various financial institutions grant credit and develop a Primer for the general public on what they should be able to afford (housing/auto/insurance/food/communications/entertainment) based on their family income. One of the major problems facing us today is the "I've got to have now" generation and the ease to which credit is granted. <input type="checkbox"/> The importance of pressuring banks to ease credit access for individuals and businesses from government and media. <input type="checkbox"/> Banks' exposure to the meltdown.



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9	Other sectors with challenges	Not enough attention is paid to various industries that have their own unique challenges, including tourism, forestry, agriculture, service, non-auto manufacturing <input type="checkbox"/> Forestry! It's significantly more important than auto - which is a six riding issue. Forestry is a national employer with more jobs than auto and banking combined in this country.
6	West—Eastern-based Media Routinely under-Report the West	<input type="checkbox"/> There are industries in the west suffering just as much as the east! The western "boom" is industry specific! <input type="checkbox"/> Oil industry, impact of low world crude prices on the dollar, and on employment risks in Fort McMurray. Big risk here to our economy. <input type="checkbox"/> Vancouver port strike and its effect on the economy. CFIA and CBSA inspection delays and the cost on the economy.
4	Non-crisis sectors	Insufficient attention is being paid to other manufacturers not involved in or related to the auto, forestry or mining sectors, particularly, mid-sized firms who export their goods.
4	Training	Inadequate training and education for the contemporary needs of the economy
3	Unions	<input type="checkbox"/> The impact of unions on the international competitiveness of Canadian (North American) businesses. <input type="checkbox"/> CAW and UAW must get realistic about wages and benefits as part of a package to enable U.S. North American auto makers to become competitive vs. the import brands. Better 70% of what they now have than 100% of nothing. There is talk about retraining but this only works if there are jobs to go to.
9	Miscellany	Meltdown in China, investor confidence, where to spend infrastructure dollars, changing demographics, bullying in the workplace, the environment

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted December 18 – 19, 2008. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.



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Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of n=138 are deemed accurate to within approximate 8.4 percentage points 19 times out of 20. The principal investigator on this study is Conrad Winn, Ph.D.

