



Building a thriving business community in Atlantic Canada

A report shaped by local business leaders



Private businesses, large and small, are at the heart of Atlantic Canada's economy. Across the four provinces—New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador—the business community thrives on collaboration, working together to make the region a great place to live, work, and enjoy.



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Executive summary

This report summarizes discussions hosted by Doane Grant Thornton LLP, where community leaders from across the region shared their experiences, challenges, and opportunities. It reflects insights from over 200 participants who share a common goal: build on the thriving economy in Atlantic Canada. These leaders represent a wide range of industries including agriculture, fishing, dairy, automotive, transportation, medical, finance, food and beverage, and real estate and construction.

These insights reflect a specific point in time, and some programs or issues may have evolved due to new policies, economic factors, or tax changes. To supplement the insights shared by our leaders, we've included links to updated resources that reflect the latest developments. As strategic advisors, we stay ahead of the changes that matter most to businesses—helping you stay agile, pivot with confidence, and navigate whatever comes next.

Common themes in this report include:



The talent crunch

Attracting and retaining skilled labour came up as a significant challenge businesses face across the Atlantic region. In addition, the demand for greater flexibility is affecting hiring practices, business culture, and operations. Participants highlighted how fostering a positive culture, investing in existing talent, and seeing foreign workers as a strategic advantage are helping to address these challenges. Some also shared concerns about recent changes to immigration policies and their impact on access to skilled labour.



Operating in an evolving economy

Business leaders noted rising costs—related to labour and wages, capital equipment, commercial space and insurance, and raw materials—are significantly impacting their margins. While interest rates are trending down, high borrowing costs continue to make it more challenging to run a profitable business. Participants discussed how investing in their communities and encouraging development outside of major hubs where the cost of living is lower can benefit the region in this environment.



The supply chain strain

During our conversations, many shared concerns about the operational difficulties they're facing because of kinks in their supply chain, such as inventory management and its impact on pricing. In addition, the maintenance and repair of critical manufacturing equipment is often challenged by supply chain issues. With a broader consumer and regulatory focus on sustainable and ethical business practices—as well as nuanced challenges that increased tariffs may have on goods—Atlantic businesses will need to have greater oversight into their supply chain while finding ways to adapt and strengthen them to remain competitive.



Building bridges between government and businesses

Participants shared the most significant challenges associated with government policies includes new regulations imposed on the fishing and automotive industries, impacts of new domestic and international tax measures, and the lack of affordable housing. While some of these leaders feel the government doesn't interact enough with the private sector, rallying the business community under shared challenges can bring a larger voice to the table.



Future-proofing business

Overall, Atlantic Canada is still trying to catch up to the pace of technology and AI adoption in other regions. This slow adoption rate is posing a risk to local businesses who may be lagging behind the competition. In addition, many respondents shared their concerns about what will happen to their business when it comes time for them to retire as their lack of succession planning has created a major challenge to the continued success of their business.



Women in leadership

There was a lot of discussion around the challenges women face in the workplace like bias, inadequate support, and burnout, as well as caregiving responsibilities at home. Participants acknowledged there's been growth, but there's still a long way to go to achieve parity in senior leadership positions.

In our many discussions, we were inspired by the forward-thinking and collaborative mindsets of our Atlantic business leaders. This report provides a comprehensive snapshot of the innovation, resiliency, and vibrancy within our business community and encourages deeper conversations to drive change.

**To protect the privacy of the business leaders who participated in these conversations, all quotes are anonymous. Some quotes may have been edited for clarity and brevity but have remained true to the original sentiment.*



The talent crunch

Finding skilled labour that stays has impact beyond business—including the health and longevity of communities.

Behind every business is people—a business depends on them to operate, deliver, and support growth while carrying out its mission and purpose. But [finding dependable talent](#) is becoming more difficult for businesses across Atlantic Canada as 74% of the region's small businesses are affected by labour shortages, according to a recent report from the [Canadian Federation of Independent Business](#). Almost half (44.5%) of Canadian businesses have experienced difficulties finding candidates who possess the skills needed to do a job at a required level, according to a recent Statistics Canada report. Respondents shared businesses are further challenged by shifting expectations and demands from employees as well as looking outside local talent pools to fill key roles. The impact of these factors stretches beyond the business landscape to affecting population growth and the vibrancy of cities and communities.

Attracting and retaining qualified workers

Overwhelmingly, leaders shared attracting and retaining skilled labour as a significant challenge they face across industries in the region. It's a problem that's been highlighted before by Canadian Manufacturers and Exporters, whose 2018 survey showed the availability of skilled labour being one of the most critical issues experienced by the region's businesses, with 48% of them facing an immediate shortage.



“Being in auto sales, our business is a people-driven business. We have people challenges. Why? Because everyone is looking for people. We’ll have to get smarter to recruit—that’s our job as owners, always recruiting, training, and bringing people on.”



“Atlantic Canadian businesses are facing increased pressure because the local workforce is now being, at times, employed by organizations outside of the region. For example, a local business’ compensation model can look very different from a small business in a small community who may not be in a position to offer competitive pay.”

– Nicole Deveau, Partner, Consulting, Advisory, Doane Grant Thornton



In addition to finding skilled talent, business owners also shared the challenge of retaining key people from the lure of competitors offering higher salaries and more benefits. **Salaries and wages increased by 7.5% as of 2024, according to the [Atlantic Economic Council's June 2024](#) economic update, contributing to significant economic growth and a 3% rise in population.** For some respondents, the salary increase also means candidates are being offered pay that doesn't necessarily match their role.

“The inflation on the labour force and keeping up with pay puts pressure on the bottom line.”

New demands from employees and candidates

Shifting expectations between employers and employees is another hurdle. The demand for greater flexibility is affecting hiring practices, business culture, and in some cases, operations. Candidates want choice in how and when they work. High turnover persists as employees look for new opportunities that address their demands.

Mental health benefits and wellness programs have become a greater focus as people look to follow a new philosophy of working to live, instead of living to work.

They're seeking a greater sense of purpose and want careers that help them achieve it. While this shift was already taking shape, the pandemic accelerated it. It's causing business owners in the region to struggle with building attractive cultures while figuring out how they can afford competitive salaries and benefits.

“How do we bring in the right strategic talent so they stay? Institutions have not stepped up; attraction and retention policies are not there. There's no consistency.”



“Giving people more flexibility to decide is one of the keys to the attraction and retention of top talent. By focusing on employee well-being and mental health support, organizations are enhancing employee engagement and satisfaction—it's part of their employee value proposition.”

– Jillian Tonet, Senior Manager, Consulting, Advisory, Doane Grant Thornton





“It takes longer to find the talent and we pay significantly more than in the past. Without a healthy housing market, we can’t attract people to Atlantic Canada. We are local and have to build where the land is.”

Looking beyond borders

While some industries can look to automation for solutions to their labour challenges, many others still require people to operate technology and have leveraged the Temporary Foreign Workers Program (TFWP). It can help fill the talent gap, but the time and processes required to transfer credentials by Canada's regulatory organizations may create more red tape. Often, foreign workers need to complete evaluations, [language proficiency testing](#), and recertification exams or training to prove their competency. This adds another barrier when there's an immediate need, like in the case of contract or trade work. Insurance can be more expensive if they don't have experience driving and operating mechanical equipment as well. Additionally, leaders brought up the issue of housing foreign workers in Atlantic Canadian communities with limited affordability.

In October 2024, the federal government announced [further changes to the TFWP](#), adding rules that include additional employer requirements related to housing, transportation and recruitment of workers already in Canada. Participants in later conversations discussed how these changes were negatively impacting their business.



“I’ve worked hard over the last few years to take down hurdles to bring in immigrant workers. Now that we have access to skilled workers through that route, we have nowhere to house them. We bought houses from people exiting the community and they are staying longer. I’m working with the government and other business to get affordable housing in place and feeling some progress there.”



“As a business under ownership of the new generation, there’s a spread between older and younger employees that need to come together. We’re looking to close that gap and aware of what policies and procedures can fit for all. We also hire someone who fits the culture over experience and because of that, we’ve reduced staff.”

“We’re considering different recruiting options like retired seniors looking for a second career either full or part-time. New graduates are also great, but they need more training.”

THE PATH FORWARD

Build a positive culture

Attracting and retaining skilled talent continues to be a challenge for Atlantic Canadian businesses, impacting the health, vibrancy, and population of communities. Throughout our client interactions and sessions, it's clear building a culture that offers flexibility and work-life balance isn't a value-add option anymore—it's table stakes. Business cultures that support a positive work-life balance, maintain value-add benefits, and create initiatives that foster inclusivity and belonging are attractive workplaces.

Invest in talent

Creating a retention strategy can help people managers better identify whether a candidate is the right fit early in the hiring stage, as well as develop long-term team relationships. Paying performance bonuses can motivate employees and help them stay as they can share in the success of the organization.

Another idea from our session is investing in employee growth opportunities, like upskilling through technology training to better prepare tomorrow's employees for the workforce of the future. Business owners should also consider creating an HR strategy that ensures valuable skills and knowledge are shared with junior employees by retiring employees.



See foreign workers as a strategic advantage

A multicultural workforce enriches culture and can be a significant value to the employer brand. Some of our respondents shared they've had success working with immigration consultants who can help business owners navigate red tape, as well as with transitioning and training foreign workers. Regarding finding affordable housing for them, respondents said building and investing in properties to keep employees together helped develop a strong community where they felt 'a home away from home', enhancing overall performance and satisfaction.

“A multicultural workforce has been an excellent solution for us. 40% of our team are immigrant workers and they have a phenomenal work ethic.”



“I encourage business owners to look at what makes them unique and develop an employee value proposition to help them recruit and retain talent. What is it that makes your culture really special? If you're unable to match competitive salary rates, then it's about getting creative to show employees what sets you apart from others to brand yourself as a choice employer.”

– Jillian Tonet, Senior Manager, Consulting, Advisory, Doane Grant Thornton

A woman with dark hair in a bun, wearing a bright yellow blazer, is smiling and handing a small, wrapped gift to another person whose back is to the camera. The setting is a rustic interior with wooden shelves holding various decorative items like dried plants and glass jars. The image is framed by a white, hand-drawn style circle.

Operating in an evolving economy

Today's fluctuating economic landscape brings new challenges and opportunities for local businesses

After a tough battle to bring inflation down in Canada, it feels like the economy is entering a new era as interest rates are on the decline and growth is picking up. However, there are increased concerns around the impact new US tax policies could have on the Canadian economy.

For the first half of 2024, the [Bank of Canada](#) reported growth across the country, with a prediction that the GDP will gradually continue to rise based on an expected increase in consumer spending, supported by lower interest rates. But, with shifting tax policies and the continued threat of tariffs between the US and Canada, in 2025, businesses will have to continue to be agile to remain competitive.

Increased costs of doing business

In 2024, businesses in Atlantic Canada faced several challenges amidst the unpredictable ups and downs of the economy. Rising inflation and higher costs, as well as peak interest rates were major obstacles for local businesses. Respondents from our sessions noted rising costs—related to labour and wages, capital equipment, commercial space and insurance, and raw materials—significantly impacted their margins.



“Our biggest issue over the past year has been dealing with the effects of an inflated economy. All of our costs went up—food costs, input costs, labour costs—but there’s a lot of pressure from consumers to keep our prices down.”

Similarly, the Canadian Federation of Independent Business (CFIB) also found that the main cost constraints on business growth are wage costs (71%), insurance (70%), and tax and regulatory costs (69%).

Interest rates and borrowing costs

Interest rates have been declining, which participants are relieved to see. However, the high-interest rate environment has made the past couple years particularly challenging.

Many private businesses relied on business loans like Canadian Emergency Business Account program (CEBA) to get by, and when federally backed loans came due at the beginning of 2024, they were left in a tough position. In the third quarter of 2024, 1,312 Canadian businesses filed for insolvency, the largest third-quarter volume on record since Q3 2009, during the Great Recession.

Although business insolvencies increased 16.2% compared to the third quarter of last year, they dropped almost 15% compared to Q2 2024—which could be a result of relief as interest rates ease. In October 2024, the Bank of Canada cut its benchmark rate by 50 basis points to 3.75%, in December 2024, the rate was cut by 50 points to 3.25% and again by 25 points to 3% at the end of January 2025. This is the latest in the gradual decline from 5% in June 2023. As the economy continues to recover, the Bank of Canada says tariffs from the US could stoke [persistent inflation](#). While the full impact of tariffs isn't yet known, businesses must start preparing for changes that could affect their cash flow, operations, and supply chains. This is especially important for businesses that depend on strong trade relations.



Increased regulatory environment

In addition, taxes and other regulations specific to Atlantic Canada impacted the cost of doing business. Tax rates are generally higher in Atlantic Canada, which makes it more challenging for private businesses to stay competitive. Research by the [Canadian Taxpayers Federation](#) has shown that broad business taxes in every Atlantic province are so high that they are discouraging investment as a result. In [Nova Scotia's 2025 Budget](#), the province introduced several measures aimed at making life more affordable for Nova Scotians, including reducing the small business corporate tax rate and lowering the provincial portion of the Harmonized Sales Tax (HST). This could bring some reprieve.

“Higher-than-average property tax is an issue in New Brunswick where commercial real estate is overtaxed and then must often be passed along to tenants to maintain growth and profitability.”

Productivity gap

Atlantic Canada faces [productivity challenges](#). Compared to our counterparts in the US and other advanced economies, businesses in the region often struggle with lower output per worker and slower pace of innovation. Factors like an aging workforce, limited access to capital, and infrastructure gaps contribute to this productivity gap. Closing it is essential for long-term economic growth and global competitiveness.



THE PATH FORWARD

To overcome these challenges, the Atlantic region will need to see greater capital investment, and [provinces](#) will need to continue to become more tax competitive. Lowering taxes for businesses could result in increased investment and innovation, which could help with attracting talent in the region.

As private businesses continue to face high operational costs, there are measures which may provide some additional financial relief. Along with the long-awaited payment of \$2.5 billion in carbon tax rebates, eligible small businesses in Canada will benefit from reductions in credit card processing fees.

Cultivate community connections

Business leaders noted that, over the past year, they focused on areas of their business where they had more control. For one leader, their commitment to their community helped them get through a recovering economy.

“I want my business to continue to grow in the community we started in and invest in the people that have supported us. Halifax is seeing major growth but there’s an imbalance compared to the communities surrounding the urban hub. As a business owner, I try to not to let short-term challenges affect my long-term vision.”

Foster growth in smaller areas

Many respondents agreed incentivizing growth and new infrastructure outside the major downtown cores will continue to benefit the Atlantic region and our local economy.

“We need to find ways to encourage builders, manufacturers, and business owners to invest in rural communities. It will benefit the region to develop areas that more people can afford to live and work in—and take pressure off the major cities.”



The supply chain strain

Navigating supply chain challenges to remain competitive

Atlantic Canada has long been a bustling hub for trade and commerce, relying on its ports, transportation networks, and close ties to global markets. However, the knock-on effect of the pandemic and global geopolitical unrest, compounded with nuanced risks related to climate change and sustainability concerns, and barriers to inter-provincial trade has contributed to [supply chain disruptions](#) that are creating challenges for businesses across the region.

To function well, supply chains depend on the free flow of goods and services across borders. Any barriers, risks, or added costs to the movement of goods and services will decrease the benefits derived from international supply chains and directly impact the businesses and local economies that depend on trade. Looking ahead to the threat of increased tariffs, Atlantic Canadian businesses must find ways to adapt and strengthen their supply chains to remain competitive.

Challenges for businesses

Atlantic Canada's reliance on imports for many goods and services heightens its vulnerability to global supply chain shocks, like tariffs. Many participants shared concerns about the operational difficulties they've faced because of kinks in their supply chain, such as inventory management and its impact on pricing.

With delayed shipments and unpredictable delivery schedules, businesses are finding it difficult to maintain appropriate inventory levels. Overstocking ties up capital and storage space, while understocking leads to missed sales opportunities.

While inventory issues impact many industries, retail and wholesale trade businesses are among the most challenged. [According to Statistics Canada](#), businesses respond to these difficulties in various ways, with close to half (49.1%) raising selling prices, and over a third (35.8%) finding alternate inputs and holding higher-than-usual level of inventories as a precaution against future shortages (33.6%).

In combination with maintaining inventory, the unpredictability of supply chains complicates pricing strategies. Businesses are hesitant to commit to price adjustments when they can't predict the cost of inputs or delivery timelines. This uncertainty has cascading effects on consumer confidence, particularly in industries like retail, manufacturing, and food processing.


For many businesses, managing customer expectations during supply chain shocks is an uphill battle. Delays, shortages, and increased costs often lead to disappointed customers, damaged reputations, and lost loyalty.

“Supply and heavy equipment takes longer and costs more. If something breaks, getting parts is tough. It's the same problem coast-to-coast.”

But, with an unwillingness to compromise on quality, margins narrow, and the bottom line is negatively impacted.

Supply chain challenges also have a significant impact on the ability to maintain and repair critical manufacturing equipment. In Atlantic Canada, delays on the availability of spare parts are common, as disruptions in global shipping routes and port operations can slow down deliveries. Local suppliers, constrained by limited storage capacity, often maintain minimal inventories, which exacerbates delays during periods of high demand.

To mitigate these issues, businesses can consider strategies such as stockpiling critical components, diversifying suppliers, using predictive maintenance to forecast needs, and collaborating with logistics providers to prioritize shipments. These measures can help reduce the impact of supply chain disruptions and maintain equipment more effectively in the region. However, there may be an upfront cost to avoid higher costs and losses in the future.



*“We cannot pass off everything
to the end consumer. It is our
challenge to solve.”*



Sustainability

Canadian businesses of all sizes and from across a range of industries are increasingly faced with demands to better [manage and monitor their supply chains](#) to ensure their products are being produced both ethically and with environmentally sustainable methods.

ESG considerations are being brought to the forefront of business strategies and operations as a result of demands from internal and external stakeholders, consumers, regulators and law makers. In Canada, many businesses and organizations must now closely examine their supply chain and prepare for new reporting obligations to comply with rules under [Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act](#) (commonly known as the Modern Slavery Act or the Supply Chains Act).

To navigate these rules, long-term solutions will require collaboration among businesses, governments, and industry organizations to mitigate vulnerabilities.

Interprovincial trade

Interprovincial trade barriers limit the free flow of goods, services, and labour within Canada, creating inefficiencies and driving up costs for businesses and consumers. These barriers—ranging from regulatory inconsistencies to licensing differences—disproportionately impact smaller provinces like those in Atlantic Canada. Continued collaboration between governments and industry is key to making meaningful progress.

THE PATH FORWARD

Atlantic Canada's resilience has been tested before, and while the road ahead is uncertain, the region's adaptability and resourcefulness will be key to overcoming these supply chain hurdles. For businesses, adopting strategies to mitigate risks and maintain operational efficiency will be critical in weathering the storm. A key approach is diversifying suppliers, both locally and globally, to reduce dependency on single sources and improve access to goods. Building stronger relationships with suppliers and logistics providers can also help secure priority shipments and navigate disruptions more effectively.



Building bridges between business and government

Overcoming obstacles to develop collaborative relationships

Governments significantly affect how a business conducts business. With the pace of change in federal and provincial governments, the environment has become even more uncertain at the start of 2025.

“Take for example, the government announces funding, but before any monies are received, there’s an election or change in ministers which means restarting conversations on these issues.”

Many respondents agree business owners must proactively and regularly engage with all levels of government and should make it a top priority. Yet 45% of Atlantic Canadian businesses say their municipality is not small-business friendly, according to the 2024 CFIB Atlantic Municipal Report. During our discussions across the region, business leaders shared the most significant challenges associated with government relations included new regulations imposed on the fishing and automotive industries, increasing property tax, and the lack of affordable housing. While some of these leaders feel the government doesn’t interact enough with the private sector, rallying the business community under shared challenges can bring a larger voice to the table.

The impact on local industries

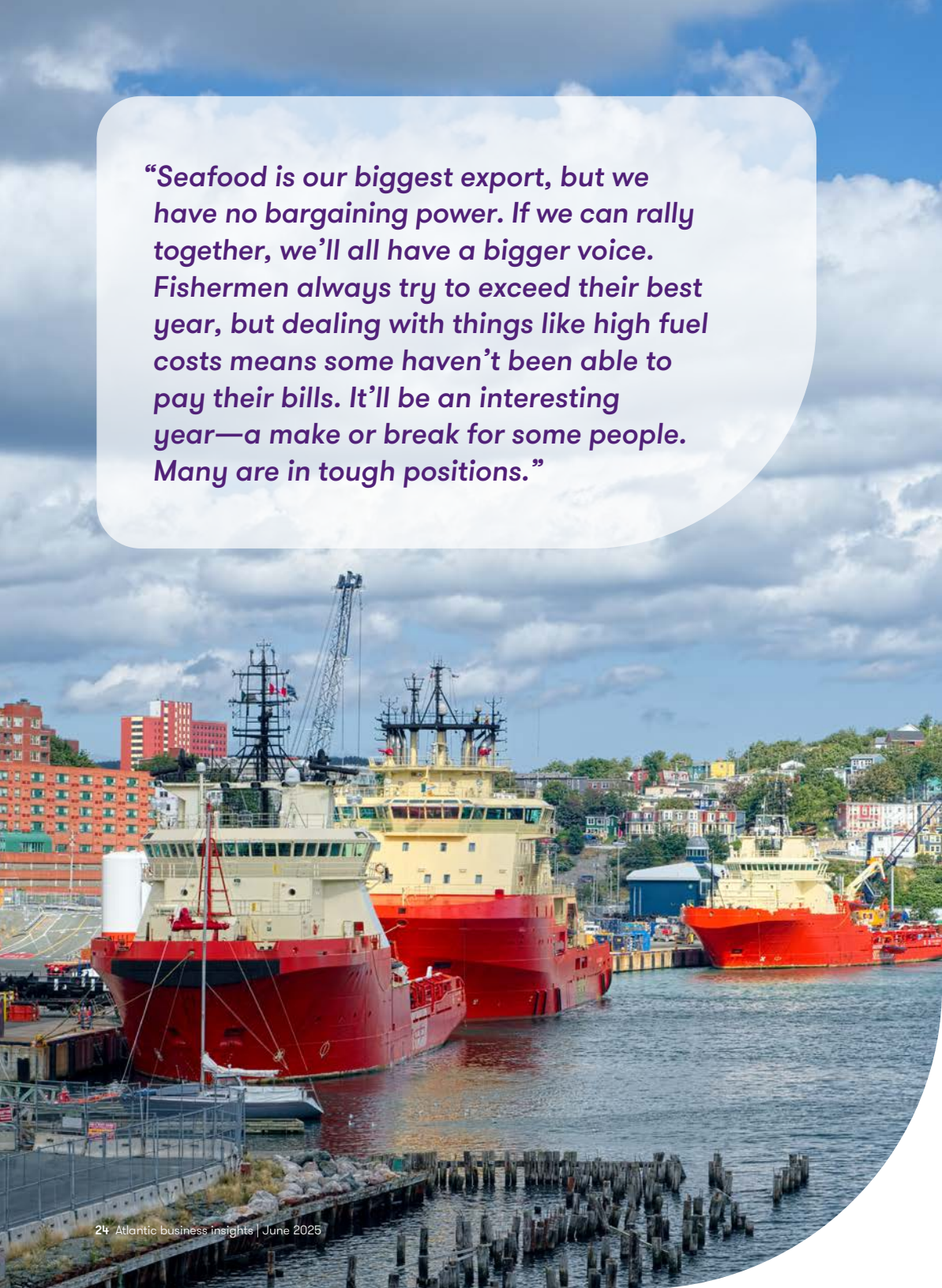
Undoubtedly, the fishing industry in Atlantic Canada is the region’s largest exporter and greatly affected by government legislation and regulations. It’s also severely impacted by climate-driven changes and biodiversity loss causing social, cultural, and economic implications for fishing and Indigenous communities. According to a recent government report, [Adapting Canadian fisheries to a changing climate](#), “these climate-driven changes are resulting in challenges for managing fisheries, such as changes in stock abundance and distribution affecting income, livelihoods and food security for Indigenous, coastal, and marine resource-dependent communities.”

The Fisheries Act that passed in 2022 requires rebuilding plans for depleted fish populations to help bring them back to healthy levels. This year, additional regulations were enforced, including gear marking for all non-tended fixed gear fisheries, ghost gear retrieval, a decrease in the Total Allowable Catch for the 2024 season, and inshore regulations like crew registry and compliance declaration. While many of these steps are imperative to protect, preserve, and ensure the sustainability of our natural resources, they affect business owners, their operations, and employees.

According to [Agriculture Canada](#), the country’s total retail sales of fish and seafood is valued at \$5.4 billion and is expected to increase to \$6.4 billion by 2027. In contrast, employment in the industry is [expected to decline in 2026](#) by 0.4% while employment growth across other industries in Atlantic Canada is expected to grow by 1.8%.

Similarly, the automotive industry in the region is navigating new policies tied to the country’s shift toward electric vehicles. With a 2035 target to phase out sales of new gas- and diesel-powered passenger vehicles, many businesses are facing uncertainty about how to adapt. The transition provides challenges and opportunities, but more clarity and support are needed to help businesses plan effectively.

“20% of vehicle sales will be electric by 2026. It’s an unfortunate example of the government legislating before contemplating. While the technology evolves, consumer adoption is also important and not included in government policies. We’re entering a challenging time in terms of affordability.”



“Seafood is our biggest export, but we have no bargaining power. If we can rally together, we’ll all have a bigger voice. Fishermen always try to exceed their best year, but dealing with things like high fuel costs means some haven’t been able to pay their bills. It’ll be an interesting year—a make or break for some people. Many are in tough positions.”

The impact of high property tax

New Brunswick businesses are paying up to 300% more property tax than homeowners, making the tax rate among the highest in the country, according to the [Canadian Manufacturers and Explorers \(CME\)](#). With that kind of burden, the cost of doing business in New Brunswick is preventing businesses from growing as well as inhibiting job creation.

“Property tax is a unique issue in New Brunswick where overtaxing of commercial real estate costs must be passed along to tenants to maintain growth and profitability. Currently there’s a freeze to increase, but that doesn’t apply when assessments are driven by sale of assets.”

The impact of unaffordable housing

The demand and cost of housing in Atlantic Canada has increased dramatically. Leaders from the real estate and construction industry say they’re unable to make housing affordable due to the increases in tax, supplies, and labour to build. In Halifax alone, approximately 17,500 more housing units are needed but the current pace of construction could mean that amount could more than double to 31,000 units by 2027, according to a [CBC report](#).

Many leaders applauded Nova Scotia’s recent removal of the provincial portion of HST on new apartment construction to help with the housing crisis. Others brought up the idea of re-purposing commercial buildings for residential use. Government support is needed to address affordable housing across the region which is a problem that also affects labour, local communities, and overall growth.

THE PATH FORWARD

“We simply can’t grow at the pace of construction. There’s very few workers and we’re already working 24/7 on builds. How can we get it done faster and affordably?”

From our discussions, it’s clear Atlantic Canadian business owners are unsure of how to deal with challenges that affect so many different aspects of operating a business in any industry. By coming together through shared issues, businesses can have a larger voice to influence government policy decisions and begin building a bridge based on mutual benefits for the private and public sectors.

“Although we’re small businesses and these issues seem large, we can affect change. We met with the premier and 60 developers signed a letter about the challenges we face to building housing. He was amazed at how easy it was to have direction on how to solve these issues with just a letter. We need to use that to our advantage to help key decision makers. We may be small, but we’re nimble.”

Leverage government incentives

A recent report from the CFIB highlights that 53% of small businesses in Atlantic Canada haven’t used provincial employment support programs (ESPs) like wage subsidies and training grants due to a lack of awareness. Yet those business owners who have used the programs in the past year say they’ve seen many benefits including reduced hiring costs and a faster hiring process. Since these types of supports were developed to help ease some of the challenges with labour shortages, it’s worth it for business leaders to investigate them.

Fisheries can leverage funding programs like the Fisheries and Aquaculture Clean Technology Adoption Program to help adopt clean technologies to improve their environmental performance.

Get involved locally

Business owners are encouraged to participate in as many local organizations as possible to build a strong business community and relationship with municipal governments. The CFIB recommends municipalities in Atlantic Canada reduce property taxes through restraint in municipal operating spending, closing the property gap to create a fairer and more balanced property tax system between residential and commercial tax rates, and spending sustainably so that operational budgets do not exceed inflation and population growth. Advocating for these types of recommendations as well as sharing ideas and solutions with the larger business community can help influence key government decision-makers.

A woman with long dark hair is looking down at a tablet computer she is holding. She is wearing a grey sweater. The background is a server room with racks of equipment and blue cables. The image has a blue and purple color scheme with white abstract lines overlaid.

Future-proofing businesses

Running a successful business goes beyond day-to-day operations



“We would see a lot of cases where the owner’s children don’t have the same passion or business acumen, or they simply have no interest at all.”

Planning for succession

Given the unpredictable nature of the business landscape, many local businesses have had to focus on immediate priorities, making long-term planning more challenging. However, a business of any size can’t ignore the opportunities and the competitive advantage adopting new technologies can bring. In addition, many respondents shared their concerns about what will happen when it comes time for them to retire. The lack of proper succession planning has emerged as a major challenge that could potentially impact the continued success of their business.

Succession questions

Over the next two decades, an estimated \$170 trillion (\$124 trillion USD) in assets will be passed down from the silent generation and baby boomers to their family, contributing to “the great wealth transfer,” according to a [report by Cerulli](#). Given that most businesses in Atlantic Canada are privately owned and operated, succession planning is a very common challenge for several business owners we spoke to. Many of them shared that [transitioning their businesses to the next generation](#) doesn’t seem to be happening as seamlessly as they expected.

It’s becoming increasingly popular for millennial and Gen Z children to want to carve their own path rather than take over the family business.

“I’m not seeing a lot of interest in the business from my kids. While it’s my passion, my exit will have to be cashing out.”

Atlantic business owners aren't alone in this—around two-thirds of business owners across Canada have yet to create a succession or exit plan, according to a [2024 HSBC report](#). While many Atlantic business owners acknowledge that succession planning is critical to business growth, innovation, and long-term success, they also recognize that it's a complicated, sensitive, and often emotional process. The same survey found that many business owners actually avoided succession planning because it felt daunting or time-consuming. From choosing the right leader, assessing their readiness, and ensuring they are aligned with organizational goals, there are several challenges to succession planning.

“A major challenge that we face is not preparing for the succession of our leaders early enough. For instance, we have three senior leaders retiring in a similar timeline. We now need to recruit new leaders while being careful not to lose knowledge and experience with the changeover.”

Another major challenge that many business owners pointed out is the timing involved in building and developing a robust succession plan. Succession planning isn't an overnight process and planning should begin at least 10 years in advance of the actual transaction. In addition, there are many complex tax rules and considerations that could affect the profitability of a sale. With other immediate business needs and priorities on a day-to-day basis, succession planning often ends up on the back burner for many Atlantic business owners.

Digital dilemmas

As technology continues to be embraced across the globe, businesses in Atlantic Canada can benefit. To make a real impact, adopting a new technology often requires a significant investment, both financially and the time required to successfully implement it. While this may seem daunting, the impact can be considerable. [In 2024, 28.3% of Canadian businesses surveyed](#) reported new technology and innovation showed positive impacts on operations over the previous 12 months. These leaders agree and have been adopting new technology to stay competitive.

“AI is talked about all the time as it can be amazing, but not if used incorrectly. Regulation and use are a growing concern as well as how to manage and having qualified people who understand it.”

Competing with global giants

With technology making us more interconnected than ever, businesses are no longer only competing with the mom-and-pop shop down the street—they're also competing with businesses in a completely different area code, country, or even continent. A challenge many of the participants mentioned is competing with large multinational corporations, like Amazon or Walmart. While not new to the competitive landscape, what's different now is their ability to reach more customers in a fast and convenient way. Their use of technology is moving the needle for customer expectations, making it difficult for other businesses—especially local businesses—to keep up. Overall, Atlantic Canada is still trying to catch up to the pace of AI adoption in other regions, posing a risk to local businesses.

Cybersecurity

There are many costs associated with new technology. In addition to paying for the technology itself, businesses also need to invest time into research, training, and implementation. Our participants noted a common mistake some businesses make is not accounting for cybersecurity, which is imperative to safeguarding critical assets including data, systems, people, and customers. While this is an added cost, a cyberbreach can often cost much more. Digital threats often go unseen until it's too late, disrupting operations, decreasing investor and customer confidence, and damaging a business' reputation.

“IT security on top of AI is a real issue for small- and medium-sized business. We sell to many smaller businesses who are online, but safety, especially with email, is a huge risk. We must assume they don't have security in place to manage this when working with vendors.”

Succession planning isn't an overnight process and planning should begin at least

10 years

in advance of the actual transaction.

THE PATH FORWARD

While the adoption of new technologies and AI presents challenges for businesses in Atlantic Canada, it also offers significant opportunities. By investing in technology, businesses can enhance their operations, stay competitive in a global market, and address labour shortages. However, it's crucial to approach this adoption strategically by prioritizing skills development, investing in digital infrastructure, and managing risks. Embracing technology not only improves efficiency, it also allows businesses to build stronger relationships with their clients. As Atlantic Canada continues to innovate, the region is well-positioned to turn these digital dilemmas into opportunities for growth and success.

Embracing technology

Though it can be a significant upfront cost to adopt new technologies, it's important to continue to innovate, analyze, and automate business processes to stay competitive. By strategically implementing new technologies, businesses can reduce costs, improve efficiency and customer satisfaction, and stay nimble in a challenging economy.

Many of our participants recognize technology can play a role to help fill in gaps for the demand for skilled workers. One example is cloud accounting software [which can automate manual processes and provide clearer data insights](#).

What we see a lot now is “the need for organizations to invest in growth opportunities for their employees, such as upskilling, as AI and new technology is introduced. A willingness to do this will be key to how an organization bridges any current gaps that need to be addressed.” – Jillian Tonet, Senior Manager, Consulting, Advisory, Doane Grant Thornton



“There’s a big difference between thinking about succession and planning for your succession. You can’t just wake up one day, decide to sell or transition your business, and expect it to be sold in three months. Many business owners underestimate the work, planning, and time it takes to put together an efficient succession plan—but also to build a business that’s ready for succession.”

– Jillian Murray, Partner, Nova Scotia Transactions Leader, Doane Grant Thornton

To offset concerns about technology and AI creating job displacement, business leaders hope to use AI to complement existing roles rather than replace them. [In Atlantic Canada, 84% of businesses that have adopted AI](#) have had no change in employment, and when there was a change in employment, the growth in opportunities often outweighed any losses.

The efficiencies created by technology allow for more time to build new or stronger relationships with customers and clients—something technology can’t replace, and large, multinational corporations can’t replicate for their customers.

Plan for your succession now

Even if you don’t plan on exiting or transitioning your business over the next few years, it’s never too early to start for when you’re ready.

Participants noted that taking time to nurture young leaders early on has helped make business transitions

smoother, as younger managers can stay in leadership positions for a longer period of time. Many business leaders also bring in other guidance—such as a [family enterprise advisor](#). Bringing professional advisors onto your team can help you navigate the complex process of developing a strong succession plan.

Unlocking growth through mergers and acquisitions

In Atlantic Canada, mergers and acquisitions (M&A) can be a powerful tool for future-proofing businesses by expanding their reach beyond regional markets and unlocking new growth opportunities. Strategic deals can help local companies access capital, talent, and innovation that may be limited within the region. They also offer a path to scale operations, diversify offerings, and strengthen resilience in the face of economic shifts. As the business landscape evolves, M&A activity can play a key role in driving long-term competitiveness across the region.



Women in leadership

Creating an equitable path



“We now have women welders and women in trades in general. It’s a profession where they can have a great quality of life, but we can do more to make it more accessible.”

Women are shaping the future of business as owners, leaders, and employees at all levels. They’re continuing to break through harmful stereotypes and prejudices as trailblazers creating an equitable environment where everyone can belong. **Approximately 50,400 self-employed women business owners currently exist in Atlantic Canada—over 73.2% of them (36,900) are solo entrepreneurs, according to the [Centre for Women in Business](#).** Across private sector businesses in Canada, majority women-owned businesses accounted for 19.6%, according to a recent report from [Statistics Canada](#). In our regional discussions they talked about the challenges women face in the workplace like bias, inadequate support, and burnout, as well as caregiving responsibilities outside of the workplace.

“Women still have more responsibilities than the male workforce.”

The impact of bias and inadequate support

Women bring different things to the table like empathy and vulnerability—it’s how they lead and want to be led. While critical to creating a positive culture, some workplaces and even industries do not foster environments that value such qualities. In our conversations, many women shared experiences with bias in the workforce as well as the challenge of trying to find mentors to support their goals. Others said there’s been a noticeable generational shift as women in leadership roles have previously had to adapt to the traditional way of doing business but now millennials and Gen-Xers rising into leadership roles are making work more human-centric.

The impact of burnout and caregiving

Women are more likely to be unpaid caregivers in addition to holding employment in part-time or full-time roles. The emotional, mental, and physical toll is overwhelming for many and can even have health consequences like exhaustion, anxiety, and depression. The impacts of these health-related symptoms are greater for women caregivers where 62% feel tired compared to 48% of men, 50% feel anxious compared to 37% of men, and 20% feel depressed compared to 15% of men, according to [Statistics Canada](#). It's all leading to an increase in burnout because of inadequate support like the need for flexible working arrangements for women juggling multiple roles. Over 71% of Canadians have considered quitting their jobs due to burnout or stress with 32% actually quitting and more likely to be women, says the [Canadian HR Reporter](#).

“Being a woman who went through it, I worry about new mothers because businesses need to be providing them with flexibility.”

Caregiving doesn't only include children—many women care for co-dependent adults and seniors with long-term conditions or disabilities. In 2022, women who were unpaid caregivers for care-dependent adults

provided 10 hours of care compared to 6 hours for men, according to Statistics Canada. The responsibility of caregiving requires greater flexibility from employers as many women need to adjust their working schedules to accommodate. About 7% of caregivers had to reduce their weekly work hours in that same year and 5% couldn't hold a paid job.

“Flexibility benefits talented working women who carry the burden of caring for children, a household, and aging parents—often all at the same time.”



“At one point, I asked, do you feel you need to ask permission when it comes to things like flexibility and leading differently? It was interesting because respondents felt like at one point in time, they needed to, but now there's been an evolution where they don't ask for permission anymore.”

- Nicole Deveau, Partner, Consultant in Advisory practice, Doane Grant Thornton



THE PATH FORWARD

According to our 2025 [Women in Business](#) report, nearly 35% of women hold senior management roles in Canada. If the trend continues at this pace, mid-market businesses may not reach parity until 2051. Clear paths to parity, supporting women at various stages of their careers, and learning from other businesses have been identified for businesses to leverage. These include setting clear goals for women to progress, providing support and coaching opportunities, and identifying best practices with other industry leaders.

While women are finding strategic ways to build more equitable futures for themselves in the workplace, ultimately, outdated systems still need to change. Nicole Deveau shares this advice to women:

“You need confidence, even if your leadership style is different than the ‘norm.’ It may mean that you also need to understand the organization that you’re working for and how things get done so you can meld your style and approach in that organizational context. That can help you figure out how to integrate and carve your own path. Your path doesn’t have to look like everyone else’s. Find a good mentor or community to support your goals.”



A group of five diverse people are working together in a kitchen. On the left, a man in a blue plaid shirt and red apron is smiling while serving food with a spoon into a small white bowl held by a man on the right. Behind him, a woman in an orange shirt and white apron is also smiling. In the center, a woman in a light green shirt and white apron is smiling. To her right, an older woman with white hair, wearing a blue shirt and red apron, is smiling. On the far right, a man in a red and blue plaid shirt is smiling back at the man serving him. They are all wearing aprons and some are wearing gloves. In the foreground, there are large metal pots and a tray of food. The background shows a kitchen setting with shelves and a coffee machine.

Working together

The power of community

Together, we can continue to elevate Atlantic Canada's business community, encourage new investment, and compete nationally as well as globally. The region is evolving, according to a 2024 report by [Public Policy Forum](#). Noticeably younger and more diverse than it was just a few short years ago, business engagement in research and development across all four provinces is on the rise. Year after year, Atlantic Canada is becoming a hot spot for investment, with more educated and skilled workers moving to the region, and consistent improvements to employment rates and life satisfaction.

These opportunities are amplified when the business community comes together, and we're looking forward to following these conversations in 2025 and beyond as new governments come into play, advancements are made in technology, and the business community continues to collaborate. Through facilitating the discussions with local leaders, our advisors were inspired, energized, and eager to support the many incredible businesses that contribute to the vibrancy of the region. Respondents noted that working together as a business community is the best way forward.

We're closely monitoring policy changes and can help you navigate challenges and unlock opportunities. Visit our website for updates and reach out to your advisor for support. For more than 85 years we've helped Atlantic Canadian businesses grow, transition, and thrive—and we're just getting started.



“We have to come together and work on a long-term vision. We’re all struggling with the same challenges, competing for the same talent, and investing in the same community.”



“Atlantic Canadian business leaders are defined by their resilience, creativity and dedication to building businesses that are both strong and enduring. This grit drives innovation and opportunity for so many. And for a region that is relatively small in population, we continue to punch far above our weight class. One of the most rewarding parts of my role over the last 29 years with Doane Grant Thornton has been working with, and being inspired by, so many of these exceptional leaders. Atlantic Canada is a great place to call home and to build businesses that contribute so much to our region and compete, and win, on a national and global stage.”

- Heath Moore, Regional Managing Partner, Atlantic Canada, Doane Grant Thornton



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