



CENTRE FOR  
Canada's Future

# THE TRILLION DOLLAR QUESTION

How to survive and  
thrive in Canada's  
post-vaccine normal?

E-BOOK • **MAY 2021**





# MESSAGE FROM THE AUTHORS

Who knew a year or so ago all that we'd be asked to do. And who knew a year or so ago all that we would be capable of when tested. When push came to shove, we managed businesses from our kitchens, schooled children in subjects we hadn't touched in years, and pulled together as a society to meet an extraordinary array of needs.

With the vaccine rollout underway, the question now is not whether we will get through the crisis – we will – but what Canada will look like after it abates. Crisis impacts, vaccine hesitancy and unforeseen events still to come mean we now need to picture a future in a world that has opportunities, but which will be quite different from the world we left in 2019.

This really is the trillion dollar question – well, \$2.3 trillion if you look at our latest GDP figures. Ensuring a prosperous future for Canada in the post-vaccine era rides on capturing the full value of our opportunities.

Doing so requires looking two steps ahead. As was newly pressed upon everyone over the last year, personal health, business health and societal health are all tightly interconnected. To plan effectively, leaders must consider second-order effects with the same care as first-order ones. But when events on the ground change daily, it's hard to look six months ahead, never mind a year or more.

To assist with planning, BCG's Centre for Canada's Future launched a comprehensive research programme. Our goal was to gather a variety of perspectives on how Canada can survive and thrive in the post-vaccine normal. Through leadership interviews, surveys and workshops, we captured hundreds of inputs, then distilled what we've learned into six priorities for the next 18 to 36 months.

There is much we still don't know, of course, and the situation continues to evolve. But we hope our findings contribute to understanding what the near future holds for Canada and how we can make that future a good one. It's a conversation that engages all of us and we look forward to continuing it with you.

Sincerely,

## WHAT WE DID



### 1 QUESTION

How can Canada survive and thrive in the post-vaccine normal?



### 50+ INTERVIEWS

CEOs, senior executives, thought leaders across Canada and abroad



### 175+ RESPONSES

Cross-Canada business leader survey



### 5+ WORKSHOPS

Executives, officials, BCG alumni, students and others

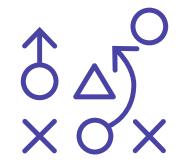


# EXECUTIVE SUMMARY



## WHAT WE HEARD

Our interviews surfaced three main themes. The first is that the pandemic massively accelerated some precrisis trends—for instance, one CEO told us the crisis spurred five year's worth of digital adoption in less than one year. Second, Canadian leaders are brimming with ambition to seize opportunities created by the pandemic, such as digital transformation. And third, as illustrated by many aspects of Canada's pandemic response, success in the postcrisis period will require government, business and society to work together on shared problems.



## NO REGRETS PLAYBOOK FOR THE 2020s

The leaders we spoke to had many ideas for their businesses and for our nation overall. We distilled them into six actions that we call the “No Regrets Playbook for the 2020s.” They include redoubling efforts to advance high-priority precrisis initiatives and acting with equal conviction to build on the rapid adaptations made during the crisis. Our ability to make swift and bold changes creates optimism that we can—with the right will and leadership—adapt our economy to the net-zero world and the altered expectations of Canadians. Finally, our interviews highlighted the importance of enabling resilience, from societal cohesion down to our supply chains.

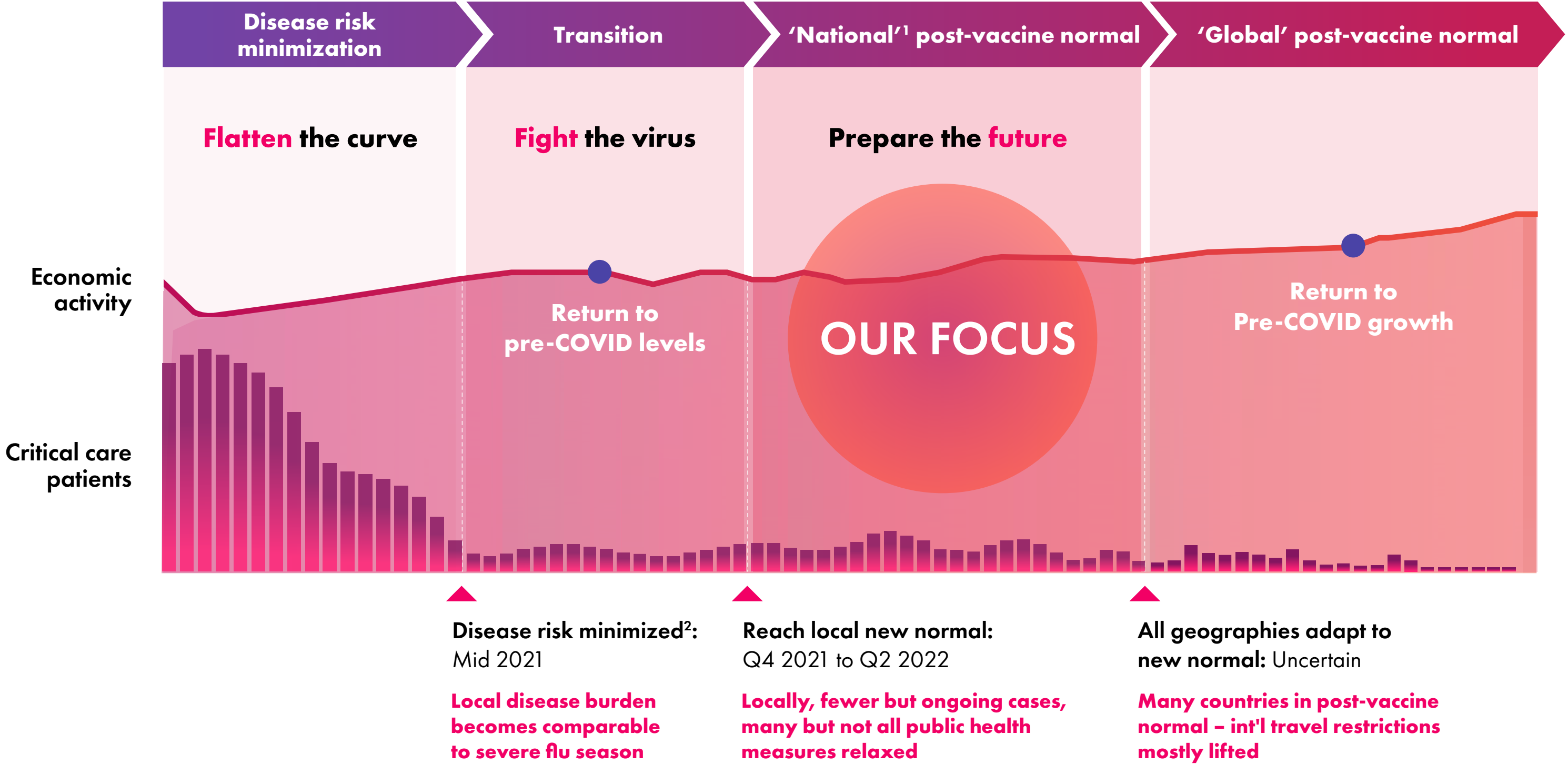
One thing that struck us as we discussed the playbook with participants was its wide applicability to individual organizations, Canadian business in general, and Canada overall. It's a no regrets playbook with resonance for all. And it is one that is eminently doable, positioning Canada for future opportunities even as we continue to deal with the aftershocks of the crisis.





# Our focus is the 'National Post-Vaccine Normal' phase

Illustrative global view – will vary significantly by country, low/middle income countries will lag



**Note:** Transition to "new normal" will vary greatly by economic sector and geography; 1. Some geographies will transition to the new normal before others depending on a variety of factors (e.g., % of population vaccinated) 2. Disease risk minimization dependent on the share of vulnerable people that get vaccinated

## THE TRILLION DOLLAR OPPORTUNITY

The post-vaccine normal is when the critical decisions that shape Canada's long-term future will play out. This is the period between 2022 and 2023, after current disease-risk mitigations, but before we've reached the global end of the pandemic. Despite the day-to-day imperatives of managing the pandemic in its current phase, planning ahead for this critical period is essential.

We call this period the "national post-vaccine normal" because Canada will still be in transition. If vaccine hesitancy persists, we will have put the worst of the crisis behind us but we will still be far from a return to 2019. Health concerns, social distancing and some public health measures will be with us for some time. The world will also be in transition. With several billion people globally awaiting their turn for vaccines, public health measures at Canada's borders are unlikely to disappear any time soon.

Risk management will remain an ongoing priority during this period as will strategic vision, and it's why detailed trend analysis is so important.



# 3 Chapters to share with you



What we heard



Deep dives



Actions to shape  
our future



# Chapter 1: **WHAT WE HEARD**

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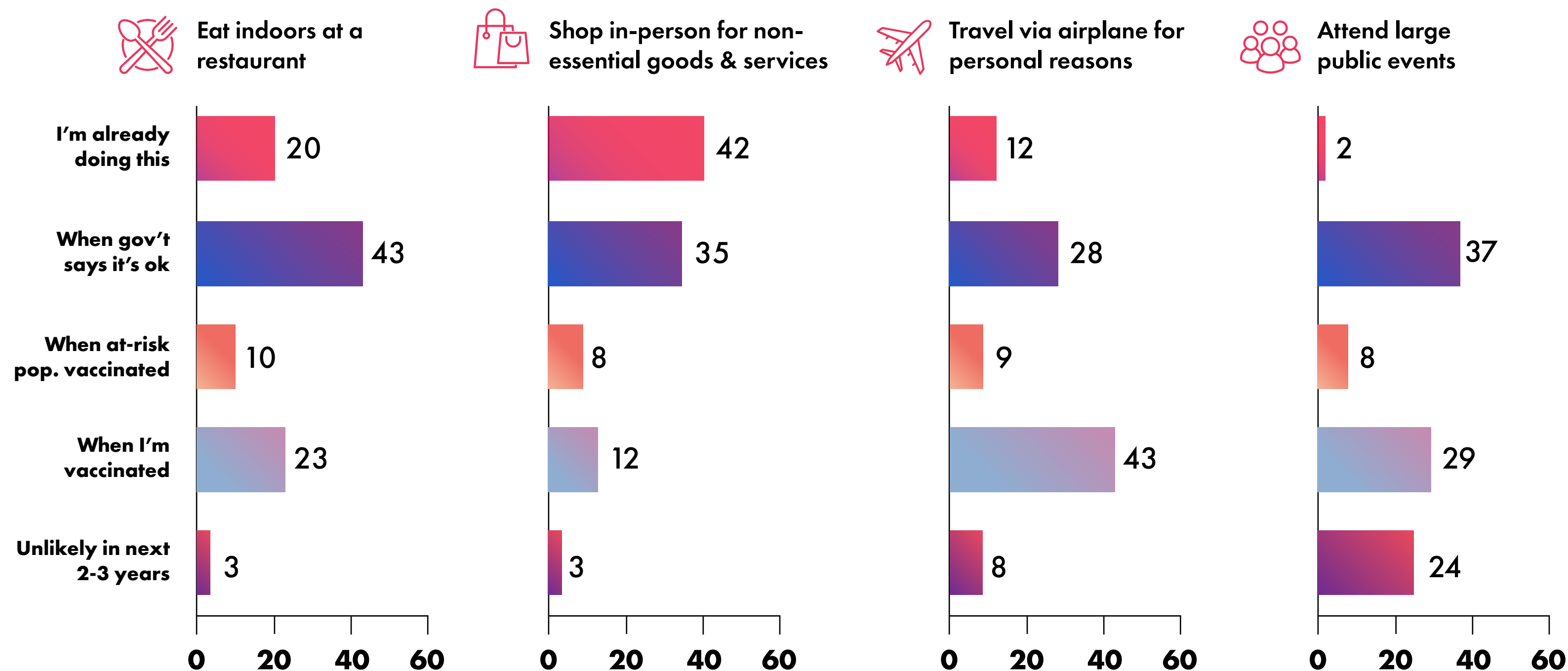




# Personal life: Many pre-C19 consumer behaviours will return

Though some activities will return faster than others

When do you think you will do the following activities? (% of respondents)



**Note:** Sample includes mid- and senior-level business executives and professionals across Canada  
Source: BCG Centre for Canada's Future Business Leader Survey (Feb-May 2021, n=178)

## NORMAL WILL RESUME AT DIFFERENT SPEEDS

Many Canadian business people hope to resume the life they enjoyed prior to the pandemic. But the rate at which they'll do so varies widely based on personal comfort with perceived risks.

Indoor restaurant dining and in-person shopping have the most respondents ready to spring back. Some are already doing so. But more than one-third prefer to wait until public health measures are lifted, and significant minorities plan to hold off even longer.

Personal airline travel is unlikely to rebound until vaccinations are widespread. Once that occurs, however, over 90 percent plan to pack their bags and travel again, be it to visit family or make up for lost vacations.

Attitudes to large public events remain downbeat. Even after vaccination, a quarter of respondents said they won't be comfortable attending large gatherings. Concerts and productions over Zoom may endure well into the post-vaccine era.

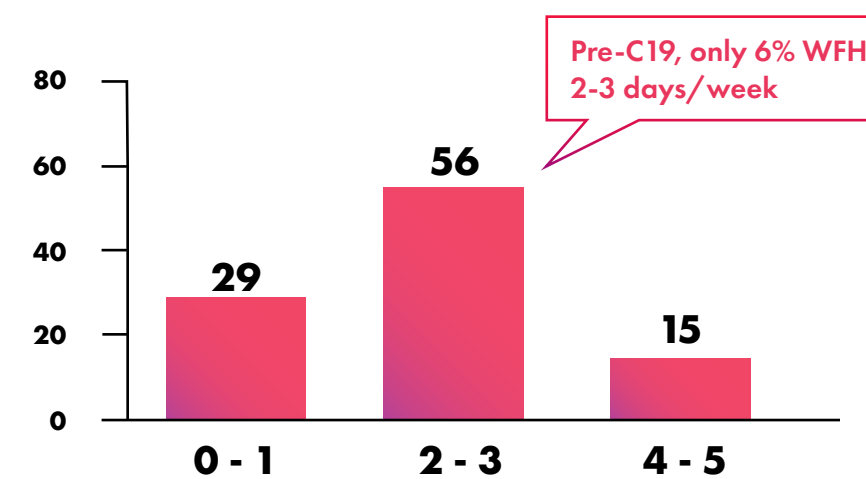


# Work life: Big changes coming to post-vaccine workplace

Big implications for service volumes, downtown/suburban locations as more time spent at home

## WFH will stick for half the work week

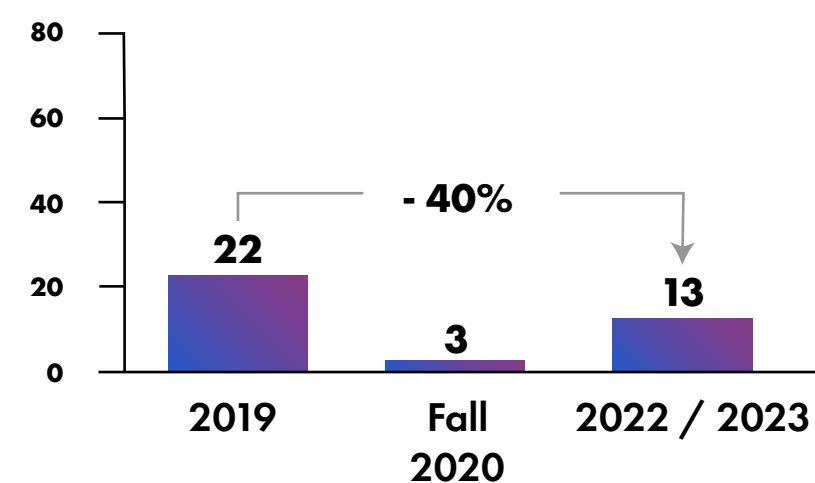
How many days per week will you work from home in 2022-23? (%)



Almost three quarters of respondents plan to work two or more days per week from home, a shift that would slash unproductive commuting hours and enable greater labour force participation. For employers, the shift raises questions on the best ways to adapt training and development and build culture and affiliation.

## Commuting via public transit will decline

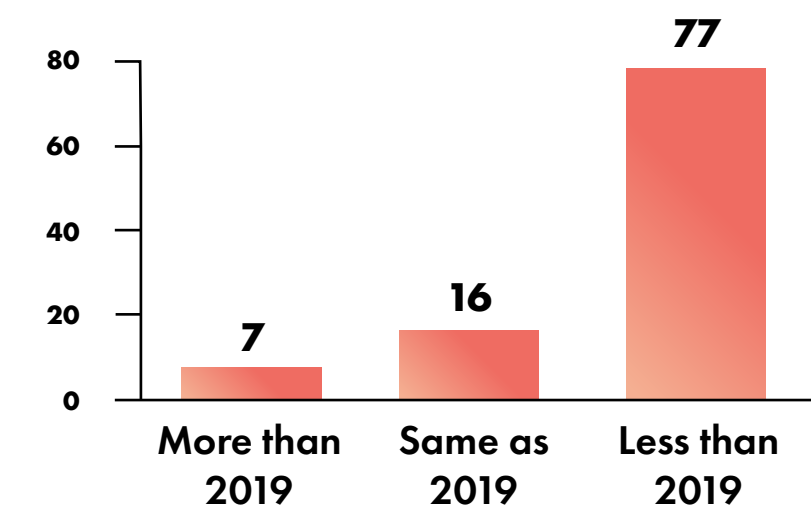
How did you commute to work Pre-C19 and how will that change? (% saying public transit)



One sustained impact of the pandemic appears to be lower public transit ridership as more Canadians opt to commute by car or work from home. Reduced passenger numbers will have major revenue impacts on transit systems and retailers that serve train and bus riders.

## Business travel won't come roaring back

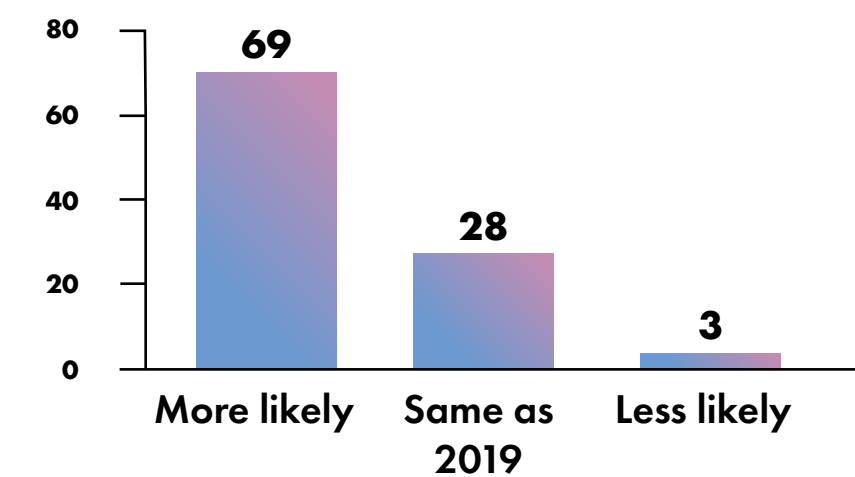
How much do you anticipate traveling for business in 2022-23? (%)



Over three quarters of respondents expect to travel less for business. Many enjoy the prospect of spending more evenings at home and less on the road and find virtual meetings to be as or more productive than in-person ones, given travel cost and time.

## Businesses more open to remote hires

Compared with 2019, how likely is your org to hire staff in remote locations? (%)



Employing remote workforces is no longer just a pandemic fix, but a way to give organizations access to a broader pool of talent. While few plan wholesale job relocations, leaders see hybrid models as an attractive model for companies and employees alike.

**Note:** Sample includes mid- and senior-level business executives and professionals across Canada

**Source:** BCG Centre for Canada's Future Business Leader Survey (Feb-May 2021, n=178)





# The big picture: What we heard from business leaders

## IMPACT

COVID-19 was the **great accelerator**

COVID-19 created a **call for action on digital** – it's a race

COVID-19 changed our thinking on **how much and how fast** we can transform

We're headed to a **hybrid world**

## AMBITION & OPPORTUNITY

We must see everything through a **net-zero lens**

We don't need roads and buildings, we need **connectivity** – that's the highway of the future

We need to make **strategic choices** as a country on where we want to excel and invest accordingly

We need to leverage our **resource endowment** as a strength in the climate transition

We are underplaying our hand on **immigration**

## BUSINESS & SOCIETY

Social programs need to be a **springboard**, not a safety net

Private sector can act but gov't needs to **open the door**

On climate, we are a **deeply divided** country

We need to **rethink our supply chains** for some essential goods

We need to plan for **lifelong reskilling and upskilling** in the new economy

**Source:** BCG Centre for Canada's Future C-suite and thought-leader interviews (Feb-Apr 2021)





Chapter 2:

# DEEP DIVES

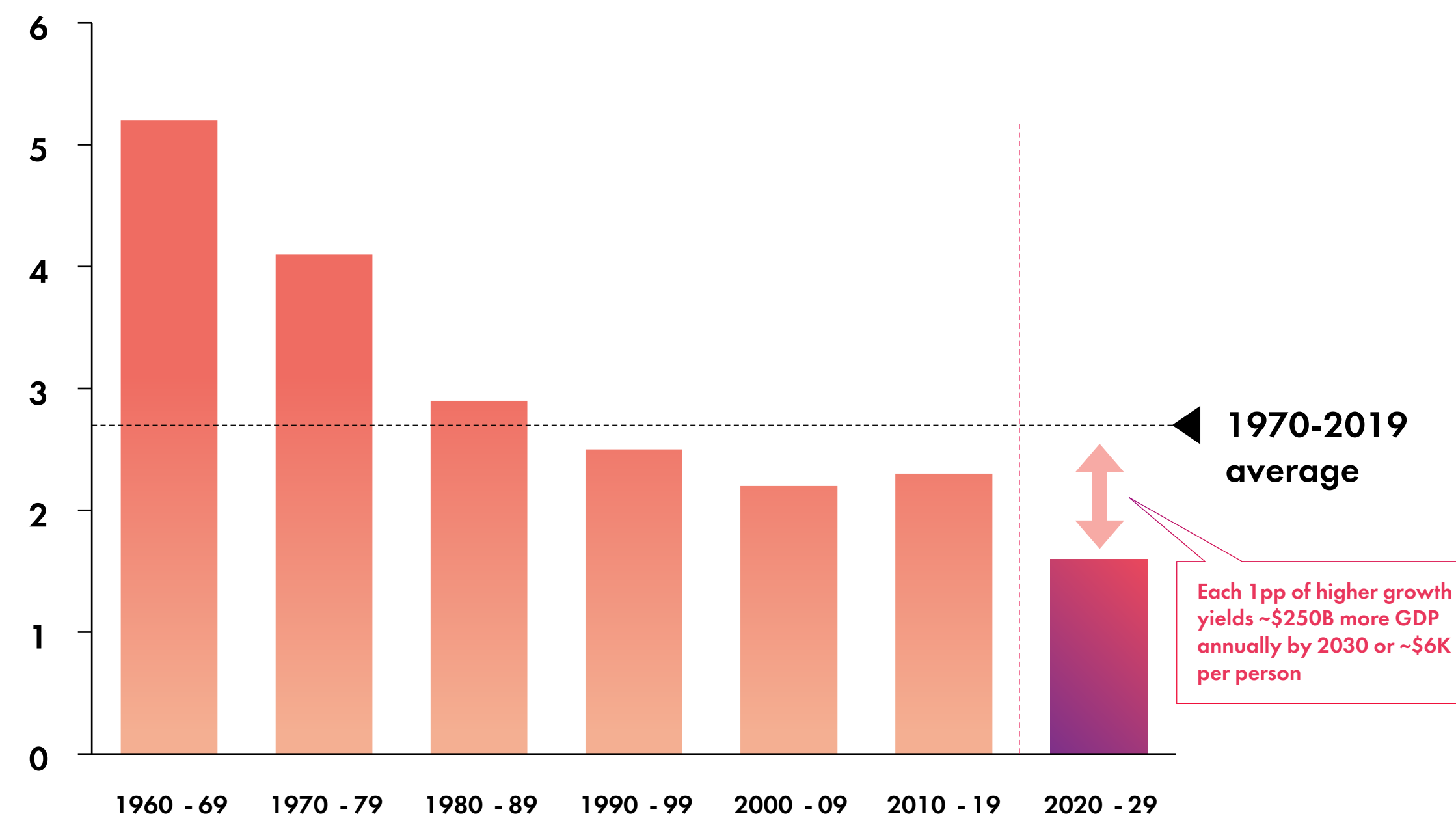
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# An overall imperative: How can Canada accelerate long-term growth coming out of the pandemic?

## Canada's real GDP growth (% , historic & future potential)



**Note:** GDP figures in 2020\$

**Source:** Department of Finance Budget 2021; BCG analysis

Rather than standing back and allowing productivity challenges or an aging population to slow growth, interviewees feel we should aspire to faster growth post-pandemic than over the last 20 years.

Even small changes can have a profound impact. Our data shows that increasing our annual growth rate by just 1 percentage point would boost GDP by about \$250 billion annually by 2030. That's over \$6,000 per Canadian.

Faster growth will not only allow us to manage post-pandemic debt loads, it will enable us to make generational changes in addressing climate impacts and inequality—creating a more prosperous and healthy Canada.

Our interviews identified six key success factors (KSFs). Some, like digital and talent, support economic growth directly, while others, like work-from-home, will unlock productivity and female workforce participation. KSFs such as social cohesion and preventing future debt shocks and vaccine shortages are foundational measures intended to put our future on a secure footing.

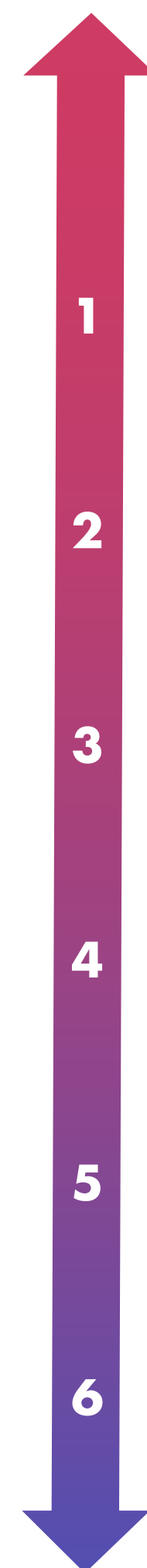
Amid the optimism and resolve, however, is a recognition that these goals will require collaboration—and that collaboration across governments, corporate Canada and other players will be complex and challenging.



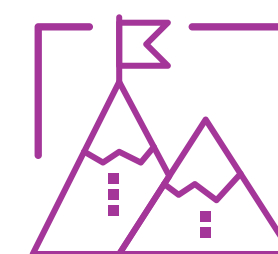
# How to survive and thrive in Canada's post-vaccine normal?

Our business leader interviews surfaced six key success factors for Canada – each with potential opportunities and risks that we explore in this chapter

Growth levers



Foundations



## KEY SUCCESS FACTORS

### TALENT



- Talent truly critical, both upskilling & immigration

### DIGITAL



- C19 drove years of progress in just months

### POST-C19 LIFE & WORK



- WFH can unlock productivity
- Consumer demand reshaped

### CLIMATE & ENERGY



- Key 2020s priority for Canada
- A major economic challenge, esp. for energy sector

### SOCIAL COHESION

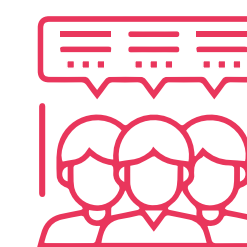


- Pandemic made inequality and trust issues worse

### NATIONAL RESILIENCE



- Debt level surged but is sustainable if low rates persist
- Shift away from 'lowest cost', esp. for health/critical inputs



## CONSENSUS



- Is Canada doing enough to leverage its advantages?



- How to broaden adoption and maintain C19 momentum?



- How at-risk are urban cores?
- What is retail industry's path in future economy?



- Can Canada execute coherent transition strategy across gov't & business?



- Could C19 serve as turning point for policy? Role of corporates?



- Will surging debt levels require major new taxes?
- Will we sustain investing in resilience postcrisis?



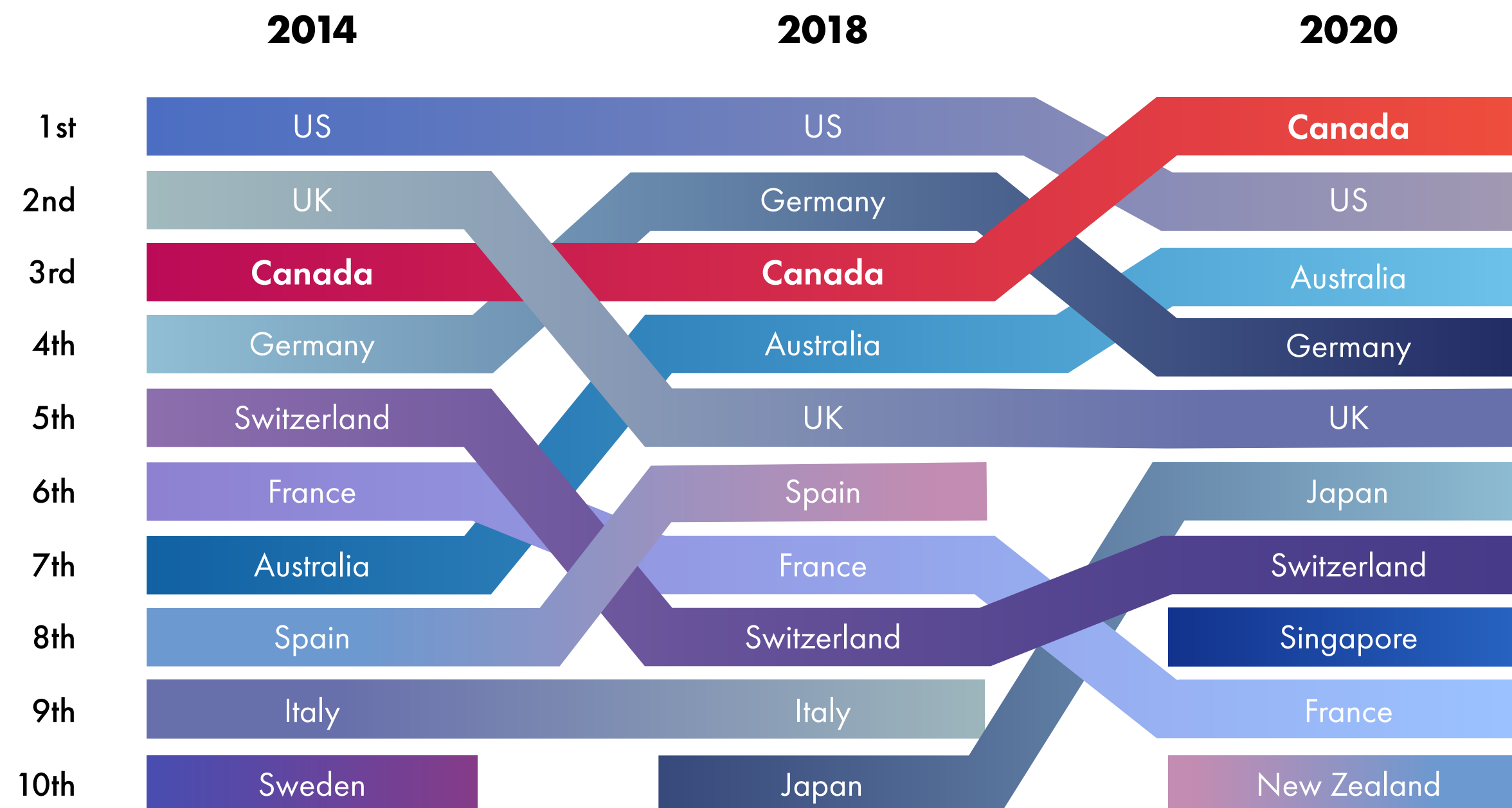
## UNCERTAINTIES



# Talent: Is Canada doing enough to leverage its advantages?

## Canada Replaces the US as the Top Destination

Ranked by percentage of respondents who would move to each country for work



Source: BCG Decoding Global Talent report, n=209K across 190 countries



### OPPORTUNITY: CANADA IS THE WORLD'S TOP TALENT HUB

Canada has the opportunity to build on precrisis trends and bolster its brand as a destination of choice for high-skilled digital talent and the firms that employ them. We were the top destination for people with master's degrees or doctorates, digital expertise and those under 30 in 2020. Peer nations and business competitors will not sit still. To acquire the talent our growth depends upon, we must double down on the programs and messages that got us to #1 in 2020.



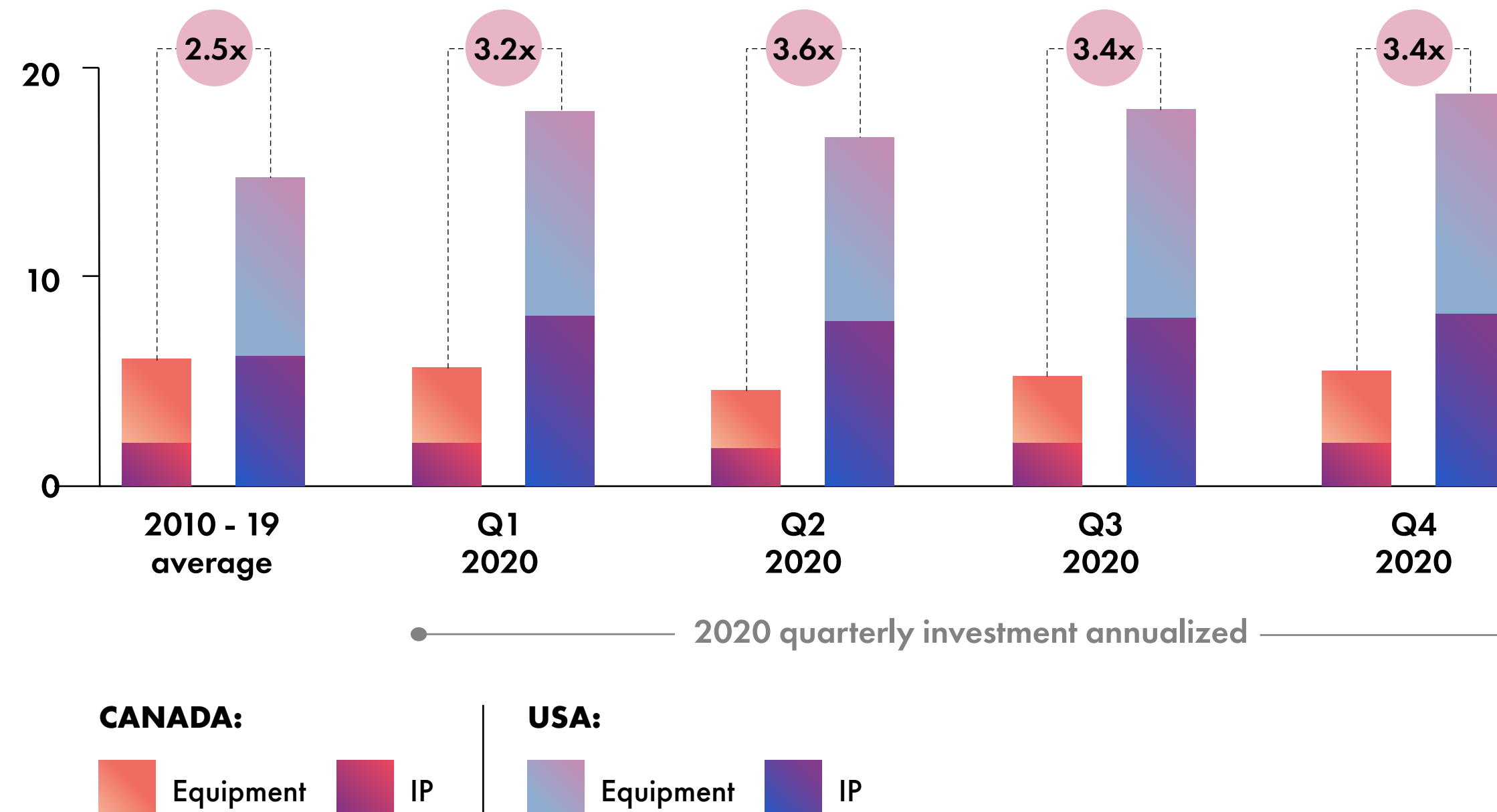
### RISK: "WORK FROM ANYWHERE" MODELS DEPRESS IMMIGRATION

During the pandemic, 'work from home' enabled some to 'work from anywhere.' Should the trend persist, fewer people may feel the need to move to Canada in order to work for Canadian organizations. Immigration may rebound from COVID-19's lows, but the risk is that it doesn't recover fully, especially for priority talent where we face increasing competition from other countries. This would be bad news for our labour force, productivity growth and demographics.



# Digital: How to broaden adoption and maintain C19 momentum?

Gross fixed capital formation per worker per year in Equipment and IP (C\$K)



**Source:** Statistics Canada; Bureau of Economic Analysis; Bureau of Labor Statistics; BCG Global Digital Transformation Survey 2020; BCG analysis



## OPPORTUNITY: DIGITAL RUBBER HITS THE ROAD FOR CORPORATE CANADA

Eight in ten Canadian executives feel digital transformation has become more urgent in light of COVID-19. And even small-to-midsize enterprises, normally slower to adapt to digital tools, have shifted gears. Over the pandemic, businesses acted on this urgency, digitizing processes that would normally take years in a matter of months. Now we need to build on that momentum. BCG analysis found that 70% of executives anticipate increased investments in digital transformation as a result of COVID-19. Accelerating digitization would propel productivity sharply higher and unleash significant growth.



## RISK: PRECRISIS HEADWINDS RETURN

Canada trailed the US and other OECD peers in innovation investments before the pandemic. And budgets for machinery and equipment and IP languished further during the crisis. Although spending on digitization rose, most was centered on expanding existing capabilities, not germinating new ones. Even as the economic recovery quickened in the second half of 2020, innovation investment remained below Q1 2020 levels. The opposite was true in the US. Unless checked, the risk is that low investment could lock Canada into a decelerating growth trajectory.



# Post-C19 life & work: How at-risk are urban cores?

WFH and moves to suburbs/smaller centres has shifted demand.  
How will supply react?

% Change in House Price, Feb '20 vs. Feb '21

	City	Density per km <sup>2</sup> 1	Apartment	Townhouse	One Story SF	Two Story SF	Composite	Avg
Vetcom	Toronto	3028	1%	15%	22%	21%	15%	12%
	Montreal	2720	12%	17%	25%	21%	18%	
	Vancouver	2584	2%	7%	17%	12%	7%	
	Calgary	2112	1%	-2%	3%	6%	4%	
	Ottawa	1900	15%	29%	27%	27%	25%	
	Edmonton	1856	-5%	1%	6%	4%	4%	
Adjacent Cities	Oakville/Milton	2520	19%	16%	22%	22%	22%	27%
	Mississauga	2468	8%	16%	9%	16%	13%	
	Hamilton/Burlington	1972	11%	35%	29%	31%	30%	
	Guelph	1787	21%	29%	26%	26%	26%	
	Kitchener/Waterloo	1746	14%	33%	23%	30%	27%	
	Barrie	1740	14%	42%	32%	36%	34%	
	Niagara	1682	24%	18%	33%	32%	31%	
	Brantford	1609	2%	22%	28%	31%	29%	
Further/Smaller Cities	Regina	2082	2%	8%	6%	9%	7%	13%
	Winnipeg	2070	2%	5%	13%	14%	12%	
	Saskatoon	1954	4%	1%	10%	12%	9%	
	Fraser Valley	1771	5%	10%	22%	18%	12%	
	London/St Thomas	1649	8%	14%	26%	42%	30%	
	Quebec City	1648	8%	4%	13%	13%	11%	
	Victoria	1555	0%	8%	12%	10%	6%	
	Okanagan Valley	1114	5%	11%	18%	18%	13%	
	St Johns	1075	-2%	1%	3%	3%	3%	
	Greater Moncton	984	12%	7%	33%	25%	28%	
			4%	14%	21%	23%	17%	

Source: Teranet, BCG analysis



## OPPORTUNITY: CITIES ARE HERE TO STAY

Canadians place a premium on outdoor space, but continue to value the vibrancy and convenience of city centres. Even if some urban Canadians shift to suburban areas of big cities, they will still be close enough to enjoy urban arts, cultural and other opportunities. Downtown cores will undoubtedly be strained in the short-term, but they will be able to refocus quickly as residential housing, retail and recreational services fill the void created by office vacancies. Mindful of the possibilities, business and civic leaders have an opportunity to reimagine cities and make them powerful growth engines. In the meantime, fast moving competitors can gain share as demand for everything from food to transport to broadband shifts across catchment areas.



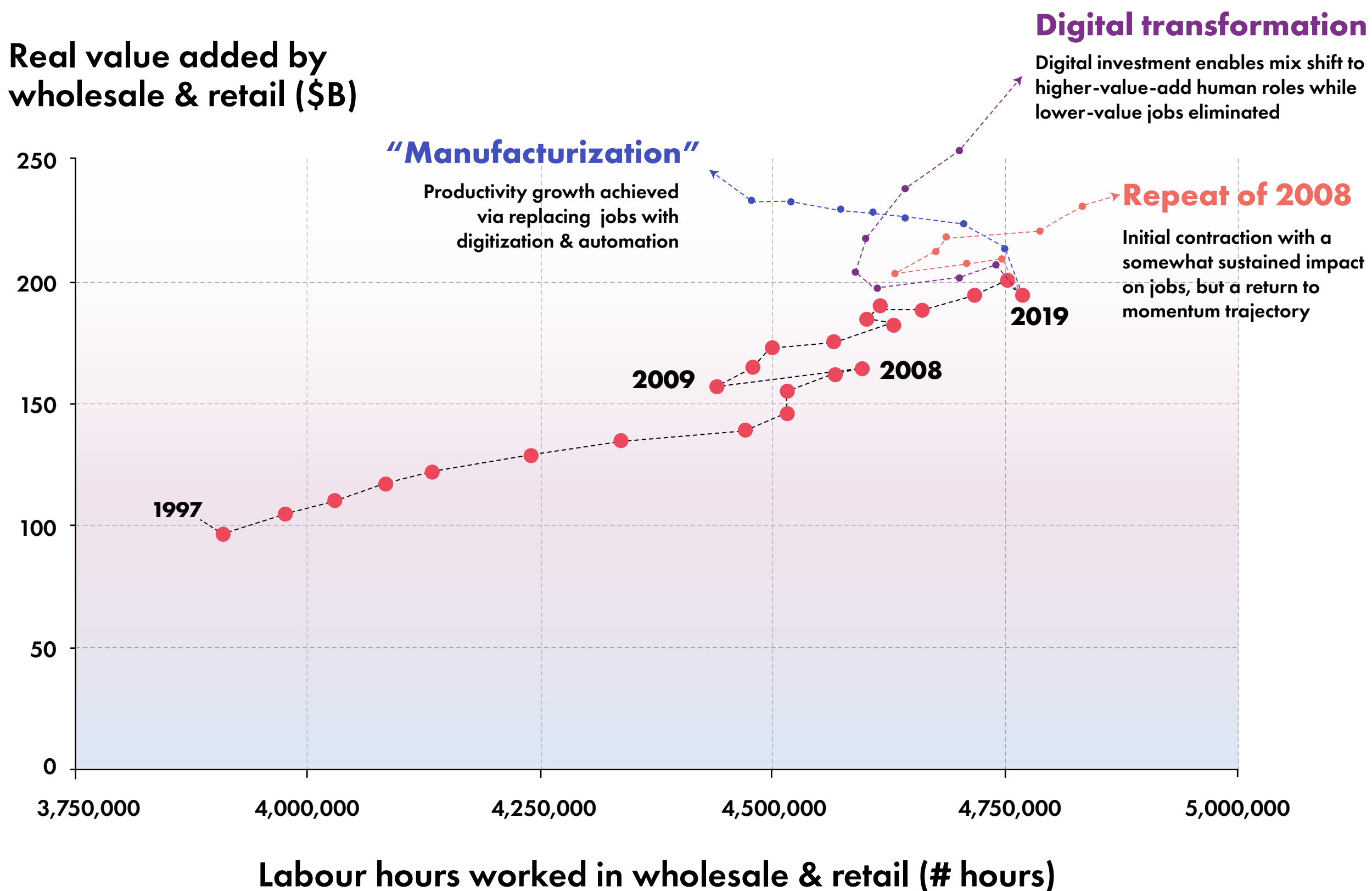
## RISK: THE CLUSTER LOSES ITS LUSTRE

Expanded work-from-home opportunities and untenable house prices could drive working Canadians away from cities en masse. Should that happen, downtown vacancy rates for office space would soar and residential, retail and recreational real estate demand would slump due to lower foot traffic. Falling demand and revenues could force some city services such as public transit to scale down or even shut down entirely.



# Post-C19 life & work: What is the retail industry's path in future economy?

Real value added by  
wholesale & retail (\$B)



Source: Statistics Canada, BCG analysis



## OPPORTUNITY: RETAILERS EMBRACE POSTCRISIS NORMAL

The pandemic accelerated tremendous disruptive forces that were already reshaping Canada's consumer and retail landscape. Main Street businesses without scale to support digital investments or big balance sheets to absorb revenue droughts were hit particularly hard.

But the pain may offer opportunity. If players leverage their strengths and adapt quickly, they can capture renewed consumer spending while growing the sector's economic contribution. Think of sustained investments in digital efficiency, with smaller firms offsetting the scale of big competitors with differentiated, high-value-add local offerings.

If successful, this could protect the large number of jobs in the sector and contribute to national growth.



## RISK: LONG, PAINFUL HOLLOWING OUT

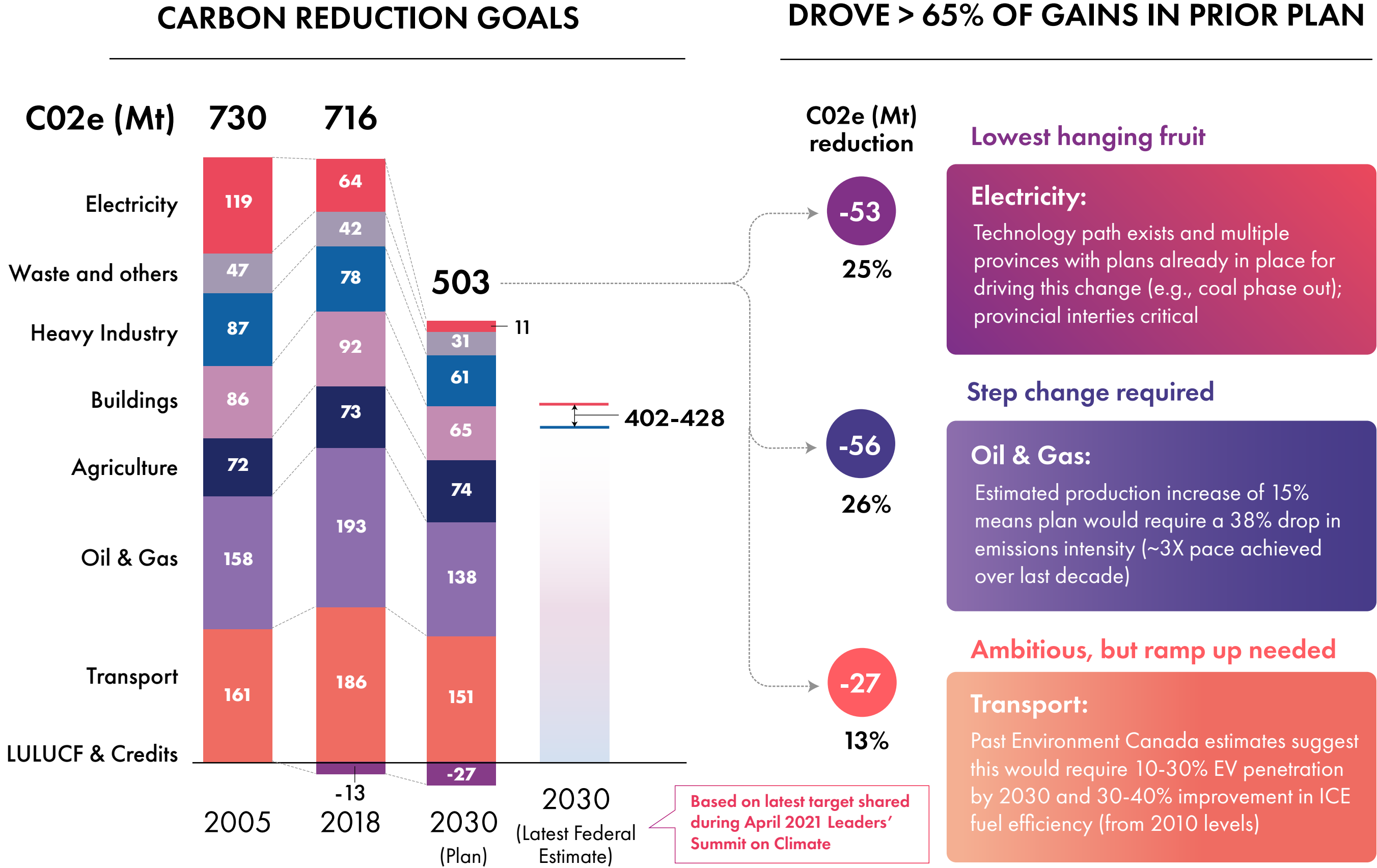
Pre-covid, retail was a large and growing share of Canadian employment, but it was relatively lower productivity compared to other sectors. The torrid pace in e-commerce growth and digitalization – plus the balance sheet scars of the pandemic – will leave Canadian retailers (and workers) in a disadvantaged position versus bigger, often international competitors.

Slow adaptation to this new world would see capital and workers struggling in low-productivity retail models. If so, the sector could face a long and painful hollowing out, as seen in manufacturing in the early 2000s.



# Climate: Can Canada execute coherent transition strategy across government and business?

## EMISSIONS REDUCTIONS IN 3 SECTORS DROVE > 65% OF GAINS IN PRIOR PLAN



Source: Environment Canada; BCG analysis



### OPPORTUNITY: COVID-19 PROVED WE CAN MAKE BIG CHANGES FAST

COVID-19 showed what we can do together when we need to act. Climate momentum ramped up during the pandemic to the surprise of many. The US, EU and China are all driving ambitious agendas, and Canada announced bold new targets at the Earth Day climate summit. The opportunity is to bring the spirit of 2020's COVID-19 response to energy transition, where Canada's ambitious targets will require major investments from all existing sectors as well as new priorities such as carbon capture and hydrogen.



### RISK: SAME OLD PATTERN OF BIG PROMISES, LITTLE ACTION

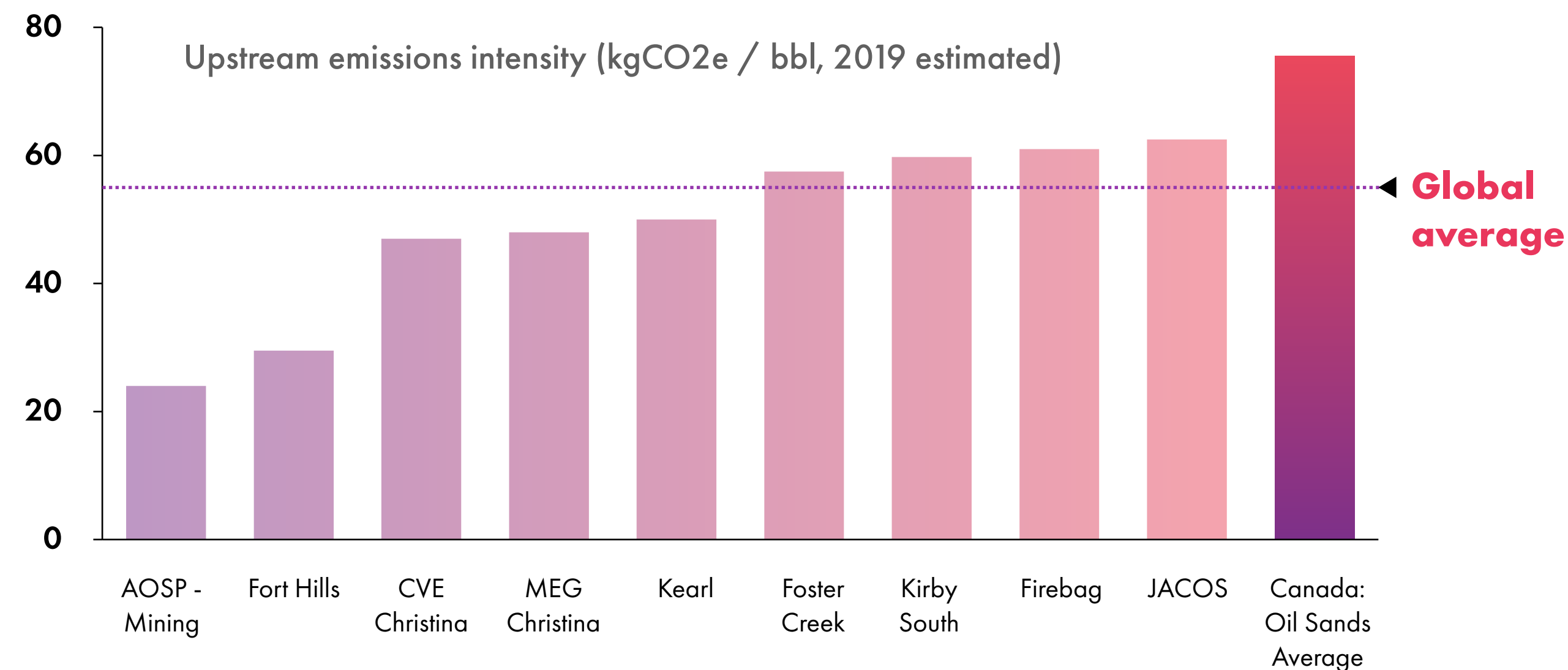
We are quickly running out of low hanging fruit to curb emissions levels. The next wave of cuts will be expensive and require tough choices. While the new 2030 plan is achievable, cuts in certain sectors, e.g., oil and gas, transport, and heavy industry, will pose material challenges.

The risk is that stakeholders are still not ready for the real economic costs. Customers, consumers, and voters may be reluctant to pay. Shareholders could be averse to margin hits. And Canada could witness intense East-West, urban-rural divides. These barriers could mean slow progress toward our 2030 goals and 2050 net zero ambition.



# Energy: Can Canada build on industry momentum to be cost and carbon competitive in the long run?

## Leading Canadian oil sands plays moving below global emissions-intensity average



Source: BMO Capital Markets



### OPPORTUNITY: COST AND CARBON COMPETITIVE CANADIAN ENERGY

It's not headline news for many Canadians, but Canada's energy sector has been investing heavily in cutting its carbon intensity. For example, paraffinic froth treatment has enabled significant reductions for oil sands miners. For steam-assisted gravity drainage players, a range of process improvements has delivered major declines in Steam-Oil Ratios. Going forward, further investments in solvent techniques, cogeneration, carbon capture and hydrogen hold major promise.

Leading Canadian oil sands facilities, for example, have upstream carbon intensities significantly below global averages.

With oil and gas demand likely to remain significant for many years, this creates an opportunity for Canadian players to keep moving down the carbon curve to be both cost and carbon competitive in future energy markets.



### RISK: STRANDED ASSETS AND LOSING SHARE TO HIGHER CARBON COMPETITORS

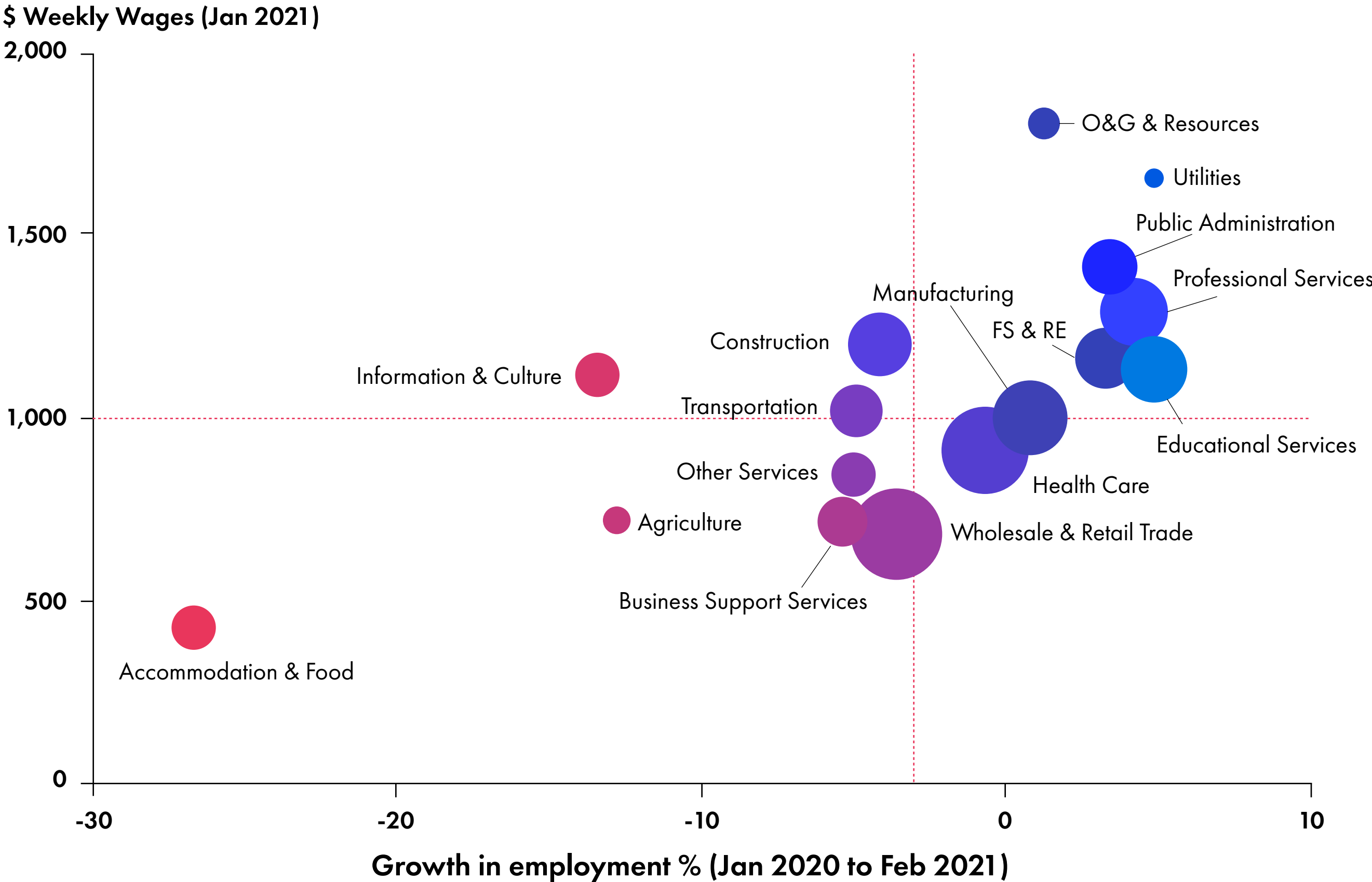
The risk is that outdated images of Canada's energy sector lead to policies that limit investment and cause it to lose share to other players with higher intensities.

This would be negative for global carbon emissions, and it would also have a heavy cost for Canadian communities and governments reliant on the energy industry's significant tax and royalty contributions. Prematurely ramping down a major industry would also make accelerating overall growth in the 2020s even more challenging



# Social cohesion: Could C19 serve as positive turning point in long run?

Covid impacts highly unequal



**Source:** Statistics Canada; Broadbent/Abacus survey (n=2000, randomly selected from online panel, weighted to match census by age, gender, educational attainment, region); BCG analysis



## OPPORTUNITY: CANADA'S SOCIAL INFRASTRUCTURE BUILDS ON PANDEMIC PROGRESS

Although some Canadians were hit harder economically by the pandemic than others, CERB and other programs cushioned the shock. Canada's large and early fiscal package is likely to prevent long-term scarring. In fact, some support programs enabled Canadians to increase their savings and repair balance sheets.

Rapid deployment of new social programs demonstrated that we can deliver major reforms. The opportunity now is to sustain momentum, with further reforms to employment insurance and reskilling to address worker needs in the modern economy. These are critical steps in light of the disruptions digital and climate transitions will make to traditional employment.



## RISK: POPULIST AFTERSHOCKS DERAIL BOARD AGENDAS

The pandemic disproportionately impacted low-wage earners, women, minorities, and youth. It exposed and, in some cases, worsened pre-existing fault-lines in our society, for example between frontline and white-collar workers, asset owners and the asset-less.

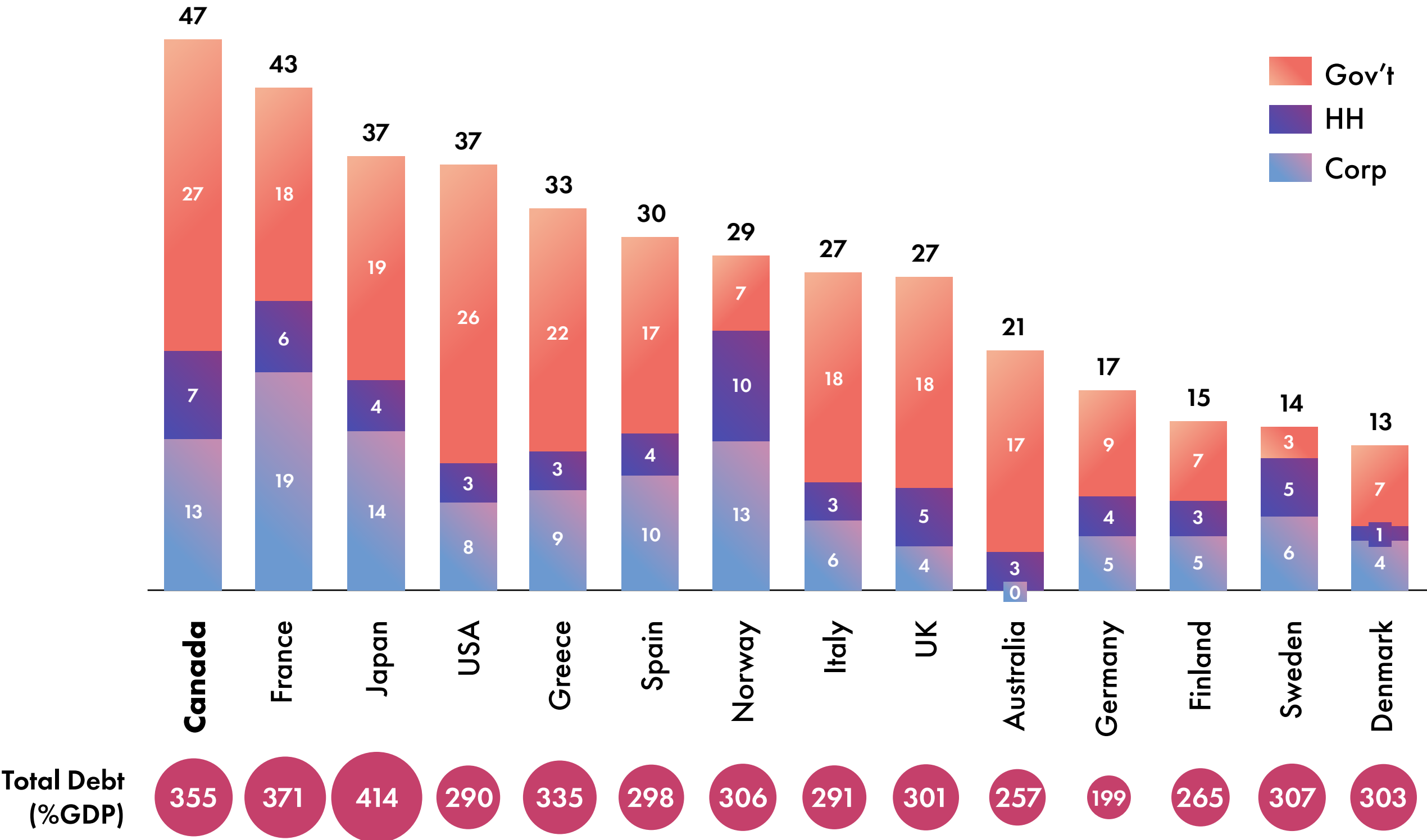
Risk of backlash is real, and we're seeing some early indications. Companies were criticized for removing COVID-19 wage top-ups. There have been calls for new taxes on corporations that made large profits during COVID-19. And 30% of Canadians think COVID-19 advantaged the rich.

The risk is that companies, governments and other institutions will find themselves in the middle of these fault-lines, with intense crises distracting leaders from investments in long-term success.



# National resilience: Will surging debt levels require new taxes?

Growth in debt as % of GDP (Q3 2019 » Q3 2020)



Source: BIS, BCG analysis



## OPPORTUNITY: CANADA USES DEBT TO AID LONG-TERM COMPETITIVENESS

Most developed markets added significant new debt during the crisis. Most economists agree this behaviour was warranted to keep economies from falling into deep recession. The majority (roughly 60%) of new debt in Canada was amassed by the government sector. This was the most sustainable area for debt to be added, since Canada had relatively low levels of government debt pre-crisis.

The opportunity for Canada is to put this debt to strategic use by investing in our long-term competitiveness, with a particular focus on enabling our digital and energy transition.



## RISK: TRAJECTORY WORRISOME, ESPECIALLY IF INTEREST RATES SPIKE

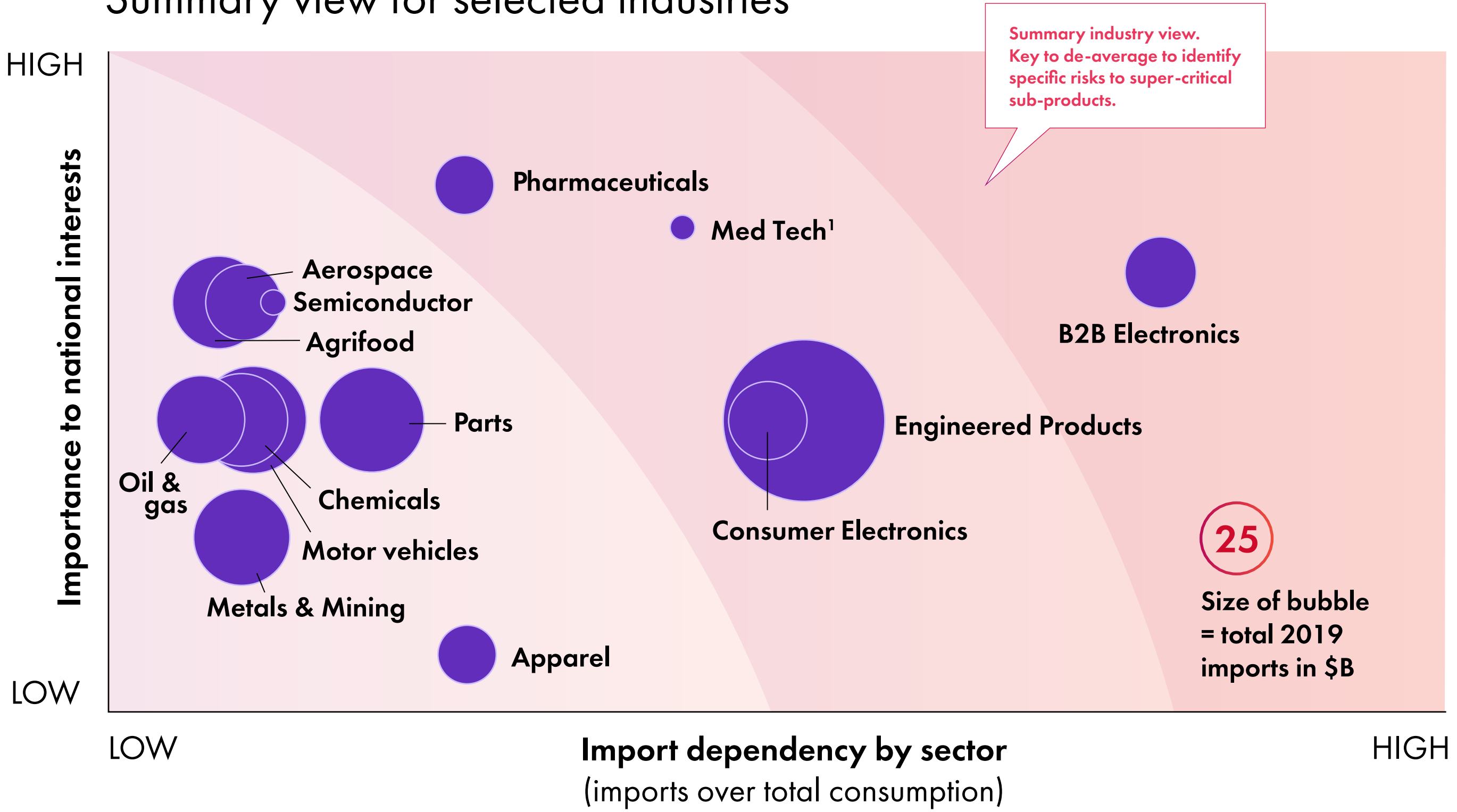
Canadian debt, especially among households and corporations, was relatively high prior to the crisis and grew further over the past year. In fact, Canada added more debt than any country in its peer set and now has more total debt (i.e., government + household + corporate) than Greece. We now trail only France and Japan within our peer set.

The risk is that inflation worries could push interest rates higher and sooner than expected. This could create mounting pressure for highly leveraged households, corporations and governments, and would undermine investment budgets and create risks for financial stability. Major tax increases to service this debt could also erode competitiveness.



# National resilience: How to improve resilience vs future shocks?

Total imports in \$B, 2019  
Summary view for selected industries



1. Med Tech related to pandemic preparedness; e.g., HS codes 9019 (oxygen), 9020 (masks), 9025 (thermometers), 9026/27 (measuring instruments), etc.  
**Note:** Summary view at industry level. Deeper dive required to identify granular risk factors; e.g., super-critical product sub-categories, high supplier concentration.  
**Sources:** WTO; OECD; Oxford Economics; BCG Geopolitics and Trade Impact team



## OPPORTUNITY: TURN RESILIENCY INTO A STRATEGIC STRENGTH FOR CANADA

The frenzy to secure enough PPE, ventilators and vaccines during the crisis brought renewed attention to supply chains. Many organizations worked with unprecedented speed to shore up distribution and logistics, often in collaboration with public and private partners. Having learned from the crisis, governments are investing in on-shore vaccine manufacturing and PPE supply, as are corporations in diversified, de-risked supply chains.

The opportunity for Canada is to rethink where we need resiliency across our business systems. Industry 4.0 opens the possibility of cost-effectively reshoring critical supply chain elements. Combined with Canada's political and economic stability, this could make resilience a competitive advantage for Canada.



## RISK: RETURN TO COMPLACENCY AFTER THE CRISIS ABATES

Despite SARS and H1N1, Canada was still caught unprepared on PPE, ventilators and vaccines. Canadian manufacturing was similarly disrupted by supply chain issues, both domestically and internationally, with periodic shortages of food, lumber, appliances and semiconductors. Sustaining resiliency costs money, however, and leadership focus could quickly return to controlling costs. The risk is that we repeat past cycles where the lessons of a crisis fade over time.

This risk would be compounded if our key import markets do sustain focus on resiliency, and shift to a greater focus on local supply at the expense of Canadian exporters.



Chapter 3:

# **ACTIONS TO SHAPE OUR FUTURE**

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# Consensus no-regrets playbook for the 2020s



Digitize like  
it's 2020



Cut carbon like  
it's COVID-19



Unlock talent  
with new ways  
of working



Adapt to the  
post-C19  
consumer



Rise to meet  
new social  
expectations



Build long-term  
resiliency now



# Consensus no-regrets playbook for the 2020s

Based on our research, there are six no-regrets moves for Canadian leaders based on the six key success factors. Some are more growth-oriented, others more focused on shoring up our foundations; we need both to come out of the pandemic in a better position.

For each, we need to begin the work now, in parallel to our pandemic response.



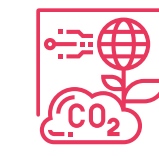
## Digitize like it's 2020

We need to maintain the pace and scale of digitization exhibited at the start of the pandemic. This includes expanding the use of existing tools and investing in new areas such as digital supply chains and big data analytics. To complement this, the government must expand connectivity to close the digital divide.



## Adapt to the post-C19 consumer

Companies and government agencies must adapt their product offerings and channel strategies to keep up with the shift to more time spent at home and online, as well as the imperative to leverage digital approaches and improve productivity across the retail sector.



## Cut carbon like it's COVID-19

In response to the pandemic, the government, corporations, and households mobilized to flatten the curve. We must decarbonize with the same urgency and take a similar whole-of-society approach. Government leadership will be key to creating an enabling environment for investment and facilitating a just transition for our energy workers.



## Rise to meet new social expectations

Social issues are making their way to board agendas. Communities increasingly expect corporations to take a stand. Businesses need to consider which fault-lines are relevant to them, develop a compelling narrative around their contributions, and proactively manage reputational risks. Government will also need to adapt social programs to support Canadians hardest hit by C19.



## Unlock talent with new ways of working

Leaders should avail of 'work from anywhere' openness to expand access to talent in Canada and abroad, and governments should double down on immigration. Together, we need to revamp our talent strategies for remote work to attract and retain talent, enhance productivity and improve labour market participation. Leveraging online learning platforms will be key for reskilling and upskilling our workforce.



## Build long-term resiliency now

We must plan for the next crisis now. Critical steps include rethinking our supply chains for select essential goods. We also need to invest in social and physical infrastructure, including our pandemic response capabilities. And, we need to manage our record-high household, corporate, provincial, and national debt.



# The Trillion Dollar Question: Our Perspective

We started this project by asking the question of how Canada could survive and thrive in the post vaccine normal. The best of our COVID-19 response was built on a unifying mission and whole-of-society collaboration to do big things. Now we need to capture the next big thing—the trillion dollar opportunity to reshape Canada's future. Having weathered the worst crisis in a generation, we have a chance to secure a prosperous future for the next generation.

To meet that opportunity requires working together with renewed conviction. Canada has shown it has the mettle. This is the time to unleash it.





## ABOUT BCG'S CENTRE FOR CANADA'S FUTURE

BCG established the Centre for Canada's Future in 2017 to contribute to the national dialogue, and spark action on key economic issues. The Centre's mission is to be a catalyst for moving Canada forward, leveraging BCG's capabilities in collaboration with Canadian leaders from across the private and public sectors.

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