



# The Rise of Social Enterprise

When it comes to work, we don't have to choose between making a living and making a difference—women are creating work that propels their principles and will leave a lasting impact not just on them, but on the world around them.

BY RHEA SEYMOUR

While vacationing with a group of friends on Savary Island in B.C four years ago, Lisa von Sturmer stumbled upon a winning business idea: “Savary is a small island so composting and recycling is mandatory and at the end of the week we left with just one tiny bag of garbage,” recalls the 32-year-old former film editor. Impressed, von Sturmer wanted to set up an organics waste program at her downtown Vancouver office. When she couldn't find a company to help, she quit her job and started her own with a \$15,000 start-up loan from Futurepreneur Canada: Growing City, the first North American company offering a corporate organics composting program. “A huge amount of space in landfills is taken up by organics and they're a huge contributor to methane and CO<sub>2</sub> emissions,” says von Sturmer. “But if you compost organics at a facility, it turns them into rich soil and there's almost no CO<sub>2</sub> or methane, so it makes sense for the community.”

With a process that makes composting at the office simple, clean and convenient for clients, and a mandate from Metro Vancouver banning organics from landfills by 2015, Growing City has had no trouble finding customers. The company has diverted more than 600,000 kilograms of organics from landfills in four years, grown by 78 percent since this time last year, and has been cleaning up with awards and recognition too. In 2012, Growing City won the National Best Green Business Award from the Canadian Youth Business Foundation. Since von Sturmer appeared on CBC's Dragons' Den in 2013, global interest in the company has exploded. "We doubled our clients after the episode aired and had 1,100 franchise requests from as far away as Kenya and Australia, so we're working on a franchise model," says von Sturmer.

Growing City represents a business approach that's been gaining momentum in the last decade: the social enterprise, a business created for the combined purpose of generating income and achieving social or environmental goals. While nationwide stats are unavailable for Canada, there are 10,000 social enterprises in Ontario alone employing 160,000 people and serving more than 3.4 million customers annually, according to the social enterprise strategy released by the Ontario Ministry of Economic Development, Trade and Employment in 2013. Across the country, the emerging sector includes both grassroots initiatives, like Growing City, and bigger players including Evergreen Brick Works, a Toronto campus that generates income to deliver community programs and Bullfrog Power, Canada's leading green energy provider.

### What's behind the rise in social enterprise?

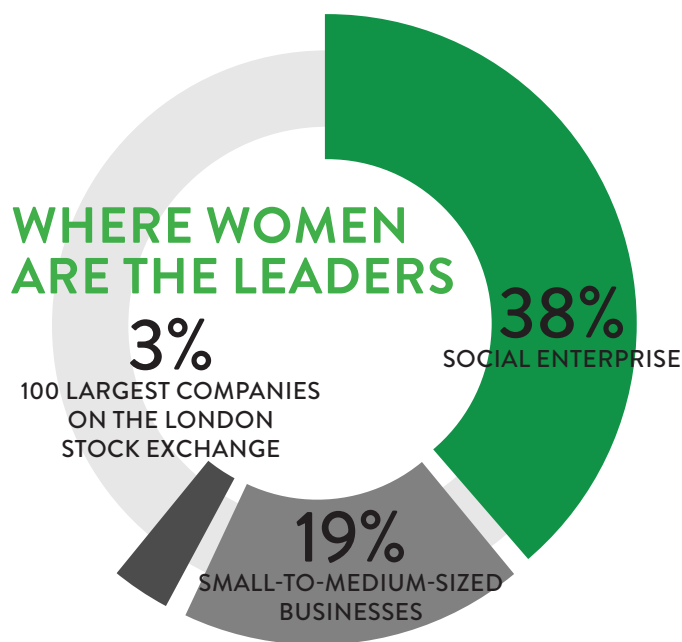
A lot of social enterprise is happening in developing countries in Africa and Latin America, says Joanne Norris, a social enterprise consultant in Vancouver and project manager at Futurpreneur Canada, a national non-profit organization dedicated to supporting young entrepreneurs. "Wherever you have pressing social issues, it forces innovation."

**In the global corporate world, doing your part for the environment and society through corporate responsibility programs has become a necessary part of doing business and brand building.** "We live in a world of transparency and accountability and some consumers are demanding it," says Allyson Hewitt, Senior Fellow,

who leads the social innovation program at MaRS Discovery District, a mission-driven innovation centre in Toronto.

But that's only part of it. Hewitt also gives credit for the onset of social enterprise to a generation that usually gets a bad rap: The Millennials. "Whereas previous generations may have felt the need to choose between making money working at a for-profit or working in a not-for-profit to help people, this generation rejects that as old-school thinking and says you can do both," says Hewitt. "They see the world much more fully because they're exposed to it through the Internet and they think you can make money and be driven by a mission so you can work and live your values."

For von Sturmer, an official Canadian Delegate for the 2014 G20 Young Entrepreneurs Alliance Summit, the Millennial desire for mission-driven businesses may tie back to social media: "Young people are very aware of how they're perceived and one of the good things that comes from that is making sure people know you're dedicated to something beyond yourself. We don't want to spend our lives working on someone else's dream, or spending time on something that doesn't create a legacy."



2013 STATE OF SOCIAL ENTERPRISE SURVEY

### Social enterprises: a good fit for women?

Women, who have always been well represented in the non-profit sector, appear to be better represented in social enterprises than in traditional businesses. According to the 2013 State of Social Enterprise Survey in the UK, 38 percent of social enterprises were led by women compared to 19 percent of

small-to-medium-sized businesses (SMEs) and three percent of the 100 largest companies on the London Stock Exchange. According to Norris: "As a starting point for a business, the women I've worked with are motivated to do something that benefits society, or a certain segment of society or the environment, rather than because they want to make a lot of money or see huge profitability potential. Once they have their 'mission' then they start to figure out the business model."

Women who recognize social or lifestyle needs, based on their stage of life or personal experiences, for example raising kids or caring for aging parents, may also be attracted to social enterprises, says Hewitt. "What's most exciting about social enterprises is they're really about bringing your whole self, your sense of community, as a mom or whatever your personal experiences

are, to craft something that treats your employees more compassionately and has a social or environmental impact.”

### Obstacles and opportunities

Urban centers in Canada, particularly in Toronto, Vancouver and Winnipeg, are key pockets for social enterprise in Canada, thanks to the investors, supportive government policy and business environments there, says Norris. For example, in Vancouver, VanCity Credit Union has a mandate to support mission-driven business, and Winnipeg has a supportive municipal government with policies encouraging social enterprise funding. “When you have a government or financial institution that enables social enterprises to grow, that helps,” says Norris. “We need a clear federal policy around social enterprise.”

Finding investment capital can be a challenge for social entrepreneurs because people want to drive you into one camp or another. “They want to know if you’re money first or mission first and they aren’t comfortable if you want to do both,” says Hewitt. “So the challenge is how to get investment if you’re not about profit maximizing? Bringing the two pockets together to say ‘we’ll give you the opportunity to invest where you’ll get social and financial return’ is a brand new space. Getting people to understand that and attracting financial support is a big challenge.”

**Convincing future social entrepreneurs that you can make money while doing something good may be another problem. “There’s a misconception that by doing something good for the world, you’re going to be living in poverty,” says von Sturmer. “There are lots of opportunities to do something positive and impactful and be a good person, but still make money at the same time.”**



For information about starting a social enterprise, and to download the Canadian Social Enterprise Guide, visit [Social Enterprise of Canada](http://SocialEnterpriseofCanada.ca), [socialenterprisecanada.ca](http://socialenterprisecanada.ca)

## CASE STUDIES IN SOCIAL ENTERPRISE



### Working For Change

When Heledd Kendrick married a soldier and moved onto a military base in Surrey, England,

her career as a journalist floundered. And she quickly discovered that she wasn’t the only one: after talking to other military wives on the base, Kendrick discovered that many other women—often skilled professionals—were in the same boat. “It’s a widespread problem: Employers are reluctant to hire military wives because of the transient nature of military life,” she says. “Even recruitment agencies ask them to lie on their CVs to cover up the fact that they’re military spouses.”

**Two years ago, Kendrick, 42, founded Recruit for Spouses, an employment agency for the 100,000 military spouses in the UK. Kendrick started the business as a for-profit rather than a charity with 51 percent of the profits going back into supporting the spouses. “When you’re a charity you rely heavily on goodwill and there’s apathy for charities in the UK,” she says. “We want to be a sustainable business to support people who aren’t charity cases.”**

With a volunteer staff and a roaming office that moves whenever Kendrick gets re-stationed (three times so far), the social enterprise has helped 70 women find paid work and hundreds more through training programs, such as webinars on using LinkedIn and social media. Recently, Kendrick, the company’s CEO, addressed the House of Commons in an effort to change the perceptions of large UK employers.

The company is starting to make some headway. In 2013, Recruit for Spouses received Prime Minister David Cameron’s Big Society Award for its work in bridging the military and business communities. “We are seeing a tide change but there’s still a lot to be done,” says Kendrick. And that work gets her out of bed in the morning: “I get more out of a military wife calling me to say ‘I got the job!’ than I ever would from a big pay cheque.”



### Rebuilding Lives

Elizabeth Hausler Strand, 45, was doing her PhD in civil engineering at UC Berkeley when an

earthquake hit Gujarat, India in 2001. “I was struck by the number of people killed and the indirect effects of earthquakes, like homelessness and violence toward women in temporary camps,” she recalls. “As an engineer, I knew it was possible to build earthquake resistant houses and I thought we could do something about it.”

Strand went to India on a Fulbright Scholarship to help with the earthquake reconstruction. “The Indian government had learned valuable lessons from previous earthquakes: instead of rebuilding the same house for everyone, which some homeowners weren’t happy with or, worse, wouldn’t return to for fear of collapse, a ‘giveaway’ method, giving cash grants and technical assistance to homeowners was more effective.”

That “giveaway” model became the theory behind Build Change, the Denver, Colorado-based non-profit Strand started in 2004 with a grant from Echoing Green, an organization that funds early-stage entrepreneurs. “Without their belief in me and my idea, I’m not sure I would have started Build Change,” says Strand, who is the company’s CEO. Funding and financial support from Mercy Corps and USAID came later. With an annual budget of US\$3.6 million, Build Change trains local engineers and architects in developing countries, providing engineering services to homeowners for free through philanthropic grants, partnerships and donations.

Early on, Strand realized that empowering women to be part of the rebuilding process was key. “When we’re rebuilding, women prioritize the safety of the house while their male counterparts generally want a larger home,” she says. **“We target a lot of our programs to women so we hire a lot of female engineers and architects to get them on board. Fifty-one percent of our**

managers are women; that's an astounding stat for a construction program." Getting the families involved in the process also stretches the donor dollars. "The families contribute a lot of their own money, use recycled materials and take ownership."

A skilled bricklayer who spent her teenage summers working at her dad's construction company outside Chicago, Strand says seeing a local master the skill of bricklaying and become a quality craftsman was her biggest reward in the early years. Today it comes when she sees a willingness in governments in developing countries to adapt the "giveaway model." "When I see an entire organization change and shift its mindset to using our model of rebuilding, it's rewarding because it's achieving the largest impact on the most people's lives."



**Mothers Helping Mothers**

When Samar Shaheryar, 36, and Alicia Wieser,

29, got together for a playdate with their newborns in Hong Kong two years ago, their business Baby Hero, an organic baby products business, was born. "We'd had difficult deliveries and our colleague, who had a complicated C-section, was convinced she would have died in childbirth if she'd lived 100 years ago," recalls Shaheryar. "I remember thinking 'that's still happening in parts of the world'."

With years of experience working in investment banking in New York City and working with non-profits, the duo decided to create a for-profit social enterprise—financed with their own funds and sweat equity—as their primary business, with a non-profit foundation set up to improve maternal and infant health in developing countries. "In the non-profit world, you have to hustle for every dollar to effect change. It's not a very effective way of making a positive impact on the world," says Shaheryar. "As a for-profit business we can have a bigger impact on women and children and be more sustainable."

For every product purchased on Baby Hero, the company donates a clean birth kit, containing essentials for delivery, to a mother in Pakistan. "Every day, 800 mothers die due to labour complications and three million infants die a year in developing countries," says Shaheryar. "That's pretty horrific because most of those deaths are preventable with these low-cost measures." To date, they've donated 827 clean birth kits and aim to be profitable by 2015.

As a social enterprise, Baby Hero embraces the triple bottom line principle of economic sustainability, positive social impact and minimal environmental impact. "We're giving back with the clean birth kit and we have chosen to have a completely ethical supply chain," says Wieser. "Our products are made with sustainable organic cotton at a fair-labour certified factory. From seed to shelf we've tried to create an ethical product that's doing good at every touch point and we're extremely proud of that." ☺



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