

CISED PRESENTS

# SE Uncovered



cial Enterprise  
ncovered

**A Profile of the Social  
Enterprise Sector in Ottawa**



# TABLE OF CONTENTS

	<b>Page</b>
<b>Introduction &amp; Methodology</b>	<b>3-5</b>
<b>Key Findings</b>	<b>6</b>
<b>Interview Findings</b>	<b>12</b>
<b>A. PROFILE of SOCIAL ENTERPRISE RESPONDENTS</b>	<b>12</b>
▪ Purpose – primary and secondary	12
▪ Year started	13
▪ Stage of development	13
▪ Legal structure & charitable status	14
▪ Capital mix	14
<b>B. INDUSTRY DETAILS</b>	<b>15</b>
▪ Industry breakdown	15
▪ Reason for industry choice	16
▪ Customer base – primary and secondary	16
▪ Products & service offered	16
▪ Social procurement	17
<b>C. FINANCIAL and SOCIAL INDICATORS</b>	<b>18</b>
▪ Annual sales	18
▪ Portion of expenses covered by sales	18
▪ Employment	18
▪ Level of satisfaction with financial performance	19
▪ Social impact indicators	19
▪ Level of satisfaction with social impact	19
<b>D. CAPACITY and CONSTRAINTS</b>	<b>20</b>
▪ 12 month plans	20
▪ Strengths & weaknesses	20
▪ Capacity to grow	22
▪ Barriers to growth	23
<b>E. INTEREST in NEW SUPPORTS</b>	<b>24</b>
▪ Loans and lines of credit	24
▪ Business conversion	24
▪ Social Enterprise Accelerator	24

## **Social Enterprise Spotlight**

<b>F. FINDINGS BY STAGE OF DEVELOPMENT</b>	<b>27</b>
▪ Age & stage of development	28
▪ Earned income	28
▪ Expenses covered by sales	29
▪ 12 month plans	29
▪ Capacity to grow in next year	30
▪ Barriers to growth	30
▪ Interest in new supports	30
▪ Accelerator topics	31

<b>Appendices</b>	Survey Questions	32
-------------------	------------------	----

### **List of Figures and Charts**

Purpose of Organization	12
Year started	13
Stage of Development	13
Legal Structure	14
Sources of Social Enterprise Capital	14
Primary Cluster Breakdown	15
Primary and Secondary Cluster Breakdown	16
Customer Base	17
Earned Income in Most Recent Year	18
Expenses Covered by Sales	18
Satisfaction with Financial Performance	19
Satisfaction with Social Impact	19
Plans for Next 12 Months	20
Strengths & Weaknesses	21-22
Capacity to Grown in Next 12 Months	23
Composition of Accelerator Cohort	25
Accelerator Services	25
Accelerator Topics of Interest	26
Stage of Development by Start Date	28
Earned Income by Stage of Development	28
Expenses Covered by Sales by Stage of Development	29
12 Month Plans by Stage of Development	29
Capacity to Grow in Next Year by Stage of Development	30
Interest in New Supports by Stage of Development	30
Accelerator Topics by Stage of Development	31

# INTRODUCTION

The Collaborative for Innovative Social Enterprise Development (CISED) was established in 2009 with a mandate to build a continuum of supports to advance social enterprise development in Ottawa. Supports include access to technical expertise, financing, learning communities, training, and cross-sector partnerships. Since its creation, CISED has worked with hundreds of organizations to explore, start, and grow enterprises with a primary goal of social benefit.

Now operating as an independent nonprofit entity known as *The Centre for Innovative Social Enterprise Development*, CISED focuses its efforts on four areas of service to strengthen and grow the sector in Ottawa – knowledge mobilization; coaching and consulting; business ideation and acquisition; and procurement and supply chain development.

In the last quarter of 2015, CISED undertook a study of social enterprises in Ottawa to develop a robust picture of the sector and to identify gaps and challenges. Specifically, the study explored:

1. The types of industries social enterprises are operating in, the potential for cluster development, and social procurement/buying opportunities;
2. The impact social enterprises are having and their capacity/desire to scale their operations;
3. The different ways social enterprises are financing their operations and the level of demand for new types of resources and supports.

CISED intends to use the results of the study to inform how new supports for social enterprises are developed and introduced in areas such as cluster development, social procurement, scaling and growth, financing, and private sector business conversion.

**This study could not have been completed without the generous participation of social enterprises around the city. CISED is extremely appreciative of the time they took to respond to the survey and to contribute to the findings outlined in this report.**

# METHODOLOGY

An on-line survey was carried out during October and November 2015 targeted at a broad list of potential respondents identified by CISED. For the first time, organizations operating arts and culture enterprises, museums, as well as farmers markets were included as part of the broader list. The survey list did not include child care services or nonprofit housing coops or housing organizations. The total number of potential respondents identified was approximately 175. Over the course of delivering the survey, this list was reduced and refined to about 150 organizations. Some social enterprises had closed, moved, were operating a program without earned income, etc.

In order to reach as many participants as possible, the survey link was also sent to a variety of stakeholders and intermediaries in the city to share with their respective constituents and counterparts. The on-line survey was available in English and French. A shortened version of the survey, which focused on 5 key questions, was administered in English by telephone during November. CISED gratefully acknowledges the contribution of Ethel Côté of mécènESS for translation of the survey.

The online survey captured the following types of information:

- respondent profile (contact info, stage of development, legal structure)
- industry details (industry, products/services, purpose)
- financial indicators (sales, portion of expenses covered by sales, employment)
- customers (primary and secondary)
- capacity and needs (12 month plans, capacity to grow, barriers to growth, funding structure)
- interest in resources and supports (accelerator, loans, business conversion)

The shortened telephone survey comprised five questions:

- name and contact info
- stage of development
- products/services offered
- capacity to grow in next 12 months to meet increased demand
- top 3 barriers to growth

A total of 73 responses were received online or by telephone. 4 responses were subsequently removed from the survey results, either because the enterprise operated outside the Ottawa area or operated as a program without earned revenue. Of the 69 respondents, 52 participants responded to the on-line survey and 17 to the shortened telephone survey. In a few cases, organizations with more than one social enterprise provided one collective response to the survey. This being the

case, the number of social enterprises represented in the survey is closer to 75. The findings in this report relate to the actual respondents and no attempt has been made to extrapolate the findings to the sector as a whole.

Analysis of the data was carried out and considered within the framework of the guiding questions for the study. This report presents the key findings and analysis. A copy of the on-line survey and the telephone survey can be found in the appendices.

In some places in this report, a link has been made with the findings of this study and the findings of a needs assessment of the sector that CISED conducted in 2013. The 2013 study was based on the responses of 43 organizations, and while the participating organizations are not identical in both studies, some findings have been presented to provide a fuller picture.

# KEY FINDINGS

## SOCIAL ENTERPRISES IN OTTAWA

### PROFILE

- ❖ **Emphasis on work skills training and social inclusion**  
While social enterprises operate for a variety of reasons, providing work skills training for hard-to-employ individuals was the highest listed primary purpose (15 organizations). Over 56% of respondents listed social inclusion as either their primary or secondary purpose.
- ❖ **Many enterprises are fairly young**  
42% of respondents commenced operations since CISED began offering services in 2009.
- ❖ **Concentration of start-ups prior to 2000 and after 2009**  
There was a noticeable drop in start-up activity during the period 2000 to 2009 with only 9 respondents starting their social enterprise.
- ❖ **Majority in the “achieving stability” and “mature and stable” phase of development**  
Corresponding to the findings of a 2013 study, two thirds of respondents are either achieving stability or mature and stable.
- ❖ **Nonprofit is the dominant legal structure**  
Three quarters of respondents operate as a nonprofit or program of a nonprofit. Slightly more than half have charitable status.
- ❖ **Are capitalized through a combination of sources**  
Earned income is the primary source of capital followed by grants and donations.

## INDUSTRY DETAILS

### ❖ **Operate in a variety of industries**

The highest concentration of businesses operate in general services, followed by arts and culture. Other cluster areas are real estate development and property maintenance; food services and agri-business; recycling, repurposing and remanufacturing; and product manufacturing.

### ❖ **Combination of social and business drivers for choice of industry**

When deciding what industry to operate in, respondents indicated key factors included good potential for training and employment opportunities, and positive market research findings.

### ❖ **Are selling primarily to consumers and commercial customers including other nonprofits**

Government, institutional, and social enterprise customers are a smaller part of the overall customer base.

### ❖ **Social procurement is emerging**

8 respondents indicated that their customers have a procurement policy that identifies social enterprise as a supplier.



## FINANCIAL INFORMATION

❖ **Annual sales of \$100k or less is common**

63% of respondents reported annual sales of \$100k and under. 21% reported sales of \$500k and up.

❖ **Sales mostly increased or stayed constant compared to the previous year**

❖ **Social enterprises are becoming more dependent on their sales to fund their operations**

Almost half of respondents are covering 75% or more of their expenses with sales. 25% of respondents indicated this percentage increased over the previous year.

❖ **There is a trend towards a small number of large employers and a large number of small employers**

Many social enterprises operate with a staff of 10 or less. Employment numbers are growing or stable compared to the previous year.

❖ **Satisfaction with social performance is rated slightly higher than financial performance**

95% of respondents are very or somewhat satisfied with their social performance compared to 86% with their financial performance.

## CAPACITY + CONSTRAINTS

### ❖ **Social enterprises are planning to grow over the next year**

Over 76% of respondents intend to increase sales. 57% plan to add new products or services and 56% are planning to increase training and employment opportunities. These findings mirror the 2013 study where the top two activities identified by respondents for the upcoming 12-18 months were to increase sales and add new products and services.

### ❖ **Capacity to grow in the next 12 months to meet increased demand is generally 25% or less**

### ❖ **Social enterprises experience several barriers to growth**

The most commonly cited barriers are in the areas of sales/marketing, financial resources, and capacity – people and time, and space and equipment.

### ❖ **Sales and marketing are challenging**

There are several areas that social enterprises find challenging - with sales and marketing at the top of the list. Securing working and/or operating capital, product/service development, growth management, and securing grant funding were also identified as areas of challenge.

### ❖ **Social enterprises plan to work more closely with other social enterprises and private businesses**

While there is limited SE to SE purchasing within the sector currently, social enterprises show an interest in wanting to collaborate with another social enterprise and/or a private business to develop products and services in the next 12 months.

## INTEREST IN NEW SUPPORTS

- ❖ **Social enterprises have a moderate interest in access to loans and lines of credit**

14 respondents indicated they would find access to loans to be a useful resource for their enterprise. Potential purposes included scaling, product development, financial capacity, and building assets. Respondents gave several reasons for not being interested in a loan including existing access (via a parent agency or line of credit), timing, stage of development, organizational structure, and growth strategy.

- ❖ **Assistance to convert a private sector business to a social enterprise is a new concept with some interest**

9 respondents indicated they would find access to resources for this purpose to be of interest.

- ❖ **Social enterprises have an interest in an accelerator program**

Almost 45% of respondents indicated they would be interested in participating in an accelerator program where they would commit up to one half-day a month for a 4 month period. The services most desired were advisory services, market intelligence, network and mentorship. Topics of most interest were impact measurement and marketing.

## STAGE OF DEVELOPMENT

Respondents were asked to indicate the stage of development of their social enterprise – start-up, achieving stability, growing rapidly, or mature and stable. A comparison between the three stages of development, after the business had started, revealed the following findings.

- ❖ **Social enterprises take a number of years to move through the development stages**  
81% of businesses in the mature and stable phase started prior to 2000. In contrast, 60% of enterprises created since 2010 are achieving stability.
- ❖ **Sales levels, and the percentage of expenses covered by sales, increase as social enterprises move along the development path**  
The majority of organizations reporting annual sales of \$500k and higher are in the mature and stable phase. None of the social enterprises who are in the achieving stability phase had sales in their previous year in excess of \$500k.
- ❖ **Social enterprises at all phases have limited capacity to grow more than 25%-50%**  
Enterprises in the mature and stable phase indicate some capacity to grow at almost any level, but with a strong showing in the 1-10% range. Enterprises that are achieving stability do not have the capacity to grow more than 50% in the next 12 months.
- ❖ **Demand for loans builds from start-up and then decreases at the mature and stable phase**
- ❖ **Financial resources are a key barrier to growth for organizations in all phases. A lack of money to hire staff was noted as a constraint by social enterprises who are growing rapidly.**
- ❖ **The need for more space takes on increasing priority as organizations develop.**

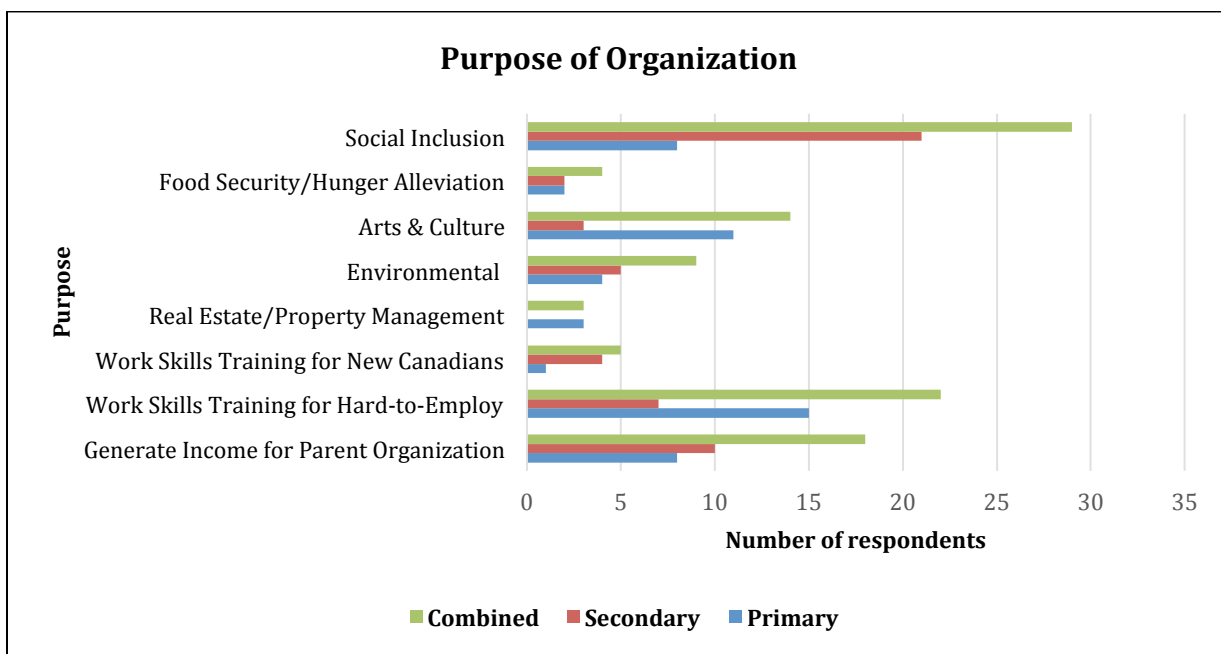
# INTERVIEW FINDINGS

**Note: Unless stated, the results contained in this report reflect the responses of the 52 participants who answered the on-line survey. Results that capture the collective responses for both on-line and telephone participants are noted in the respective sections.**

## A: PROFILE OF SE RESPONDENTS

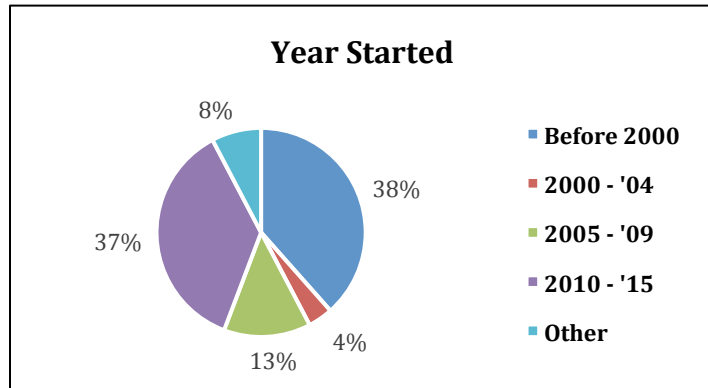
### Purpose – Primary and Secondary

Respondents indicated that social enterprises operate for a variety of purposes from food security, to work skills training, to generating an income for a nonprofit parent organization. Providing work skills training for hard-to-employ individuals was the highest listed primary purpose (15 organizations) followed by arts and culture (11 organizations). Social inclusion was the highest listed secondary purpose (21 organizations); however, 56% of organizations listed social inclusion as either their primary or secondary purpose. Most of the real estate and property organizations offer rental property or space for other nonprofits and social enterprises. The majority of the organizations that identified with arts and culture are part of the performing arts industry.



## Year Started

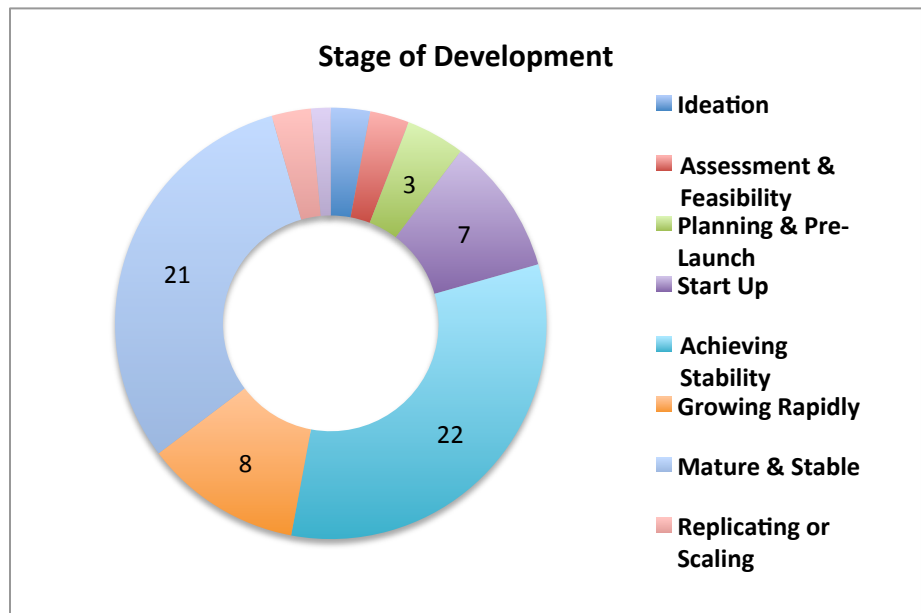
Social enterprise in Ottawa has been around for over a hundred years, with one organization responding they were established in 1913! Most social enterprises are fairly young with 42% of respondents having started since CISED began offering support services in 2009. 20 respondents started prior to 2000, 9 started between 2000 and 2008, and 20 were created between 2009 and 2015. Organizations that responded with “other” are in the pre start-up phase.



## Stage of Development

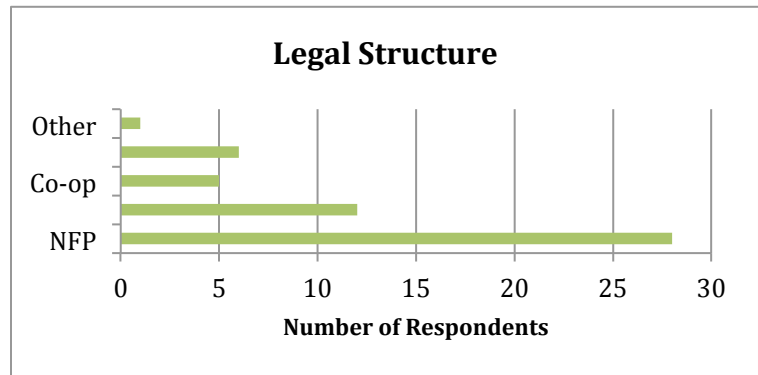
This question was answered by both telephone interview and online survey participants.

Corresponding almost directly to the results of the 2013 study, when asked to choose their stage of development, organizations who are “achieving stability” and “mature and stable” each represented approximately one third of respondents (32% and 31% respectively). 14 respondents are in the pre-start-up phase (ideation, assessment of feasibility and organizational readiness, planning and pre-launch) and 2 organizations are replicating or scaling. None of the respondents are in the decline or closing phase.



## Legal Structure & Charitable Status

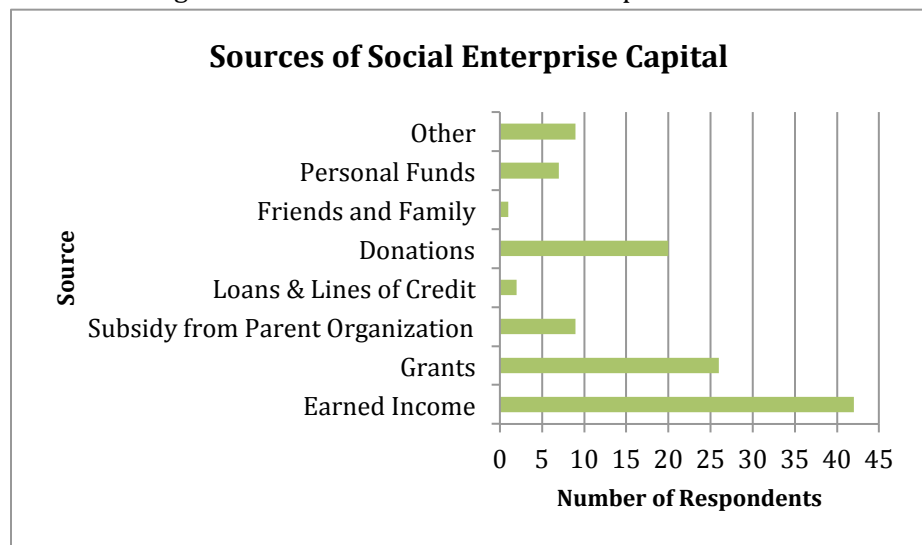
Ottawa's social enterprises operate under a number of different governance structures. The majority are structured as not-for-profits (54%) or programs of a not-for-profit (23%). Slightly more than half of the respondents have charitable status. More than half of the respondents operate their social enterprise under a parent organization (53%) and three parent organizations are operating multiple social enterprises.



Similar to findings in 2013, the not-for-profit model is still dominant, but the number of for profit companies identifying as social enterprises in 2015 was 6 compared to 2 in 2013.

## Capital Mix

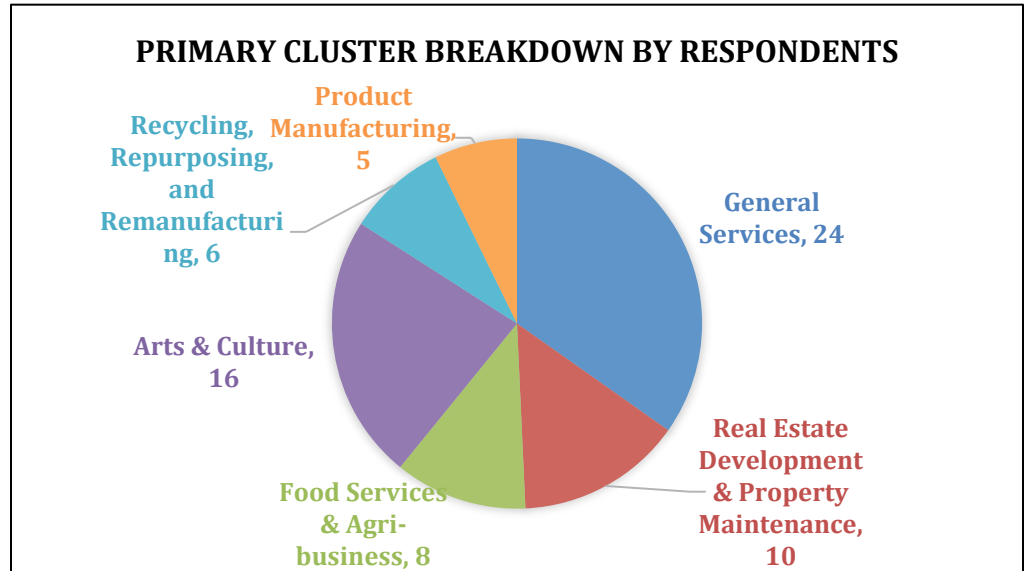
Social enterprises are capitalized through a combination of sources. The top three are earned income (42 respondents), grants (26 respondents) and donations (20 respondents). Least common was funding through friends and family, followed by loans and lines of credit. Types of "other" funding noted included event fundraising, earning interest on loans, and a cost-recovery model.



## B: INDUSTRY DETAILS

### Industry Breakdown

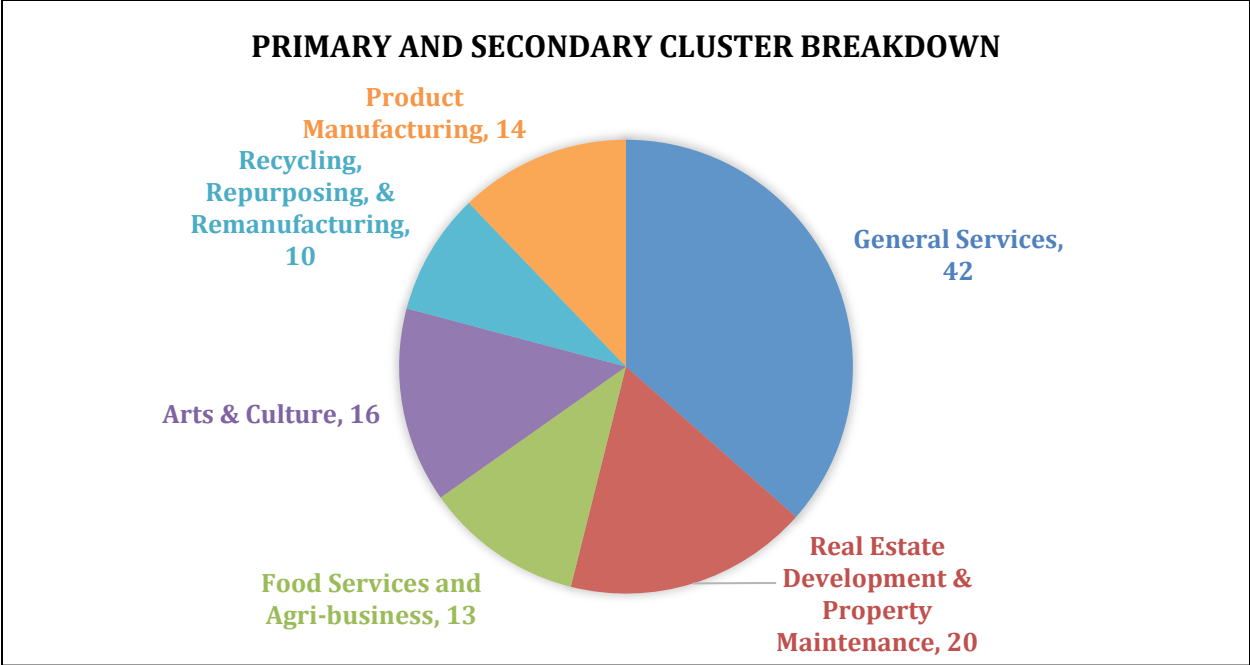
Industry information data was collected from both telephone and online survey participants. The industries were subsequently sorted using NAIC codes and by six cluster categories. Responses indicate social enterprises are operating in a diverse



set of industries ranging from general services to arts and culture to product manufacturing and recycling. Several enterprises span more than one category; for example, offering a service as well as manufacturing a product and operating a retail outlet. Respondents were classified under one primary cluster and then by secondary clusters. The breakdown by CISED by primary cluster area is shown in the chart above.

When enterprises are analyzed by both their primary cluster area as well as the other relevant secondary cluster areas, it becomes clear that social enterprises are actively offering a variety of general services - such as shredding, printing, groundskeeping, training and workshops, plant care, catering, laundry, internet and webhosting, asbestos abatement, and data entry.





**Reason for Industry Choice**

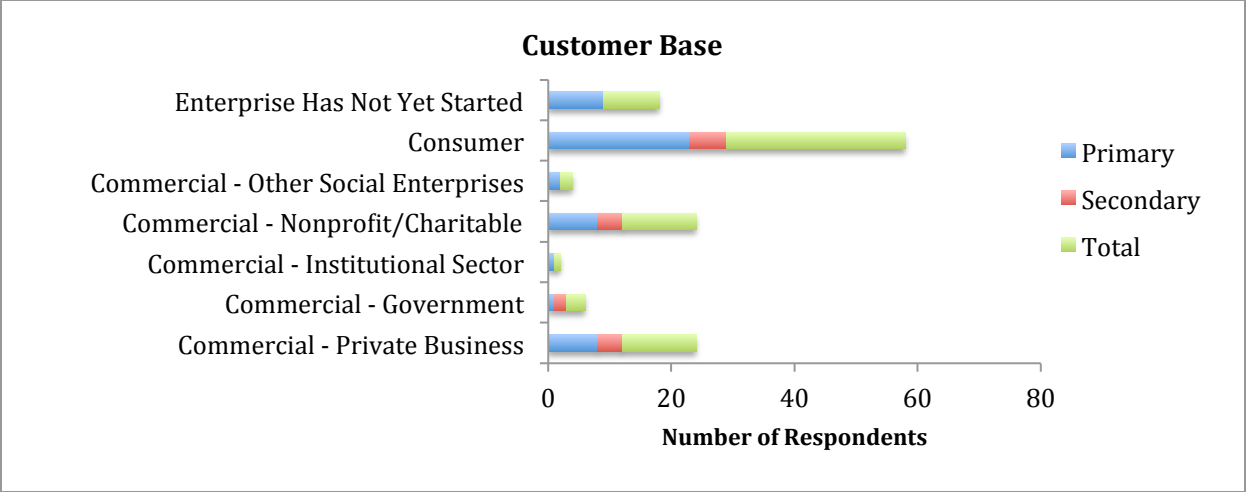
When asked to indicate what factors “definitely contributed” to the choice of industry for their social enterprise, respondents noted:

Good potential for training and employment opportunities	44%
Market research proved there was an opportunity	40%
Bad in-house expertise in this type of business	38%
Bad previous experience in this type of business	35%
The cost for start-up was minimal	35%

If considering factors that collectively either “definitely contributed” or “somewhat contributed” to industry choice, the top two reasons selected by respondents were minimal start-up cost (77%) and market research (75%).

**Customer Base – Primary & Secondary**

Social enterprises sell to a variety of customers from private companies to government to consumers. According to revenue size in the last year of sales, 44% of respondents (23 organizations) indicated consumers are their primary market and an additional 6 organizations noted that consumers are their main secondary market.



Looking to commercial customers, 31% of respondents (16 organizations) have either private business or non-profit/charitable customers as their primary market. Sales between social enterprises are limited with 2 organizations indicating other social enterprises form a part of their primary customer base.

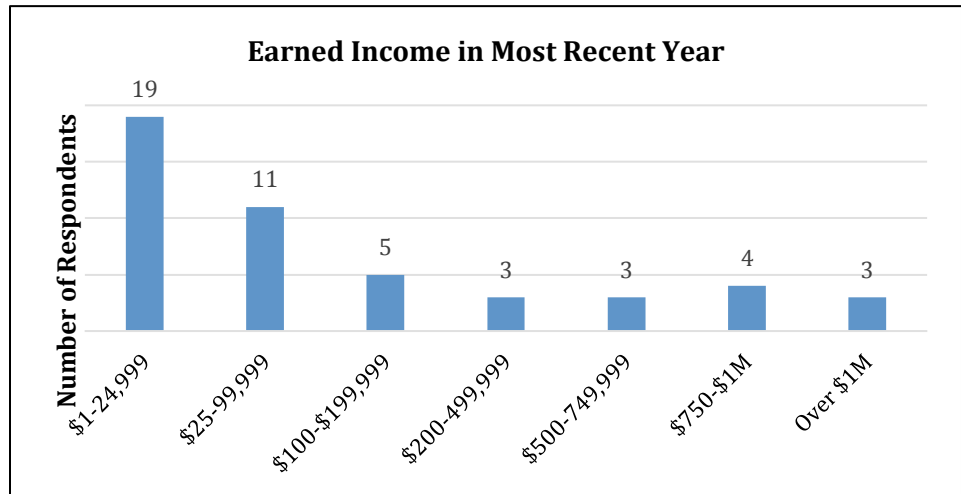
**Social Procurement**

8 of 50 respondents (16%) indicated that their customers have a procurement policy that identifies social enterprise as a supplier. 2 respondents did not answer this question.

## C: FINANCIAL AND SOCIAL INDICATORS

### Annual Sales

The total sales from earned income ranged from less than \$1000 to more than \$1 million. Three respondents indicated their enterprise had not yet started and one respondent did not wish to disclose. Of those who did respond, the majority (63%) reported

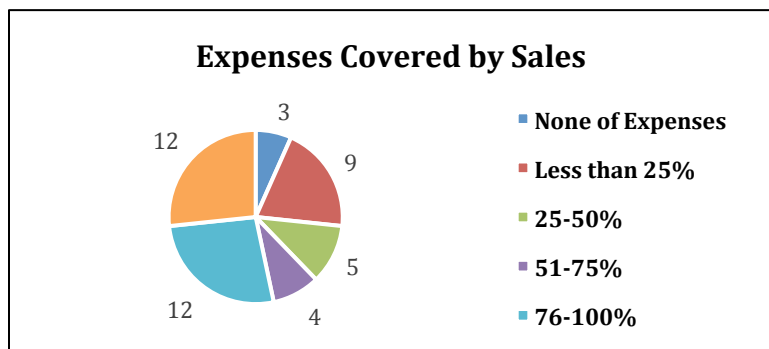


earned income of less than \$100,000 in the most recent year of operation. 7 respondents reported earned income in the range of \$500,000 to \$1M, and 3 respondents had sales in excess of \$1M.

When comparing this level of earned income to the previous year, 44% of respondents indicated sales had increased, 25% reported sales had stayed the same, 12% reported a decrease, and 19% were not able to respond.

### Portion of Expenses Covered by Sales

Social enterprises are becoming more dependent on their sales to fund their operations. Over 46% of respondents have 75% or more of their expenses covered by sales, including 12 respondents that generated a profit. Most organizations indicated that the portion of expenses covered by sales stayed the same compared to the previous year, while 25% indicated that it had increased.



### Employment

Respondents use a combination of employment options to staff their operations. 61% have full-time employees, 73% have part-time employees, and 50% have unpaid employees. 23% of respondents indicated they also use other staffing arrangements such as contractors, board members, project coordinators, and staff from a parent agency. Some respondents noted that

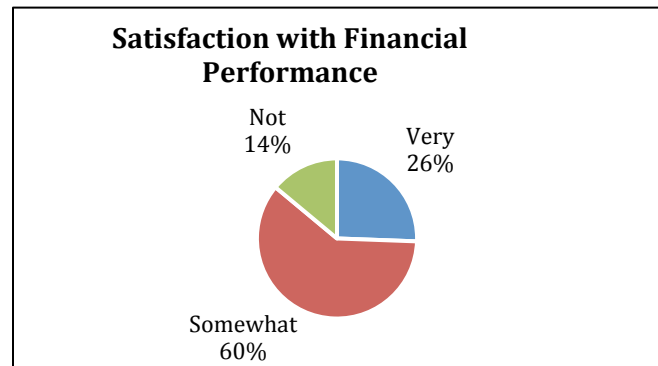
employment starts when the business is in the pre start-up phase where a position such as a project coordinator is needed.

The number of employees for each category (full-time, part-time, unpaid, and other) varied but the trend appears to be towards a small number of social enterprises having a large number of employees and a large number of social enterprises having 10 or less of all types of employees.

Respondents indicated that employment numbers are stable or growing compared to the previous year. 14 organizations saw their employment numbers increase while 24 organizations had employment at the same level.

### Satisfaction with Financial Performance

86% of respondents who are currently in business are very satisfied or somewhat satisfied with the overall financial performance of their social enterprise. 14% indicated they are not satisfied.

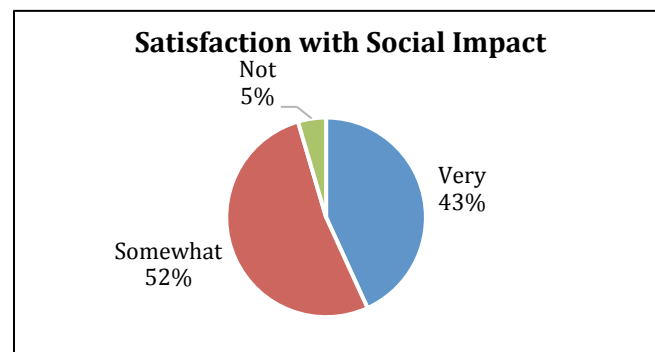


### Social Impact Indicators

Respondents measure their social impact in a variety of ways depending on the social mission and goals of their operation. The top categories for measuring social impact were around job creation (21%), people trained (19%), and customer satisfaction (9.6%). To a lesser degree, factors such as revenue generation, number of products sold, and service contracts completed were also identified. Data for measuring social impact is collected through a variety of means such as surveys and interviews, evaluations, registration and attendance numbers, payroll, and bookkeeping and sales reports.

### Satisfaction with Social Impact

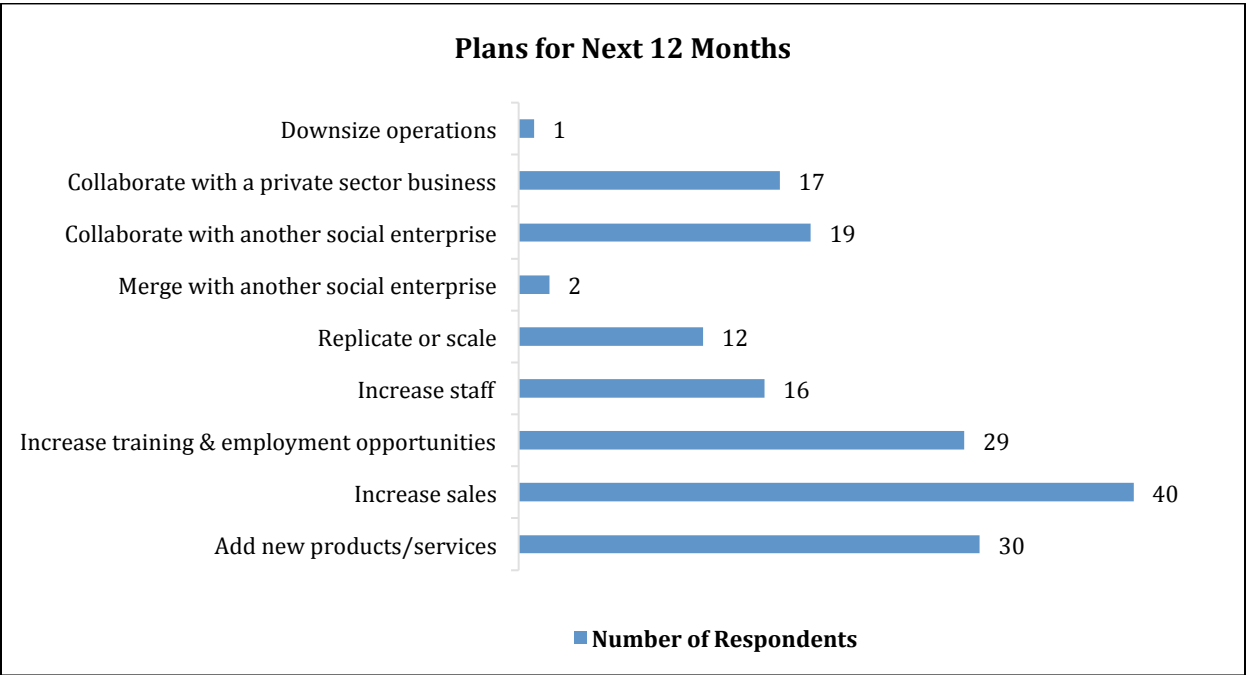
The level of satisfaction with social impact is almost 10% higher than satisfaction levels with overall financial performance. 95% of respondents are very or somewhat satisfied and 5% are not satisfied.



## D: CAPACITY AND CONSTRAINTS

### 12-Month Plans

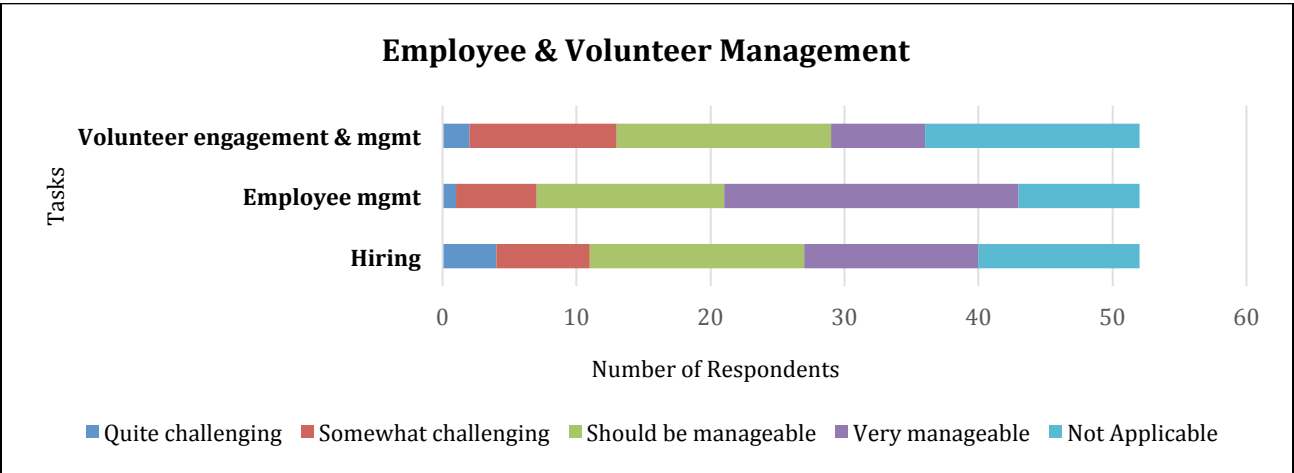
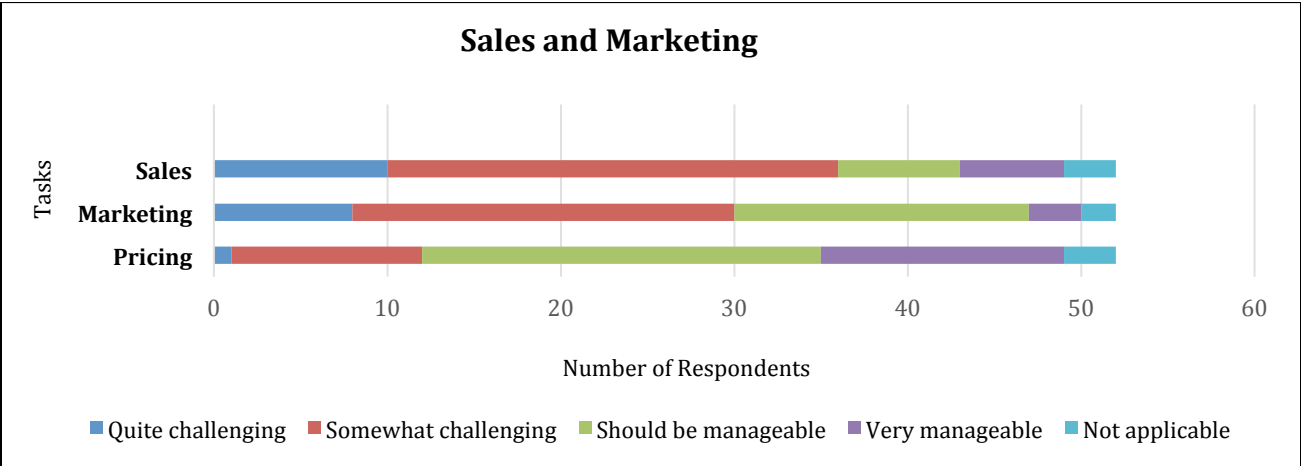
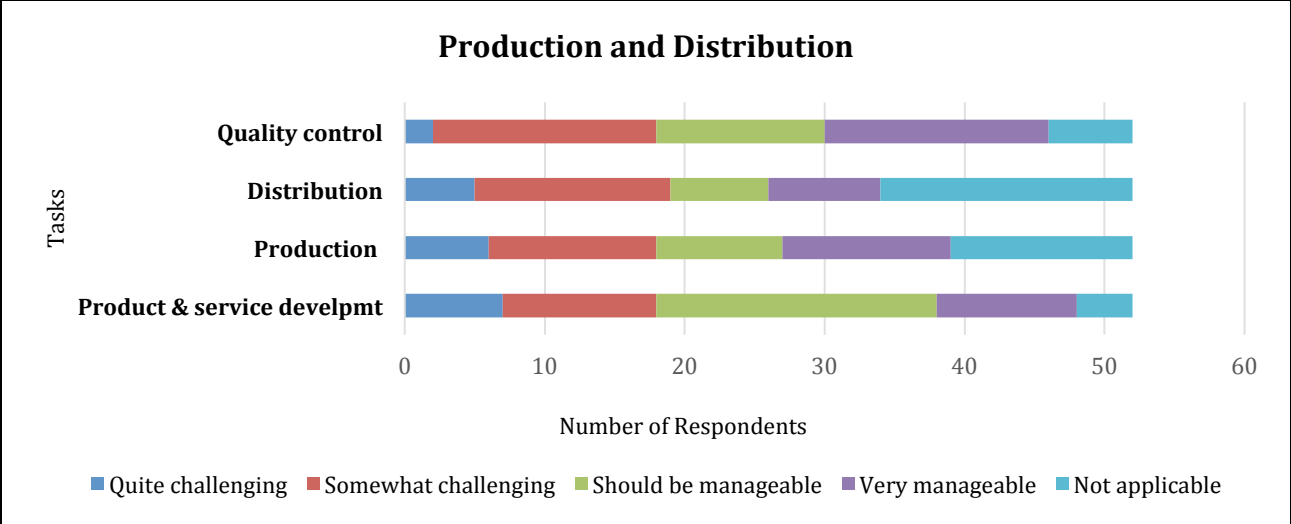
Respondents are planning to grow their social enterprises in a number of ways over the next year. Over 76% will be increasing sales, 57% plan to add new products or services, and 56% will be increasing training and employment opportunities. Expanding through collaborative activities is also in the plans for the next year; 36% of respondents are planning to collaborate with another social enterprise to provide products/services and 33% are intending to collaborate with a private sector enterprise. Increasing staff (31%) and replicating or scaling the social enterprise (23%) were also noted. Only one respondent indicated their social operation would be downsized in the upcoming year.

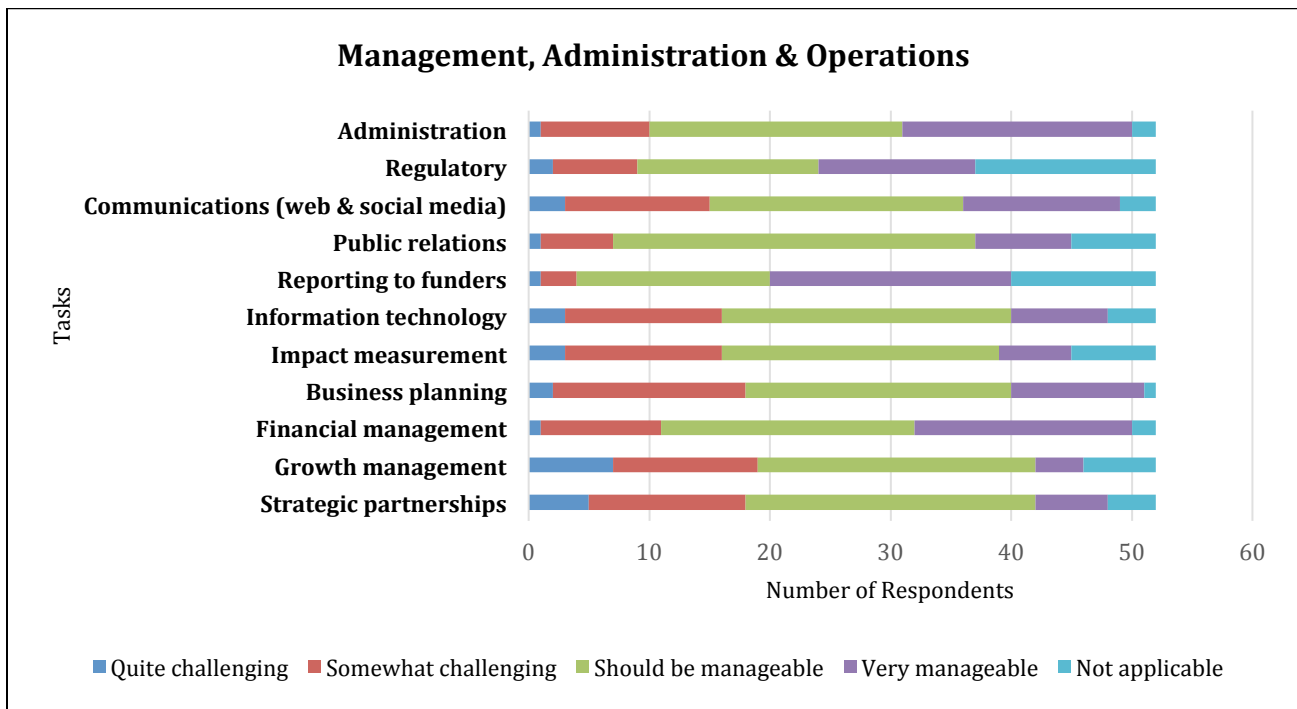
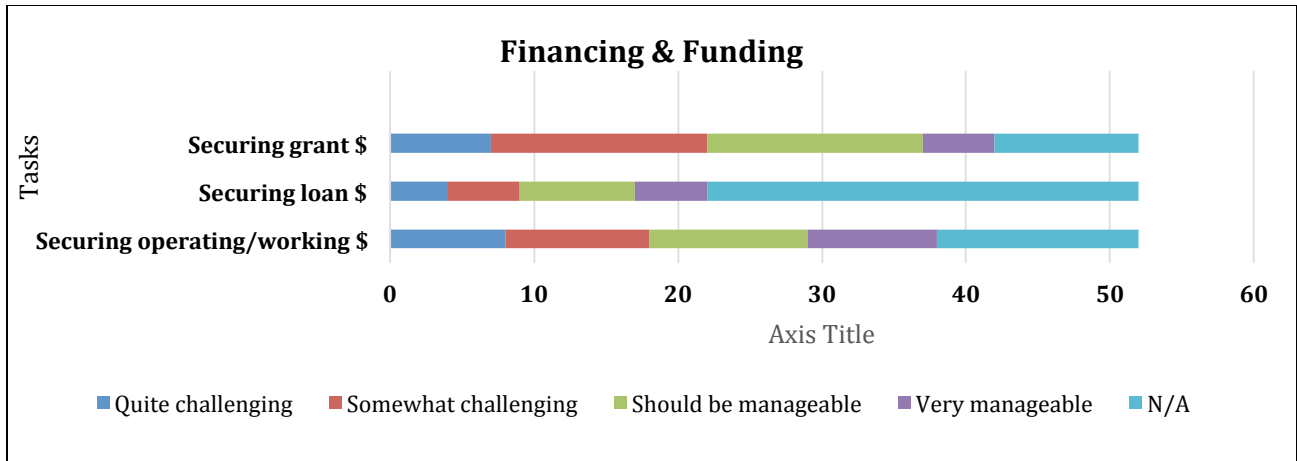


These findings are similar to the 2013 study findings where the top two activities identified by respondents for the upcoming 12-18 months were to increase sales and add new products and services.

### Strengths and Weaknesses

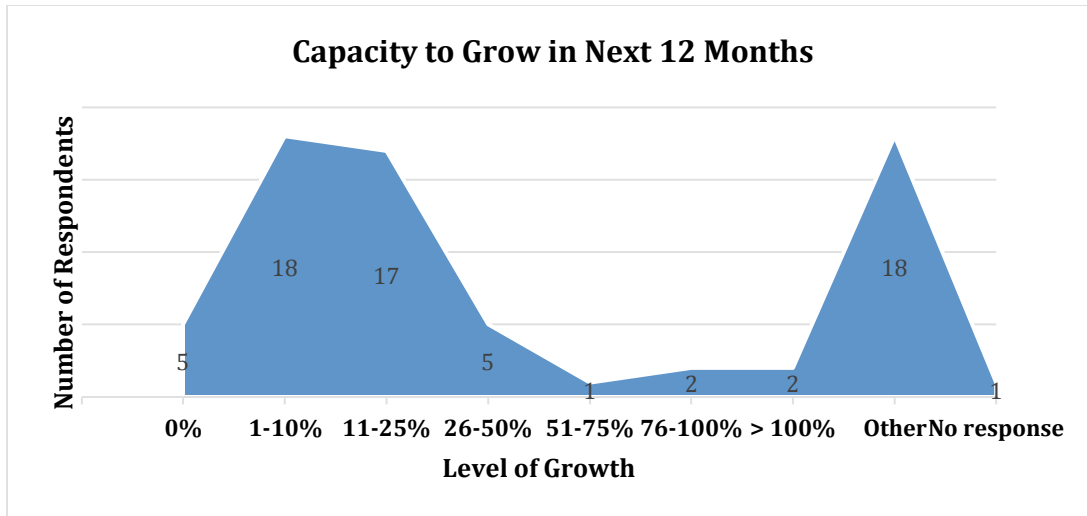
When asked to rate the level of challenge their social enterprise faces regarding a number of tasks, respondents indicated that the task they find most challenging is sales, followed by marketing, and securing operating/working capital. The third top area of challenge are product/service development, growth management, and securing grant funding.





## Capacity to Grow

Telephone and on-line respondents were asked to estimate the capacity of their social enterprise to grow in the next year in order to meet increased demand. Approximately 25% of enterprises could grow between 1-10% and another 25% could grow between 11-25%. Respondents who choose “other” indicated reasons such as: not started, in transition, shifting focus, not sure, and depends.



## Barriers to Growth

Social enterprises are facing barriers to growing their operations. When asked to identify the three top barriers (in no particular order), seven major headings emerged with the most common barriers being in areas of sales/marketing, financial resources, and capacity – people and time, and space and equipment. Business planning, governance and culture, and social considerations were also identified to a lesser extent.

- Marketing (ie sales, advertising, web development, customer segmentation, branding, building demand)
- Financing/Funding (ie access to funding/capital, high capital costs)
- Capacity – Human Resources and time (ie personnel, time, volunteer engagement)
- Capacity - Space & Equipment (ie securing the right property, physical location, parking)
- Business Planning (ie business modelling, business mindsets, procurement)
- Organizational Structure & Culture (governance, board engagement, structure, mindset)
- Beneficiaries (ie fluctuating clients, changes in client needs, impact measurement)



## E: INTEREST IN NEW SUPPORTS

### Loans and Lines of Credit

14 respondents indicated they would find access to a loan or line of credit to be a useful resource for their social enterprise to finance activities such as purchasing inventory or equipment, rent deposits, development of marketing tools, purchase of a business, etc. Some of the comments regarding this type of support showed why organizations would find access to debt useful:

- scaling - having access to a loan would help us to scale faster;
- product development - a loan or line of credit might be helpful to develop product/services;
- financial capacity - greater buying power and to bridge funding opportunities;
- building capital assets - for acquisition of a property and fit-ups.

25 respondents indicated they would not find access to loans and lines of credit useful. Some of the related comments indicated why this support was not of interest:

- existing access - the organization already has a line of credit / the parent organization has a line of credit to help when cash flow is low;
- timing and stage of development - the social enterprise is not ready for debt yet;
- organizational structure - the structure of organization does not allow for loans;
- growth strategy – a preference to grow organically.

Comments also noted the need for investment versus debt, and the challenge of accessing credit in the first several years of operation when lenders require three years of audited statements.

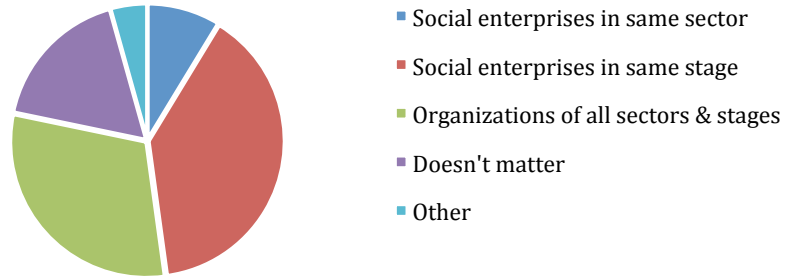
### Business Conversion Assistance

9 respondents were interested in access to resources to find and convert an existing business to a social enterprise as an alternative to the typical path for social enterprise start-up. 16 respondents were unsure, and 25 respondents were not interested.

### Social Enterprise Accelerator

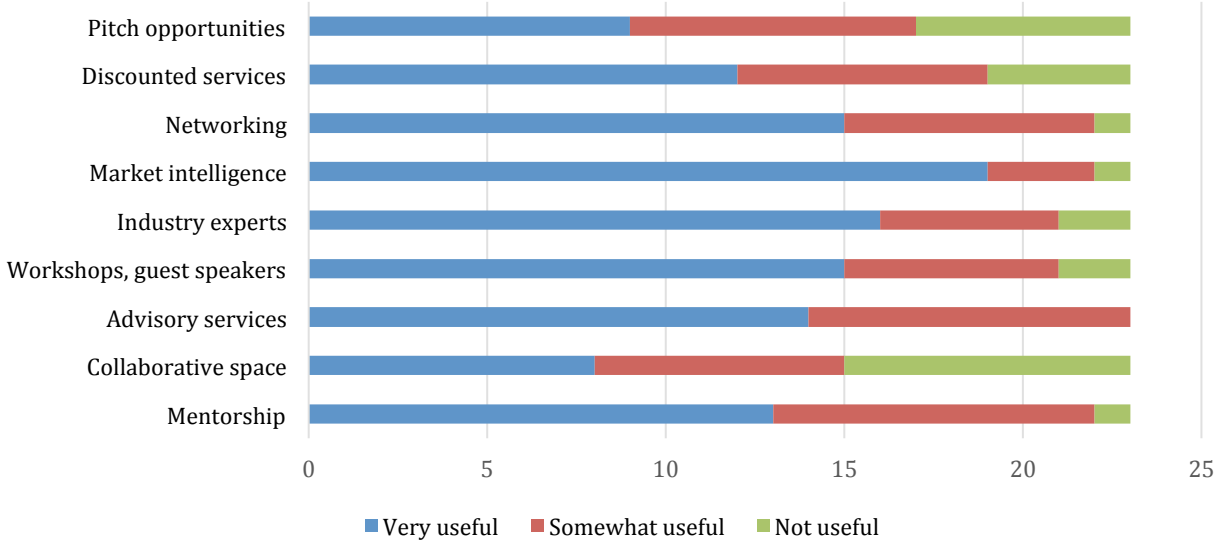
23 respondents indicated they would be interested in participating in a social enterprise accelerator, 24 respondents were unsure, and 5 were not interested. Of the 23 respondents who were interested, 21 would be willing to commit one half-day a month for up to four months to participate in the program. Interested respondents were mixed in their preferences regarding the composition of cohort participants. 9 preferred participants be in the same stage of development, 7 selected all sectors and stages of development, and 7 had no preference.

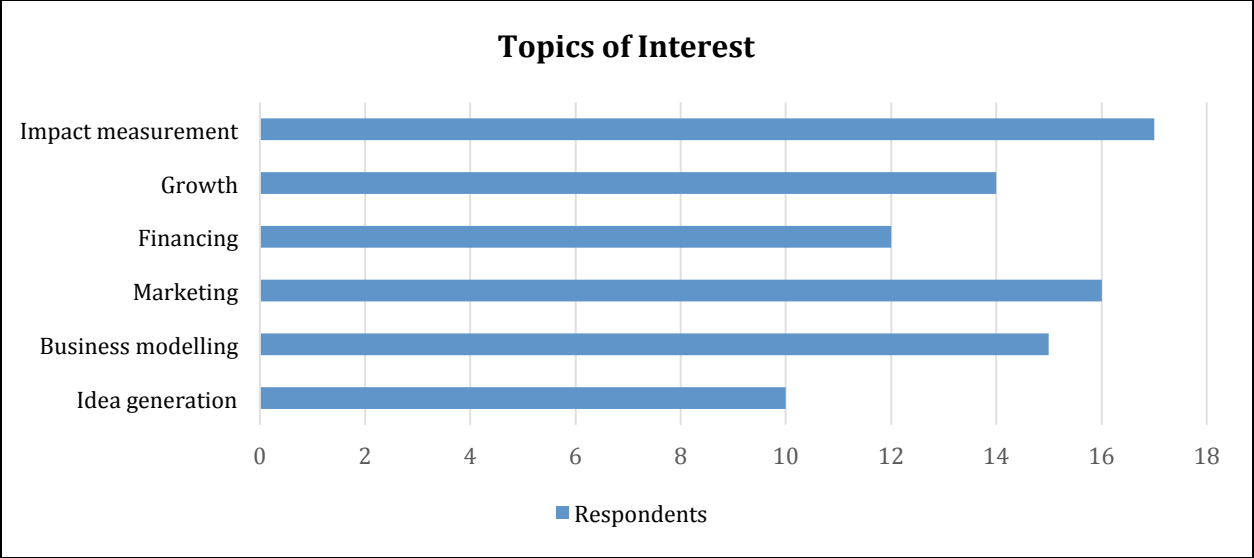
### Composition of Accelerator Cohort



The services that respondents indicated would be most beneficial are market intelligence, access to industry experts, workshops and guest speakers, and opportunities for networking. Impact measurement, marketing, and growth were chosen by participants as the top three topics they would like to learn in the accelerator.

### Accelerator Services





87% of interested respondents were unwilling (10) or unsure (10) if they would pay to participate in an accelerator. Of those respondents who would be willing to pay (3), the suggested range was \$300-\$500. 11 organizations indicated they would be more willing to attend if there was a scholarship to assist with cost and another 6 organizations would only attend if there was a scholarship.

# SOCIAL ENTERPRISE SPOTLIGHT

## F: FINDINGS BY STATE OF SE DEVELOPMENT

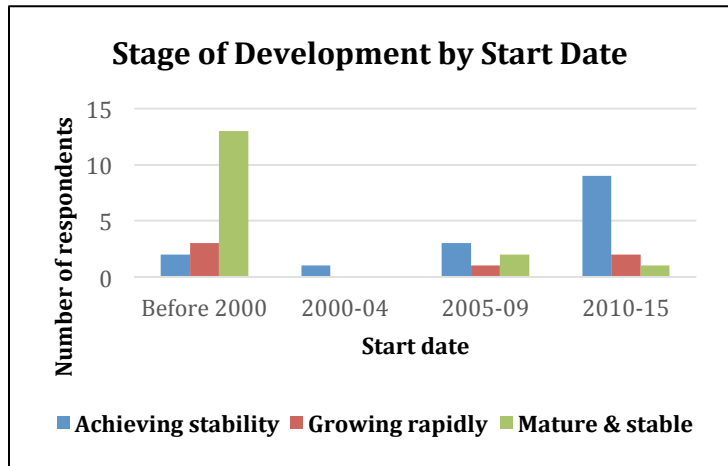
Respondents were asked to indicate the stage of development of their social enterprise. The following analysis looks at four distinct stages – start-up, achieving stability, growing rapidly, and mature and stable. It should be noted that start-up includes organizations at different points in the creation phase including ideation, assessment of feasibility and organizational readiness, planning and pre-launch, and start-up.

Phase of Development	Online Respondents	Telephone Respondents	Combined Online & Telephone Respondents
Ideation	2	0	2
Assessment of feasibility and organizational readiness	2	0	2
Planning and pre-launch	3	0	3
Start-up	5	2	7
<b>Total in Ideation to Start-up phase</b>	<b>12</b>	<b>2</b>	<b>14</b>
Achieving stability	15	7	22
Growing rapidly	6	2	8
Mature and stable	16	5	21
Replicating or scaling	2	0	2
Decline or closing	0	0	0
Other	1	0	1
<b>Total Respondents:</b>	<b>52</b>	<b>16</b>	<b>68</b>

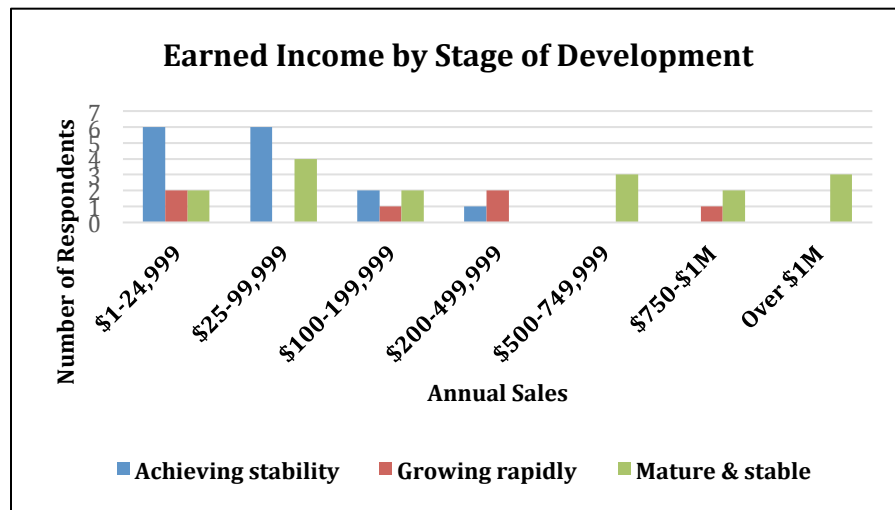
The analysis that follows is based on responses from online participant only unless otherwise indicated.

## Age and Stage of Development

Responses indicate that social enterprises take a number of years to move through the different stages of development. The majority of enterprises (81%) in the mature and stable phase started prior to 2000. In comparison, 60% of social enterprises created since 2010 are achieving stability. It is interesting to note the drop in all numbers from the period 2000-2009 compared to pre-2000 and 2010-15.



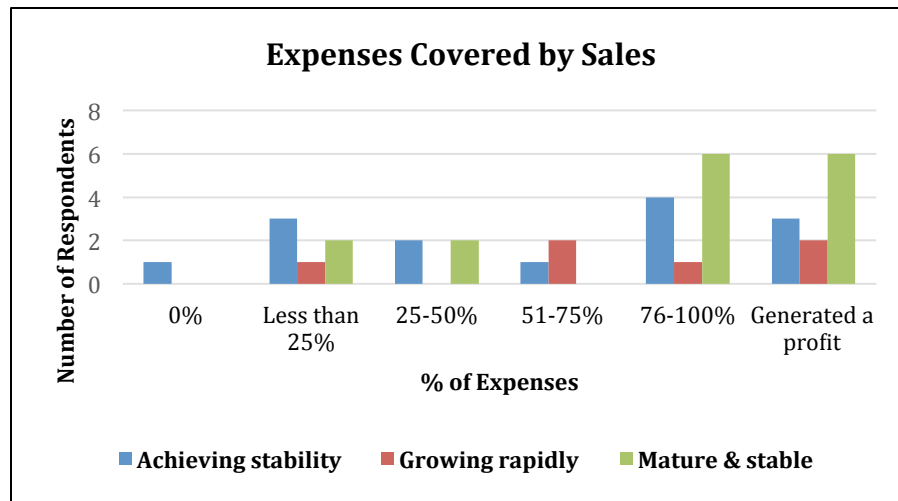
## Annual Earned Income by Stage of Development



The majority of organizations reporting annual earned income of \$500,000 and higher are mature and stable. None of the social enterprises who are achieving stability had sales in their previous year in excess of \$500,000. Those social enterprises in the growing rapidly phase can be seen at all levels of

earned income.

## Expenses Covered by Sales by Stage of Development

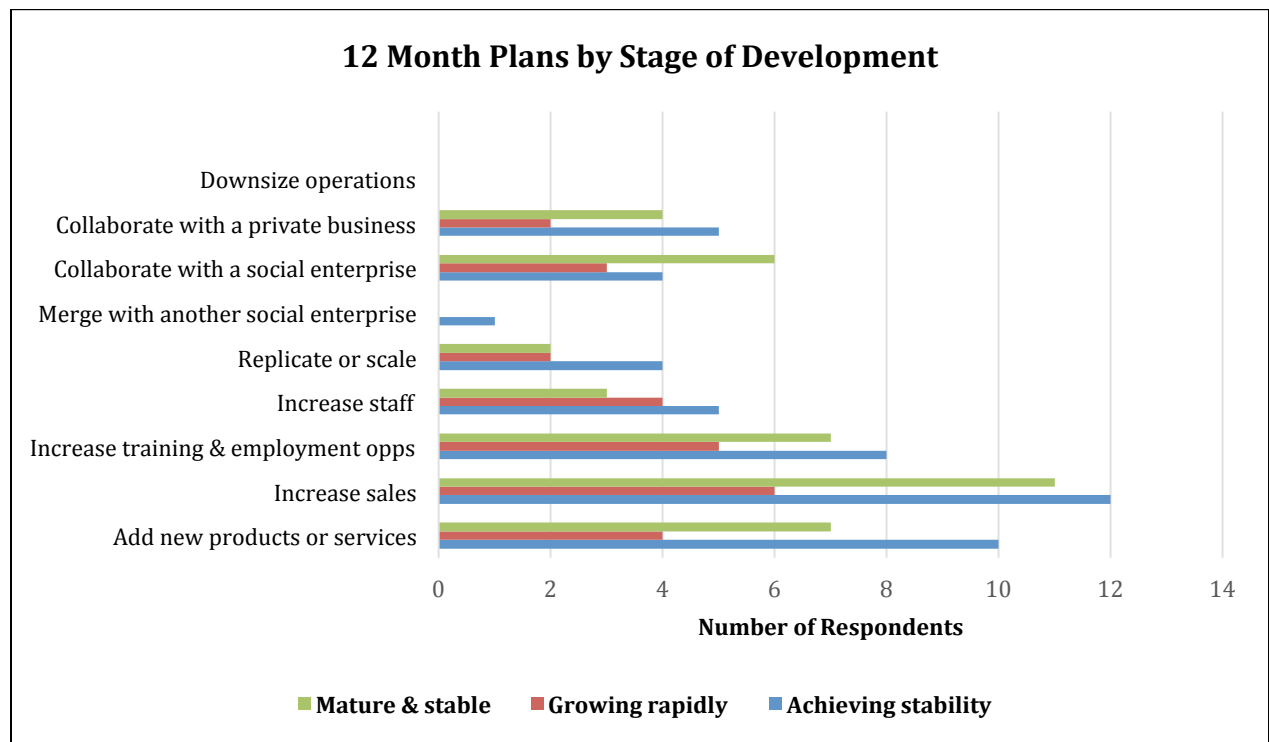


As social enterprises progress through the different stages of development, their capacity to cover the cost of sales increases. Organizations that are growing rapidly are seen more frequently in the range of 50% and up while organization who are achieving stability can be seen in almost all

levels.

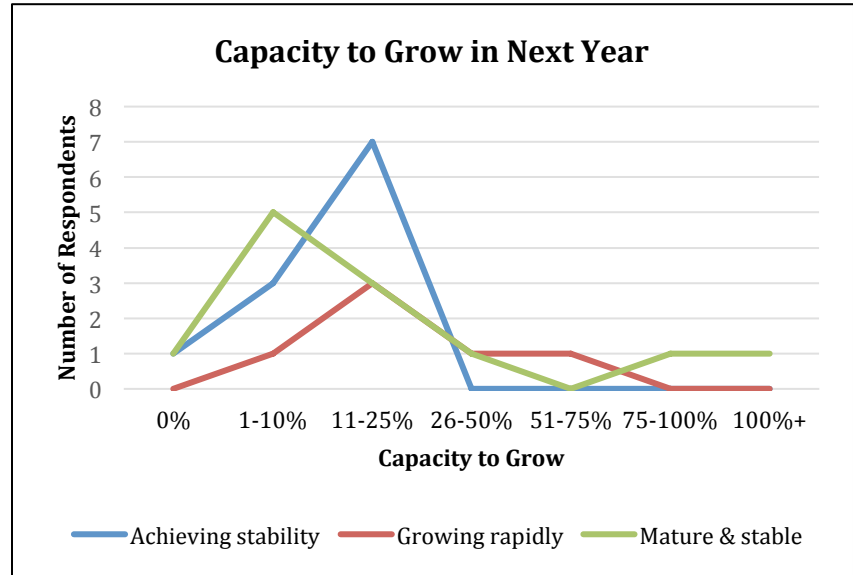
## 12-Month Plans by Stage of Development

Respondents at all stages intend to use a number of activities to grow their social enterprise over the next year. Increasing sales appears to be the primary strategy for organizations at all points of development.



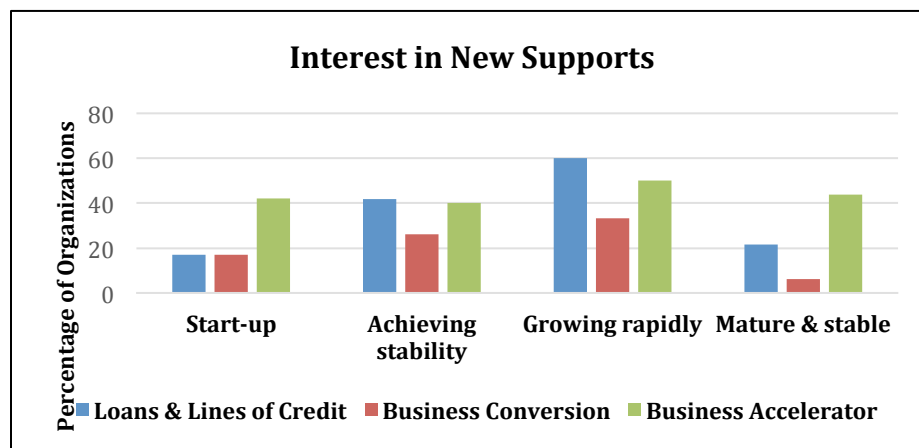
## Capacity to Grow and Stage of Development

Overall, respondents at all phases show an ability to increase capacity from 10-25%, but limited capacity to increase more than 26-50%. Enterprises in the mature and stable phase indicate a capacity to grow at almost any level but with a strong showing in the 1-10% range. Enterprises that are achieving stability show no capacity to grow more than 50% in the next 12 months.



## Barriers to Growth

Financial resources are a key barrier to growth cited by organizations who are achieving stability as well as in the mature and stable phase. Interestingly, several enterprises who are growing rapidly noted that a lack of money to hire staff is a constraint to growth. Marketing and sales was a major barrier and especially for enterprises who are achieving stability. Space was another barrier that was noted in all three phases of development but appeared to take on increasing priority as organizations moved from achieving stability to growing rapidly to mature and stable.



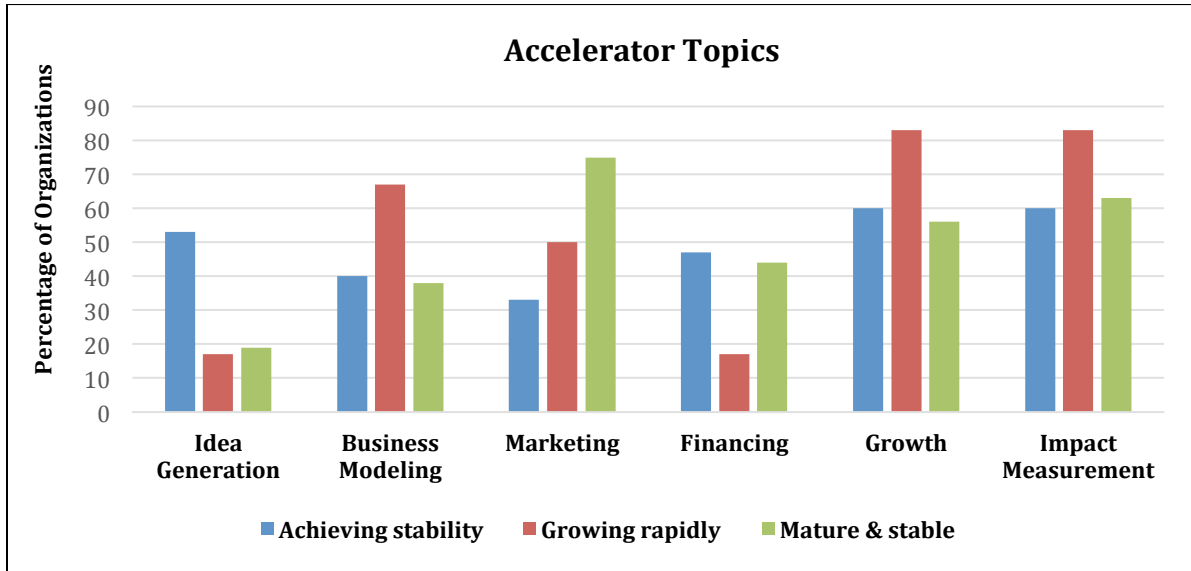
## Interest in New Supports

The level of interest in access to debt as well as business conversion support grows as organizations develop, and then declines in the mature and stable stage. Interest in participating in a social enterprise accelerator

is 40% or higher in all categories, and slightly higher for organizations who are growing rapidly. Demand for new supports appears to be lowest in the start-up phase and greatest in the growing rapidly stage.

## Accelerator Topics by Stage of Development

Respondents that are growing quickly have a strong interest in learning more about business modeling, growth and impact measurement. Organizations that are achieving stability have a wide range of interests. The top three areas of interest for mature and stable organizations are marketing, impact measurement, and growth.





## **APPENDICES**

### Online Survey Questionnaire

#### **Section 1: Social Enterprise Information**

1. Name

Name of Social Enterprise:

Name of Parent or Sponsor Organization (if applicable):

2. Contact Information

Name:

City/Town:

ZIP/Postal Code:

Email Address:

Phone Number:

3. Timeline

Year Started:

If not yet started, planned date of start-up:

4. Stage of Development (Choose One)

Ideation

Assessment of Feasibility and Organizational Readiness

Planning and Pre-Launch

Start-Up

Achieving Stability

Growing Rapidly

Mature & Stable

Replicating or Scaling

Decline or Closing

Other

5. Legal Structure:

Non-Profit

Program of a Non-Profit

Co-Op

For Profit

Other

6. Charitable Status:

Yes

No

Not Applicable

**Section 2: Industry Details**

7. What industry best describes the industry in which you operate in?

8. Why did you choose to start a social enterprise in this sector? (choose one response for each reason)

	Definitely	Somewhat	Not At All
Market research proved there was an opportunity			
We had previous experience in this type of business			
We had in house expertise in this type of business			
The cost for start-up was minimal			
The potential for training and employment was good			
The potential for profit was good			
It was complimentary to another social enterprise we run			

Other:

9. Products/Services Offered for Sale:

Primary:

Secondary:

10. Please select one primary and one secondary purpose:

Generate income for parent organization		
Work skills training for hard-to-employ individuals		

Work skills training for new Canadians		
Real estate/property management		
Environmental		
Arts and Culture		
Food Security/Hunger Alleviation		
Social Inclusion		

Other:

### Section 3: Financial Indicators

11. Total Sales from Earned Income (for the most recent year of operation):

Less than \$1000

\$1000 to \$9999

\$10,000 to \$24,999

\$25,000 to \$99,999

\$100,000 to \$199,999

\$200,000 to \$349,999

\$350,000 to \$499,999

\$500,000 to \$749,999

\$750,000 to \$1,000,000

More than \$1,000,000

Enterprise has not yet started

12. Did this number increase, decrease or stay the same over the previous year?

Increase

Decrease

Stay the Same

13. What is the portion of expenses covered by sales (for the most recent year of operation)

None of the expenses are covered by sales

Less than 25%

25-50%

50-75%

75-100%

Generated a profit

Enterprise has not yet started

14. Did this number increase, decrease or stay the same over the previous year?

Increase

Decrease

Stay the Same

15. Number of Employees (for most recent year of operation):

Full Time:

Part Time:

Unpaid:

Enterprise Has Not Yet Started:

Other:

16. Did this number increase, decrease or stay the same over the previous year?

Increase

Decrease

Stay the Same

17. What is your level of satisfaction regarding the overall financial performance of your social enterprise:

Very Satisfied

Somewhat Satisfied

Not Satisfied

Enterprise Has Not Yet Started

#### **Section 4: Customers**

18. What is your primary customer base (according to the revenue size of the last year of sales)

Commercial – Private Companies

Commercial – Government

Commercial – Institutional Sector

Commercial – Nonprofit/Charitable

Commercial – Other Social Enterprises

Consumer

Enterprise Has Not Yet Started

If you answered consumer, what type of consumer?

19. What is your secondary customer base (according to the revenue size of the last year of sales):

Commercial – Private Companies

Commercial – Government

Commercial – Institutional Sector

Commercial – Nonprofit/Charitable

Commercial – Other Social Enterprises

Consumer

Enterprise Has Not Yet Started

If you answered consumer, what type of consumer?

20. Do you know if any of your customers have a procurement policy that identified social enterprise as a supplier?

Yes

No

If yes, please explain:

### Section 5: Impact Measurements

21. Impact Measurements (for the previous year of operation):

What are your key impact measurements? (jobs created, people trained, waste diverted, etc)

How is (will) this information (be) collected?

22. What is your level of satisfaction regarding the social impact of your social enterprise?

### Section 6: Capacity and Needs

23. Over the next 12 months, is this social enterprise (or its parent) planning to: (choose all that apply)

Add new products or services

Increase sales

Increase training and employment opportunities

Increase staff

Replicate or scale the social enterprise

Merge with another social enterprise or organization

Collaborate with another social enterprise to provide your products/services

Collaborate with a private sector enterprise to provide your products/services

Downsize operations

Close down

Other (please specify)

24. Rate the level of difficulty your social enterprise faces regarding the following tasks:

	Quite Challenging	Somewhat challenging	Should be Manageable	Very Manageable	NA
Product or service development					
Production logistics					
Distribution					
Quality Control					
Pricing products or					

services					
Marketing					
Sales					
Hiring					
Employee Management					
Financial Management					
Administration					
Volunteer engagement and management					
Developing and managing strategic partnerships					
Impact Measurements					

24. Rate the level of difficulty your social enterprise faces regarding the following tasks:

	Quite Challenging	Somewhat challenging	Should be Manageable	Very Manageable	NA
Public Relations					
Information Technology					
Reporting to funders and partners					
Growth management					
Securing operating/working capital					
Securing loan capital					
Securing grant funding					
Business planning					
Communications (web and social media)					
Regulatory					

requirements					
--------------	--	--	--	--	--

Other (please specify):

25. How do you currently fund your social enterprise (choose all that apply):

Earned income from sales

Grants

Subsidy from parent organization

Loans and lines of credit

Donations

Friends and family

Personal funds

Other (please specify):

26. Would access to a loan or line of credit be a useful resource for your social enterprise to finance activities such as purchasing inventory or equipment, rent deposit, development of marketing tools, purchase of a business, etc?

Yes

No

Not sure

Please explain why or why not

27. Would access to resources to find and convert an existing business to a social enterprise be useful for you as an alternative to the typical start-up process?

Yes

No

Not sure

Please explain why or why not

28. In the next year, what is the capacity of your social enterprise to grow in order to meet increased demand?

We could grow our enterprise by:

0%

1-10%

11-25%

25-50%

51-75%

75-100%

More than 100%

Other (please specify):

29. In the next year, what are the top three barriers to growth that your social enterprise faces:

Barrier 1:

Barrier 2:

Barrier 3:

### Section 7: Social Enterprise Accelerator

CISED is in the process of developing a social enterprise accelerator program. To create this program so it best accommodates the needs of the sector, we'd like your feedback on what your organization would like to see in an accelerator to help further the goals of your social enterprise.

The accelerator would last four months, where teams would come together once each month for a half day of training, collaborating and mentorship to develop and grow their social enterprise.

30. Would members of your team be interested in participating in a social enterprise accelerator?

Yes

No

Unsure

31. Each accelerator will consist of a cohort of social enterprises. What other organizations would you be most interested in working with?

Social enterprises working in the same sector

Social enterprises that are at the same stage as mine

Organizations of all sectors and stages

Doesn't matter

Other (please specify)

32. Would you be able to commit to one half day each month, for four months to participate in the program?

33. What services would be most beneficial for the organization?

	Not Useful	Somewhat Useful	Very Useful
Mentorship			
Collaborative Space			
Advisory Services			
Knowledge Transfer (workshops, guest speakers)			
Industry Experts			
Market Intelligence			
Networking Opportunities			
Discounted services			



Pitch opportunities			
---------------------	--	--	--

Other (please specify):

34. What topics would you like to learn while participating in the accelerator?

Idea generation and validation

Business modeling

Marketing

Financing

Growth

Impact Measurement

35. Would your organization be willing to pay for the accelerator?

Yes

No

Unsure

What is the maximum you would be willing to spend to send 2-3 people to the accelerator?

36. Would you be more likely to attend if there was a scholarship available for your organization to participate?

Yes, I would be more likely to attend

No, I would still attend even without the scholarship

I would only attend if there was a scholarship

I would only attend if there was a scholarship

I would not attend regardless of the scholarship

### **Section 8: Final Thoughts**

37. If there is anything else you think we should know, or if you have any comments or suggestions, please include them here!

#### Phone Survey Questionnaire

1. What is the name of your social enterprise? Are you associated with a parent organization?
2. What stage of development would you classify your social enterprise?
3. What is the main product or service that you offer? Is there any secondary products or services?
4. If you could quantify your capacity to grow over the next year as a percentage, what would it be?
5. What would you say are the top three barriers to growth?