



# Blueprint for Economic Growth

## Action Strategies to Support Canadian Female-owned Enterprises

Female-owned enterprises are a vital part of the Canadian economy and play a significant role in job and wealth creation. Yet, many female-owned enterprises experience less than optimal growth. Many also lag male counterparts in terms of profitability, employment and export performance. Evidence suggests that female-owned enterprises represent significant untapped potential in the Canadian economy.

Industry, government and academic reports have called for policies and programs to support the growth of female-owned enterprises. Many recommendations stem from the success of existing women-focused training, consulting and networking programs and partnerships.

*A Blueprint for Economic Growth* calls for Action Strategies to facilitate the growth of female-owned businesses and maximize the impact of women-owned enterprises as a significant growth engine for Canada's economy at a time when Canada's economic growth is essential for both economic well-being and deficit reduction.

The proposal is advanced by The *Taskforce for Women's Business Growth*, a national and non-partisan consortium of prominent women business owners, small business training agencies, academics and industry associations. Founded in 2009, the goal of the Taskforce is to grow women's enterprises through the creation of public policy, advocacy, applied research, collaboration and sharing of best practices. Action Strategies follow. Founding Taskforce members are listed at the back of the document.

### An Economic Imperative

Women retain majority ownership of 30 percent of Canada's 1.6 million small- and medium-sized enterprises (SMEs).<sup>i</sup> Yet, only 37% of majority female-owned SMEs are categorized as 'high growth' compared to 63% of majority male-owned firms.<sup>ii</sup>

In addition, over 900,000 of Canada's 2.6 million self-employed workers are female. However, female self-employed workers earn significantly less than male counterparts.

Despite the importance of women's enterprises to Canada's economic prosperity, there is no national policy or program architecture to facilitate the growth of female-owned firms. Furthermore, there is little co-ordination of government, industry and non-profit initiatives targeted at women business owners.

Federal, provincial and municipal support is required to realize the full economic potential of women's enterprises in Canada.



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## Immediate Action Strategies

### 1 A national training strategy targeted at women entrepreneurs

A national women-focused economic and training strategy, delivered across all provinces and territories, is required in order to maximize the social and economic contributions of female-owned enterprises. Horizontal co-ordination of SME policies and programs and increased communication about SME policies and programs are also needed. This is to help ensure that Canadian women business owners are aware of existing and pending programs and related assistance. To facilitate the creation of policy and program co-ordination, the Taskforce recommends that an *Office for Women's Enterprise* be established. The office will serve to coordinate the creation of federal programs, policy and research in support of expanding the impact of women's enterprises on economic growth. The *Office for Women's Enterprise* must be granted sufficient authority and resources to provide appropriate leadership to facilitate the work of all federal agencies involved in implementing policies and programs for women business owners. The *Office for Women's Enterprise* would need to reside within a federal ministry or institution with a primary mandate to stimulate economic growth.

The Taskforce also recommends that an online portal focusing on women entrepreneurs be created to act as a clearinghouse of information, training, and business information for women entrepreneurs, including SME growth strategies, case studies, role models, profiles on women's business organizations and applied research.

### 2 Creation of an advisory council on women's entrepreneurship

As female entrepreneurs are pivotal to growing the Canadian economy, it is important for the Government of Canada to regularly consult them for advice on effective 'Made in Canada' policies and programs. It is proposed that a *Businesswomen's Advisory Council* be established to advise the federal government on issues related to women's enterprise. The *Businesswomen's Advisory Council* should report directly to the Prime Minister. Administrative support for the Council could be provided by the *Office for Women's Enterprise*. This recommendation is modeled on the US example. Since 1988, the National Women's Business Council has reported directly to the President and Congress on issues of interest to American women business owners.

### 3 Related support for women's business leadership

This blueprint calls for a national *Women's Economic Summit*. The Summit should include all federal, provincial and municipal government, private sector and women's enterprise representatives. The purpose of the summit is to raise the profile and increase awareness about the importance of Canadian women business owners in the global economy. The event will identify role models, enable knowledge sharing and facilitate idea generation about best practices to grow Canadian firms.

Within Canada, there are no mechanisms with which to identify the gender composition of firm ownership. This is required to support evidence-based gender-sensitive SME program development and policy. Hence, better data collection and reporting about the nature and contribution of women's enterprise is required across all provincial and federal agencies.

Finally, for many majority female-owned enterprises, supplying to government is a key market development opportunity. Yet the Taskforce observes that Canada has lost ground, relative to the US and UK, with respect to SME procurement policies as instruments to support the growth of women-owned enterprises. Federal, provincial and municipal procurement targets for majority female-owned enterprises and related changes in supply policies and processes will support the growth of female-owned enterprises and build a more diverse supplier base. The opportunity exists now, as part of the review of federal procurement policies, to ensure that female-owned enterprises have equitable access to procurement projects.

Table 1: Related recommendations from Canadian consultations on policies and programs to support women-owned enterprise.<sup>iii</sup>

Issues	Recommendations
Government procurement	<ol style="list-style-type: none"> <li>1. Expand awareness of procurement opportunities through women business owner associations.</li> <li>2. Initiate supplier diversity programs and include women-owned businesses in lists of suppliers and subcontractors.</li> <li>3. Train procurement personnel about the importance of women-owned enterprise and diversity.</li> <li>4. Proactively engage women in seminars about selling to government and effective proposal writing.</li> <li>5. Establish procurement targets for SMEs and in particular, women-owned enterprises. Review the impact of larger, consolidated tenders on SMEs.</li> <li>6. Encourage corporations to extend supplier diversity among second-tier contractors.</li> </ol>
Coordinate support	<ol style="list-style-type: none"> <li>1. Establish federal and provincial interdepartmental oversight committees tasked with developing a comprehensive economic development framework for women entrepreneurs.</li> <li>2. Create an <i>Office of Women's Business Ownership</i> to oversee programs and policies to support women's entrepreneurship.</li> <li>3. Grant the <i>Office of Women's Business Ownership</i> sufficient power to reach into different federal agencies to ensure that initiatives are implemented.</li> <li>4. Create an <i>Advisory Council on Women's Entrepreneurship</i> to advise on related issues.</li> </ol>
Research	<ol style="list-style-type: none"> <li>1. Establish gender-based program evaluation criteria at the inception of SME policies and programs.</li> <li>2. Collect data on SME program use on the basis of gender using a consistent definition of a 'woman-owned' firm.</li> <li>3. Establish a research centre devoted to understanding women's entrepreneurship.</li> <li>4. Establish university research chairs and build Social Sciences and Humanities Research Council (SSHRC) networks of researchers.</li> </ol>
Communication and partnerships	<ol style="list-style-type: none"> <li>1. Ensure that women business owners are aware of existing assistance.</li> <li>2. Create a portal exclusively about women's entrepreneurs. That portal could be housed on Strategis (<a href="http://strategis.gc.ca">http://strategis.gc.ca</a>), an Industry Canada website containing business and consumer information.</li> <li>3. Share information about alternative sources of financing and support on the websites of banks, credit unions, and business associations.</li> <li>4. Disseminate research about women's entrepreneurship.</li> <li>5. Showcase the diverse nature of women's entrepreneurship through publications and marketing tools. Show positive female role models working in non-traditional areas.</li> <li>6. Identify mechanisms to facilitate and promote communication across business women's associations with a view to create more provincial and national organizations.</li> </ol>

## Taskforce for Women's Business Growth Founding Members (2010)

Chair: Barbara Orser  
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i Huot, P. and Carrington, C. (2006). Small Business Financing Profiles. *High Growth SMEs*, Ottawa: Small Business Policy Branch. Access at <http://dsp-psd.pwgsc.gc.ca/Collection/Iu188-3-2005E.pdf>

ii Statistics Canada, CANSIM, Table 282-0012 and Catalogue No. 89F0133XIE.

iii See Orser, B. and Connell, J. (2005). Sustaining the Momentum: An Economic Forum on Women Entrepreneurs Summary Report, Ottawa: Industry Canada Small Business Policy Branch; Foundation of Canadian Women Entrepreneurs. (2004). Best Practices for Women Entrepreneurs in Canada; Stanger, A. (2004). Gender-comparative use of small business training and assistance: A literature review. *Education & Training* 46: 464-473; Bulte, S., Callbeck, C., Duplain, C. Fitzpatrick, R., Redman, K., and Lever, A. (2003). The Prime Minister's Taskforce on Women Entrepreneur, Ottawa: National Liberal Caucus Research Bureau, Information Management.