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Politicians miss the mark on small business

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Political parties are furiously competing for the biggest share of the entrepreneurial community, but courting it is proving to be no easy feat

Small-business owners represent a critical voting bloc, but some of them say they are feeling overlooked by candidates on the federal campaign trail.

While there's no doubt political parties are furiously competing for the biggest share of the entrepreneurial community, courting it is proving to be no easy feat.

There are more than one million [<http://www.theglobeandmail.com/report-on-business/your-business/grow/expanding-the-business/entrepreneurs-by-the-numbers/article1972927/?from=1972926>] small businesses in Canada, representing a variety of sectors with vast differences in revenue and number of employees. Add to that the nearly 2.7 million self-employed Canadians and entrepreneurs are anything but a homogenous group.

Some entrepreneurs and their advocates have suggested that the various campaign promises only resonate with parts of the community at a time when smaller firms are increasingly expected to propel economic growth and create jobs.

Beverly Gordon, co-owner of Swansea Massage Clinic [<http://www.swansearmt.ca>] in Toronto, said she is an undecided voter because political parties have failed [<http://www.theglobeandmail.com/report-on-business/your-business/start/business-planning/key-campaign-pledges-from-the-election-trail/article1962938>] to address the needs of micro-businesses such as hers: "I am stymied by my choices, or lack of choices."

She said her business would not benefit from the hiring tax credits being offered by either the Conservatives or the NDP, and she is unclear how the Liberal platform applies to her. Ms. Gordon would like the next government to introduce a Plain Writing Act [<http://abcnews.go.com/wn/obama-signs-law-understand/story?id=11902841>], similar to what was introduced in the United States last year, to force the Canada Revenue Agency to use easy-to-understand language in its communications.

"I have a university degree but understanding what the CRA says? No way. I have to hire a professional. I don't think that [should be] necessary."

She also wants the federal government to establish a national database of Canadian products made by small businesses to better promote the merits of buying from smaller firms.

Barbara Orser, chair of the Taskforce for Women's Business Growth [<http://sites.telfer.uottawa.ca/womensenterprise>], said Canada desperately needs a national strategy to support female entrepreneurship, given some 47 per cent of small and medium-sized companies have some ownership by women.

"To me it is quite remarkable that all of the parties have missed the opportunity to target women entrepreneurs. I say that because whereas men and women have many, many similarities we consistently note differences," said Ms. Orser, who is also Deloitte chair in the management of growth enterprises at the University of Ottawa.

Female-owned firms are, on average, half the size of those of their male counterparts and may not necessarily benefit from existing innovation agencies because many are in the early stages of development, she said.

Women-centric programs, such as the Kelowna, B.C.-based Women's Enterprise Centre [<http://www.womensenterprise.ca>], help address the "soft issues" that impede enterprise growth, such as building confidence and making strategic decisions about creating products and services geared toward female clients.

"Too often politicians are basing decisions not on opportunities for economic growth. but on personal assumptions about women's roles," she said. "We don't have those kinds of discussions when we are talking about our science and technology innovation platforms, but when it comes to women, it ends up being personal assumptions."

For one highly successful female tech entrepreneur, her choices in this election so far are hardly cut and dried. Cybele Negris, a founding partner and president of Vancouver-based Webnames.ca [<http://www.webnames.ca>], said part of the challenge has been sifting through the political rhetoric of the campaign.

"It's certainly distracting," she explained. "For me it is going to come down to which party is going to do good things for the country, for the economy."

Webnames.ca employs about 30 people and Ms. Negris' election wish list includes red-tape reduction, lowering the small-business tax rate, and tax credits for hiring and training new employees.

The political parties appear to be cherry-picking among those issues, but Ms. Negris argued that addressing them all would provide relief to the greatest number of entrepreneurs.

Garth Whyte, CEO of the Canadian Restaurant and Foodservices Association, said politicians need to broaden their definitions of innovation and entrepreneurship. "There's a lot things our sector does with innovation and job creation but people haven't connected the dots and they take it for granted."

For instance, the industry generates nearly 4 per cent of Canada's gross domestic product and it is the country's fourth-largest employer.

"They don't know that we are a \$60-billion industry - that we employ more people than forestry, fisheries, mining, agriculture and the financial sector combined."

That's partly why the association has created a "federal candidate checklist" that includes issues such as red-tape reduction, payroll taxes and credit-card processing fees.

Credit-card fees is also the No. 1 issue identified by small retailers, said Diane Brisebois, CEO of the Retail Council of Canada. While the NDP has pledged to regulate credit-card transaction fees for merchants, small retailers are disappointed that other parties have failed to follow suit.

"That should be a rallying cry from all the parties," she said. "We are hoping that government and all parties take this issue a lot more seriously in relation to the extreme negative impact it has on merchants. This is literally, in many cases, eliminating profit margins for small businesses, which means they can't survive and they certainly can't reinvest in their business or hire new employees."

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