

WISE5

Winning Strategies for Immigrant Entrepreneurship

Community Guide



March 2012

Funded by:

Financé par :



Citizenship and
Immigration Canada

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Immigration Canada



Workforce Planning Hamilton
Planification de main d'oeuvre de Hamilton

Wise5 Community Guide

The Winning Strategies for Immigrant Entrepreneurship project (“Wise5” for short) built on a partnership of local Workforce Planning Boards in five communities: Hamilton, London, Niagara Region, Windsor, and Waterloo Region including Guelph. To learn about experiences of immigrants in business, we interviewed more than 100 individuals in these communities, including immigrant entrepreneurs, service providers and other persons with knowledge of immigration and business. This guide as well as the longer project report builds on findings from these interviews, from relevant articles and reports, and from primary research into services and supports to identify key business supports and business start-up trajectories that have met with success.

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About Immigrant Entrepreneurship

Why is immigrant entrepreneurship important?

Persons in all immigration categories and from a wide range of countries establish businesses in Canada. Through investments and business formation, immigrants have become a major source of job creation in this country.

Yet starting a business is challenging, and failure rates are high, both for immigrants and the Canadian-born. As this country increasingly relies on immigration for labour force and population growth, and as almost all new jobs are created by small businesses, it is important to learn more about immigrant businesses and how to help them thrive.

What do we know about immigrant entrepreneurs?

Among Canadian immigrants, self-employment rates increase with age as well as with time spent in Canada. Compared to employees, both immigrants and non-immigrants who are self-employed tend to be male, older, married with children at home, and better educated.

Some immigrants are attracted to self-employment by a business idea or opportunity, because self-employment is common in their profession (e.g., physician, lawyer, contractor), or for other reasons. Others, however, are “pushed” into self-employment by the lack of other paid employment.

The immigrant entrepreneurs interviewed in our research had a variety of motives for starting a business: 75% were voluntary entrepreneurs who were “pulled” into entrepreneurship while the remaining 25% were either involuntary entrepreneurs who were “pushed” into entrepreneurship, or had experienced some combination of “push” and “pull” factors.

These same entrepreneurs immigrated to Canada in various immigration classes. Just over two-thirds came from Asia, Latin America, or the Middle East. They tended to be highly educated, with close to two-thirds of them having an undergraduate or graduate degree from a university. Nearly 70% of the entrepreneurs either had direct experience running a business or had been involved in a family business in their country of origin.



Roadmap to Success

Many of the entrepreneurs who appeared to be experiencing success in their businesses tended to share some characteristics. They were voluntarily self-employed; highly educated, many with graduate degrees; spoke excellent English; and had prior business experience in their country of origin in the same industry. Many of them had taken business seminars and courses in Canada, had strong local networks, and spoke of persisting in the face of challenges.

Similarly, many of them followed a common trajectory or pathway into business. Immigrants did not start new businesses right away but rather after a period of settlement and adjustment to living in Canada and learning about Canadian business culture and practices. Not all successful businesses follow this profile, but this appears to be a good pathway for many immigrant entrepreneurs.

Phase 1: Settlement

- upgrades language skills if required
- works in his/her field, learning Canadian practices and preferences first-hand

Phase 2: Business Conception

- pursues some upgrading if required, including basic business seminars, health and safety workshops
- builds local business networks, including mentors
- writes a business plan
- pursues financing

Phase 3: Business Launch

- achieves financing goals
- patience combined with constant re-thinking and tweaking of business plan
- hard work, long hours focused on the business

Some Key Findings

- Immigrants are slightly more likely than the Canadian-born population to be self-employed.
- Immigrants start businesses with a variety of motivations. Some are attracted to self-employment by a business idea or opportunity, while others resort to self-employment when they cannot find desirable paid employment.
- Becoming an entrepreneur in Canada is risky, and immigrants and Canadian-born alike face many of the same challenges. However, immigrants face some additional barriers, including language barriers, lack of familiarity with Canadian business culture, lack of a Canadian credit history, and lack of social and professional networks.
- Financing is the main obstacle to new business start-up. In our interviews with immigrant entrepreneurs, access to financing was identified as an obstacle almost three times more often than the next obstacle.
- Business counselors and service providers identified many of the same barriers, but they also spoke more about the lack of preparation and lack of understanding of Canadian business operations as being detrimental to the successful establishment of a business.
- As with businesses run by the Canadian-born, most immigrant-run businesses never grow beyond a sole proprietorship.
- Accessing business supports and developing professional networks has a noticeable and positive impact on the prospects for business success.

Supports and Services for Entrepreneurs

There are a range of supports available to newcomers who wish to start their own businesses. Some supports are targeted specifically to newcomer populations while others are more general in nature but available to newcomers. Many have eligibility requirements, some of which may exclude more recent immigrants. We have grouped supports and services into categories, but a given community may not offer all of these:

Information and referral helps match people with services. The objective is to provide basic information so that people can find services that meet their individual needs.

Training refers to instruction given in a group setting, ranging from single workshops to longer-term courses in which participants develop their business ideas and write business plans.

Individualized supports are tailored to the needs of the person seeking assistance and include advice, counseling, assistance with creating a business plan, and mentoring offered in a one-on-one format.

Financing refers to providing or raising the funds or capital for the creation and maintenance of a business. Financing ranges along a continuum from micro-loans to multi-million dollar investments.

Business incubation includes a range of supports for businesses during their start-up phase. The goal of the incubator is to help business owners grow their businesses to the point where they are viable without supports.

Professional networks help entrepreneurs make new contacts and connect with other people in the same industry or occupation. These “warm contacts” can be useful in terms of information and knowledge sharing as well as for soliciting clients and business partners.



We Asked Immigrants Entrepreneurs What it Takes to Succeed in Business

Their top responses were: networking, hard work/motivation, and relevant business knowledge and skills. Immigrants spoke often of the need for networking, especially making connections outside their own ethnic communities. Meet a few people interviewed for this research who embody these traits.

Meet Emilio Barbero, Oilim Visualizers

An interior designer by training, Emilio recently started oilim visualizers, a company that specializes in 3-D, Animations, Interior Design, and Graphic Design. Emilio attributes his success to the many programs available for newcomers and entrepreneurs in London, Ontario. Since 2007 when he arrived in Canada, Emilio has worked with the Small Business Centre, Cross-Cultural Learner Centre, and Access Centre.

Emilio has already made his mark on the London community. In addition to running his business, he teaches design courses at Fanshawe College and he is a mentor for WIL Employment Connections' Mentorship for Newcomer Success Program. Through his work in the classroom and as a mentor, Emilio hopes to share his passion for design and entrepreneurship.



Meet Chintan Virani, Architect

Chintan arrived in Canada in 2003. An experienced architect from India, Chintan worked for another architect in Windsor for three years in order to become certified in Ontario. Then, with the help of his wife, Anuja, Chintan decided to open his own business, Chintan Virani Architect Inc. Chintan always recognized that networking was essential to the success of his business. He turned to the Small Business Centre for help establishing his network. Chintan attended every networking session offered by the Small Business Centre, and he was able to significantly expand his network. During the first year his business was open he distributed over 5,000 business cards in order to advertise his business. So far, business has been good.





Meet Prakash Venkataraman, Redragon Oil and Gas Systems International Inc.

Building on previous work experience in India, Singapore, Hong Kong and Oman, Prakash was working in the oil and gas industry in Oman when he was recruited to come to Cambridge, Ontario to work in his field to expand a local company into a global one. After a few years of working for someone else, he decided to start his own firm. Relying on his personal credit cards and a home equity loan, Redragon was launched together with partner Paul Hodgson. Today, the firm has more than twenty five employees and conducts business in at least 20 languages across the global in every continent. The firm's product has 5% of global market share. Prakesh believes that his business would be more successful if there were better access to financing for Canadian small businesses. According to Prakash, banks are overly cautious, preferring to fund franchises rather than global enterprises, even when they are well-established and show potential for growth. He sees this cautiousness as a threat to present and future small to medium enterprises in Canada.



Meet Belkis Ozer, ITS Hamilton

In her native Turkey, Belkis worked as a banker. After immigrating to Canada, she managed an interpretation and translation service within a larger organization for 12 years. When the organization closed, the demand for interpretation and translation services remained high. Local institutions in need of these services encouraged her to open her own business, and she did. She took on a business partner to share the risk. Today, ITS Hamilton has close to 400 interpreters on call who work with education, healthcare, policing and other services. According to Belkis, her business has benefitted from her community connections as well as her knowledge and experience in the field. She advises anyone thinking of starting a business not to act quickly: "Research should come before any action," she states.

Is your community immigrant entrepreneur friendly?

Communities wishing to act strategically and grow their local economies can enhance the prospects of immigrant entrepreneurs in a variety of ways. Some of these require funding, but many are simply common sense ideas that involve tweaking existing supports and improving communication and collaboration.

Municipal and regional governments, small business centres, chamber of commerce, settlement service providers, and the private sector each have a role to play in supporting immigrants and other business owners.

By increasing the number of “yes” responses to the questions below, your community will improve its support for all entrepreneurs, including immigrants.

Review the range of supports and services for entrepreneurs

- Are all of these types of supports available in our community: Information and referral, Training, Individualized supports, Financing, Business incubation, and Professional Networks?
- Are they accessible to immigrants and others? Accessible supports are affordable (free wherever possible), available in different languages, and do not have restrictive eligibility requirements.
- Do they accommodate the diversity of needs among prospective entrepreneurs?
- Have service providers in different jurisdictions ever offered regional events, perhaps in different languages, to attract larger audiences?

Promote entrepreneurship through a business-friendly culture

- Do representatives from government, service providers and business meet regularly to identify potential areas of collaboration in promoting entrepreneurship locally?
- Does our community offer events such as “Innovation Nights” and friendly competitions among start-ups?
- Does the staff of our small business centre provide good, personable service that builds on their own experiences in business?
- Do employment service providers promote self-employment as an option?

Promote existing services

- Do business advisors regularly visit settlement and language classes, college classes, and other appropriate venues to promote small business and supports available in our community?
- Are employment service providers aware of the supports available to small businesses?
- Are supports promoted through our “ethnic media” outlets?

Improve access to financing

- Does our community offer assistance with writing a business plan?
- Does our community have a microloan program?
- Does our community have a local affiliate of the Canadian Youth Business Foundation?
- Are local financial institutions involved in local discussions about entrepreneurship?

Create opportunities for networking and professional development

- Are there any local mentorship opportunities focused on business ownership?
 - If so, is training and screening offered to prospective entrepreneur mentors and mentees prior to being matched?
 - If not, could one be created through the Chamber of Commerce or other business organization?
- In smaller communities, can the idea of creating regional database for mentorship be explored as it may be challenging to find strong matches?
- Does our Chamber of Commerce have a committee or task force to examine how our own organizations might better incorporate immigrants, including through ethnic business groups and through speakers that can promote the value of diversity?

Work to develop entrepreneur-friendly policies

- Does anyone from our community meet with higher levels of government around small business concerns?
- Do we have a community coalition of relevant stakeholders, including service providers, that advocates for business-friendly policies and government initiatives at all levels of government?
- Has our community explored policy initiatives to promote business, for example, modifying zoning restrictions and tax holidays on annual revenue increases for new businesses?



Best Practices

Business Immigrant Mentorship Program at Enterprise St John. This program is open to immigrants in any immigration class interested in business ownership. Immigrants first take business training and are then selected through a screening process into the mentorship program. Mentors and mentees work together for a total of 24 hours over a six-month period. The program coordinator provides communication and relationship support as necessary. The program allows for flexibility to meet the needs of participants which change from year to year. This is one of four business immigrant mentorship programs in New Brunswick funded by the provincial government.

Waterloo Newcomer Business Network Inspired by a student intern from China on a volunteer work experience with the City of Kitchener, the Waterloo Region Small Business Centre (SBC) has created a series of seminars aimed at immigrants. Held every other month, these free seminars are intended to provide information and instruction as well as networking opportunities to meet experienced New Canadian entrepreneurs who are successfully operating a business. Topics are chosen based on input from immigrant participants and community stakeholders. After each meeting, business counselors are on hand to set up follow-up appointments with participants. Though SBC staff themselves do not speak other languages, the SBC offers appointments in various languages through access to community translator services.

Supports for Spanish-speakers in London, Ontario. Spanish-speakers in the London area have access to a continuum of supports in Spanish, beginning with services for business start-up and moving on to supports for existing businesses. The London Small Business Centre and Latin American Career Development Centre (LACDC) offer seminars in Spanish for prospective business people. Hispanic Business Opportunities (HBO), a project of the London Chamber of Commerce, offers professional networking and supports for business owners, including seminars that address various issues pertaining to business ownership.

BizPlan at Welcome Inn Community Centre (Hamilton) Inspired by the Calgary organization Momentum, a settlement organization that developed a focus on entrepreneurship and money management, BizPlan has been around since 2007 and has evolved in the process. It is a 10-session workshop series in which participants work collaboratively and in small groups to plan a business launch or expansion. This program attracts a lot of “micro-preneurs” looking to supplement existing income with a business as opposed to creating a more ambitious firm. Welcome Inn also offers a matched savings plan program for asset building as well as access to the FirstOntario micro loan program.

Tips and Ideas for Getting Immigrant Entrepreneurs Started

Starting a business is a big step! Make sure the people you meet do not waste time and money on a business concept that will not work. Here are some tips that you can offer to people thinking of starting a business:

- Visit your local small business centre to learn about resources and seminars you can take. Ask if interpretation services are available.
- Do not launch a business in a hurry. Take your time and do your research.
- Learn about Canadian businesses in your area of interest, either by working as an employee or by finding another business owner in your field who will mentor you.
- Upgrade your language and training if needed.
- Build your local networks: attend events at the Chamber of Commerce, Small Business Enterprise Centre, and in your industry or occupation of interest. Meet people outside of your own immigrant community wherever you can.
- Create a business plan, but know that it is likely to change over time.



The Wise5 Imperative

Communities in Ontario have choices in how they face future demographic realities. They can continue on with the status quo, hoping to attract immigrant entrepreneurs but offering few specific supports. Or they can act strategically by working to create a more welcoming environment and business climate for new immigrants. Pursuing the latter option will increase the chances of attracting more newcomers, of helping new immigrants invest their human and financial capital more wisely, and of retaining them in their communities.



Wise5 is funded by Citizenship and Immigration Canada. It is an initiative of Workforce Planning Hamilton in partnership with Elgin Middlesex Oxford Workforce Planning & Development Board, Niagara Workforce Planning Board, Workforce Planning Board of Waterloo Wellington Dufferin, and Workforce WindsorEssex.

For further information, including the complete final report and video outputs, please refer to www.wise5.ca or email info@wise5.ca