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# Perspectives of the Business sector on social enterprise

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# Perspectives of the business sector on social enterprise

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## Introduction

Social enterprise is an emerging approach for the non-profit and charity sector to help build and bridge local resources and opportunities for marginalized, disadvantaged, and deprived sub population groups. The social enterprise approach is a combined interest of commercial enterprise with social impacts, with the ultimate objective to build sustainable livelihood and leverage for economic transformation, in order to alter the capacity of the marginalized groups.<sup>1</sup> While there has been research on understanding the nature of social enterprise in different jurisdictions,<sup>2,3</sup> studies on the perspective of the business sector toward social entrepreneurship are scant. Since social enterprise will continue to serve its social mission via non-profit or charity organizations, it is important to examine the business owners' and administrators' perceptions and opinions on the perceived competitiveness and the intended social mission of social enterprise. This research served to generate findings that aid social entrepreneurs in promoting their commercial ventures in an appropriate manner.

For the purposes of this study, a social enterprise (SE) is defined as a business venture owned or operated by a non-profit organization that either sells goods or provides services in the market, for the primary purpose of achieving a blended return on investment, financially, socially, environmentally, and culturally.

## Research Objective and Research Questions

The objective of this research was to examine the perceptions of the business sector toward social entrepreneurship in terms of perceived competitiveness, values, social mission, and social impacts. Based upon this research objective, three overarching research questions were answered through this study:

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<sup>1</sup> Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). Social entrepreneurship and societal transformation. *Journal of Applied Behavioral Science*, 40(3): 260–282.

<sup>2</sup> Elson, P.R., & Hall, P.V. (2010). *Strength, size, scope: A survey of social enterprises in Alberta and British Columbia*. Calgary, Alberta: Mount Royal University

<sup>3</sup> United Way of Calgary and Area. (2010). *Social enterprise in Calgary: An environmental scan & readiness of Calgary and area social enterprise activity – Report Brief*. Calgary, Alberta: United Way of Calgary and Area.

1. What are the perceptions of the business sector on the goals and objectives of social enterprise?
2. From the perspective of the business sector, what are the values and benefits of social enterprise?
3. What are the views of the business sector on social enterprise' competitiveness, challenges and impacts, and roles in the market economy?

## **Methodology**

### **Research Design**

A mixed method research design was used for this study. An online survey was used to collect quantitative data while qualitative telephone interviews were conducted with participants in the business sectors. The purpose of the online survey was to explore the general level of support and perspectives toward social enterprise. The qualitative interviews were used to gain a more in-depth understanding of the participants' perspectives and perceptions toward social enterprise.

### **Target Population and Sampling**

As this study focused on the perceptions and perspectives of the business sectors, the general target population of this study included business owners, operators, and/or administrators. The size of the business operations ranged from small to medium, while large major business corporations were not the key targets. Business owners and managers, and leaders in various business sectors were also included.

Based upon a previous research project conducted on social enterprises in British Columbia and Alberta<sup>4</sup>, social enterprise falls into 8 different types of broad industry sectors including: 1) resources, production and construction, 2) trade and finance, 3) real estate, 4) accommodation, tourism and food service, 5) health and social services, 6) arts, culture and communication, 7) other services, and 8) multi-sector. Efforts were made to include participants from each of

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<sup>4</sup> Elson, P.R., & Hall, P.V. (2010). *Strength, size, scope: A survey of social enterprises in Alberta and British Columbia*. Calgary, Alberta: Mount Royal University.

these sectors. For the purposes and scope of this study, only participants in Calgary, Edmonton, and the Greater Vancouver areas were included.

Multiple strategies were used for sample recruitment. The online survey sample was recruited through: 1) publicity and promotion by major business associations in Calgary, Edmonton, and Vancouver (i.e. Calgary Chamber of Commerce, Edmonton Chamber of Commerce, and British Columbia Chamber of Commerce); 2) email solicitations sent to personal and professional networks of the research team members and staff, and 3) ongoing email solicitations sent to business contacts, social media outlets, and online business bloggers identified through a search of online business directories and websites in Calgary, Edmonton, and Vancouver.

Multiple approaches were used to recruit the qualitative telephone interview sample, including personal and professional networking by members of the research team, referrals from business organizations and community groups, and snowball sampling through referrals by participants who had taken part in the study previously.

## **Data Collection**

A structured questionnaire developed jointly by all members of the research team was used for the online survey. The survey was set up using Qualtrics, an online survey software, in collaboration with the Haskayne School of Business of the University of Calgary.

The structure of the online survey began by providing the potential participants with some background information on social enterprise, which is defined as a business venture owned or operated by a non-profit organization that either sells goods or provides services in the market, for the primary purpose of achieving a blended return on investment, both financially and socially/environmentally/culturally. Two specific examples of social enterprise were also provided at the beginning of the survey for the participants' reference.

The first section of the questionnaire (one question) examined how supportive the participants are toward the mission, goals, and business strategies used by social enterprises. The second portion of questions (four questions) aimed to explore participants' perspectives on the roles of different sectors in resolving social ills, including the government, business, charity and non-profit organizations, and individuals. The third series of questions explored the participants' perceptions toward social enterprise. This area of questioning can further be

categorized into four subsets. The first subset of the questions examined the missions, roles and functions of social enterprises. The second subset examined participants' views toward competition of social enterprises. The third subset of the questions examined the participants' views toward the criticism and challenges of social enterprises. And finally, the fourth subset solicited the type of support and assistance needed for social enterprises. The fourth area of the online survey examined how the participants perceive current economic climate and outlook in Canada.

The online survey questionnaire also collected information on the participants' personal demographics, personal business background, and business information. Personal information included gender, age, country of birth, role in business, length of business experience, involvement as an employee, volunteer or board member of a non-profit or charitable organization, and their responsibilities directly related to generating profits for the business.

Business information collected included location of office, business size, total number of employees in the business, length of business operation, annual revenue of the business, the participant's business sector, and whether the participant's business had ever been in competition with a social enterprise. An open-ended question was also included to allow the participants to add any comments related to their views toward social enterprise.

For the qualitative telephone interview, a set of semi-structured open-ended questions was jointly developed by members of the research team. The questions asked were:

- Question 1: Are you willing to share with me what you may know about social enterprises?
- Question 2: What do you think are the missions, roles and functions of social enterprises in society? To what extent you support or intend to support (or not support) these roles and functions?
- Question 3: Do you believe that social problems can or should be addressed with business-style, market based income generating models versus the more traditional charity approach that relies on donations or government funding?
- Question 4: Do you believe that solving or addressing social problems are primarily the responsibility of private citizens, business or governments? Why and in what ways?
- Question 5: What are the values and benefits that social enterprises may bring to society? For the business sector generally? And for your business specifically?



- Question 6: What are the negatives or challenges that you believe (or have found) social enterprises bring to society in general? And for you and your business specifically?
- Question 7: What is your view on the competitiveness of social enterprises? Have you worried about sharing the market economy in your business sector with social enterprises run by not-for-profit organizations?
- Question 8: What is your point of view on the prospect of social enterprises co-existing with commercial enterprises in your business sector?
- Question 9: What are the challenges that social enterprises encounter?
- Question 10: What types of support, if any, do you think social enterprises might require in order to be successful? Do you think that support should be provided by the public in general? By the government? By the business sector?
- Question 11: What roles or types of support do you think the business sector or your own business might be able to offer for the future development of social enterprises?

Research assistants, community interviewers, and graduate students in social work and business were recruited and trained in collecting the online survey data and qualitative telephone interview data. As this study involved human research participants, ethics approval through the Conjoint Faculty Research Ethics Board was granted prior to data collection.

## **Data Analysis**

All qualitative telephone interviews were audio-taped with consent from the participants and were then transcribed verbatim. Transcripts were further analyzed using Atlasti V5.1, a computer software for qualitative data analysis. When conducting the analysis, thematic analysis was used to identify key themes that were then supported by relevant quotes provided by the participants.

The results of the online survey were coded and analyzed using SPSS V19. In the online survey, 16% of participants provided an answer to the open-ended question used to capture additional comments and feedback about social enterprise. These open-ended comments were then thematically grouped with other results identified in the study.

## Results

### Participants of Online Survey

A total of 502 participants successfully completed the online survey. Details of the demographic and business background of the participants are presented in Table 1.

Among the participants, 56.6% are male, 39% are female, and 4.4% of participants chose not to provide their gender information. In terms of age, most of the participants are younger than 55 as only 21.3% identified as being 55 years and older, although 5.6% of participants chose not to report their age. Almost two-thirds of participants are Canadians by birth. The participants originating from United States and other countries accounted for 22.1% of the participants.

In this study, slightly over a third of the participants are entrepreneurs or owners of their businesses. Related to this, many reported playing a primary role in their business, with nearly 30% of participants being presidents or CEOs and 18.7% being senior managers. Almost half of the participants (45.7%) reported responsibilities directly related to generating profits for the business.

The participants in this study are experienced members in the business sector, as only one-fifth of participants have had less than 5 years of personal experience in business. On the contrary, one-third of the participants have had more than 20 years of personal business experience. Over 70% of participants (74.5%) have never been an employee, volunteer or board member of a non-profit or charitable organization.

In terms of the business characteristics of the participants in the online survey, nearly 80% of their offices are located in Alberta, mainly in Calgary and Edmonton, with one-fifth in British Columbia. In terms of business size, 40% of the participants reported the total number of employees as being less than 25. Only 14% of participants reported having more than 500 employees in their business. Accordingly, 60% of participants defined their business as being a small to medium business.

Most of the businesses that participants were employed were not new in operation. For example, 43.4% of participants reported that their businesses have been in operation for more than 20 years. Nevertheless, one fifth have been in operation for less than 5 years. Nearly half of the participants (47.4%) are involved in the "other service sector," which consists of

professional, scientific and technical services, management of companies and enterprises, educational services, administration and support, and other services. The second and third largest business sectors reported are “trade and finance” and “resources, production and construction”, representing 14.7% and 13.3% of the participants respectively. When asked whether the participants’ businesses had ever competed with a social enterprise, only 15.7% of participants reported yes, 77.7% said no and 6.6% chose not to answer.

### **Participants of Qualitative Interviews**

In addition to the participants of the online survey, a total of 87 individuals took part in the qualitative telephone interviews. Among them, 35.6% (31 persons) identified as being female and 64.4% (56 persons) as being male. Eight percent of the participants (7 persons) reported being between the ages of 20 and 29 years; 11.5% or 10 persons as being between 30 and 39 years; 23% (20 persons) reported being between the ages of 40 and 49 years; and 22 persons (25.2%) reported being 50 years of age and older. Age information is not available for 32.2% of the participants (28 persons).

Participants working in the resources, production and construction sector accounted for 17.2% of those interviewed. Close to a tenth (9.2%) of the participants reported working in trade and finance and the same percentage reported working in the accommodation, tourism and food service sector. Participants in the health and social services sector accounted for 6.9% of the participants. The same portion (6.9%) of participants belong to the arts, culture and communication sector. Participants employed in the real estate sector and multi-sectors were 5.7% and 4.6% respectively. Finally, 30% of the participants reported working in other service sectors covering a range of services such as administrative services, public administration, transportation and storage, and waste management. A total of 10.3% of the qualitative interview participants did not provide information about the business sectors to which they belong.

### **Knowledge about Social Enterprise**

Both the online survey and qualitative interviews asked questions related to the perceptions of the participants toward social enterprise. Results of the online survey related to

the participants' perceptions toward social enterprise are presented in Table 2. Based upon the answers provided by the participants in both the qualitative interviews and online survey, a few domains related to their perspectives toward social enterprise are identified.

In terms of knowledge and understanding, most participants in the qualitative interviews have limited or no knowledge about social enterprises. For them, social enterprise is a "fairly new" idea – they have never "heard of the phrase", "have no idea" what it is, and are "not familiar" with it. Many of them guessed the definition of social enterprise based on their own understanding.

"Well first of all, I'm not really sure but secondly I guess then if I had to badger to guess, I would say that what I think it is, is the business that, let's say not for profit would do, that might be of a commercial nature to raise funding for their non-commercial activities."

"I think of things – I think of enterprises that may or may not be trying to make profits but are trying to do something for the greater good of society."

Even some of those who connected social enterprise with business and charity, non-profit and for-profit, were unsure of its meaning and whether their understanding was correct.

"Um, so, I understood that business one, that as a charity, they may have profit businesses in which they can provide people with work experience. And then, also use that revenue, it goes back to the charity and they do non-profit things in their community. Do I understand that right?"

"I don't know if I have the proper definition for that uh what I'm thinking it means that some that it is social enterprises obviously is business oriented and is social so I really don't know don't know the answer to that question."

A small group of qualitative interview participants also mentioned that social enterprise was often related to a type of business with a charitable goal or run for social good, operated by non-profit organizations.

"Well, it's, from what I understand, it's essentially like a normal business—except they have more of a charitable or philanthropic goal...instead of profits to shareholders"

“My understanding is that social enterprise is when not for profits or charities or social ventures utilize business practices in order to create an economy within their budgets and stuff that can supplement or actually facilitate the work that they do.”

### **Mission, Role and Function of Social Enterprise**

In the online survey, 74.6% of these participants strongly agreed or agreed that social enterprise activities can help charities and/or non-profit organizations become more financially viable. Similarly, 73.4% of the participants strongly agreed or agreed that social enterprise activities help charities and/or non-profit organizations address social issues in creative ways.

Furthermore, 80% of participants hold the view that social enterprises are a good way to provide employment opportunities & training for disadvantaged groups. Over three-quarters of participants in the online survey indicated their support toward the mission, goals and business strategies of social enterprise.

Consistently in the qualitative interviews, participants indicated that social enterprise plays an important role on different levels. On the societal level, social enterprise can fulfill and promote social responsibilities, tap into different social needs gaps that the government cannot fill, and contribute to the economy.

“Economic. I mean you know, well I guess just a whole bunch of things. I guess the kind of social responsibility that individuals and corporations are developing...That's big thing today is kind of this whole notion of social responsibility... There's going to be pressure I think from individuals that are involved in certain businesses to help promote that.”

“Okay. And so I guess in role I mean a) they're providing some kind of a necessary service because that's necessary to having a business that can make money, but they're also filling maybe a gap on the social side of it where they're providing employment for people wouldn't otherwise get it. Or making a service available for people where it wouldn't already exist.”

On the community level, social enterprise helps to build a stronger community.

“There's probably enough good will out there in regular society that you don't mind spending you money on a product or good that satisfies what you want but also does your

community good in the end. So rather than just donating \$20 dollars to this charity you're giving \$20 dollars for something that maybe you can get somewhere else for \$15. But for convenience and for the warm fuzzy feeling you don't mind doing that and you know at the end that \$20 dollars is staying in the community or going somewhere to benefit someone who's less fortunate than you."

"They work in the communities with people who are from those communities and help those people deal with drug and alcohol issues. The government doesn't have the money or focus to solve these problems - and people are suspicious of having it 'solved' by the company - but when there is a small, local, organization that is supported by the company, but some of the costs are paid for by the clients then that is win win. They charge for their services, but not the full cost. They have seen some success up north."

On the organization level, social enterprise should operate in alignment with or under the non-profit organization's values and mission, open up new opportunities for non-profit organizations, and allow them to be financially independent from the government.

"I think that they just have to be making sure that the work that's being done and the services that are being provided are directly linked to the values and the mission of the agency that you don't start going off and opening up a Taco Bell over here getting into a franchise that's going to not be connected to your charity... Somehow keeping things a little bit more connected I think lends itself to less confusion."

"Well I think that the...I don't know how to formulate it in a mission statement but I think that the mission is to find a market, an open market way of supporting a charity, financially."

"You know the three level government, the federal government, the provincial government and municipal government ... in any economic recession, there is going to be a more down lowering the services to social organization, like SUCCESS. I think they should find their own way of funding. The funding avenue should be very stable... and it should be more independent from government or from changing political parties, and changing of the fluctuation of economy."

In addition, on a personal level, social enterprise can empower vulnerable populations, rebuild their belief system, enhance their life skills and self-confidence, create employment

opportunities, help them find a channel to connect to the larger society, and finally, integrate and adapt in society.

“I think to provide like you mentioned earlier, to provide opportunities to those who may not necessarily be provided with a lot of work skills or may have some sort of a handicap. They could potentially get employment and lead more productive lives so they are not, you know dependent upon their own family members, for a living and also for them to have more self-confidence and improve their life style. And you know also to provide awareness in the general public, that these people are capable of supporting themselves even though they may be handicapped.”

“Well, I would say that number one would be the social side of it. So that it allows-it either reintroduces people back into a bit of a mainstream society or shows people how to become part of that mainstream society.”

Social enterprise also provides opportunities to the public for self-enhancement and self-fulfillment, provides opportunities for them to be self-sufficient, and have the willingness to give back to society.

“Well, provide help for people... help people become self-sufficient... Provide services... and give people options... Yes, they are helping people become self-sufficient and having skills on something so that they can manage on their own....”

“I think it makes us a more caring society if we get some traction I guess into a solution. If - so some direct impact on this through your business or through you volunteering to help to do some of these things; you get more engaged in and firsthand see the difference that you can make. It promotes social good, and social connection.”

However, in the qualitative interviews, some participants do not support or only conditionally support the mission, role and function of social enterprise, as they think social enterprise is not significantly different from for-profit organizations, and that non-profit organizations may be unfair to other businesses.

“What kind of benefits do they get from either tax relief or from government funding or whatever? How is that fair in a competitive market? ...and then the argument is well should

it be fair? If an organization is spending most of its profit in helping societal needs while another is solely focused on providing a better service, also beneficial but it doesn't help any societal needs, then should they be on the same playing field. And I personally would argue no it shouldn't."

"Given that you've got the good governance and management overview and some transparency in terms of where that's coming from, I support them."

"Well, I mean, I guess I would support them as long as their business model isn't too competitive with people who are trying to make money...If the workers are paid less, or you know they can get sort of artificial kind of advantages, then I guess in that aspect it wouldn't be fair to for-profit industry, does that make sense?"

### **Social Enterprise vs. Traditional Charity Model in Addressing Social Problems**

Over two-thirds (68%) of participants viewed social enterprises as business-style solutions that can solve social problems more effectively than the traditional charity approach. At the same time, many qualitative interview participants considered social enterprise as a creative way of solving social problems.

"I don't think every problem or social problem should be solved with this but where creative minds can sort out ways to make it work I sort of feel like the more the better."

"Yeah. I am talking about really capacity gaps here. There's only so much the government can do, there's only so much that individuals and sort of traditional businesses can do, and this fills that. I guess that I would suggest, I would hope that they're operating in this way. That they're filling a gap in the capacity to deal with some of these social and whatever issues."

Some participants also felt that the business model of SE can enhance people's integration, self-esteem, and independence, and is particularly helpful to those disadvantaged in our society.



“However, I think the business-style market based income generating model can preserve the dignity of those service users. It also helps the needy people integrate into the society and enhance their independence.”

“Oh I think there's room for those because I think that there's some things out there that it would be difficult to put a business strategy behind it. But I think there's a lot of other thing that definitely could use the benefit or would offer a benefit to society more than just the bottom line at the end. And I'm thinking about those organizations that as you said earlier hire people fresh out of prison, hire people who are at a disadvantage mentally or physically to produce a good. So that's a lot more than the bottom line going back into a charity or a training that's creating value of a person in society. As my mom always says whatever you do are you making a person more human or less human?”

Social enterprise provides more employment opportunities, allows not-for-profit organizations to be more productive, and is more effective in generating resources apart from government funding.

“I mean there are people out there who will never get a job and will never support themselves and they need help. You can't have them on the street. So I think there's room for both. Because when I walk down the street I think a majority of the people on the street are capable of doing something.”

“Yeah I would say. It seems to me that giving somebody a job where they get the satisfaction of what a job provides is one step beyond a charity. They can provide some of the other necessary things but if it means they sit at home in their wheelchair all day...”

For example, social enterprise can lessen the burden on the government and taxpayers, promoting social responsibility of businesses and their contribution to the community.

“I think social enterprise is a better way to help the needy as it can save the government money and use less money from the taxpayers.”

“Giving donations to support social service development is a model has been run for a long time and it reflects a great value for our community through social contributions. The business-style, market based income generating model is another type of model that put

the resources back to the community from their generated income. I think that the latter model is more effective than the traditional one.”

In addition, a number of participants in these qualitative interviews stated that social enterprise and traditional charity approaches are complementary, and need to work together as both models can function well and serve different market needs.

“I haven’t thought about it that much but off my gut feeling I’m going to say that the traditional charity approach it’s always worked but at a very small scale and in order to scale up to a lot of the needs you need to take a lot of the business methodologies because businesses do that to be - Businesses research and develop these methodologies to become more profitable and profitability is driven by efficiency so leveraging that for a non-profit is - It just leverages those donations or whatever your income stream is, that much more. I would see them as complimentary.”

“Um, philosophically absolutely. Um in practice, I wonder how accepted it would be. Um idealistically, I would hope that these would really work. Um that you know, not only do you get the social benefits that you get, you know, financially, but also in terms of creating job skills, creating opportunity um something that is almost self-sufficient. Has huge appeal idealistically. I wonder if it creates enough money though to be as successful as just pure charitable donations. Maybe it’s a combination of both are required. And ah, they are complementary.”

In the qualitative interviews, some of the participants were uncertain and suspicious of social enterprise’s role in alleviating social problems.

“I can’t say if SE is a better way to solve all social problems. It depends on the nature of the social problems. For instance, for those people who need to upgrade their skills but haven’t worked in the business field for a long time because of some family or personal reasons, they may not know about this kind (Social Enterprise) of service in the community. On the other hand, people who move from other provinces within Canada and need some help on their job training, may find it easier to reach those social enterprises because of their better knowledge and experience. Therefore, whether SE can be a better mode to solve social problem is highly depending on the effectiveness of the promotion of Social Enterprise concept.”

“I think it’s better than the traditional charity approach but I don’t know if it’s the best approach because it still has to run on the market model and it still have to primarily generate profit before it can do good works.”

### **Responsibility of Addressing Social Problems**

In the online survey, 76% of the participants reported that the government should have high or very high responsibility in resolving social ills, while 69.5% and 65.6% indicated that charities and non-profit organizations, as well as individuals should also have a high or very high responsibility. Only 44.1% of participants noted that the business sector has a high or very high responsibility in solving social ills.

Consistently, in the qualitative interviews, when asked who is primarily responsible for addressing social problems, the majority of the participants said the government, business sector and private citizens should all have some degree of responsibility, with the government and private citizens having the greatest responsibility.

“Uh, philosophically I think it’s a combination of the three. I’m more heavily leaning toward government and individual then corporations. I’d say it’s all three probably equally and I mean the government in terms of facilitating the, you know, the laws and setting up an environment where it’s convenient. You know there is no bureaucracy or some bureaucracy and that sets the stage to allow these things to take place.”

“Governments definitely have an interest in not paying money to a social program because, you know, especially with the record deficits right now, governments would be happy with less people on welfare, businesses could definitely benefit if they’re able to train and retain people in their businesses, and I think private citizens as citizens want to see the economy strong. It’s probably the responsibility of everybody.”

Many of the qualitative interview participants believed that the government should be responsible for setting the framework, legislation and policy that businesses and the public can follow.

“I mean, as we pay taxes, so I guess the government should come up with some solution...I think the government should have a very active role because we pay taxes. We can have our government to mobilize the ideas to do that. I think it is the responsibility of the government mostly.”

“Philosophically I think of the government mostly. I can't see a long term solution in any one court because they each have advantages and disadvantages. I mean governments create some bureaucracy sometimes, but sometimes they're just the most efficient way to get certain things done. Like the wholesale evacuation recently of the First Nations here in Ontario for the forest fires you know that could be done quickly, other things that they're just not quite as good at.”

“I think government has the framework in place to initiate as well as follow through.... So I think they need to work together, but certainly to have that framework and the ability to follow something through, I do think government needs to be involved.”

Some participants insisted that private citizens also have a very important role and responsibility in solving social problems, since individuals are the ones who build up the society.

“Our society is built up by people. If no one is going to take his or her own responsibility, the society will collapse. Everyone has a responsibility. That's why donation is so important as it represents the contribution of everyone for the community. People may make donations to social service agencies or international agencies. It reflects people's participation to our community and world as they pay attention to what's going on in our world.”

“But I believe that every individual has to be responsible and every individual is responsible for electing the government and running the corporations. And so it does have to be an individual commitment.”

Very few participants in the qualitative interviews indicated that the business sector should have the primary responsibility for addressing social problems.

“And to businesses, I believe that businesses have less of a direct responsibility. I think that as a business, what you should be, as a manager in a business, what you should be doing is, is trying to make sure that your business is behaving ethically and of course legally. Um, but having a positive impact on the lives of your employees and your customers and that kind of a thing in uh, in a perhaps less direct kind of a way. But I think businesses supporting social enterprise may be one of the neat ways of having businesses make a positive contribution that's leveraging their own strength. Businesses know business.”

“Yeah, different kinds of responsibilities, um, from the business side, maybe on a mentorship level...As well as perhaps the partial support.”

### **Support and Assistance Required for Social Enterprise**

In the qualitative interviews, the majority of participants indicated that social enterprise needs a different type of support, including strategies for sustainability, good board governance and management, human capital and teamwork, start-up support, financial support and marketing support.

“I would look at that model and see if the support being provided is effective and then how it’s being provided and how it’s being um, subsidized, financed.”

“The people starting it, the people will have a social agency background, they might have the human resources skills to deal with it, side of it, but they might not have the entrepreneurial background needed to deal with trades people, knowledge, or whatever to deal with it, to make sure that we’re not doing this over again, for a second time or third time, and we know that everything is being done right... They need to be able to somehow tap the resources of business, you know, in an economical way.”

“I think the most important part of running social enterprises is having a group of knowledgeable managers or leaders who know how to manage and run the business, so they can help to establish and operate the social enterprise effectively.”

“Yeah I think it’s entirely possible that they could require assistance with training, assistance with management, systems, understanding marketing, they’ve got a very complex marketing job and I think they could use a lot of help but they would need to understand that they have to think of it that way and they don’t have any innate right to be there they’ve got something they have to market which means they have to understand what they sell and to think of it that way.”

Many participants in qualitative interviews have indicated that the government should provide the majority of support for social enterprise. They believed that the government can initiate education tasks among the public to promote social enterprise, set up regulations, and monitor social enterprise’s structure, transparency and accountability.

“I think the government should use the government resources to launch public campaigns to educate the public about why the public should support this change of direction and the concept of social enterprise.”

“The government should also ensure that the public can participate in their evaluation process to enhance the transparency and accountability. It helps to make sure the social enterprises are working toward their goals and run their business in an effective or efficient way.”

A large group of participants believe that businesses can provide mentorship (coaching, guidance and training) to social enterprises. They also feel that businesses can support social enterprises through partnership, and sharing in corporate responsibility and mentality, as well as providing human resources for social enterprises.

“I think the business sector can share their market knowledge and give advice to these social enterprises or charitable organizations, so that the charitable organizations can understand the problems or needs of the private sector. For example, the private house-building companies may have great demand for people who are electricity technicians but have over-supply of people who know how to build windows. The private house building business may tell the social enterprises about their needs and therefore, the social enterprises can start business for training people to be electricity technicians, instead of training people to build windows. As a result, those trained people may be able to find job in the market eventually.”

“I think that... business people could give advice. They could sit on boards, there could be governance, there could be um other ways to contribute to these kinds of organizations that aren't monetary that could help them.”

Similarly, in the online survey, over half the participants (55.5%) reported that the business sector is in the best position to coordinate resources and experts who can provide business training and support to social enterprises. On the other hand, only 24.6% of the participants strongly agreed or agreed and 43.9% of the participants disagreed or strongly disagreed that the government is in the best position to coordinate resources and experts who can provide business training and support to social enterprises.

Other than the government and businesses, some participants indicated that the public should support social enterprise, through the promotion of public awareness of social enterprise, voicing their needs and suggestions, donation, and volunteering.

“Well I think I said this before from the public standpoint, it’s being open to the product, being open to the product or service or experience that’s being offered and not putting a stigma on it.”

“Public can give their voice and tell the SEs about their needs... the public can reflect their opinions by giving suggestions about the number of people they should train to ensure that the service provided by the social enterprises is responding to the social demand.”

Consistently, in the online survey, 58.3% of participants stated that they would be willing to offer their personal support (e.g. donate or volunteer to provide advice, guidance or training) to help develop social enterprises. Similarly, 58.2% of the participants strongly agree or agree that they would be willing to offer their business support (e.g. conduct business with or use as a supplier, etc.) to social enterprises to facilitate sustainable future development. The majority of these participants (72.6%) also expressed that they would hire people who have gained previous job experience in social enterprises.

However, some participants in the qualitative interviews thought that social enterprise should not receive support from the government, business sector and public. They expressed that receiving support from the government is particularly unfair to other for-profit-businesses.

“If a social enterprise relies on say financial assistance, then I don’t think they are going to be mindful of their costs, and I think it’s a mute point. You’re not really running a business model in which you’re taking the profits and putting it to a social program.”

“I don’t think the public would help. They won’t know the business is for the non-profit or not. They are more realistic. They only concern about the quality of the product, and see if they need it or not. They will accept it if it is good. They won’t accept that if it is not good. It won’t affect the public too much..... I don’t think so. People won’t think too much when they make choice. They only choose what they need.”

“I don’t think business sector can provide much support except those large-scale companies or those company owners have much free time to work on it.... General business cannot provide much support in this area.”

“Any extra support given to them will affect the competitiveness of other business.”

### **Values and Benefits of Social Enterprise**

In the qualitative interviews, most participants felt that social enterprise has values and benefits while a small group of participants did not share this view. Many of them thought that social enterprise could balance the whole market economy, as it would create a sub-market and competition between social enterprise and the business sector.

“I think that it creates more stability...well if you look at how the social businesses are run, they are so run for the people and by the people...Um and tend to be more stable than business’s that are just like more and more and more and more money you know.”

For example, the business sector could benefit through collaboration with social enterprise and realize their social values.

“Therefore, the collaboration between social enterprises and commercial enterprises can gain mutual benefits instead of competing with each other.”

“But beyond the financial I think that any time an organization does something whether it is charitable or whether it is just to do it from the goodness of their heart it gives them a better reputation in society. So any organizations, whether they are in it for profit, or whether they are a commercial organization, whatever their intent is to expand their repertoire, and to get into the community and to do good and to do charitable work. I think that all businesses could see a return on that.”

Furthermore, social enterprises help non-profit organizations become more sustainable and independent, as they empower these organizations by increasing income, and assist in achieving their vision and goals.



“Well, it might make, make some of the charities more, more uh...or what they’re trying to do more sustainable... More consistent...and less reliant, less reliant on government...and private.”

“Well the benefit is hopefully they're managed well so they can provide assistance or whatever their objective is... And fulfill that vision.”

Additionally, social enterprise brings benefits to vulnerable populations by meeting their diverse needs, enhancing their life skills and self-worth, creating employment opportunities, helping them to be self-sustainable, and providing a channel to connect to the larger society.

“Let’s say if they really want to help those new immigrants to integrate into the society, and help them to master a special skill, or, teach them how to make a living, I think this is a fairly good social function.”

“A social venture can allow people to work themselves out of poverty, work to improve their lives, and help or whatever. It puts it on the individual to be involved in that process.”

For some of the participants, social enterprise raises public awareness about social issues, increases social responsibility and social action, and promotes the Canadian social value.

“I think the development of social enterprises can raise the public’s awareness of the needs of those disadvantaged groups.”

“I would think that if society or the people really believe that a particular organization or business was making difference that they a lot of people would be more inclined to support them and do business with them.”

In short, according to most participants, social enterprise helps to build a strong and healthy community.

“Yes on the first one it’s just strengthening the fabric of our communities. So I think that’s the importance of doing it is that if you can have a stronger community in all facets that everybody benefits from that, regardless of a particular sector and we deem it to be a social sector that’s weaker than everyone’s going to pay a price for that, right?”

“Well, I think the biggest value of social enterprises is that social enterprises do not need to maximum their profits to meet the expectations of their shareholders. Therefore, if the managers of the social enterprises have social conscience, they can determine their operation direction and polices from the social perspective to maximize the benefits for the society as a whole.”

In the online survey, some participants further stated that social enterprise is “better placed than the government to address the plethora of issues for social improvement” and is “an innovative approach to an old problem”. Others felt that social enterprises “offer... non-profits an opportunity to diversify their revenue streams and reduce their reliance on increasingly insecure grants, sponsorships, and donations”. Additionally, “the social good generated from social enterprises needs to be valued by society, but not just on dollars and cents”. One participant indicated that the money earned in social enterprise should be given back to the organization to reduce the cost of operation.

### **Competitiveness of Social Enterprise/Views Toward Competition**

Most of the participants in both the online survey and qualitative interview regard the competition as healthy and beneficial, while there are still participants who are worried about sharing markets and increased competition.

In the online survey, 60.3% of participants agreed that social enterprises will bring greater benefits to Canadian society than the potential market risks they face and/or create. Close to half (42.4%) of the participants in the online survey disagree or strongly disagree that social enterprises will take market share from for-profit businesses and may even cause some of these organizations to close. Similarly, in the qualitative interviews, one view is that competition is healthy to the market and can promote further development; therefore, social enterprise would not damage the free market, as it still needs to follow regulations.

“Yeah, I have absolutely no problem with that, I think competitiveness is healthy, I think they’re two different business models, and that is already happening in my business. Not so much with a competitive enterprise, but there are already a myriad of fees and services that realtors and their companies offer consumer.”

“Um. Well, I mean, I don't think it's in their interest, I don't think it's in their interest to damage free market. Because if they, if they undercut, they're not getting the revenue to support their other, their other avenues. And if they price too high, people will use other services.”

In the online survey, less than 20% of participants hold the view that charities and/or non-profit social service organizations should not compete in the for-profit marketplace. 63% of the participants disagree or strongly disagree that social enterprises create unfair competition in the marketplace, while only 13.2% of participants agreed or strongly agreed. Nevertheless, in the online survey some participants further commented that social enterprises “should be encouraged”, “are needed for a healthy community” and “deserve more study” since “there is plenty of room in the marketplace for this type of venture”.

Regarding the competitiveness of social enterprise, some participants believe that it depends on its product and service, and that the market will make the ultimate selection.

“If they didn’t create a good atmosphere, serve great food, they would not survive simply because it’s owned by the Salvation Army. So they absolutely need to be competitive in this market place. I think people are aware of where they spend their money, but they still need to receive value for it.”

“No, I am not worried. SE is just like any other commercial business that I will face in the market. Although consumers may have higher confidence in using SE services because of their charitable background, the customers will still look at the service quality and professionalism. Therefore, if they cannot provide service up to the standard, they finally will be eliminated.”

Some believe that social enterprise might be more competitive than the business sector as it has advantages regarding tax and labour costs, and gathers people who support its mission and value.

“If the social enterprises can operate well, they won’t have any problem about their competitiveness. I think social enterprises may have some comparative advantage when they first set up. They may have more information than other private business. Therefore, if they can operate well, they should have no problem of competing with others. However, how their in-charge people manage the business is the key to their performance.”

“They would have a competitive advantage because they wouldn’t have to pay all these people fantastic wages and if they were getting subsidized a little bit by the government that make the bottom line better.”

“Well I would believe that they’d be as competitive as any other business...I think that with marketing they can attract a group of customers like me who might seek to support something like that...It might make them actually a little bit more competitive...”

Close to half (43.4%) of the participants in the online survey indicated that social enterprises should not receive special competitive advantages (i.e. tax advantages, exemption from labour requirements etc.) over for-profit businesses if they compete in the marketplace. However, many participants continue to think that social enterprise is not as competitive as the business sector, and social enterprises do not have an advantage in competition.

“I don’t think the SE can compete with commercial business. Their competitiveness is weak. I think the only way to increase their competitiveness is to partner with other big scale companies. Otherwise, they cannot succeed...the management people of those charities are not businessmen. They tend to be laid-back. Therefore, I don’t think SE has any privilege to compete with commercial business.”

“Okay I would think it’d be a little bit harder for them because again their main focus is not only to make money but they have also other objectives to make which may extract from that one...So does a for-profit business, that is their main goal so they can put all of their efforts into that...One goal, so I would think they would be at a disadvantage to do that.”

### **Perceptions Toward Current Economic Climate and Outlook**

More than half of the participants hold a positive view regarding Canada’s current economic climate as well as in the next five years. Over half (50.8%) of the participants who took part in the online survey reported a positive or very positive view about Canada’s current economic climate, while 14.9% reported a negative or very negative view. Similarly, 11.7% and 58.7% of participants reported a very positive or positive outlook, respectively, on Canada’s economy in the next five years, while only 10.6% indicated that they have a very negative or negative view.

## **Prospect of Social Enterprise**

Only several participants in the qualitative interviews expressed negative views about social enterprise. These negative views include: it is unrealistic, inefficient and unsustainable, and is hard to develop due to market competition.

“The challenge is itself. If you don’t want to make profit, how much money can you use to do this? Who can provide you all these things? What can you make it non-profit? You have to pay rent. How many volunteers do you have to help you with that? You have to run this. Now it’s hard to make money. How do you run it if you don’t want to make money? This is your biggest problem.”

“If SE (Social Enterprises) is regarded as a kind of training center, it won’t be sustainable because its resources are limited. The business nature can only be temporary and transitional. However, if the SE sells their products to earn income to offset their costs, I won’t regard it as ‘Charity organization’.”

Most of the participants actually hold a positive view about the prospect of social enterprise and think that social enterprise should co-exist with the business sector. From their perspective, social enterprise balances the market and keeps market competition healthy.

“I don’t have any problems with that. Think it is actually quite healthy because it also provides the normal businesses, it keeps them on their toes and they can’t just be out there just gouging everybody else. And in order to be competitive they have to make sure that they are keeping up with the prices and the employee you know giving benefits to everyone. So I think it is pretty healthy.”

“Oh. As I said based on my own principles, or general business principles I don’t see any issues with that, provided as I’ve said all along that it is totally fair competition, and if they need to raise some of their funds from private donations, I guess that’s okay too. But then the issues of transparency and no tax dollars support or incentive any other way, so that they really are operating in a totally competitive market, and they are not given anything that gives them unfair competition. Then I don’t see any problem.”

Some of them feel that social enterprise is superior to commercial business with regards to social benefits and solving social and environmental problems.

“I think they are a brilliant idea. Just brilliant. They really can benefit companies, charities and people - and help do a better job solving social issues and environmental issues. I see that in the oil industry for sure. Generally, this is a brilliant structure. I hope to see more of it in Canada. I am sure we will.”

The success of social enterprise needs some preconditions. Some think that the success of social enterprise depends on the field of business they are in and where it is located.

“It really depends on what kind of business? I can't say, for I really, everyone has its possibility of success, it really depends on the industry they are in... I do feel it depends on the business and the location of the business. It's very strange that you do the same eyeglass business, however some eyeglass frames are well accepted in Calgary, not in Vancouver. Some works in Vancouver, while not work here. There are lots of variations. Business is like this, funny, hard to tell.”

“The co-existence is highly dependent on the type /field of the business. For instance, YMCA is running some nurseries. They are very popular because the government provides them with good locations and funding.”

Other participants in the qualitative interviews think that the success of social enterprise depends on its quality and service, as well as an experienced management team.

“I don't care as long as they have good quality both on the product and on service... And I like them as a person. Um on the social side, um, there would be, there would be a small leaning toward wanting to support them but not at a large extent if they are quality, both in service or ...”

“They need, you know kind of like a business - They need to have experience in business...People who operate non-profit organizations need to have worked in business... and experience that either through running their own business or also working in large corporations or something. They need that type of experience.”

Some feel that the success of social enterprise depends on the environment, including the free market and consumers' customs.

"The reality in the end, it's going to be up to the individual. It's going to come down to the product. They either buy into it or they don't. So ultimately of the four groups the one that's going to say whether it's going to fly or not is the consumer. They can still buy Cadbury or they can buy Dove."

"So I see a challenge, an additional challenge, in the Social Enterprise, might be having, it might be a challenge and an advantage...Would be in fact having some people purchase my goods not only because of quality and service, because they agree with the cause I am supporting...So in a way that could be a challenge. It could be a real opportunity too."

In order to achieve success in social enterprise, participants suggested that social enterprise should be self-sustainable, creative, resilient, be independent from other support and learn to live on its own, operate under a fair competitive market with other businesses, run like a normal commercial business and survive the competition, and should be in a partnership with local businesses, the community and government.

"Social enterprises are just like other private businesses. If they need support to survive, that means they cannot function independently. The development of social enterprises usually is supported by their parent organizations. If social enterprises need extra support to operate, they are failed and not successful. I think social enterprises should be the same as other private enterprises. They have to develop their potentials and creativity to compete with others in the business market."

"I think a social enterprise business should absolutely still have to work and function like a for-profit business in that they should still do marketing, they should still do advertising, they should still do everything that a for-profit business would do."

"I think they have to absolutely be in partnership with local businesses, local communities to keep suspicions and confusion and stuff at bay. So if you're going to do something like this in a 17th Avenue revitalization for an idea you have to have people coming together and talking and have lots of creative working together and benefits for everyone. If we do

this what might be the downside? What's going to benefit you? How can we work together? And if that's going on its successful but the thing is t watch for that divisive urban mix about.”

Similarly in the online survey, 74.3% of the participants reported that social enterprise activities should align with the mission and purpose of non-profit organizations and/or charities. The majority of participants (81.4%) in the survey indicated that social enterprise activities must be transparent (mission, goals, operation strategies) in order to gain marketplace support. A comment identified in the online survey is that social enterprises must provide useful goods/services that the market/public needs in order to stay financially viable, and it depends on the “idealism of a non-profit and the expertise of a strong businessperson”.

### **Challenges Encountered by Social Enterprise**

In the qualitative interviews, participants identified many challenges potentially encountered by social enterprise, grouped into external and internal challenges. Regarding the external challenges, social enterprise most likely lacks recognition and acceptance from the business sector and public.

“Challenges, I think at the beginning, the challenge comes from public’s comments. Public opinion is the first challenge. If they are dealing with addicted people, there must be some controversial public opinions.”

“Some private enterprises do not understand much about the social enterprises. Some of them do not want to do business with them. Some of them even want to defeat them and eradicate them from the market.”

“Yes, so the marketing challenge then is that you not only have to market the product and service but that you also have to market the cause. There may be additional expense in trying to create the advantage by convincing people that this is a cause they want to support.”

Social enterprises may be affected by the complexity of the market, high competition in the economic environment, rejection by business sectors, and be disadvantaged in competition.



“I think they will encounter lots of challenges. From the management aspect, or from the competitiveness aspect, social enterprises are disadvantaged in competing with other commercial enterprise. After all it's a new and small business. Thus its anti-risk ability is relatively low from its nature. They position themselves in some low risk industry at the beginning. So they are disadvantage in competition. Yes, it cannot choose the high risk while high return industry or product from its beginning. So its anti-risk ability is relatively weak.”

“Oh dear. Well one would be running the business, which is like you said it's not always easy to see. Another would be convincing people that if you'd be winning this like both in terms of your product and in terms of the money you're going to. No really it gets more complicated every day. The technology challenges and communication challenges, image challenges, social status, social responsibility, the whole bit right. It would be way multifaceted challenges that you would be facing.”

As for the internal challenges, social enterprises may have challenges in operation, governance and management, such as goal and value conflicts between the non-profit and the for-profit, the balance between the need for market and the need for people, and how to follow their missions. Social enterprise needs different marketing strategies and models than from the charity model.

“There's tension you. People say no build two you know and so uh the charity looking at business would have the same the same uh difficulties... Conflicting values.”

“Losing track of their vision. Thinking that they have to buy into a purely business model which is for profit only. And if you lose track of your vision and work within a charity or social service I think you start getting doomed. Because it takes an awful lot of energy to continue those things and that has to be driven by some kind of passion because it's not just the bucks. And what was the question you wanted the challenges?”

“And so they're going to have a lot of hits and misses. So the challenges they will have is developing models that work and learning how to run a business enterprise. And a lot of these people the reason they go into that part of life that service pipe is that they're not necessary business people and so they're going to have to learn or get people to help them

with that. That it's, you know... ..the notion that you're associated with not for profit is fine but at the end of the day you're running a business.”

Around 64.1% of the participants agreed or strongly agreed that social enterprise activities require greater/different oversight on the part of the charitable or non-profit’s administration.

According to some participants in the qualitative interviews, the complex governance and management issues such as decision-making processes and business focuses, disclosure, transparency, accountability, and cost-effectiveness/measuring outcomes are also challenges for social enterprise.

“Well first of all I would worry about overly complex governance... And that with so many masters or potential masters there might be all sorts of slow decision making processes happening and conflict that can make it almost unmanageable...Well as we discussed earlier, I think one of their main challenges is dealing with greater complexity and labor, relations, and training probably and perhaps a greater difficulty with some of the details of the product itself for the services they provide for certain target groups. It might be more complex than services that might be provided by free enterprise if it is able to cream off the easier but more profitable.”

“And I think that is about public trust. I think that the social enterprises have to be monitored...they have to be transparent...They have to be accountable to the public because they are using public resources to open up this new platform. They have to be a large degree of transparency in what they do. So I think they should have a trusty board, or a public committee, to monitor what they do, to report their profit, but other than that, I think it is a good direction to go.”

“I don’t know ...you can have a social enterprise running ESL teaching at a lower cost , providing more services to more people...but how about the cost effectiveness? That would be the major challenge.”

Many participants also mentioned the challenges in human resource management, such as the lack of business experience and capable expertise of the management team, and the quality of staff, increasing difficulties in the management and competition of social enterprise.

“As the people of charities have less business management experience, there should be a boundary” of area that SE can develop ... As the management people in social service organizations may not have the expertise in running business, they may not be able to run the business well and achieve success.”

“I think the biggest challenge for social enterprises may be...if they can train up a group of people to operate the business effectively. If the social enterprises cannot have the people to run the business in a good shape, the business will be down to the hill. As a result, the business won't last long.”

“As you have mentioned, the people they employed are their service users or clients. If this is the only pool of people they will employ, they may not be able to find the best manpower for their business.”

Over a fifth (20.8%) of the online survey participants agreed or strongly agreed that social enterprises lack the business skills to be competitive in the marketplace, while 43.6% of the participants disagree or strongly disagree.

Another major category of challenges identified by many participants in the qualitative interviews is financial challenges, including lack of and unstable funding for social enterprise, how to use funding or investments appropriately, hardship in making profit for SE and financial losses due to various reasons.

“Well, money at the beginning. Those sort of things are so new to Canada, and so it's hard to go into different corporations to get money to start up what you need to.”

“So every basically all these small social enterprises have to work really hard with mainly in the workforce ...too much taxes. So they are making very, very small money and I think a lot of businesses are closing because of that. That's too much oppression on a social enterprise to do work ...to make things go.”

“If social enterprises are going to be running businesses that are directly competing with more traditionally run businesses, there's the challenge of staying profitable. So, staying in business in general, they have to pay their bills and if they don't have the same

gigantic support system that may be a large for-profit company would have, it's much harder first of all, to stay afloat."

Accordingly, in the online survey, over one-third (36.5%) of participants thought that social enterprises face greater financial challenges and market risks than for-profit businesses in trying to be profitable, although a similar percentage of participants have an opposing (30.9%) or neutral (32.5%) view about this.

Furthermore, 23.5% of these participants reported that the for-profit activities of social enterprises distract charities and non-profit social service organizations from the original community or social missions that they set out to achieve, while 45.8% of the participants did not agree.

Some participants in the online survey also thought that social enterprises often lack the up-front or start-up capital to initiate the business itself, and are worried that if social enterprise does not work, they could hurt charities and be unfair for any industry that is tied closely to the public sector.

As noted by a participant in the online survey, social enterprises "should not lose their original focus nor should they get distracted by making profit", and that generating profit "should be secondary to the main purpose of the enterprise, not its principal activity".

## **Conclusions**

This study examined the perspectives of the business sector toward social enterprise. The research was conducted using an online survey as well as qualitative telephone interviews. Employees, business owners, and entrepreneurs from a diverse background of business sectors in Calgary, Edmonton, and the Greater Vancouver area took part in this study.

The findings in both the online survey and the qualitative telephone interviews have consistently indicated that there is rather strong support toward the concept of social enterprise. Despite the fact that most of the participants from the for-profit business sector may not necessarily have a full understanding of the nature and various types of social enterprise activities, many have indicated the benefits and positive values of social enterprise.

The values and benefits that the participants have mentioned are related to the mission and goals of social enterprise. Many of the people in the business sector agree that social

enterprise could provide an alternative solution to social problems, an opportunity for non-profit organizations to become self-sustained, and a pathway toward growth and independence by vulnerable groups.

The business sector does not reveal a strong concern about social enterprise being a competitor of the private for-profit businesses. Many of the participants in this study agree that the for-profit market is often big enough to allow social enterprise to exist. However, they do recognize the challenges facing social enterprise, particularly in business operation, accountability issues, human resources, and being faithful to the original non-profit goals and objectives of the parent organizations.

The business sector has indicated a high level of willingness to provide support through mentorship and training, conducting businesses, and hiring of employees from the social enterprise sector. However, many of the participants have also highlighted the importance of the leadership role by the government to establish a positive business environment, provide start up funding, build the framework, and establish the legal and financial infrastructure to facilitate and support social enterprise development.

The findings of this research have pointed to specific directions for supporting social enterprise. The roles and responsibilities of the business sector and the government should be further coordinated so as to reinforce the development of a positive and supportive environment and foundation for the growth of social enterprise. Specifically, financial and tax related policies and regulations should be reviewed by the government to ensure that up-to-date policy provisions are available to allow social enterprises to be nurtured. Government funding to support marketing development and business start-up should be established jointly with the non-profit and private sectors. The government and the for-profit business sector should further coordinate their efforts to establish training and mentorship programs for non-profit boards and staff members to be equipped with the appropriate and competitive knowledge and skills for developing social enterprise.

<b>Individual characteristics</b>		<b>Percent</b>
Gender	Male	56.6%
	Female	39.0%
	Prefer not to answer or missing	4.4%
Age	Under 35	31.9%
	35 – 54	41.2%
	55 and older	21.3%
	Prefer not to answer or missing	4%
Country of birth	Canada	69.1%
	United States	1%
	Other	21.1%
	Prefer not to answer or missing	6.4%
Owner or employee	Business owner or entrepreneur	36.7%
	Employee of this business	57.2%
	Prefer not to answer or missing	6.2%
Primary role in the business	President/CEO	28.9%
	Senior Manager	18.7%
	Sales and/or Customer Service	13.3%
	Technical	9.6%
	Production	4.0%
	Other	19.5%
	Prefer not to answer or missing	6%
Length of personal business experience	0 to 5 years	22.5%
	6 to 10 years	16.7%
	11 to 15 years	10.2%
	16 to 20 years	10.2%
	More than 20 years	33.9%
	Prefer not to answer or missing	6.6%
Ever been an employee, volunteer or board member of a non-profit or charitable organization	Yes	74.5%
	No	21.1%
	Prefer not to answer or missing	4.4%
Responsibilities directly related to generating profits for the business	1 Very little	10.4%
	2	9.0%
	3	15.1%
	4	14.1%
	5 Very much	45.6%
	Prefer not to answer or missing	5.8%

<b>Business characteristics</b>		
Location of office	British Columbia-Vancouver	21.3%
	British Columbia-Other than Vancouver	3%
	Alberta-Edmonton	19.5%
	Alberta-Calgary	56.6%
	Alberta- Other than Edmonton or Calgary	2.6%
	Outside Canada	0.2%
Total number of employees in the business	1-25 employees	40.4%
	26-50 employees	10%
	51-500 employees	20.7%
	501 or more employees	14.5%
	Not sure	2.8%
	Prefer not to answer or missing	11.6%
Business size	Small business	43%
	Medium business	18.9%
	Large business	18.3%
	Not sure	5%
	Prefer not to answer or missing	14.8%
Length of business operation	0 to 5 years	20.9%
	6 to 10 years	11.8%
	11 to 15 years	10%
	16 to 20 years	8%
	More than 20 years	43.4%
	Prefer not to answer or missing	6.6%
Annual revenue of the business	Under \$1 million	26.1%
	\$1 million to <\$2.5 million	7.4%
	\$2.5 million to < \$5 million	5.2%
	\$5 million to < \$10 million	5.8%
	Over \$10 million	22.1%
	Not sure	11.4%
	Preferred not to answer or missing	22.1%
Broad business sectors	Resources, Production and Construction	13.3%
	Trade and Finance	14.7%
	Real Estate	7.6%
	Accommodation, tourism and food service	1.0%
	Health and Social Services	3.8%
	Arts, Culture and Communication	6.6%
	Other Services	47.4%
	Preferred not to answer or missing	5.6%
Has your business ever competed with a social enterprise?	Yes	15.7 %
	No	77.7%
	Prefer not to answer or missing	6.6%

<b>Table 2: Perceptions toward social enterprise</b>				
	Disagree or Strongly Disagree	Neither Agree nor Disagree	Agree or Strongly Agree	Mean
	%	%	%	
<b><u>Perceptions toward mission, roles, and functions</u></b>				
1. SE activities help charities and/or non-profit organizations to become more financially viable.	5.2	20.2	74.6	4.13
2. SE activities help charities and/or non-profit organizations address social issues in more creative ways.	6.6	19.0	73.4	4.09
4. SEs are a business-style solution that can solve social problems more effectively than the traditional charity approach.	9.2	22.8	68.0	3.94
15. SEs are a good way to provide employment opportunities & training for disadvantaged groups.	5.0	15.5	79.5	4.15
<b><u>Perceptions toward competition of social enterprise</u></b>				
7. SEs bring greater benefit to Canadian society than the potential market risks they face and/or create.	9.6	30.1	60.3	3.95
8. SEs create unfair competition in the marketplace.	63.0	23.8	13.2	2.35
10. SEs should receive no special competitive advantages (i.e. tax advantages, exemption from labour requirements, etc.) over for-profit businesses if they compete in the marketplace.	35.2	21.4	43.4	3.18
11. SEs will take market share from for-profit businesses and may even cause some for-profit organizations to close.	42.4	32.9	24.7	2.88
12. Charities and/or non-profit social service organizations should not compete in the for-profit marketplace.	64.5	17.0	18.6	2.35



<b><u>Perceptions toward the criticism and challenges of social enterprises</u></b>				
3. SE activities should align with the non-profit organization and/or charity's mission and purpose.	8.4	17.3	74.3	3.99
5. SE for-profit activities distract charities and non-profit social service organizations from the original community or social missions that they set out to achieve.	45.8	30.7	23.5	2.79
6. SE activities require greater/different oversight on the part of the charitable or non-profit's administration.	9.2	26.7	64.1	3.94
9. SEs lack the business skills to be competitive in the marketplace.	43.6	35.6	20.8	2.80
13. SEs face greater financial challenges and market risks than for-profit businesses do trying to be profitable.	30.9	32.5	36.5	3.24
14. SE activities must be transparent (mission, goals, operation strategies) to gain marketplace support.	4.4	14.2	81.4	4.11
<b><u>Support and assistance needed for social enterprises</u></b>				
16. I would hire people who have gained previous job experience in SEs.	5.0	22.4	72.6	4.14
17. Government is in the best position to coordinate resources and experts who can provide business training and support to SEs.	43.9	31.5	24.6	2.82
18. The business sector is in the best position to coordinate resources and experts who can provide business training and support to SEs.	13.4	31.1	55.5	3.79
19. I would be willing to offer my personal support (e.g. donate or volunteer to provide advice, guidance or training) to help develop SEs.	13.6	28.1	58.3	3.78
20. I would be willing to offer business support (e.g. conduct business with or use as a supplier, etc.) to SEs to facilitate their sustainable future development.	11.9	29.8	58.2	3.84