

TERRITORIAL DEVELOPMENT

The Implementation of an Entrepreneurship Development Strategy in Canada

The Case of the Atlantic Region



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

*Building a stronger economy together
Ensemble, pour une économie plus forte*

Canada 

General Distribution

OCDE/GD(96)176

**The Implementation of an
Entrepreneurship Development Strategy
in Canada:**

The Case of the Atlantic Region

Organisation for Economic Cooperation and Development
in cooperation with Atlantic Canada Opportunities Agency

Paris 1996

Complete document available on OLIS in its original format
Document complet disponible sur OLIS dans son format d'origine

Foreword

Produced by Atlantic Canada Opportunities Agency (ACOA), Authored by **Lois Stevenson**, April 1996, under the direction of Martin Abrams, with contributions from David Carpenter, Gilles Belzile, Hazel Strouts, Peter Estey, Martin Abrams, and G. Bourgoignie (french version, editorial support). Secretarial support from Francine Hébert.

The views expressed are those of the authors and do not necessarily reflect those of the Organization for Economic Cooperation and Development (OECD), Paris.

© Copyright OECD, 1996

Applications for permission to reproduce or translate all or part of this material should be made to:
Head of Publications Service, OECD, 2 rue André-Pascal, 75775 Paris Cedex 16, France.

Table of Contents

Note by the OECD Secretariat	4
Chapter 1 Introduction and Background	9
1.1 Introduction	9
1.2 Background	10
1.3 Defining Entrepreneurship Development	11
Chapter 2 The Atlantic Canadian Economy	13
2.1 An Economic Overview	13
2.2 Outlook for the Future	15
2.3 The Importance of Small Business and Entrepreneurship	16
Chapter 3 A Canadian Approach to Entrepreneurship Development (ED) ..	20
3.1 Developing a Strategy	20
3.2 The Entrepreneurship Development Framework	21
3.3 Identifying Target Groups	24
3.4 Implementing the Strategy and Overcoming Obstacles	29
3.5 Five Year Report Card	32
Chapter 4 Measuring Success	48
4.1 Problems and Challenges	48
4.2 Performance Indicators	50
4.3 Results to Date	50
Chapter 5 Lessons for Other Countries	53
5.1 Replicating the Approach	53
5.2 Key Success Factors	57
5.3 Emerging Issues	59
Annexes	
A: Entrepreneurship Development-Planning Matrix	61
B: Matrix of Performance Indicators for Entrepreneurship Development ..	62
List of Abbreviations	66
Bibliography	67
List of ACOA Reports, Publications and Resources	68

Note by the OECD Secretariat

Background

There are 35 million unemployed people in OECD countries making unemployment a top policy concern on many government agendas. In 1994, the OECD produced the *Jobs Study: Facts, Analysis, and Strategies* which looked at the facts about unemployment in OECD countries, analysed the fundamental factors that produced it and recommended strategies to foster job creation. The Job Study was a first in a series to examine the critical issue of unemployment and job creation. It was followed by a companion volume, *Evidence and Explanations*, and launched a series of thematic reviews of particular policy areas. The objective of the reviews was to focus on particular areas that were thought to be particularly crucial to the cause of unemployment or to the creation of new jobs.

One of the conclusions of the Job Study was that the firms best equipped to exploit future opportunities will be characterised by dynamic entrepreneurship. The study made clear that in order to reap the potential gains of a world marked by changing technologies, globalisation and intense national and international competition, economies must respond rapidly to exploit the opportunities these changes offer. By contrast, policies that transfer resources to firms facing closure in an attempt to protect jobs have often proven costly and ineffective. It would have been more effective to promote and facilitate enterprise creation as well as the survival and expansion of existing small firms adapting well to structural change.

Governments have long recognised the importance of entrepreneurship in job creation. New and small firms are major job providers in many industrialised countries. In Europe, over a half of all jobs are in small- or micro-size firms; and in the United States at least 30 per cent of all jobs are in small-firms. Small and medium-sized enterprises are recognised as playing a significant role in the creation of jobs and in economic development and growth, and there is a growing body of opinion that technological, economic and social changes are likely to increase their importance further.

To a large extent, small enterprises have been viewed as synonymous with entrepreneurship and have become the target for direct government support. Governments in a number of countries finance 'One-stop shops' which offer business advice, training and financing to small enterprises. Numerous programs offering financial support for R&D or training also exist. Almost all countries offer programs which encourage the unemployed to create their own businesses or self-employment. Governments are also aware that small businesses suffer disproportionately from administrative reporting and are experimenting with methods to reduce the load.

The Thematic Review of Entrepreneurship and Job Creation Policies

In 1995, a *Thematic Review of Entrepreneurship and Job Creation Policies* was launched as part of the follow-up series to the Jobs Study: Facts, Analysis, and Strategies. The objective of the Review is to gather information on entrepreneurship policies across OECD countries and examine their role in job creation. Several ministries are being surveyed to learn more about their experiences with entrepreneurship policies and job creation. Ministries of Industry, Trade or Labour have long been important in this area and Ministries of Education are increasingly becoming involved in designing and delivering entrepreneurship programmes. To a large extent, these various Ministries, as well as local and regional governments, have different target groups for their policies, which helps to explain the wide diversity of programmes. That is, government bodies often create guidelines to target their small business programmes at particular client groups. These client groups can be divided into two broad types: potential entrepreneurs and existing enterprises.

Who are the potential entrepreneurs? It is generally believed that there are latent entrepreneurs in all OECD countries and that if their potential could be unleashed many new jobs would be created. Although several studies have tried to establish the personal characteristics necessary for becoming a successful entrepreneur — family background, educational level, age, gender, etc. — governments rarely target using such criteria, typically for reasons of equity but also because entrepreneurial activity cuts across all demographic groups.

Government programmes focus instead on characteristics which distinguish the group as one that is in need of assistance. For example, since Ministries of Employment deal with the problem of unemployment, the target group is clearly defined as the unemployed. In this case, the rationale for government intervention is that offering small business to the unemployed will allow those with entrepreneurial abilities to realise their potential and to create a business which will employ them and, perhaps, others. Similarly, government bodies which deal with poverty issues often offer small business development programmes to the poor to create their own jobs and become self-sufficient. Finally, as gender issues have become more important in OECD countries, women are a growing target group. The participation and growth rates in entrepreneurship of women are lower than those of men, and businesses owned by women are smaller and tend to be more concentrated in the service sector. It is hoped that government assistance will improve the performance of women entrepreneurs and, as a result, create jobs.

The services offered to potential entrepreneurs differ from those offered to existing firms. Generally, programmes for aspiring or new entrepreneurs are combination programmes with several elements, such as general training courses on basic enterprise principles followed by business counselling services after the enterprise has been created and, frequently, a small financial benefit in the form of a periodic payment or a lump-sum. The programmes offered to existing firms are relatively more specialised and tend to target the needs of firms at the small-firm rather than the micro-firm level.

Although the *Thematic Review* is on-going, a number of early results have been obtained and they point to the impact small business policy can have on a country's entrepreneurial potential.

Supporting enterprise creation. There is extensive experience in the past 25 years of the basic mechanisms designed to assist new and small businesses including local agency support, workspace, public/private sector partnerships. These programmes have encouraged wage earners to start up their own business and expanded the potential entrepreneurial population to the unemployed and welfare recipients and, hence, have contributed to a culture of initiative and self-reliance. Evaluations of government self-employment programmes have shown that providing self employment assistance is preferable to paying income support benefits, such as unemployment insurance benefits. Evidence demonstrates that a higher percentage of programme participants than non-participants succeed in finding long term employment, even if their businesses fail. In addition, evidence indicates that self-employment programs are not as expensive as some have thought and in particular that the higher overall employment rates found for participants make these programmes cost-beneficial.

Financing programmes. Governments have sought to mitigate the financing problems faced by small businesses by introducing loan guarantee schemes. Evidence suggests that regionally based schemes are more effective than national schemes, because local public authorities and trade associations have better knowledge with which to assess applicants at low cost.

Attempts have also been made to increase the availability of regulated and unregulated equity financing to small businesses, in order to reduce the transactions costs associated with, particularly, regulated equity. Second-tier markets meet the requirements of medium-size firms for equity financing, although even they are costly for the smallest firms. The launch of Easdaq, a European secondary stock market similar to the successful US Nasdaq, may help the creation and development of new ventures in Europe as it has in the United States.

Education and training. Some countries have recently created education programmes aimed at introducing the concept of small-business creation to more people. In order to make a significant impact on the promotion of entrepreneurship, it is necessary to influence the attitudes of both potential entrepreneurs and the general population. As a result, government small business programmes and services are designed to meet the needs of diverse groups ranging from women to youth to the unemployed. In addition, programmes have been developed for those of primary-school age through to universities in order to increase broad awareness of the opportunities presented by entrepreneurship. These programmes take a very long-term view, but early evidence demonstrates that they have increased awareness of entrepreneurship and its benefits.

An important aspect of training is in-work training, and small businesses engage in less of it than large ones, even though training can help to achieve better small-business management. In response, governments have introduced a range of training programmes — including those to improve export promotion and to assist in the introduction of high-tech production methods — which have had a positive impact on the skills employed by small firms.

Taxes. Although it is difficult to measure accurately the true incidence of taxes on entrepreneurship, most Member governments have put in place specific fiscal measures to assist small businesses through the early years of their development, which have proven effective.

Collecting further evidence

Delegates of the OECD Working Party on Regional Development have expressed a strong interest to learn more about which small business policies are most effective. With this firmly in mind, the Regional Development Programme has developed a series of activities in its current work programme and that of 1997-98 which responds to this demand and which will generate evidence and lessons for inclusion in the final report of the *Thematic Review on Entrepreneurship and Job Creation*. For example, current activity, *Regional Systems of Innovation*, examines the attempts by many governments to spur the growth of high-tech investment in lesser developed regions, often, by targeting small firms. Technology incubators have been created to increase the start-up of firms in industries characterised by the use of sophisticated technology. Technoparks have also been created to attract existing firms into the region and to assist them to development. This activity will evaluate the impact of technological policies which have a regional focus, in particular, the creation of science parks and technopoles.

A 1997-98 activity, *The Role of Small Enterprises in Regional Development* will examine how small business policies can be employed in less developed regions or regions with a stagnating economy to revitalise the economy. In many countries, less developed regions or regions with a stagnating economy are characterised by a heavy reliance on resource based industries, such as agriculture and mining. Many such regions have successfully diversified into new areas such as tourism, manufacturing and retailing. Business and financial services are also growth areas because technologically advanced services can be located in remote areas with good telecommunications facilities. As a result of these changes, it would appear that entrepreneurship programmes have become viable policy options in regions undergoing structural changes. A study would be undertaken to distil the lessons of a sample of regions which have implemented policies to assist in the creation and development of small firms.

In addition to these studies, Delegates have been invited to present their country's experience with small business development programmes within the framework of the Working Party on Regional Development. The Canadian contribution, reproduced in this document was presented at the 1996 June meeting of the Working Party and prompted a lively discussion.

The Canadian contribution: the experience of the Atlantic Canada Opportunities Agency

In June 1987, the Federal Government established the Atlantic Canada Opportunities Agency (ACOA) to carry out economic development programmes in Canada's Atlantic provinces. Its primary focus was to be the development of small and medium sized enterprises and its mission statement became "renewal of the entrepreneurial spirit in partnership with Atlantic Canadians". By 1990, an *Entrepreneurship Development Strategy* was in place. The paper presented by Canada details the development of this strategy, its implementation and some early evaluation results.

The Strategy Development for Atlantic Canada is particularly interesting because it makes the promotion of entrepreneurship an explicitly stated objective. Often, policy is framed in terms of helping firms export, introduce new technologies, train their workforce,

etc. In contrast, the Canadian government outlined a comprehensive strategy to improve the effectiveness of government support for small and medium sized enterprises. This included creating a taskforce, utilising resources in both the public and private sector and widening the target group.

In order to make a significant impact on the promotion of entrepreneurship, it was decided that it was necessary to influence not only the attitudes of potential entrepreneurs but those of the general population. As a result, government small business programmes and services were designed to meet the needs of diverse groups ranging from women to youth to the unemployed. A major component of the entrepreneurship strategy were programmes developed for those of primary-school age through to universities in order to make them aware of the opportunities presented by entrepreneurship. Several different organisations were deployed in order to provide the small business services and extend the Strategy's message to the general population. Business support organisations, educational institutes, corporations and the media were drawn together into a network to promote the Strategy and deliver assistance to the regions potential and existing entrepreneurs.

Because of the many different services and target groups included in the Strategy, an implementation body was created within ACOA. This Co-ordinating Body was made responsible for consultation, policy development and programme planning, network-building and programme management, and works closely with the network of organisations delivering the Strategy. The Canadian strategy is a long-term one, yet early results are promising. Delegates to the Working Party expressed an interest that the document be widely distributed and requested further information on the Strategy as it became available.

Chapter 1

Introduction and Background

1.1 Introduction

In 1988, Canada was the first developed nation to adopt a National Policy on Entrepreneurship. Recognizing the crucial role played by entrepreneurship and the establishment of new firms in the regional, economic and social development of Canada, the federal government outlined a policy action to promote a vibrant entrepreneurial culture and improve the effectiveness of government support for entrepreneurship. The policy objectives were to:

- “remove obstacles to entrepreneurship so all Canadians have a reasonable opportunity to opt for self-employment, pursue individual initiative for the common good and strive for success in the pursuit of excellence;
- advance the interests of entrepreneurs and small businesses in the public and private sectors, and society at large;
- encourage business start-ups and nurture the growth of young firms to medium-sized businesses in support of growth, job creation and increased competitiveness; and
- pursue regional economic development through local decision-making and entrepreneurship.”¹

In the past, an entrepreneurial culture had emerged only as a by-product of regional development initiatives. Within the context of the federal government’s position, it was important to *make entrepreneurship a stated objective of regional development* and to focus on new policies and programs to support it.

The key policy questions for regional development agencies, and Atlantic Canada in particular, became:

- What could be done to stimulate a stronger entrepreneurial culture and more sustained self-reliance which would ensure the long term economic future of Atlantic Canada?
- What could be done to support and influence the process whereby people decided to start their own businesses?
- What could be done to increase the probability that more Atlantic Canadians would choose to start their own businesses and to accelerate the rate at which that occurred?
- What was needed to improve the survival and growth rates of new and existing businesses and their enhanced competitiveness in the face of globalization and technological change?

¹ *National Policy on Entrepreneurship*, Government of Canada, 1988.

- What could be done to increase the overall “entrepreneurial vitality” of the region?

In response to these questions and the economic challenges facing the region, Entrepreneurship Development became a regional development priority.

It is against this backdrop that Canada submits this case study of the experience of the federal department responsible for regional development in implementing an entrepreneurship development strategy in four of Canada’s provinces, Nova Scotia, Newfoundland, New Brunswick and Prince Edward Island (collectively known as Atlantic Canada). This paper outlines the rationale, objectives and elements of the strategy. It identifies the key success factors in building a comprehensive entrepreneurship development program and presents lessons learned which may be of value to other Member countries as they focus on entrepreneurship and job creation policies and programs.

1.2 Background

Atlantic Canada has a combined population of 2.4 million; 45% of which population lives in rural areas. The unemployment rate is the highest in Canada and the region is heavily dependent on government support, federal transfer payments, and resource-based industries.

To deal with regional disparities, Canada has had a system of regional development in place for the past three decades. Over this time, different approaches have been taken to stimulate economic development and growth, particularly in the peripheral regions of the country. The primary approach has been to attract investment into the region by providing financial and other monetary incentives to large companies to establish branch operations in the region, thus creating employment and “spin-off” development opportunities. Such was the case in the Atlantic Provinces. However, this approach has been shifting. Local companies (supported by local networks and the community) have become the focus of the new concept in regional development policy. The leading theme of the paradigm shift in development economics in the 1990s is promotion of entrepreneurship and the spirit of enterprise. Policy makers around the world see this approach as a promising strategy for mobilizing resources and human creativity, as an alternative or complement to a strategy based mainly on national or regional economic planning, large capital projects, and a prominent public sector. Promoting more new, small and medium sized enterprises and self-employment is part of the process of “structural adjustment” required to drive economic growth which, in the future, will come from endogenous development within an economy.

In June 1987, the Federal Government established the Atlantic Canada Opportunities Agency (ACOA) to succeed its regional development predecessors and to carry out the federal government’s economic development mandate in Atlantic Canada. Its primary focus was to be the development of the base of small and medium sized enterprises (SME) (thus demonstrating the emerging shift in regional development approach). Its adopted mission statement became “renewal of the entrepreneurial spirit in partnership with Atlantic Canadians”. Its corporate objectives were to contribute to:

- a more self-sustaining entrepreneurial climate,
- more successful small and medium sized businesses,

- increased earned incomes,
- increased employment opportunities, and
- an expanding competitive economy.

Preparing for the future would require shifting from a dependency culture towards one of greater self-reliance, and creating a higher level of innovation, growth and competitiveness in private sector firms. Considering the level of unemployment in the region, job creation of a sustainable nature was a major priority. Small businesses, like in many other parts of the world, were generating the majority of new jobs, particularly from new business start-ups.² Overcoming dependency and achieving economic and job growth in the future would demand a higher level of “entrepreneurship” among the existing population base. Entrepreneurship or new business development has not been the traditional regional development approach, however, it was becoming recognized as a more important component of any comprehensive development strategy.

An effective regional development approach is one which builds on regional strengths and utilizes a multi-faceted approach. In fact, a balance of approaches will be necessary to increase economic activity and job creation and build the next generation of small businesses. ACOA was able to combine Entrepreneurship Development as part of its balance of approaches which also included investment promotion activity, financial assistance programs for business expansions and modernizations (in selected sectors), and activity related to trade development, innovation and technology, and enhanced business management practices.

1.3 Defining Entrepreneurship Development

Issues of definition present many challenges in terms of developing policies and programs in the area of entrepreneurship development. The two key questions are “what is entrepreneurship” and “what is entrepreneurship development”?

Within the context of this case study it is assumed that:

- “Entrepreneurship” is the process whereby individuals become aware of business ownership as an option or viable alternative, develop ideas for businesses, learn the processes of becoming an entrepreneur, and undertake the initiation and development of a business.
- Business ownership is a key element of the definition of entrepreneurship and what it means to be an entrepreneur.
- Entrepreneurship can be found in both the initiation and growth of businesses.
- The process of entrepreneurship takes place over time and can be facilitated by programs of support to individuals as they move through the various phases from awareness to growth.
- Entrepreneurship development is the process of increasing the supply of capable entrepreneurs within an economy. The objectives of entrepreneurship

² Picot, G., and Dupuy, R., *Job Creation by Company Size Class: Concentration and Persistence of Job Gains and Losses in Canadian Companies*, Statistics Canada, April 1996.

development programs are to increase the pool of people who have the career orientation, motivation, desire, opportunity, and ability to start their own businesses and to improve their chances for survival and growth. The ultimate outcome is new venture creation and job generation. It is important to reinforce the point that Entrepreneurship Development goes beyond new venture formation. It also involves the process of growing these new small firms.

In terms of the question, “what is an entrepreneur”, there have been many debates. Is business ownership a necessary part of the definition? What about people who behave “entrepreneurially” within the employ of others (e.g., creative, innovative, good problem-solvers, risk-takers, self-achieving)? A noble objective in any society is to encourage more of its members to become better at problem-solving, decision-making, creativity, innovation, and risk-taking (enterprising qualities), however, economic development will be accelerated more effectively if these members have the knowledge, skill and ability to apply these qualities to venture formation and development. In terms of this regional development case study, an entrepreneur is a person who owns a business and is used synonymously with small business owner, in full recognition of the fact that a growth business may expand beyond the definition of small (under 100 employees and less than \$5 million in annual revenues).

A small business in Canada is defined as an independently owned and managed business with fewer than 100 employees. When Statistics Canada reports on the number of small businesses, it includes businesses which report payroll deductions for at least one employee (this number will not include an unincorporated business if the only person working in the business is the owner).

The self-employed are those persons who own and operate a business, farm or professional practice. It assumes the business is synonymous with having one or more of the following: a location used exclusively for business, a significant capital investment, or paid help. Only 37% of the self-employed in Canada in 1994 had paid employees.

“Entrepreneurial Vitality” is the measure of a region’s level of entrepreneurial activity. According to Birch³, communities/regions with a high level of entrepreneurial vitality will have high birth rates for new firms, high levels of growth in private-sector employment and higher percentages of young companies experiencing growth. One might also include the level of self-employment and level of unemployment in the community/region; as well as a measure of the survival rates of existing firms.

³ Birch, David, *Job Creation in America*, The Free Press, New York, 1987.

Chapter 2

Overview of the Atlantic Canadian Economy and the Role of Entrepreneurship

This chapter will describe the economic and industrial structure of the Atlantic Canadian economy which comprises just over 8% of the country's population, and contrast it with that of Canada. It will outline the disparity indicators in the region which necessitate the presence of a regional development agency and discuss the economic crises which have continued to affect both the employment situation and overall economic growth.

2.1 An Economic Overview

Canada has a population of 29.8 million, 62% of which is located in the central Canadian provinces of Ontario (11 million) and Quebec (7.4 million). The four provinces in Atlantic Canada cover 195,000 square miles of land, about the size of France or 5% of the area of Canada. As of January 1st 1996, 2.4 million people lived in the region, or 8.1% of the Canadian total. People are more likely to live in rural areas or small towns in Atlantic Canada (45% of the population) than in Canada as a whole (25% live in rural areas).

Growth in the Atlantic Canadian population has been much slower than the national average. While the national population grew by 49.7% during the 30-year period between 1961 and 1991 the population of Atlantic Canada increased by only 22.4%. Factors contributing to this include the tendencies of Atlantic Canadians to migrate to more prosperous parts of Canada and of immigrants to settle in larger Canadian provinces. The small population base and resulting small domestic market have been major impediments to enhancing economic development. Since only a portion of the Region's population is located in metropolitan areas, concentrations of population required to sustain a large and diversified set of economic activities is lacking.

Of the total of 892 Atlantic communities, 96% have a population of less than 10,000. In 1991, 349 communities could be classified as single industry communities, where one industry accounts for 25% or more of the total labour force. In many of these communities the resource sector, both primary and processing, (fishing, forestry, mining, agriculture) accounts for almost all of the non-government employment. Employment in these communities is uncertain due not only to resource depletion (particularly in the fishing and forestry sectors) but also mechanization. In some communities the major employer is the public sector which is operating under fiscal limitations.

The region has experienced a major shift in the distribution of employment by industry sector over the past four decades. Employment in Primary Industries has shifted from 30% of total employment in 1951 to 6% in 1991 and in Community, Personal, and Business services from 14% to 35%. Manufacturing employment has remained fairly constant at 15% and trade (retail and wholesale) at 17%. In 1991, Public Service employment (including education and health services) stood at 8%.

The Gross Domestic Product (GDP) of the region was \$42.2 billion in 1995 or 6.2% of the Canadian total. Goods-producing and service-producing industries' contributions to provincial GDP vary across the Atlantic provinces. In New Brunswick and Newfoundland the goods-producing industries account for approximately one-third of production. In the other two provinces, the figure is close to 30%. Resource exports have largely underpinned economic growth. The value of exports was equal to almost 19% of the region's GDP in 1994. Major commodities exported include wood pulp, newsprint, coated paper, lumber, fish products, potatoes, gasoline and fuel oil, iron ore, lead, zinc, potash and tires. Exports to the United States represent over two-thirds of total foreign exports. Other major markets include Western Europe and Japan. However, the region is heavily dependent on federal transfer payments, equalling 20% of GDP. Total government expenditure accounts for 60% of GDP. Government transfers to individuals comprise 30% of personal income in the region and 40% of provincial government revenues.

Over the last twenty years, economic growth in the Atlantic Provinces lagged that of the nation with real GDP increasing at an annual average rate of 2.1%, compared with 2.7% for Canada as a whole. During the late 1980's and early 1990's, Atlantic Canada has been slowly adjusting to globally competitive market conditions and rapid technological change, while at the same time experiencing downsizing in the public sector and restructuring in the resource industries. The recovery from the 1990-91 recession was led by strong exports markets; however, consumer markets have been soft and job growth weak.

Despite recent growth among the various traditional sectors and diversification of the economy into new areas, major challenges need to be addressed to reduce regional disparity. Some improvement has taken place; however, Atlantic Canada's earned income per capita is only 75% of the national level and the region's unemployment rate is still almost four percentage points higher than the national rate (13.4% versus 9.5%). Labour market participation rates are below the national level (58% versus 65% nationally) and the self-employment rate in 1994 was two percentage points below the national average (13.4% compared to 15.5%). In fact, this is the only region in the country where the number of unemployed persons (148,000 in 1995) exceeds the number of self-employed persons (135,000 in 1995). See Table 1. However, self-employment as a percentage of the employed labour force has been steadily growing throughout the 1980s and 90s (from 12% in 1984 to 14% in 1995 in Atlantic Canada); self-employment increased from 4.6% population in 1984 to 5.6% in 1995. Growth in the number of self-employed has been almost twice as fast as growth in the employed labour force. Although the business start-up rate in the region has outpaced the national rate for the past five years business start-ups are smaller (fewer jobs per firm), and their survival rate in the first three years of business is lower. About 75% of the regions's businesses have fewer than five employees and 90% have fewer than 10 employees.

2.2 Outlook for the Future

For the next five years, the economies of Canada and the United States are both forecast to experience moderate growth. Over the 1996-2000 period, economic growth in Atlantic Canada is forecast to average 2.3%, slightly lower than the 2.8% rate of growth predicted for Canada as a whole. Employment growth is forecast to increase at an average rate of only 1.6%, compared with a national rate of 2%. The traditional resource sectors are expected to continue to stimulate economic activity.

Table 1

Population, Number of Employed, Unemployed, and Self-employed Persons in Atlantic Canada 1984-1995, (thousands)					
Year	Population	Employed	Unemployed	Self-employed	Self-employment/ 100 population
1984	2312	827	150	105.8	4.6
1985	2323	838	156	110.3	4.7
1986	2327	862	151	113.3	4.9
1987	2333	883	143	116.0	5.0
1988	2339	920	130	119.8	5.1
1989	2353	941	131	117.1	5.0
1990	2366	953	139	122.1	5.2
1991	2378	935	151	126.1	5.3
1992	2393	921	161	120.2	5.0
1993	2403	920	168	127.1	5.3
1994	2408	938	164	133.8	5.6
1995	2409	954	148	135.1	5.6

Source: Labour Force Surveys, Statistics Canada - selected reports

The outlook will be affected by a decrease in spending by all levels of government as expenditure restraint measures are implemented; this includes federal transfer payments to the provinces. This is creating pressure on the region to become more self-sufficient. At the same time, the impact of the North American Free Trade Agreement (NAFTA) is placing more pressure on the region to focus on competitiveness.

Low productivity levels remain a problem, with improvements being hindered by the slower rate of advanced technology adoption, low levels of research and development and a less educated workforce.

The Atlantic economy is in transition. Emerging growth areas are being found, not only in knowledge-based industries, but in its traditional industries as well. The private and public sectors are building on the region's strengths which include good communication links, strategic location to major markets in the Northeastern U.S., ice-free ports, a skilled bilingual workforce, low wage and land costs, a highly developed university and post-secondary education system, good quality of life and low inflation.

2.3 The Importance of Small Business and Entrepreneurship

Small businesses, those with under 100 employees, make up 95% of Atlantic businesses. Almost 75% of these businesses have fewer than five employees. Small firms dominate in every sector as evident in Table 2.

The total number of businesses continues to grow faster than the national average. During the 1989 -1993 period, the number of small firms in the region increased, by 4.5% (see Table 3) compared to 0.1% nationally. The strongest growth was in the smallest size category (under 20 employees).

Table 2

The Sector Distribution of Small and Large Firms, 1993				
Industry	Small firms (1993) (Less than 100 employees)		Large firms (1993) (More than 100 employees)	
	Number	Distribution	Number	Distribution
Agriculture and Fishing	10,238	12.0%	22	0.5%
Logging & Forestry	1,691	2.0%	6	0.1%
Mining	182	0.2%	72	1.6%
Manufacturing	3,374	3.9%	1,070	24.0%
Construction	10,324	12.1%	168	3.8%
Transportation	3,632	4.2%	154	3.4%
Communication	500	0.6%	86	1.9%
Wholesale	4,262	5.0%	750	16.8%
Retail	13,477	15.8%	421	9.4%
Finance and Insurance	3,384	4.0%	457	10.2%
Business Services	4,501	5.3%	351	7.9%
Government	544	0.6%	94	2.1%
Education	653	0.7%	117	2.6%
Health	5,578	6.5%	242	5.4%
Accommodation	5,377	6.3%	151	3.4%
Other Services	17,847	20.8%	306	6.9%
Total	85,564	100.0%	4,467	100.0%

Source: Business Entries and Exits Tables, Atlantic level, 1989 to 1993, Statistics Canada, Small Business and Special Surveys Division and Business and Labour Market Analysis

Table 3

Small Firms Continue to Grow in Number, 1989 - 1993					
Firm Size (# employees)	1989		1993		4 year Growth Rate
	Number	Share	Number	Share	
Atlantic Canada					
Fewer than 20	76,600	88.8%	80,354	89.2%	4.9%
20-99	5,299	6.1%	5,210	5.8%	-1.7%
Small firms	81,899	94.9%	85,564	95.0%	4.5%
100 and more	4,415	5.1%	4,467	5.0%	1.2%
All firms	86,304	100.0%	90,031	100.0%	4.3%
Canada					
Fewer than 20	856,425	92.4%	863,083	93.1%	0.8%
20-99	58,441	6.3%	52,755	5.7%	-9.7%
Small firms	914,866	98.7%	915,838	98.8%	0.1%
100 and more	11,902	1.3%	11,222	1.2%	-5.7%
All firms	926,768	100.0%	927,060	100.0%	0.03%

Source: Entry and Exit Tables, Statistics Canada, Small Business and Special Surveys Division and Business and Labour Market Analysis, 1989-1993

The region also outpaced the country as a whole in growth in business start-ups. However, it is notable that while the number of businesses has increased, employment in these firms is lower than it was in 1989 (Table 4). At the end of 1993, total firm employment was 5.3% lower than it was in 1989 and the average employment size of firms had dropped from 10.1 to 9.2. The national decrease in total employment was 7.1%. The impact of the recession was still being felt at this time but employment started to climb again in 1994 and 1995, in spite of the closure of the East Coast Canadian fisheries (30,000 jobs affected) and the closure of several Canadian Military bases in Atlantic Canadian communities (10,000 jobs affected).

An important feature of the Atlantic region coming out of the recession over the past two years has been the continuing growth in the number of businesses. From June 1993 to June 1995, the number of businesses increased by 6.0% in Nova Scotia, 7.8% in New Brunswick, 6.4% in Prince Edward Island and 2.5% in Newfoundland. This compares to the national average of 5.2%. Moreover, between mid-1994 and mid-1995, firms with under 50 employees accounted for 94% of total net job creation in Atlantic Canada, while the national rate was 85.6%.

Table 4

Growth in the Number of Businesses, and Employment 1989, 1993						
	Atlantic Canada			Canada		
	1989	1993	% Change	1989	1993	% Change
No. of businesses	86,314	90,031	4.3	926,768	927,059	.03
*ALU/Employment	873,100	826,700	-5.3	12,537,700	11,644,800	-7.1
ALU/Business	10.1	9.2		13.5	12.6	
*ALU = Average Labour Unit Source: <i>Employment Dynamics, Statistics Canada 1989-1993</i>						

Analysis of Statistics Canada reports on trends in self-employment, job creation, business entries and exits, and growing and declining businesses reveals a number of things:

1. Over 80% of new job creation is consistently being generated by small firms;
2. Approximately 60% of new jobs in Atlantic Canada for the 1980-1989 period were generated by new businesses starting up;
3. From 1980-89, almost 75% of the net new jobs in the market sector (excluding the public sector) were created in firms with less than five employees, many of these businesses were new or very young;
4. Large firms (with over 500 employees) are losing "jobs";
5. As is the case in other countries and regions, there is a considerable amount of churning within the pool of SMEs which results in a modest amount of net growth in the number of businesses and jobs over any period of time.⁴ For example, for the period 1980-1989 in Atlantic Canada, the total number of businesses grew 55% from 55, 919 to 86, 314.⁵ Over that period annual new business entries averaged 19.8%⁶ and business exits averaged 15.0% resulting in an annual net increase in the number of businesses of 4.9%. During the same period, almost 60% of gross new jobs were being generated by the formation of new businesses. Thus, to achieve growth, it is important to encourage a high start-up rate to replace the jobs lost from exiting businesses.

⁴ OECD (1994) *Employment Outlook*, Table 3.7.

⁵ *The State of Small Business and Entrepreneurship in Atlantic Canada, 1992* (ACOA). The number of businesses counted are those which report having at least one employee, that is, they are employer-businesses. Unincorporated businesses with no employees except the owner are not included in these totals.

⁶ This rate is based on the number of new business entries each year compared to the total pool of businesses at the beginning of the year.

6. Recent research in a number of OECD countries provides strong evidence that there is a positive correlation between new business formations and economic growth.⁷ It is, in fact, variations in new entries which account for the differences in economic expansions and contractions. Evidence also suggests that it takes a large amount of change for a modest amount of real growth to occur. Job creation/loss from business entries, exits, expansions, and contractions cause three job additions and two losses for each net new job created. This contributes to a dynamic, innovative economy. Business exit rates are found to be relatively stable from period to period, so new firm formation activity is critical to growth.

Because David Birch⁸ found that a disproportionate number of jobs were being created in firms which were less than four years old he hypothesized that, based on past events, over 80% of the jobs of the future would be created in small firms, firms which did not presently exist. New businesses and jobs would be created by people who already lived in the communities where this development would take place. An untapped potential for business development could be realized through a process of indigenous development. Economic development could be accelerated by stimulating interest in business ownership activity and by putting the support systems in place at the local level to assist people through the process of starting their own businesses. Entrepreneurship development would therefore become an instrument for economic development.

Apart from the significant economic benefits arising from business start-ups, there are other social and economic advantages. Self-employment provides an opportunity for “disadvantage groups” (women, the unemployed, visible minorities) to achieve economic advancement and self-realization; provides employment options and economic stability in rural areas, and is an outlet for creative talent.

This is particularly important to Atlantic Canada because almost half of the population lives in rural communities. To achieve long term sustainability and stability of these communities, self-employment and new business development offer an option for revitalization and job creation. This requires a more local economic development approach with strong community support for entrepreneurship. New businesses starting up (and the emerging entrepreneurs who lead them) are the seed-bed for growth-oriented businesses and the experienced entrepreneurs needed in the future.

Without a growing pool of individuals who have the motivation, desire, competence and ability to start businesses in the region, the goals of regional economic development would be hindered in the future.

⁷ Bruce Phillips and Kirchoff, “*Formation, Growth, and Survival: Small Firm Dynamics in the U.S. Economy*”, *Small Business Economics*, 1:65-74, 1991; Bruce A. Kirchoff, *Entrepreneurship and Dynamic Capitalism: The Economics of Business Firm Formation and Growth*, Praeger Publishers, 1994; Birch 1987.

⁸ Birch, David, *Job Creation in America*, The Free Press, New York, 1987.

Chapter 3

A Canadian Approach to Entrepreneurship Development (ED)

This chapter will outline the details of how the government approached the creation of its Entrepreneurship Development Strategy in the Atlantic Region, its ED framework, the process of implementing the strategy and its progress over the past five years.

3.1 Developing a Strategy

In the fall and winter of 1989-90, Entrepreneurship Development was identified as a Strategic Priority for the Atlantic Canada Opportunities Agency. The Entrepreneurship Development strategy and approach⁹ was based on a review of several internal ACOA documents and research information, policy reports from other government departments, consultations with representatives from the education community, other levels of government, business associations, small business support organizations, groups of entrepreneurs, and a review of the research literature on the promotion of entrepreneurship and models used to guide program development in other Canadian provinces and many countries.

The United Nations International Labour Office's (UNILO) worldwide study of entrepreneurship development programs and activities¹⁰ suggested that Entrepreneurship Development activity can be broken down into three broad categories which recognize the stages leading to the creation and development of an enterprise:

- i) Entrepreneurship Orientation and Awareness Programs
- ii) New Enterprise Creation Programs
- iii) Survival and Growth Programs for Existing Entrepreneurs

Such programs include those activities which:

- create awareness of entrepreneurship and promote it;
- give career orientation for entrepreneurship;
- create new enterprises by imparting training to the potential entrepreneur;
- promote self-employment;
- train existing entrepreneurs for business survival and growth; and
- inculcate entrepreneurial values in the society (including stimulation of the entrepreneurial spirit).

A 1989 review of existing small business development programs in Atlantic Canada against UNILO categorizations revealed that over 75% of government support for economic development was targeted to existing businesses and that most of this support was financial in nature (grants and contributions for capital projects). Entrepreneurship Orientation and Awareness Programs to build awareness of entrepreneurship and to promote it as a viable and valued career/employment option were very thin. New Enterprise Creation programs for the

⁹ Stevenson, L., *Entrepreneurship: Renewal of the Spirit: An Entrepreneurship Development Strategy*, (A report to ACOA) December 1989.

¹⁰ United Nations International Labour Office.

training of entrepreneurs at the pre-start-up stage were considerably less developed than those targeted at existing entrepreneurs for growth and expansion. To develop a comprehensive strategy in entrepreneurship development (to encourage more people to start their own businesses) would necessitate more emphasis on creating awareness of the option, generating interest and desire, and then providing more opportunities and support for people to learn about the entrepreneurial process and develop the skills necessary to start and run successful enterprises of their own.

3.2 The Entrepreneurship Development Framework

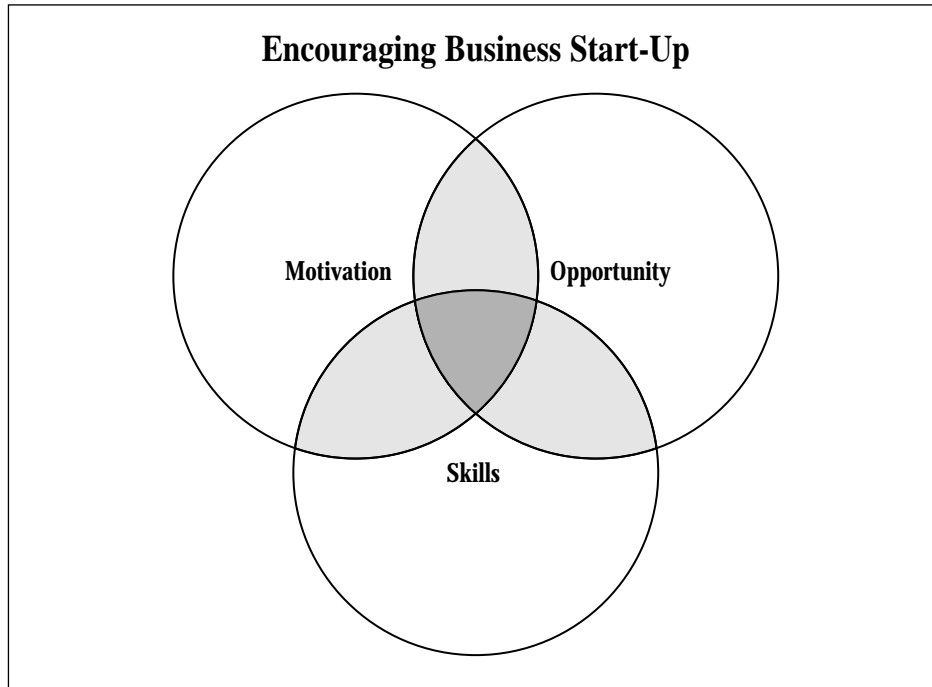
The long term objective of ED was to create a more supportive entrepreneurial climate, one which would accelerate the rate of business start-ups from people within the region; the short term goal was to increase the pool of people who had the motivation, skills, ability, and desire to start their own businesses and to increase the level and extent of appropriate community based support for new venture activity at whatever stage of the client's process (e.g., exploring the option, pre-start-up, start-up, post-start-up, survival and growth). To achieve these objectives would require a change in both culture and capacity and it was recognized at the very beginning that this would take time and dedicated commitment.

To encourage more people to take the necessary steps to start a business and to improve their chances for success, three key aspects had to be addressed.

1. They have to become interested and motivated. Much has been written about what influences someone to start a business. They have to be aware of the option and it has to be attractive to them. Being exposed to entrepreneur role-models is a factor as is being introduced to knowledge about entrepreneurship.
2. They have to come into contact with a range of "opportunity factors". These include access to information on business ideas, counselling and advisory services, business contacts, small business support infrastructure, support/encouragement and capital.
3. They must have some skills. There are two kinds of skills - technical skills (knowledge, or ability which can be turned into a business) and business and management skills. These skills can be gained through education and experience or gained through the expertise and experience of others. (Unfortunately too many people learn their early entrepreneurial skills through their own "trial and error" experience).

All three are necessary. Without motivation, people will not take any actions towards starting a business. If they are motivated to take action but are not exposed to the range of opportunity factors, they may become discouraged or lack the help they need to launch the business successfully. And if they have technical skills but lack business/management skills, their businesses may have a low chance for survival and growth. The optimal position is one where these elements overlap (Chart 1).

Chart 1

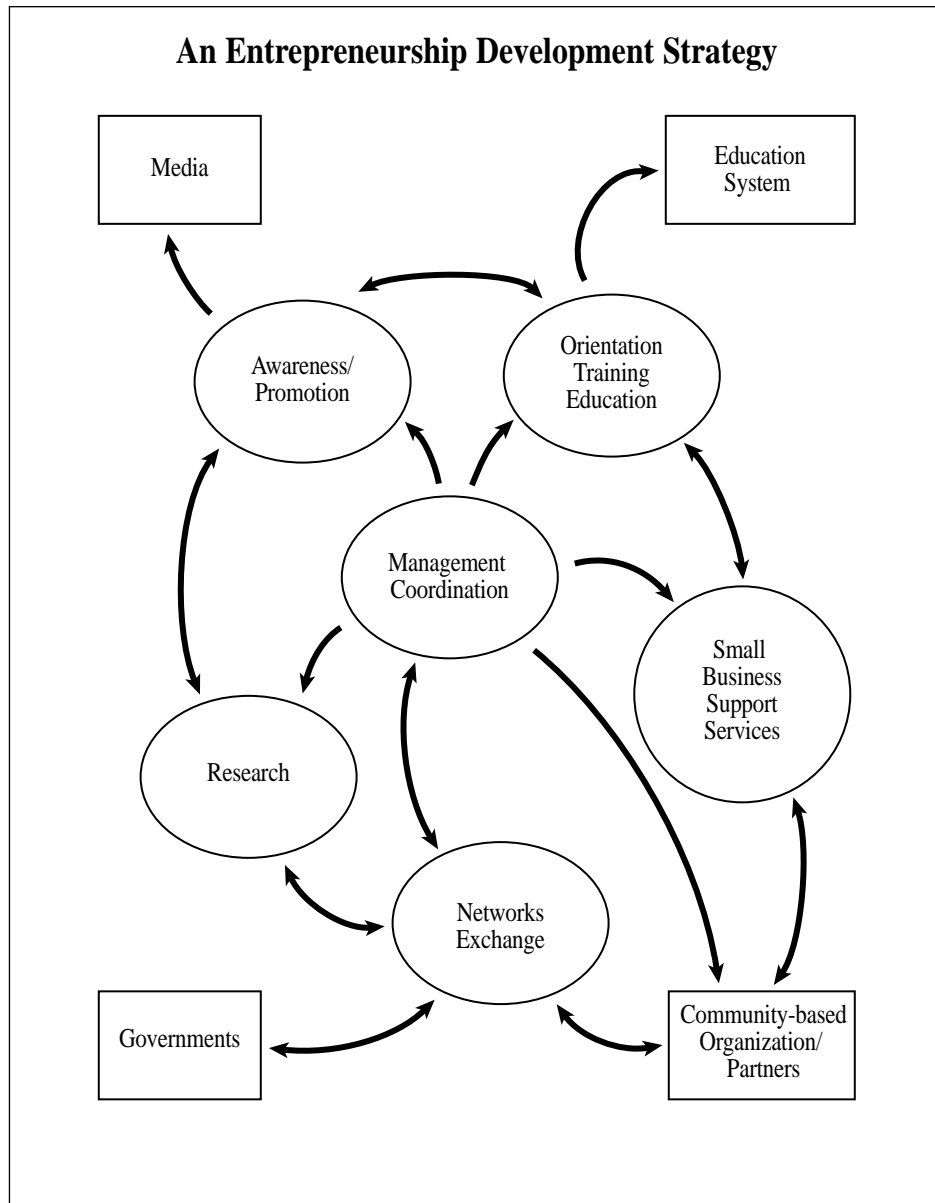


The foundations of the framework underlying the ED Strategy includes six major elements intended to lead to an increase in the propensity of the population towards entrepreneurship and to a region with more “entrepreneurial vitality”. Chart 2 configures the broad framework, its strategic elements and critical partners.

The six strategic elements are: awareness and promotion, entrepreneurship orientation and education, small business support services (including access to counselling and training), network-building, and a research program. The strategic objectives were to:

- a) develop awareness: create more awareness of entrepreneurship as an attractive employment option, profile successful entrepreneur role-models, and change attitudes;
- b) enhance learning: increase opportunities for people to learn the process of becoming an entrepreneur and starting a business through entrepreneurship orientation, education, and instruction;
- c) enhance small business support services: provide access to entrepreneurship training and small business counselling opportunities at the local, community level;

Chart 2



- d) build networks: facilitate the development of network activities and exchanges to promote dialogue, learning, and partnering;
- e) enhance the quality of small business support services; and
- f) support research and dissemination: increase the base of knowledge about how entrepreneurship and small business emerges within an economy and the role it plays in job and wealth creation.

All strategic objectives were based on evidence that they would be major influencing factors in one's decision to start a business and to take effective action. All elements were seen as necessary to be successful in reinforcing a stronger entrepreneurial culture, to "shape" and nurture it, to provide the necessary knowledge, skills, and ability so all segments of the population could participate fully in it, and to create a supportive environment in which it could truly "flourish".

Successful implementation of the strategy was highly dependent on the development of partners, specifically the media, the education community, existing small business support organizations (and economic development offices), and other government departments and offices. Media partners were required to "pull" the culture, the education system to "push" the culture, and community-based economic development organizations to deliver what emerging and existing entrepreneurs required in terms of support. Also critical was identification of target groups and simultaneous implementation of key initiatives in each of the strategic parts of the framework.

3.3 Identifying Target Groups and Partners

In order to make a significant impact on the promotion of entrepreneurship, it is necessary to influence not only the attitudes of potential entrepreneurs but those of the general population. The emergence of entrepreneurship within a society is associated with the amount of value placed upon it within that society and the extent to which it is encouraged, supported, and rewarded. It is also important to identify different segments of the "potential" entrepreneurial population, particularly if certain groups are under-represented in self-employment and business ownership. Entrepreneurs are not a homogeneous group and this fact must be recognized and respected. For example, not all groups in society have equal access to economic resources or social networks. Some groups (e.g. women, blacks) have had a shorter history of entrepreneurial activity. Others, for example youth, do not fit the stereotypical image of someone who "has what it takes" to start a business because they have not had time to gain the business experience, contacts, and financial resources considered necessary for business ownership success. Therefore the following target groups and partners were identified:

- A: Future Entrepreneurs
 - i) women
 - ii) youth
 - iii) corporate employees
 - iv) the unemployed
 - v) other groups, as identified
- B: Existing entrepreneurs
- C: Business support organizations
- D: Educational institutions and educators
- E: The media
- F: Corporations
- G: The public-at-large
- H: The business community outside Atlantic Canada

A: *Future Entrepreneurs*

The key question here is “are there segments of the population with higher growth potential than others for becoming entrepreneurs and if so, what special efforts can be made to help them develop this “potential”? Several segments of the population are under-represented among the self-employed and became targets for program activity.

- i) *Women* - among women in the labour force, there is a lower proportion involved in self-employment than among men. Data suggest that by 1994, 10% of employed women in Canada were self-employed compared to 17% of employed men. The growth rate in self-employed women has been surpassing that of men since 1976 during which time women accounted for 40% of the rise in self-employment.¹¹ This is primarily due to the fact that the participation of women in the labour market has been increasing. During the 1980's over 70% of new labour force entrants were women. They, therefore, represented the largest pool from which latent entrepreneurs could be developed. However, research reveals that women are less likely than men to see entrepreneurship as an option for themselves, start smaller businesses, grow their businesses more slowly, are less likely to be employers of others (28% of women are employers versus 50% of men), generate a lower level of earnings from their business activity, and experience greater difficulty accessing financing. Consequently, it was evident that women warranted focused program efforts in the areas of promotion, entrepreneurial skills and management training, networking and financing support. It is beyond the scope of this paper to outline the results of all the women-focused research in terms of its policy and program implications,¹² however, the identification of the particular needs of this target group and efforts to address them has resulted in a significant increase in the number of self-employed women in Atlantic Canada, an enhanced public awareness of women as entrepreneurs, and a wide range

¹¹ Cohen, Gary, *Women Entrepreneurs, Perspectives*, Spring 1996 (pg. 23-28), Statistics Canada, Cat. No. 75-001-XPE, 1996.

¹² *Women in Business: A Collective Profile*, Federal Business Development Bank, 1992.

of programs and organizations tailored to respond to their needs.

In Atlantic Canada in 1989, women comprised 28.7% of the self-employed, by 1993, this had increased to 39%, more than seven percentage points higher than the national average of 32.7% of the self-employed. Almost three-quarters of the increase in total self-employed in the region over the four year period was attributable to women. Nationally, women contributed 30% of the total increase during this period.¹³

- ii) *Youth* - Young people comprise a group with tremendous potential for entrepreneurship development. The job market is changing dramatically as large firms and governments downsize and traditional industries restructure or decline and new industries emerge. In 1995, persons 15-24 years of age comprised 5% of the number of self-employed, but 20% of the labour force. The fact that they are under-represented among the self-employed is explained by a number of factors, not the least of which is that young people are disadvantaged when the traditional criteria used to allocate resources to new entrepreneurs is applied to them. They generally have not had time to accumulate a track record in business, previous management experience, a network of business contacts, an equity stake or significant collateral security. In addition, they have rarely been exposed to the concept of entrepreneurship as a career option or provided with opportunities in the education system to learn the knowledge and skills associated with new venture development and small business management.

In terms of creating an entrepreneurial culture and ensuring long-term sustainability of the small business base, young people are a significant target for entrepreneurship development efforts beginning with the school system. Efforts to create stronger linkages between young people and the existing small business support infrastructure and to promote entrepreneurship as an employment option are also important.

- iii) *Corporate employees* - With the current downsizing of large companies and governments, a significant number of employees are losing their jobs with little hope of securing equivalent employment with similar firms in the future. Self-employment and business ownership is an employment option. Efforts to offer entrepreneurship training to redundant corporate executives as part of executive placement programs is increasing and government departments are sponsoring "entrepreneurship" seminars for employees whose jobs are threatened. A large number of future entrepreneurs are working for someone else right now. As they consider other careers, for whatever reasons (early retirement, redundancy, underemployment, unhappy employment, etc.), entrepreneurship can be promoted to them as an option for enhanced opportunity.

¹³ Lavoie, Dina, *Les Femmes Travailleuses Autonomes au Québec: État de la situation, 1995*, École des Hautes Études commerciales, Montréal.

- iv) *The unemployed* - The Atlantic Region has an unemployment rate of 13.4%, a number approaching 150,000 persons. The federal department of Human Resources Development Canada launched a Self-Employment Assistance Program (SEA) for Unemployment Insurance recipients in 1992. Since then 5400 unemployed persons in the Atlantic Region have started their own businesses at a cost to the government of \$20,000 per business. One of the limitations of this program is that it is only available to individuals who are eligible for or receiving Unemployment Insurance. About 1% of unemployed persons are involved in the SEA program, although 25-30% of the unemployed express interest in the program. Potential exists for supporting a larger number of unemployed persons to become self-sufficient through self-employment activity.
- v) *Other groups, as identified* - In Canada, there are populations of Aboriginals, blacks, and persons with disabilities who are under-represented among the self-employed. As these groups are identified, efforts are made to understand their needs and respond. This may also be true for a geographic area. For example, a community with a lower self-employment level or one affected by a military base closure may become the focus of targeted ED efforts.

B: Existing entrepreneurs

This sub-group is important for three reasons:

- i) Studies of populations of entrepreneurs often discover that 20-40% have had, or have, more than one business. Consequently, existing entrepreneurs are an important "seed-bed" for not only growing one business but for the development of a number of businesses over their lifetime.
- ii) There is strong empirical support for the notion that exposure to credible role-models is an influencing factor in one's decision to start a business. Since existing entrepreneurs form this pool of role-models, publicly recognizing and promoting their achievements will create considerable awareness of the value of entrepreneurial activity and support its legitimacy in the society. In addition, this group forms the network from which mentors to new entrepreneurs can be drawn.
- iii) Existing entrepreneurs are a target group for enhanced learning programs as they seek to become more competitive and growth-oriented in their firms. In order to successfully grow a business and develop its full potential requires considerable growth on the part of the entrepreneur - developing more "strategic awareness", moving from a management role to the role of leader, adopting more strategic behaviours, and focusing more on future direction for the firm. Programs of learning which enhance knowledge and skills in technology adoption, export/trade development, quality management practices, growth strategies, financing options, and overall success strategies will likely lead to

greater growth rates. The majority of ED programs in the category of Existing Entrepreneur's Programs for Survival and Growth are targeted towards this group.

C: *Business Support Organizations*

The process of stimulating entrepreneurship requires a supportive environment which responds with programs and services specifically tailored to meet the needs of new and small businesses. This network of small business support organizations (SBSOs) may include economic commissions, small business centres, banks, accounting and legal firms, and consultants. This group is a target for both promotion and for training (how to effectively deal with the entrepreneur as client) and are important "partners" in ED activity.

D: *Educational Institutions and Educators*

The majority of people who will start businesses in the future are now in the school system and thus the education system is a critical partner in strengthening an "entrepreneurial culture". This will involve sensitization of instructors and teachers, development of curriculum, courses, and programs, effective delivery systems and pedagogical approaches, and development of student venture programs and promotion activities. There are several sub-targets within the education system:

- a) elementary, junior and senior high schools
- b) vocational schools and community colleges
- c) universities (cross-disciplinary approach)
- d) community-based education and training organizations

E: *The media*

It is important to create more awareness of entrepreneurship and the role it plays in communities and in the economy as a whole. To "pull" the "entrepreneurial culture", mass media is an important partner. Reflecting back images of the experiences and successes of small business owners legitimizes the role and demystifies the process of becoming an entrepreneur. Keeping the entrepreneurship message before the public also increases the amount of support within the environment. Broadcasters, editors, and publishers are therefore partners in ED.

F: *Corporations*

Corporations are a target for many reasons:

- a) their potential for "spinning-off" new entrepreneurs or new ventures

- b) they are potential customers and suppliers for small/emerging businesses (“corporate procurement” possibilities)
- c) they can be encouraged to develop practices which promote more “entrepreneurial behaviour” among their own employees by rewarding innovation, introducing employee-ownership plans, and “flattening” their organizations
- d) they have potential for recognizing the small business market in advertisements for their products and services.

G: The Public-at-Large

Entrepreneurship is a social as well as an economic phenomenon. One’s decision to start a business is influenced by one’s social network of family, friends, acquaintances, as well as one’s perception of the feasibility and desirability of entrepreneurship as a career and employment option. In order to increase the social desirability of entrepreneurship, the message must be more pervasive throughout society.

H: The Business Community Outside Atlantic Canada

Promoting the region as one with “entrepreneurial vitality” will build confidence in the region and attract investment, ideas, talent, and trading partners.

3.4 Implementing the Strategy and Overcoming Obstacles

Operationalization of the initiative began in April of 1990 with the establishment of an Entrepreneurship Development Unit within the Atlantic Canada Opportunities Agency and the hiring of a Director to lead the process. The first eight months were spent refining and further developing the strategy and project elements, identifying and negotiating with various project partners, building inventories of previously supported entrepreneurship development projects, considering and pursuing funding options, meeting with and briefing government officials on the strategy, and developing a critical path for the unfolding of the many project elements to ensure appropriate “timing” and integration. At the same time an Agency-wide Entrepreneurship Working Group was established and a set of guidelines for project activity was developed. Shortly into the process, a Partner’s Workshop was hosted (June 1990) to showcase existing innovative entrepreneurship and small business support activity, to provide a forum to validate ACOA’s ED framework and approach and to identify potential delivery and funding partners. Work immediately began on developing and launching a series of region-wide demonstration projects to illustrate the framework.

The implementation approach was pro-active and consultative, however, many obstacles were encountered.

1. **Lack of Existing Comprehensive Models** - the application of entrepreneurship development policy is recent. Although there is considerable research on different aspects of the stimulation of new venture creation, there are few models which integrate the multitude of influencing factors. There are no case studies which articulate the development and implementation of a comprehensive ED program. ACOA built its framework after considering the successful experience of others with the singular components of promotion or education or training. The integration of these various components into a comprehensive strategy was logical, based on what is known about how entrepreneurship emerges within a society, but it had not been tried and tested before. In some respects, this initiative was an experiment. For this reason, there was a great deal of risk in the initiative and great care had to be taken with planning and execution, including documenting the various steps and stages in the uncertain process.
2. **Lack of clarity about what entrepreneurship development is** - among other things, there is confusion in the minds of policy makers and practitioners alike about what entrepreneurship development is, how entrepreneurship and small business are related, how to best stimulate new venture development, how to best influence the growth process within small firms, and how to optimally allocate public resources to encouraging growth in business start-ups versus growth of existing SMEs. Research needs to be done, more “best practice” approaches examined, and more policy discussions to take place. However, this lack of consensus about “what ED is” can stand in the way of actually doing it. The ED framework provided a basis for articulating what ED meant within the context of Atlantic Canada. Consistent promotion and communication of the elements of this framework has been very important to developing a common vision among a variety of partners of what has to be done and how to do it.
3. **Prevailing Myths** - one of the underlying assumptions of the ED strategy is that many people in the population have potential to become entrepreneurs. However, there is a prevailing popular wisdom that “entrepreneurs are born” and that only certain people in the population “have what it takes” in spite of research findings to the contrary. In the past, because of the belief that entrepreneurs were a naturally occurring phenomenon, it was determined that little, if anything, could be done to influence a greater number of them and that it would be fruitless to try to “create” entrepreneurs. Policy and programs were designed to be ready to assist entrepreneurs because they had already self-selected. There are still a number of government officials, policy makers, and business leaders who do not accept that the supply of entrepreneurs can be increased through policy and program interventions. This is less of an obstacle in 1996 than it was in 1990.

4. **Adapting to the paradigm shift in regional development policy** - traditional approaches to regional economic development reflect a different paradigm than that of entrepreneurship development. One of the primary goals of entrepreneurship development is to increase the supply of entrepreneurs. This means helping people within a community identify their potential to become entrepreneurs and nurture them through the process of gaining the knowledge and skills and mobilizing the resources necessary to actually get started in the business. It is not as much about developing economic infrastructure, undertaking macro-economic planning, or evaluating investment projects. It is more about developing the human capacity within the community and meeting the non-financial needs of people who are starting small businesses. As a result, the role of many economic development agents is changing from “delivering programs” to providing advisory and counselling services to small business people, many of whom are still trying to identify a business opportunity; from industrial development to community animation. This is a very different approach to economic development and requires a different mind set and set of skills. Opportunities for professional development in the practice of entrepreneurship development were not available in the region until early in 1996. This is a fruitful area for program development in Canada and indeed in other parts of the world.
5. **Lines of federal-provincial jurisdiction** - in Canada, there are distinct lines of federal and provincial jurisdiction which define areas of responsibility. Integrating entrepreneurship education within the school system was a major component of the ED strategy but education was clearly one of the areas within the domain of the provincial governments. It was a challenge to develop the necessary partnerships with them because of a differing philosophy about the appropriateness of encouraging students to become entrepreneurs (in the business ownership sense) particularly at the elementary and junior high school levels. It took a period of almost three years of research, presentations, meetings, and negotiation with the provinces before the federal government was able to develop funding partnerships with the departments of education for curriculum development, teacher orientation programs, and enterprise/entrepreneurship education resource materials. The debate between enterprise versus entrepreneurship education continues as does the struggle about how to integrate enterprise/entrepreneurship within various grade levels (these issues will be discussed in further detail in Section 3.5.3). However, satisfactory partnerships have been developed and significant progress made. Partnerships were also developed with provincial government departments responsible for economic development, however, they were much more immediately receptive to the goals of ED than the departments of education.
6. **Selling the long-term vision** - in Canada, government policy is, to some extent, driven by the political process. Each government’s mandate is of a four

year duration. Therefore, the economic impact of government policy and programs tends to be measured over short time frames. If job creation is an objective, the question becomes: how many jobs were actually created over the past four years? The results of self-employment training programs will produce medium term results but returns on any investment in building an “entrepreneurial culture” will be reaped over a longer time frame and the impact of entrepreneurship education at the elementary school level may take 25 years to produce significant results. Maintaining Entrepreneurship Development as a strategic priority requires a continual process of reinforcing the rationale for the program and monitoring incremental changes in awareness, attitudes, business start-up rates, self-employment rates, and other relevant indicators of progress. However, this requires a long-term commitment and a belief in the principle of averaging the ups and downs for total gains over the long run.

In spite of these obstacles, the strategy has been implemented and although there are still “gaps” in program development and support in many parts of the Region considerable success has been achieved. A total of over 40 million federal dollars has been committed to ED activity and further levered by the investment of other federal and provincial government departments and the private sector. The remainder of this chapter will focus on the specific activities and achievements to date.

3.5 Five Year Report Card

Since June 1987, when ACOA first opened its doors, over 400 Entrepreneurship Development projects/activities have been supported. These projects include small business and self-employment counselling initiatives, development of university enterprise centres, entrepreneurship awareness and promotion projects which build entrepreneur role-models (through the use of television and entrepreneurship awards programs), self-employment and entrepreneurship training projects for start-up, survival and growth, entrepreneurship orientation and education activities, network building activities, entrepreneurship-related research and publications, and intergovernmental meetings and other forms of consultations.

Over the past five years, considerable progress has been made towards achieving the region’s entrepreneurship development objectives. Key tasks have been initiating and developing the projects, negotiating partnership support, providing leadership in the network, acting as “champion” for activity which fits within the ED framework and which supports the varied target groups, and the management and execution of the projects. Five years ago, there was little public awareness of what “entrepreneurship” was. Today there is considerably more awareness. People know what the word means and are using it. People are more likely to be thinking about starting their own businesses. Key to the overall success of this Initiative was the establishment of the Entrepreneurship Development Unit which could be pro-active, provide leadership, demonstrate a “commitment” to ED and provide funding resources - this has had a major “pull” effect on project development. Without this dedication of human and financial resources, development would have been significantly hindered.

Progress in each of these areas is discussed in the next section.

3.5.1 Management and Coordination

For the successful implementation of an Entrepreneurship Development Strategy, it is essential to establish a Coordinating Body with responsibility for consultation, policy development and program planning, network-building, and program management. The leadership of a central body was considered a key component of the Atlantic initiative. In the beginning, the Agency deliberated on the various options available for setting up this body - should it be within a government directorate or should government establish an arm's length non-government "Centre for Entrepreneurship Development"? For a number of reasons, the decision was made to establish a Directorate within the Agency. This has enabled the Agency, in consultation with partners, to develop policy frameworks, determine program priorities, set budgets, develop the necessary partnerships, initiate and execute programs and projects, monitor results, and engage in both short-term and long-term planning. A major responsibility of the Directorate is to develop and manage new and innovative projects, particularly on a region-wide basis. This includes negotiating the partnerships and managing several advisory and project steering committees. Critical to the ability of this Coordinating Body to function was "buy-in" at the senior bureaucratic and ministerial levels.

Each year, the Directorate develops a work plan for Entrepreneurship Development activity. The starting point is a review of the previous year's activity in relationship to the framework elements and the identified target groups. A matrix is formed with the ED framework elements across the horizontal axis and the target groups on the vertical axis (Annex A). This allows the Planning Team to identify "gaps" which need to be addressed. The Directorate maintains communication links with its partners and holds a number of consultations during the year with members of the "network" of other government departments, business associations, and SBSOs. Feedback from this activity forms part of the planning process.

3.5.2 Entrepreneurship Promotion

In any effort to change attitudes and behaviour, in this case, from dependency to self-reliance, and from an employee-mentality to an "entrepreneur mentality" one cannot ignore the power of the media, particularly the broadcast media. The objectives of entrepreneurship promotion are to create more awareness of the role of small business in the economy, to promote entrepreneurship as a viable and feasible employment and career opportunity and to generally raise the profile of entrepreneurs in the community. ACOA has placed a focused effort on this part of the ED strategy and made use of television, radio, and print publications to achieve its objectives. Apart from the awareness creating outcomes, use of the mass media vehicles available allow communication of other key small business messages through the choice of entrepreneurs and themes featured on weekly television programs. By profiling business owners with a diversity of backgrounds, experiences, and motivations, viewers realize that many entrepreneurs are ordinary people who draw upon whatever resources they have to create a business. Themes such as developing export markets, adopting technology in the firm, the importance of quality management, employee motivation programs, start-up and growth challenges, financing, family business issues, finding business ideas, accessing community resources, and innovation can be addressed through vignettes of the experiences of "everyday" entrepreneurs in Atlantic Canada.

Developing partnerships with the media for entrepreneurship programming has been somewhat difficult, although overall coverage of the small business and entrepreneurship story has increased substantially over the past five years. Four networks have carried entrepreneurship-related programs; only two continue to produce and broadcast region-wide on a weekly basis, (still requiring funding support to offset production costs). Competition for ratings with national and American networks is an issue, especially in light of fragmentation of networks and channels. The regional entrepreneurship programs have ratings of 2-3% of television viewing households on a weekly basis. The legislated requirement in Canada for regional content is a prime motivator for these networks to continue with regular programming activity.

In terms of specific impact, after three years of airing, evaluation of the outcome of *Leading Edge*, a weekly half-hour television program about entrepreneurs, revealed that after three years of airing, of the 51% of viewers who stated that the program had an impact on their attitudes towards small business, almost a quarter were more aware of small business and its trials and tribulations, 20% were more encouraged about entrepreneurship, and 13% had a greater appreciation of the importance of small business to the Atlantic economy.

Outlined below are examples of the major awareness creating activities undertaken within this component of the strategy.

3.5.2.1 Broadcast media

Efforts to build an entrepreneurship culture have been accelerated dramatically through the use of television. Three particular uses have been made. The first was to partner with both English and French regional television networks on the production and broadcast of weekly half-hour feature programs on entrepreneurship and small business. The English program, *Leading Edge*, has a human interest emphasis. Each week, two small business owners are profiled dealing with such issues as how they got started in businesses, their personal and business objectives, the challenges they face, their future dreams and aspirations, and their business management approaches. The Francophone series, *Temps d'affaires*, is more issues-oriented, dealing with such topics as opportunities in the tourism sector, young entrepreneurs, technology and small business, etc. Now in their fifth and second years of airing, respectively, both programs have been evaluated for impact. Greater awareness of entrepreneurship and the role of small business in the community has been achieved and business ownership is seen as a more viable option. Both series have had considerable spin-off use in the region's educational institutions as a teaching resource in entrepreneurship classes. The 1991-1992 series of *Leading Edge* was repackaged as a set of "profiles" and is now used extensively with high school classes.

The second use of television has been the production and airing of a 13 week program "*Posséder mon entreprise*" which took viewers through the process involved in starting a new business. This project was a partnership (first in French then in English) with a business association, a university and a television network. The 13-week video series was accompanied by a textbook and a business planning guide. Interested viewers could enroll to follow

the program as a continuing education course through the university partners. Viewers completing a business plan within a specified time frame participated in a business plan competition for cash and non-cash prizes. These programs were aired a total of five times. Thousands of Atlantic Canadians watched the program each week, over 600 viewers registered to take the course, and several business plans were completed. This project was modelled after the *Posséder mon entreprise* series developed by Laval University (Québec), and promoted by the Interman Project¹⁴ as one of the entrepreneurship training “best practices” in the world.

A third use of television was the production and airing of an advertising campaign consisting of two 30-second commercials under the “*Make It Happen*” theme. While the commercials were airing over 5400 viewers called a 1-800 number to request a *Resource Guide on Where To Go For Help* if they wanted to start a business. The demographic profile of callers was compiled and some follow-up pursued (44% of callers were under 30 years of age). Response to this campaign reinforced the growing demand for self-employment in the region.

3.5.2.2 Print

The primary use of print has been the publication of several profiles of entrepreneurs. ACOA has featured young entrepreneurs, student entrepreneurs, women entrepreneurs, and other success stories.¹⁵ These bilingual publications generally take the form of 10-25 one page profiles highlighting the background and start-up experiences of entrepreneurs. They are widely distributed to create awareness of entrepreneurial activity within specific target groups. Apart from creating “role-models”, these profiles also present “how to” lessons and have educational as well as inspirational value. These print profiles are used to support entrepreneurship education efforts and have been very popular.

3.5.2.3 Radio

There has been limited use of radio as a vehicle for promoting entrepreneurship, although it is likely a medium with untapped potential.

3.5.2.4 Entrepreneurship Award Programs

An important part of building an entrepreneurship culture is to promote credible role models. It is also important to recognize the contributions that individual existing entrepreneurs make to the economy. Entrepreneurship awards programs deliver these dual objectives. In 1990, there were no entrepreneur-focused award programs in the region so a partnership was developed among seven regional organizations, including a major management accounting firm and the key membership-based business associations to form the Atlantic Canada Entrepreneurship Awards Association (ACEAA). During 1991, 1992 and 1993, ACEAA held annual gala award celebrations and over 70 entrepreneurs were inducted into the ACEAA Academy of Entrepreneurs. In 1994, Ernst & Young brought their international Entrepreneur

¹⁴ Interman Project, United Nations International Labour Office.

¹⁵ *The Young Entrepreneurs*, ACOA, 1995; *Profiles of Student Entrepreneurs*, ACOA, 1996; *Profiles of Success: Women Entrepreneurs of Atlantic Canada*, ACOA, 1992; *Atlantic Achievers: Snapshots of Entrepreneurial Success*, ACOA, 1996.

Of The Year Program into Canada at which time ACEAA merged their regional efforts with that of the National Program. ACOA still supports a regional portion of the *Entrepreneur Of The Year awards program* and several more local small business awards. The winners and finalists of these various programs are promoted in the media, featured in television programs and print publications, and form a cadre of speakers to be used in the region's school system. Winners of these awards cite many spin-off benefits to their firms in terms of increased sales, employee morale, and credibility in the marketplace.

3.5.3 Entrepreneurship Education Approaches

Promotion of entrepreneurship will be ineffective if people are not provided with opportunities to learn the "why-to's", "what-to's", "how-to's", and "who-to's" of starting a business and to explore the option as a viable one for themselves. An important ED objective is to facilitate and support the development of a wide range of initiatives which give educational and career orientation, venture experience, entrepreneurial skills development, and instruction on how to start a business to a variety of target groups. Since different approaches are required at different levels of the education system, it was segmented into the following groups:

- a) elementary, junior and senior high schools;
- b) vocational schools and community colleges; and
- c) universities (cross-disciplinary approach).

3.5.3.1 Developments from Kindergarten to Grade 12

This section will deal primarily with entrepreneurship orientation and education in the schools. In 1990, a two-year study on the status of entrepreneurship education in the elementary and secondary school system throughout Atlantic Canada (Projet Entrepreneurship Project, better known as PEP) was released.¹⁶ This \$900,000 study surveyed 4,850 Grade 12 students, 1,583 teachers and school administrators, 1,915 parents, 115 small business owners and did a complete review of the curriculum for entrepreneurship content (entrepreneurship values, knowledge, skills). This five-volume study outlined a series of recommendations for action within the departments of education. The PEP results were comprehensive and, over the next two year period 1990 - 1992, provided the basis for consultations between the regional development agency and various levels of the departments of education. ACOA convened several round table meetings to discuss possible projects to realize PEP recommendations, offering to cost-share development of entrepreneurship curriculum, in-servicing of enterprise/entrepreneurship teachers, development of resource materials, and region-wide symposia of enterprise teachers. By 1995, the two levels of government were partnering on the development of curriculum and materials for use in Grades Kindergarten to Grade 12. As an outcome, over 50,000 students from Grades 8 to 12 were enrolled in full entrepreneurship classes or courses during 1995-96. Thousands of teachers had received in-service training in the teaching of entrepreneurship material and annual student entrepreneurship conferences were

¹⁶ *New Directions in Enterprise Education: A Research Venture With a Vision for Atlantic Canada*, Department of Education, Mount Allison University and University of Moncton, October 1990.

becoming more common. Development of the “storybook” and project based materials for use in elementary schools (K-Grade 6) are in the pilot stage and will be introduced in classrooms in September 1996 and 1997.

One of the objectives of the PEP study (and its 1995 follow-up¹⁷) was to identify the determinants of a student’s intention to become an entrepreneur. In both studies, approximately 20% of the students indicated there was a strong probability that they would someday be the owner of their own business (and another 40% indicated a moderate probability). The primary correlates explaining variance between those with high intent and those with low intent are a) interest in getting involved in a business, b) belief in one’s ability to start a business (i.e., capable of gaining the necessary knowledge, finding people to help them start a business, taking the necessary risk), and c) encouragement within the student’s social network (i.e., more people have encouraged them to become an entrepreneur). Interest and self-efficacy beliefs account for 40% of the total variance and 65% of the explained variance; thus it is important to build on these themes if the objective is to encourage entrepreneurship as a career option for youth. Students with the highest level of exposure to entrepreneurship awareness and knowledge in the school are more predisposed towards business ownership as a career.

The economic development pay-back on investments in the education system are likely to be long-term and although change is expected to be very gradual, it is important to collect benchmark data along the journey. Even at this early stage, positive results are evident. In the 1995 follow-up to the 1990 study, another 5,000 Grade 12 students, from the same schools were surveyed with the same 200 item questionnaire about their awareness and exposure to the world of business and entrepreneurship. Although there was a modest but statistically insignificant shift in the means on most of the questions and statements, a higher percentage of Grade 12 students in 1995 a) believe they had what it takes to become an entrepreneur (knowledge, skills, experience), b) believe SMEs were very important to the economy and to job creation, c) have been exposed to the world of business in the classroom, d) have been exposed, through the electronic media, to the lives and experiences of business men and women and to the possibilities of starting a business.

A second objective of the 1990 PEP study was to analyse both the intended curriculum and the curriculum-in-use for both overt and implied content related to entrepreneurship values, skills, and knowledge.¹⁸ A number of recommendations were made with respect to enhancing curriculum in the areas of the World of Business and Models of Entrepreneurship at all grade levels, developing in-service programs for teachers, administrators, and guidance counsellors, and to building stronger links between the classroom and the small business community. Following a series of presentations to departments of education in each of four provinces on the findings and recommendations of the PEP study, a series of meetings with education and economic development officials to seek common objectives and outcomes, and several negotiation sessions, the federal and provincial governments signed co-funded Cooperation Agreements to address entrepreneurship/enterprise education issues from

¹⁷ Landry, R Allard, R., Essiembre, C., *The Intention to Start a Small Business: A Comparison of Two Cohorts of Grade 12 Students in Atlantic Canada*, University of Moncton, forthcoming 1996.

¹⁸ *Analysis of Curriculum in the Atlantic Provinces: Towards Empowering Students and Teachers Through Enterprise Education*, PEP Volume 11, Mount Allison University and University of Moncton, October 1990.

Kindergarten to Grade 12. These first Agreements were signed in 1992.

In 1990, about 10% of Grade 12 students stated they had not been exposed to entrepreneurship related content in any courses. By 1995, 99.3% of Grade 12 students had been exposed to content in anywhere from one to five courses. In 1995, 45% of these students had learned about entrepreneurship in 3 or more courses; in 1990, it was only 30%.

A full articulation of accomplishments since then goes beyond the scope of this paper but what is interesting is some of the debate which has surrounded the project. The first major one revolved around the definition of enterprise versus entrepreneurship education. To some educators enterprise education has nothing to do with entrepreneurship content; it has to do with the use of enterprising teaching strategies (e.g., student centered learning, experiential learning) with the purpose of having students learn “enterprising qualities” such as creativity, problem-solving, decision-making, risk-taking, and initiative. To others, it means actually having students become involved with the small business community and venture related activity. Two of the four departments of education adamantly use the term enterprise education, while the other two use entrepreneurship education. This debate is presently taking place in many countries, including the U.K., Australia and the United States. One might conclude that entrepreneurship education is a subset of enterprise education where entrepreneurship education is the broader notion of enterprise qualities and behaviours and entrepreneurship education is the application of enterprise qualities in the development of one’s own business or venture.

The PEP study described the objectives of entrepreneurship education as follows:

“The long range goal is to provide young people throughout their school lives with experiences that will empower them to become agents of change, actively and constructively participating in a society in a time of rapid and continuous social and economic upheaval. The focus of the Project is on guiding and supporting the development of values and attitudes, skills, and knowledge that young people will need to solve their problems and to create their own futures.”¹⁹

As a regional development agency, ACOA’s interests are in economic development and job growth. The intended outcome from entrepreneurship education is an increase in the number of new entrepreneurs and new businesses. The challenge has been to ensure that the entrepreneurship aspects of enterprise education are a significant subset and that students are exposed to knowledge about entrepreneurship and the role of small business in the economy and are learning skills involved in new venture development and business planning.

The second debate concerns the “how” of introducing entrepreneurship/enterprise education into the curriculum. What is the most effective approach? Is it better to take it across a range of curriculum by “infusing” it within courses like Social Studies, Economics, Technology, Art, History, Science or developing stand-alone Entrepreneurship courses? How

should entrepreneurship/enterprise concepts, principles and practices be introduced at the various grade levels? The outcome has been a number of different approaches. However, in general, it appears, that enterprise qualities (e.g., problem-solving, creativity, decision-making) are the primary focus at the elementary school level (ages 5-12). At the junior high level (ages 13-15), the approach is one of introducing students to the world of small business and entrepreneurship by studying it as a short module within the context of existing courses. At the senior high level (ages 16-18), the focus is more on Entrepreneurship classes where students learn the skills of planning for a business and gaining experience in the management of a mini-venture or community-based project. The curriculum is very closely linked to the key competencies and “graduation outcomes” established by the Department of Education. The Nova Scotia Grade 12 course, Entrepreneurship 12: Entrepreneurship, A Way of Life very clearly links entrepreneurship activities to these graduation outcomes - Communications, Mathematical Literacy, Problem Solving, Personal Values and Social Skills, Critical and Creative Thinking, Technological Literacy and Independent Learning.

The third debate has to do with how assessment will be done in entrepreneurship classes. Because learning is very student-centered and project-oriented, traditional grading approaches are inappropriate and the student and his or her peers must also be involved in assessment. A variety of assessment approaches are being utilized and this creates a challenge for teachers who have traditionally graded students for “right” and “wrong” answers.

The development of various curricula is still underway. In 1995-96, over 50,000 students were enrolled in enterprise/entrepreneurship classes or modules. Within the next five years, it is expected that every student in every grade level will be exposed to components of enterprise/entrepreneurship content (values and attitudes, knowledge, and skill).

3.5.3.2 Post-secondary education system

Progress in the post-secondary education system has been slower. There is compelling evidence that the education system can be a major contributor to economic development by producing graduates who have the skills to start and run successful enterprises. Research on graduates of Babson College and Harvard University revealed that the propensity of alumni to be self-employed was positively correlated with the number of entrepreneurship/small business classes they took while students. Recent research suggests that the greater the number of courses taken, the greater the likelihood that the graduate will become an entrepreneur.²⁰ This argues for more post-secondary programs with a major focus on enterprise management and venture development skills. Work has begun with the network of community colleges throughout the region to discuss development of courses/modules which every graduate would take irrespective of their program of study. The emphasis would be on opportunity identification, business planning, marketing, and financial skills so graduates will be able to complement their technical skills with entrepreneurial and business management skills. Three of the region’s seventeen universities are gradually building concentrations in entrepreneurship within their Business Schools but these programs need to expand and cross over into non-business disciplines. Unfortunately not enough is being done to make a difference; this requires attention.

²⁰ Gillin, M., Powe, M., Dews, A., and McMullan, W.E., *An Empirical Assessment of the Returns to Investment in Entrepreneurial Education*, presented at the Babson College, Kauffman Foundation Entrepreneurship Conference, Seattle, March 1996.

3.5.3.3 Challenges regarding entrepreneurship education

The major outstanding challenges regarding entrepreneurship education are:

- strategically determining the logical sequencing of learning as a student moves from one grade level to another and from one level of the educational system to another; ensuring that curriculum links exist and that knowledge and skill development levels are being continually enhanced;
- committing to in-service professional development of all teachers, instructors, and professors in the teaching of entrepreneurship and enterprise concepts;
- designing appropriate assessment systems to determine the extent to which students are learning enterprise skills;
- evaluating effectiveness of particular curriculum and its impacts on intended outcomes;
- building linkages between the classroom and the community to provide students and teachers with greater exposure to the world of business and the practice of entrepreneurship (e.g. job shadowing, cooperative education work-terms in small businesses, mentoring projects);
- conducting longitudinal studies to determine the impact of entrepreneurship education on career outcomes, particularly related to entrepreneurship. To what extent is the focus on entrepreneurship education leading to higher business start-up, survival and growth rates?

3.5.3.4 Student Venture Programs and Promotion Activity

To complement what is happening in the school system, partnerships were developed with a number of community based organizations to sponsor student venture programs for returning students (ranging in age from 8 to 23) the opportunity to develop a business idea, receive a modest amount of seed capital for start-up, and access to mentoring or counselling as they began the journey of starting and running their own businesses. Generally, these were summer programs involving up to three weeks of instruction on finding a business idea and preparing a business plan, and the rest of the summer to run the business with guidance and advice from small business support organizations and mentors. There are specific programs for 8-14 year olds (elementary and junior high students), 15-18 year olds (senior high school students) and 18-23 year olds (college and university students). Provincial governments often support these initiatives by making student venture loan programs available, which are repayable in the fall of the same year. Since 1992, over 2000 students have participated in these summer student venture programs.

3.5.3.5 Supporting Youth Entrepreneurship

As a result of this focus on the importance of exposing young people to the principles and practices of entrepreneurship within the education system and through out-of-school venture activities, ACOA has developed a comprehensive framework for effective entrepreneurship education program to fully develop and support youth entrepreneurship.

Research and Development - undertake research and development activity to determine needs of the education system and to develop curriculum components, resource materials, and pedagogical approaches.

Orientation (“learn about it”) - orient teachers to the content of an entrepreneurship-oriented curriculum and to enterprising teaching strategies; orient students to the curriculum and to project-focused activity in the classroom.

Exposure (“interact with it”) - expose students to the world of business by developing contacts with the small business community (e.g., bring entrepreneurs into the classroom as speakers), engaging in entrepreneurship activities (ask students to interview an entrepreneur or analyse business opportunities in their communities), participating in entrepreneurship events (youth entrepreneurship conferences, Entrepreneur Clubs, EntreCamps), and promotion of young entrepreneur role-models.

Experimentation (“doing it”) - provide opportunities for students to actually practice venturing by starting and running their own small businesses in the summer and part time during the school year.

Encouragement and Support (“reinforce it”) - provide support and encouragement to these youth entrepreneurs by promoting examples of student entrepreneurs, sponsoring student entrepreneur awards programs, organizing a mentor program, establishing seed-capital funds to finance student ventures.

Start-Up Support - establish start-up support programs which are sensitive to the needs of young entrepreneurs and which are accessible to them when they have finished their educations and want to become entrepreneurs on a full-time basis (i.e., flexible financing, counselling and mentoring, Young Entrepreneur Associations).

Evaluation - determine what works and refine the approach.

This is the next generation of the region’s entrepreneurs. Not all of them will actually start their own businesses, but in terms of employment prospects, chances are they will either work in a small business, start their own business or work in an organization which provides services to small businesses. Over 500 high school students (and their teachers) participated

in a Young Entrepreneurs Conference in Nova Scotia in April 1996. While anecdotal in nature, it was observed that the excitement about and interest in entrepreneurship is growing as an outcome of what is happening in the schools.

As a result of this, ACOA is presently developing a program strategy to ensure young entrepreneurs are not disadvantaged when they seek support to actually start full-time businesses. This is built on findings from research on the needs of young entrepreneurs conducted in 1994 with follow-up consultations and roundtables with both young entrepreneurs and support agencies in 1995.

3.5.4 Building the Small Business Support Infrastructure

Part of the competitive advantage of a region or a community is the support infrastructure available to act as a gateway for information and advice to emerging and existing entrepreneurs. Thus the presence of a network of locally-based small business support organizations (SBSOs) is essential to effective entrepreneurship development. These delivery agents play a key role in strengthening any efforts to increase the entrepreneurial vitality of the communities in which they are located and collectively in the region as a whole. Considering the rural nature of the Atlantic Canadian population, a large number of SBSO locations is required to ensure that rural population is not unduly disadvantaged because of lack of access to resources and information. Supporting the building of this community infrastructure is important - new organizations and resources were, and are, required to support the emerging entrepreneurial culture and they must develop from within the community base. SBSOs require skills-enhancing professional development, business diagnostic and project evaluation tools, and access to computer linked databases. Equipping the community economic development and SBSOs with up-to-date technology and telecommunications infrastructure has been a priority. The ability to access information and markets through on-line services has become an essential service to help clients stay competitive.

The challenge has been to identify (and in some cases, construct) the key community economic development organizations, orient the champions of entrepreneurship within them, and build effective and cooperative referral networks among the different service providers. It is estimated that there are a minimum of 160 offices of the 22 major organizations (both private and public sector) serving the business development needs of communities and small businesses in Atlantic Canada.

1. Community Futures Business Development Corporations - 40 centres which provide lending services in rural communities.
2. Business Development Bank of Canada - federal crown corporation with 13 offices which offer lending, counselling services, entrepreneurial and management training.

3. Four networks of economic development (or community economic development) agencies - (one network in each of the four Atlantic provinces totalling almost 50 office locations) which deliver information and advice to communities and to small business clients.
4. The Atlantic Canada Opportunities Agency (regional development arm of the Federal government) - 11 offices which support non-commercial economic development projects and provide interest-free loans for business development activity.
5. The Canada Business Service Centres (federal government) - 5 offices which provide “one-stop” access to business information services.
6. Four Provincial departments of economic development - each of which have a network of field offices to deliver financing, advisory and information services at the community level.
7. Five university-based small business counselling centres - (although a number of the universities perform specialized consulting and advisory services for SMEs in the areas of trade, technology, and R&D).
8. Chambers of Commerce - in communities throughout Atlantic Canada offering networking opportunities.
9. Three regional membership associations - which represent the entrepreneurs and small business owners (sponsor conferences and networking activity, promote member businesses, undertake some mentoring projects, promote entrepreneurship).
10. Women’s Enterprise Bureau - 6 field offices which provide counselling and training to women entrepreneurs.

The network of community economic development organizations was rationalized and streamlined in 1995. In many cases, this restructuring led to a change in mandate with a stronger responsibility for community economic growth through small business development. There are now more instances of co-location and the network of referrals from one agency to another is more manageable. In terms of achieving the region’s ED objectives, these small business support organizations are the delivery network for providing a range of services to the small business client ranging from information, advice and training to moral support. In 1995, over 30,000 small business clients (some new, some established) accessed advisory and counselling services through the network of university small business centres and community economic development organizations. Over 50,000 people accessed information from the Canada Business Service Centres (85% were phone inquiries; about two-thirds of clients were pre-start-up or new entrepreneurs). This suggests strong demand for these kinds of government funded services.

There is a recognized need for professional development and training to enable SBSO staff to work more effectively with clients, particularly in the counselling area. One of the most innovative developments to support the “quality” within this network of small business

support organizations (SBSOs) is the recent establishment of the Institute of Small Business Counsellors (ISBCI), a professional body which is establishing standards for the delivery of counselling services. This initiative was driven by ACOA and partnered with the provincial governments, key small business centres and the education community in response to an identified need of economic development officials and other practitioners for skills development in a number of small business areas. A self-directed, performance based professional development program to enhance small business counselling competencies is now being offered through six Local Delivery Centres. Completion of the learning materials for the 52 core competencies identified as critical skills for a counsellor will lead to a Certificate in Small Business Counselling and admission to the ISBCI. Canada is one of the few places in the world which presently offers such a program.

The first and most developed is in the U.K, where the Institute of Business Counsellors (IBC) was established in 1989 to accredit certified business counsellors. The Durham University Small Business Centre in England began offering a Certificate in Business Counselling in 1990 and is a recognized world leader in program design. The University of Stirling (Scotland) and the University of Ulster (Northern Ireland) now offer programs leading to Certificates in Business Counselling and the U.K. offers National Vocational Qualifications (NVQs) in Small Business Information and Support. Members of the Small Business Development Corporation (SBDC) network, funded by the U.S. Small Business Administration, are also developing in-house certification programs for their Business Analysts to improve competencies and client service.

Following the launch of the pilot program in Atlantic Canada, national standards will be set and the ISBCI will be expanded nationally. The rationale for public involvement in the development of this program is one of accountability and impact. Millions of public dollars are being invested in the provision of such services to the small business community and yet, until recently, there have been no established standards for performance.

There is evidence that access to business advisory services is correlated with increases in small business survival and growth rates. Formal program evaluations of counselling services suggest that they are a very cost effective means of creating businesses and jobs.²¹ Demand for these services is expected to increase along with the demand for self-employment. Having a trained supply of competent small business counsellors and advisers is emerging as a significant small business support issue not only in Canada but in Australia, many Central and Eastern European countries and other parts of Europe.

The major challenges in building capacity in the small business support infrastructure are sharing a common vision, coordination of the activity, reducing duplication of services, maximizing the referral capacity within the network, maintaining standards for delivery of advisory services, investing in continuous staff learning, and upgrading offices with the latest technology, including telecommunications. The key coordination question is how can greater cooperation and coordination be achieved in the future to foster synergistic relationships between these organizations to the benefit of the client?

²¹ Chrisman, J., and Katrisha, F., *The economic impact of small business development center counselling activities in the United States: 1990-1991*, Journal of Business Venturing, 9, 271-280.

3.5.5 Support for Entrepreneurship Training and Counselling

Consistent with the United Nations International Labour Office recommendations, a considerable proportion of Entrepreneurship Development expenditures are in support of entrepreneurship training programs (for both start-up and survival/growth) and counselling/advisory services through a network of community-based economic development organizations and business associations. The primary target here is people in the communities who are interested in starting a business and need New Enterprise Creation training support. Universities have been encouraged to provide training and counselling services to small businesses through Small Business Centres which also involve students as counsellors. Recent evaluation reports of the impact of four such centres revealed that from 1992-1995, clients who received counselling and training started businesses which created 1115 jobs at a cost per job of between \$575 - \$8,500. Approximately 25% of their clients actually started businesses.

Training programs segment themselves along a number of dimensions - preparing for self-employment, business start-up training, and survival and expansion training for business owners in the early stage of business development. Some are 52 weeks training programs, others are 80 hour programs, and still others are 40 hour programs. They are offered by both non-government organizations and private sector consultancy firms. In many training initiatives, ACOA has partnered with the Business Development Bank of Canada (BDBC), a crown corporation started in the 1940s with a mandate to provide financial assistance to small businesses and to provide management services. BDBC has developed a number of training products for both start-up and growth, particularly the Community Business Initiative (a 10 month program for existing small business owners who wish to strengthen their entrepreneurial and management skills) and the Step-In program (a four month program to help women start their businesses with training and mentoring support).

ACOA is constantly consulting with its partners and clients to identify areas of training need. This has often resulted in new initiatives. A recent example is the joint initiative of ACOA and the BDBC featuring a bilingual publication "From Ideas to Business Opportunities" and an 18 hour workshop to lead people through a systematic process of finding a viable business idea which matches their interests and strengths. The assumption of much of the self-employment training is that the trainee must have a business idea with good potential prior to being accepted into the program. There was virtually nowhere to go if a person wanted to start a business but needed training in finding an idea. Although still in the pilot phase, it appears this program is filling a void.

In terms of challenges, most of the training programs are dependent on government funding and therefore not consistently available in communities throughout the region. Many of the programs do not provide post-start-up care to the participants - a feature being recognized as important to the short-term survival of the new businesses. Another challenge is being able to benchmark a "successful self-employment training program". What is a successful program? What is a satisfactory conversion rate of participants to business start-ups? What is an appropriate program cost per business start-up or per job created? What systems are in place to monitor participants following the completion of the program? What are the

survival rates of the businesses started? Are these acceptable or can they be improved? If so, how? Are there “best practice” programs which should be used as the standard? What about the quality of the training and the accreditation of the trainers and their materials? How can entrepreneurship training be made more accessible to clients when and where they need it?

3.5.6 Building Networks

Social networks are extremely important to entrepreneurship. Entrepreneurs depend on people in their networks to contribute to the generation of ideas, knowledge, operational insight, support and encouragement, and even the motivation to start. In fact, interaction between entrepreneurs is a strong indicator of the entrepreneurial spirit of a region. The objective is to increase the number of opportunities entrepreneurs have to interact with each other and with emerging entrepreneurs, and to increase dialogue between and among program deliverers and policy makers. ACOA facilitates the use of networks with three key audiences:

- 1) entrepreneurs, both existing and potential - two-thirds of the network-building activity is conferences/conventions targeted at bringing entrepreneurs and emerging entrepreneurs together with program deliverers to share information and knowledge, and to promote partnerships and joint ventures of various kinds;
- 2) intermediaries - small business support organizations, economic development officials, business and trade associations, and educators (one-third of this activity is aimed at this group). An annual event is the ED Partners’ Workshop where 100 intermediaries come together for a day and a half to share “best practices”. A report is usually published and this allows a sharing of regional activity and promotes partnerships and replication of the most effective ED programs;
- 3) policy makers and government officials - coordination of federal and provincial government activity in the areas of entrepreneurship education, small business counselling, economic support programs for women as entrepreneurs. This has included Policy Forums on Women as Entrepreneurs, Young Entrepreneurs, Small Business Development Issues, etc.

The building of networks is facilitated by initiating and/or supporting conferences, workshops, seminars and forums. In addition, funding is provided to support the activities of associations of small business owners and entrepreneurs, specifically the Atlantic Provinces Chamber of Commerce, the Association of Atlantic Women Business Owners, the Conseil économique du Nouveau-Brunswick (Francophone business association), and the Association of Collegiate Entrepreneurs.

This type of activity is very important to building the “critical mass” necessary to stimulate entrepreneurial activity.

3.5.7 Research and Publications

The objectives of a research program and dedicated efforts to disseminate research findings and results are to create a more informed base of knowledge about entrepreneurship and small business trends in the region. With this knowledge, more informed policy and program design decisions can be made. The information and insight are useful for advocating the needs of the region to other parts of the country and among other government departments.

ACOA supports and contracts research profiling Atlantic SMEs, young entrepreneurs, self-employed women, Francophone entrepreneurs, entrepreneurs with disabilities, home-based businesses, the professional development needs of small business counselling practitioners, entrepreneurship education, black business owners, aboriginal entrepreneurs, growth-oriented SMEs, etc. One of the region's strongest advocacy tools for support to the small business sector in Atlantic Canada is the bi-annual State of Small Business and Entrepreneurship in Atlantic Canada report.²² This report is used extensively by other government departments, levels of government, educators, business associations, potential entrepreneurs, researchers, trade offices, and the media for purposes of writing speeches, teaching, examining policy issues, developing program support for entrepreneurs, etc. The fourth edition will be released later in 1996. It will track trends in business entries, business exits, self-employment levels, job creation activity by size of firm, growing and declining businesses, and feature summaries of the latest research on developments in the small business and entrepreneurship sector.

A commitment to a research agenda is critical to an effective ED strategy. The foundation piece is a profile of the SME population within the country or region and a program to track business start-up, survival, and growth rates and job creation dynamics by size and age of firm.

²² *The State of Small Business and Entrepreneurship in Atlantic Canada*, ACOA, 1991; 1992; 1994.

Chapter 4

Measuring Success

Few indicators of performance have been developed to measure the impact of their entrepreneurship development policies and programs. This is an area where ACOA has paid some attention and this chapter will discuss some of the problems of designing evaluation systems and collecting “performance-based” data, share the parameters of its evaluation frameworks, outline the identified performance indicators and report on some of the early results based on these measurements.

4.1 Problems and Challenges

Although a series of performance indicators has been identified to assist in tracking the impact of the region’s entrepreneurship development efforts, the process has been, and continues to be, wrought with challenges. First of all, there are three separate sets of performance questions. The first has to do with the extent to which the region is increasing its “entrepreneurial vitality”. Is the business start-up rate increasing? Is the total number of businesses growing? Is the number of growth-oriented small businesses increasing? These are the macro issues for the economy as a whole. It is difficult to isolate the precise effects of entrepreneurship development efforts because a variety of economic and social factors may be influencing movement in business start-up trends. For example, adverse economic conditions may be forcing people to start their own businesses because there is a lack of employment alternatives (“negative pull” factors). The positive job creation impacts of new business start-ups may be lost due to severe job losses in certain industry sectors, for example, the closure of the Atlantic fisheries resulted in 30,000 job losses.

The second set of questions has to do with to what extent ACOA funded activity has contributed to any overall gains in the “entrepreneurial vitality” index. Are more people being exposed to entrepreneurship and small business? Are more people thinking about starting a business? Are more people becoming motivated to “take the next step”?

The third set of questions has to do with measuring the precise influences of specific programs and activities. For example, to what extent does the *Leading Edge* television program contribute to the overall increase in “intent to start a business” within the general population? And to what extent is this leading to an actual increase in the number of new entrepreneurs?

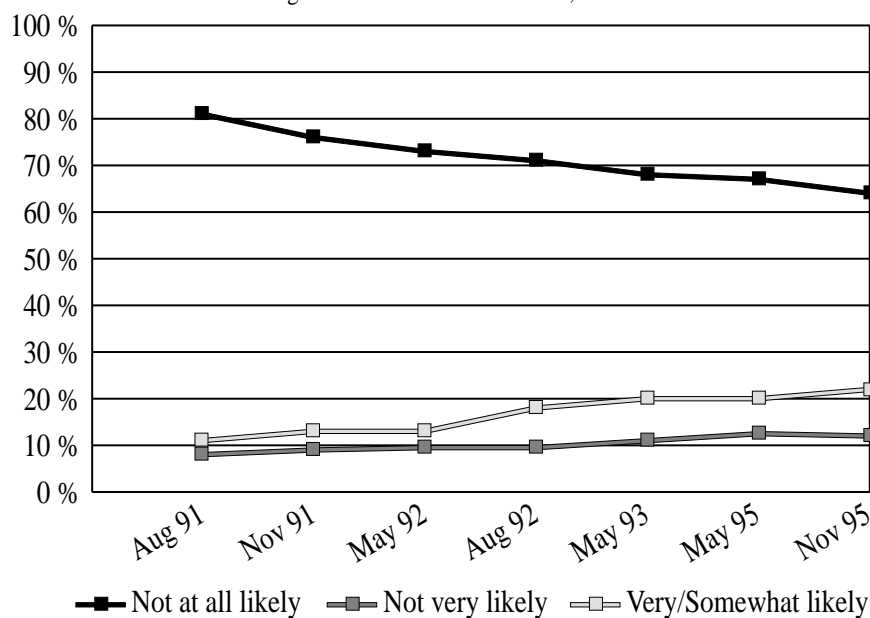
The ultimate objectives of the ED Initiative are to influence an increase in the number of entrepreneurs and the number of small and medium-sized businesses. This can be tracked by analysing data collected by Statistics Canada (business start-up rates, self-employment rates, business exit rates, job creation by size of firm and new versus growing firms). Overall increases are expected to grow over time in response to entrepreneurship initiatives within the education system, within community economic development organizations and within the media. The outcomes of these activities must also be tracked because they indirectly contribute, over time, to business start-up activity.

Another challenge has been to identify the appropriate benchmarks. One of these performance measures is the extent to which there is an increase in the proportion of the population which “intends to start a business within the next two years”. Through regular Omnibus polling of the general population, ACOA has been able to track an increase from 7% to 14% from 1991 to 1995 (Chart 3).

Chart 3

The Likelihood of Starting a New Business

Percent of People expressing degrees of interest in starting a business, at points between August 1991 and November 1995, Atlantic Canada



Efforts are being made to measure changes in exposure to entrepreneurship among senior high school students as a result of education initiatives, student venture programs, mass media promotion, networking and mentoring activities and the relationship of this greater exposure to a change in their attitudes towards small business and their intent to become an entrepreneur. A major research effort to track these changes in the attitude and exposure of Grade 12 students towards entrepreneurship and small business over the 1990-1995 period is presently being analysed.²³ Results of that comparative study will be available in July 1996.

Systems are also being developed to track the relationship between small business counselling and advisory services and the number of businesses started and jobs created as well as

²³ Landry, R., Allard, R., Essiembre, C., *The Intention to Start a Business: A Comparison of Two Cohorts of Grade 12 Students in Atlantic Canada*, University of Moncton, forthcoming, 1996.

the performance outcomes of firms accessing these services versus firms which are not seeking advisory services. Measures to benchmark the success of self-employment training programs are being developed based on comparative analysis of a number of approaches and outcomes over time.

4.2. Performance Indicators

Developing performance indicators requires a thorough analysis of each of the strategic objectives, the building of a logic model, and identification of the key pieces of evaluation data. Systems must be developed to collect the data and efforts made to regularly collect these data. The identified performance indicators are attached as Annex B.

4.3 Results to Date

Data is being collected to monitor incremental changes in key areas. At this point, it appears the region is achieving good results which can be linked both directly and indirectly to the promotion of ED. In terms of the macro-indicators:

- *Self-employment level*: between 1989 - 1995, the level of self-employment increased by 15.5%. The national increase was approximately 17%. However, the closing of the East Coast fisheries affected a significant number of self-employed persons who were forced to cease operations. The Business Register for Newfoundland reported a decrease in the number of businesses in the province by 5% (over 1000 firms) from the second quarter of 1994 until the third quarter of 1995. Prior to that period, the growth of Newfoundland businesses had been consistently increasing.
- *Self-employed women*: the percentage increase in the number of self-employed women was 47%, increasing from 33,600 to 49,600. By 1995, women comprised 39% of the self-employed persons in Atlantic Canada, compared to 32% nationally.
- *Total number of businesses*: between 1989 - 1993, the total number of small firms (under 100 employees) increased by 4.5%, compared to 0.1% nationally.
- *From 1989 to 1993*: there were 41,773 newly identified business entries in Atlantic Canada. This was 48.4% of the total pool of businesses which existed in 1989. At the end of 1993, 44.1% of the firms which existed in 1989 were no longer identified. Nationally the turnover rate was just over 41% for both business entries and exits.
- *Job creation in new and small firms*: between 1989 - 1993, 67.1% of the gross new jobs created in firms with under 20 employees were created by new versus growing firms (50,600 jobs versus 24,800 jobs). This was just marginally higher than the national figure of 66.5%. For all firms, new ventures contributed 49% of the gross new jobs in the region (46% nationally).

- *Intent to start a business*: in terms of measures more closely attributed to ACOA's ED efforts, the "intent to start a business within the next two years" of the general population increased from 7% in August 1991 to 14% by May 1995 (Chart 3). Intent increases with level of education and household income and decreases with age (specifically for the over 55 age group). Almost twice as many men as women indicate a "likely intent" (16% versus 7%). Interesting to note is that the percentage of the population which is "not very likely at all" is decreasing as more people shift to a higher degree of likelihood. This trend will only be significant if intent actually leads to action and action actually leads to a business start-up.
- *Exposure to entrepreneurship education*: one of the objectives of the ED strategy is to increase opportunities people have to learn about entrepreneurship in the school system. Major federal-provincial government agreements were only negotiated in the fall of 1992. Curriculum has been developed and is presently being used at the junior and senior high levels. Teaching materials and resource guides for use in the elementary schools is being piloted and will not be ready for full introduction until the fall of 1996 and 1997. However, the departments of education estimate that 40,000 students were exposed to entrepreneurship or enterprise content during the 1994-95 year and this number increased to 50,000 during 1995-96. Grade 12 students in 1995 are almost twice as likely as Grade 12 students in 1990 to have been exposed to courses with entrepreneurship-related content. Only 0.7% in 1995 stated that they have never been exposed to such courses, compared to 9.3% in 1990; over 42% of the 1995 group had taken three or more such courses, compared to less than 30% in 1990. The 1995 students are also more exposed to entrepreneurship through the media and through their social networks.
- *"Intent to start a business someday" of Grade 12 students*: students with a strong intent to someday own their own business has remained constant at approximately 20%. However, the percentage of students with low intent has shifted from 42.7% to 40.7%. It will be important to continue collecting this baseline data at regular intervals. Dramatic changes are not expected from one period to the next but the rate of change is expected to accelerate in the next five year period.
- *Number of students in student venture programs*: student venture programs were well established after 3-4 years of learning curves. The most effective program design consisted of three weeks of training in business planning skills, financial support through repayable loan programs, counselling and mentoring support while running the business for the summer. Approximately 500 students per year participate in these programs to learn entrepreneurial skills and gain experience. These students create summer employment for themselves through these ventures; the critical question is to what extent will it increase their propensity to become full time entrepreneurs in the future.

- *Professional development in small business counselling:* the professional development program in small business counselling has been launched and over 100 business advisers are enrolled in the Certificate Program after three months. Registrants will be monitored as they progress through the program. This has already exceeded the expectations of the Institute of Small Business Counsellors for first year activity.
- *SBSO clients:* as a piece of baseline data collected in 1994, representatives of 25 SBSOs reported that their offices had collectively provided counselling support and information services to 17,000 clients during the 1993-94 year (of these 1,200 were existing firms).²⁴ They estimated that roughly 1,200 businesses had started up as a direct result and 2,800 new jobs created. Systematic reporting of all activity within the network has not yet been developed. Efforts to collect this data are presently underway. Other important measures are the number of clients receiving self-employment training, the output from these programs and the cost effectiveness. Presently comprehensive data is not available, although the Self-Employment Assistance Program is under review nationally and results will be available in the near future.
- *Extent of private sector support:* although it is not a formal performance outcome, another matter of interest is the extent to which private sector and community support for entrepreneurship development activity is being stimulated. The region is experiencing more corporate interest in entrepreneurship related events and promotional activities (Ernst & Young, the Bank of Montreal, the Royal Bank, the utilities and telecommunications companies, the regional airlines, and a few family firms, among others). It is safe to say that the profile of entrepreneurship and small business has been substantially raised over the past five years and a much more positive attitude generated.

²⁴ *Final Report: Performance Indicators for ACOAs Entrepreneurship Product*, Applied Management Consultants, August 1994.

Chapter 5

Lessons for Other Countries

This chapter will summarize the key factors contributing to the success of Atlantic Canada's Entrepreneurship Development efforts to date and discuss the implications of this experience for other countries ready to establish a national or regional entrepreneurship focus. Presentations on the ACOA approach which have been made in Puerto Rico, Cyprus, Croatia, and Australia have received highly favourable reactions. What is considered distinctive and innovative is the framework which integrates the awareness, education, training, counselling, network-building, research, and planning elements. One of the lessons for other countries may be to ensure this level of comprehensiveness and interconnectedness in their own policy and program considerations. Countries which focus on just one or two elements may find that the rest of the necessary infrastructure is not in place to address key aspects of entrepreneurship development. Likewise, a country which focuses on one particular target group may end up with less than satisfactory results because of the lack of overall community and public support for new entrepreneurs.

5.1 Replicating the Approach

It is important to make a number of key points about the basic infrastructure and regulatory environment which is required to support ED activity. Although there was room for refinements and improvements, much of the supporting economic development infrastructure for an ED program was in place in Atlantic Canada. This may not be the case in all countries. It is therefore important to consider the following issues.

1. *Level of economic development in the country or region:* Where to place initial or primary emphasis on elements of the framework will depend on the level of economic development within the country or region and the level of existing support for new venture activity. In 1989, Atlantic Canada lagged behind the rest of Canada in a number of areas including the per capita number of businesses, the self-employment level, and the contribution of the private sector to GDP (as discussed in Chapter 2). It was important to start building an "entrepreneurial culture" which meant an initial focus on promotion (to produce short-term impact) and efforts to integrate entrepreneurship into the education system (to produce long-term impact). In a culture which is "readier" to embrace "entrepreneurship", the starting point may be different.
2. *Regulatory environment:* Although entrepreneurship thrives on adversity, success in entrepreneurship development is dependent on a regulatory environment which supports private enterprise, and rewards activity; this leads to business start-up and growth. A government system which makes it possible for individuals to start independent businesses, reduces barriers to entry, and minimizes regulatory and paper-work burden is essential. A tax system which rewards behaviour within a small firm leading to employment creation, innovation, and reinvestment in growth-activities is also important. Canada has a relatively supportive regulatory system and tax structure in place, however,

the federal and provincial governments continue to refine their systems and processes to be more responsive to the needs of small business and to provide incentives which will produce economic development outcomes. Some countries may need to examine their tax and regulatory systems to be more supportive of private sector driven small business development activity.

3. *Availability of small business financing:* This paper has purposely avoided a major emphasis on access to financing as part of the ED framework. However, access to financing is an important “opportunity factor” when it comes to developing the base of small businesses. In Atlantic Canada, as in other parts of the country, research reveals that more than half of new business start-ups are financed with personal money - money which can be sourced from the entrepreneur’s savings or personal borrowing and his/her network of family and friends. The majority of new businesses are started with less than \$15,000. Both new and existing small businesses state lack of access to capital as a major barrier to business development.

To support new business development, a country does have to have the institutional capacity to make funds available for business start-up and growth. In Canada, there is a sophisticated system of banking which makes borrowed money available for personal and capital investments. Pressure is being placed on the banks by the federal government to be more responsive to the financing needs of small businesses and banks are more aggressively promoting their services to the small business sector as its importance to the economy is recognized. However, the banks are not in the “risk capital” business and they consistently complain that the transaction costs on small business loans (of small amounts) is too high. Thus, it has been necessary to establish supplementary financing mechanisms. The regional development agencies have in the past, and still do, make loans available to SMEs in support of job creation, trade development and technology enhancement (as examples). The provincial governments operate Community Business Loan Funds or Self-Start Loan Programs to make financing available for business start-ups and small business expansions. Since 1961 Canada has had a Small Business Loans Act in place whereby the federal government provides 85% loan guarantees to the banks for approved loans of less than \$250,000 for capital projects undertaken by small firms. Since 1961, over 400,000 loans have been made (about a third of these since April 1993 when the program became more flexible); the historical loss rate is 5%.

Innovations in small business financing are being explored in both the micro-lending and venture capital areas. In 1995, the major Canadian banks, four provincial governments and the regional development arm of the federal government partnered in the establishment of a \$30 million Atlantic Investment Fund (AIF) to fill an identified gap for equity funds in the \$200,000 - \$500,000 range for growth-oriented SME’s. The Calmeadow Foundation, the Royal Bank and ACOA are piloting peer lending circles in

selected rural communities in Atlantic Canada (loans in the \$500 - \$1,000 range). The Business Development Bank of Canada is piloting a new Micro-Lending Program which provides small loans to new and small business owners with the provision that the owners participate in mandatory training and counselling programs to address management and planning weaknesses. There is strong evidence that survival rates of businesses are higher when financing is supported by counselling /training interventions. In partnership, several of the major banks have recently launched a Canadian Youth Business Foundation which will make start-up loans (under \$15,000) available to youth between 18-29, again combined with mentoring support. This latter program is modelled after the Prince's Youth Business Trust in the U.K.. Countries without dedicated small financing programs in place will need to consider this infrastructure to support their entrepreneurship development activities.

4. *National Business Registry*: To understand the small firm dynamic in an economy, it is necessary to be able to track new business entries, business exits, job creation by size and type of business and self-employment trends. Canada is fortunate to have Statistics Canada which has a legislative mandate to collect, analyse and report this type of data. Although there are some problems with reporting and counting issues, the sophistication of this federal government department allows the small business dynamic to be tracked and trends and changes to be monitored over time. Not all countries have such a structure in place so it would be more difficult to track developments within the small business sector.
5. *Small business support infrastructure and network*: Canada also has a basic community-based economic development infrastructure in place. This includes economic development offices, business development corporations, enterprise agencies, local bank branches, Chambers of Commerce, local business and trade associations and community colleges and universities. Although this network requires further development (in terms of coordination, cooperation, professional development, orientation in entrepreneurship development, etc.), the basic small business support infrastructure is there. The existence of this network and the ability to partner within it in the delivery of small business support services is essential to successful ED work. If an adequate network does not exist, it has to be developed.

Nationally, there are also a number of key organizations which support the government's thrust on SME development. The Canadian Federation of Independent Business (CFIB) has 90,000 members representing small businesses in every sector of the economy. Both CFIB and the Canadian Chamber of Commerce are consulted by government on a regular basis because they have up-to-date information on member needs and concerns. There is also a Canadian Council for Small Business and Entrepreneurship which represents

the leading small business/entrepreneurship researchers, educators, and policy makers in the country. It is important to be able to tap into these organized networks to support the legitimacy of entrepreneurship and expand the knowledge base. Countries or regions without similar organizations or networks may want to explore how to set them up.

6. *Government policy focus on entrepreneurship and small business growth:* The majority of federal government small business policies and programs more appropriately address the needs of the existing supply of small and medium-sized firms than the needs of latent or nascent entrepreneurs. In fact, there are many debates about the extent to which government policy should focus on supporting growth-oriented (existing) SMEs versus encouraging more new business start-ups. This debate is likely to continue but at the end of the day, macro-economic and fiscal policies impact more significantly on the development of an existing business than the development of a new entrepreneur. Policies to “create a favourable business climate” generally ignore the needs of latent entrepreneurs whose “motivation” may need to be stimulated, whose latent entrepreneurial potential may need nurturing, and whose entrepreneurial skills need to be developed. Thus, policies conducive to growing SME’s will be different than those conducive to new start-ups.
7. *Meeting the needs of differentiated target groups:* One of the critical aspects of the Atlantic Region ED Strategy is the careful attention to identified target groups, understanding that entrepreneurs are not a homogeneous group. Women, youth, and the unemployed are among those designated as high potential groups for entrepreneurship activity. Small, but concentrated populations of Aboriginals, blacks and persons with disabilities have also been identified and efforts made to design and deliver tailored ED programs to accelerate the business start-up rate. These identified target groups will differ depending on the country or region where entrepreneurship development strategies are being developed. For example in the Baltic countries, as elsewhere, it may be war refugees. The key to success in these targeted efforts is understanding the needs of the sub-group and being able to respond appropriately.
8. *It may take longer:* Although the Atlantic Region of Canada has a history of dependency on government and large corporations, it is a free-enterprise economy and has a number of examples of highly successful entrepreneurs. With dwindling government resources, the challenge was to “renew the entrepreneurial spirit” and reinforce the principle of self-reliance through “creating your own business/job opportunities”. For example, in countries or regions “in transition”, the task of building an entrepreneurial culture will be greater. It may take longer to change attitudes and to build the necessary support infrastructure. Patience and commitment have been essential ingredients in the early success of ACOA’s ED Initiative as they will be in its on-going success. Knowing that it will take time to produce results is an important lesson to bear in mind.

To summarize, the basic requirements are:

- a) recognition of the state of the economic development in the country or region;
- b) a regulatory structure and tax system which is “friendly” to private sector business activity and new venture creation;
- c) access to small business financing mechanisms;
- d) a Statistics Canada type organization which can collect and report data on new and existing business;
- e) a network of small business support organizations which reaches into a number of communities;
- f) government policies which distinguish between and support both the development of new entrepreneurs and the growth of existing business;
- g) understanding the needs of identified sub-groups within the population of latent entrepreneurs;
- h) a patient and committed government which is willing to wait for measurable results from ED activity.

5.2 Key Success Factors

The stages in the ED process undertaken by ACOA involved:

- researching the current economic situation
- developing an inventory of existing ED activity and SBSO network members
- identifying key ED champions and probable partners
- developing the ED framework and strategy
- validating the strategy through a consultative process with key partners
- establishing an Entrepreneurship Development Unit within government
- developing a 3 year work plan (goals, objectives, proposed projects, time frames, possible partners and budgets)
- securing senior bureaucratic endorsement of the work plan, including budget and human resources allocations
- identifying key demonstration projects in each of the strategic areas of the framework
- developing partners, negotiating projects, parameters and co-funding arrangements

- managing project implementation
- promoting the approach throughout the network
- collecting baseline data as the Initiative was implemented; developing an evaluation framework

There have been three main success factors.

- 1) **The decision to establish an Entrepreneurship Development Unit** - as a responsibility centre with a Director, a small staff and a commitment to fund a costed work plan as projects and partner. The presence of this Coordinating Body to plan the strategy and manage its implementation was critical to success.
- 2) **The ED framework itself** - it was comprehensive, multi-faceted, interconnected, allowed for the creation of synergy between initiatives, and recognized the importance of several target groups, one of which was latent entrepreneurs. It created a better understanding among stakeholders and partners about what entrepreneurship development activity is and how to do it.
- 3) **The Approach:**
 - consulting widely with other stakeholders
 - building and creating partnership with the media, the education community, SBSOs, and the private sector
 - an early focus on profiling entrepreneurs through use of television to create momentum and public awareness
 - identifying where new partners were required and helping to create and support the necessary organizations (for example, the Association of Atlantic Women Business Owners, the Association of Collegiate Entrepreneurs, the Atlantic Canada Entrepreneurship Awards Association, the Institute of Small Business Counsellors, several university-based Small Business and Entrepreneurship Centres, among others)
 - producing resource materials and tools so partners could do their jobs better
 - undertaking annual planning
 - always finding opportunities to relate activities in one part of the framework to those in another (for example, turning television programs into educational resources for use in classrooms)
 - documenting activity on an annual basis
 - collecting baseline data and monitoring progress

- supporting small business and entrepreneurship research and sharing findings with other stakeholders, particularly the publication of the series of State of Small Business and Entrepreneurship in Atlantic Canada reports
- providing opportunities for partners to share “best practice” projects and activities (e.g., an annual Entrepreneurship Development Partners Workshop)
- always seeking to identify unfilled needs and develop solutions, and
- being patient (it takes time to change a culture, to create a common vision for action, to build the necessary public and private sector partnerships, and to build local “champions” and capacity to deliver small business support services)

5.3 Emerging Issues

The initial challenges were developing the necessary partnerships, building cooperation within the network of small business support organizations, creating sufficient “champions” who were qualified in the entrepreneurship development field, orienting newcomers to the field (e.g., teachers, trainers, program leaders, etc. through professional development and learning opportunities), creating more knowledge about the entrepreneurial process and the paths people take into their own businesses, and selling the vision of an “entrepreneurial culture” to key stakeholders. These challenges continue and new ones emerge. In the future, priority will be placed in such areas as:

- Equipping SBSOs with the latest technologies, including on-line telecommunications capacity
- Innovating with new programs and services to meet needs of client groups (for example, micro-lending programs and programs which link mentoring and counselling to small business financing)
- Better coordination of economic development and small business support organizations, including accountability for performance-based results
- Building stronger links between educational institutions and SBSOs
- Developing quality standards for small business counselling services and entrepreneurship training
- Providing new entrepreneurs with adequate and effective pre-and post-start-up support to improve their chances for long-term survival
- A major program focus on young entrepreneurs
- Creating more private sector partnerships with the major banks, management accounting firms, and corporate businesses to support ED activity (particularly in the areas of small business financing, entrepreneurship promotion, and entrepreneurship education)

- Implementing the formal evaluation framework so impact and performance can be more completely measured, and
- Advocating a continuing balance of government policy emphasis on “new” as well as “growing” SMEs, in light of dwindling government resources.

Annex B Entrepreneurship Development Performance Indicators		
Objectives	Overall indicators	Overall Methodology
<p>Contribute to long-term job creation through:</p> <ol style="list-style-type: none"> 1) the development of the region's entrepreneurial potential, 2) the creation of new businesses, and 3) an increase in the survival and growth rates of both new and existing businesses. 	<p>Employment growth created by new ventures Employment growth in existing firms Net increase in the number of businesses</p> <p>The business start-up rate and the number of new businesses</p> <p>The number of self-employed</p> <p>The survival rate of new businesses over time</p> <p>The number and percentage of growing businesses over time</p>	<p>Statistics Canada annual Employment Dynamics report - by size of firm by sector</p> <p>StatsCan annual Business Entries and Exits report</p> <p>Monitoring of monthly Labour Force Survey data for self-employment trends</p> <p>StatsCan annual Business Entries and Exits report - by sector</p> <p>StatsCan report on Growing and Declining Businesses</p>

Annex B Entrepreneurship Development Performance Indicators		
Objectives	Overall indicators	Overall Methodology
<p>1. Awareness and Promotion of Entrepreneurship and Self-Employment as a viable and attractive employment option</p> <p>Examples:</p> <ul style="list-style-type: none"> • Leading Edge • Temps d'affaires • Profiles of Success • Entrepreneurship Awards 	<p>Amount of media exposure of entrepreneurship and small business stories and issues</p> <p>Intent to start a business of the general population</p>	<p>Audience ratings for Leading Edge, Temps d'affaires, and other television programs</p> <p>Omnibus survey to poll viewers in key markets (awareness, impact, etc.)</p> <p>Omnibus survey semi-annually ("How likely are you to start your own business within the next two years?"). Monitor for changes and trends.</p>
<p>2. Enhance entrepreneurship education (opportunities to learn how-to's, what-to's, why-to's)</p> <ul style="list-style-type: none"> • Course development, resource materials and instructional tools • Student venture programs • Entrepreneur clubs, events, etc. 	<p>a) Number of entrepreneurship courses/modules offered in elementary and high school programs, community college programs and university programs</p> <p>b) Number of students enrolled in entrepreneurship focused courses or modules each year</p> <p>c) Number of students running their own businesses as part of formalized student venture programs during the school year or summers</p> <p>d) Intent of Grade 12 students to start a business someday</p> <p>e) Reported exposure to entrepreneurship of high school students</p>	<p>Annual reports from Departments of Education and Post-Secondary Institutions</p> <p>Evaluation reports on formal programs</p> <p>Survey of Grade 12 students bi-annually to monitor changes in exposure to entrepreneurship and intent to start a business someday</p>

Annex B Entrepreneurship Development Performance Indicators		
Objectives	Overall indicators	Overall Methodology
<p>3. Increase in entrepreneurship training and counselling opportunities for current and potential entrepreneurs</p> <ul style="list-style-type: none"> • Support for community-based and economic development agencies to provide training and counselling at the local level • Training programs for existing entrepreneurs • Self-Employment Training for new entrepreneurs 	<p>Number of new and existing entrepreneurs/clients receiving counselling by SBSOs</p> <p>Number of jobs created (or maintained) in businesses receiving training and counselling</p> <p>Survival rates of clients receiving counselling</p> <p>Total percentage of population who have accessed entrepreneurship or self-employment training</p>	<p>Develop standardized reporting format; request quarterly reports for SBSOs on clients served. Compile to determine conversion ratios, investment per business, etc.</p> <p>Annual survey of each SBSOs client base to track job creation, increases in employment and sales. Are survival rates higher? Are growth rates higher?</p> <p>Omnibus survey of general population (ask annually)</p>
<p>4. Facilitate network activities for entrepreneurs and policymakers</p> <ul style="list-style-type: none"> • Entrepreneurship Conferences, Workshops, Seminars • Membership support (AAWBO, ACE) 	<p>Number of people attending entrepreneurship events</p> <p>Number of activities to coordinate ED activity among other government departments</p>	<p>Evaluation reports from applicants - post-activity</p> <p>Internal tracking</p>

Annex B Entrepreneurship Development Performance Indicators		
Objectives	Overall indicators	Overall Methodology
<p>5. Improve quality of counselling and business support available to clients</p> <ul style="list-style-type: none"> • Small Business Counselling Professional Development /Training Program 	<p>Number of persons accessing professional development opportunities to enhance competencies and skills</p> <p>Improvement in quality of counselling services being provided</p>	<p>Registrations for Certificate in Small Business Counselling</p> <p>Survey of clients to assess their perception of quality of counselling services (develop benchmarks)</p>
<p>6. Research/Studies to find out more about entrepreneurial process in the region, to track developments, and to educate and influence small business support organizations (SBSO's)</p> <p>Examples:</p> <ul style="list-style-type: none"> • State of Small Business and Entrepreneurship report • Needs of young entrepreneurs • Needs of francophone entrepreneurs 	<p>Number of studies and publications</p>	

List of Abbreviations

AAWBO	Association of Atlantic Women Business Owners
ACE	Association of Collegiate Entrepreneurs
ACEAA	Atlantic Canada Entrepreneurship Awards Association
ACOA	Atlantic Canada Opportunities Agency
AIF	Atlantic Investment Fund
BDDB	Business Development Bank of Canada
CFIB	Canadian Federation of Independent Business
ED	Entrepreneurship Development
GDP	Gross Domestic Product
IBC	Institute of Business Counsellors
ISBCI	Institute of Small Business Counsellors
NAFTA	North American Free Trade Agreement
NVQ	National Vocational Qualifications
OECD	Organization for Economic Cooperation and Development
PEP	Projet Entrepreneurship Project
R&D	Research and Development
SEA	Self-Employment Assistance Program
SBDC	Small Business Development Corporation
SBSO	Small Business Support Organizations
SME	Small and Medium-size Enterprises
UNILO	United Nations International Labour Office
WP6	Working Party No. 6 on Regional Development Policies

Bibliography

- Atlantic Achievers: Snapshots of Entrepreneurial Success*, ACOA 1996.
- Birch, David, *Job Creation on America*, The Free Press, New York, 1987.
- Chrisman, J., and Katrishen, F., *The economic impact of small business development center counselling activities in the United States: 1990-1991*, Journal of Business Venturing, 9, 271-280.
- Final Report: Performance Indicators for ACOAs Entrepreneurship Product*, Applied Management Consultants, August 1994.
- Gillin, M., Powe, M., Dews, A., and McMullan, W.E., *An Empirical Assessment of the Returns to Investment in Entrepreneurial Education*, presented at the Babson College, Kauffman Foundation Entrepreneurship Conference, Seattle, March 1996.
- Interman Project*, United Nations International Labour Office.
- Kirchhoff, Bruce, *Entrepreneurship and Dynamic Capitalism: The Economics of Business Firm Formation and Growth*, Praeger Publishers, 1994.
- Landry, R., Allard, R., Essiembre, C., *The Intention to Start a Business: A Comparison of Two Cohorts of Grade 12 Students in Atlantic Canada*, University of Moncton, forthcoming, 1996.
- National Policy on Entrepreneurship*, Government of Canada, 1988.
- New Directions in Enterprise Education: A Research Venture With a Vision for Atlantic Canada*, Department of Education, Mount Allison University and University of Moncton, October 1990.
- Phillips, Bruce, and Kirchhoff, Bruce, *Formation, Growth, and Survival: Small Firm Dynamics in the U.S. Economy*, Small Business Economics, 1: 65-74, 1991.
- OECD (1992) *Employment Outlook*, Paris.
- OECD (1994) *The OECD Jobs Study. Evidence and Explanations, Part 1: Labour Market Trends and Underlying Forces of Change*, Paris.
- OECD (1989) *Towards An Enterprising Culture*, Paris.
- Profiles of Student Entrepreneurs*, ACOA, 1996.
- Profiles of Success: Women Entrepreneurs of Atlantic Canada*, ACOA, 1992.
- Report of the Enterprise Cape Breton Assessment Team: From Dependence to Enterprise*, Prepared for the Minister Responsible for the Atlantic Canada Opportunities Agency, February, 1991.
- The State of Small Business and Entrepreneurship in Atlantic Canada*, ACOA, 1992.
- The Young Entrepreneurs*, ACOA, 1995.
- Venture Economics*, 1991.

List of ACOA Reports and Publications on Entrepreneurship

A: Research and Policy Documents

A Survey of the Attitudes and Orientation of Grade 12 Students Towards Entrepreneurship 1990 - 1995, University of Moncton, 1996.

Best Practices in Economic Support Programs for Women Entrepreneurs, ACOA, 1993.

Entrepreneurship: Renewal of the Spirit: An Entrepreneurship Development Strategy, Lois Stevenson, December 1989 (A report to ACOA).

Entrepreneurship: Renewal of the Spirit: An Entrepreneurship Development Strategy: Report to the Atlantic Canada Opportunities Agency Advisory Board on the Progress of the Agency's Entrepreneurship Development Initiative for the Period April 1990 - October 1992, ACOA, November 1992.

New Directions in Enterprise Education: A Research Venture With a Vision for Atlantic Canada, Department of Education, Mount Allison University and University of Moncton, October 1990.

The State of Small Business and Entrepreneurship in Atlantic Canada, ACOA, 1991.

The State of Small Business and Entrepreneurship in Atlantic Canada, ACOA, 1992.

The State of Small Business and Entrepreneurship in Atlantic Canada, ACOA, 1994.

Support for the Development of Young Entrepreneurs: Best Practices, ACOA, 1995.

The Characteristics and Needs of Young Entrepreneurs and Young Persons Wanting to Become Entrepreneurs, Atlantic Canada, 1994.

B: Proceedings from Forums, Workshops and Consultations

Innovative Approaches to Entrepreneurship Development in Atlantic Canada (Workshop Report), Halifax, June 4-5, 1991, ACOA.

Proceedings of the Forum on the Professional Development Needs of Small Business Counsellors and Economic Development Practitioners, ACOA, 1993.

Report on Great Ideas and Winning Strategies: Entrepreneurship Development Workshop, ACOA, 1994.

Summary of the Young Entrepreneurs Round Table, April 1995 (ACOA).

Summary of the Round Table on the Development of Young Entrepreneurs, August 1995 (ACOA).

C: Promotional Publications

Atlantic Achievers: Snapshots of Entrepreneurial Success (24 profiles of small business success), 1996 (ACOA)

Impact (65 success stories of Atlantic small businesses), ACOA, 1995.

More Profiles of Success: Growing Women Entrepreneurs in Atlantic Canada, Atlantic Canada Opportunities Agency and the Federal Business Development Bank of Canada, 1993.

Profiles of Student Entrepreneurs (profiles of 14 student entrepreneurs, essays, quotes), ACOA, 1996.

Profiles of Success: Women Entrepreneurs of Atlantic Canada, ACOA, 1992.

The Achievers (profiles of New Brunswick business people and successful small business projects), ACOA, 1992.

The Young Entrepreneurs (profiles of 26 young entrepreneurs in Atlantic Canada), ACOA, 1994.

Way To Go (profiles of 15 young entrepreneurs in Newfoundland), ACOA, 1995.

D: Broadcast/Video Resources

Leading Edge, Maritime Independent Television, CanWest Maritimes Limited (1991, 1992, 1993, 1994, 1995)

Posséder mon entreprise (video series, textbook, business plan guide), Le Conseil économique du Nouveau-Brunswick, Moncton, New Brunswick.

Owning My Own Business series (videos, textbook, business planning guide), Atlantic Provinces Chamber of Commerce, Moncton, New Brunswick.

Temps d'affaires, Le Conseil économique du Nouveau-Brunswick and Radio-Canada (1994, 1995)

E: Other resources

From Ideas to Business Opportunities, Atlantic Canada Opportunities Agency and the Business Development Bank of Canada, 1995

Pathways to Enterprise, A Teacher's Resource, the Atlantic Provinces Education Foundation, the provincial; departments of education and the Atlantic Canada Opportunities Agency, 1996.