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Richard Derhman, is founder of Turnaround Couriers, a for-profit business he uses to help change the lives of young people like Joshua Teneycke (pictured cycling), but success has not been an easy ride for him.

DO-GOODERS CAN EARN A GOOD LIVING

Social entrepreneurs say road to success is full of speed bumps

BY NICOLE KALLMEYER

Joshua Teneycke is a changed man. Two years ago, the high school dropout checked into a youth shelter in Toronto after hitchhiking from Winnipeg. Today, he lives in his own apartment and loves his full-time job as a bicycle courier in Toronto's downtown core.

The 21-year-old is stronger, more street smart and, most importantly, self sufficient because of Richard Derhman, a soft-spoken Brit who started a courier business to give young men like Mr. Teneycke the opportunity to earn a living.

Mr. Derhman is among a growing group of Canadians using business methods to address social problems. Commonly called social entrepreneurs, these people are carving out new and innovative ways of simultaneously yielding in financial, social and/or environmental returns.

"You can actually run a successful for-profit with a very strong social agenda and not compromise on either," said Mr. Derhman, who named his business TurnAround Couriers.

With the Canadian economy in recession and unemployment reaching 8.4% last month — the highest level in 11 years — trust in exclusively market-based solutions to driving the country's economic engine is on the decline, said Bill Young, president of Social Capital Partners, a Toronto-based organization that invests in social enterprises. According to him, there is also more pressure on charities and non-profits to devise ways of raising money to fill gaps left by insufficient government funding.

Boundaries are blurring between the for-profit and non-profit worlds, as people in both sectors pursue a double bottom line: economic profit and social impact. Those seeking this dual outcome admit the road to success is full of speed bumps.

"I'd lie awake at night wondering if we were going to make payroll," said Janice Abbott, who started a for-profit property management company to raise money for Atira Women's Resource Society, a Vancouver-based organization supporting women and children facing violence.

While developing Atira Property Management, Ms. Abbott encountered a "huge cash flow problem" with outstanding loans from Social Capital Partners and Vancity, a credit union in Vancouver with a strong commitment to financing social enterprises. But loan consolidation, increased lines of credit and her unwavering commitment to making the business succeed eventually got the company to turn a profit.

Both Ms. Abbott and Mr. Derhman learned a strong social mandate can spark prospective clients' interest, but they must still provide superior service and competitive rates to seal the

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deal. "If I don't have those two things in order, people aren't really going to care that their money is doing something nice," Ms. Abbott said.

And sometimes a business's social mission can hinder growth, as Marty Donkervoort found while seeking clients for Inner City Development Inc., a construction business that employs low-income residents in Winnipeg's inner city. Mr. Donkervoort said people often incorrectly assume the company's prices will be higher and service quality will be lower because of its ties to non-profit organizations and employment policies. "These are not things that people respond to positively," he said.

Social entrepreneurs often encounter skepticism, ignorance and indifference. Although interest and awareness has increased in the past decade,

experts say Canada is far behind the Britain and the United States. Unlike those countries, Canada does not have a distinct regulatory framework to guide and support social enterprises' hybrid activities.

But some traction has been gained with policymakers in some regions of Canada. Quebec was ahead of the curve in politically recognizing, defining and supporting the "social economy" more than a decade ago. More recently, Ontario's Poverty Reduction Strategy pledged \$6-million to the Social Innovation Generation program at MaRS, established to provide social entrepreneurs with knowledge, contacts and capital.

Deb Matthews, Ontario Minister of Children and Youth Services and chair of the province's cabinet committee on poverty reduction, said other plans — including a \$20-million social venture capital fund and a policy of awarding government contracts to social enterprises — are in early stage development.

For Mr. Derhman, a new government procurement strategy can't come fast enough. "It doesn't seem to matter how many politicians I speak with," he said. "I can't get courier work from the government."

Until more provincial and federal support arrives, Canadian social entrepreneurs must rely on guidance and financing from the private sector. Associations such as the Social Enterprise Council of Canada and the Causeway Social Finance Initiative are engaging civic and financial decision-makers to develop a more fostering environment for social enterprise. Meanwhile, education and research is transpiring in academic centres at Carlton University, the University of Toronto and the University of Alberta.

After seven years in business, Turn-Around Couriers is "just profitable," and has assisted more than 100 young men. While growth is slower than expected, Mr. Derhman said, social return on investment is high. Just ask Joshua: "To go and compare myself now to the me of two years ago, it's almost an unrecognizable transformation."

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