In celebration of Small Business Month, Staples Canada partnered with Startup Canada, the rallying brand and thought leader coalescing the voice of Canadian entrepreneurs, to undertake a study on the sentiments and experiences of Canadian entrepreneurs to empower Staples with insights to better understand and support their entrepreneur and small business customers. This report summarises the findings and what they mean for Staples as a partner in the success of Canadian startups and small businesses.

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Startup Canada
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Introduction

Entrepreneurs are individuals who start and operate a business or businesses. Nearly half of entrepreneurs are self-employed contractors and half of those entrepreneurs are part-time entrepreneurs. That means that the other half of entrepreneurs operate employer-businesses, 98 per cent of which are classified as small business with less than 100 employees.

There are 2.3 million entrepreneurs in Canada and 1.1 million small businesses that account for 78 per cent of private sector job creation, 30 per cent of exports and 27 per cent of GDP. Of those, 4.6 per cent are considered high-growth businesses, which disproportionately account for the net job creation in Canada. This means that small business is big business in Canada.

Buying and selling on Amazon, Etsy and Shopify, sourcing through Alibaba, operating a business with QuickBooks, Google, Salesforce and Square and raising funding through Indiegogo and KickStarter are examples of how access to technology, the cloud, social networks, data and the move to mobile have all increased the accessibility of entrepreneurship, transformed the ‘workplace’ and eliminated borders, enabling entrepreneurs to start global businesses from day one.

In addition to greater accessibility, entrepreneurship has been popularized by television shows like the Dragon’s Den, blockbuster movies like The Social Network, and celebrities becoming entrepreneurs and investing their wealth into startup companies. Already, Millennials are twice as likely to want to start a business than other Canadians and have become the new, tech-savvy, socially and environmentally conscience ‘hipster class’. Startup culture is not only for the young or the tech-savvy, it is also manifest in a new cohort of ‘Seniorpreneurs’ deciding to take action on their ideas as a second career or a retirement project; micro-manufacturers, ‘builders’ and ‘makers’; and, an army of ‘hackers’ taking over campuses, coffeeshops and co-working spaces.

While we know that new businesses fail at about the rate they start and have done so for decades, access to technology, social media, education, global markets and previously inaccessible data have changed the way that entrepreneurs see themselves and do
business. While entrepreneurs are by no means homogeneous - from the mobile app startup and the family-owned Thai restaurant to the ‘mompreneur’ selling her wears online and the Aboriginal design studio making their mark on the global fashion scene - entrepreneurs do possess common motivational and mindset traits.

To uncover the sentiments and experiences of Canadian entrepreneurs today and to empower Staples employees with the knowledge and insights to better understand and support their entrepreneur and small business customers, Staples partnered with Startup Canada, the leading non-profit entrepreneur network coalescing the views of Canadian entrepreneurs, to look deeper into their motivations, experiences, challenges and perspectives.

**Study Methodology**

The four-part study began with a literature review gap analysis to inform the development of questions for a series of focus groups with entrepreneurs across Startup Canada’s Communities in Halifax, Waterloo, Brampton and Toronto. The feedback from the focus groups in Eastern Canada, which included more than 50 participants, informed the development of a 20 question survey, with 325 respondents from across Canada. Following the correlative analysis of the survey findings with the support of Toronto startup Steadfast, Startup Canada conducted in-depth interviews with a random sample of 25 survey respondents. This report summarizes the findings of the study and provides commentary on how Staples can leverage the findings to best support the success of startups and small businesses in Canada.

**Canadian Entrepreneurs - Sentiments & Experiences**

**Respondent Profile**

Sixty-eight per cent of respondents have been in business for more than one year and have achieved a degree of success such that most of their focus is now on growth and customer acquisition, whereas 32 per cent are at the idea and start-up phase and are pre-occupied with idea validation and business establishment. Sixty per cent of respondents work more than 40 hours a week, with 22 per cent working more than 60 hours a week. There is a positive correlation between the number of hours worked and
the maturity of the business - the more time the entrepreneur contributes, the more mature the business and vice versa.

Thirty-three per cent of respondents are self-employed or ‘solo-entrepreneurs’, 52 per cent employ 2 to 7 employees, and less than 7 per cent have more than 20 employees. Seventy per cent of respondents have incorporated their business; nearly 90 per cent have a business plan complete or in progress; 80 per cent have a financial plan complete or in progress; and, more than 90 per cent have a website. There is only a slightly positive correlation between the hours spent working on the business and the number of employees, whether the company has a website, and whether it is incorporated.

Motivations

The majority of entrepreneurs are not motivated by money or an inability to work for others; rather, the top 5 motivations of entrepreneurs to start-up and dedicate themselves and their time to their businesses are:

1. Identifying and wanting to fill a gap in the market (55 per cent);
2. Desiring greater independence and flexibility (50 per cent);
3. Needing a challenge (45 per cent);
4. Aspiring to change the world and leave a legacy (40 per cent); and,
5. Wanting to create a better future for themselves and their families (37 per cent).

“I am passionate about what I do,” said Shelly King, solo-entrepreneur and the founder of Peterborough-based business Puppeteria. “I like to work on things that are meaningful and entrepreneurship gives me the freedom to work on my own terms.” This passion fuels Shelly to work day and night on everything from business administration and marketing to revenue generating activities, all while taking online training courses to up-skill so that she can grow her business. Janice Diner, founder of Toronto-based company Horizn says that she is “obsessed” with her business. Janice employs 26 staff based out of the MaRS Discovery District and says that she spends most of her time managing her staff, improving business operations and growing sales.

There is no ‘typical’ workday for entrepreneurs. Although 93 per cent of respondents said that they are good at managing their time, only 27 per cent said that they have
established a consistent routine. Each day, entrepreneurs are met with new challenges and opportunities and their role evolves as their companies evolve.

“I work on my business as much as it needs and put on different hats depending on what needs to be done - if it needs 60 or 80 hours one week, so be it; if I need to be a bookkeeper, salesperson or chief executive, I can play all of those roles,” said Miryam Lazart, the founder of GoSouth Consulting, who recently relocated her family from Santiago, Chile to Toronto to grow her business. “I appreciate the independence and the opportunity to contribute something meaningful.” John Arnott, serial entrepreneur and CEO of Nimble Ventures agrees and says that he is lucky if he gets 6 hours of sleep a night. “I have never been able to sit on a beach and do nothing,” said John. “I know from experience that every successful startup is really a 20-year overnight success ... it is a 24 / 7 adventure”.

**Mindset**

Entrepreneurs generally do not view working on their business as a ‘job’. Their business is highly connected with their personal identity - how they see themselves, how they view the world around them, and how they take decisions. For them, entrepreneurship is itself a mindset, a philosophy and a way of seeing, being and acting. Entrepreneurs ‘live’ their business and their journey is one of heightened emotions and can sometimes feel ‘isolating’ and lonely’.

Although busy, entrepreneurs are optimistic, comfortable taking risks and have competitive tendencies. The study reveals that 81 per cent are confident or extremely confident in the future success of their business, 86 per cent are comfortable taking risks or consider themselves to be ‘risk-takers’, and 68 per cent consider themselves to have competitive personalities. When asked how likely they were to start another company, more than 80 per cent were likely to start another company, with 35 per cent being ‘extremely likely’.

“I am confident in the future success of my company because overtime you improve and get better based on customer feedback,” said Craig Rennick, founder of Amplifii, a full-service marketing solutions provider in Toronto who already has two successful exits under his belt. “Perseverance with customer feedback gives me confidence because
every day I get a little bit closer...if you keep working you will eventually succeed.” When asked if he would start-up again, Craig laughed and said, “Of course! And I'm 54! There is nothing like the energy of a young and growing company”.

The most common words that respondents used when asked to describe their experience as entrepreneurs were: exciting, challenging, rewarding, rollercoaster, awesome, fulfilling, stressful, fun, amazing and exhilarating. Michelle Nguyen, founder of the popular knitting blog Stitches Be Slippin from Burlington called her experience ‘exhausting’, while Christian Burrato, founder of Ottawa-based company Loquant, said that it is a ‘learning opportunity’. “Entrepreneurship is the best MBA that someone can get,” said Christian. “You learn by doing things and making your own mistakes. My business is my whole life and while it has ups and downs and the financial rewards aren't what I expected, the experience is the reward.”

When asked to identify their biggest role model or champion and to share the reason for their significance, entrepreneurs identified public figures, mentors and their families as their greatest source of inspiration. Public figures like Oprah, Steve Jobs, Sharon Sandberg and Elon Musk are sources of inspiration and validation for entrepreneurs; their ‘first mentors’ helped them to open doors and learn the ropes; and, their families experience their journey alongside and support them each step of the way.

**Management**

The three largest areas of focus of entrepreneurs surveyed are growing sales (40 per cent), finding funding (11 per cent) and growing their team (9 per cent), which is in complete alignment with their top three concerns and challenges - finding customers (35 per cent), finding funding (20 per cent), and managing cash flow (13 per cent). While those in business less than a year are more focused on validating their idea and setting up internal processes and sales channels, those who have been in business over a year are focused on generating and increasing sales.

Respondents are growing their customer base by becoming members of professional associations; attending networking events; leveraging social media channels like LinkedIn and Twitter; creating blogs, inbound forms and maximizing SEO on their websites;
attending trade shows; actively participating in their startup communities; and, embedding functional referral systems into their sales funnels.

To find funding, respondents are focused on driving revenue through new customer acquisition and traditional lending from financial institutions. Several had raised funding through pre-sales of their products using the Kickstarter crowdfunding websites and a number had also taken advantage of government tax credits, grants, procurement programs and accelerators.

### Support

When seeking advice and support, entrepreneurs overwhelmingly seek advice from experts and coaches (83 per cent), professional networks (82 per cent) and mentors (65 per cent), and to a lesser extent family and friends (58 per cent) and online networks (43.3). “I leverage a mix of mentors and work with them through formal and informal interactions for both business and emotional support,” said Daniel Marabotto, founder of Winnipeg-based La Falfas Corp. Daniel receives business support from the Manitoba Food Processors Association to help him with his business processes, mentorship through the Futurpreneur program, and marketing support through Buy Manitoba to help him to sell to small stores in Winnipeg and larger chain stores across Canada. When searching for support, products and services, entrepreneurs primarily rely on their professional networks (72 per cent) and search engines (70 per cent).

### Challenges

The common challenges cited by respondents were sales, marketing and growing their customer base as well as designing their business for growth. When asked what services or products would help to address these challenges, entrepreneurs responded they are looking for a single place to connect with other entrepreneurs, opportunities, customers, funding, support, mentors, education, networks, space and exposure. “If I could have two things, they would be more mentorship and access to networks of entrepreneurs,” said Loquant founder Christian Burrato. “As a newcomer to Canada, I need a network that can help me navigate the ecosystem and that will grow with me as I grow my business.”
Many entrepreneurs remarked that they did not feel ‘understood’ or ‘supported’ by existing support structures like incubators and government-funded education and mentorship programs, with only 40 per cent of respondents indicating that they felt supported. “It is so confusing out there,” said Brenda Phelan, Cambridge, ON-based founder of LegacyTracker. “Support and funding opportunities should not have age restrictions and entrepreneurs over 50 years of age should not be excluded from support.” Janice Diner, founder of Horizn also said that, “Women’s issues should be addressed. The investor and tech entrepreneurship scene is male dominated and that needs to change”.

Entrepreneurs cited informal and grassroots groups, co-working hubs and makerspaces as more welcoming, inclusive and helpful, with 57 per cent of entrepreneurs feeling connected to other entrepreneurs in their community. When Farris Kathadra, founder of Recelerate Digital in Victoria, B.C. reaches out for support, he prefers the advice and assistance of other entrepreneurs and uses entrepreneur support hubs like ViaTEC to find others with whom to bounce off ideas. Hannah Bell agrees, “Even when you’re really smart, [entrepreneurship] is hard; so the smartest thing you can do is surround yourself with others.”

**Staples Supporting Startup Success**

As Staples works to support small business and startup success, it has the advantage of being a reputable and trusted source for office technology, supplies and services, with retail stores conveniently located across Canada. When asked whether they would feel comfortable approaching Staples for small business advice and support, on average entrepreneurs said they would feel ‘very comfortable’; however, had not before considered this. Entrepreneurs become familiar with Staples first as consumers and as they procure school supplies for themselves or their children. Respondents said that they shopped at Staples retail locations when they were starting out, when they need to make one-off or small-quantity purchases and when they are in a rush to meet a deadline. As their firms grow and entrepreneurs require larger quantities of supplies and no longer have time to make the trip to Staples, they source their supplies from bulk online retailers. Entrepreneurs view Staples more as a B2C rather than a B2B vendor.
Staples has the opportunity to become a trusted partner in the success of Canadian small businesses and startups by embedding entrepreneurship as a core value and by providing entrepreneurs with support at the right time and in the right way that evolves with them as they grow their businesses. By empowering staff with the study findings and encouraging them to shadow an entrepreneur for a day or attend a startup meetup group, Staples employees can begin to empathize, think and act like their entrepreneur clients. The following provides commentary on opportunities for Staples to leverage these findings to become the trusted partner supporting startups and small businesses across Canada.

**Virtual Assistant to Startups** - Although entrepreneurs work at all hours and retail stores cannot be open 24/7, Staples.ca can. Staples.ca has the potential to be entrepreneur’s partner in success not just for supplies and services, but also for information, mentorship, networking and exposure. Staples’ website can host informative content, tools and resources for entrepreneurs, including business templates, a community events calendar, and podcasts, videos and forums connected and promoted through social media channels. Staples can leverage its new understanding of entrepreneurs’ challenges and priorities to inform its content calendar, focusing on everything from startup 101 to building out sales channels and customer pipelines, positioning itself as a source for entrepreneur information and support.

**Taking it Online** - Entrepreneurs are increasingly using social media to reach out to customers, seek advice and to learn critical skills. Charlottetown entrepreneur Hannah Bell said that she uses social media to grow her customer base and build stronger relationships with her existing customers. Through sharing valuable content and thought leadership on social media channels, and being online, where and when entrepreneurs are already interacting, Staples can increase its authenticity as a company that understands small businesses and build direct relationships with entrepreneurs and business owners. From hosting online educational events like Twitter chats, LinkedIn discussions and Google Hangouts to sharing educational content, product reviews and showcasing and giving exposure to its small business customers so that more people know about and buy from them, Staples can leverage its social media channels to support the success of small business owners.
Starting Up at Staples - New entrepreneurs often feel isolated working from home and seek out co-working hubs to connect with other entrepreneurs. Staples retail stores can become meeting places for entrepreneurs to connect over Keurig coffee, access wi-fi and a ‘hot-desk’, with an information corner equip with resources and upcoming events for small business owners. Staples can host live startup workshops and demos, startup community events, as well as live-stream major entrepreneur conferences at its retail locations. With special workshops targeting young entrepreneurs, senior entrepreneurs, ‘mompreneurs’ and newcomer entrepreneurs, Staples can fill gaps and add value to entrepreneurs that may be underserved by available support. Entrepreneurs are loyal and remember those who helped them at the beginning. Staples can be there first.

Building a Community - In building out its social media presence, Staples can develop a ‘community’ of customers who consider Staples a source for information, opportunities and exposure and provide them with regular e-newsletters, geo-targeted content and offers, and invitations to its on-site programs and offerings. Overtime this can develop into a new customer pipeline for Staples.

Mentorship - Each Staples location and Staples.ca can have an ‘Entrepreneur-in-Residence’ for office hours each week to provide on-site advice and mentorship to local small business owners and train to employees on how to answer the most common questions of entrepreneurs at different stages in the development of their business.

Community Engagement - To best position itself as a startup-friendly partner, Staples needs to go to the entrepreneurs rather than wait for the entrepreneurs to come to them. Staples employees can attend local startup community events, contribute sponsorship discounts or dollars to worthwhile initiatives that support entrepreneurs, and as it grows its thought leadership capacity, can begin to speak and mentor at events to lend insight to entrepreneurs.

Partnering with National Networks - Some of the greatest sources of information and support for entrepreneurs are professional networks and associations. Entrepreneurs trust and become members of these groups for the networks, opportunities, benefits
and insights they provide. Staples can partner with organizations to add value to their members and to begin to position itself as a champion of startups and small businesses.

*Staples Scholarships* - As the biggest pain-point of entrepreneurs is finding new customers, Staples can celebrate and champion a startup a week by promoting it online, at its stores and even selling its products for a limited time online or at retail locations across Canada. By partnering with professional associations and mainstream media channels, Staples can help to accelerate sales for startup companies to give them a running start through greater exposure.

*Making Startups Part of Staples’ DNA* - From ‘shadow a startup’ day and hosting new employee onboarding at local startup hubs to implementing a small business procurement policy and becoming a first adopter of new startup technologies and services, Staples can live and breathe innovation and entrepreneurship like its small business customers and build entrepreneurship into its DNA.

**Final Words**

Entrepreneurs are passionate about their businesses. They work hard, are competitive and expect a lot from themselves and those with whom they partner. To position Staples as a trusted partner in the success of Canadian entrepreneurs, Staples needs to be equality passionate, committed to service and innovation, and needs to embed entrepreneurship into its DNA so that is can truly serve entrepreneurs in a way that that is authentic, adds value and measurably increases their success. This means being an advocate for small business, providing exposure, marketing training, mentorship opportunities and getting involved in the community. What results is long-term organization-wide transformation where entrepreneurs benefit, Staples benefits and Canadians benefit through more successful businesses that create jobs in our communities.
Fact Sheet

Respondent profile:

- 68 per cent have been in business for more than 1 year
- 60 per cent work more than 40 hours a week and 22 per cent work more than 60 hours per week
- 33 per cent are solo-entrepreneurs, 52 per cent employ 2-7 employees, and 7 per cent have more than 20 employees
- 70 per cent have incorporated their business
- 90 per cent have a business plan complete or in progress
- 80 per cent have a financial plan complete or in progress
- 90 per cent have a website

Motivations

Top 5 reasons entrepreneurs start-up:

1. Filling a gap in the market (55 per cent)
2. Desiring more independence and flexibility (50 per cent)
3. Needing a challenge (45 per cent)
4. Aspiring to change the world (40 per cent)
5. Wanting to create a better future for themselves and their families (37 per cent)

Mindset

- 81 per cent are confident or extremely confident in their future success
- 86 per cent are comfortable taking risks and consider themselves ‘risk takers’
- 68 per cent have competitive personalities
- 80 per cent are likely to start another company and 35 per cent are ‘extremely likely’
- Top words that entrepreneurs use to describe their experience:
Management, Support and Challenges

● 93 per cent possess good time management skills
● 27 per cent have a consistent routine
● Top 3 areas of focus:
  1. Growing sales (40 per cent)
  2. Finding funding (11 per cent)
  3. Growing the team (9 per cent)
● Top 3 concerns and challenges:
  1. Finding customers (35 per cent)
  2. Finding funding (20 per cent)
  3. Managing cashflow (13 per cent)
● Top 3 sources of support:
  1. Experts and coaches (83 per cent)
  2. Professional networks (82 per cent)
  3. Mentors (65 per cent)
● Entrepreneurs rely on professional networks (72 per cent) and search engines (70 per cent) to find support, products and services.
● Top words to describe most pressing challenges:
Sentiments

- 57 per cent feel connected to other entrepreneurs in their community
- 40 per cent felt supported by their community
- 8 / 10 would be comfortable approaching Staples for small business support and advice
- Top products and services that would help entrepreneurs today:
About Startup Canada

Startup Canada is a membership-based organization consisting of a national network of entrepreneurs and small businesses rallying together and collaborating to advance Canada’s global competitiveness and establish this country as the best place to start, build and grow businesses. We do this by working with our members and like-minded organizations to provide and advocate for an environment in which entrepreneurs can succeed and achieve higher levels of prosperity and well-being.

This includes building entrepreneurial competencies, and creating a sense of community engagement where entrepreneurs are able to find access the right support resources at the right time.