

**FROM SOCIAL TO ENTREPRENEURIAL APPROACH**  
*Groupe Convex : the Network of social businesses in eastern Ontario*  
*Businesses, jobs, community development and much more*

**An empirical analysis demonstrating the values of this emerging form of economy in  
rural eastern Ontario**

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**The origin**

Despite the efforts invested by the PRSCA (Prescott-Russell Services to Children and Adults) to be able to integrate disabled clients in employment, a large number of individuals were faced with chronic unemployment. The PRSCA had to find a solution to this problem and this is when the idea of creating a social enterprise has emerged, following a presentation by Mrs. Ethel Côté on this subject. The PRSCA studied various models, in France, Switzerland and the United States in order to replicate them in their region.

But the most obvious differences between the ‘social support’ provided by the PRSCA and the realities of the ‘economic approaches’ requested to accurately favor social economy projects, became bigger and bigger. The PRSCA’s vision of transforming the already existing traditional ‘protected workshops’ into real businesses, lead to justify the importance of creating a separate organization. Leaders of the PRSCA found that their organization couldn’t be both, the social service provider and the employer at the same time! The objectives were not the same.

Following this observation in 2002, a group of community leaders was formed, to discuss and evaluate the ‘how to’ and the possibility of creating a new organization that would become an incubator and an operator of social businesses, which would have the mandate to employ people at risk of chronic unemployment. For 2 years, this committee worked to establish exclusive agreements among various stakeholders, among others, the PRSCA and to plan the processes and procedures of this new organization. One of these agreements were that the transfer payment agency in charge of supporting vulnerable people, would from now on help the network of social businesses to cover the social costs related in employing people with less productivity or gained competencies. The social costs were calculated based on the tool called Business Cost Recovery (BCR). This tool has been developed by Mrs Anne Jamieson, Program Manager of the Toronto Enterprise Fund at United Way of Greater Toronto.

## **The structure**

Finally in June 2004, Groupe Convex Prescott-Russell was federally incorporated and the first board members were elected among the community leaders who initially collaborated to this venture. The PRSCA project leader since 2002 was then well positioned to fill the Executive Director position. Today, Convex is a not-for-profit organization, overseen by a board of Directors.

It is an umbrella organization under which social businesses are launched, or acquired and operated. All businesses are provincially registered and belong to Groupe Convex.

Profits are reinvested within the organization and in the event one business would not do well financially, the beauty of the network is that we view the results of all of the individual business' operations into only one consolidated financial statement. Therefore, some operations do well, others may do less well and it's the consolidated bottom line that counts the most. This structure enables new or challenged ventures to survive while reaching out their mission of creating employment opportunities.

Each business is managed by a manager, an expert in the field of the business, who reports directly to the Executive director.

There are 4 areas of management which are the following. Described below are the indicators on which we evaluate the areas of management. Each criteria reflects either the image, the contributions and the benefits for all stake holders and most importantly, our targeted employees:

- Finance
  - ⇒ Le rendement financier / la rentabilité;
  - ⇒ Les tendances et les possibilités d'avenir;
  - ⇒ Les subventions (autres que Intégra) reçues et potentielles;
  - ⇒ Les possibilités d'accès au financement;
  - ⇒ L'impact sur le réseau;
- Marketing
  - ⇒ L'entreprise réussit, de par sa nature, à se façonner une place de choix, dans le marché, parmi sa clientèle, ses fournisseurs et les regroupements d'affaires
  - ⇒ L'entreprise concurrence de façon saine et loyale et a une niche précise qu'on peut exploiter (répond aux besoins du marché);
  - ⇒ L'entreprise compte des clients fidèles et satisfaits;
  - ⇒ L'entreprise est un vecteur positif pour Groupe Convex

- Relationships

- ⇒ Les partenariats qui sont au bénéfice de notre organisation;
- ⇒ Des liens d'affaires qui contribuent au développement de l'organisation et du réseau d'entreprises;
- ⇒ La position de l'entreprise dans le milieu des affaires et au sein de la communauté;

- Mission

- ⇒ Nombre d'emplois créés pour les employés visés
- ⇒ Nombre d'emplois comblés par des gens non visés et l'influence positive de ces derniers, sur nos employés visés
- ⇒ Opportunités de développement de compétences et de connaissances
- ⇒ Les employés peuvent contribuer au meilleur de leurs capacités
- ⇒ Aires de travail normalisants, stimulants
- ⇒ Conditions de travail bénéfiques pour nos employés
- ⇒ Tâches qui permettent la dignité du risque et le développement concret d'habiletés nouvelles
- ⇒ Fonctions qui offrent la possibilité aux employés de côtoyer des personnes ordinaires (soit les clients, les employés, les fournisseurs)

Today, Groupe Convex is a network of 9 social enterprises employing over 160 people among those, 70 % are people who face serious obstacles on the job market. Most of our targeted employees live with an intellectual disability.

In order for them to contribute as an employee, Convex must offer real work for real pay, and a real business setting for a real employee role! The conversion of former sheltered workshops was an illusion. Few remain of the old centers and on the contrary, new businesses were acquired or launched.

### **The mission**

For Convex employees, our mission is based on the fact that in our northern American society, being at work is one of the most gratifying things. Allowing our employees to be busy, to work amongst a team with very ordinary people, to contribute to the business by sharing their ideas, to develop their competencies and their image, to reach high expectancies... all of this is how we accomplish our goal to create meaningful employment for people who could not otherwise obtain and maintain work, anywhere else, at this point in time.

In fact, Convex strive to measure its mission and got the indicators from the targeted employees, themselves. They determined that ``valorization and gratification at work`` get measured by considering these questions, whether yes or no:

Q1: I have the feeling I am working in stimulating work environment

Q2: I have the feeling I'm important for the business

Q3: I feel I have adequate rights and obligations

Q4: I feel I'm paid according to my performance at work

Q5: I have the feeling I'm part of a team, among the enterprise

Q6: I feel I'm more competent

So, every two years, Convex sends a survey to all of its employees, their tutor or family members and social workers who are in charge of the person. We invite them to complete the survey. In average, the rate of respondents is 69%.

These data are really important for us. Being business oriented may bring a feel of prioritizing the margin of profit. It is important, but most importantly, what really matters is what is beyond the profit! The valued social role of our employees. According to the 3 past surveys, we can assume that we are in fact, on the right track, despite the best is yet to come.

### **The outcomes**

Q1:	2006=91%	2008=96%	2010= 93%
Q2:	2006=92%	2008=96%	2010=94%
Q3:	2006=89%	2008=94%	2010=93%
Q4:	2006=62%	2008=70%	2010=78%
Q5:	2006=96%	2008=93%	2010=94%
Q6:	2006= 94%	2008=90%	2010=91%

The survey is compiled by the social agency which has a quality control department. It is fair to say that the

Foremost, some studies indicate that for every dollar invested to support a social enterprise, the state gets a return on its investment of approximately 400%. It's pretty simple to understand, since being employed, people who work become consumers of goods in their community and this helps fuel up the economy.

Literature also shows that a social enterprise employing people disadvantaged in terms of employability, which represent 77% of all their employees, and managing to generate enough income to cover at least 50% of its costs of operations, would, according to experts, be a company with a capacity to meet such a mission.

Currently, Convex's income from operations combined with other funding sources, accessible to employers and to the expansion of business projects, constitutes over 64% of Convex's operating budget. You may also note that over  $\frac{3}{4}$  of Convex employees have in fact a considerable intellectual disability.

The positive impacts that the Groupe Convex has on the community are:

- \* Economic activities: Convex allows the creation of jobs in various social enterprises for people at risk of chronic unemployment and add to the economic diversity of a community
- \* Alliances: Convex is descended from a collaboration between several community agencies and will force networking among them, resulting in sharing of responsibilities and functions and of best practices
- \* Convex is a collective project allowing stake holders to develop skills and create agreements between them
- \* Awareness: Convex can serve as a model to replicate in rural areas across Canada and increase the awareness of the population, in regards with people living with intellectual limitations.
- \* Solidarity within the community: Convex has a unifying effect in rallying leaders of organizations that are facing the same issues regarding employability and the high unemployment rate
- \* Health: Convex raises awareness about the benefits of working and the importance for the unemployed to work and contribute as citizens. In turn, valorized people who are included in their community demonstrate healthier mentally. They will become better consumers because they will now spend more for their health (exercise, healthy food, etc. ...)

Our organization is relevant because it provides a practical and concrete learning laboratory, derived from an empirical experience from Convex. This will facilitate the ability for stakeholders, to take charge and hope that solutions are possible, by commercial activities, to address the chronic unemployment of people without work. It is also a demonstration that public funds can be utilized in a proactive way.

## **Convex within the community and as an economic engine**

This project enhances the ability of organizational leaders to better serve their clients despite the fact that funding is declining in several agencies.

With the development of the Convex model and learning from this experience, Convex can:

- ⇒ Support community revitalization by launching new businesses
- ⇒ Promote local economic development by supporting “local” ordinary businesses
- ⇒ Promote entrepreneurial diversification
- ⇒ Strengthen capacity for the targeted group of employees so they can be part of the basin of the active workforce in their community
- ⇒ Demonstrate innovation as a means of creating jobs and concluding agreements with other partners
- ⇒ Encourage organizations to take responsibility to counter unemployment phenomena
- ⇒ Allow agencies to rely on other sources of income than the government’s to help their clients

“Lessons Learned” or “Advice to Others” answering

- Emphasize, at the right time, the social cause of the business
- Rely on active board members that are involved in the business sector
- Benefit from the private sector collaboration
- Seize business opportunities according to the local business needs
- Be a loyal competitor and sell at the market price or above
- Hire managers that are experts in the field and are ‘business wise’
- Create an emotional involvement amongst the managers
- Do ‘good business’, the business way. Do not do it for charity, do it for business
- Seek ongoing business exposure
- Increase the reputation of higher quality of goods and services
- Generate revenues, operations & grants, from various sources
- Maintain and develop business niches which allow the person’s (targeted employees) contributions

Among the network, our social enterprises show the real meaning of social inclusion through the act of working and demonstrate that social economy is a gain not only for the targeted workers, but for an entire community.

Recycle-Action is still a new venture that was launched in 2008, after a need analysis and what is amazing about this particular one, is its ability to respond to the needs of the community while reaching its social mission. The business consists in collecting recycling products at our local Institutional, commercial and manufacturing organization

for which, in Hawkesbury, there are no municipal service provided for these corporate tax payers. Instead of landing in landfill, these products are collected, sorted and sold to pulp and paper mills. Employing 8 people who now have received fork lift training and other health and safety courses, Recycle-Action recycle near 600 tones of cardboard, papers and other fibers, while providing gratifying jobs for a 2 drivers, a coordinator and 5 maneuvers. The site has also been approved for the Ontario Stewardship program, where we collect electrical and electronic wastes and then ship these wastes to provincially approved recycling facilities. It creates jobs, it reduces the amount of wastes to landfill and it provides a service in the municipality for corporate taxpayers. Everyone wins. Our employees are perceived as offering valuable services for the municipality; they are now known by the business community and they are positively recognized.

Another example is Menuiserie Casselman Woodshop. Being a supplier for Rona, Botanix and Home Hardware, our products are of high quality, handmade and made out of top quality western red cedar. We now look to export some outdoor furniture in France, because of a grant we have received from the government of Canada, through Fondation Yves Landry, that helped us train our employees on a new machinery. This bee hive employs, among its various local employees, a former bank manager. We can imagine what this does to self esteem for employees previously at high risk of exclusion, to be seen enjoying a beer with the former bank manager at the local restaurant! The emphasis of our social businesses to employ not only people targeted by our mission, but also, very ordinary people, is in order to favor social interaction and competencies development among all of our employees who are proud to work among a team and proud to be associated with a business that sells high quality products done by high quality employees!

In a short period of time, Convex has accomplished the following, because of our devoted employees and board of directors :

- In February 2010, the Executive Director was the keynote speaker at Christian Horizon “Work for Inclusion” conference, in Ottawa
- In November 2009, the Executive Director was the guest speaker in Marseille on social economy
- In November 2009, Convex was finalist for the excellence Award of Ontario Trillium Foundation, in Toronto
- Convex was one of the 4 finalists at the Angels for Social Enterprise (Dragon’s den for Social Businesses), held in November 2009 at the 3<sup>rd</sup> Canadian Conference on social enterprise, in Toronto
- Convex organized the 1st International Conference on Social Enterprise in June 2009, in Prescott-Russell, which brought together 250 participants from Europe, British Columbia, Saskatchewan and Abitibi and Rouyn-Noranda
- Convex was presented with a commemorative gift from the Canadian Council of Social Enterprise on the occasion of its 5th anniversary of incorporation
- In October 2008, Convex’s Executive Director was awarded the title of Economic development leader of the year at the FADER Conference

- Convex has initiated exchanges and partnership agreements with a French social enterprise (2 opportunities for Canadian workers (5 people) to live an experience of working within social enterprises in France, and vice versa)
- Convex received the Award for Excellence in Innovation from the Ontario Rehabilitation, Work and Community, for its Recycle-Action project which responds to social, economic and environmental needs of the Municipality of Hawkesbury.
- Convex has been cited as a model for successful social enterprises, at the World Forum on Social Enterprise held in Edinburgh, Scotland, Great Britain, in August 2008
- Convex has participated in 2 university projects: Algoma University and Simon Fraser University, whose results remain the significance of our initiative
- In June 2008, Convex' approaches were positively addressed and commented on at the International Conference on Social Role Valorization, held in Sydney, Australia
- Convex' Director was guest of honour at the Annual Conference of "Cadres des Centres d'Aide par le Travail", held in November 2007, in Agen, France

Convex is a small not for profit organization, doing good things for its community and for the citizens for which it exists. The ideal situation would be that everyone could obtain and maintain a job on the ordinary market stream! Convex appears to be one of the viable solutions to counter chronic unemployment among the vulnerable people living with a considerable intellectual disability. We can say that at work, these people are not clients, they are contributing employees!