

Idea Name: London Immigrant Business Entrepreneurship Accelerator Centre

Organization: The London Multicultural Community Association

Description: The idea is to create a program that will assist immigrants to start their own businesses in London. During its first phase, the program will focus on immigrants who have gained experience and skills in running their own business in their home country. The program will refer them to existing agencies (such as the Small Business Centre, the LEDC) and will provide services that currently do not exist (or only exist partially) - such as subsidised shared space, mentorship, legal and accounting services. The multicultural community has identified the need to assist foreign-born entrepreneurs as the lack of preparation and lack of understanding of Canadian business operation can be detrimental to the successful establishment of a business. Immigrants and Canadian-born entrepreneurs alike face many of the same challenges; however, immigrants face some unique additional barriers. This has been demonstrated in the WISE-5 Report (<http://www.wise5.ca/wp-content/uploads/Wise5-MAR2012-web.pdf>) which corresponds with other studies on this topic.

Status: While similar ideas have been successful in other communities, we want to substantiate the need for such a program and demonstrate its feasibility in London. The first phase will be to conduct a feasibility study.

Partners: The partners (in alphabetical order) are the City of London, the Ivey School of Business, the LDBA (Downtown), the LEDC, the London Multicultural Community Association, the Ministry of Training, Colleges and Universities, the Old East Village, the Small Business Centre, and WIL. Additional partners may be identified as the project moves forward.

Cost to implement this idea: \$2,100,000 initial capital investment in a property. \$500,000 annual operating budget.

Funding requested from the City if any: \$700,000 towards the capital investment. \$170,000 annually for the next 10 years towards the operating expenses.

Will this idea move forward without City of London funding? Yes, but without the City's initial support, it will take more time to bring other partners.

Will your idea create jobs? Yes

How many jobs it will create: 21-50

Tell us about the job created

Full time (32hrs/week)

Permanent

Student/co-op, entry level, mid-level

Salary

20,000 – 40,000 (12-20/hr)

40,000 – 60,000 (20-30/hr)

What sector will this create jobs in? Retail Trade, food services, professional and technical services, culture

Is there anything else you can tell us about how your idea will create jobs? The program will educate and prepare skilled and experienced immigrants on how to start and operate their first business in London, and will assist and mentor them during the first years. This will increase their chance to become a sustainable business and create permanent jobs. We trust that each business will create at least two jobs (or self-employed). If it is a family business, it will probably employ more than two people, perhaps on a part-time basis. In addition, indirect jobs will be created as a result of the local multiplier effect

Will this idea leverage investments from others? What kind? How much?

The goal is to raise funds from Federal and Provincial governments, as well as from private and public foundations, corporate sponsorship and angel investors. Usually these individuals and organizations look to match funds, and once the City contributes its share, it will be easier to get the other funds. The goal is to raise \$2 for each Dollar that the City will contribute.

Will this idea stimulate spin-off benefits? What type? How? When? Where?

The spin-offs are three-folds: 1) Immigrants who will be employed (or self-employed) by the new businesses will not become clients of the social services. 2) Each new business will purchase goods and services from other businesses in London. If each business purchases goods and services at

the value of \$150,000 per year, 10 new businesses will purchase \$1,500,000 per year. This is 8.8 times the City's annual investment. This contribution to the London economy will create additional indirect jobs as a result of the multiplier effect. 3) The new businesses, once they move to spaces that will be rented at market rate, will generate direct assessment growth. Other businesses that will benefit from the local multiplier effect will generate indirect assessment growth.

Will this idea build new or existing partnership? How?

The idea will build new partnerships between the immigrants' community and existing organizations and agencies.

Will this idea benefit emerging or established industry sectors? How?

This idea will benefit the local retail sector, will strengthen the immigrants' community and, its local multiplier effect will benefit wholesalers, importers and other goods and services providers in London.

Will this idea fuel transformative change in London's economy? If so, how?

Small businesses and immigration are two important and well- recognized boosters to local economy. Over the past decade, 98.5% of new jobs in Canada were created by firms with under 100 employees, and almost 60% were created by firms with fewer than five employees. This idea combines the promotion of small businesses with the urgent need to facilitate the incorporation of newcomers in Canadian labour markets. This idea may assist in retaining local talents and attracting more immigrants to London, as they may be enticed by this program.

"Opportunities for business start-up and success can help Canada in the growing competition for growing talent. Improved labour market integration can help alleviate the emerging phenomenon of "reverse brain drain" in which persons with global ties leave Canada to pursue economic opportunities elsewhere. Barriers to economic advancement in Canada may mean that Canada will be bypassed as an immigration destination in the future." (WISE-5)

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