

Greater Moncton Local Immigration Partnership Immigrant Entrepreneur Survey

Summary of Findings

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Prepared for: The Greater Moncton Local Immigration Partnership

Prepared by: Jupia Consultants Inc.

1. Summary of Findings

Immigrant entrepreneurs are an increasingly important part of our business community. The Greater Moncton Local Immigration Partnership developed a survey to help us understand how immigrant entrepreneurs are faring in the region. The survey was made available in both English and French. This report provides a summary of the findings. There were 48 responses to the survey that were either fully completed or mostly completed. The survey was split into those who already owned and operated a business in the Greater Moncton region and those that are thinking about starting or acquiring a business. There were 25 responses to the survey from existing business owners and 23 from prospective entrepreneurs.

Among those thinking about starting/acquiring a business, a few interesting highlights include:

- The survey was filled out by prospective entrepreneurs from 15 different countries of origin.
- Most arrived as skilled workers and are now permanent residents.
- Among those who have decided, technology-based firms are the top opportunity being explored.
- Only a minority were aware of the support programs available in Greater Moncton.
- Access to capital was the top mentioned barrier to starting a business – this concern was validated by the current immigrant entrepreneurs – few received funding from a Canadian bank.
- Business financing, market research and knowledge of local business opportunities were the three top areas where prospective entrepreneurs felt they needed more help.

Among the immigrant entrepreneurs, a few interesting highlights include:

- The survey was filled out by entrepreneurs from 14 different countries of origin.
- The majority of respondents were female (the opposite of the prospective entrepreneurs).
- Unlike the prospective entrepreneurs, the vast majority came under the PNP – Business Stream.
- 86% have been in business less than three years.
- Retail/wholesale, personal services, business services and food services are the main sectors.
- Most businesses are very small – 16 have less than five employees and only one has more than 20.
- Six of the firms serve international markets, four Canadian markets and four New Brunswick-wide. 10 serve only Greater Moncton.
- 10 firms are planning to expand in the near future.
- 12 are active with their local ethnocultural association.
- Networking and mentoring are the two top services that would help immigrant entrepreneurs be successful in the region. Financial knowledge and marketing are also top concerns.
- The top challenge faced by these entrepreneurs is generating sales (by a wide margin). Other challenges include the business environment, government regulation/tax system and recruiting/retaining staff.
- Most of the entrepreneurs are not aggressively promoting themselves through traditional media and other marketing channels. They are involved in social media.
- When asked what is different here compared to other places the main answers are: small size, things move much slower here, and cultural differences.

2. Profile of immigrants thinking about starting/acquiring a business

Demographic profile

Of the 23 immigrants who are thinking about starting a business in Greater Moncton, 18 (or 78%) are between the ages of 30 and 44). Only two (9%) are over the age of 45. Sixteen of the 23 are males (70%). The potential immigrants come from 15 different countries including Algeria, Armenia, Bangladesh, Belgium, Bosnia and Herzegovina, China, France, Italy, Lebanon, Morocco, Romania, Russia, Syria, Ukraine and Uzbekistan. There were four from Armenia, three from Lebanon and two from Algeria, Belgium, Morocco and Ukraine.

Figure x: Age breakdown of immigrants thinking about starting a business in Greater Moncton



Immigration pathway

Of the 23 immigrants who are thinking about starting a business in Greater Moncton, the majority are permanent residents (14). Three are waiting for approval under the Provincial Nominee Program, three have a work permit, two are already Canadian citizens and one is an international student.

Table x: Status in Canada of prospective entrepreneurs

Permanent resident	14
Pending Approval for Provincial Nominee Program	3
Open Work Permit	3
Canadian Citizen	2
International student	1

The majority of immigrants thinking about starting a business came to Canada under the PNP - Skilled worker program (14). Only two came under the PNB – Business stream.

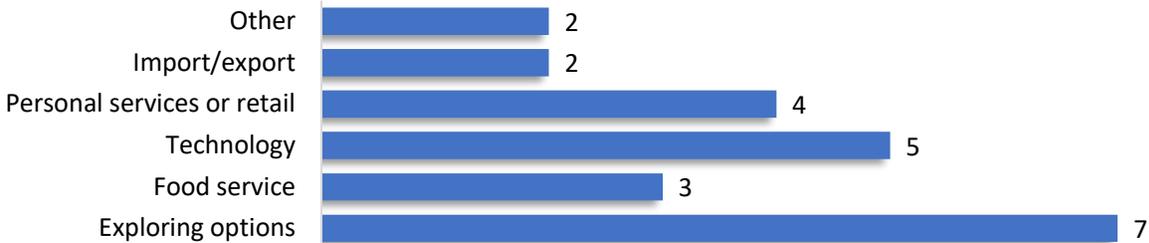
Table x: Program used to come to Canada - prospective entrepreneurs

Provincial Nominee Program – Skilled worker	14
Work permit	3
International student	2
Provincial Nominee Program – Business stream	2
Atlantic Immigration Pilot	1
Family sponsorship	1

Industries being considered

The prospective entrepreneurs were asked to indicate what sector they are considering the establishment of a new business. Seven (or 30%) haven't decided on a sector yet. Five (22%) are considering the establishment of an information technology-based business, four are considering retail/personal services, and three are considering food services.

Figure x: Sectors being explored – prospective entrepreneurs



The prospective entrepreneurs were asked if they are working with a business broker or commercial real estate agent. Only six (26%) were currently using these services. When asked if they were interested in franchise opportunities, nine or 39% of the total respondents indicated they would be interested in starting a franchise business.

Timing

Nine prospective entrepreneurs are planning to set up their new business venture in 2018, six in 2019 and the rest were unsure.

Perceived barriers to starting a business

There was not a consistent pattern in the responses to this question. The most common response was related to the challenges accessing capital (6 out of 23). Other issues mentioned by more than one survey respondent included lack of market knowledge, regulation/permitting and the challenges of finding a suitable opportunity.

Knowledge of startup support ecosystem

Among this group of prospective entrepreneurs, a minority claimed to know about the services offered in the community for startups. The 3+ Business Immigrant Mentorship Program was the best known followed by municipal government economic development departments.

**Figure x: Knowledge of startup support ecosystem – by service provider
(Number that answered yes – some were left blank)**



Entrepreneur support

The prospective entrepreneurs were asked if there were areas where they could use more support. Only 19 of the 23 respondents filled out this section. It is unknown if this is because they do not need any support, or they just didn't fill out this part of the survey.

Of the 19 that filled out the survey, 63% said they would like help with business financing, nearly 60% indicated they needed more market research, nine said they could use better knowledge of local business opportunities.

Table x: Areas prospective entrepreneurs would like more assistance/support

Business financing	12
Market research	11
Knowledge of local business opportunities	9
Accounting/bookkeeping	7
Site selection	5
Hiring staff	5
Export development	3

The three other areas mentioned were: a list of businesses for sale, help with business plan development and sponsorship.

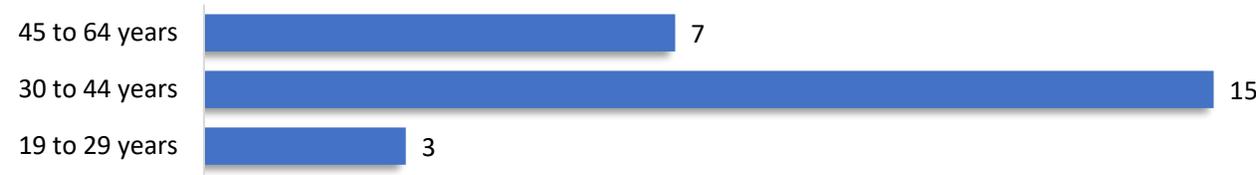
3. Profile of immigrants who already own a business in Greater Moncton

Twenty-five survey respondents already own a business in Greater Moncton. They were asked a broader set of questions compared to the prospective entrepreneurs.

Demographic profile

Of the 25 immigrants who already own a business in Greater Moncton, 15 (or 60%) are between the ages of 30 and 44). Seven (28%) are over the age of 45. Fourteen of the 25 are females (56%). The immigrant entrepreneurs come from 14 different countries including Algeria, Armenia, Cameroon, China, France, Hungary, India, Israel, Lybia, Martinique, Russia, Turkey, Ukraine and Vietnam. There were five from Vietnam, four from France, three from Ukraine and two from China.

Figure x: Age breakdown of immigrant entrepreneurs



Immigration pathway

Of the 25 immigrants who are thinking about starting a business in Greater Moncton, the majority are permanent residents (18) and five are Canadian.

Table x: Status in Canada of immigrant entrepreneurs

Permanent resident	18
Canadian Citizen	5
Open Work Permit	1
Pending Approval for Provincial Nominee Program	1

The majority of immigrant entrepreneurs came to Canada under the PNP – Business stream (12). Eight two came under the PNB – Skilled worker stream and three came here to study before starting a business.

Table x: Program used to come to Canada - immigrant entrepreneurs

Provincial Nominee Program – Business stream	12
Provincial Nominee Program – Skilled worker	8
International student	3
Work permit	2

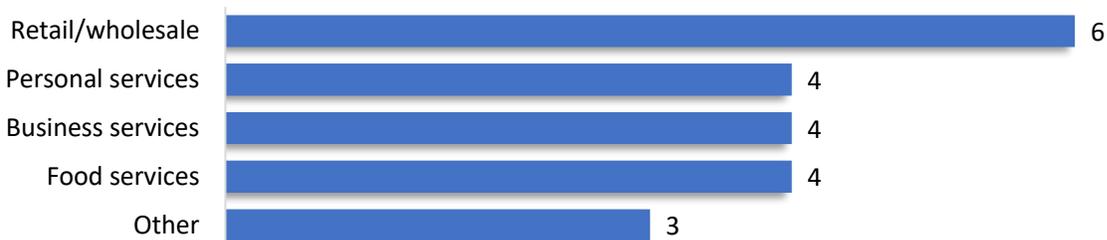
Length in business

The vast majority of immigrant-owned businesses in this survey have been in business for less than three years. Of the 21 firms that answered this question, seven have been in business less than a year and 19 have been in business less than three years (86%). Twelve of the businesses – a majority – owned a business before than came to Canada.

Industries

The entrepreneurs were asked to indicate in which industry they are operating a business. Only 21 firms filled out this question. Of them, six (or 29%) are in the retail or wholesale trade sector. Four (19%) are in personal services, four are in business services, four in food services and one each in accommodation, manufacturing and transportation.

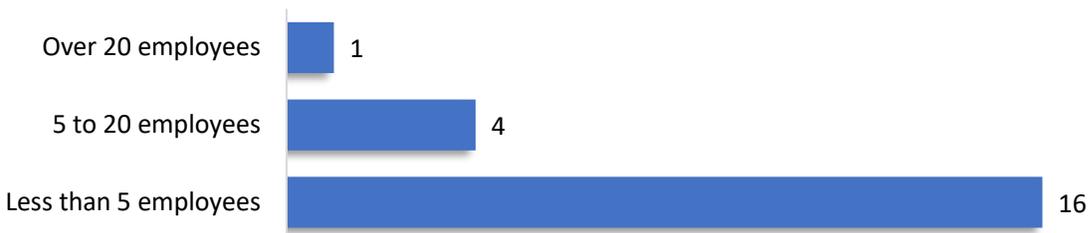
Figure x: Greater Moncton immigrant entrepreneurs – by industry



Size of the business

The businesses that filled out the survey collectively employ more than 300 people in the Greater Moncton region. However, one firm employs the majority of those workers. In general, the immigrant entrepreneurs have limited employment. Sixteen of the 21 responses (or 76%) have less than five employees, four have between 5 and 20 and only one has more than 20 employees.

Figure x: Greater Moncton immigrant-owned businesses – by employment size



Financing the business

The entrepreneurs were asked to indicate how they funded their new business at startup. All but one used their own personal finances to start the business. Only five accessed a Canadian bank or other Canadian financial institution and one used an international bank.

Where they do business

The majority of immigrant-owned businesses in this survey are based in Moncton (12). There are eight in Dieppe and one in Riverview. Five of these businesses do not have a physical business location. When asked where they generate revenue, 10 or just under half only do business in the Greater Moncton region. The second most active market is international as six firms generate revenue outside of Canada. Four do business elsewhere in New Brunswick and four elsewhere in Canada.

Figure x: Greater Moncton immigrant-owned businesses – by markets served



Most of the businesses have a physical retail store or office. One firm operates at a farmers' market and two generate revenue online. Nineteen of the firms do business in English, 10 in French and six in other languages. Eight businesses operate in both English and French.

Expansion plans

Eighteen of the firms answered this question. Of them, 10 are planning to expand in the near future. When asked where only five provided an answer – two are opening online and three a new physical space in either Moncton or Dieppe.

Entrepreneur support

The entrepreneurs were asked what services they think are missing that would help immigrant entrepreneurs be successful in the region. Of the 21 respondents to this question, the top identified need was business networking followed by mentoring, financial knowledge, marketing and, last on the list, hiring.

Table x: Areas immigrant entrepreneurs would like more assistance/support

Networking	12
Mentoring	11
Financial knowledge	10
Marketing	8
Hiring	6

Challenges attracting customers

Twelve firms indicated they were having some difficulty attracting customers. The four entrepreneurs who speculated as to why suggested they were struggling to understand their clientele.

Working with government

The entrepreneurs were asked if they had or are having any challenges with government regulation. Six of the firms said they were having challenges. When asked for specific responses, one entrepreneur suggested everything takes longer here than back in Europe. Two entrepreneurs indicated they had concerns with CRA - some trouble filing taxes and faced “a lot” of penalties. One felt their interaction with the provincial government was challenging – they had a hard time getting their deposit back. Finally, one entrepreneur is having challenges with the Canadian Border Services Agency.

Top challenges

The immigrant entrepreneurs were asked to list their top three challenges. There was a wide range of issues depending on the industry ranging from trouble importing goods to challenges hiring specialized workers. The top challenges were grouped into themes and are listed in Table x. The top challenge, by far, was the ability to generate new business/sales. Most of the firms listed this as one of their top three challenges. Challenges with the ‘business environment’ was the next highest theme. This is a catchall theme that covers everything from working in English to the Canadian business culture.

Government regulation and the tax system was cited by seven of the entrepreneurs. Seven of the immigrant entrepreneurs are having trouble recruiting and/or retaining staff. Five are struggling to access capital. Only one firm listed business costs as a top three challenge.

Table x: Top challenges to being successful in Greater Moncton

Generating sales	16
Business environment	9
Government regulation and tax system	7
Recruiting/retaining staff	7
Access to capital	5
Networking and mentorship	3
Access to suppliers	2
Business costs	1

If I had known then what I know now.....

The entrepreneurs were asked to answer the question: what do you know now that you would have liked to have known before you started? Only 17 entrepreneurs filled out this question and the responses can be broken into four themes:

- Taxes are higher here than expected.
- The entrepreneurs would like to have known more about the business culture.
- They should have done research to have a better understanding of local markets and habits.
- The tax system and regulatory environment is more complex than expected.

Availability for training

When asked what time of day are they available for training programs, the most common response was morning (14) followed by evening (11) and weekends (9). Weekday afternoons were only a good time for four respondents.

Involvement with an ethnocultural association

When asked if they are active with a local ethnocultural association in the Moncton region, 12 said yes. Of the ones that said no, have said it was because they were unaware of an association.

Understanding their competitive landscape

The immigrant entrepreneurs were asked how well they understand the competitive landscape in their chosen industry. Nine suggested they have a thorough understanding of their competition, eleven indicated they have some knowledge of their competition, and two suggested they have limited or no understanding of their competition.

Promoting their products and services

The immigrant entrepreneurs were asked how they promote themselves to access new customers. Only six firms undertake traditional marketing and advertising (e.g. television, radio, newspapers, billboards, etc.). The most common marketing tool is social media as 14 firms use this approach to promote themselves to new customers. Eleven firms rely on local networking and six on word-of-mouth.

Differences between here and other countries

The entrepreneurs were asked to weigh in on the differences they have seen in this market compared to others they are familiar with such as their home country. The findings can be grouped into themes:

- Several cited the small market size as a difference between other markets.
- A number indicated that things move much slower here than other markets.
- Several indicated cultural differences can be a challenge.