



iLaunchHERproduct

# A DEEP DIVE INTO THE RACIALIZED, BLACK AND IMMIGRANT WOMEN-OWNED BUSINESS APPLICANTS

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# ABOUT DE SEDULOUS WOMEN LEADERS

Founded in 2018, de Sedulous Women Leaders is a social enterprise that supports women's equality in business and economic advancement for the immigrant, black, and women of colour community in business. By helping business-challenged entrepreneurs, start-ups, and medium enterprises to grow and scalable their ventures, de Sedulous Women Leaders has developed retail-specific and business-growth-appropriate support programs to meet its target constituents' needs. All their programs flow through de Sedulous Women Retail Incubator and Entrepreneurship School (SERIES); the Retail Entrepreneurship Acceleration Program (REAP) with **iLaunchHERproduct** is the first of its kind retail-focus acceleration, vendor-buyer connect in Canada. De Sedulous Women Leaders is a safe space where immigrant women (black women, women of colour, BIPOC) are empowered to embrace their business journey. Focusing on their unique business model, they develop, explore and challenge their mindset for barrier-breaking success, and find meaningful business resources to help grow, scale and expand their business venture. The organization's mission in the entrepreneurial ecosystem is to amplify the voices of all women in business and tell their stories from a unique point of view – their products. Their goal is to ensure "**#NoWomanShouldBeLeftBehind**," a slogan behind the Social Development Goal (SDG) #5, Gender Equality, that the organization strives to fulfill through this program.



# ABOUT EDC

Export Development Canada (EDC) is a financial Crown corporation dedicated to helping Canadian businesses make an impact at home and abroad. EDC has the financial products and knowledge that Canadian companies need to confidently enter new markets, reduce financial risk and grow their business as they go from local to global. Together, EDC and Canadian companies are building a more prosperous, stronger and sustainable economy for all Canadians.

**For more information and to learn  
how we can help your company,  
visit [www.edc.ca](http://www.edc.ca).**



## INTRODUCTION

According to the Survey on Financing and Growth of Small and Medium Enterprises, 2020 by Innovation, Science and Economic Development Canada, 16.8% of Canadian small- and medium-sized enterprises (SMEs) are majority women owned, .7% are majority Black owned, and 28.7% are immigrant owned. To date, there's been very little research conducted in Canada on the intersectionality of these business owners. We do know from research that this population makes an important contribution to the Canadian economy<sup>1</sup> and associations, departments, and the Canadian government are investing in programs to help racialized, Black and immigrant women-owned businesses succeed. The iLaunchHERproduct program was born out of these investments and designed to help racialized, Black and immigrant women, whose businesses are retail-ready, to:

- Connect with buyers
- Develop capacity skills
- Build networks
- Provide support and tools to help them succeed in the space

The national program was created by de Sedulous Women Leaders, a network of women committed to empowering, mentoring, supporting, and educating immigrant women entrepreneurs in Canada. The program is designed “to democratize product visibility, product accessibility and product shelf-presence by empowering immigrant women entrepreneurs across Canada to create great products worthy of big-box retail stores shelves and supporting them to scale up business.”

The data in this report were collected from a purposive sample from the iLaunchHERproduct applicants. The application questions included:

- Multiple choice;
- Single choice; and
- Open-ended questions about the business firmographics, background, challenges, growth goals, and experiences growing into retail.

The data were analyzed in a program called IBM Statistical Package for Social Sciences (SPSS) and the open-ended questions were coded into themes for analysis manually within the software. Secondary research was also used to understand and cite feedback already gleaned from this community. This report aims to highlight the characteristics, challenges, and growth aspirations of the 157 iLaunchHERproduct applicants and combine insights from research already conducted. It'll also review the actions of those who are already successful in retail to forge a blueprint for those just starting out. Additionally, based on the data, the report will provide actions that racialized, Black and immigrant women-owned businesses, and their partner institutions, associations, or departments, can take to support their retail journey.

<sup>1</sup>Immigrant-led SME Exporters in Canada, Global Affairs Canada

# BUSINESS CHARACTERISTICS, THEIR WHY & PRODUCTS

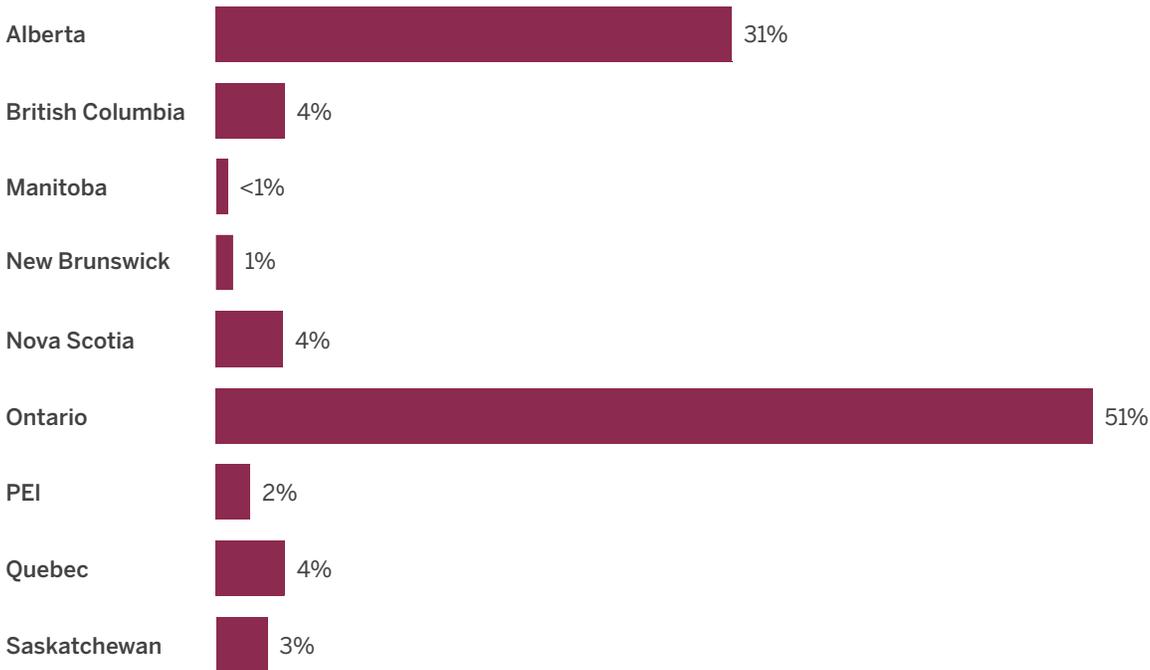
Most research disaggregates women, racialized, Black and immigrant experiences. In this research, we must keep in mind that there's a high intersectionality of those who self-identify as Black (92%), racialized (83%) and immigrant (78%). The women business owners who identified as immigrant were mostly born in Western Africa (48% with Nigeria the country cited most often). The intersectionality increases the systemic barriers the applicants face when trying to get into big-box and retail stores.

At the time of the application, 25% of the racialized, Black and immigrant women-owned businesses were already in retail. When insights from those currently in retail can be used as learning opportunities for those who aren't, they'll be called out throughout this report.

The business owners live across Canada. The women who applied to the program represent 42 cities. The majority are in Ontario (51%), specifically in Toronto, followed by Western Canada (38%), specifically in Calgary, Eastern Canada (7%) and Quebec (4%). Other research has identified that 17% of Black women-owned businesses operate in Quebec<sup>2</sup>. In this case, applicants from Quebec were underrepresented compared to those in other provinces due to lack of funding for translation of program materials.

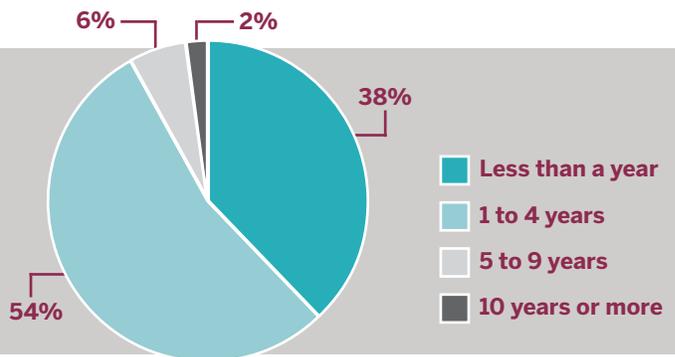
**"Some retailers didn't want to deal with me because I was a Black woman. Other retailers accepted me because of the products."**  
Anonymous program applicant

## Province



## Number of years in business

Most applicants started their business less than five years ago (38% less than a year; 54% between one and four years). Only 2% had been in business for 10 years or more. Those who started their business less than a year ago likely haven't tried to get into big-box stores yet. Those who have been in business for five years or more are more likely to be selling in big-box stores.

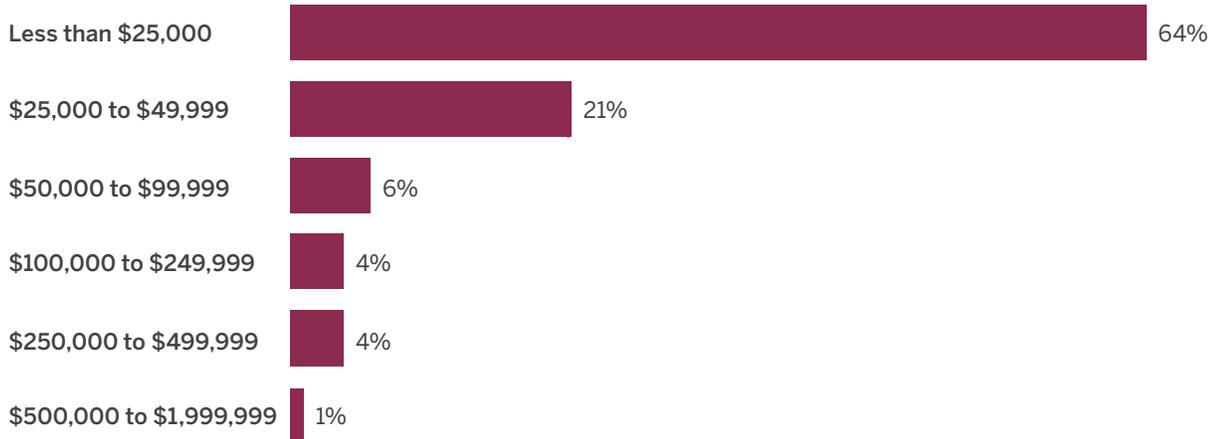


<sup>2</sup> Black Business and Professional Association, Casa Foundation, de Sedulous Women Leaders, & Women Entrepreneurship Knowledge Hub. (2021). Rise up: A study of 700 Black Women Entrepreneurs. <https://wekh.ca/wp-content/uploads/2021/04/BBPA-Rise-Up.pdf>

The majority of the women-owned businesses in this cohort were making less than \$25,000 in annual sales (64%). It's important to note that traditionally, these businesses wouldn't be included in most Statistics Canada data where only registered businesses earning more than \$30,000 annually are counted. About one-fifth (21%) of applicants

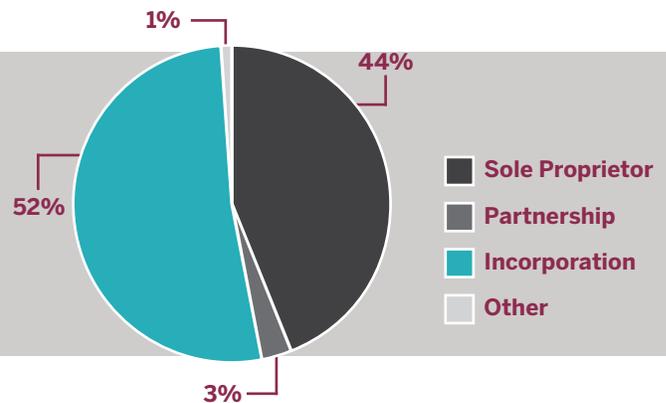
were making between \$25,000 and \$49,000. There were only two businesses making \$500,000 or more. The businesses that were earning more than \$50,000 a year were more likely to be selling in retail (although almost half of the businesses currently in retail (46%) have annual sales less than \$25,000).

### Annual sales



### Business registration

Not only are the racialized, Black and immigrant women-owned businesses that applied for iLaunchHERproduct smaller than what's typically found in Statistics Canada data, they're less likely to be incorporated than the SME population. In 2020, 89% of Canadian SMEs were incorporated<sup>3</sup> while 52% of the applicants are incorporated.



### iLAUNCHHERPRODUCT

The business leaders who applied to the iLaunchHERproduct program have a deep-rooted connection to their communities and the customers they're trying to serve. When talking about their business, they used words and descriptors, like:

- Business born to empower a specific community/focus on self-care (36%)
- Business born to address a specific need (27%)
- Business prioritizes natural and sustainable products (27%)
- Creates food or beverage experience (23%), homemade/handmade (10%), unique (9%)
- Business born out of a moment in time/life event (8%)

Even when they describe their products, under half (40%) indicated they're non-toxic, organic, and contained high-end materials; 19% talked about the cultural influences that play a part in the creation of their products; 15% described their products as unique and filling a gap in the market, and the rest used product categories to describe what they offer.

The highest proportion of the applicants are in beauty and skincare (26%), followed by food and beverage (24%), clothing, fashion, and accessories (12%), and books (lifestyle & educational) and stationary (8%).



26%



24%



12%



8%

<sup>3</sup> Survey on Financing and Growth of Small and Medium Enterprises, 2020



Surprisingly, most of the applicants don't have business certifications (87%) or product certifications (69%). Only 8% of applicants are certified women-owned businesses; 3% are Canadian Aboriginal and Minority Supplier Council (CAMSC); 1% Women Business Enterprise (WBE) and <1% are certified "Made in Canada." Applicants with no business certifications weren't likely in big-box stores at the time.

For those who had certifications, the most common included:

- Global Standard 1 (GS1) (12%)
- Canadian Food Inspection Agency (8%)
- Food and Drug Act (2%)
- Food Handlers Certificate (2%)
- Safe food for Canadians (1%)
- Children Product Certificate and Report (1%)
- Other certificates were held by under 1% of applicants (Conformité Européenne (CE) Certificate, diversity & inclusion, cosmetology, circular economy packaging, brand reputation compliance, ISO22000, DIN, Leaping Bunny certified cruelty-free, good manufacturing practices and Alberta Health & Safety certification). Those who had the GS1 certification were more likely in retail stores.

The applicants who sell goods indicated they mostly manufacture their products in Canada (81%). The next closest was China (9%), Nigeria (8%), United Kingdom (3%) and United States (3%). Around 1% of participants manufacture their products in Cameroon, Ghana, Hong Kong, India, Pakistan, Turkey, Togo, Vietnam and Kenya.



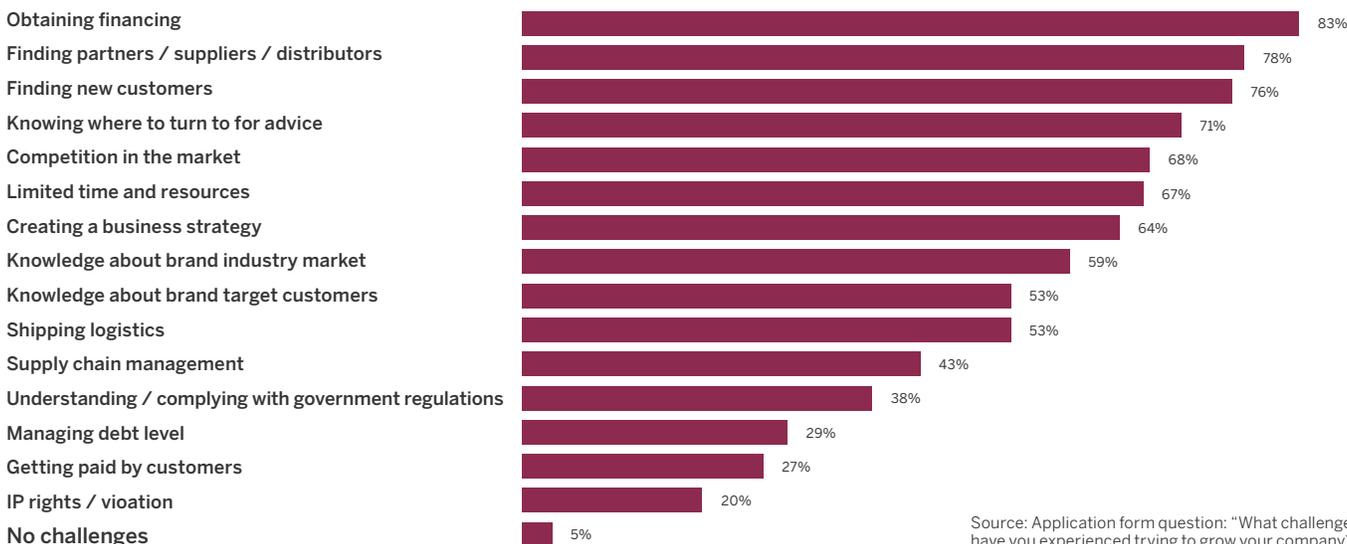


## CHALLENGES TO OVERALL BUSINESS GROWTH

Research has shown that most businesses have a multitude of challenges growing. For the majority of applicants (83%), the top challenge is obtaining financing. These applicants are predominately located in Ontario, Quebec or Atlantic Canada. The buck doesn't stop there: Applicants also indicated that

finding partners (78%), finding customers (76%), knowing who to turn to for advice (71%), competition (68%), limited resources (67%) and creating a business strategy (64%) were all top of mind. Only 5% of the applicants indicated they don't have challenges to growing.

### Business growth challenges



Source: Application form question: "What challenges have you experienced trying to grow your company?"

The need for financing is further illustrated by the fact that 82% of the applicants require funding to deliver on a buyer's purchase order. Unfortunately, for the racialized, Black and immigrant women-owned businesses, only 7% have

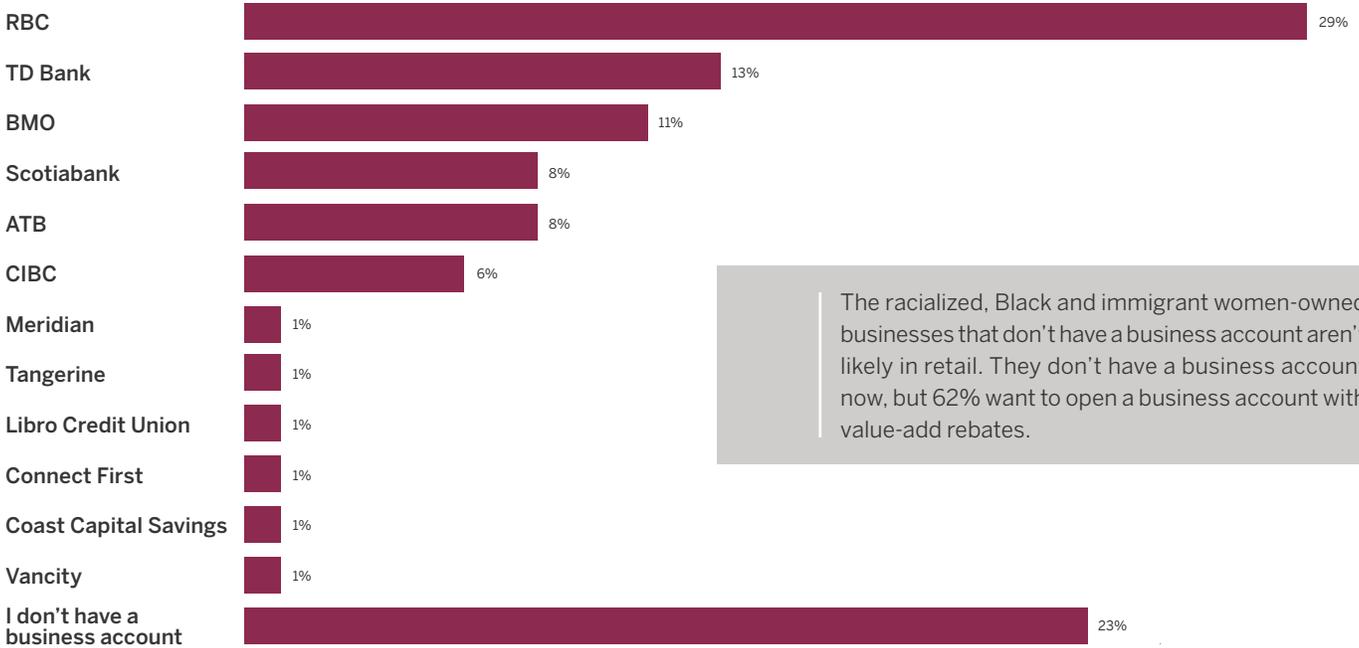
received funding (from a financial institution, Shopify or by the retailer) in the past to deliver on a purchase order. The good news is that 96% of applicants are willing to work with iLaunchHERproduct to get their purchase orders financed.

# FINANCES & FINANCING AS A TOOL FOR GROWTH

Since financing is a top challenge, the current banking situation of the applicants was explored. Almost one-quarter of the applicants don't have a business account. Others are

using RBC, TD, BMO, ATB Financial, Scotiabank, CIBC, Coast Capital Savings, Connect First, Libro Credit Union, Meridian, Tangerine and Vancity.

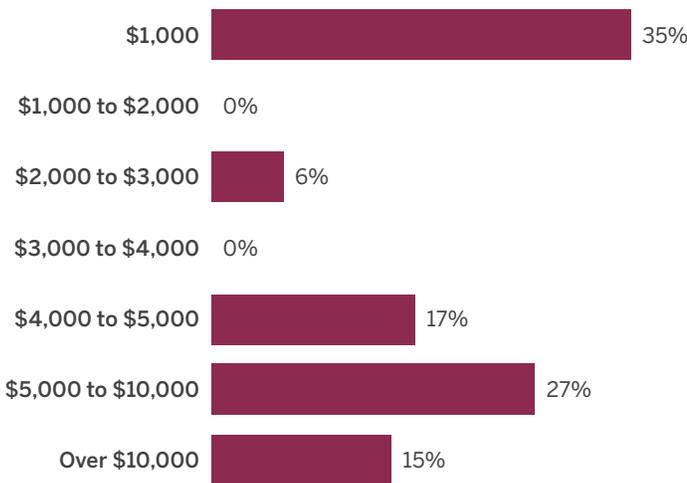
## Financial institutions used for business account



The racialized, Black and immigrant women-owned businesses that don't have a business account aren't likely in retail. They don't have a business account now, but 62% want to open a business account with value-add rebates.

Source: Application form question: "Which bank do you have your business account?"

## Credit preferred on credit card



Source: Application form question: "What amount of business credit card limit would you prefer?"

The majority of the applicants (57%) don't have a business credit card either. Typically, the reasons they cite for not having one include:

- Using a personal credit card (44%)
- Didn't think to get one specifically for the business (23%)
- Got denied (13%)
- Gave up trying after several attempts to get one (6%)
- Being told they wouldn't get approved even before applying (4%)
- Have a personal line of credit (2%)

Half of all the applicants would like to apply for a business credit card with a limit ranging from \$1,000 to more than \$10,000. They want business credit cards:

- To keep business and home finances separate (38%)
- To build business credit (27%)
- For ease of preparing taxes (16%)
- To manage short-term cash flow (9%)
- To qualify for less costly financing in the future (7%)

Applicants with business accounts, access to business credit cards and financed purchase orders are all more likely in retail now.

## GETTING INTO RETAIL, THE CHALLENGES AND MOTIVATION

At the time, only 25% of the applicants were already in retail stores. Of those who weren't, 36% have tried to get into retail. Of the 64% who haven't tried:

- About one-quarter (26%) really want to get their products in stores
- 17% aren't sure how to or are having difficulties finding opportunities
- 16% don't feel their product is ready yet
- 8% are in the process of negotiating a deal
- 7% need money to get their products in stores
- 7% feel the margins are too risky
- 5% have their own retail store
- 5% have been in retail, but it didn't work well
- 3% need help

For those who haven't tried getting into stores because they need money to do so are more likely to be in Ontario (12%). For those who feel their product isn't ready yet are more likely to be in Western Canada (27%).

One-quarter of applicants who are already in retail tend to be in a handful of stores. More than half (59%) are in one to four stores; 18% are in five to 19 stores; 18% are in 20 to 74 stores; and 5% are in 100 or more stores.

Most of the applicants already in retail were aggressive about getting there:

- More than half (64%) spoke directly to the store
- Almost a quarter (23%) were referred to, or received, an unsolicited business opportunity
- Worked with a national distributor (8%)
- Worked with a broker (5%)
- Bought space in the store (3%)
- Filled out an application and got in (to an in-person market) (2%)
- Won a pitch competition (2%) or used social media (2%)

Those who used a broker to get into retail stores are more likely in Western Canada or Ontario (5% and 6%, respectively)

A large majority of the applicants (83%) feel they're ready for growth through big-box retail. They're confident they're ready because:

- They feel they have a good product (42%).
- Their product (e.g., packaging, certification, etc.) is ready for retail (24%).
- The resources/capability are in place (21%).
- The company is ready for growth (18%).
- They believe their product will be in high demand (17%).
- If they had right financial assistance (3%)
- If they had the right knowledge assistance (4%)
- Some have done research that shows their product will do well (3%).

### Program applicants poised for growth:

"I have the infrastructural capacity to grow this business 2.5 times with its current setup and I also have the motivation to do everything that's needed to scale the business. We have built and are growing an incredible brand. We have a solid supply chain for (our products) and packaging. We know what we lack when it comes to supplying big-box retailers, however, that can simply be covered with adequate funds."



The applicants, who aren't ready for big-box stores, indicate they need:

- Financial support (37%)
- Resources/capacity/a facility (26%)
- To validate their product (19%)
- Better reach (19%)
- Certifications, have a small inventory, and need the right guidance (7% each)

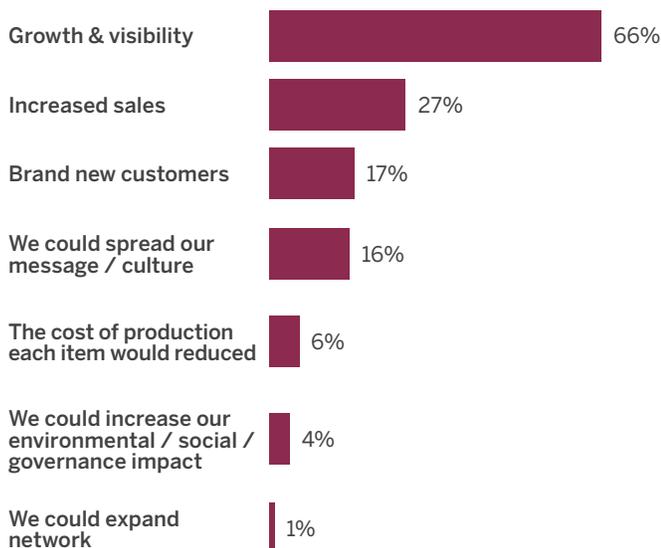
Even those already in retail counted themselves among those who aren't ready to go bigger. They need to set up resource capacity or a facility to take that step (57%), still feel like they need training (14%) and various other certifications (14%)

The challenges racialized, Black and immigrant women-owned businesses faced trying to get their products into retail stores include:

- Getting in touch with stores and finding opportunities (24%)
- Scalability (18%)
- Profitability (18%)
- Difficulty getting feedback from contacts (14%)
- Pitching the business appropriately (11%)
- Needing funding (9%)
- Needing a coach (7%)
- Big-box stores charge too much (7%)
- Requiring internal resources to manage relationships (7%)

Even those currently in retail still say it's difficult to get in touch with stores (29%) and find new stores to pitch to (11%).

### What it would mean to get into retail



Despite all the challenges, the applicants are still motivated to grow their business through big-box retail. If they're able to get into retail or expand their business, it would mean growth and visibility, increased sales, brand new customers, ability to spread their message and vision, reduce operational costs, and increase environmental, social and governance (ESG) impact.

Source: Application form question: "How will getting your products into retail stores help your business?"

# IS GROWTH OUTSIDE CANADA WORTH IT?

There were a small number of racialized, Black and immigrant women-owned business applicants who were selling indirectly outside of Canada (12%) or directly outside of Canada (12%). Considering most of the applicants were born in Western Africa it's interesting to note that these women-owned retail businesses aren't following the diaspora path that are typically found in SME business owners born outside of Canada<sup>4</sup>. Countries that the applicants have stockists outside Canada are mostly in the U.S. (70%), followed by France (9%), Trinidad, the U.K., Turkey, and Pakistan (4% each).

Regardless of where the applicants are selling, exporters tend to be bigger (sales more than \$50,000 annually), have business and product certifications, be incorporated, have received funds to deliver on a purchase order in the past, want a business credit card with a limit over \$10,000 as compared to those who aren't selling outside of Canada. Considering these factors, other racialized, Black and immigrant women-owned businesses could benefit from considering export as a strategy for growth.

## SO WHAT? NOW WHAT?

Racialized, Black and immigrant women-owned businesses make significant contributions to Canada's economy. The analysis found in this report, along with a growing body of research, points to some common actions that businesses and the ecosystem in which they operate can take to support an even bigger contribution.

## FOR ECOSYSTEM

Businesses (99% of the applicants) are ready to be mentored. When launching programs, products, and services for this audience, their needs and aspirations must be considered.

### 1. There's a need for business strategy guidance

- Courses on how to create pitch decks, stockist catalogues, pricing strategies for scalability and profitability, negotiating contracts, sales and marketing tactics, and social media strategies.

### 2. Create networking opportunities

- Businesses in the startup phase would do well to learn from businesses that have been successful expanding through retail.
- Specialized guests at events can help businesses know who to turn to for advice.

## Actions for racialized, Black and immigrant women-owned businesses

### 1. Treat the business as a business and not a hobby (no matter how small it is now).

- Incorporate
- Find an institution that will support a business account
- Separate personal and business expenses by acquiring a business credit card
- Determine which business certifications could benefit growth
- Determine which product certifications could benefit growth

### 2. Consider diversification internationally. Exporters tend to have:

- Larger annual sales
- Funds to deliver on a purchase order in the past

### 3. Learn from those who've done it. Connect with networks of like-minded businesses.

### 4. Apply for everything. Use financing and grants as a tool for growth.



### 3. Create match-making opportunities

- Introductions to brokers or stockists could help businesses overcome the challenge of hearing back from retail stores about their products.
- A tool to help racialized, Black and immigrant women-owned businesses choose countries and big-box stores that match well with their product offering.

### 4. Finances

- Since most racialized, Black and immigrant women-owned businesses are small, business accounts, micro loans, business credit cards, and insurance best suited for this audience can help them reach their growth aspirations.

### 5. Grants and loans

- When grants and loans are provided to partner associations aiding this community, there should be enough to accommodate language of choice for the already disenfranchised community reach their growth aspirations.

<sup>4</sup> Survey on Financing and Growth of Small and Medium Enterprises, 2020

## CONCLUSION

This report provides a spotlight into the 157 applicants of the iLaunchHERProduct program who self-identify as racialized (88%), Black (92%), and immigrant (78%) women. The applicants have businesses that are poised for growth, with 83% saying they're ready for big-box stores, are mostly earning less than \$50,000 annually (85%), and are in the beauty and skincare, food and beverage, clothing and accessories, and books and stationary industries.

This report highlights that the greatest challenge for overall growth is obtaining financing (83%), finding partners (78%), and finding customers (76%). One quarter of the applicants were already in big-box stores at the time of the application process and of those who weren't, 36% had previously tried.

Not only do these racialized, Black and immigrant women-owned businesses face challenges growing overall, they face extra challenges getting into big-box retail, including:

- Getting in touch with stores;
- Meeting the quantity requirements of the stores;
- Meeting the pricing requirements of stores for profitability; and
- Getting feedback from their store contacts.

They're aggressively trying to get into big-box stores as it would mean visibility, increased sales, ability to spread their vision, and have an ESG impact, among others.

This report also highlights steps that businesses owned by racialized, Black and immigrant women can take to increase the likelihood they'll receive the support they need. These actions include:

- Treat their business like a business and not a hobby (no matter what size they are)
- Incorporate
- Get a business bank account and credit card or line of credit
- Apply for appropriate business and product certifications
- Consider international diversification
- Connect with like-minded networks
- Use financing and grants as a tool for growth

Growth will happen more quickly when the efforts of the businesses are combined with the efforts of the ecosystem that supports them. This report also highlights tactics the players in the ecosystem could take based on the needs and goals expressed by the applicants. These efforts include:

- Business strategy guidance
- Networking opportunities
- Pitching opportunities
- Financing and loans appropriate for the small-sized business
- Appropriate support for other ecosystem partners

Despite the challenges and barriers, racialized, Black and immigrant women are building successful businesses and reaching out for the appropriate help where possible. More research on this audience is necessary to truly understand their business needs, growth aspirations and how the institutions in the space can create strategies to help facilitate their growth goals appropriately.

There's also a need for organizations in the support ecosystem to act on the insights and recommendations already provided from past research. The work that de Sedulous Women Leaders, their partners and the iLaunchHERproduct program are doing is necessary to keep this conversation moving forward.

Thank you to the support of all the sponsoring organizations who have contributed to the success of this program



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Women Entrepreneurship Knowledge Hub  
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WEConnect INTERNATIONAL

