

April 1, 2010 to March 31, 2011

REALIZING SUCCESS

Alberta Women Entrepreneurs
Annual Report



aWe

ALBERTA WOMEN ENTREPRENEURS

awebusiness.com

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| | |
|-------------------|--|
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| | |
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| Kathleen McCloskey | <i>Business Advisor</i> |

“Our government supports the important work of the Alberta Women Entrepreneurs in promoting greater inclusion of women-owned businesses in the global economy, particularly as we seek to expand Canada’s trading relationships.”

*Honourable Ed Fast,
Minister of International Trade and Minister for the Asia-Pacific Gateway*



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SUCCESS WITHOUT LIMITS

Women entrepreneurs are significant contributors to the economies of Alberta and Canada. How significant? Industry Canada estimates women-owned businesses contribute over \$18 billion to the national economy annually.

IN ALBERTA

alone, there are more than **110,700** women-owned enterprises and over **900,000** women nationwide run their own business. With **four out of every five** new businesses today started by women, the need has never been greater for advisory and financing-related programs and services supporting women-owned businesses.

About AWE

Since 1995, not-for-profit Alberta Women Entrepreneurs (AWE) has helped hundreds of women-owned businesses realize success with start-up loans, expansion financing and, just as important, networking opportunities and guidance to take their venture and ideas to the next level — a win-win for the province and its women entrepreneurs.

“AWE has a tremendous impact not only on women’s lives, but also on the economy of entire communities,” says Jennifer McNeill, AWE’s Board Chair and a senior executive with Oracle Corporation. **“We have women who received loans from AWE who started in their basement, and now have revenues of \$3 million to \$4 million a year and 20-30 people on the payroll.”**

While anyone starting and running a business has challenges, she says, one secret of AWE’s success is giving women the confidence to succeed, adding: **“It’s not about gender; it’s about being successful without limitations.”**

Helping Women Entrepreneurs Connect

Another secret to AWE’s success is its ability to act as an information hub for women at all stages of entrepreneurship. From networking events and “boot camps” to seminars on new markets and online resources, **“we’re a connector,”** says AWE CEO Tracey Scarlett. **“Wherever a business is in its lifecycle, we want to be a connection point for the resources it needs.”**

Many women entrepreneurs, she says, don’t simply want to create a job for themselves. **“They’re looking at building a strong, economically viable venture that can compete locally, nationally and internationally.”**

And, Alberta is proving to be fertile ground for these entrepreneurs. **“Alberta is a great location to launch a business,”** adds McNeill, who has launched and sold four software companies in her 30-year career. **“I have built successful companies in the United States and across Canada, and Alberta is by far the best place to do business.”**



INVESTING WITH IMPACT



Over the past four years alone, AWE's loan program for women-owned businesses has helped create almost 400 new jobs for Albertans. That only begins to explain the economic impact of AWE's financial support of women entrepreneurs.

For every \$1 AWE lends out, there is a \$30 return to the economy.

With a total of \$15 million loaned to women entrepreneurs by AWE since 1995, that's an estimated \$450 million impact on Canada's economy.



Understanding both the business and entrepreneur

In 2005, Barbara McLean-Stollery saw the opportunity of a lifetime when her employer announced he was retiring and selling his full-service aircraft detailing company. In business since 1980, the company had a robust roster of clients with private, commercial and corporate jets in need of regular cleaning.

For \$180,000, the company could be hers, but "I had difficulty getting financing from traditional banks, even though the business had been in operation for 25 years," she recalls. Fortunately, she came upon AWE while looking for other sources of financing and today she is president of Executive Airways Grooming Services, a thriving 25-employee enterprise with airport facilities in Calgary and Edmonton.

"AWE was very proactive in working with me to create a good business plan," she says. "My original plan was weak. They helped me see further down the road than I was thinking at the time. Most important, they were willing to look past the fact that I hadn't started this business."

AWE loaned her \$30,000, and then helped find other financing sources, notably the Business Development Bank of Canada. AWE's support didn't stop there. "They stick close to you and ensure they're on top of your quarterly reports," says McLean-Stollery. "If they see an issue, they talk to you about it. Their feedback is very valuable. In five years, we saw more than 500% growth."

As important, though, was AWE's confidence in her.

"They say, if other people are doing it, why can't you?"

Nurturing Entrepreneurs

In recent years, AWE has invested an average of \$1.75 million per year in Alberta's women entrepreneurs. AWE Business Advisor Sheila Shand, based in the Edmonton office, is among the team members working closely with those interested in securing a loan or seeking other financial advice.

"Many of our clients have an entrepreneurial passion for what they do," she says. "A lot of individuals have already worked in the industry where they want to start a business. They've gained valuable skills and now they want to run their own business."

With AWE for over five years, Shand has seen that passion comes in all forms and it's her job to ensure passion meets reality. "A business plan is very important," she notes. "Some clients think turning to AWE will make it easier and quicker for them. They think they can open in a month without a plan. We encourage them to do the market research needed to figure out who their customer is and what they will buy."

AWE isn't just focused on start-ups, though. Shand notes approximately 2/3 of AWE's loans are for expansion-related projects and growth-oriented entrepreneurs taking their business to a higher level.



AWE's financing process is also widely hailed by participants, such as Tanya Eagle Speaker. As proprietor of Cardston-based Eagle Spirit Embroidery, she has turned to AWE for loans on two occasions.

"I was so happy with AWE's quick approval process," she says. "I wasn't left worrying if I would be approved – they let me know right away. I felt like they believed in my business."

"The majority of our loan clients are successful," says Shand. "After they get the loan, we nurture and monitor them. We ask about business developments, and let them demonstrate their passion by discussing opportunities they were able to develop."

Borrowing Money from AWE

AWE offers repayable loans of up to \$150,000 for women-owned, market-ready start-ups, business expansions and business purchases.

AWE can also help identify lending partnerships to meet larger loan requirements, and has been successful in securing other public and private financing partners for women entrepreneurs.

AWE Financings At-A-Glance 2010-2011

| | |
|-------------------------------|---------------|
| Loans Extended: | 33 |
| Dollars Lent: | \$1.8 Million |
| Jobs Created: | 128.5 |
| Business Expansions Financed: | 15 |
| Business Start-Ups Financed: | 11 |
| Business Purchases Financed: | 5 |
| Maintenance Loans: | 2 |

AWE Financing Inquiries by Geography

| | |
|----------------|-----|
| Edmonton: | 36% |
| Calgary: | 32% |
| Other Alberta: | 32% |

AWE Financing Inquiries by Demographic

| | |
|-------------------------------|-----|
| Women 18-34: | 46% |
| Women 35-50: | 44% |
| Post Secondary Schooling: | 65% |
| Trades/Professional Training: | 15% |

CONNECTING AND LEARNING



As important as financing is to any venture, for many women entrepreneurs, access to the right networks of business contacts and strategic intelligence are critical factors in launching and growing a successful enterprise. Over 2010-2011, AWE hosted **48 networking and educational events, involving a total of 1,048 attendees** — a 50% increase over the previous year.

Elvie Reinson, founder of Calgary's Ballast Environmental Consulting Ltd., considers AWE's networking and training events to be indispensable opportunities to connect with and learn from other business owners. "I have been to the annual conference every year for three years," she says. "I have also gone to several workshops, particularly those focused on business growth and management issues. I just love them! I look forward to them. For me, it's a chance to meet women who are just like me."

Entrepreneur Boot Camp

Among AWE's most successful events recently was its multi-day "boot camp," focusing on preparing women-owned businesses for growth.

"Our boot camps can really launch companies to the next level," says Randy Thompson, CEO of VentureAlberta and Chief Boot Camp Facilitator. "There's no such thing at these events as a dumb idea." With less than two dozen attendees and plenty of one-on-one coaching, the boot camp's objective is to help owners see potential problems and opportunities ahead for their business.

"Even our speakers are specially screened," he says. "You have to have built a company, sold one and blown one up. Otherwise, you're just a consultant. So, our speakers know what to do when things go wrong."

That aggressive approach to the quality of coaching and training is greatly appreciated by participants such as Jodi McDonald, President of Edmonton-based Keystone Labs Inc., an eight-person company providing contract testing services to international and Canadian pharmaceutical firms.

"It hit home for me in that I had grown my business to one level and now I needed to take that next step," she says. "It is hard to find good advice on that. At boot camp, you learn you're not alone and I was able to connect with women at similar stages in the growth of their businesses. It was really inspiring and they had a great panel of people with challenging ideas."

The boot camp actually helped McDonald rethink her company's direction and she thanks AWE for its efforts to bring these resources to women entrepreneurs. "My background is not entrepreneurial at all," she says. "I had the idea of providing contract testing services after being in the industry for many years. After I dreamed the dream for a while, I decided I needed to get on with it and make it happen. AWE had the resources I was looking for, such as this boot camp, to make my dream happen."

Those are appreciated words for Thompson, who firmly believes in AWE's goal to support women entrepreneurs. "I volunteer with AWE because of its focus on start-ups and entrepreneurship. Both are passions of mine," he says. "I want to give back to people who are changing the world. Any time you leave your cubicle and a regular paycheck, hire people and bring an idea to the marketplace — that's 'changing the world' stuff."



Year-Round Workshops & Networking Events

In addition to its recent boot camp event, AWE hosts a series of other training and networking events, including:

- **Building on Success Series:** Interactive workshops in Calgary and Edmonton led by entrepreneurial individuals with expertise in areas such as human resource development, sales, marketing, financial management and technology.
- **Roadmap for Success Workshops:** These three hour programs, often led by AWE business advisors, educate entrepreneurs on business basics.
- **Breakfast & Luncheon Events:** Throughout the year in Calgary and Edmonton, AWE features successful business owners and industry experts.
- **Student Events:** Hoping to inspire the next crop of entrepreneurs, AWE participates in student programs at several major universities and business schools.
- **Annual Conference:** Each year, over 150 people attend AWE's showcase of leading experts and successful entrepreneurs.

For many of these events, AWE actively recruits and promotes women business owners as speakers, and has engaged over 40 community partners and high-profile organizations to promote events and awareness of AWE.

AWE also had the unique opportunity in 2010 to network with like-minded organizations and experts at the **Diana International Conference on Women's Entrepreneurship Research**, held in Banff. Convened every two years, this global event brings together researchers committed to advancing knowledge about women's entrepreneurship and high-growth ventures. CEO Tracey Scarlett had the opportunity to highlight AWE's successful track record in supporting women entrepreneurs and to learn of new ways AWE can move women's entrepreneurship forward in Alberta and across Canada.

AWE Networks & Training Services

Program Partnerships

Access To Experts

Peer-to-Peer Networks

International Market Access

Angel and Other Private Investor Networks

AWE-Inspiring Facts

Women-owned businesses are the fastest-growing segment of the business sector in Canada

Women have ownership in 47% of Canada's 1.6 million small and medium-sized enterprises (SMEs)

16% of Canadian SMEs are majority-owned by women

Over 80% of Canadian SMEs owned by women are service industries, compared with 59% owned by men

“Women approach business, I think, with more passion and more discipline in terms of focus. The process of learning is a life-long process.”

W. Brett Wilson

“Dragon” on CBC's Dragons' Den,
Serial Entrepreneur and Philanthropist
AWE 2010 Annual Conference

TAKING GROWTH TO THE NEXT LEVEL



AWE is leveraging a variety of innovative programs and services to have an even greater impact on both women-owned businesses and Alberta's economy. AWE is not only assisting women entrepreneurs **launch new businesses**, it is also helping women-owned businesses identify **new markets** abroad, gain access to more **government and Fortune 500/1000 contracts**, and encourage **youth, minority** and **Aboriginal** group members to consider entrepreneurship.

Connecting to Contracts Program

An example of one high-impact AWE initiative is its *Connecting to Contracts (C2C) Program*, conducted in partnership with the Women's Enterprise Initiative and supported financially by Western Economic Diversification Canada. *C2C* is an exciting way for women business owners to access domestic and international supply chains. It includes WEConnect Canada certification, which guarantees businesses are majority-owned and managed by women. To date, 149 Canadian businesses have been certified or are close to certification, including 45 businesses in Western Canada. Since the program began, the Western Canadian businesses have secured contracts valued at more than \$850,000.

"The certification is very important to our business growth," says Jodee Prouse, CEO of Sylvan Lake-based Happy Hippo Bath Co. and Lollipop Beauty Bar, which makes unique bath and body products. "Most Fortune 500 companies in the U.S. and more Canadian companies are requiring supplier diversity programs, which give smaller businesses opportunities to participate in major tenders."

Certified last year after a thorough review process by WEConnect Canada, Prouse has already seen results after a recent trip to U.S.-based Women's Business Enterprise National Council (WBENC), national conference in Las Vegas. "The Canadian government helped us arrange a meeting with one of the major hoteliers, MGM Grand, and within two weeks we had a contract to supply products," she says. "The reality is that these large companies don't take random solicitations. Our certification meant everything, in terms of getting us in the door."

It has been a similar story for Christina Forth-Matthews, CFO and co-founder of Leduc-based freight forwarder AOG International Inc. Thanks to an informational seminar on Connecting to Contracts, her company received certification recently. "It has already opened doors," she says. "Certification has been a perfect fit for our growth plans."

“ Our Government recognizes that small-and medium-sized businesses create jobs and generate wealth in communities throughout the West. By utilizing AWE's programs and services, women entrepreneurs can position themselves to compete and succeed in local, national and international markets. ”

*Honourable Lynne Yelich,
Minister of State for Western Economic Diversification*

AWE's "business case" for the benefits of promoting more women-owned business activity is irrefutable. In addition to the \$18 billion women entrepreneurs contribute to the economy annually, according to research at the University of Ottawa's Telfer School of Management, an additional 20% increase in women-owned businesses would contribute \$2 billion to Canada's economy.

"Research consistently suggests women-focused small business training leads to incremental job creation at a rate that compares to or exceeds all other types of market interventions, such as loan guarantee schemes," adds Barbara J. Orser, Telfer's Deloitte Chair in the Management of Growth Enterprises. In other words, the training and advisory work by organizations such as AWE can have a greater impact on business success than money alone.



Seeing Beyond a "Job"

AWE is not only expanding the physical horizons of women-owned businesses by helping to identify new markets and opportunities, it is also expanding the mental horizons of women belonging to groups that might not normally consider starting a business.

AWE works closely with a variety of groups, such as the Canadian Youth Business Foundation and organizations dealing with new immigrants, to encourage their members to think about entrepreneurship. One of AWE's most successful working relationships is with the Alberta government and their funding of the **NextStep to Success** program which helps Aboriginal women participate in the economic growth of their communities.

"Whether a woman is starting or expanding a business, AWE's NextStep to Success helps Aboriginal women find entrepreneurial training, mentorship and coaching opportunities," says Darina Falsnes, Alberta Employment and Immigration's Manager of Strategic Initiatives, Aboriginal Development Branch, Delivery Services Division.

NextStep to Success has helped Aboriginal women in Alberta start a variety of businesses, ranging from video production to Aboriginal craft supplies. "Through AWE's NextStep to Success, these women are also forming their own circles of support," says Falsnes.

Benefits Beyond Dollars

Whether expanding on mental or physical horizons, "AWE has a vital role to play", says Orser, who has devoted over 20 years to studying women entrepreneurs. "AWE can give any woman entrepreneur the confidence to take their business to the next level."

And, the time for entrepreneurship has never been better. "Alberta, right now, is such a hotbed of activity," adds VentureAlberta's Randy Thompson. "With about 20% of available angel money spent in Alberta alone, according to Industry Canada, it's a good time to be a business owner in Alberta and a lot of women have some great ideas."

AWE-Inspiring Facts

In the 20 years between 1981 and 2001, the number of women entrepreneurs in Canada **increased 208%**, compared to a 38% increase for men

Active Canadian women exporters generate close to **40% of their sales** in foreign markets

Women-owned firms that export do business with Canada's most important trading partners, including the **U.S.** (74% of women-owned business export there), **Asia** (60%) and **Europe** (58%)

30% of women exporters began to export at business start-up and **55%** made their first foreign sale within two years of launching



FINANCIAL STATEMENTS

The complete set of financial statements were audited by Grant Thornton LLP and can be provided by Alberta Women Entrepreneurs upon request.

| | Unrestricted | Externally Restricted | Internally Restricted | 2011 Total |
|---|---------------------|-----------------------|-----------------------|---------------------|
| Statement of Operations – Year ended March 31, 2011 | | | | |
| Revenue | | | | |
| Contributions from WED | \$ 975,000 | \$ 569,137 | - | \$ 1,544,137 |
| Other Contributions | 218,244 | - | - | 218,244 |
| Program Income | 91,185 | - | - | 91,185 |
| Interest Income | - | 131,361 | - | 131,361 |
| Recovery of Bad Debt | - | 3,750 | - | 3,750 |
| Amortization of Deferred Capital Contributions | 32,831 | - | - | 32,831 |
| | <u>\$ 1,317,260</u> | <u>\$ 704,248</u> | <u>-</u> | <u>\$ 2,021,508</u> |
| Expenses | | | | |
| Salaries & Benefits | \$ 744,472 | - | - | \$ 744,472 |
| Loss on Loan receivable | - | 226,491 | - | 226,491 |
| Rent | 91,946 | - | - | 91,946 |
| Marketing | 90,058 | - | - | 90,058 |
| Travel | 88,046 | - | - | 88,046 |
| Events | 68,237 | - | - | 68,237 |
| Special Projects Expenses | 59,170 | - | - | 59,170 |
| Professional Fees | 59,080 | - | - | 59,080 |
| Office | 42,223 | - | - | 42,223 |
| Amortization of Property & Equipment | 32,831 | - | - | 32,831 |
| Training & Board Expenses | 16,193 | - | - | 16,193 |
| Insurance | 10,314 | - | - | 10,314 |
| Bank Charges & Interest | 5,037 | - | - | 5,037 |
| Repairs & Maintenance | 4,778 | - | - | 4,778 |
| Other Loan Fees | 4,031 | - | - | 4,031 |
| Gain on disposal of Property & Equipment | (4,380) | - | - | (4,380) |
| | <u>\$ 1,312,036</u> | <u>\$ 226,491</u> | <u>-</u> | <u>\$ 1,538,527</u> |
| Excess of Revenues over Expenses | \$ 5,224 | \$ 477,757 | - | \$ 482,981 |
| Statement of Changes in Net Assets – Year ended March 31, 2011 | | | | |
| Net Assets, Beginning of Year | - | \$ 4,226,087 | \$ 410,057 | \$ 4,636,144 |
| Excess of Revenues over Expenses | 5,224 | 477,757 | - | 482,981 |
| Net Assets, End of Year | <u>\$ 5,224</u> | <u>\$ 4,703,844</u> | <u>\$ 410,057</u> | <u>\$ 5,119,125</u> |
| Statement of Financial Position – As at March 31, 2011 | | | | |
| Assets | | | | |
| Current Assets | \$ 143,226 | \$ 1,588,927 | \$ 410,057 | \$ 2,142,210 |
| Current Portion of Loans Receivable | - | 993,149 | - | 993,149 |
| Long Term Loans Receivable | - | 2,121,768 | - | 2,121,768 |
| Property & Equipment | 85,111 | - | - | 85,111 |
| | <u>\$ 228,337</u> | <u>\$ 4,703,844</u> | <u>\$ 410,057</u> | <u>\$ 5,342,238</u> |
| Liabilities | | | | |
| Current Liabilities | \$ 131,132 | - | - | \$ 131,132 |
| Deferred Operating Contributions | 47,485 | - | - | 47,485 |
| Deferred Capital Contributions | 44,496 | - | - | 44,496 |
| | <u>\$ 223,113</u> | <u>-</u> | <u>-</u> | <u>\$ 223,113</u> |
| Net Assets | | | | |
| Externally Restricted | - | \$ 4,703,844 | - | \$ 4,703,844 |
| Internally Restricted | - | - | \$ 410,057 | \$ 410,057 |
| Unrestricted | \$ 5,224 | - | - | 5,224 |
| | <u>5,224</u> | <u>\$ 4,703,844</u> | <u>\$ 410,057</u> | <u>\$ 5,119,125</u> |
| | <u>\$ 228,337</u> | <u>\$ 4,703,844</u> | <u>\$ 410,057</u> | <u>\$ 5,342,238</u> |

OUR SUPPORTERS

Our Funders

AWE's programs and services would not be possible without the generous support of Western Economic Diversification Canada and our project funders: Alberta Employment and Immigration and Alberta Aboriginal Relations – NextStep to Success Program, and Western Economic Diversification Canada – Connecting to Contracts Program.



Our Major Sponsors

Thanks to our sponsors, AWE and women entrepreneurs received a generous amount of financial and in-kind support, specifically:



Our Partners



Our Volunteers

We sincerely thank our many volunteers, including speakers and other contributors, who provided an estimated 588 hours worth of their valuable time.

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