

Will work for change

Most entrepreneurs dream of big bucks. But a new breed of small-business owner is sacrificing lucrative jobs to launch socially conscious start-ups. ELISA BIRNBAUM reports

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For more than seven years, Ivan Mulder called the streets and homeless shelters of Toronto home. But now the 25-year-old has a job as a bike courier -- and his own one-bedroom apartment downtown. Instead of bingeing on alcohol and drugs, he says, "I've learned responsibility and how to manage my money. I now put it toward things that really matter."

Not that long ago, the man who hired Mr. Mulder changed his own life to focus on things that really matter. Like a growing new breed of entrepreneurs, Richard Durham, who founded TurnAround Couriers, decided to give up his steady, well-paying job in the private sector to start a "social enterprise." While retaining the basic elements of a typical business, social enterprises make social change -- not profit -- their primary focus.

According to David Bornstein, the author of *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, the real risk for those behind such socially conscious ventures isn't giving up security. "It's the risk of spending the next 40 years of their lives doing something they don't care about," he says. "It's deep and its personal."

Mr. Durham agrees. Despite making a good living as a management consultant to Fortune 500 companies, the lawyer and MBA grad says he yearned "to roll my sleeves up and do something." And, with no mortgage or family to support, Mr. Durham asked himself, "If not now, then when?"

In 2002, the 38-year-old started TurnAround Couriers, which hires troubled youth as bike couriers. So far, about 70 young people have rolled through the company's doors, servicing more than 350 clients, including the Royal Bank.

Nicole Rycroft made her major life change in 1999 with the establishment of Markets Initiative. The 39-year-old's venture preserves ancient and endangered forests by helping Canadian companies shift from traditional paper products to environmentally sound options.

So far, Ms. Rycroft has issued a successful environmental wake-up call to 72 magazines and 88 book publishers (including the company behind the massive Harry Potter tomes). And this year she won Canadian Geographic's Canadian Environment Award. Although she is funded by foundations and private donors right now, she hopes to post a profit in the future.

A physiotherapist by training, Ms. Rycroft worked in the field for 11 years. But the Australian-born activist, who developed a passion for nature on family holidays in the bush, eventually felt a push toward social entrepreneurship. "It was just incredible to me that magazines and newspapers were the destiny of an 800-year-old tree," she says. "I felt compelled to spend more of my life energy working to create change."

Of course, creating such change doesn't come without its challenges. In addition to a social mission and boundless energy, achievements like Ms. Rycroft's depend on strong business skills

and a good understanding of the marketplace. She carefully studied other environmental groups and surrounded herself with well-connected experts -- among them publishing contacts with access to Margaret Atwood and Alice Munro -- before starting her business.

Others turn to Social Capital Partners. Launched in 2001, the Toronto-based company provides investment capital and supervisory support to social entrepreneurs. "Entrepreneurs think, 'If we get the social mission right, the business will solve itself,' " vice-president Sean VanDoorselaer says. "But many just don't understand the complexity of starting up a business."

And there's the issue of that paycheque. For those switching gears from the private sector, the financial shortfall can be extreme. Mr. Durham's revenues have doubled since TurnAround began. But with a pledge to donate 50 per cent of his new profits to charity, he says, "At the moment, I'm making only a fraction of what I'd be making in my past life."

To sustain their lifestyles, then, some entrepreneurs keep their feet in both the private and the social sectors. Indeed, as Mr. VanDoorselaer says, "I really do believe in the notion of blurring the lines. The real innovation happens between the sectors, not in one or the other."

Enter James Kennedy. After decades working as an executive chef, running trendy restaurants in lavish hotels, the 49-year-old started Cooks Studio in 1990. Targeting Vancouver's Downtown East Side -- known more for its downtrodden than its upscale eateries -- the business provides street kids with culinary training, jobs and a new lease on life.

"I always wanted to do something where people didn't have to line up for soup; there's nothing more demeaning," he says. "But if you can give them tools, they are way better off."

Still, Mr. Kennedy knew he had to subsidize his social enterprise. While the café offers training and is geared strictly toward troubled youth, Cooks Studio also has four other divisions, including a full-service catering business focused on more profitable contracts.

The mix is working. Cooks Studio has close to 100 employees, 50 per cent of whom have come through the training program. And subsidized or not, those sorts of returns are more appealing than anything printed on an income-tax statement.

As Mr. Bornstein puts it: "Do you only want to maximize revenues and do something you don't really care about? Or do you want to maximize the value and meaning of the time you spent on this earth?"

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