

Unfamiliar rules, red tape create extra problems for immigrant entrepreneurs.

MARY TERESA BITTI

POSTMEDIA NEWS

October 17, 2011

Giving new immigrants an opportunity is Arnon Melo's way of paying forward the break one of his first bosses in logistics gave him after he came to Canada.

Melo is founder and managing director of Mellohawk Logistics, an international freight forwarder based in Toronto, which was recognized this year for its leadership role in community-building by Scotiabank and the Canadian Federation of Independent Business's Small Business Big Impact Challenge awards program.

Mellohawk was selected because of its commitment to actively hiring new immigrants and its mentorship program for students to learn about logistics and/or study English as a second language.

Melo came to Canada in 1986 to study English. "I fell in love with Toronto and felt a close connection to Canada. I just knew I was meant to be here," he says. In 1990, after finishing his undergraduate degree, he emigrated to Canada from Brazil with the dream of one day owning a business.

It's a dream shared by many new immigrants. There are 2.7 million small businesses in Canada and increasingly the entrepreneurial landscape is being influenced by new Canadians, who are more inclined to be self-employed than are Canadian-born citizens. This is particularly important as small business is increasingly becoming a critical economic driver.

In the past 10 years, 98.5 per cent of all new jobs in Canada were created by companies with less than 100 employees, and nearly 60 per cent were created by companies with fewer than five employees, according to Winning Strategies for Immigrant Entrepreneurs (WISE 5) - a project funded by Citizenship and Immigration Canada, Ontario region, to encourage and support new immigrant entrepreneurs.

Many of their challenges are the same as those faced by any entrepreneur: access to financing, finding qualified workers and building markets, says Dan Kelly, senior vice-president, legislative affairs for the CFIB. "But these challenges can be exacerbated because new immigrants don't have experience with the regulatory framework and navigating the maze of government."

Getting that experience is why social capital in the form of ethnic networks and

family ties are critical in the foundation and operation of businesses, says Sandeep Agrawal, professor and program director at Ryerson University. "The most prevalent difficulties new immigrant entrepreneurs face include lack of funding, lack of support (from the government) and cultural differences. To overcome these difficulties, they rely on their own efforts and their resilience, a crucial characteristic of an immigrant entrepreneur."

Melo had a string of odd jobs when he arrived in Canada - working at a battery factory, waiting tables and cleaning. "These jobs were to survive," he says. "I wanted to get an education here. I believed without that I couldn't accomplish my dreams." He went on to study international business at Toronto's Seneca College and soon after got a job at a freight forwarding company where he worked his way up to air freight manager. He decided to strike out on his own after new management took over.

A business's success is directly linked to the informal networks a business owner is able to tap to help with supply, talent, and leads, Kelly says. "That's why choosing the right community to start up is particularly important for new immigrants whose networks are less developed. It's important to plug in as quickly possible with local community organizations such as the rotary club. Community activities, schools and sports can help new immigrants build those informal networks so important for business."

That's also why provinces such as Alberta, New Brunswick and Prince Edward Island have established mentoring programs for new immigrant entrepreneurs. The CFIB's member services include business counselling particularly beneficial to immigrant entrepreneurs.

"We have 15 people across Canada who help businesses deal with the maze of government," Kelly says. "We have a range of discounts on credit and debit card processing services and insurance for members, as well." And The Canadian Youth Business Foundation Newcomer Program offers business startup loans of up to \$15,000 to new immigrants between the ages of 18 and 34.

From his vantage point as director of small business banking at Scotiabank, David Wilton says one of the best resources to help new immigrants understand the realities of the environment in which they will be operating is other small business owners in those communities. "They can be valuable mentors particularly when it comes to understanding cultural practices and business norms."

Still, even with the challenges they face as a group, Wilton says immigrant entrepreneurs are particularly successful. "Their personal commitment to make businesses work is strong. We ran the Small Business Big Impact Challenge to celebrate the contributions of all small businesses to local communities and the

degree to which they improve the quality of life of Canadians."

Almost 10 years in, Mellohawk Logistics has 10 employees from diverse backgrounds who together speak 15 languages. Melo chose to make Toronto his business base because of its multicultural makeup.

"So much business came our way because of the expertise we have with the culture, the language," says Melo. "I've helped clients close deals by translating on conference calls for them. My employees do the same. They bring business to us because of their language skills. We are absolutely making the most of our diversity." For Financial Post

© Copyright (c) Postmedia News