

# BUSINESS CASE FOR SUPPLIER DIVERSITY

## COUNTRY: CANADA

---

### Definition of a minority business in Canada:

A CAMSC certified supplier is a business owned, managed and controlled (>51%) by Aboriginal peoples or visible minorities.

According to the Government of Canada, Visible Minorities are defined as persons non-white in colour and non-caucasian in race. Visible minority classifications include: Chinese, South Asian, Black, West Asian, Filipino, South East Asian, Latin American, Japanese, Korean.

According to the Government of Canada, Aboriginal peoples include First Nations, Metis and Inuit.

-----

### IN COUNTRY DEMOGRAPHY/ STATISTICS

- **Different categories of recognised minority groups:**  
Equity seeking groups, identified under Canada's Employment Equity Act, include Aboriginal peoples, visible minorities, women and people with disabilities. Definitions of Aboriginal peoples and minorities.
- **% of total minority population (2011 Census Data):**  
Aboriginal population – 4.2%  
Visible minority population – 19.1%
- **Individual break down by ethnicity:**  
South Asian, Chinese, Black, Latin American, in order of decreasing % of minority population.
- **Top five regions/ cities where they are based:**  
Toronto, Vancouver, Calgary, Winnipeg, Montreal
- **Total Number of Minority Businesses in Canada:**  
Industry Canada estimates 1,183,939 small and medium enterprises (SMEs) in Canada. According to Industry Canada, 9.8% of small and medium enterprises (SMEs) are minority-owned (~116,000), and 1.6% are Aboriginal owned (~19,000).
- **Top five locations/regions where they are based:**
  - British Columbia, Ontario, Alberta, Manitoba, Quebec
- **Size of businesses:**
  - Industry Canada average %SMEs that are high growth firms: 4.5-4.9%
  - CAMSC % SMEs that are high growth firms: 37% (2011-2012)

---

## Key drivers for supplier diversity:

**Legal:** Awareness and policy initiatives increasing across Canada

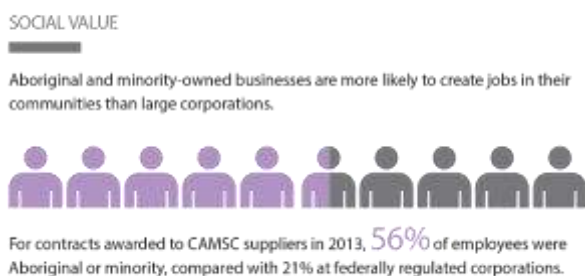
- Federal - Procurement Strategy for Aboriginal Business – set asides for aboriginal businesses
- Provincial - Nunavut, Manitoba, Ontario - Aboriginal Procurement Policies
- Municipal – City of Toronto Social Procurement Framework includes supplier diversity objectives
- Atlantic provinces include supplier diversity requirements in major projects (e.g. Hebron - offshore oil)
- Other jurisdictions actively considering aboriginal/supplier diversity policy:
  - Saskatchewan, BC,

**Social:** While identification of innovative, competitive suppliers remains the primary driver for CAMSC corporate members to invest in supplier diversity, corporate social responsibility remains one of the top3 drivers of programs in Canada.

The most significant social impact of supplier diversity is enhanced employment opportunities for Aboriginal peoples, visible minorities and new immigrants. Aboriginal and minority-owned businesses are more likely to create jobs for Aboriginal and minority community members than large corporations.



For contracts awarded to CAMSC suppliers in 2013, 56% of employees were Aboriginal or minority, compared with 21% at federally regulated corporations.



**Economic:** Small businesses account for more than 98% of all firms in Canada and proportionally play a large role in net job creation. Over the past 10 years, small businesses created 78% of all private sector jobs, or a little over 100,000 jobs each year on average.

Aboriginal and minority-owned businesses are becoming an increasingly significant part of the economy. Minorities are buying/starting businesses at 1.5 times the rate, and Aboriginal peoples at 9 times the rate, of other entrepreneurs. Currently, Aboriginal and minority-owned firms are a growing contributor to job creation, comprising over 10% of small and medium sized enterprises.

---

**Business case for supplier diversity:**

Corporations in Canada are reporting the positive returns on investment of supplier diversity, including its contributions to cost savings and innovative solutions, increased corporate and government revenue, as well as brand loyalty and engagement in the fast growing Aboriginal and minority consumer base.

Over the past 10 years, CAMSC corporate members have awarded more than \$1.2 Billion in business to competitive, quality-driven and innovative Aboriginal and minority suppliers. Corporate members have identified cost savings, cost competitiveness, and enhanced quality of product/service as three of the top reasons they awarded business to CAMSC certified suppliers.

The social return on investment of increased Aboriginal and minority employment enhances the total value, and enhances Canada's economic productivity. Governments across Canada are increasingly recognizing the value of supplier diversity as a tool to increase employment and wealth in Aboriginal and minority communities, and are designing new inclusive procurement requirements for companies wishing to do business with government.

**About CAMSC:**

**Name of the Organisation:** Canadian Aboriginal and Minority Supplier Council

**Established:** 2004

**Website:** [www.camsc.ca](http://www.camsc.ca)

**CEO/President:** Cassandra Dorrington

**Email:** [cdorrington@camsc.ca](mailto:cdorrington@camsc.ca)

**Telephone:** 416 941 0004

---