

# Reclaiming Our Power: Business owners united in leading the new economy

## **The Powerhouse Manifesto**

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## The Powerhouse Manifesto

Powerhouse is a Canadian co-operative of independent business owners whose purpose is to lead the new economy; an economy built on the premise that profit can be attained (and distributed) responsibly, without compromising our planet or our people—an economy where everyone wins.

We aim to replace the present form of capitalism, with its inherent injustices, with a balanced social order in which conscious consumerism will supersede commercial propaganda, in which the exploitation of independent business owners is eliminated, and in which an economy, currently based on self-interest and greed, will be replaced by a that of engaged community stakeholders committed to leading the new economy.

The present system is plagued by a lack of authenticity and accountability, a blatant disregard for the cumulative contribution of its independent business owners, and in an age when our planet is in peril, the system disregards the security and sustainability of our future for the sake of financial gain.

Power is primarily in the hands of a small minority. Due to their personal interests, the majority of our society is compromised. When personal profit is the main stimulus to economic effort, our society oscillates between periods of feverish prosperity, benefiting mainly the speculators and profiteers, and of financial depression, in which the general public's hardship is accentuated.

We believe that these extremes can be replaced by a new and balanced economy, driven by an organized collective of Canadian independent business owners, in collaboration with concerned government, large enterprise, and public citizens; people who believe that the new economy must work well, and work for everyone.

We are a non-partisan, grass-roots movement, financed by our own members. We know there are many Canadians who believe, as we do, the time has come for a far-reaching reconstruction of our economic system. We urge you to join us in building the new economy through the following five imperatives:

- 🔴 **Strengthen Our Independents**
- 🔴 **Foster a New Era of Socio-Economic Responsibility**
- 🔴 **Bridge the Gap Between Independents and Government**
- 🔴 **Rebuild Our Lending System**
- 🔴 **Inspire Corporate Ingenuity**

### **Reclaim Your Power...**

- 🔴 [Join a Task Force\\*](#)
- 🔴 [Join our online community to connect, communicate, and collaborate with other independent business owners who are inspired to lead the new economy](#)
- 🔴 [Share your opinions and comments with us](#)
- 🔴 [View our Recommended Reading list](#)

*Throughout the Powerhouse Manifesto, you'll be encouraged to take action and to reclaim your power through various initiatives as indicated under the heading "Reclaim Your Power". At any time, please feel free to call 1.866.839.2333, or email me ([taunya@powerhousecoop.com](mailto:taunya@powerhousecoop.com)) with your questions, opinions or comments.*

*\*Task Forces are groups of concerned individuals committed to carrying out specific actions as they pertain to the imperatives outlined in the Powerhouse Manifesto.*

## Imperative #1 Strengthen Our Independents

Independent businesses account for 98% of Canada's entire business community. But because we work independently of one another, and in isolation, our power has not been felt. So, why have we tolerated a system which fails to acknowledge our collective contribution<sup>1</sup>? Why have we accepted that only one in five of us will make it through our first year in business? And why have we not done more to help and support one another? The paradox of our situation is that knowledge and insight has not made us conscious, it's made us complacent.

Others can only imagine what life is like for an independent business owner. We face formidable obstacles— isolation, lack of capital, poverty-line salaries, limited health and dental care, absence of parental leave, soaring divorce rates, depletion of our savings, multiple mortgages on our homes, and unforeseeable external factors<sup>2</sup> that threaten our survival. But instead of wearing these tribulations as badges of honour, we cloak them in shrouds of secrecy and shame. And despite our personal turmoil, and self-sacrifice, we've persevered to become an integral part of society, providing services essential to our way of life and contributing significantly to our country's economy.

We have become so concentrated on our own survival that when there is a desperate need for us to take action, as there is now, we don't have the time, energy, or capital to do so. But leading the new economy will require us to do just that – to awaken to the reality of our situation, to take ownership, and to take action.

Strengthening our independents requires the participation of Canadian independent business owners, business coaches, successful entrepreneurs, and subject matter experts to come together in an unprecedented show of solidarity. For leading the new economy will not only require strength in numbers, it will require that each of us have strong businesses, allowing us the freedom and flexibility to contribute to initiatives outside of our respective businesses.

### ***Taking Action...***

**Assemble Peer-Advisory Boards:** Peer-advisory boards (PowerBoards) are assembled for independent business owners requiring assistance in strengthening their respective businesses. Each PowerBoard supports six business owners, and is guided by a PowerBoard Facilitator, a unique individual possessing the ability to coach, mediate, govern and direct business owners through their personal entrepreneurial journey and their collaborative PowerBoard experience. There is no limit to the number of PowerBoards that can be built, thereby positioned to support independent business owners regardless of age, gender, geography, race, revenue or industry<sup>3</sup>.

**Provide The Fundamentals:** Education, strategic direction, execution and accountability, and support are the four pillars of a PowerBoard, and ultimately lead to creating a sustainable business model. Supported by PowerBoard curriculum, participating members acquire key skills as they pertain to financials, marketing and human relations. Sound strategies are built, reviewed, and revised as necessary in each of these areas, with

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<sup>1</sup> 49% of the total private labour force worked for small enterprises (those with fewer than 100 employees) in 2004. Small businesses account for over two thirds of employment in four industries: the (non-institutional) health care sector (90%), construction industry (77%), other services (73%), and accommodation and food (69%). Source: Statistics Canada, Survey of Employment, Payrolls and Hours (SEPH).

BC Stats' definition of small business is limited to businesses with fewer than 50 employees, plus those operated by the self-employed with no paid employees. By this definition, it is estimated that, in 2003, small businesses accounted for approximately 24% of Canada's GDP.

In 2004, self-employed workers represented approximately 15% of all employed workers in the Canadian economy. The number of self-employed peaked at nearly 2.5 million in 2004.

In 2002 the Canadian Exporter Registry showed that nearly 85% of Canadian exporters were small businesses (defined as enterprises with fewer than 100 employees). More importantly, small businesses were responsible for 20% of the total value of exports in 2002, with an average value of \$2.3 million. Source: SDBS Business Demography Indicators.

<sup>2</sup> The strength of the Canadian dollar in 2008 resulted in a significant decrease of revenue for independent business owners.

<sup>3</sup> Through the PowerBoards we endeavour to broaden the definition of the "independent business owner" to include owners from all industries, such as but not limited to agriculture, the arts, and professional services.

each business owner being held accountable to execute and consistently measure the viability of their plans. All while being supported by their peers, and mentored by subject matter experts.

**Accessible Mentorship:** The PowerLink Mentorship Program selects recognized and respected business professionals (successful entrepreneurs and subject matter experts) with the opportunity to contribute their expertise and knowledge to our growing community of independent business owners. Mentorship is typically arranged through PowerBoard chairs, however, PowerLink mentors, with their approval, can be contacted through our online community ([www.powerhousecoop.com](http://www.powerhousecoop.com)).

**The Co-Operative Business Model:** Powerhouse works because of the commitment, collaboration, reciprocity and profitability of its members. We therefore felt it necessary to reflect those same values in our corporate structure. Hence, the Powerhouse Co-operative; a legal structure where our administration costs are off-set by a nominal monthly fee paid by each PowerBoard member, in exchange for voting shares in Powerhouse Canada. Each shareholder receives annual dividends commensurate with the number of shares they hold in the co-operative.

### ***Reclaim Your Power...***

- 🔴 [Request a PowerBoard](#)
- 🔴 [Request information on becoming a PowerBoard Facilitator](#)
- 🔴 [Request information on becoming a PowerLink Mentor](#)
- 🔴 [Join the "Strengthen Our Independents" Task Force](#)

## Imperative #2

### Foster a New Era of Socio-Economic Responsibility

Building a healthy, vibrant economy is the responsibility of all community stakeholders. For too long, and inexcusably, most of us have been shamefully ignorant of the consequences and impact of our actions. The global economic crisis of 2008 should serve as our wake up call: that power left unchecked, comes at too great a cost. It is time for all of us, government, business, and the public to get engaged and commit ourselves to the idea that we are the owners of the new economy; an economic system that supports its people, the planet and ethical profitability.

#### *Taking Action...*

**Corporate Awareness:** The new economy must distinguish between commerce that is socially acceptable and that which is derived at the cost of our people and/or our planet. Powerhouse therefore assumes the essential task of making the distinction between the two. Our online community ([www.powerhousecoop.com](http://www.powerhousecoop.com)) applauds those business, big and small, making a conscious decision to uphold an ethical bottom-line, and exposes those that compromise social well-being for financial gain.

**Customer Awareness and Reward Initiative (Cari):** We encourage conscious consumerism. Customers are a business' lifeblood and a driving force behind the stability and growth of our new economy. Our role as independents is to educate and inform our customers that their loyal patronage enables us to hire more people, build more services, buy more products, lease more space, and invest into local community programs – ultimately powering the new economy. To this end, we will implement *Cari* (customer awareness and reward initiative) a program designed to encourage and reward customers to shop with local, independently owned businesses.

#### *Reclaim Your Power...*

- 🍷 [Join the “Socio-Economic Responsibility” Task Force](#)
- 🍷 [Request more information on the Customer Awareness and Reward Initiative \(Cari\)](#)
- 🍷 [Tell us about the cool things you, or those you know, are doing to support an ethical bottom-line](#)
- 🍷 [Do you have information that can help us build “greener” businesses? Please, share it with us](#)

## Imperative #3

### Bridge the Gap Between Independents and Government

The most powerful force processed by an individual citizen is his or her own government<sup>4</sup>. As independent business owners we may intimate that our system is bureaucratic, opportunistic, ineffective and disorganized and is a system that has ultimately failed us. But has it –or have we failed ourselves? We have abdicated our claim to building the political infrastructure we need and in our absence others have done so. It is no longer of question of what government, but whose government is in power. Before us exists the opportunity to reinvent and reinvigorate our political system by working with our elected representatives to implement programs and legislation that work towards building the new economy, and improve the odds of success for independent business owners.

#### *Taking Action...*

**Clarify “Small” Business<sup>5</sup>:** This is imperative for the future development and relevance of programs, resources and legislation implemented by the Canadian government. We will encourage a new national standard to accurately identify and assess the various categories of independent business, including currently-used terms such as self-employed, micro, small, gazelles, medium, and high-growth. The lack of national standardization has led to great confusion, misrepresentation of issues and concerns, and ultimately development of programs and resources that have failed to support the intended recipients.

**Collect and Assess Accurate Data:** With a new national standard in place, we will encourage the collection, assessment and reporting of new data, so that the fundamental information necessary to build relevant strategies, programs, resources and legislation will be in place.

**Rebrand “Small” Business<sup>6</sup>:** Inspiring the changes we propose will require not only a change in how our country perceives us, but how we perceive ourselves. Being “small” has not, does not, and will not serve us. We believe the time has come for a rebranding of the term “small”. We require a term more reflective of our diversity, our personal strength, and our collective power. To this end, we will launch a national campaign calling on business owners and the public to share with us their ideas and suggestions on how we can better define our family of independents.

**Dedicated Ministry of Independent Business:** We believe that the interests of nearly five million people<sup>7</sup> warrant elected representation that is dedicated to hearing our issues and addressing our concerns. Currently we are represented by the Minister of State (Small Business and Tourism). A Minister of State is a junior cabinet minister in the Canadian cabinet, with responsibilities to assist a senior cabinet minister in a specific area, in this case the Minister of Industry.

**Small Business Week<sup>8</sup>:** We will see “Small” Business Week flourish under the new leadership of independent business owners. The week dedicated to recognizing and honouring the contribution of our independents should be just that – five days<sup>9</sup> of acknowledgement, celebration, and education for all stages of independent business, and ultimately should be renamed accordingly.

**The Voice of Independents Heard:** Powerhouse will assemble regional town hall meetings (xChanges) to be held regularly in cities across Canada. The objective of the xChange is to build a platform in which we will exchange our issues, concerns, opinions, ideas, and ultimately create dialogue that leads to building win-win solutions for us – the business owners – for the communities we serve, and for the organizations that

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<sup>4</sup> The Unconscious Civilization, by John Ralston Saul.

<sup>5</sup> By their own admission, Industry Canada states “reporting on small businesses can seldom adhere to any strict definition due to data limitations”.

<sup>6</sup> Small as defined by Merriam Webster; **1 a:** having comparatively little size or slight dimensions **2 a:** minor in influence, power, or rank **b:** operating on a limited scale **3:** lacking in strength <a small voice> **4 a:** little or close to zero in an objectively measurable aspect **5 a:** of little consequence **6:** limited in degree.

<sup>7</sup> In January 2010, there were 2,289,329 businesses operating in Canada; 1,209,435 were “Indeterminate”, 55,920,054 have 1 to 4 employees, and 218,153 have 5 to 9 employees. Only 2,991 businesses employed over 500 employees. In 2004, there were an additional 2.5 registered self-employed workers in Canada.

<sup>8</sup> Small Business Week is a registered trademark of BDC (Business Development Bank of Canada), a crown corporation.

<sup>9</sup> Over the past five years, Small Business Week has been cut short to 2.5 days.

support us. xChange transcripts are circulated to all community stakeholders including consumer groups, media, government, and large enterprise.

***Reclaim Your Power...***

- [Join the "Bridge the Gap" Task Force](#)
- [Join a local xChange Steering Committee](#)
- [Register to attend an upcoming xChange town hall meeting](#)
- [How do you think "small" business should be classified or rebranded](#)



## Imperative #4

### Rebuild Our Lending System

Our current lending system, as it pertains to how independent business owners acquire start-up and operating capital, is fundamentally flawed and is in desperate need of restructuring. Most financiers lend based on quickest turnaround of their investment capital and the greatest yield. Regardless of the capital received<sup>10</sup>, inevitably the recipient – the independent business owner – is rarely provided with the necessary tools and resources to achieve their stated purpose and projections. The majority of loans are secured and/or obtained through personal guarantees. Because of this, many business plans are not vetted, and in some case are not viable business models, setting the business owner up for failure from the start. Ultimately, the cost of the entrepreneurial journey is high: lost homes, savings, RRSPs, relationships, confidence, and in the end, when there are no options left, personal bankruptcy<sup>11</sup> is the only course of action.

#### *Taking Action...*

**Establish a New Matrix:** We believe that the time has come to implement a new lending system that is economically feasible and rewarding for all, a system built on: reduced loan amounts, incremental lending contingent on achieved milestones, supplemental education and mentorship, and a repayment model based on peer-accountability.

**Assemble Financial Task Force:** Achieving success in this area will require us to first assemble a committee of financiers with diverse areas of expertise including micro-lending, angel investing, venture capitalists, and of course, traditional banking. Each committee member, regardless of their background, will agree that the time has come for a radical reconstruction of how independent businesses obtain and repay business loans.

#### *Reclaim Your Power...*

- [Join the “Rebuild Our Lending System” Task Force](#)
- [How do you think the lending system should work for independent business owners?](#)

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<sup>10</sup> In 2007, independent business owners generated \$109 Billion in financing for Canadian chartered banks.

<sup>11</sup> In 2009, bankruptcy rates (personal and business) increased 28.6% accounting for \$23 billion dollars in uncollected liabilities. That same year, the Canadian government agreed to hand over to General Motors Canada \$17.4 billion in taxpayer's dollars, to help them rebuild following their bankruptcy filing.

## Imperative #5

### Inspire Corporate Ingenuity

The majority of corporations looking to attract the loyal patronage of independent business owners have failed to adequately research our needs and requirements, resulting in inaccessible, over-priced, irrelevant and in some cases, detrimental products and services.

#### ***Taking Action...***

**Challenge Claims:** We will challenge corporations claiming to help "small" business. Is their product accessible, affordable, and relevant? Does it produce results, or is it merely a well-constructed marketing ploy to capitalize on our growing market segment, or our increasing need for credible and affordable resources?

**Offer Focus Groups:** For those corporations that are sincere about making a difference in the lives and businesses of our independents, Powerhouse will build and facilitate, for a fee, focus groups comprised of independent business owners interested in contributing their perspectives, ideas and opinions on how businesses can improve their products and services, and enhance their marketing message directed at the independent business community.

#### ***Reclaim Your Power...***

- 🔴 [Join the "Corporate Ingenuity" Task Force](#)
- 🔴 [Request an Focus Group for your organization](#)

## In Closing

We, Canada's independent business owners, have been waiting too long for others to initiate the change we want, and need, to see in our society.

*It is up to us, and we can do this.*

***We are the masses:*** *We're 2.5 million independent business owners. Alone, we account for 98% of our country's entire business community, not including our fellow 2.5 million self-employed contractors.*

***We have negotiating power:*** *Collectively we employ 49% of Canada's total labour force (self-employed make up an additional 15%). We generate 85% of Canada's exported goods, and we account for 24% of Canada's GDP. Not to mention, in 2007 we generated \$109 billion dollars for chartered banks alone.*

***We have the backbone:*** *We're Canada's visionaries and risk-takers, and we're tenacious as heck. Being bold and courageous is in our blood. And, being told "it can't be done" only serves to fuel our efforts.*

History has shown us when, we the people, have awakened to our consciousness, and risen together to confront systems which have oppressed us, what a powerful force we truly are, once we have chosen a direction<sup>12</sup>.

**Join us in leading the new economy...**

**[www.powerhousecoop.com](http://www.powerhousecoop.com)**

**1.866.839.2333**

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<sup>12</sup> Source: Naomi Wolf, [The End of America](#).