

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 20, 2012

Item 10, Report No. 43, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on November 20, 2012.

10 VAUGHAN BUSINESS ENTERPRISE CENTRE (VBEC) YOUTH ENTREPRENEURSHIP PROGRAMS

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Executive Director, dated November 6, 2012:

Recommendation

The Executive Director, in consultation with the City Manager, recommends:

1. That this report be received.

Contribution to Sustainability

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Under this definition, activities related to economic development contribute to the sustainability of the City.

Economic Impact

There are no financial implications resulting from the adoption of this report. All costs associated with Youth Entrepreneurship Programs have been budgeted in the 2012 VBEC Economic Development Budget.

Communications Plan

Not applicable

Purpose

The purpose of this report is to provide a summary to Council on Youth Entrepreneurship Programs which the Vaughan Business Enterprise Centre (VBEC) has developed and implemented as part of its mandate to provide increased assistance to youth considering business and entrepreneurship as a career choice.

Background - Analysis and Options

Fostering entrepreneurship can be a lifelong endeavour. However, creating programs directed toward our youth population, teaches skills that can be carried over to their school career as well as influence their professional development and career choices. Today's youth are creative, energetic, talented and connected to social and economic issues. By supporting and channeling their ideas, the city can benefit from the social and business enterprises created by young people (e.g. idea generation, business and career independence, willingness to assume risks, employment generation, etc.).

Since its inception in 2001, VBEC has developed and offered business skills training for youth. Leveraging its partnership with the Ministry of Economic Development and Innovation (MEDI), as well as private sector partners, VBEC delivers programs tailored to the specific needs of youth. These

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 20, 2012

Item 10, CW Report No. 43 – Page 2

programs range from school outreach, business plan challenges, co-op education placements, mentoring, etc.

In 2012, VBEC offered three programs for youth:

- Summer Company-a great opportunity for enterprising young people who want to run their own summer business with access of up to \$3000 in funding from MEDI, including keeping all profits
- Biz Teens Camp-introduction to business, targeting “tweens” at very early stages-pre high school
- Riviera Parque Culinary Program-focus on the business of the food and hospitality industry and career building within the culinary sector

Summer Company

Summer Company, an annual program sponsored by MEDI and the Small Business Centres across the province offers students of ages 15 to 29, up to \$3,000 in grant funding to develop and run their own summer business. Students submit business plans to VBEC and MEDI for Summer Company entry approval. Once accepted into the program, students are given \$1,500 and upon completion of the program, MEDI releases the remaining funds, up to another \$1,500.

This program offers practical experience in operating a business, teaching business planning, finance, sales, marketing, accounting and service/product delivery. VBEC assists the students to develop their business concept and complete a business plan. Over the summer, VBEC arranges for local business owners to mentor students on a one-on-one basis. Students are required to attend a full-day training session at the onset of the program. Bi-weekly meetings with a VBEC consultant, and participate in VBEC seminars and workshops.

2012 is the eleventh year that VBEC has offered the program. During this time, 76 students successfully completed Summer Company. One-third of Summer Company alumni have confirmed that they continued to operate their companies even after the program was over. This year, there were a total of 44 applicants. Of those, ten qualified and were approved. In total, eight completed the program in its entirety and earned cumulative revenues of approximately \$25,000.

This year, Daniel Virgili, proprietor of Virgili Contracting was recognized as the outstanding Summer Company student. His Summer Company generated a total income of \$10,945 or 44 percent of the total \$25,000 generated by all eight students. He surpassed his original revenue projection of \$9,732 by \$1,213. Virgili Contracting's net profit was \$8,664.

Daniel's company, Virgili Contracting Ltd. offers full landscaping services in addition to general contracting for the residential market. Daniel Virgili acquired his experience by working for other companies prior to starting his own business through Summer Company. He specializes in interlocking, demolition painting, house renovations and general maintenance services. Daniel attributes his success in that he was able to offer multiple services to each client, providing them with a better price option as well as flexibility in timing of the job. He gained business through customer referrals and developing a solid reputation as a young business owner.

It is interesting to note that this student had applied to the program last year and received guidance from VBEC during the application process. He opted not to participate in 2011 after receiving an offer for employment.

For VBEC's Summer Company efforts, MEDI provided approximately \$13,000 contribution back to the Centre to offset costs associated with the program.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 20, 2012

Item 10, CW Report No. 43 – Page 3

Biz Teens Camp:

For the second consecutive year, VBEC in cooperation with the Recreation and Culture Department, offered “Biz Teens Camp” through the City’s Summer Camp programs at the Rosemount Community Centre.

Youth aged 12 to 14 were introduced to the business planning process. Participants learned how to create a simple business plan and then put it into practice by establishing a lemonade stand. The week was filled with fun and educational business seminars, field trips, and guest speakers. It culminated in Lemonade Sale Day, with three teams of five campers (Granny Annie’s Lemonade, Pure Freedom and Homemade Lemonade) using all the skills and advice gathered over the week to compete for lemonade sales from their stand. Pure Freedom won the competition with the best net profit after expenses.

Professionals such as Mini Moose Media, Marin Media Group, Petits Chefs Academy and David DiBenedetto lent their expertise to mentor these young entrepreneurs.

Biz Teens Camp Successes:

- Biz Teens Camps was sold out-Capacity: 15, with five wait listed
- 100% attendance on days spent with VBEC
- Participants surveyed described what they most enjoyed about the program: creating logos, learning and dealing with cash and pricing, selling, swimming, learning about how to start a business, solving teamwork and personality problems
- Participants were extremely engaged and creative on the Lemonade Sale Day using sales pitches, competitive strategies, implementing added value/differentiators such as raffle tickets, multi purchase discounts, flavoured lemonade, environmental, organic and thirty plus year old business claims
- There was a huge focus on logos; in an effort to brand their companies the logos were used strategically, wherever possible for consistency and added exposure
- One of the three teams actually dressed in theme with ties and shorts to appear more business like or to creatively dress in uniform

The success of “Biz Teens Camp” this year lends itself to the consideration of offering this program again in 2013.

Riviera Parque Culinary Program:

The Riviera Parque Culinary Program began in September 2010, and occurs multiple times per year. This year marks the fourth time the program has been run, with nine participants. There are two major components to the program:

- Business fundamentals geared towards the culinary industry
- The practical learning experience completed through cooperative education

Through a partnership between VBEC, restaurant owners, culinary schools and Riviera Parque, high school students receive practical learning experience by working directly within the culinary environment. The Vaughan Business Enterprise Centre offers its expertise on entrepreneurship through classroom instruction. During these sessions, students are taught about the fundamentals of

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 20, 2012

Item 10, CW Report No. 43 – Page 4

business planning. Students have the opportunity to learn how to evaluate a good business idea, the steps required to start a business, the different structures of business, insurance issues, tips on finding a business location, taxation, marketing, branding, financial, operational, management and administrative aspects of business, all specifically with a focus on the restaurant/hospitality sector.

Students are required to have a mentor for financial and business advice. VBEC consultants offer meaningful mentorship and are a valuable resource to the students as they set out to build their business plan.

Students finish with a thorough understanding of the expectations that are required from the culinary industry. Instruction from VBEC equips them with the knowledge that business success requires hard work but more importantly a good business plan will bring an understanding of the responsibilities of owning and operating their own business.

Furthermore, VBEC continues to assist the students on an on-going basis. In the past, a number of students have taken advantage of VBEC seminars focused on accounting, marketing or other fundamental business concepts.

To date, approximately 40 students have participated and 70% of these students have been tracked to have continued their education at the college level in the culinary industry.

Economic Development has recently approached Scuola Alberghiera Villa Santa Maria, a renowned culinary school just outside Lanciano, Italy to build upon the existing relationship between Lanciano and Vaughan. Opportunities can be developed for students pursuing careers in the food and hospitality industry by establishing, exchange programs with schools and institutions in both of these cities.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the Vaughan Vision 20/20 Goal 1: Plan and Manage Growth and Economic Vitality.

Regional Implications

Not applicable

Conclusion

The City's 10-year Economic Development Strategy, *Building a Gateway to Tomorrow's Economy* identifies Vaughan as an incubator of entrepreneurial and economic activity for the economic region. The Youth Entrepreneurship Programs administered through the Vaughan Business Enterprise Centre allows Vaughan's young entrepreneurs the opportunity to experience business at an early stage. Advice and guidance from local business community members and VBEC consultants inspires our future generations to consider entrepreneurship as a viable career choice, enhancing and shaping economic growth in Vaughan.

Attachments

N/A

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 20, 2012

Item 10, CW Report No. 43 – Page 5

Report prepared by:

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)