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# Winnipeg's Social Purchasing Portal: From the Past to the Future

By Lauren Reeves

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# Introduction

The Winnipeg Social Purchasing Portal (SPP) was started by SEED Winnipeg in 2004 based on a Vancouver portal that commenced a year earlier. The SPP is designed to strengthen CED initiatives by bringing together social enterprises and purchasers to raise sales and put both suppliers and purchasers in touch with a pool of employment-ready workers from disadvantaged groups. The SPP Winnipeg web-site puts it thus: “The portal is a web-based, business-to-business database that facilitates these business relationships, which then triggers economic growth for the suppliers, which in turn creates employment opportunities for individuals or groups who face multiple barriers to employment.” (SPP Winnipeg webpage).

This report is based on a review of existing literature on SPPs, their origin and track record; semi-structured interviews have been conducted with SEED, LITE, current purchasers and suppliers to assess how the SPP operates and how it might be strengthened in the future; data has also been collected from LITE on the extent to which SPP suppliers purchased from each other and on the extent to which purchasers used suppliers. A sample of companies that have not yet become purchasers but whose corporate social responsibility mandates might suggest they could become purchasers if approached have been also been interviewed. Here the intent is to assess their interest and the extent to which they might purchase from suppliers, possibly at above market prices.

# Literature Review

In recent years we have seen the spread of social enterprises as well as a significant rise in the number of mainstream corporate CEOs discussing the “triple bottom line” meaning not only the financial bottom line but the social and environmental bottom lines as well (Emerson, 2003). Business leaders worldwide are supporting movements towards greater Corporate Social Responsibility (CSR). According to Industry Canada, CSR is understood to be “the way firms integrate economic, social and environmental concerns into their values, cultures, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth, and improve society” (Industry Canada, 2011). The private sector is increasingly being called upon to address social problems and to take more responsibility to right the wrongs they are responsible for (Smith, 2003). More and more consumers are looking for corporations with ethical and sustainable business practices (Harji, 2008). In order to align their business practices with consumer’s demands businesses are looking for ways to promote social and/or environmental initiatives through CSR. The business case for CSR is that good companies will have loyal customers,

attract loyal employees and enhance shareholder value. Margolis and Walsh (2001) compiled nearly 100 studies from the past 30 years that examined the relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) and found most studies pointed to a positive relationship between CSP and CFP. A Globe Scan poll conducted for its annual Corporate Social Responsibility Monitor showed that 83% of Canadians believe that corporations should go beyond the traditional economic roles. Over half responded they had punished a company by not using their products or services for behaving in a manner they deem to be socially irresponsible (Building Opportunities with Business webpage). Businesses face a challenge of how to incorporate the triple bottom line without negatively affecting their single (financial) bottom line.

The business sector has traditionally been seen as the division of the economy that delivers economic or financial value while the social economy, meaning the voluntary sector and social enterprises, are seen as the division of the economy that delivers social value. However, ‘The Blended Value Proposition’ which was developed by Jed Emerson, Senior Fellow at the Hewlett

Foundation and Lecturer at Stanford University's Graduate School of Business, states that all organizations can create value that consists of financial, social and environmental components. The core nature of investment and return is not a trade-off between social and financial interests but instead a combination of the two (Emerson, 2003). The SPP is designed as a mechanism to foster a blended approach of social and financial value (LePage, 2006).

The SPP is an innovative non-profit program designed to integrate social and environmental consideration into core business practices through purchasing. Through a local SPP website business can access a directory of social enterprises (revenue generating organizations that operate with a social mission) that provide a variety of goods and services. By adjusting their purchasing practices businesses can buy goods and services while fulfilling their CSR mandates by positively contributing to their communities. They are able to put social value into their everyday business without necessarily having to spend more. It is a demand-driven business model that caters to the needs of purchasers (Harji, 2008).

The SPP works through three key partner groups; purchasers, suppliers and an SPP host organization. SPP purchasers direct some of their buying to the participating suppliers without having to spend more money on their everyday business needs. These purchases commonly include office supplies, couriers, catering, printing and janitorial services. By keeping track of what they buy from SPP suppliers purchasers are able to demonstrate that they are being socially responsible. The SPP gives purchasers an opportunity to keep track of what they have done to fulfill their commitment to social outcomes (LePage, 2007). Suppliers supply business products or services that purchasers need as well as

agreeing to help achieve the social goals of the local SPP such as hiring people who have barriers to employment. The portal gives supplier partners a unique opportunity to connect with purchasers they might not otherwise reach and who are already inclined to purchase from SPP suppliers. SPP suppliers also benefit because local employment agencies refer qualified and trained employee candidates to them. The referrals can save suppliers time and money on hiring costs. The referrals, in turn, help achieve the social outcome of the SPP suppliers and the SPP project as a whole (LePage, 2007). The host organization is a local non-profit organization that has a focus on Community Economic Development (CED) and has the capacity and mandate to effectively implement the project. SPPs may have their own distinct target market based on the local or regional economy and the social objective of their portal (LePage, 2007). Some regions may have an SPP that focuses on encouraging employment for people with disabilities while another SPP may be more focused on achieving environmental outcomes by increasing purchases of sustainable products. The relationships that the host organization focuses on will depend on the objective they are trying to achieve.

The SPP benefits the community in a number of ways. The SPP creates financial capital by increasing sales and marketing opportunities for social enterprises and local small businesses in the region and keeping money in the local economy. The SPP builds human capital by creating sustainable employment opportunities. Finally, the SPP creates social capital by helping to build business relationship for social enterprises and employment for unemployed or underemployed people who face barriers to employment (LePage, 2007).

# History

The first SPP was launched in Vancouver in 2003 as a program to create employment in the Downtown East Side (DTEs) which is known as ‘Canada’s Poorest Postal Code’. In 2001, a small working group that included representatives from employment development services providers, government employment ministries and community economic development practitioners began analysing the lack of effectiveness of programs supporting entry into the labour market of long-term unemployed and hard-to-employ persons. They concluded the employment service model was a supply side model that focused on training rather than on employment (LePage, 2006). The group then began to look at a number of demand side models that have been successfully implemented. They came across Ireland’s Fast Track to IT (FIT) which was an industry-led initiative that created jobs for long-term unemployed people in Dublin’s growing IT sector. FIT’s mission is to promote an inclusive Smart Economy by creating a fast track to marketable technical skills for those at risk of long term unemployment. It is the primary industry skills development initiative helping collaboration with government, education and training providers and disadvantaged communities to allow greater access to employ-

ment for marginalised job seekers (Fast-Track to IT webpage). Unfortunately, this model was not a great match to use in Vancouver because Vancouver’s IT sector hired almost exclusively very highly trained and skilled software developers and did not have many entry level job positions. Furthermore, this was around this time that the high tech economy was beginning to crash. The working group retained one of the key elements from the FIT initiative, a demand side model that focuses on employment that meets the needs of potential employers.

The working group realized that although the IT sector companies did not have any entry level positions, they, and every other business had to purchase goods and services from businesses that did have entry-level positions. The Vancouver group founded Fast Track to Employment (FTE) and began interviewing local small businesses, many of whom provided everyday business goods and services. FTE found that if they could increase the business opportunities for these businesses the businesses could in turn hire people from the FTE employment training groups (LePage, 2007). FTE began to focus their attention on building a model that could fit into the existing supply chain business relationship

(LePage, 2007). With a two-year financial and human capital investment from the BC Technology Social Venture Partners (BCT-SVP), FTE was able to take their design and implement it by leveraging employment opportunities out of existing business-to-business purchasing decisions with no added cost or loss of business value to the participating businesses (LePage, 2006). Members of BCT-SVP were the SPP's initial purchasing partners and the suppliers list was composed of companies that formally committed to consider employing from the FTE pool of prepared candidates, businesses that provided essential business services and social enterprises active in Vancouver. The formal launch of the Vancouver Social Purchasing Portal was in June 2003 and in one year they were able to sign on 100 purchasers, 40 suppliers, create more than 50 jobs and generate \$500,000 in economic activity (LePage, 2004).

The Vancouver portal is now run and hosted by an affiliate of FTE called Building Opportunities with Business (BOB). BOB's mission is to provide support for the implementation and management of the Vancouver Agreement Economic Revitalization Without Displacement Plan and employment strategy for the benefit of Vancouver's downtown east side. The portal's primary objective is still to increase the sales and build the capacity of selected businesses in the east-side of Vancouver including social purpose enterprises as well as creating job opportunities for disadvantaged persons. The portal has switched its name from Social Purchasing Portal to Social Purchasing Directory (SPD). It currently lists 48 suppliers and 156 purchasers on its website <http://www.buildingopportunities.org/spp/search-home.asp>. Some of the Vancouver's SPD strengths are that they directly target social enterprises and small businesses that cater to business needs and have a high purchaser to supply ratio. These features greatly increase the chance

that supplier partner's businesses will be able to grow as a result of membership in the SPD. Small businesses need a large increase in sales in order to create jobs. The more purchasing partners in the SPD the better chance that jobs are going to be created especially if the businesses or enterprises on the SPD do provide products and services the purchasers require on a regular basis.

Suppliers can be searched on the SPD according to the services they provide (i.e. office supplies, construction, catering etc.). By clicking on the supplier's icon you are able to read more about the services the supplier provides and find their contact information. The bottom of the page also lists which of the social or environmental mandates the supplier contributes to. The five mandates are; commitment to the inner-city community, HR practices attuned to an inner-city workforce, buys locally, ecologically responsible and whether they are working with BOB, the host partner company to help promote community economic development in Vancouver's inner-city. By scrolling over the icon you can learn exactly how the supplier partner meets the criteria. For example, Wanted is a florist listed on the directory; it has icons for commitment to the inner-city community, buys locally and ecologically responsibly. The info box for its commitment to the inner city says it is located in the inner-city; it gives to inner-city causes and shows leadership in community or business circles in the inner-city. For 'buys locally' the box lists that the business has a policy and practices that include procurement from inner-city suppliers and for 'ecologically responsible' it lists that the business has a policy and practices such that it reduces waste, increases recycling and re-use of materials, uses green technologies and/or practices as well as provides "green" products or services. This makes it easy for purchasing partners to search for suppliers that provide goods and services that meet their own CSR mandates.

## SPP's Around Canada

Between 2004 and 2007 six more SPPs were launched across Canada including Winnipeg. This section will briefly profile the Calgary, Fraser Valley, Ottawa, Toronto and Waterloo Region portals.

### **Calgary**

After a year in development the Calgary portal was launched in November 2005. Its host organization was Momentum. Momentum's mission is to partner with the under-employed to develop their productive futures. The primary objective for the portal was to foster networking and a sense of community between participating partners in the SPP and to increase the income of people working in the supplier business to a living wage (above \$12/hr). By 2007 it had 40 purchasers and 26 suppliers. It is no longer in operation. Momentum decided the SPP could no longer compete as purchasing portals became more sophisticated and that keeping it operational was hindering Momentum's sustainability rather than supporting it (Aalto, 2012).

### **Fraser Valley**

After two month of development the Fraser Valley SPP was launched in November 2005. Its

host organization was the Mennonite Central Committee of British Columbia (MCC BC) Employment and Development. MCC BC's mission is to enable people and communities towards economic self-reliance by empowering them to discover their gifts, develop their abilities, and mobilize resources to find sustainable work. The portal's primary objectives were to create employment in the region with particular focus to youth at risk, single mothers, underemployed people, etc., to enable success of other MCC programs and mandates and to further stimulate community consciousness around CED and local development. By 2007 it had 40 purchasers and 25 suppliers, however, it is no longer in operation (LePage, 2007).

### **Toronto**

The pilot phase for the Toronto portal started in June 2004 and it was officially launched in March 2005. It was hosted by The Learning Enrichment Foundation (LEF). LEF's mission is to provide community responsive programs and services which enable individuals to become valued contributors to their community's social and economic development. The portal's primary objective was to connect corporate pur-



chasers and suppliers seeking to leverage their transactions for commercial and social benefit and to create job opportunities for individuals who require support to enter the workforce. In 2007 the portal had 64 purchasers, 40 suppliers and over \$60,900 in tracked sales and 44 hires. It is also no longer in operation (LePage, 2007).

### **Waterloo Region**

The Waterloo Region portal pilot phase began in August 2006. Its host organization was Opportunities Waterloo Region (OWR). OWR's mission is to ignite community action and leadership to create bold solutions that reduce and prevent poverty through collaboration, advocacy and education. The portal's primary objective is to provide sustainable employment for people in the Waterloo Region who face employment challenges as well as to encourage and stimulate the growth and development of local businesses. The portal was in operation for 3 years and in that time attracted more than 50 businesses and posted 57 jobs which resulted in 21 hires. OWR's website states that in the portal's three year existence, the portal required intensive support and facilitation from the SPP Coordinator in order to keep it functioning at its optimum and as a result it was not able to sustain itself. It is no longer operational (LePage, 2007; Opportunities for Waterloo Region, 2010 "Social Purchasing Portal").

### **Ottawa**

After a two year development period the portal was formally launched in March 2007. Its host organization is Causeway Work Centre. Causeway's mission is to provide a range of employment and educational programs and other supports to persons with mental illness and/or other disabilities as well as those who are homeless or at risk of homelessness. The portal's primary objectives are to promote employment for those who are hard to employ in the francophone and Anglophone community by channelling existing purchasing within the community and to

become a viable enterprise. Currently it has 23 purchasers and 35 suppliers and is still in operation ([www.spp-pcsottawa.ca](http://www.spp-pcsottawa.ca)).

### **Winnipeg**

As mentioned, the first Winnipeg SPP was launched in October 2004 and was hosted by SEED (Supporting Employment and Economic Development) Winnipeg. SEED's mission is "to reduce poverty and assist in the renewal of primarily inner city communities by providing capacity building services that assist low-income individuals, groups, organizations and economically distressed neighborhoods to improve their social and economic vitality" ([seedwinnipeg.ca/about](http://seedwinnipeg.ca/about)). SEED had heard about the work being done in B.C. by FTE executive director David Lepage and hosted him when he came to speak in Winnipeg about the potential to replicate the project in Winnipeg. Cindy Coker, executive director of SEED said the portal hit at many levels for them, supporting small businesses, particularly in the inner city and trying to get businesses to hire from within the community. Through consultations with potential suppliers, potential purchasers and community organizers SEED identified three key priorities for the Winnipeg SPP:

- 1) To create quality employment opportunities for hard to employ and long-term unemployed community members especially residents of Winnipeg's inner-city
- 2) To strengthen, expand and create businesses in Winnipeg's inner-city as well as social enterprises within and outside the geographic boundaries
- 3) To educate both purchasers and suppliers on the nature of community economic development and corporate social responsibility through participation in the Portal

Through consultations with partners and community groups, the SPP partners decided a spe-

cific criterion for Winnipeg Social Purchasing Portal Suppliers. Suppliers must be an inner-city business or a business in an inner-city characterized neighbourhood or a business with a demonstrated commitment through ownership structure and/or use of funds to meet stated social goals as well as financial goals and they must agree to use the services of the SPP's Employment Network.

After approximately a year and a half in operation SEED prepared a progress report to quantify how the portal was functioning. At that time they had approximately 24 suppliers and 52 purchasers. Of the 24 suppliers 19 participated in a survey conducted by SEED, 17 of those reported an increase in sales since joining the SPP. Eight suppliers were unsure of the amount their sales increased but the average increase of the remaining 9 suppliers was 37% (although not all of the increase would be due to membership in the portal). Of the 19 suppliers who participated in the survey, 14 reported an increase in employees since joining the SPP. The number of new jobs was approximately 30, however, not all of the jobs were posted through the employment exchange, which was a part of the initial agreement that suppliers signed. Four of the jobs posted resulted in hires from one of the employment partner agencies. The employment agreement stated that while suppliers had to post jobs with the agencies; they did not have to hire through them. Ms. Coker said she thought the employment component of the portal was important if it only made people look at people who have barriers to employment when they look to hire; in some ways it was an avenue to break down prejudice. However, there was not always a good match between the jobs posted and the agency candidates. It was noted that although only 4 hires came from the employment network it does not mean that the other 26 hires were not from the inner city or low income (SPP Supplier Survey, 2006, personal communication with Cindy Coker of SEED, 2011).

Ms. Coker noted the portal required on-going marketing and communication. SEED sent out a monthly newsletter to facilitate that need. The newsletter would provide specials and discounts for purchasers. At one point SEED put out an SPP booklet that contained supplier profiles and listed what their products and services were. There was a need to keep the portal at the forefront of purchasers' mind so they knew to check the portal before making their purchasing decision. The need for on-going marketing was an obstacle in maintaining the SPP. SEED felt that for the portal to really work well someone needed to be constantly getting in touch with purchasers as well as helping suppliers to come up with marketing ideas to promote their businesses. But marketing material is only one piece of the puzzle; a lot of buying is through personal relationships which can take a lot of time to build. Getting purchasers to sign on is not just about getting a business to sign an agreement but knowing who in that company does the purchasing, it may be an admin person or it may be several people so knowing who in a company to approach can be difficult. Another obstacle Ms. Coker mentioned was finding the right balance of suppliers and purchasers. There was also a concern that if there are too many suppliers, or too many of the same type of suppliers then the portal may not make a difference in their business. There needs to be a large increase in sales in small businesses to create jobs (personal communication with Cindy Coker of SEED, 2011).

In 2008 the Winnipeg SPP took a break in order for there to be switchover from being hosted by SEED and turned over to LITE (Local Investment Toward Employment). The decision to make the switchover was a mutual one; there was an opportunity for LITE to receive funding for the portal and employ a half-time SPP co-ordinator who would work 20 hours per week running the portal. SEED was happy to let LITE take it over if meant they could get a grant to fund it and both SEED and LITE felt that the SPP would be a good

fit for LITE's organization and the SPP would support LITE's mission "to promote community economic development by supporting inner-city initiatives in Winnipeg that build capacity and provide jobs" (SPP Info Sheet, [www.sppwinnipeg.org](http://www.sppwinnipeg.org)). LITE started working on the portal in 2010 and took steps to revitalize and strengthen the SPP. The SPP restarted in April 2011 although its official re-launch was in June 2011. They created a steering committee with members of the CED community as well as past SPP members. The steering committee was used to guide the initial decisions. They contacted all past suppliers and purchasers to go over the commitments and the goals of the project. They created a tracking system to track progress. The tracking system consists of quarterly reports filled out by purchasers that shows how much money they have spent using SPP suppliers. LITE also tracks how many jobs are posted and how many of those resulted in interviews and hires from partner employment agency candidates. The website was completely redesigned to make it more interactive and user friendly. Like Vancouver's SPD, each supplier has up to 5 icons on its page on the site to show which criteria they meet; employment development, economic development, community development, neighbourhood initiative and ecological responsibility.

When LITE contacted all the past suppliers and purchasers to go over the commitments and sign the new agreements only 8 of the 59 purchasers rejoined while 15 of the 29 existing suppliers re-signed. There were various reasons that supplier and purchasers did not rejoin. Some were no longer in business, others never responded when contacted; one purchaser stated they just did not see the benefit. When SEED began the project they hired a firm to help recruit purchasers. It seemed that many of the purchasers signed on because of personal connections with this firm and so when the portal re-launched they did not renew their commitment. Under LITE's new system purchasers are asked to track their

purchases from SPP suppliers and so LITE felt that perhaps some of those purchasers who initially signed on to the portal more as a show of support may have decided not to resign when there was the added obligation of tracking their purchases.

The Winnipeg SPP has two main objectives; to support local small businesses and social enterprises that are committed to promoting CED principles as well as to help create employment opportunities for those who face barriers to employment. Therefore, the Winnipeg SPP will sign up suppliers who fulfill one of two categories. The first category is the Employment Stream. These supplier partners make a commitment to look at resumes from employment agency clients who have various barriers to finding and maintaining employment. The second is the Social Purpose Stream. These suppliers may be unable to offer job openings consistently due to the size and structure of their business; however, they have the chance to show support of CED initiatives in Winnipeg through an active demonstration of the Neechi Principles within their business practices. These principles are:

1. Use of locally produced goods and services;
2. Production of goods and services for local use;
3. Local re-investment of profits;
4. Long term employment of local residents;
5. Local skill development;
6. Local decision making;
7. Promotion of public health;
8. Improvement of the physical environment;
9. Promotion of neighbourhood stability;
10. Promotion of human dignity; and
11. Mutual aid support among organizations adhering to these principles. (Neechi, 1993)

The Winnipeg SPP states the benefits for supplier partners are that they are able to connect to new

corporate, non-profit, and individual purchasers who are looking to add social value to the quality of their regular buying habits. Purchasing partners are corporate or non-profit organizations that make a commitment to buy goods and services on a regular basis from SPP suppliers. The purchasers recognize their agreement by offering consistent feedback on purchasing goals and show a preference for SPP suppliers' good and services. Purchasers may also be individuals in the general public who support socially conscious purchasing by redirecting their buying habits to SPP suppliers. The Winnipeg SPP website states that the benefit for purchasing partners is that the SPP website will clearly post the purchasing partner's logo on their website as well as the SPP will profile purchasing partners on the site and in the SPP newsletters. This advertising demonstrates a value-filled commitment on the part of the purchaser and serves as a transparent dedication visible to other businesses, organizations and to the general public (SPP Info Sheet, [www.sppwinnipeg.org](http://www.sppwinnipeg.org)).

In its first year of operation since the switch-over the Winnipeg SPP has grown to 39 suppliers and 35 purchasers. The total amount of sales

from SPP supplier to SPP purchasers in the first year of operation is \$403,379. A total of 40 jobs were posted in the first year which resulted in 12 interviews and 4 hires. Erika Frey, the SPP co-ordinator for LITE said the first year was challenging for the employment side of the portal. It required a lot of communication and relationship building in order to create a system that worked for the employment partners, the suppliers who posted the jobs and the host organization. Consultation with the partner employment agencies resulted in some of the tracking mechanisms to change in order for things to run more smoothly. Mrs. Frey also noted that of the 40 jobs posted last year not all of them received applicants from the employment partners. Some of the jobs require specific skill sets and there was not always a good match. Mrs. Frey also noted that the number of interviews given to employment agency candidates has been increasing in the more recent months which should also be viewed as a positive outcome. Interviews, even if they do not lead to hires, can be a positive learning experience as well as good practice for candidates. As Ms. Coker had mentioned part of the purpose of the employment component is to help break down prejudice.

## Interview Summaries

Between January 2012 and May 2012 interviews with SPP suppliers and purchasers were conducted to try gain a better understanding of the SPP's strengths and weaknesses. Any organization that was listed as either a supplier or purchaser or both at the beginning of this time period was contacted to participate in the survey. At this time 29 suppliers were listed on the SPP directory, however 2 were seasonal and not operational at this time and one had temporarily shut down while they were preparing

to move locations and so they were not able to be contacted leaving 26 eligible suppliers; of those 19 agreed to be interviews. Of the 12 purchasers listed 10 agreed to interviews and of the 7 that were listed as both suppliers and purchasers 4 agreed to interviews giving a total participation rate of 73%. (SEED and LITE are both listed as purchasers on the portal, however they were not interviewed about their participation as purchasers to retain the impartiality of the interviews).

## Supplier Interviews

Half the suppliers interviewed said they had first heard of the SPP through SEED, although some did not sign up until the SPP was taken over by LITE. Three said they were directly approached by LITE, and that was when they first had heard of it; the remaining 7 said they first heard of it through business contacts like CCEDNET and the North End Community Renewal Corporation. Another had heard about the idea from the initial meetings with SEED and David LePage. There were a couple of people interviewed who learned about the SPP when they began their current job because their organization had already been a part of the SPP prior to them being hired. Suppliers were asked what attracted them to signing up (the question allowed for more than one response) 78% said it was the possibility of additional sales, 64% said they wanted to network with other social enterprises and 36% listed the employment exchange as a reason for joining. Other reasons for joining were: to show support; feeling a sense of social responsibility; to assist them to follow CED principles; and, to receive help with marketing.

In terms of increases in sales, only 14% said they felt there was an increase in sales after joining the SPP, 22% said there were unsure while

55% respondents said that membership did not increase their sales or they did not think it increased their sales at all. The remaining 9% stated that although they do make regular sales to SPP purchasers that those sales have been from existing relationships and are not a direct result of membership from the portal. One supplier partner stated in their interview that the SPP had not resulted in any sales for their business however, in one of the interviews with a purchasing partner the purchasers mentioned that business as one of the SPP businesses they use. It was unclear if the supplier did not know the purchaser was in fact an SPP purchasing partner or if this purchasing relationship had already been in place prior to these organizations joining the SPP. Very few of the suppliers interviewed (those that were listed only as suppliers and not as both suppliers and purchasers) said they used the SPP for their own purchases. Suppliers do tend to be smaller businesses with less purchasing power and some have very specific purchasing needs, however they should also be encouraged to use the portal. One supplier mentioned that sometime suppliers forget that they should also be supporting the portal through purchasing and it is not there just to boost their own sales. It is

meant to be a network where businesses with similar values support each other.

Ten of the 23 suppliers (43%) said they have posted jobs using the employment exchange, 9% noted that they had posted jobs but did not receive any applicants. Twelve respondents (52%) said they have not used the employment exchange, 4 of those said it was because they have not hired, while 3 others said although they have not posted directly through the SPP they have used employment partner agencies to fill jobs. Two more respondents said they have hired but have not had to advertise jobs because they have hired through referrals from other employees or from people they knew in the community or they had hired people who applied for jobs without advertising.

Although the majority of suppliers (79%) said they did not have any problems using the SPP

some complaints were that it did not feel there was much of a relationship between members or that some businesses sign up as purchasers but then do not actually use the portal to look for businesses or to make purchases. Suggestions for strengthening the SPP included: adding more purchasers and suppliers; increasing the benefits for purchasers by making the portal more prominent; increasing engagement, marketing opportunities and promotion; a referral piggy back program to reach more businesses; increased networking between suppliers and purchasers; and, higher-profile notification of new members. The most common comment or suggestion was that the SSP is a great idea but there needs to be greater awareness about it. Some suppliers felt that although it is well known in the CED and social enterprise community it needs to be linked more to the business community.

## Purchaser Interviews

Of the purchasers interviewed half had heard of the SPP from either LITE or SEED while the others said it was either because their work place had previously been signed up before they started working there, a personal connection or CCEDNET. When asked what attracted them to signing up the majority (79%) said they were attracted to signing up because they wanted to support socio-economic goals, 57% said it was because they wanted to support employment of the disadvantaged and only 2 of the 14 purchasers said it was because they thought they could access cheaper supplies. Three of the purchasers highlighted that the SPP was in line with their organization's mission or mandate while one purchaser added they enjoyed engaging in these sorts of activities to see what can come out of them.

When asked how frequently contact is made with LITE half said approximately monthly, 40% said they only had contact with LITE when they submitted their quarterly reports and 10% said they had little contact with LITE. Half of the purchasers said they only had contact with other suppliers or purchasers when they were making purchases, 40% said they had contact about monthly with other supplier and purchasers and 10% were not sure.

The purchasers were also asked what proportions of their purchases were made from other SPP suppliers or purchasers. 29% said close to 100% of the goods and services that they purchase that are available from SPP suppliers / purchaser was made to SPP suppliers or purchasers. A further 15% said approximately 50% or their purchases come from SPP suppliers, 29% said very little of what they purchase comes from SPP suppliers or purchasers, 7% said they have not used the SPP to make purchases yet because they have existing purchasing relationships that are hard to sever and the remaining respondents said they were unsure.

When asked if they were prepared to pay more for goods or services when buying them from SPP suppliers who support socio-economic goals 9 of the 14 (64%) said they would, two said they were unable to because they are non-profit so it is difficult from them to fit it into their budget and the remaining 3 said they were unsure. Of those who said they would pay more one said they were willing to pay between 5-10%, one said 10% to said up to 15%, one said more than 15% and the remaining 6 said they were unsure and it depended on the product or service or their budget.



Of the 10 organizations that were listed as purchasers two had used the employment exchange. It should be noted that purchasers are not obligated to use the employment exchange as part of their purchasing agreement, but they are able to if they choose to. The two purchasers interviewed who are also employment agency partners stated they were each receiving about 2-4 job postings a month from the SPP.

When asked if membership of the SPP met their expectations 60% said yes. Problems listed with using the SPP included not enough suppliers or variety of suppliers. One purchaser added that the bulk of their purchasing is office supplies and there are no suppliers that provide office supplies. Another purchaser stated it was not how they looked for products and some others said at times they forgot about the portal and so do not check to see if what they are looking for is available through the portal. Tracking was also an issue that was brought up a number of times. Some purchasers found the system easy to use while others found it onerous and were unsure how it was useful. Some purchasers in-

dicated that since they have a number of people in their organization who make purchases it difficult to keep track of everyone's purchases for the report. It should also be noted that two respondents said they initially had issues with tracking but found LITE very accommodating to making changes to the tracking system to better suit their organization.

The most common suggestion from the purchasers for strengthening the SPP was more promotion and marketing. The respondents felt it needed to reach more people and not just businesses but individuals as well. LITE does regularly put out a newsletter that includes supplier and purchaser profiles as well as specials or coupons for purchasing partners as well any news or updates about the portal. Purchasers generally found the newsletters to be well laid out and a great idea and some of the respondents felt they should be put out more frequently. Other suggestions included having more connections between suppliers and purchasers and possibly having a way of trading good and services with each other.

## Obstacles and Mitigation Strategies

The first obstacle has been funding. Funding has been a reason that other SPPs across Canada have been unable to remain in operation. The portal requires funding to employ an SPP coordinator as well as to help with marketing costs. One of the reasons SEED transferred ownership of the SPP to LITE was because SEED was not receiving consistent funding for the portal. LITE so far has had to reapply for funding every year, which takes time but also makes it difficult to make long term plans. Currently the portal is funded through The Co-Operators and The Winnipeg Foundation. LITE is currently working on applying for 3-year funding from The Co-Operators and feel optimistic about receiving it. This will allow LITE to make a 3-year marketing plan and be able to focus more on long-term goals which will help the portal remain sustainable. The Vancouver SPD uses multi-year funding which has enabled them to focus on long-term economic and employment development programs and goals (LePage, 2007).

A second obstacle is time. The SPP coordinator is a part-time position; initially the position was funded for 20 hours per week but has been increased to 30 hours per week. The SPP coordinator has to split her time between recruiting

new suppliers and purchasers, helping to write-up job postings, following up with the employment partner agencies after jobs have been posted, compiling the tracking reports and helping with marketing for suppliers which includes making the SPP newsletter. The SPP coordinator said working with and recruiting suppliers takes up a lot of her time. New suppliers are screened to ensure they provide quality goods and services and adhere to the Neechi principles. The portal is meant to help purchasers take the leg work and hassle out of finding business that meet a certain standard and adhere to socio-economic principles. As the portal grows the SPP coordinator will have to spend less time recruiting suppliers, which will hopefully alleviate some of the time pressure.

On the other end tracking was brought up as an obstacle by some purchasers. Some purchasers felt it was time-consuming or they did not see what the benefit was. Tracking has two purposes. First and foremost it is used for internal reporting and for presentations to LITE's funders. In order to continue to receive funding the SPP needs to show purchasers are using the portal to purchase from suppliers and these purchases are helping the suppliers grow their

businesses. Secondly, the tracking forms have a column where purchasers can leave feedback about the supplier if they choose. This feedback can be used to help improve quality of service and assist suppliers to better their businesses. As mentioned some of the purchasers who initially had difficulties with tracking approached the current SPP coordinator and said she was very helpful in allowing them to make changes in the manner in which they do their tracking to better accommodate their organizations. Having different tracking systems to suit everyone's needs may put further strain on the SPP's coordinator's time, however, it may be possible to make some changes to ease the burden for some purchasers and the coordinator has demonstrated she is more than willing to help implement systems that work for everybody. To remind purchasers why they are asked to keep track of their purchase, it may be helpful to make note on the tracking sheets what tracking is used for and why it is important for the portal. Purchasers can also be reminded that they can use the tracking sheets to showcase their commitment to their communities if they so choose. Joining the portal is meant to give purchasers an opportunity to fulfill their organizations' CSR mandates and although LITE does not release information on spending by individual purchasing partners, the purchasing partners themselves can use it in their own reports to prove they are living up to their CSR commitments.

A common obstacle with Social Purchasing Portals is not having enough suppliers or purchasers. In the first few years, recruiting suppliers and purchasers and marketing the SPP is a key part of the SPP coordinator's job. The goals of marketing are to attract the interest and then the engagement of purchasers and suppliers in the SPP and to promote the SPP as an effective solution to the socio-economic problems being addressed (LePage, 2007). A common response from purchasers during interviews was that they wished the SPP had more suppliers and a wider

variety of suppliers. Currently the SPP has 39 suppliers that offer a wide range of products and services. However, the Winnipeg SPP is lacking in a few areas, especially office supplies. A few of the purchasing partners on the SPP have social purchasing mandates that they followed prior to joining the SPP. For certain purchasers the SPP was not necessarily creating new business relationships but formalizing old ones. These purchasers could be approached to see where they are getting supplies that they need, such as office supplies, and see whether the businesses they use meet the SPP's criteria. If they do, then they could be approached to see if they have an interest in joining. Since the SPP already has a number of purchasers that are looking to purchase office supplies this could be a great opportunity for a small office supply company that could then lead to new employment opportunities. The SPP coordinator does use referrals to attract new purchasers and suppliers but perhaps a more targeted approach could be used to fill certain product and service gaps in the SPP. Two major strengths of the Vancouver SPD which has aided in its success are its high purchaser to supplier ratio and that the Vancouver SPD targeted suppliers that businesses would use on a regular basis to ensure that joining the portal would increase demand for suppliers' products and services, allowing them to grow and create employment. Since the Winnipeg SPP has the dual purpose of creating employment and supporting socio-economic enterprises, some of the suppliers on the portal are not necessarily providing goods or services that businesses would normally use and are more likely to be used by individuals. Marketing to businesses and marketing to individual requires different marketing strategies. Currently the Winnipeg SPP has an almost equal number of purchasers to suppliers. In order to attract purchasers the SPP needs to have enough suppliers to make it worthwhile for purchasers to join. Now that the portal has been in operation for just over a year and has

been able to attract suppliers the focus needs to shift to attracting more purchasers so there is an increase in sales for suppliers and growth in their businesses. As mentioned earlier, there needs to be the right balance of purchasers to suppliers in order to make a difference in suppliers' businesses which can translate into creating new jobs.

The next obstacle is keeping purchasers engaged. Businesses and non-profits alike often state their commitment to their communities in their mission statements or CSR mandates. The portal is a measurable trail of this commitment. Newsletters and updates are a way of keeping purchasers informed but should also be a reminder of why purchasers joined the SPP. They should be reminders of what the goals of the SPP are and how the SPP is helping to facilitate the purchasing partners' own goals of building stronger communities. It is important to highlight that the purchaser's relationship to the SPP is mutually beneficial. When purchasing partners become members of the SPP they sign a statement of commitment stating they believe their purchasing practices should have a positive impact on the socio-economic conditions of Winnipeg. They agree to support supplier partners of the SPP by directing their buying power towards local goods and services offered on the SPP directory. The agreement also states the purchasers believe in a bottom line that encompasses more than just financial benefits and which includes a strong focus on social responsibility and employment sustainability (<http://www.sppwinnipeg.org>)

Although some of the purchasers interviewed were very committed to using the purchasing portal, others were not. As mentioned, some stated it was not how they looked for goods and services. Others said they often forgot to check to portal especially if they were looking for products and services they have not ordered before and so were unaware if these products or services were available on the portal. And other purchas-

ers said they joined the portal because they liked the idea, however, they had existing purchasing relationships in place that they did not want to sever. One purchaser did say they felt it was up to purchasing partners to keep their commitments to the portal but it is easy to forget to check the portal before looking for goods and services. The need for on-going marketing and keeping the portal at the forefront of people's minds was an obstacle for the portal while it was under SEED and continues to be under LITE.

LITE is addressing some of these issues by using social media. In addition to the SPP website the Winnipeg SPP has a facebook page and a twitter account. Social media is a cost-effective way to advertise suppliers. The facebook page and twitter account allows the SPP coordinator to announce new members and members can post new products, services, specials or upcoming events without having to wait for the newsletter to come out. Social media allows the portal to increase its visibility as well as reach out to businesses, organizations as well as individual consumers. Increasing the visibility of the portal is a key component of keeping it sustainable. Members are encouraged to 'like' the facebook page and 'follow' the twitter account as well as recommend it to their friends. The SPP also uses its facebook page and twitter account to try recruit new purchasers by asking for referrals and advertising that the SPP coordinator can be booked for presentations on social and ethical purchasing for workplaces and community and faith organizations. Encouraging more inter-connectedness may be another way to help remind purchasers and suppliers to check the portal when looking for goods and services. Links to all the suppliers' websites are listed on the portal and all the purchasers' logos and websites are featured on the SPP's website, however, surprisingly few suppliers or purchasers have put a link to the SPP website on their own pages. More cross promotion should be encouraged. Suppose a potential customer is looking at the website of a purchas-

er to get more information about their products or services. Seeing the SPP logo demonstrates their commitment to their community and may encourage that customer to choose their product or service over those of another company. It would also promote the SPP to those who may not have heard of the portal prior to seeing the logo on the purchaser's page. This cross promotion is mutually beneficial to both the SPP and the purchaser, and of course the suppliers as well.

An interesting idea suggested by one of the suppliers was to have brochures available at some of the suppliers' businesses. This would work best using businesses that have a lot of foot traffic. Brochures could be placed at front counters or registers. It is likely that some customers that are shopping at suppliers' partner businesses are doing so because they themselves have their own individual social purchasing mandates and this would help to advertise other social enterprises to a market that is already in tune with social purchasing.

Getting purchasers to move beyond the traditional bottom line is another obstacle even though when they join they sign the statement of commitment saying they do believe in a bottom line that encompasses more than just financial benefits. Many purchasers noted that cost is the main factor when looking for goods and services. The premise of the portal is not to charge higher prices but the goods and services on the portal do abide by a certain ethical standard which may translate to a higher price but also a higher quality. It is important to let purchasers know that the SPP is not designed so that they will spend more money but they will spend their money in a more responsible manner.

In addition to the 14 purchasing partners that were interviewed, 9 non-member potential purchasers were interviewed about whether they

would have an interest in joining the SPP. When asked if they would pay above market prices for goods and services that are from SPP suppliers that support community economic development and support the employment of marginalized and disadvantaged people, 5 of the 9 said they either would or they would depending on the product and service or their budget. One said they would be willing to pay 5%, one said 5-10% and the other 3 responded it depended on the nature of the purchase. Non-profit organizations, both those who were already members and those who were potential members, often said it was difficult for them to pay above market prices because they have tight budgets, some smaller businesses also stated that they needed to keep costs down in order to stay competitive. While this is a common theme it is important to educate individuals and organizations alike about the larger costs and benefits of their buying habits. The SPP is meant to start a virtuous cycles of supporting small businesses, they grow, create jobs, hire from within the community — for example, people who are low income, immigrants, people with disabilities — who then are able to better support their families and small businesses in their communities. It is also important to market the CSR aspect of the portal. Purchasers can use membership of the SPP to promote their businesses' CSR mandates and showcase their commitment to the community.

The SPP is a network of mutually beneficial relationships, at times it seems that some purchasers think of it as more an act of charity rather than an opportunity. By using the SPP purchasers are buying more than just quality goods and services. They are helping to create stronger communities and demonstrating their commitment to building stronger communities, which may be well worth the extra dollars.

## Conclusion

The growth of the SPP over the last year and a half is encouraging. However, in order for the portal to achieve its goals of supporting socio-economic enterprises and creating employment for those who faces barriers to employment, the suppliers and purchasers involved must stick to their commitment of using supplier partners when purchasing their goods and services. The Neechi Principles, which guide the portal, are meant to promote a CED strategy that strengthens and promotes economic linkages and minimizes leakages from the inner-city (Loxley, 2000). The Winnipeg SPP has many dedicated members, but the interviews did show that not all members have fully committed to the idea. Suppliers need to be encouraged to use the portal for their own purchases and purchasers who have signed on as a show of support but failed to use the portal need to be reminded that the best way to support the portal is to use it. Winnipeg has a strong cultural foundation for CED backed by a generally held belief in collective action to improve social well being (Loxley, 2003). The Winnipeg SPP is a simple and effective tool

to facilitate this collective action. The SPP needs to be promoted as a tool that benefits not only social-enterprises and people who face barriers to employment, but also businesses — by helping them fulfill their stated commitments to their communities. As more and more consumers look for corporations with ethical, sustainable and greener business practices the SPP is a simple and cost effective way to link economic goals and social responsibility.

Winnipeg has a vibrant CED community and there are still many businesses, neighbourhood and faith organizations that have not been approached to join the SPP. The next phase for the Winnipeg SPP will be to increase the number of purchasers and increase the visibility of the SPP through social media, word of mouth and of course the efforts of LITE and the SPP coordinator.

The Winnipeg SPP has great potential to start a virtuous cycle of economic growth and job creation in inner city communities and if purchasers and suppliers hold strong to their commitments to the portal and to their communities it surely will.

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