



# Leadership: Transitioning from Grant-Funded to National Social Enterprise

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*How Can Leadership Transformation  
Pave the Way for Social Enterprise?*

**CASE STUDY 01**

# Leadership

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This case was written solely to provide material for learning. It does not illustrate either effective or ineffective handling of a managerial situation. Certain names and identifying details are fictionalized.

### Quick Facts

- 500+ youth mentored globally through youth leadership non-profit
- 50+ incarcerated youth served through correctional facility partnerships
- 2023 marked a pivotal transition from a traditional nonprofit model to an enterprising nonprofit with fee-for-service pilots and early commercial contracts.
- From 2019–2023, the organization operated primarily through grants and donations.
- 30+ community partnerships established

On track to achieve financial sustainability by 2025 through its evolving social enterprise model

### Industry Context

- More than 100,000 youth in Alberta are currently Not in Education, Employment or Training (NEET), underscoring the urgency of scalable, youth-focused economic interventions. Recent data shows 11–12% of youth aged 15–29 in Canada were NEET, Not in Education, Employment or Training, as of 2024 ([Stats Canada: New Non-profit Data](#))
- The nonprofit sector remains a major employer: roughly 2.5–2.8 million people are employed across Canada in nonprofit institutions. ([Imagine Canada: People First](#))
- ~1,147 social enterprises in Canada were identified in a 2022 Statistics Canada sample of nonprofit social enterprises. ([ISED Canada: Social Enterprise Canada](#))
- Growing demand & pressure on nonprofits: A 2024 survey of over 8,000 Canadian non-profit organizations found that 46.1% reported increased demand for services or products, yet only 24.3% reported increased capacity to meet demand, underscoring the gap between rising needs and structural capacity. ([Stats Canada: New Non-profit Data](#))

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## Introduction

Half a decade post-pandemic, nonprofits and charities continue to grapple with the economic and social aftershocks of a dramatically altered landscape. Many are facing funding shortfalls and staff burnout while the need for their services grows.

This context matters. Canada's nonprofit sector is one of the country's largest economic contributors, yet it faces persistent instability. Nearly one in two charities reports declining revenue, rising costs, or both. At the same time, youth-serving nonprofits are seeing some of the steepest increases in demand. These pressures have accelerated the movement toward enterprising nonprofit models that blend mission and market participation.

Organizations are increasingly under pressure to explore commercial models that sustain impact without compromising their mission. While driven by passion, most nonprofits lack the expertise and support needed to build sustainable models like social enterprise.

This case study illustrates how leadership transformation sparked a strategic shift toward social enterprise and financial sustainability for an organization deeply rooted in lived experience and community service.



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## About

Calgary-based nonprofit dedicated to empowering at-risk youth through entrepreneurship The organization has evolved into a nonprofit social enterprise focused on economic independence and resilience-building.

In his early years leading the youth leadership organization the ED mentored and supported BIPOC youth across the globe, encouraging them to turn struggle into strength inspired by his own personal journey.

In 2019, he formally established the nonprofit in Calgary. A key driver of the organization's focus is the fact that more than 100,000 youth in Alberta are categorized as "NEET" (Not in Education, Employment or Training). The organization aims to intervene before youth fall through the cracks.

***"Innovate Calgary has given me the opportunity to flourish," says the ED. "Through mentoring from the SIH team, I was able to understand that you can run a nonprofit as a social enterprise with a revenue-generating stream, instead of always having to depend on grants. A lot of not-for-profits do not understand that."***

**-ED, nonprofit organization**

"I was an at-risk youth myself," says the ED. "I thought, how many youth are like me as a BIPOC leader, going through similar challenges—and how can we solve that?"

Today, the organization's mission is to teach entrepreneurial skills to at-risk youth, empowering them to overcome adversity and achieve economic independence.

What sets the organization apart from other youth-focused nonprofits is its belief that struggle can be a source of strength. This theme runs through the entire story of their evolution, mirroring the founder's own leadership transformation as he steered the organization through underfunding, board misalignment, professional attacks, and personal setbacks.

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## Executive Summary

### **Sustaining an organization built on passion and desire for impact**

Running on the fuel of the ED's passion, the organization was struggling amid shrinking funding, unsuccessful grant applications, and declining corporate interest. For years, the ED was the sole employee, juggling everything from grant writing to events while facing disengagement from his board. The challenge was clear: generate sustainable revenue and build a board aligned with the organization's long-term vision.

### **Mentoring and guidance that shifted minds and processes**

The ED started working with the Social Innovation Hub at Innovate Calgary through the Business Model Enhancement Program, in addition to an Expert Advisor at Innovate Calgary. These partnerships encouraged the ED to use entrepreneurial thinking in the context of his nonprofit, provided access to strategic mentorship and leadership coaching, and created a structured environment for business model innovation.

### **Transitioning to a social enterprise model and rebranding for growth**

Through mentorship, the ED evolved from an IT professional into a strategic nonprofit leader. He gained the skills needed to begin shifting the organization from grant dependency to a sustainable social enterprise with a fee-for-service model, lead pipeline, and strong partnerships. Now rebranding as a social enterprise, the organization is set to scale nationally with expanded programs and revenue streams.

***“When I first met the ED, he had the vision but not the leadership skills. Over the years, he evolved into a strategic leader—someone who not only believes in his mission but knows how to execute it.”***

**- Expert Advisor at Innovate Calgary**

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## **Challenge: Pursuing long-term sustainability with more than just passion**

The organization had been surviving on passion, grants, and donations to run its work of mentoring at-risk youth, but this could only take it so far. As the charitable landscape changed, it was grappling with dwindling funding, unsuccessful grant applications, and a lack of response from corporate sponsors.

From 2022 to 2024, the ED was the only employee, managing funding, operations, and program execution solo. He was spread thin. More than once, he had to stretch one month's funding across three. And yet, for every failed pitch or declined application, there was a win: a teen launching a T-shirt brand, a formerly incarcerated youth landing a job, a single mother returning to school after a program session.

In addition, the ED was facing difficulties finding the right people for the board. "It was very challenging to recruit board members and sell the story around the mission and vision," he says.

Among those he did recruit, there was disengagement and tension. Some board members felt the founding ED wasn't the best person to lead the organization. Others were missing meetings, which sometimes led to cancelled board meetings altogether.

The ED knew if he wanted to continue serving his community long-term, he needed a functional board that was aligned with his vision, and he had to move past the conventional mindset of running a nonprofit by fundraising and applying for grants.

It was time for the ED to combine his passion with strategic business acumen to move the organization toward long-term sustainability and expanded impact.

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## **Solution: Mentoring and guidance builds skills, fosters ideas, and opens doors**

The ED began working with Innovate Calgary, through the Social Innovation Hub (SIH). The SIH equips social innovators and entrepreneurs with support, resources, and advisory services that turn ideas into impact.

Working with an Executive in Residence (EIR) at Innovate Calgary through the Business Model Enhancement Program, in addition to an Expert Advisor at Innovate Calgary, helped build the ED's leadership skills. It also allowed him to think strategically about growing a financially sustainable organization.

The Hub staff expanded the ED's perspective, showing him that a nonprofit could operate as a social enterprise, with its own revenue-generating stream—not solely on grants and donations. The Expert Advisor, meanwhile, reframed his understanding of fundraising: winning grants wasn't just about meeting funding criteria, it was more about building relationships and collaborating on opportunities.

"It's about who you know and how you interact with them," says the Expert Advisor. "I think it took the ED a long time to appreciate that. And I think he is there now."

Through the Expert Advisor's support, the ED was introduced to a wide network of donors and corporate sponsors, building a steady pipeline of leads that the youth leadership organization could partner with.

"He took the advice and ran with it," said the Expert Advisor. "So over the past five years, his network has exploded."

The ED's work with Innovate Calgary and the Social Innovation Hub also helped him clearly communicate the rationale and vision behind the organization to board members and external partners. His passion and sincerity played a pivotal role in convincing team members, funders, and external stakeholders to rally behind him and his cause.

"What helps him achieve what he's able to do is that he speaks from genuine authenticity and care," says the Expert Advisor. "That's who he is."

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## Results: Transformational leadership drives sustainable impact

The transformation wasn't just organizational—it was deeply personal. As the ED led the organization's shift toward social enterprise, he grew into a more confident, values-driven leader. He overcame both personal and professional challenges by focusing on small wins, working with mentors, and realigning the organization's mission with his core values.

"I went from a fear of failure to a mindset of running it as a business," he says.

This growth has been witnessed by all those around him. "The founding ED started off as a young man wanting to do all of this very fast, but now he's an excellent leader," says a board member.

The social enterprise nonprofit has now established partnerships with correctional facilities to run workshops for incarcerated youth, and with local community organizations serving newcomer and low-income Calgarians, and to deliver financial literacy programs. It is also partnering with mainstream organizations that lacked youth programming to offer customized five-week entrepreneurship programs for underserved youth.

These partnerships didn't happen by accident. They were the result of the relationship-building skills the ED sharpened throughout his leadership journey. One big win: TC Energy signed on as a corporate sponsor—and later renewed its support.



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## **Results: Transformational leadership drives sustainable impact**

With guidance from mentors, the ED restructured the board, building a team better aligned with the social enterprise's long-term goals. "I've learned to view leadership as service," he says. "It's no longer about my organization—it's about the people we serve."

The ED's Expert Advisor says that the ED's biggest growth has been learning to build strategic relationships.

"I connected with him, but he cultivated those relationships," says his Expert Advisor. "He learned to treat nonprofit business development like for-profit sales: identifying leads and aligning value propositions with funders' interests—and that's something the sector can learn from. He understands the game now and wants to transform the sector."

Today, the organization has mentored over 500 youth, served 50+ incarcerated youth, and has begun operating with a fee-for-service model building toward long-term sustainability. The organization is now rebranding, reflecting its expanded national focus, diversified revenue streams, and growing programs and impact.

The ED's journey reflects the organization's mission: turning struggle into strength, for youth and for leaders.

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## Key Lessons and Takeaways

### 1. Nonprofits need an entrepreneurial mindset

- Sustainable funding requires business-oriented strategy, partnerships, and long-term planning.

### 2. Fundraising is about relationships, not just applications

- Corporations and funders invest in people, not just projects.

### 3. Leadership is a journey, not a title

- The Executive Director transformed from an IT professional into a strategic nonprofit leader, embracing mentorship, resilience, and adaptability.

## *Discussion Questions*

1) What leadership traits did the ED demonstrate during the organization's transition, and how did they evolve over time?

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2) What risks and opportunities exist in rebranding into a youth entrepreneurship social enterprise?

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3) How can nonprofits cultivate strong corporate partnerships without compromising values?

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4) What role does lived experience play in effective nonprofit leadership, and how can organizations better support leaders who bring that perspective?

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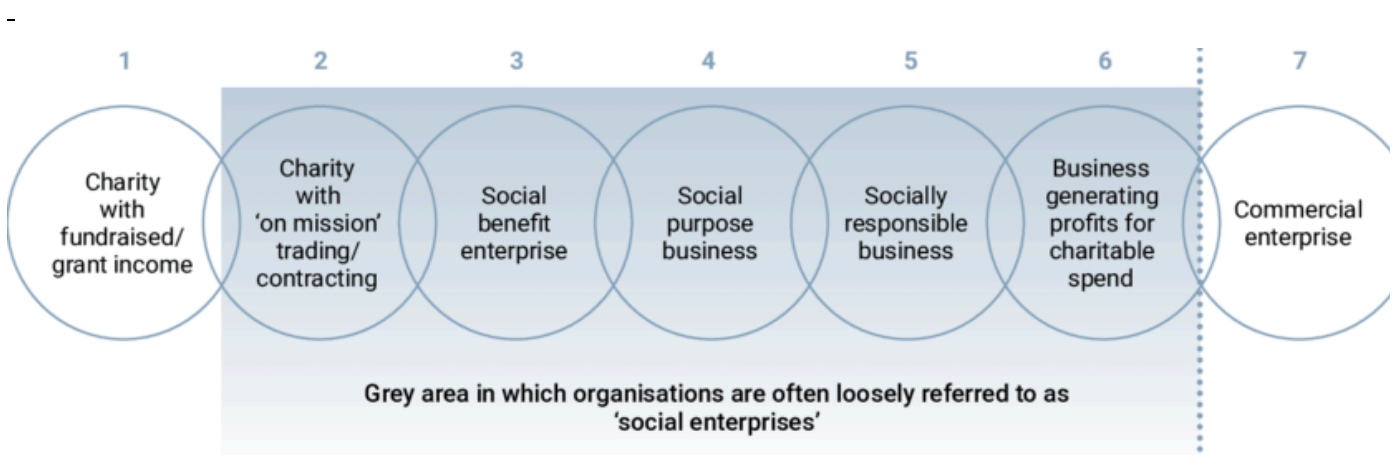
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### What Is a Social Enterprise?

In Canada, the term "social enterprise" covers a spectrum of models rather than one fixed legal form. A social enterprise is defined as an organization that leverages business tools and models to advance a social or environmental purpose, balancing mission and revenue.

At one end are enterprising nonprofits, registered nonprofit or charitable organizations that create revenue streams by selling goods or services, reinvesting any surplus to advance their mission. According to the Social Enterprise Council of Canada, social enterprises are "businesses owned by nonprofit organizations that are directly involved in the production or selling of goods and services for the blended purpose of generating income and achieving social, cultural and/or environmental aims." [source: The Canadian Social Enterprise Guide, 2nd Edition.](#)

At the other end are social-purpose businesses or "for-profit social enterprises"—ventures structured as conventional businesses (or benefit corporations) that embed social or environmental goals into their business models, but may distribute profits to shareholders.



Source: Results-Based Financing Through Social Enterprises ([World Bank: July 2020](#))

The key distinctions are: (1) mission remains central, (2) revenue-generation is built into operations rather than purely relying on grants or donations, and (3) surplus or profit is directed toward social impact rather than shareholder return. Enterprising nonprofits sit at the intersection of mission-driven work and entrepreneurial thinking, a hybrid model designed to give traditional charities greater financial resilience and scalability.