

**Evaluation of the  
Atlantic Canada Opportunities Agency's  
Entrepreneurship and Business Skills Development  
Program Sub-activity**

**- Final Evaluation Report -**

**Evaluation Unit**

**Finance and Corporate Services**

**Atlantic Canada Opportunities Agency**

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### Glossary of Acronyms

AACBDC	Atlantic Association of Community Business Development Corporations
ACOA	Atlantic Canada Opportunities Agency
AIP	Atlantic Investment Partnership
BDP	Business Development Program
BMTA	business management training allowance
CAS	Consulting Advisory Services
CBDC	Community Business Development Corporation
CEED	Centre for Entrepreneurship Education and Development
CWB	Centre for Women in Business
EBSD	Entrepreneurship and Business Skills Development
ECBC	Enterprise Cape Breton Corporation
ED	Enterprise Development
ITAP	Innovation and Technology Association of Prince Edward Island Inc.
LLRF	Loan Loss Reserve Fund
MAP	Management Action Plan
MRRS	Management, Resources and Results Structure
MTSW	management training support for women
NLOWE	Newfoundland and Labrador Organization of Women Entrepreneurs
OECD	Organisation for Economic Co-operation and Development
PAA	Program Activity Architecture
PEIBWA	Prince Edward Island Business Women's Association
PSA	program sub-activity
RDA	Regional Development Authority
REDO	Regional Economic Development Organizations
RMAF	Results-based Management and Accountability Framework
SME	small and medium-sized enterprise
SMUBDC	St. Mary's University Business Development Centre
TB	Treasury Board
UBDC	University Business Development Centre

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WBI	Women in Business Initiative
WBO	women business owner
YEDI	Young Entrepreneur Development Initiative

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### Executive Summary

This report presents the findings, conclusions and recommendations of an evaluation of the Entrepreneurship and Business Skills Development (EBSD) program sub-activity (PSA) of the Atlantic Canada Opportunities Agency (ACOA). The time frame for this evaluation includes the period of 2004-2005 to 2008-2009. The evaluation focused on issues of program relevance and performance (effectiveness, efficiency and economy).

The evaluation approach is consistent with ACOA's focus on the measurement of results at a strategic level, and addresses requirements set forth in the *Financial Administration Act*, the *Federal Accountability Act*, the *Transfer Payments Policy*, the *Treasury Board (TB) Submissions for the Business Development Program (BDP)* and the *TB Policy on Evaluation*.

ACOA invests in EBSD activities to ensure that more Atlantic Canadians develop the motivation and skills required to successfully start, sustain and grow small and medium-sized enterprises (SMEs). The Agency's EBSD investments are made primarily through contributions to non-commercial organizations such as business and economic development associations and educational institutions, which, in turn, undertake activities that foster the EBSD. The initiatives to support these investments are the Young Entrepreneur Development Initiative (YEDI), the Women in Business Initiative (WBI) and non-commercial elements of the BDP.

The evaluation methodology included an in-depth document review, data analysis, 84 in-depth in-person or telephone interviews, six focus groups, surveys with 286 beneficiaries or clients, 53 recipients and 23 Women in Business Initiative Consulting Advisory Services (WBI-CAS) consultants and six case studies. While there are limitations associated with the evaluation methodology, overall the approaches used provided multiple lines of evidence to reliably answer all evaluation questions.

### Relevance

The EBSD PSA has continued relevance given ACOA's legislative mandate and strategic outcome for a more competitive Atlantic Canadian economy. There is a continued need for investment and support of entrepreneurship and business skills development that is available to all sectors of the Atlantic Canadian economy as a key component to enhancing competitiveness. The EBSD PSA is closely aligned with federal government priorities that emphasize skills development and entrepreneurship as a key to Canada's productivity. There is a strong need for programs that target youth, particularly given the demographic challenges of an aging population and youth out-migration in Atlantic Canada. There is also evidence to support a continuing need for initiatives aimed at women. However, further research is required to better understand current and future needs. ACOA should continue its current role and make effective use of its third-party delivery model. Given ACOA's mandate, the strategy of playing a lead role working with partners and other key stakeholders is appropriate and helps avoid any potential duplication or overlap with other organizations.

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**Recommendation 1:** ACOA should renew its entrepreneurship development strategy in order to build on lessons learned, and develop implementation strategies to address needs in this area, particularly those related to target groups such as women and youth. The revised strategy should:

- continue to promote entrepreneurship and ensure that the business skills needs of all Atlantic SMEs are met whether Pan-Atlantic or regionally specific in nature;
- invest in research to ensure ACOA has up-to-date, relevant information to inform the strategy, particularly with respect to women where questions exist regarding their needs and the gaps in services available to them (e.g. access to capital);
- take into consideration the skills needs of other ACOA sub-activities to ensure complementarity of efforts with regards to skills development activities across the Agency; and
- include consultations with delivery partners and other stakeholders (provincial governments, post-secondary education institutions, Community Business Development Corporations, etc.).

### **Performance: Effectiveness**

Through EBSD, the Agency has been effective in providing funding for more than 500 projects and thus more than 300,000 interactions with potential or existing entrepreneurs. EBSD projects have been successful in achieving the outcomes outlined in the PSA's logic model, that is, building awareness or interest in entrepreneurship as a viable career option or opportunity as well as enhancing the business skills or capacity of existing or aspiring entrepreneurs to establish, maintain and/or grow their business. These results are highly attributable to EBSD funding, as incrementality is high. The WBI, YEDI and other non-commercial EBSD projects funded through the BDP are equally effective at achieving their intended outcomes.

It is unlikely that EBSD could have performed as effectively without working through third-party organizations that have the reach and expertise required to deliver entrepreneurship promotion and business skills training. Collaboration with key partners from all levels of government also contributed to the results achieved. By working with third-party organizations and partners, ACOA has not only enhanced the capacity of institutions to support business skills development, but it has also contributed to the capacity of other recipients and partners in other federal and provincial departments and agencies. It is therefore critical to the success of EBSD that ACOA continues to use a third-party delivery approach and continues to play an important role in partnership building.

The Loan Loss Reserve Fund (LLRF) appears to have had a positive effect on the number of applications from women, the approval rate for women and the number of loans to women. However, it is difficult to assess the impact of the LLRF on the loan value. A large proportion of the loans appear to be on track for full repayment.

### **Performance: Efficiency and Economy**

The Agency's EBSD PSA is effective in achieving its intended results with due consideration for efficiency and economy. It is unlikely that the same results could have been achieved at a lesser

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cost. In addition, projects have involved a reasonable level of leveraging, without negatively affecting the incremental impact of the Agency's EBSD funding. Additionally, the level of internal resources required to administer and manage the PSA are reasonable. The cost-effectiveness of the EBSD is to some extent due to ACOA's use of third parties with reach and expertise to undertake a range of projects to help achieve the EBSD PSA's intended results as well as its approach in effectively bringing other partners to the table (many of which would not be involved in these types of projects without ACOA's involvement). However, some of the efficiencies gained by working with third-party deliverers are hampered by the absence of multi-year funding agreements, where appropriate.

**Recommendation 2:** ACOA should consider multi-year funding agreements to support those organizations with a proven record of successful EBSD program delivery.

ACOA management has been effective in implementing performance-measurement mechanisms to track the performance of EBSD activities in terms of its effect on increased intent to start a business and enhancing the skills required for business start-up, survival and/or growth. However, this is insufficient to help tell the entire performance story for the EBSD PSA, such as the actual impact of EBSD activities on starting, maintaining and/or growing a business. Because of the nature of the interactions, the outcomes and impacts would be more effectively measured within one year (at most) of the end of the project. Through ACOA's new performance monitoring system, the Account Manager will be required to work directly with the recipient to identify the outcomes (from the PSA logic model) that are applicable to the project as well as when these outcomes are likely to occur. This is intended to help measure the right project outcomes at the right time. The new system should help ensure that more complete performance information is available on EBSD activities, particularly for further qualitative analysis in future evaluations.

**Recommendation 3:** ACOA should monitor the comprehensiveness and usefulness of EBSD performance indicators in light of the Agency's new performance-measurement system and implement the necessary changes as required.

Several of the identified best practices for EBSD relate to the means of providing a broad range of services to clients that are not uniquely EBSD-related but rather that provide a "tool box" for clients. This is a particularly exemplary practice because clients often need to access a range of tools to help them start, sustain or grow their business. This may include skills development as well as other services outside the mandate of the EBSD PSA but within the mandate of ACOA (e.g. services related to access to capital, trade, investment, innovation, etc.).

### 1.0 Introduction

In 2004, the Treasury Board Secretariat introduced the Management, Resources and Results Structure (MRRS) Policy, a government-wide framework designed to integrate departmental financial and non-financial information in a way that links results to resources. A key component of the MRRS is the Program Activity Architecture (PAA), which outlines ACOA's activities and how they will lead to expected outcomes and longer term societal impacts in Atlantic Canada.

ACOA has developed a revised PAA for 2009-2010, outlining the following strategic outcome: "A competitive Atlantic Canadian economy," and program activities and sub-activities enabling the achievement of this outcome. This strategic outcome reflects ACOA's mandate, which is "to enhance the growth of earned income and employment opportunities in Atlantic Canada."

The EBSD is one of five program sub-activities (PSAs) that support the Enterprise Development (ED) Program Activity. The remaining Program Sub-activities are:

- Trade
- Investment
- Innovation
- Financing Continuum

The expected result of the ED Program Activity is improved growth and competitiveness of Atlantic SMEs. Through the range of PSAs, the Agency provides Atlantic Canada enterprises and institutions with the tools and opportunities they need to grow and be competitive in Atlantic Canada as well as, nationally and internationally. The overall goal is to help ensure Atlantic Canada enterprises have access to the information, training, services and financing they need, either directly through ACOA or indirectly through other providers.

In accordance with its approved evaluation plan for 2008-2013, ACOA is conducting an evaluation of the Agency's EBSD PSA.

The evaluation approach is consistent with ACOA's focus on the measurement of results at a strategic level, and addresses requirements set forth in the *Financial Administration Act*, the *Federal Accountability Act*, the *Transfer Payments Policy* and Treasury Board (TB) submissions for the Business Development Program (BDP) and the TB *Policy on Evaluation*. This report presents the findings, conclusions and recommendations stemming from the evaluation which examined the relevance and performance of the EBSD PSA.

The purpose of this evaluation is to assess the extent to which the EBSD PSA under the ED Program Activity is contributing to ACOA's strategic outcome. It focused on the measurement of results, both intended and unintended, achieved through EBSD's main funding program (i.e. Business Development Program) and initiatives (i.e. Women in Business Initiative, Young Entrepreneur Development Initiative), and assesses the relevance and performance (i.e. effectiveness, efficiency and economy) of this PSA in meeting government-wide economic objectives. The evaluation provides recommendations for the future direction of the EBSD PSA within the context of ACOA's operations.

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The evaluation scope includes the period of 2004-2005 to 2008-2009.

### 1.1 Profile

ACOA invests in EBSD activities to ensure that more Atlantic Canadians develop the motivation and skills required to successfully start, sustain and grow SMEs. Fostering this culture of entrepreneurship and business skills is fundamental to the region's future, since entrepreneurs generate wealth and jobs.

EBSD investments are made primarily through contributions to non-commercial organizations, such as business and economic development associations and educational institutions, which, in turn, undertake activities that foster the EBSD. The funding program used to support EBSD projects is the Business Development Program (BDP). This includes non-commercial elements of the BDP, as well as two initiatives under the BDP: the Young Entrepreneur Development Initiative (YEDI) and the Women in Business Initiative (WBI).<sup>1</sup> An overview of the approach used by each region for the EBSD is provided in **Annex A**. A depiction of the range of services provided through the EBSD is provided in **Annex B**.

The EBSD non-commercial funding through the BDP (excluding the WBI and YEDI) is determined by each region.

For the WBI, the original allocation was \$17.05 million for a five-year period starting in 2000. The amount was later increased to \$19.05 million. As it took a few years to ramp up the program, the bulk of program funding only began in 2002-2003. Funding was therefore distributed over three fiscal years (or approximately \$6.35 million per year up to 2004-2005). In 2005, WBI funding was renewed at \$2.5 million per year. The total allocation from 2004-2005 to 2008-2009 for the WBI, therefore, was approximately \$16.35 million.

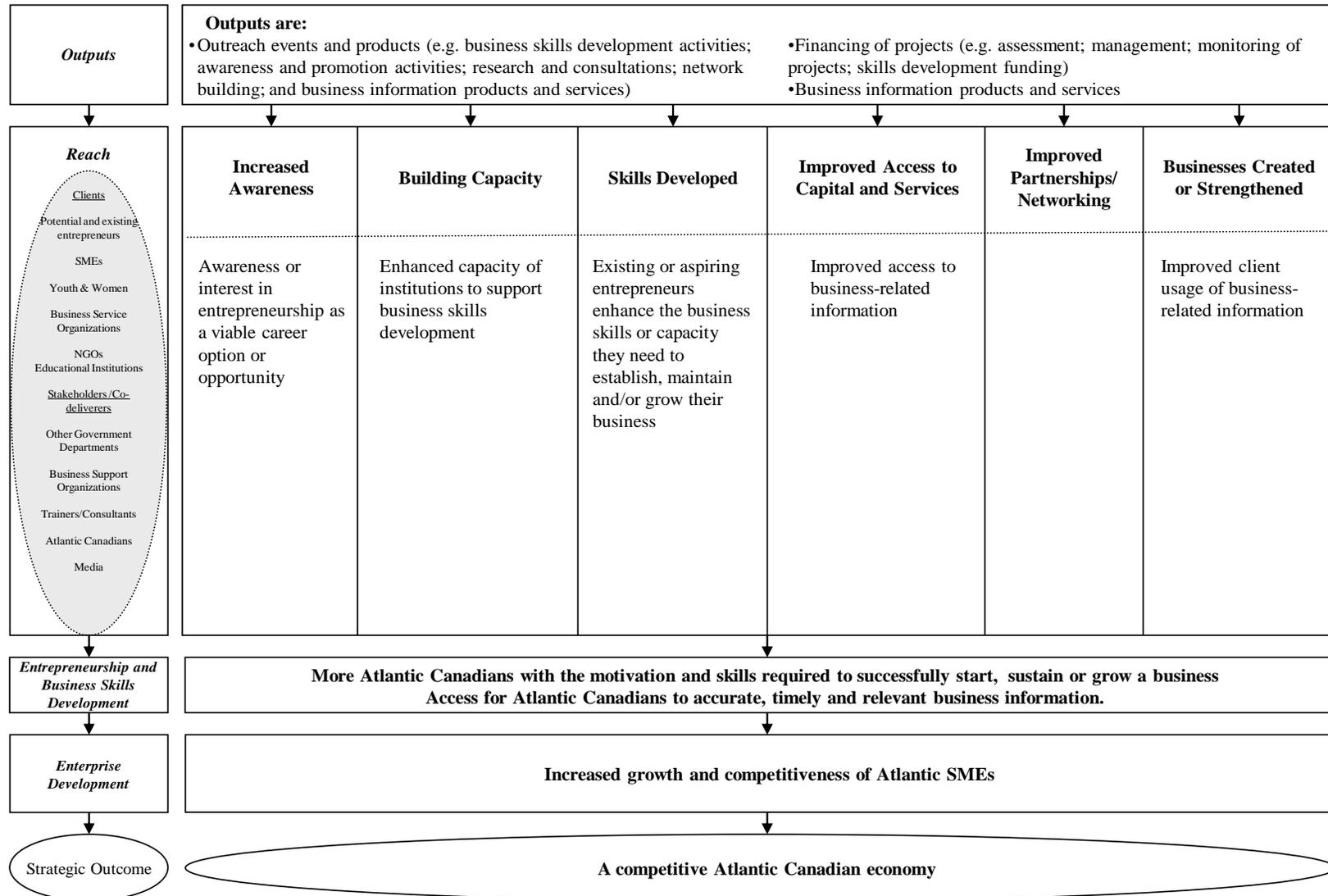
For YEDI, \$15.6 million was initially allocated for a five-year period starting in 2000 with the bulk of program funding beginning in 2002-2003. This represents approximately \$5.2 million per year up to 2004-2005. YEDI was renewed in 2005, receiving approximately \$2.5 million per year. The total allocation from 2004-2005 to 2008-2009, therefore, was approximately \$15.2 million.

The performance measurement framework established for the EBSD PSA identifies the following long-term expected result: more Atlantic Canadians with the motivation and skills required to successfully start, sustain or grow their business. The logic model for the EBSD PSA is outlined in Figure 1.

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<sup>1</sup> The report will use the term "funding mechanisms" when referring to YEDI, the WBI and other BDP non-commercial elements.

**Figure 1: Logic Model for Program Sub-activity Entrepreneurship and Business Skills Development**



### 2.0 Methodology

The evaluation methodology included an in-depth document review, data analysis, 84 in-depth in-person or telephone interviews, six focus groups, surveys with 286 beneficiaries, 53 recipients and 23 WBI-CAS consultants and six case studies. More details are provided in **Annex C**.

While the overall study methodology was strong and provided the basis for addressing all study issues through multiple lines of evidence, there were some limitations with the evaluation methodology. In addition to those associated with individual methodologies, as outlined in Annex C, limitations included:

- The study methodology was limited to gathering information from people who are directly involved in specific aspects of the EBSD, such as recipients, beneficiaries and staff. It did not include people who are not associated with the programming elements because these people (e.g. non-recipients and non-beneficiaries) are difficult to identify and they would have been able to provide limited input into most evaluation questions. However, questions pertaining to relevance, incrementality and reach could have benefited from the perspective of individuals not directly involved with the programming elements, particularly non-recipients.
- Many of the individuals consulted had also dealt with ACOA with respect to non-EBSD programming. While every attempt was made to ensure that the individuals were aware of the subject of the evaluation, it was difficult for some to limit their responses to EBSD programming.
- The scope of the evaluation (going back to 2004-2005) was too broad given the nature of the activities involved (see Annex B). Many recipients and beneficiaries could therefore not remember some of projects for which outcomes were being measured.
- Given the number of issues and questions to be addressed, the three funding mechanisms included in the scope of this study, and the broad range of project activities, it was often difficult to provide as much depth as would have been possible had there been fewer issues and questions.

The evaluation methodology is considered valid for the following reasons:

- Through various methods, the majority of individuals with a stake in EBSD programming was given an opportunity to provide feedback.
- Many of the consultations were done in person.
- Multiple lines of evidence were used to address all issues and questions.
- Fourteen data collection tools were developed, thus ensuring as much tailoring to the individuals being consulted as possible while still providing the basis for common analysis and comparison.
- While this was a pan-Atlantic evaluation, a regional approach provided the basis to build on the strengths and weaknesses of various regions.

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- While this was an EBSD PSA strategic evaluation, the approach provided the basis for assessing the strengths and weaknesses of the different programming elements.

### 3.0 Evaluation Issues

The evaluation questions are presented in **Annex D**. In summary, the evaluation issues addressed were:

- Issue 1: Relevance – Continued Need for the EBSD Program Sub-activity
- Issue 2: Relevance – The EBSD's Alignment With Government Priorities
- Issue 3: Relevance – Consistency With Federal Roles and Responsibilities
- Issue 4: Performance – Effectiveness (Achievement of Expected Outcomes)
- Issue 5: Performance – Efficiency and Economy (this included an assessment of the risks associated with the EBSD, as per **Annex H**)

### 4.0 Findings

#### 4.1 Relevance

##### EBSD Alignment with Federal Priorities

The *Atlantic Canada Opportunities Agency Act* of 1987 provides the legislative mandate for the Agency. The legislation provides a broad mandate for economic development in Atlantic Canada. According to ACOA's website, "While ACOA has changed since its inception in June 1987, its mandate has remained constant. Modifications have been made to its financial support programs for SMEs but, essentially, its vision for Atlantic Canada in terms of increased self-sufficiency and increased earned income is still at the heart of Agency operations.

To fulfill its mandate, ACOA pursues two distinct goals:

1. to ensure that a wide variety of business development tools and resources serve the diverse needs of the region's emerging and existing entrepreneurs; and
2. to ensure that all economic development programs and activities in Atlantic Canada are coordinated and designed to improve the climate for business growth generally."<sup>2</sup>

In 1988, Canada was the first developed nation to adopt a National Policy on Entrepreneurship.<sup>3</sup> The following year, ACOA identified entrepreneurship development as a strategic priority. The long-term objective of ACOA's entrepreneurship development framework was:

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<sup>2</sup> Atlantic Canada Opportunities Agency, *Legislative Mandate* (<http://mediaroom.acoa-apeca.gc.ca/e/about/legislative.shtml>).

<sup>3</sup> Organisation for Economic Co-operation and Development, *The Implementation of an Entrepreneurship Development Strategy in Canada: The Case of the Atlantic Region* (1996), page 9.

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“to create a more supportive entrepreneurial climate, one which would accelerate the rate of business start-ups from people within the region; the short term goal was to increase the pool of people who had the motivation, skills, ability, and desire to start their own businesses and to increase the level and extent of appropriate community based support for new venture activity at whatever stage of the client's process. To achieve these objectives would require a change in both culture and capacity and it was recognized at the very beginning that this would take time and dedicated commitment.”<sup>4</sup>

By 1996 ACOA had developed an Entrepreneurship Development Strategy which forms the foundation for the current EBSD PSA. Originally its focus was to create a more supportive entrepreneurial climate, one which would accelerate the rate of business start-ups within the Atlantic region. ACOA initially focused on awareness and promotion, entrepreneurship orientation and education (particularly within the kindergarten to grade 12 range), small business support services, network building and research. Over the years, the strategy has evolved. Currently, the EBSD's goal is to ensure that more Atlantic Canadians develop the motivation and skills required to successfully start, sustain and grow their businesses. Initiatives include both entrepreneurship awareness and promotion and business skills development although, in recent years, more emphasis has been placed on business skills development. In recent years, EBSD programming has also placed more concerted efforts on support for young entrepreneurs and women entrepreneurs, as well as innovative skills development (which were later transferred to the Innovative Skills Development Initiative as it complemented the Agency's innovation strategy).<sup>5</sup>

Through the EBSD PSA, the Agency supports a number of federal government priorities including the Youth Employment Strategy,<sup>6</sup> Advantage Canada,<sup>7</sup> Canada's Economic Action Plan<sup>8</sup> and Leading the Way on Jobs and Growth.<sup>9</sup>

*Advantage Canada: Building a Strong Economy for Canadians* builds on Canada's strengths and seeks to gain a global competitive advantage in five key areas that include creating the best educated, most skilled and most flexible workforce in the world (referred to as Knowledge Advantage).<sup>10</sup> One of the core principles, as stated in the document, is:

“creating new opportunities and choices for people. Government will create incentives for people to excel right here at home. We will reduce taxes and invest in education, training and transition to work opportunities so Canadians can achieve their potential and have the choices they want.”<sup>11</sup>

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<sup>4</sup> Organisation for Economic Co-operation and Development, *The Implementation of an Entrepreneurship Development Strategy in Canada: The Case of the Atlantic Region* (1996), page 21.

<sup>5</sup> Atlantic Canada Opportunities Agency, *ACOA's Framework for Business Skills Development, Presentation to ED Directors* (June 2008), page 18.

<sup>6</sup> Treasury Board of Canada, *Youth Employment Strategy* (1997).

<sup>7</sup> Department of Finance, *Advantage Canada: Building a Strong Economy for Canadians* (2006).

<sup>8</sup> Department of Finance, *Budget 2009: Canada's Economic Action Plan* (2009).

<sup>9</sup> Department of Finance, *Budget 2010: Leading the Way on Jobs and Growth* (2010).

<sup>10</sup> Department of Finance, *Advantage Canada: Building a Strong Economy for Canadians* (2006).

<sup>11</sup> Department of Finance, *Advantage Canada: Building a Strong Economy for Canadians* (2006).

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The most recent federal budgets, Canada's Economic Action <sup>12</sup>Plan and Leading the Way on Jobs and Growth,<sup>13</sup> continue to place a strong emphasis on skills development as a strategy for strengthening Canada's long-term economic capacity. Chapter 3 of Canada's Economic Action Plan (Budget 2009) provides specific details on key elements of initiatives aimed at skills development.<sup>14</sup> Leading the Way on Jobs and Growth (Budget 2010) places particular emphasis on opportunities for youth employment through initiatives for internships and support to young entrepreneurs.

### Consistency of BDP, YEDI and WBI Objectives with the EBSD

Interviewees in all groups considered that the objectives of the BDP, YEDI and the WBI are relevant and consistent with the EBSD PSA.

The objectives of the BDP are: to increase the number of successful business start-ups; increase the successful expansion and modernization of SMEs; increase the number of new and maintained jobs; and enhance the business environment in Atlantic Canada. The EBSD addresses the BDP objectives by providing skills development for start-ups and growing businesses. The Atlantic Canada business environment is enhanced through various networking opportunities, mentorship and opportunities for sharing best practices funded through EBSD. Non-commercial BDP funding is also used to support a network of third-party organizations that deliver EBSD-related services. These organizations include partners such as Community Business Development Corporations (CBDCs), University Business Development Centres (UBDCs), Junior Achievement, the Prince Edward Island Business Women's Association (PEIBWA), Innovation and Technology Association of Prince Edward Island Inc. (ITAP), and the Centre for Entrepreneurship Education and Development (CEED). Several interviewees noted that YEDI and the WBI are helping to address financing gaps for youth and women that are not being addressed elsewhere.

YEDI's objectives are to enable more young Atlantic Canadians to develop the motivation and skills required to successfully start, sustain or grow a business. Awareness-building activities, summer business programs, student business competitions and internships help to develop motivation among youth. Skills development activities such as internships, the Student in Business program, Youth Ventures, Young Millionaires, Open for Business and Junior Achievement's Company Program provide the support required for youth to start, sustain and grow a business.

The objectives of the WBI are to improve the growth and competitiveness of women-owned businesses and increase their representation in Atlantic Canada's emerging growth sectors. These objectives are also consistent with EBSD programming in that a full range of services are made available to women at various stages of the business cycle. For example, the Centre for Women in Business (CWB) in Nova Scotia provides networking, mentoring and advisory services to women business owners (WBO) in the start-up and growth stage. In addition, an Atlantic-wide

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<sup>12</sup> Department of Finance, *Budget 2009: Canada's Economic Action Plan* (2009).

<sup>13</sup> Department of Finance, *Budget 2010: Leading the Way on Jobs and Growth* (2010).

<sup>14</sup> Department of Finance, *Budget 2009: Canada's Economic Action Plan* (2009).

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initiative called the Advance program offers WBO the opportunity to take their business to the next level of growth by strengthening management and business skills and providing professional business support to reach their objectives. As another example, the Management Training Support for Women (MTSW) initiative was successfully launched by the Coastal Business Opportunities CBDC to bring specialized and affordable one-on-one training and skills development opportunities to the WBO in Cape Breton. It should be noted that the WBI has not limited its focus to emerging growth sectors, given that the needs of women business owners cut across many different sectors (such as professional services, wholesale/retail, manufacturing and tourism).

Although there are initiatives specific to youth and women, the scope of programming within the EBSD is broad-based within ACOA in that many services are open to all types of individuals (aspiring, new and existing entrepreneurs regardless of age or gender). Entrepreneurship awareness activities are meant to encourage Atlantic Canadians to recognize and seize entrepreneurial activities in all areas. The business skills development activities support the start-up, survival and growth of SMEs regardless of sector or type of business. Interviewees indicated that the EBSD is relevant to ACOA's mandate, as fostering an entrepreneurial climate and the enhancement of business skills of SMEs contribute to the growth of earned income, employment opportunities and ultimately the strategic outcome of a more competitive Atlantic Canadian economy.

### Continuing Need for EBSD

Previous evaluations of the BDP, the Young Entrepreneur Development Initiative (YEDI) and the WBI all support the relevance of EBSD based on ongoing needs. In 2003 ACOA conducted an evaluation of its BDP program. At the time, about 25% of BDP funding was invested in non-profit organizations, associations and institutions to support activities designed to improve the environment for business development. The evaluation recommended "increasing the use of the skills development component through exploring options such as conditional repayability or non-repayability, more emphasis on promotion and awareness, etc."<sup>15</sup>

In 2004 a major research project entitled *Entrepreneurship in Atlantic Canadian University Environments* was undertaken by the Atlantic Canadian Universities Entrepreneurship Consortium. *Part 1, Understanding Entrepreneurs: an Examination of the Literature* defined what an entrepreneur is, the key skills and characteristics required for entrepreneurs, as well as barriers, influences and best practices. Some of the key findings highlighted in the report include:

- After a thorough examination of pertinent research studies and literature, the writers contend that many of the skills and characteristics that entrepreneurs share are not ingrained; rather they can be learned or developed in individuals.
- The main areas of business knowledge required to achieve entrepreneurial success include marketing or sales, finance, accounting, management (organization of work) and business planning. Knowledge of engineering is also considered an asset.

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<sup>15</sup> Atlantic Canada Opportunities Agency, *Evaluation of ACOA's Business Development Program (BDP), Final Report* (February 2003), page 6.

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- Individuals with high levels of creativity and innovation coupled with strong management skills and business know-how (accounting, marketing, finance) have the greatest potential for entrepreneurial success. The former can be developed and the latter can be taught.
- Decreased government resources, pressure to access more funding from private sources, strong worldwide competition for students and decreasing student populations are creating conditions of turbulence for universities, some of which are struggling to continue to offer their programs. There is a growing body of evidence that, under these conditions, embracing an entrepreneurial orientation can affect organizational performance in a positive manner.
- Almost 70% of high school students express an interest in venture creation (Gallup, 1994) and over 96% of entrepreneurs or managers and students believe that the study of entrepreneurship at the university level would be advantageous.<sup>16</sup>

A policy paper prepared by ACOA in 2007, discusses the economic context of labour market skills in Atlantic Canada. The paper discusses demographic challenges of Atlantic Canada, caused by youth out-migration, low fertility rates, and low attraction and retention of immigrants. According to the paper, adjustments in the resource extraction and processing sectors are transforming the economy and having a deep impact on its labour force. Specifically, some of those losing jobs in resource-based and mostly seasonal sectors are ill-equipped to work in higher skilled positions, while others who have more specialized skills are moving out of Atlantic Canada to areas where there is a greater demand for their talents.<sup>17</sup> A need was identified for comprehensive business skills training to meet these challenges. Ideas for the Agency to consider included increased advocacy to promote business skills development with regional stakeholders, and encouraging more managerial skills development with current programming.

Highlights from the 2009 Statistics Canada Labour Force Survey include:

- From 1999 to 2009, self-employment in Atlantic Canada witnessed a 4.6% decrease, while self-employment throughout Canada for the same period increased by 11.0%. The region's reliance on self-employment vis-à-vis total employment decreased from 14.2% to 12.2%, a slightly larger decrease than was seen nationally, where the reliance on self-employment went from 16.9% to 16.0% for the same period. This data reinforces the relevance and ongoing need for ACOA to support entrepreneurship in Atlantic Canada.
- Among Atlantic Canadian males in 2009, 15.6% were self-employed. Among females, 8.7% were self-employed. While overall employment of females grew by 20.0% during

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<sup>16</sup> The Atlantic Canadian Universities Entrepreneurship Consortium, *Entrepreneurship in Atlantic Canadian University Environments, Part 1, Understanding Entrepreneurs: An Examination of the Literature* (December 2004), pages i-ii.

<sup>17</sup> Atlantic Canada Opportunities Agency, 2007. *Policy Priorities for ACOA: Summary of Analysis and Proposals for Future Directions* (2007).

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the 1999 to 2009 period, self-employment among that group decreased slightly, by 0.8%, compared with a decrease of 6.3% among self-employed males. This data highlights the ongoing need for an initiative in support of entrepreneurship among women in Atlantic Canada.

- Between 1999 and 2009, growth in self-employment in Atlantic Canada only occurred in the older age groups, with large gains among those 55 years of age or older (57.7%) and small gains among those 45 to 54 years of age (6.4%). A decrease in self-employment occurred in all other age groups, with the most significant decrease among 15 to 19 year olds (53.6%). Similar trends are seen for Canada as a whole. Declines in self-employment, especially among youth, are observed during periods with strong labour markets where paid employment competes with self-employment. Out-migration of educated youth is also a factor. This data highlights the ongoing need for an initiative in support of youth entrepreneurship.<sup>18</sup>

In 2007 the Institute for Competitiveness and Prosperity published a research report that examined reasons why Canada is not achieving its full prosperity potential. The report argues that strengthening management skills will lead to greater innovation, productivity and ultimately the prosperity of Canadians. The report concluded that innovation policy is too narrowly focused on high tech and hard sciences and does not recognize the importance of innovation in business or management processes. In addition, despite the emphasis on increasing science and technical skills, the data indicate a greater priority is required for strengthening managerial capabilities (Canadian managers are under-educated relative to their American counterparts).<sup>19</sup> The same organization published a working paper in 2009 entitled *Management Matters*. The paper concluded that “management capabilities are important contributors to provincial and national prosperity... firms should continue to be open to foreign investment, as the research indicates that the quality of management in multinationals is much higher than that in firms that compete only in their native country. Our firms should strive for globally competitive strategies, as Canada’s global leaders are among the best-managed firms in the world.”<sup>20</sup>

Other research, recently conducted by independent research firms on behalf of ACOA, also supports the continuing need for EBSD programming. In 2007 a study was conducted to examine current perspectives related to skills development training within sector-specific micro, SMEs in Atlantic Canada. The results are based on telephone interviews with a representative sample of 700 owners and senior managers from specific industry sectors, including aerospace and defence, aquaculture, environmental, information technology, life sciences, manufacturing or processing, ocean industries, and oil and gas. The findings identify different training priorities for management and non-management staff. “Skills such as financial management, strategic planning, human resources management and marketing/sales are considered most important. While it appears that no one format will appeal to all organizations, owners and managers believe workshops (77%) and online training over the Internet (63%) are the best ways to address current or pending skills gaps. Notably, both owners and managers and association and

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<sup>18</sup> Statistics Canada Labour Force Survey.

<sup>19</sup> Roger Martin and James B. Milway, Institute for Competitiveness and Prosperity, *Strengthening Management for Prosperity* (May 2007), page 18.

<sup>20</sup> Institute for Competitiveness and Prosperity, *Management Matters Working Paper 12* (March 2009).

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industry representatives consider on-site consulting (69%) services highly effective, and would provide a unique approach to skills development training.”<sup>21</sup>

Another study, entitled *Nova Scotia SME Business Management Skills Research and Analysis*, reached similar conclusions. Both studies report that recruitment and retention of skilled staff are a significant challenge. The report identifies the need for increased business management skills training that is flexible and provides a tailored approach (i.e. the approach to delivery should allow for the unique characteristics of individual businesses and the variation in business management skill training needs according to firm size, industry, nature of operation, and the personality, education and belief system of key decision makers in the firm. The study also concludes there is a continued role for government to play in providing continued support for increased investment in business management skills training and in assisting business owners and managers in overcoming the main barriers (e.g., time, cost and delivery of training).<sup>22</sup>

Public opinion research was conducted in 2008 to assess the effectiveness of ACOA policies, programs and services among stakeholders and clients and to provide the Agency with a comprehensive understanding of how its role and performance were assessed across Atlantic Canada. The 2008 study follows up on previous research studies conducted in 1997, 2002 and 2004. The findings show that ACOA's work in the area of business skills development is more than ever aligned with stakeholder priorities.<sup>23</sup>

Interviewees from all categories and focus group participants agreed there is a strong ongoing need for EBSD programming. Interviewees perceived a real need to create and nurture a stronger entrepreneurial culture in Atlantic Canada and felt that strengthening business management skills is critical to addressing current gaps in productivity and competitiveness of SMEs. Several interviewees commented that the encouragement of entrepreneurship combined with strengthening business skills is absolutely necessary for starting, growing and sustaining businesses. EBSD programming is therefore seen as a key foundational piece in support of ACOA's overall mandate and strategic objective to strengthen the growth and competitiveness of Atlantic Canadian SMEs. Interviewees agreed there will always be a need for basic business skills (e.g. budgeting, accounting, supervisory skills, staffing, inventory control, marketing, etc.). However, several noted an increasing trend toward more sophisticated skills requirements as businesses move into the growth stage (e.g. in areas such as information technology, eco-efficiency, e-commerce, marketing through social media, and succession planning). Findings from all surveys (i.e. beneficiaries, recipients and WBI-CAS consultants) identified similar needs for SMEs. For example, some of the needs mentioned most frequently by the beneficiaries surveyed included accounting and bookkeeping, human resources, marketing and promotion, and networking. Surveyed recipients believed that it is extremely important for ACOA to be involved in EBSD programming (average of 9.5 out of 10, 10 being extremely important).

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<sup>21</sup> Corporate Research Associates Inc., *2007 Study on Skills Development among Atlantic Canadian Micro Enterprises and SMEs* (January 2008), page 3.

<sup>22</sup> Gardner Pinfold, *Nova Scotia SME Business Management Skills Research and Analysis: Final Report* (August 2008), page i.

<sup>23</sup> Atlantic Canada Opportunities Agency, *ACOA 2008 Awareness and Perception Study* (2008).

### Relevance of Targeting Youth

Interviewees in all categories were of the opinion that there is a continued need to provide targeted programming for youth. Several commented on the importance of “sowing the seeds” of entrepreneurship from an early age to instill the appropriate motivation for young people to start their own businesses and to stay within Atlantic Canada instead of moving elsewhere to seek employment opportunities. Young people face specific challenges in starting new businesses. Generally they have not had the time to establish a track record in business, gain previous management experience, or develop a network of business contacts or mentors. And they often lack financial equity. There was agreement that ACOA should continue its programming to meet the needs of both aspiring and existing youth entrepreneurs. Most schools do not have the resources to implement ongoing activities on their own, particularly small, rural schools faced with diminishing resources and expertise in the area of entrepreneurship.

Strong support for ACOA's involvement in initiatives that target youth was also evident in the survey of recipients. In total, 71% of recipients believed the entrepreneurship and skills development needs of youth were different from those of other potential or existing entrepreneurs. Lack of experience, difficulty in accessing financing and a need for mentorship were noted as some of the differences between youth and others. Recipients also believed that it is highly important for ACOA to focus on youth through initiatives such as YEDI (average rating of 9.0 out of 10, 10 being extremely important). Recipients also believed that it was very important for ACOA to maintain its focus on:

- existing young entrepreneurs by providing them with assistance to develop the business skills they need to maintain or grow their business (average of 9.3 out of 10);
- aspiring young entrepreneurs by providing youth with the resources required to act on their interest in starting a business (9.2 out of 10); and
- aspiring young entrepreneurs by helping increase awareness and interest in entrepreneurship (8.8 out of 10).

Governments have long recognized the importance of creating an environment and providing opportunities for youth to succeed as a key economic and social strategy. ACOA has had youth-related programming since before the current YEDI initiative, and interviewees agreed that targeting youth should be a continuing priority. There are also unique demographic circumstances within Atlantic Canada that support the need for special programming in this area. In 1991 the median age in all Atlantic Canada provinces was below the median age for the rest of Canada. However, in 2006 the median age in all Atlantic Provinces was above the national median.<sup>24</sup> Atlantic Canada is faced with out-migration of youth and an aging population. This also raises the importance of succession planning and preparing youth to take over existing businesses so they are not lost to the economy.

The 2004 *Formative Evaluation of the Young Entrepreneurship Development Initiative (YEDI)* also concluded that there is a continued need for the program. The evaluation included a needs analysis and examined barriers to exercising the self-employment option. The study found that:

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<sup>24</sup> Statistics Canada, censuses of population, 1956 to 2006.

“while lack of capital was the lead barrier, further questioning and analysis indicated lack of awareness and skills gaps accounted for this perception of lack of funding. The study showed that guidance and training were the most helpful to starting a business. The needs analysis indicated that while expanding the pool of aspiring entrepreneurs is important, it is equally important to provide the tools to support these youth in becoming young entrepreneurs. The research points to the following as the most helpful options for young people starting a business: guidance from an experienced mentor; attending courses about starting a business; and student internship with a business.”<sup>25</sup>

With respect to the issue of relevance, the formative evaluation of YEDI concluded that while the three streams of YEDI activities address the needs, the “community entrepreneurship development” stream is not as well understood as the others.<sup>26</sup> Furthermore, the evidence suggests that more emphasis should be placed on the “existing entrepreneur” stream. This is consistent with feedback from interviewees during this evaluation study. There was a recommendation from the formative evaluation to expand the definition of youth up to age 35. Some interviewees, however, questioned this rationale and felt that an age range of 15 to 35 was too broad.

### Relevance of Targeting Women

Although the majority of interviewees felt that it is important to maintain some form of targeted programming for women, some felt that the barriers identified in the past for women business owners have been reduced over time. There was also some speculation as to whether there are generational differences with respect to perceived challenges facing women, with older people reflecting past challenges. Some interviewees also believed that women learned differently than men. Overall, there was continued support from most interviewees for services to support women entrepreneurs. However, interviewees felt further research is required to assess current and future needs. Some of the studies conducted did not reach the same conclusions, reinforcing the need for further research.

Surveyed recipients also believed that it is important for ACOA to focus on women. While only half (50%) of recipients believed the needs of women are different from those of other potential or existing entrepreneurs (36% said they were not and 14% did not know), 80% believed that it is appropriate for ACOA to focus on women through initiatives such as the WBI (only 4% said no and 16% were unsure). Recipients believed that it is important to provide support to women because women are still under-represented and still face challenges. Similarly, while only 55% of the surveyed WBI-CAS consultants believed the needs of women are different, 77% indicated that they believed it was important for ACOA to focus on women for reasons similar to those identified by recipients.

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<sup>25</sup> Atlantic Canada Opportunities Agency, *Formative Evaluation of the Young Entrepreneur Development Initiative (YEDI)* (2004), page 11.

<sup>26</sup> Atlantic Canada Opportunities Agency, *Formative Evaluation of the Young Entrepreneur Development Initiative (YEDI)* (2004).

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*The 2005 Formative Evaluation of Women in Business Initiative (WBI)* concluded that there was a need for the services provided through the WBI. A profile of women business owners was developed by ACOA in 2003. The study provided an in-depth look at the situation facing women business owners in Atlantic Canada. Forty percent of those interviewed at that time reported that they faced specific challenges as women business owners. The challenges mentioned most frequently included being able to access financing, prejudice against women in business, not being taken seriously and having to run both a business and a family.<sup>27</sup>

In 2007, a literature review of Canadian women entrepreneurs was conducted by the Telfer School of Management at the University of Ottawa. Key research findings were as follows:<sup>28</sup>

- Industry Canada reported that, in 2004, nearly half (47%) of all Canadian SMEs were owned to some degree by women.
- Approximately half of women business owners intended to grow their firms. Women entrepreneurs and self-employed workers sought firm growth for both economic and social reasons. Motives and growth intentions were associated with self-employment earnings and firm performance.
- Gender differences in self-employment earnings and firm revenue persist across occupational categories. Gender differences were reported in owners' attitudes to growth, financial profiles, management experiences and access to entrepreneurial knowledge. Moreover, women may be under-represented in entrepreneurship courses, SME development initiatives and self-employment assistance programs.
- Having controlled for estimates of human capital (e.g. experience, social and network capital) and firm-related factors (e.g. size, sector, innovation, age), research has not fully explained many aspects of SME growth, including why firms owned by Canadian women are less likely to seek equity capital, expand internationally or grow when compared to matched firms owned by male counterparts. Like all business owners, women entrepreneurs face many obstacles to firm growth. Some, but not all, women reported gender-related barriers. These included professional and personal challenges, often underscored by a sense of "not being taken seriously." Certainly misperceptions persist.
- Primary barriers to internationalization for women related to: the time required to gather information about export markets and the export process; costs of market development, including travel; locating partners, identifying consortia and establishing strategic alliances; and lack of time-efficient service delivery of industry-specific information by support agencies. Information and training needs included strategies about managing growth versus start-up, and technology such as the use of the Internet to build service firms.

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<sup>27</sup> Atlantic Canada Opportunities Agency, *A Portrait of Women Business Owners in Atlantic Canada in 2003* (October 2003).

<sup>28</sup> Barbara Orser, Telfer School of Management, University of Ottawa, *Canadian Women Entrepreneurs, Research and Public Policy: A Review of Literature* (2007).

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There is some discrepancy in the literature, specifically with respect to the question of access to capital for women. Research from the University of Ottawa found that “while some believe that lenders exhibit biases toward women business owners, all evidence published in the last decade that employs comparative sampling shows that gender does not affect lending decisions once firm size and sector have been held constant.”<sup>29</sup> In addition, the study reported a scarcity of research that examines women business owners’ engagement in Canadian SME programs and services. As a result, it was not possible to present an accurate profile of women entrepreneurs’ engagement in Canadian federal and provincial programs. The study suggested a need for additional research to examine gender effects on firm growth and performance and Canadian women entrepreneurs’ engagement in SME training and development programs.<sup>30</sup> One of the significant research challenges cited in this report is to determine how to differentiate outcomes that are legitimately gender-related from challenges that confront all entrepreneurs.

Findings from two other recent studies also support the relevance of programming targeted specifically to women. A special study to examine challenges and needs facing export-ready women in advanced technology sectors was conducted in December 2008 by an independent firm. Some of the key challenges within this sub-set of women entrepreneurs include: work-life balance, the lack of mentors, a lack of business management skills, challenges in recruitment and retention of skilled employees, and the lack of a consistent and up-to-date source of export-related information. Lack of networking and mentoring was identified as a significant gap for women in this industry in Atlantic Canada.<sup>31</sup> In February 2010, the CWB conducted a survey (212 usable responses) of its clients in Nova Scotia. The survey provides information about growth intentions, business practices, perceptions about the influence of gender on business ownership, and the economic and social impacts of CWB services to assist with business sustainability and growth endeavours. The study indicates “the advantages of women-focused business support agencies focused primarily on: relational aspects of training such as enhanced trust, opportunities to network with women; sensitivity and knowledge about gender-related challenges of business ownership; and perceptions that CWB staff had unique perspectives or mindsets.”<sup>32</sup> The study also reports that this finding “coincides with current research and evidence that gender specific programs and services are a critical success factor for nurturing economic development in women-owned businesses.”<sup>33</sup>

### Role for ACOA

ACOA currently plays a lead role in bringing together partners from all levels of government (including post-secondary educational institutions) to ensure the coordination of EBSD-related support throughout Atlantic Canada and to ensure there are no gaps in support. ACOA’s strategy

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<sup>29</sup> Barbara Orser, Telfer School of Management, University of Ottawa, *Canadian Women Entrepreneurs, Research and Public Policy: A Review of Literature* (2007), page 55.

<sup>30</sup> Barbara Orser, Telfer School of Management, University of Ottawa, *Canadian Women Entrepreneurs, Research and Public Policy: A Review of Literature* (2007), page 55.

<sup>31</sup> Gardner Pinfeld, Women’s Exporters’ Initiative (WEI): Results of Research Targeted at Export Needs (December 2008), pages i-iii.

<sup>32</sup> Centre for Women in Business, *Supporting Women’s Enterprise: The Impact of Women-Focused Business Management Programming* (March 2010), page 33.

<sup>33</sup> Centre for Women in Business, *Supporting Women’s Enterprise: The Impact of Women-Focused Business Management Programming* (March 2010), page iii.

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of using third parties to deliver services and provide the tools required to achieve EBSD objectives is highly supported by all categories of interviewees, who also felt that the EBSD PSA is closely aligned with the Agency's mandate. Although there are other players who have an important role, interviewees reported that no other organization has the resources or breadth of mandate to adequately address the overall needs. ACOA has the mandate to work directly with SMEs and to help improve their productivity and competitiveness. Fostering an entrepreneurial climate and business skills development are critical to SME competitiveness locally, nationally and internationally. There was strong support from the majority of interviewees for ACOA to continue its EBSD programming. While other PSAs also have a skills development element, interviewees and focus group participants noted that these are more specific to skills in areas such as export development and innovation. The EBSD PSA addresses business skills development needs more generally, regardless of sector, thus filling gaps that would exist without it.

As mentioned previously, the Entrepreneurship Development Strategy<sup>34</sup> was developed in the mid-90s. Although the strategy has evolved since then, some interviewees representing ACOA management and staff, recipient organizations and other federal and provincial government departments identified the need for a renewed EBSD strategy that would build upon lessons learned and develop implementation strategies to address current and future needs in this area. There was strong agreement that ACOA should take the lead in developing this strategy with input from key delivery partners and other stakeholders (e.g. other funding departments or agencies, post-secondary institutions, other levels of government, CBDCs). The current approach of third-party delivery was seen as the most appropriate mechanism, assuming there is strategic use of resources to ensure that the most effective partners are supported, to maximize reach and avoid duplication. It was agreed that ACOA should play a lead role in developing co-ordinated initiatives with other federal and provincial stakeholders (includes educational institutions) providing business skills development programming.

### Potential Duplication or Overlap

Interviewees had no concerns with respect to duplication or overlap of ACOA's programming with that of other departments or agencies. Some interviewees made a distinction between technical skills development versus business management skills. Other federal and provincial organizations offer programs that are aimed at technical and trade skills development, whereas, ACOA programming addresses general business management skills such as finance, human resources and marketing. Human Resources and Skills Development Canada is the lead department in the area of labour market and skills development, which has a different focus than the Agency's EBSD programming. Interviewees indicated that YEDI and the Seed Capital program, which also has a training component, are complementary. Youth participating in YEDI programming can make an easy transition to the Seed Capital program or go to the CBDCs to access financing to support their business ventures. The Status of Women Canada Program Community Fund, along with the provincial government, is providing funding to the Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE) to support

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<sup>34</sup> Organisation for Economic Co-operation and Development (in cooperation with Atlantic Canada Opportunities Agency), *The Implementation of an Entrepreneurship Development Strategy in Canada: The Case of the Atlantic Region* (1996).

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Business Beginnings, a six-month training program tailored to the needs of aspiring women entrepreneurs. This complements ACOA-funded projects rather than duplicates them.

### 4.2 Performance: Effectiveness

The Treasury Board of Canada defines effectiveness as “the extent to which a program is achieving expected outcomes.” In 2006 ACOA undertook an exercise to develop logic models and performance measurement strategies for its PAA. At that time, a logic model was developed for the EBSD PSA. In 2008-2009 a similar exercise was undertaken, at which point the EBSD logic model was revised.

The logic model for the EBSD Program Sub-activity (PSA) was presented earlier as Figure 1. In assessing the effectiveness of the EBSD, the intent is to determine the extent to which the outputs, reach and outcomes depicted in the logic model have been achieved without resulting in other unwanted outcomes and to thus confirm the PSA's program theory. The performance targets for the EBSD, as identified in ACOA's 2008-2009 Performance Measurement Framework,<sup>35</sup> were as follows:

- 60% to 75% of participants in entrepreneurship awareness and promotion activities indicating that the activity increased their intent to start a business; and
- 75% of participants indicating improved business skills.

This section on effectiveness will therefore examine how successful ACOA has been in achieving the outputs, reach and outcomes outlined in the logic model.

### Incrementality

Before discussing the key results of EBSD projects, it is important to establish the extent to which ACOA funding was incremental and whether these results are attributable at least partially to ACOA's involvement. Incrementality is defined in terms of an applicant's intent and/or ability to proceed with a project at the proposed location and/or within the proposed time frame and scope without government assistance. For the purposes of this evaluation, incrementality was examined from the perspective of the third parties receiving ACOA funding to deliver EBSD-related services. The recipients surveyed were asked about the impact on their project(s) of not having access to the ACOA funding. For the purposes of assessing incrementality, the following definitions were used:

- Full incrementality: The projects could not have proceeded without ACOA funding.
- Major incrementality: The projects may have proceeded, but the absence of ACOA funding would have had a major negative impact on the projects (e.g. reduced scope, reach or success).
- Minor incrementality: The projects would have been negatively affected in a minor way.

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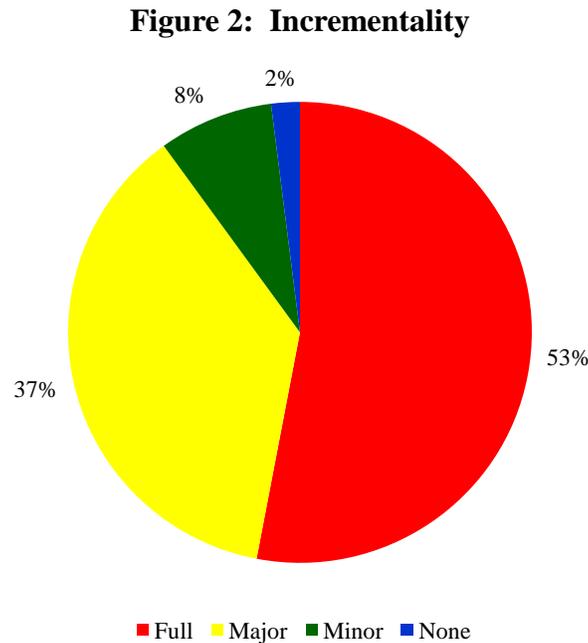
<sup>35</sup> Source: Excel file entitled “MRRS\_PMF-FINAL\_Dec\_2007”

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- No incrementality: The projects would not have been affected at all if ACOA funding had not been available.

Figure 2 shows the incrementality of ACOA funding from the perspective of recipients. The figure shows that the great majority of projects would have been negatively affected if ACOA funding had not been available. In fact, more than half of projects would not have proceeded.



In addition, the case studies showed that ACOA funding was highly incremental. For example, the case study on St. Mary's University Business Development Centre (SMUBDC) showed that, if ACOA funding had not been available through EBSD projects, this would have had a major negative impact on the capacity of the Centre to provide services to its clients. Even though the Centre has developed its capacity significantly, via earned revenues from its consulting services, the \$300,000 annual contribution to operations from non-commercial BDP is still very important. If ACOA funding had been reduced, SMUBDC would not have the capacity to reach nearly as many students or to engage faculty to the same extent. The public benefit derived from its current operations would be greatly diminished without ACOA funding. The other case studies also confirmed that ACOA funding was either fully or highly incremental to the funded organization's ability to undertake the project or provide the services for which they received assistance.

ACOA funding is therefore highly incremental to the ability of the organizations to undertake the projects and the results presented in the following section are therefore highly attributable to ACOA funding and thus to the EBSD PSA. In relation to ACOA's approach, it is important to note that incrementality is high for all recipients regardless of the funding mechanism (e.g. the WBI, YEDI and other non-commercial EBSD projects funded through the BDP) and region (e.g. N.L., P.E.I., C.B., N.S., N.B.).

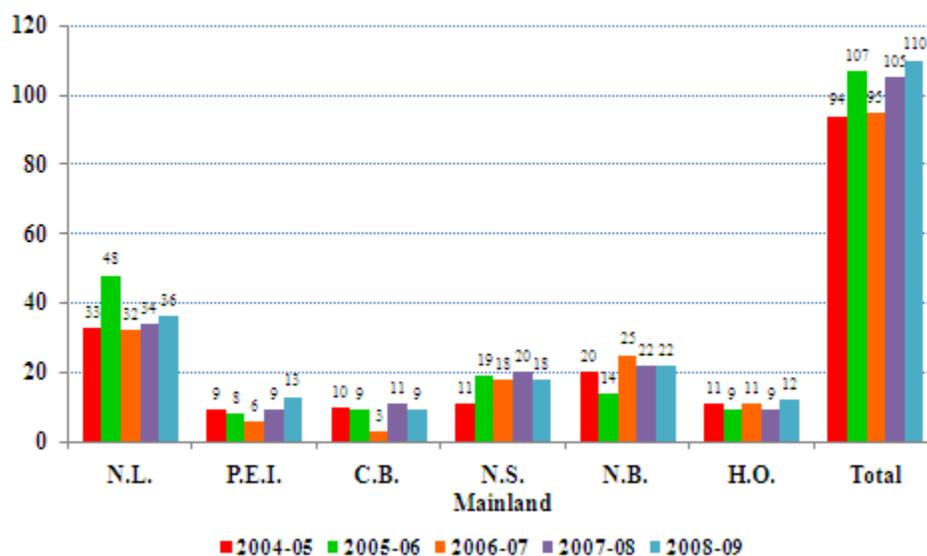
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The majority of interviewees also confirmed that ACOA funding was highly incremental. Partners noted that if ACOA was not involved in EBSD programming, they would not be involved at all or the scope of their programming would be greatly reduced. Partners noted that they did not have sufficient resources of their own, that ACOA's participation helped enhance the credibility of the projects and therefore increase their organization's likelihood of participating.

### Outputs

The evidence gathered shows that the EBSD has been successful in producing its intended outputs through funded projects. Over the five-year period within the scope of this evaluation, 511 projects were funded.<sup>36</sup> Their distribution by funding program or initiative and year is illustrated in Figure 3. Details by region and fiscal year are provided in **Annex E**.

**Figure 3: Number of Projects Approved by Year and Region**



Key findings from Figure 2<sup>37</sup> and Figures E-1 to E-6<sup>38</sup> in **Annex E** include:

- There have been relatively few WBI projects funded each year, by region and in total. These projects also involved a small number of organizations (the total of 59 WBI

<sup>36</sup> Eight Nova Scotia BDP projects representing \$3,194,412 of ACOA-approved funding that took place in 2004-05 and 2005-06 were excluded from the scope of the study, as they were identified following the completion of data collection and analysis.

<sup>37</sup> Source: QAccess 2004-2005 to 2008-2009 data as provided on February 4, 2010.

<sup>38</sup> Source: QAccess 2004-2005 to 2008-2009 data as provided on February 4, 2010.

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projects involved only 16 organizations<sup>39</sup> in total or an average of 3.7 projects per organization). On average, ACOA provided \$167,865 in funding per project.

- There have been more projects funded under the BDP. The total of 216 BDP projects involved 117 organizations, representing on average 1.8 projects per organization. On average, ACOA funded \$124,752 per project.
- Similarly, there have been a relatively large number of YEDI projects funded over the five-year period. The 236 YEDI projects involved 99 organizations, or an average of 2.4 projects per organization. The average YEDI project received \$63,916 from ACOA.
- In total, across the three funding mechanisms, the number of projects per year has been relatively constant, hovering at approximately 100. The average project size, based on the amount funded by ACOA, has also been relatively constant at between \$85,000 and \$115,000 per year.

These findings are summarized in Table 1.

**Table 1: Funding by Region and Funding Mechanism**

Region or Funding Mechanism	Number of Projects	ACOA Average \$	Total Average \$
BDP	216	\$124,752	\$286,868
WBI	59	\$167,865	\$233,751
YEDI	236	\$63,916	\$157,933
<b>Total</b>	<b>511</b>	<b>\$101,633</b>	<b>\$221,288</b>
N.L.	183	\$91,231	\$165,647
P.E.I.	45	\$124,130	\$264,445
C.B.	42	\$56,487	\$155,951
N.S.	86	\$141,104	\$353,216
N.B.	103	\$84,094	\$150,940
H.O.	52	\$124,704	\$352,697
<b>Total</b>	<b>511</b>	<b>\$101,633</b>	<b>\$221,288</b>

Based on the project descriptions,<sup>40</sup> the types of activities or outputs funded were wide-ranging. EBSD-funded projects included business showcase or achievement, counselling or advice, summer camps, workshops or seminars, networking sessions, training sessions, tours or site visits, trade shows or expositions, business diagnostics and a large number of other types of activities or outputs.

<sup>39</sup> These organizations are distributed across the regions as follows: 5 in C.B., 4 in H.O., 3 in N.L., 2 in N.S. and 1 each in P.E.I. and N.B.

<sup>40</sup> Source: QAccess 2004-2005 to 2008-2009 data as provided on February 4, 2010.

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### Reach

#### a) Beneficiaries

The projects funded by ACOA through the EBSD PSA have been effective in reaching a large number of potential or existing entrepreneurs. However, it is not possible to precisely identify how many people have benefited from the 511 projects funded over the 2004-2005 to 2008-2009 period because the information is not available for all projects. It is also not feasible to profile all beneficiaries according to their entrepreneurship profile (potential or existing), gender or age. Nevertheless, information reported in ACOA's performance reports as well as in recipient final reports shows that, through the projects funded, ACOA has had more than 300,000 interactions with existing and potential entrepreneurs. Table 2 outlines some reach highlights:

**Table 2: EBSD Reach**

Fiscal Year	Total Reach	Examples From ACOA Performance Reports
2004-2005	Not available	<ul style="list-style-type: none"> <li>• Over 80,000 young Atlantic Canadians were exposed to entrepreneurship as a career option.</li> <li>• More than 9,000 youth participated in leadership or entrepreneurship skills development activities.</li> <li>• Over 900 university students developed their entrepreneurship and business skills through Agency-funded activities.</li> <li>• 578 students attended presentations to increase their awareness of entrepreneurship and business opportunities in non-traditional growth sectors.</li> <li>• Over 800 Aboriginal youth participated in entrepreneurial activities.</li> <li>• Over 3,000 entrepreneurs had the opportunity to improve their business skills.</li> <li>• 460 young people learned what it takes to create their own jobs for the summer.</li> <li>• 2,000 women business owners received business counselling through the WBI.</li> <li>• 672 women accessed business management skills training.</li> <li>• 197 women accessed consultant support.</li> <li>• 879 women attended workshops.</li> <li>• Over 2,000 women attended business information sessions.</li> </ul>
2005-2006	Awareness and Promotion: 24,449  Business Skills Development: 25,326	<ul style="list-style-type: none"> <li>• The Acadia Centre for Small Business and Entrepreneurship in Nova Scotia provided counselling sessions that contributed to nearly 50 business start-ups and the maintenance and growth of an addition 25 businesses.</li> <li>• ProfitLearn (N.B. and P.E.I.) provided training sessions to nearly 3,000 business owners.</li> <li>• Over 100 young Aboriginals participated in a national business plan competition.</li> <li>• Over 100 Aboriginals participated in summer entrepreneurship camps held in First Nations communities.</li> <li>• 40 young people participated in an Aboriginal wild-crafting project (N.L.), which addressed business planning and marketing.</li> <li>• The WBI enabled more than 460 women entrepreneurs to participate in business skills training.</li> <li>• 211 women business owners accessed professional services.</li> <li>• More than 2,450 women entrepreneurs accessed approximately 5,480 counselling sessions.</li> <li>• 5,573 participated in 449 information sessions targeting women in business.</li> </ul>

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**Table 2: EBSD Reach**

Fiscal Year	Total Reach	Examples From ACOA Performance Reports
2006-2007	Awareness and Promotion: 59,054  Business Skills Development: 34,694	<ul style="list-style-type: none"> <li>• Entrepreneurs' Forum (N.S., P.E.I., and N.L.) held 130 client consultations and 49 advisory sessions.</li> <li>• ProfitLearn (N.B. and P.E.I.) offered 210 workshops to some 2,400 participants.</li> <li>• The Youth Ventures Program (N.L.) helped young people start 271 summer businesses.</li> <li>• In N.B., 13 coordinators reached 22,324 individuals through their entrepreneurship promotion efforts, and their business skills development activities drew more than 7,952 participants.</li> <li>• 482 individuals accessed youth entrepreneurship development activities from Cape Breton University's Study Employment and Entrepreneurial Centre.</li> <li>• 1,245 individuals were reached through the Acadia Centre for Social and Business Entrepreneurship (N.S.).</li> <li>• 4,200 business counselling sessions were held with more than 1,800 women.</li> <li>• 3,700 women participated in workshops, conferences and networking events.</li> </ul>
2007-2008	Awareness and Promotion: 96,235  Business Skills Development: 26,220	<ul style="list-style-type: none"> <li>• Over 200 students and business people participated in the regional Enterprize Atlantic 2008 Business Plan Competition and Conference organized by Dalhousie University (N.S.).</li> <li>• The two Centres for Entrepreneurship Education and Development (CEED) (N.S. and P.E.I.) reached more than 3,500 people through workshops.</li> </ul>
2008-2009	Awareness and Promotion: 34,934  Business Skills Development: 23,442	<ul style="list-style-type: none"> <li>• 29 women entrepreneurs throughout Atlantic Canada participated in an intensive training program aimed at helping them to grow their businesses.</li> <li>• The Centre d'Entrepreneurship du Restigouche Inc., in New Brunswick, promoted entrepreneurship awareness to 4,206 individuals by delivering workshops, conferences and camps.</li> <li>• The Newfoundland and Labrador Association of CBDCs offered the Youth Ventures Program at 17 sites.</li> </ul>

### b) Recipients

Over the period 2004-2005 to 2008-2009, ACOA has provided funding to 172 organizations undertaking the aforementioned 511 projects. These included non-profit organizations (48%), community economic development organizations (17%), universities (12%), industry associations (7%) and many other types of organizations. Based on the recipient survey results, geographic coverage is as per Table 3.

**Table 3: Geographic Distribution of Recipients**

Region	Located in Region	Providing Services in Region <sup>1</sup>	Located in Other Regions
Newfoundland and Labrador	53% <sup>2</sup>	61% <sup>3</sup>	15% <sup>4</sup>
Prince Edward Island	4%	20%	0%
Cape Breton	4%	27%	50%
Mainland Nova Scotia	12%	27%	83%
New Brunswick	27%	39%	15%

## Evaluation of ACOA's EBSD Program Sub-activity

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**Table 3: Geographic Distribution of Recipients**

<b>Region</b>	<b>Located in Region</b>	<b>Providing Services in Region<sup>1</sup></b>	<b>Located in Other Regions</b>
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<sup>1</sup> Multiple responses accepted, therefore totals add up to more than 100%.

<sup>2</sup> Reads: 53% of the recipients surveyed were from N.L.

<sup>3</sup> Reads: 61% of all recipients provide services in N.L. regardless of where their organization is located.

<sup>4</sup> Reads: 15% of the N.L. recipients surveyed indicated that they provided services to other regions.

Source: Survey of recipients

Also based on the results of this survey, recipient organizations are more likely to target both existing and aspiring entrepreneurs (67%). A total of 16% target women business owners, whereas 45% target young entrepreneurs. Other groups targeted by recipients include exporters, First Nations, SMEs with high growth potential, apprentices, tourism operators, family businesses, persons with disabilities, immigrants and many others.

### **c) Partners**

In addition, ACOA and recipient organizations have worked directly with a wide range of partners. Partners, as identified by interviewees and through case studies, include:

- Canada Business
- National Research Council, through the Industrial Research Assistance Program in particular
- Service Canada
- Foreign Affairs and International Trade
- Indian and Northern Affairs Canada
- Status of Women
- N.B. Department of Post-secondary Education, Training and Labour
- N.S. Immigration
- Innovation P.E.I.
- N.L. Department of Industry, Trade and Rural Development
- universities
- chambers of commerce
- Community Business Development Corporations (CBDCs)
- Regional Economic Development Organizations (REDOs)
- associations

These partners have provided financial assistance on projects, human resources and in-kind support (e.g. office space).

## Evaluation of ACOA's EBSD Program Sub-activity

### Outcomes

The performance of the EBSD PSA is summarized in Table 4. It is described in terms of the outcomes presented earlier in the EBSD logic model (Figure 1)<sup>41</sup>. It should be noted that the recipient survey results presented in this table were as likely to occur for projects under the BDP, the WBI or YEDI. Similarly, there is no statistical difference in the beneficiary survey results by gender or age. This means the results presented were as likely to occur for women, youth or others.

**Table 4: EBSD Outcome<sup>42</sup>**

Awareness or interest in entrepreneurship as a viable career option or opportunity			
Performance Reports	Indicator	Target	Results
	% of participants in entrepreneurship awareness and promotion activities indicating the activity increased their intent to start a business	60% to 75%	2005-2006: 58% 2006-2007: 63.8% 2007-2008: 68% 2008-2009: 57%
Beneficiary Survey	36% of those surveyed indicated that the focus of the services they received was awareness building regarding entrepreneurship.  Of those, 47% stated that the services raised their awareness of entrepreneurship as a career option to a large extent (i.e. 8, 9 or 10 out of 10); average rating was 7.0 out of 10.		
Recipient Survey	72% believed their activities had raised awareness in entrepreneurship as a career option to a large extent (i.e. 8, 9 or 10 out of 10); average rating was 8.2 out of 10.		
Case Studies	<p>Through presentations at junior highs and high schools provided by EBSD-funded organizations like Junior Achievement and Youth Ventures, youth became more aware of the possibility of operating a business as a career option. This is borne out by the case study examining Youth Ventures. A survey of students who had participated in the Youth Ventures program in 2007 and 2008 found that 73% agreed or strongly agreed that they now have a much stronger interest in owning their own business because of the program.</p> <p>Through EBSD programming, ACOA funds university-based organizations in some regions to help raise awareness among university students by incorporating entrepreneurship into course curriculum and awareness-raising events. As shown in the case study on the St. Mary's University Business Development Centre (SMUBDC) in Nova Scotia, 7,398 students have participated in entrepreneurship awareness activities since 2007. The effectiveness of these activities is shown by the results of a survey of 2008-2009 participants, which found that 87% of respondents indicated an increased intent to start a business.</p>		

<sup>41</sup> Note: The outcomes pertaining to improved access to business-related information and improved client usage of business-related information are excluded from this discussion because they pertain to the activities of the Canada Business Service Centres.

<sup>42</sup> Not all projects are intended to achieve increased awareness, even though the questions were asked of all clients and recipients surveyed. Similarly, not all projects were intended to enhance capacity or enhance business skills, even though the questions were asked to all surveyed respondents. Smaller proportions are therefore not necessarily indicative of a lack of performance.

## Evaluation of ACOA's EBSD Program Sub-activity

**Table 4: EBSD Outcome<sup>42</sup>**

<b>Enhanced capacity of institutions to support business skills development</b>	
Recipient Survey	84% of surveyed recipients indicated that the projects had enhanced the capacity of their organization to provide more or better services to potential entrepreneurs or to existing business owners to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 9.2 out of 10.
Case Studies	As shown in the case study on the SMUBDC in Nova Scotia, ACOA's BDP funded approximately 20% of the Centre's total operating costs over the three-year period from 2006-2007 to 2008-2009. During this period, the number of staff, the range of services provided and the number of students and small firms reached have grown significantly. The organizational capacity of the Centre has also been enhanced through its linkages to the university, business community, Aboriginal communities, economic development organizations and government agencies.
UBDC Focus Group	Attendees indicated that, without support from ACOA, they would not exist. Collectively, over three or four years, the UBDCs have trained 6,800 business people and 10,000 students. They employ approximately 100 people. They have been able to use ACOA funding to leverage funds from other partners.
Interviews	<p>Interviewees provided examples of the ways in which ACOA had helped enhance the capacity of institutions to support business skills development. According to interviewees, their capacity has been enhanced due to various factors, such as:</p> <ul style="list-style-type: none"> <li>• strengthened infrastructure</li> <li>• more staff</li> <li>• development of internal skills or expertise</li> <li>• provision of more or better services</li> <li>• credibility to bring other partners on board and thus leverage funds</li> <li>• ability to bring together a large number of volunteers that contribute to the activities.</li> </ul> <p>On the other hand, interviewees noted that their capacity could be further enhanced with multi-year funding agreements, as this would improve the operational stability of the organizations and help them attract more or better staff and enhance their credibility with partners.</p>

## Evaluation of ACOA's EBSD Program Sub-activity

**Table 4: EBSD Outcome<sup>42</sup>**

<b>Existing or aspiring entrepreneurs enhance the business skills or capacity they need to establish, maintain and or grow their business</b>			
<b>Performance Reports</b>	<b>Indicator</b>	<b>Target</b>	<b>Results</b>
	% of participants in business skills development activities indicating the skills acquired were relevant to enhancing business start-up, survival and or growth	2005-2006: 60% to 75% 2006-2007: 60% to 75% 2007-2008: 75%	2005-2006 : 82% 2006-2007: 85.7% 2007-2008: 87%
	% of participants indicating improved business skills	2008-2009: 75%	2008-2009: 79%
	<b>Establish their business</b>	<b>Maintain their business</b>	<b>Grow their business</b>
Beneficiary Survey <sup>43</sup>	<p>16% were looking for help to start a business when they used the services; of those, 62% have since started a business (or 10% of all clients surveyed); another 33% were interested in starting a business but have not yet pursued it (or 5% of all clients surveyed).</p> <p>Of those interested in starting a business or who have started a business, 51% indicated that the services had provided the skills needed to start a business to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 6.7 out of 10.</p> <p>The key factors that helped in this regard were the networking, advice and training.</p> <p>The key impediments were related to distance (location), limited scope (not long enough), time limitations and quality of services.</p>	<p>42% were looking for help to keep their business running.</p> <p>Of those, 98% indicated that their business was still up and running.</p> <p>Of those, 39% indicated that the services had provided them with the skills needed to stay in business to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 6.5 out of 10.</p> <p>Factors that helped included:</p> <ul style="list-style-type: none"> <li>• networking</li> <li>• mentoring</li> <li>• quality of event</li> <li>• improved planning</li> <li>• improved business practices</li> </ul> <p>The key impediments were related to the fact that the service was not tailored to the needs of the individual, time limitations and financial barriers.</p>	<p>10% were looking for help to grow their business; of those, 52% indicated that they were able to grow their business.</p> <p>Ways in which growth occurred include:</p> <ul style="list-style-type: none"> <li>• increase in sales (53%)</li> <li>• improved productivity (20%)</li> <li>• increased profitability (13%)</li> <li>• increased number of employees (13%)</li> <li>• started exporting (7%)</li> </ul> <p>40% of those who were able to grow their business indicated that the services had provided them with the skills they needed to grow to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 7.0 out of 10.</p> <p>Some of the factors that helped included the people providing the services, networking opportunities and the ability to gain a new perspective.</p>

<sup>43</sup> Note: Clients could have indicated that they were not looking for help to start, maintain or grow a business but that they used the services for some other purpose. In total, 32% indicated that they used the services for other purposes, such as networking, to get information, awareness building, general interest, etc.

## Evaluation of ACOA's EBSD Program Sub-activity

**Table 4: EBSD Outcome<sup>42</sup>**

	<b>Establish their business</b>	<b>Maintain their business</b>	<b>Grow their business</b>
Recipient Survey	<p>70% of recipients indicated that they believed their project had helped aspiring entrepreneurs decide to start a business to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 8.0 out of 10.</p> <p>69% indicated that they believed their project had enhanced the skills of potential entrepreneurs to start a business to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 8.3 out of 10.</p>	<p>76% of recipients indicated they believed their project had helped enhance the skills of existing entrepreneurs to be able to stay in business to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 8.1 out of 10.</p>	<p>70% of recipients indicated that they believed their project had helped enhance the skills of existing entrepreneurs to be able to grow their business to a large extent (i.e. 8, 9 or 10 out of 10); the average rating was 8.1 out of 10.</p>
WBI-CAS Consultant Survey	<p>59% of WBI-CAS consultants indicated that their services had helped at least one client start a business.</p> <p>In total, the 23 WBI-CAS consultants surveyed indicated that they had helped a total of 93 women start a business.</p>	<p>82% of WBI-CAS consultants indicated that their services had helped at least one client stay in business.</p> <p>In total, the 23 WBI-CAS consultants surveyed indicated that they had helped a total of 229 women stay in business.</p>	<p>82% of WBI-CAS consultants indicated that their services had helped at least one client grow her business.</p> <p>In total, the 23 WBI-CAS consultants surveyed indicated that they had helped at total of 188 women grow their business.</p>
Case Studies	<p>Youth Ventures supported students who created over 200 businesses annually over the four-year period from 2005 to 2009. A survey of 2007 and 2008 program participants found that 84% of respondents rated highly or very highly the program's ability to provide them with all the skills needed to start a business.</p> <p>Since 2007, The St. Mary's University Business Development Centre in Nova Scotia has provided advice and assistance to 105 students who were starting up new businesses.</p>	<p>The case study on the MTSW initiative in Cape Breton provides some early evidence that one-on-one training has helped clients maintain and improve business operations, particularly with respect to improving their capabilities in the area of accounting, bookkeeping and financial management.</p>	<p>The services delivered through the Entrepreneurs' Forum have provided assistance to new and growing innovative or knowledge-based companies throughout Atlantic Canada. The services include the use of volunteer advisors to provide one-on-one coaching and advisory sessions to clients. These services have been found to be useful and relevant to clients' needs. Surveys of firms that were clients between January 2008 and March 2009 found that 71% found the advice received during their advisory session was useful in helping overcome barriers and challenges to growth.</p>

## Evaluation of ACOA's EBSD Program Sub-activity

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Clients surveyed were generally satisfied with the cost of the services (average rating of 8.4 out of 10), with the services' overall ability to meet their needs (average rating of 7.6 out of 10), and that services were tailored to their needs (7.5 out of 10).

### The WBI Loan Loss Reserve Fund

ACOA provided funding for a WBI Loan Loss Reserve Fund (LLRF). The Atlantic Association of Community Business Development Corporations (AACBDC) manages the delivery of this LLRF. The LLRF provided a financing facility that lowered the risk to lenders for approving loans to eligible female clients who, without this facility, would normally not have qualified for financial assistance. The LLRF was intended primarily to offset loan structural risk rather than risks relating to either the viability of the enterprise or deficiencies in the business management skills of the client. The 41 CBDCs that chose to participate in the LLRF across Atlantic Canada have acted as lenders for the delivery of the LLRF. In addition, the AACBDC entered into agreements with other lending organizations in urban centres not serviced by the CBDCs.

ACOA approved \$4,487,935 in funding for the LLRF for the period between March 2003 and March 2015 (12 years). Assistance was in the form of a provisionally repayable contribution and any funds not used to offset defaulted loans and operational costs are repayable to the Government of Canada.

By March 31, 2009 (i.e. within the scope of this evaluation), a total of 542 loans were approved, totalling \$16.2 million, with \$3.2 million guaranteed (20% of the loan) through the LLRF. The average loan was a little under \$30,000.

During that same period, the CBDCs approved 5,673 loans through its loan portfolio (excluding LLRF), which were, on average, a little over \$41,000. While gender-specific information is not available for all CBDC loans, ACOA completed an Impact Analysis of the LLRF.<sup>44</sup> The study noted:

- **Value of loans to women:** Although the male to female gap has widened with respect to loan value, the measurement tools used for this analysis are not defined well enough to draw a correlation between the LLRF and female loan value.

The average female loan value in 2007-2008 was almost identical to the female loan value in 2001-2002 (\$33,340 versus \$33,048 respectively, or an increase of only 0.9%). On the other hand, the male loan value increased from \$41,657 to \$47,131 from 2001-2002 to 2007-2008 (or an increase of 13.1%).<sup>45</sup> The gap is therefore widening.

However, as the LLRF is not advertised to the end user (the female entrepreneur), it is difficult to assess the impact of the LLRF on the loan value.

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<sup>44</sup> Atlantic Canada Opportunities Agency, *Impact Analysis of LLRF*, October 31, 2008 (Revised February 27, 2009).

<sup>45</sup> For the purposes of the impact analysis, 2007-2008 was used as the "post-LLRF" year. No loans were approved that year as the amendment to extend the LLRF had not been processed until 2008-2009.

## Evaluation of ACOA's EBSD Program Sub-activity

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- **Number of applications received from women:** There has been an increase in the proportion of applications from women versus from men between 2001-2002 and 2007-2008. In 2001-2002, the proportion of male applicants was 73.3% versus only 26.7% for female applicants. By 2007-2008, the proportion had changed to 68.4% for male and 31.6% for female applicants.
- **Female approval rate:** Again, without specific consultations with lenders, it is difficult to attribute changes in approval rates to the LLRF. Nevertheless, approval rates for males increased from 71% to 80% between 2001-2002 and 2007-2008. Approval rates for females increased from 66% to 76%. The gap between male and female approval rates is therefore narrowing.
- **Number of loans to women:** The number of loans to women went from 258 in 2001-2002 to 329 in 2007-2008, representing an increase of 28%. During the same period, the increase in the number of loans to men only went up by 3%.

Based on the evidence available, the LLRF therefore appears to have had a positive impact on the approval rate and number of loans to women. However, it is difficult to assess the impact of the LLRF on the loan value. Additionally, while the number of female applicants has increased, these cannot be attributed to the LLRF because the LLRF was not advertised to women entrepreneurs.

In terms of repayments, as of March 31, 2009, 171 of the LLRF loans (or 32%) had been fully repaid. A total of 84 claims (representing 15% of all loans) had been made, meaning that these loans were in default. The remaining 287 (or 53%) were active loans as of March 31, 2009.

### 4.3 Performance: Efficiency and Economy

#### Cost-Effective Approach

Cost-effectiveness can be summarized as the achievement of good results or outcomes in light of the money spent. Cost-effectiveness analysis therefore examines whether the same results could have been attained through less financial outlay or whether the money spent could have achieved better results if used more effectively.

The 2009 Treasury Board Policy on Evaluation defines value for money as “the extent to which a program demonstrates relevance and performance” where performance is defined as “the extent to which effectiveness, efficiency and economy are achieved by a program.”<sup>46</sup>

In section 4.1, it was established that there is an ongoing need for EBSD programming and that it is relevant for ACOA to be responsible for this type of programming. The results presented in Section 4.2 shows that the EBSD has been effective in producing its intended outputs, reaching its intended target groups and achieving its intended outcomes. In order to fully assess cost-

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<sup>46</sup> Treasury Board Secretariat, *Evaluation Policy* (Revised April 1, 2009).

## Evaluation of ACOA's EBSD Program Sub-activity

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effectiveness, it is important to determine whether ACOA could have provided less funding, the extent to which ACOA was able to leverage funds and other cost-effectiveness aspects of ACOA's approach to EBSD programming.

### a) Reduced funding

Surveyed recipients were asked how projects would have been affected if ACOA had provided less funding. In total, 61% indicated that the scope of the project would have been reduced, 45% indicated that the quality would have been affected, and 41% indicated that the project would not have happened at all. It is therefore unlikely that ACOA could achieve the same success if its level of funding was reduced. Again, it is noteworthy that reduced funding would have negatively affected recipients regardless of the funding mechanism and region. Some of the recipients interviewed noted that, for activities of the nature of the EBSD, some of the costs are fixed and it is therefore very difficult to reduce overall costs.

The WBI-CAS consultants were also concerned about the effect of reducing ACOA's contribution to their services. In total, 46% of the surveyed consultants believed that women would access lower quality services, and 36% believed they would not be able to access consulting services at all. The consultants interviewed also noted that they could not provide their services for less. Some noted that they would not offer the services through ACOA if they had to do it for less as they already believed they were providing the lowest cost services possible. Some consultants indicated that they already provided WBI-CAS service at less than their normal rates.

### b) Leveraging

Leveraging involves determining how much other parties are investing in projects for every dollar invested by ACOA. For the EBSD PSA overall, for every ACOA dollar funded, others are investing \$1.18 in projects (see Table 5, page 32, and Table E-1 in **Annex E**).

Analysis of QAccess data shows that, overall, leveraging is much lower for the WBI (\$0.39) than for YEDI (\$1.47) and the BDP (\$1.30). Based on comments from interviewees and the data available, the key reasons for low leveraging for the WBI is reportedly due to the fact that this was not an emphasis of the program as the initiative was driven by ACOA. Additionally, it is much less mature programming (while the WBI has been around for less than 10 years, ACOA has been offering youth programming for more than 15 years) and therefore it may take more time to develop a network of committed partners. In addition, some interviewees noted that, given the nature of some WBI activities, in-kind leveraging often occurs after the projects are started and are therefore not reflected in the ACOA data (e.g. in-kind contributions from businesses in the community for women's day events).

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**Table 5: Project Financial Information**

	# of Projects	ACOA Total \$	Total Project \$	Leverage
<b>By Fiscal Year</b>				
2004-2005	94	\$11,433,223	\$22,200,394	\$0.94
2005-2006	107	\$9,181,930	\$17,797,010	\$0.94
2006-2007	95	\$10,075,113	\$24,231,596	\$1.41
2007-2008	105	\$9,667,997	\$20,347,353	\$1.10
2008-2009	110	\$11,576,416	\$28,450,696	\$1.46
<b>By Funding Mechanism</b>				
BDP	216	\$26,946,478	\$61,963,467	\$1.30
WBI	59	\$9,904,038	\$13,791,313	\$0.39
YEDI	236	\$15,084,172	\$37,272,269	\$1.47
<b>By Region</b>				
N.L.	183	\$16,695,205	\$30,313,454	\$0.82
P.E.I.	45	\$5,585,863	\$11,900,005	\$1.13
C.B.	42	\$2,372,439	\$6,549,941	\$1.76
N.S.	86	\$12,134,909	\$30,376,608	\$1.50
N.B.	103	\$8,661,658	\$15,546,816	\$0.79
H.O.	52	\$6,484,614	\$18,340,225	\$1.83
<b>Total</b>	<b>511</b>	<b>\$51,934,688</b>	<b>\$113,027,049</b>	<b>\$1.18</b>

### c) Resource Allocation

Between 2004-2005 and 2008-2009, ACOA approved \$52 million in funding for 511 projects. The total cost for these projects was \$113 million. Table 5 provides an overview of the distribution of project funding by year, funding mechanism and region. Further details are provided in Table E-2 in **Annex E**.

For the EBSD, ACOA salaries represent 14.3% of the amount provided through grants and contributions. This ratio was deemed appropriate considering the gains achieved in reach and expertise by working through third-party organizations.<sup>47</sup>

None of the interviewees could think of a more cost-effective approach for delivering the EBSD. Interviewees noted that some of the strengths of ACOA's approach, from a cost-effectiveness perspective, included:

- Using a network of third-party organizations that have the expertise to provide a wide range of activities and connections to reach a broad range of existing and potential entrepreneurs who would not be reached as effectively through any other approach (i.e. if

<sup>47</sup>Source: Salary forecasting module of GX (2008-2009 data) and QAccess (2008-2009 data).

## Evaluation of ACOA's EBSD Program Sub-activity

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ACOA delivered the services directly rather than through third parties), though some efficiencies could be gained by implementing multi-year funding agreements with third-party organizations that have a proven track record in delivering the EBSD;

- Bringing a range of partners to the table that would not be involved, or not as extensively without ACOA's involvement, thereby enhancing capacity to deliver EBSD activities throughout Atlantic Canada;
- Building on the experiences of some regions to support pan-Atlantic projects or projects in more than one region, thereby enhancing reach in a cost-effective fashion.

### d) The WBI-CAS

Over the years, the WBI-CAS have evolved, with different regions using different approaches. Because the approaches are different across regions, the evaluation set out to examine the cost-effectiveness of different regional approaches for delivering the WBI-CAS. The regional approaches are:<sup>48</sup>

- N.L.: Within the time frame of this evaluation, the WBI-CAS has been delivered internally through its operations and maintenance budget. Between 2004-2005 and 2008-2009, a total of 62 WBI-CAS projects have been approved involving ACOA funding of \$278,665. As the WBI-CAS is only one element of a broader initiative, internal costs are not available.
- P.E.I.: Up to 2005-2006, WBI-CAS services were provided by the PEIBWA. Effective 2006-2007, the services have been delivered through the region's operations and maintenance budget. Between 2004-2005 and 2008-2009, a total of 220 projects have been approved, involving ACOA funding of \$626,833. For the first two years, the PEIBWA received a total of \$714,750 and funded \$600,107 to cover ACOA's share of the consultants' fees. This indicates that the operational costs accorded to the PEIBWA for delivering the WBI-CAS were under \$60,000 per year (\$114,643 over two years). As the WBI-CAS is only one element of a broader initiative, internal costs of delivering the WBI-CAS since 2006-2007 are not available.
- C.B.: The WBI-CAS has always been administered by Enterprise Cape Breton Corporation (ECBC). Over the five-year period, only 19 WBI-CAS projects were funded, totalling \$72,693. The cost to ECBC of administering the services is not available.
- N.S.: The WBI-CAS has always been administered by ACOA's N.S. regional office. Over the five-year period, a total of 169 projects were funded, totalling \$708,777 in ACOA funding. As the WBI-CAS is only one element of a broader initiative, internal costs are not available.

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<sup>48</sup> More detailed information on projects and funding by year is provided in Table E-3 in Annex E.

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- N.B.: The WBI-CAS has always been administered by the N.B. Association of CBDCs. Over the five-year period, a total of 172 projects were funded, totalling \$609,712. ACOA funding to the Association over the five-year period was \$732,224, indicating that the administrative portion of the funding was less than \$125,000 over five years, or less than \$25,000 per year.

As shown in Table D-3 in **Annex D**, there was a significant decrease in the number of WBI-CAS projects from 2005-2006 to 2006-2007. ACOA interviewees noted that this was, in part, due to shrinking budgets as well as a decision to focus on growth rather than start-ups.

Since ACOA or ECBC internal operations and maintenance or administrative costs were not available, it is not possible to determine which approach is more cost-effective (i.e. using grants and contributions to fund third parties to administer the WBI-CAS versus using operations and maintenance budgets to administer the WBI-CAS).

### Performance Measurement

Since 2005-2006, ACOA has been collecting information on two key performance indicators for the EBSD:

- percent of participants in entrepreneurship awareness and promotion activities indicating the activity increased their intent to start a business; and
- percent of participants in business skills development activities indicating the skills acquired were relevant to enhancing business start-up, survival and/or growth.

In doing so, ACOA also captures information on project activities and outputs (number and types of activities) as well as on the number of individuals participating in the activities.

ACOA interviewees noted that these indicators were useful and that there is a need to report on the above indicators; however, several believed that these two indicators were insufficient to tell the whole EBSD performance story. Some recipient interviewees expressed frustration with some of the reporting requirements in that they believed they were too restrictive in letting them tell their performance story. Nevertheless, when reviewing some of the project files in the context of the case studies, the evaluation team observed that the final project reports contained a wealth of performance information that did not appear to be fully exploited. ACOA interviewees also agreed that there could be benefits gained to mining the information contained in these reports. The recipients surveyed indicated that they provided ACOA with the following type of performance information (through progress and/or final reports): financial information on the project (86%); number of users of the service (84%); benefits to users of the service (76%); benefits to their organization (51%); and profile of users (47%).

In addition, for the purposes of this evaluation, the evaluation team observed that valuable performance information was available in databases on:

- resources in terms of project funding;

## Evaluation of ACOA's EBSD Program Sub-activity

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- reach in terms of project recipients and partners at the general level (i.e. financial contributions on projects of other federal partners, provincial partners, municipal and other partners); and
- outcomes beyond the two key indicators captured in project reports.

Due to the nature of many of the projects (e.g. awareness building, information or advice, one day workshops or short training sessions), the impact on the overall success of a business is expected to be limited. Consequently, it is difficult to measure performance long after most of the projects have taken place. Based on the model presented in **Annex B**, experience has shown that measurement should be as follows:

- Progress toward milestones and use of resources should be measured during projects, regardless of the nature of the project.
- Use of resources, outputs, reach, satisfaction and potential outcomes (intent) should be measured at the end of projects, regardless of the nature of the project.
- Actual outcomes (i.e. did they actually start or grow a business) and impacts should be measured within two or three months of project completion for information and advisory services, within six months for education services, and within one year for technical specialist support services.

ACOA recently introduced a new system to measure the performance of projects. The system will provide the opportunity for the project manager and recipient to not only identify the key project outcomes but to determine when these outcomes are expected to occur and, hence, what performance information will be reported to ACOA and when. In addition, the system allows account managers to report findings in a narrative format, thereby providing opportunities to tell a better performance story. This should provide additional qualitative information on outcomes in future evaluations.

### Complementarity or Overlap with Other PSAs

Based on a February 2010 presentation deck,<sup>49</sup> the Agency is investing \$39 million per year in skills training via Enterprise Development, of which only \$11 million is provided through the EBSD. There was therefore a noted concern that there could be overlap or duplication in skills investment throughout the Agency.

Interviewees and focus group attendees (ACOA representatives and Head Office focus group) observed that EBSD programming did not duplicate or overlap the skills development activities funded by other PSAs. However, they indicated there may be opportunities for better planning and communications across the PSAs to maximize opportunities for collaboration, minimize the risk of duplication, and optimize sharing of decisions made on certain applications for funding, as well as share lessons learned from previous projects. However, no one could identify a means of doing this without adding undue administrative burden. Several noted that ongoing improvements to the integrated planning process should help improve coordination over time.

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<sup>49</sup> ACOA presentation deck entitled "Skills Development Renewal," February 9, 2010.

### Lessons Learned

A number of lessons learned can be drawn from the case studies. For example:

- In the case of summer programs for youth, such as Youth Ventures and Young Millionaires, the uncertainties associated with the combination of annual funding and the federal fiscal year beginning April 1 make it difficult to ramp up to deliver a summer program. This issue has been recognized in the case of Youth Ventures, which now receives funding approval in January.
- Several case studies clearly show that project success is strongly dependent on the level of support and entrepreneurial culture in the local community. The commitment and support from local councils, schools, and the business community were shown to be of particular importance for Youth Ventures and the PEIBWA annual symposium.
- As discussed in the New Brunswick case study (WBI business counselling and advisory services), client needs continue to evolve and it is important for the EBSD to respond. Several interviewees commented that the EBSD should periodically conduct a needs assessment and consult with local business associations to monitor members' needs.

### Best Practices

Interviews and case studies provided information on a number of best practices found in the regions.

Both N.B. and N.L. make use of provincial associations of CBDCs to deliver EBSD initiatives rather than build new networks to deliver specific programs. In New Brunswick, all activities carried out under the WBI are contracted to the N.B. Association of CBDCs. In N.L., the N.L. Association of CBDCs delivers Youth Ventures,<sup>50</sup> a summer business support program for youth, through the 15 CBDCs in the province, supported by additional partner organizations. By partnering with the CBDCs, the EBSD takes advantage of their geographic spread, links in the local business community and access to other services offered by the CBDCs, such as loans, including Seed Capital for youth, thereby enhancing service offerings by providing clients with a “tool box” of services to address their needs.

Another approach used in N.B. and P.E.I. to ensure cost-effective geographic coverage of trainers for skills development workshops is evident through funding LearnSphere (N.B.) and ProfitLearn (P.E.I.). In this case, each maintains a pool of trainers with specific skills who are available to provide business skills workshops at a number of locations across the provinces. They each have close linkages with a wide range of business support organizations, such as chambers of commerce, that help identify needs and co-sponsor workshops.

In N.L., delivery of EBSD is coordinated with other related projects under trade and innovation. For example, NLOWE has been working in partnership with WEConnect Canada to educate

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<sup>50</sup> Youth Ventures, which supports mainly school-aged youth, has recently added the Angel Business Development project aimed at post-secondary youth.

## Evaluation of ACOA's EBSD Program Sub-activity

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N.L. Women Business Owners about the benefits of certification in helping them grow their business internationally. ACOA N.L.'s Trade and Innovation unit then worked with NLOWE to ensure that well-established WBO that are exporters are provided with specialized export consulting, matchmaking services, contract negotiation training and capacity building in preparation for future trade shows in supplier diversity.

Some regions in N.B. have put in place committees which consist of all parties (e.g. ACOA, CBDCs, REDOs, National Research Council, N.B. government, universities, colleges, chambers of commerce, etc.) involved in providing entrepreneurship and business skills development (and other) services to people in their communities. When a client approaches one of these delivery partners and it is unclear who can help the client, the case is brought to the committee, which meets regularly, and after discussion of the client's needs it is agreed who will take the lead on addressing those needs. This has resulted in a mechanism to ensure that the needs of all clients are addressed by the best organization while avoiding duplication.

In N.S. and C.B. ACOA provides EBSD funding to support University Business Development Centres (UBDCs) throughout the province to take advantage of the capabilities among the faculty and students in the business and commerce departments. Each UBDC offers business skills development, training and consulting services. Some provide services targeted at specific client groups such as women, francophones and Aboriginals. The UBDCs have formed a network which meets regularly to share ideas, to partner and to coordinate service delivery.

The strategy of providing funding to local associations with links to specific target groups was identified by many interviewees as a best practice. In P.E.I., ACOA provides EBSD funding to the PEIBWA, recognized as the primary organization supporting business women, to deliver the WBI. In several regions, EBSD funding is provided to Junior Achievement to promote awareness of entrepreneurship as a career option to youth.

EBSD programming also takes advantage of volunteers from the local business community to act as advisors and mentors to business owners seeking assistance. For example, through the Entrepreneurs' Forum, experienced volunteer business persons provided confidential advisory sessions and one-on-one counselling, with a value of approximately \$360,000 over a two-year period.

### 5.0 Conclusions and Recommendations

#### 5.1 Relevance

**Conclusion:** The EBSD PSA has continued relevance given ACOA's legislative mandate and strategic outcome for a more competitive Atlantic Canadian economy. There is a continued need for investment and support of entrepreneurship and business skills development that is available to all sectors of the Atlantic Canadian economy as a key component to enhancing competitiveness. The EBSD PSA is closely aligned with federal government priorities that emphasize skills development and entrepreneurship as a key to Canada's productivity. There is a strong need for programs that target youth, particularly given the demographic challenges of an aging population and youth out-migration within Atlantic Canada. There is also evidence to support a continued need for initiatives aimed at women. However, further research is required to better understand current and future needs. ACOA should continue its current role and make effective use of its third-party delivery model. Given ACOA's mandate, the strategy of playing a lead role working with partners and other key stakeholders is appropriate and helps avoid any potential duplication or overlap with other organizations.

**Recommendation 1:** ACOA should renew its entrepreneurship development strategy in order to build on lessons learned, and develop implementation strategies to address needs in this area, particularly those related to target groups such as women and youth. The revised strategy should:

- continue to promote entrepreneurship and ensure that the business skills needs of all Atlantic SMEs are met whether Pan-Atlantic or regionally specific in nature;
- invest in research to ensure ACOA has up-to-date, relevant information to inform the strategy, particularly with respect to women where questions exist regarding their needs and the gaps in services available to them (e.g. access to capital);
- take into consideration the skills needs of other ACOA sub-activities to ensure complementarity of efforts with regards to skills development activities across the Agency; and
- include consultations with delivery partners and other stakeholders (provincial governments, post-secondary education institutions, CBDCs, etc.).

#### 5.2 Performance: Effectiveness

**Conclusion:** Through EBSD programming, the Agency has been effective in providing funding for more than 500 projects and more than 300,000 interactions

## Evaluation of ACOA's EBSD Program Sub-activity

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with potential or existing entrepreneurs. EBSD projects have been successful in achieving the outcomes outlined in the PSA's logic model, that is, building awareness or interest in entrepreneurship as a viable career option or opportunity as well as enhancing the business skills or capacity of existing or aspiring entrepreneurs to establish, maintain and/or grow their business. These results are highly attributable to EBSD funding, as incrementality is high. The WBI, YEDI and other non-commercial EBSD projects funded through the BDP are equally effective at achieving their intended outcomes.

### **No recommendation.**

**Conclusion:** It is unlikely that EBSD programming could have performed as effectively without working through third-party organizations that have the reach and expertise required to deliver entrepreneurship promotion and business skills training. Collaboration with key partners from all levels of government also contributed to the results achieved. By working with these third-party organizations and partners, ACOA has not only enhanced the capacity of institutions to support business skills development, but it has also contributed to the capacity of other recipients and partners in other federal and provincial departments and agencies. It is therefore critical to the success of the EBSD PSA that ACOA continue to use a third-party delivery approach and to play an important role in partnership building.

### **No recommendation.**

**Conclusion:** The LLRF appears to have had a positive effect on the number of applications from women, the approval rate for women and the number of loans to women. However, it is difficult to assess the impact of the LLRF on the loan value. A large proportion of the loans appear to be on track for full repayment.

### **No recommendation.**

## **5.3 Performance: Efficiency and Economy**

**Conclusion:** The Agency's EBSD PSA is effective in achieving its intended results with due consideration for efficiency and economy. It is unlikely that the same results could have been achieved at a lesser cost. In addition, projects have involved a reasonable level of leveraging, without negatively affecting the incremental impact of the Agency's EBSD funding. Additionally, the level of internal resources required to administer and manage the PSA are reasonable. The cost-effectiveness of the EBSD is to some extent due to ACOA's use of third parties with reach and expertise

## Evaluation of ACOA's EBSD Program Sub-activity

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to undertake a range of projects to help achieve the EBSD intended results as well as its approach in effectively bringing other partners to the table (many of which would not be involved in these types of projects without ACOA's involvement). However, some of the efficiencies gained by working with third-party deliverers are hampered by the absence of multi-year funding agreements, where appropriate.

**Recommendation 2:** ACOA should consider multi-year funding agreements to support those organizations with a proven record of successful EBSD program delivery.

**Conclusion:** ACOA management has been effective in implementing performance-measurement mechanisms to track EBSD performance in terms of its effect on increased intent to start a business and enhancing the skills required for business start-up, survival and/or growth. However, this is insufficient to help tell the entire performance story for the EBSD, such as the actual impact of the EBSD PSA on starting, maintaining and/or growing a business. Because of the nature of the interactions, the outcomes and impacts would be more effectively measured within one year (at most) of the end of the project. Through ACOA's new performance monitoring system, the Account Manager will be required to work directly with the recipient to identify the outcomes (from the PSA logic models) that are applicable to the project as well as when these outcomes are likely to occur. This is intended to help measure the right project outcomes at the right time. The new system should help ensure that more complete performance information is available on EBSD activities, particularly for further qualitative analysis in future evaluations.

**Recommendation 3:** ACOA should monitor the comprehensiveness and usefulness of the EBSD performance indicators in light of the Agency's new performance-measurement system and implement the necessary changes as required.

**Conclusion:** Several of the identified best practices for EBSD programming relate to the means of providing a broad range of services to clients that are not uniquely EBSD-related but rather that provide a "tool box" for clients. This is a particularly exemplary practice because clients often need to access a range of tools to help them start, sustain or grow their business. This may include skills development as well as other services outside the mandate of the EBSD PSA but within the mandate of ACOA (e.g. services related to access to capital, trade, investment, innovation, etc.).

**Annex A: Overview of Regional Approach to the EBSA PSA**

## Evaluation of ACOA's EBSD Program Sub-activity

Region	Overview of Delivery of Elements of the EBSD
<p>Newfoundland and Labrador (N.L.)</p>	<p><b>Women in Business Initiative (WBI)</b></p> <p>Advocacy and Coordination provided by ACOA staff            Business Counselling and Community Outreach are delivered by NLOWE            The business management training allowance (BMTA) that was provided through the Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE) is no longer offered            The WBI-CAS is managed internally by ACOA staff, with funding provided from operations and maintenance. NLOWE business advisors conduct an initial assessment with potential applicants for the CAS program and then refer to ACOA. The number of WBI Consulting Advisory Services (WBI-CAS) projects is down in recent years.            Exporting and Innovation: The WBI is involved in some N.L. exporting projects and participates in missions organized by Head Office (H.O.)</p> <p><b>Young Entrepreneur Development Initiative (YEDI)</b></p> <p>Youth Ventures for student start-ups is delivered through Community Business Development Corporations (CBDCs)            YEDI programming and take-up includes both aspiring and existing youth businesses            YEDI is involved in some community entrepreneurship development projects with Regional Economic Development Boards (REDBs)</p> <p><b>Business Development Program (BDP)</b></p> <p>The BDP provides the YMCA with core funding for general business planning and counselling services            BDP funding is used when the target group includes youth, but is not limited to youth (e.g. the Y-Enterprise Centre)            The BDP provides core funding for the Métis business centre and a wide range of other projects</p>

## Evaluation of ACOA's EBSD Program Sub-activity

Region	Overview of Delivery of Elements of the EBSD
<p>Prince Edward Island (P.E.I.)</p>	<p><b>WBI</b></p> <p>The P.E.I. Business Women's Association (PEIWBA) receives operational funding and provides Advocacy and Coordination and Business Counselling services as part of the funding The BMTA is no longer offered BDP operational funding is used to support ProfitLearn to provide business skills workshops across the province The WBI-CAS was previously delivered through the PEIBWA. In recent years these services have been delivered by ACOA staff, with operations and maintenance funding. The PEIBWA receives inquiries and performs the initial screening The Loan Loss Reserve Fund (LLRF) is administered by H.O. through the CBDCs Exporting and Innovation: The WBI participates in missions organized by H.O.</p> <p><b>YEDI</b></p> <p>Centre for Entrepreneurship Education and Development (CEED) P.E.I. receives funding to support aspiring young entrepreneurs Existing young entrepreneurs are supported through the ProfitLearn, Entrepreneurs' Forum, open to all There is minimal effort on community entrepreneurship development through YEDI (Central Development Corps deal with other Regional Economic Development Organizations (REDO))</p> <p><b>BDP</b></p> <p>Some youth-related projects are funded through the BDP (e.g. Young Millionaires, Junior Achievement) The BDP provides funding to support francophone entrepreneurs The BDP provides funding to ProfitLearn to support general business skills development across the region The BDP provides project-based funding to support a wide range of business related organizations (chambers of commerce, ITAP, etc.)</p>
<p>Cape Breton (C.B.)</p>	<p><b>WBI</b></p> <p>All elements of the WBI are delivered by Enterprise Cape Breton Corporation (ECBC) except the LLRF The BMTA has been replaced with another similar project The WBI-CAS is administered by ECBC using operations and maintenance funds Business Counselling and Community Outreach services are delivered by ECBC staff Exporting and Innovation: The WBI participates in trade missions led through Head Office Access to Finance is provided through the LLRF at the CBDCs, managed by H.O. The WBI links with CB Partnership for seminars of mutual interest</p> <p><b>YEDI</b></p> <p>There is greater emphasis on aspiring entrepreneurs, but some funding is provided for existing and growing business as well ACOA has established the CB Centre for Small Business Development using funds from YEDI and ECBC (three-year contract)</p> <p><b>BDP</b></p> <p>EBSB programming is managed under Director General Commercial The Student in Business Program provides interest-free \$5,000 loans through the BDP, operating from N.S. Economic Development Department</p>

## Evaluation of ACOA's EBSD Program Sub-activity

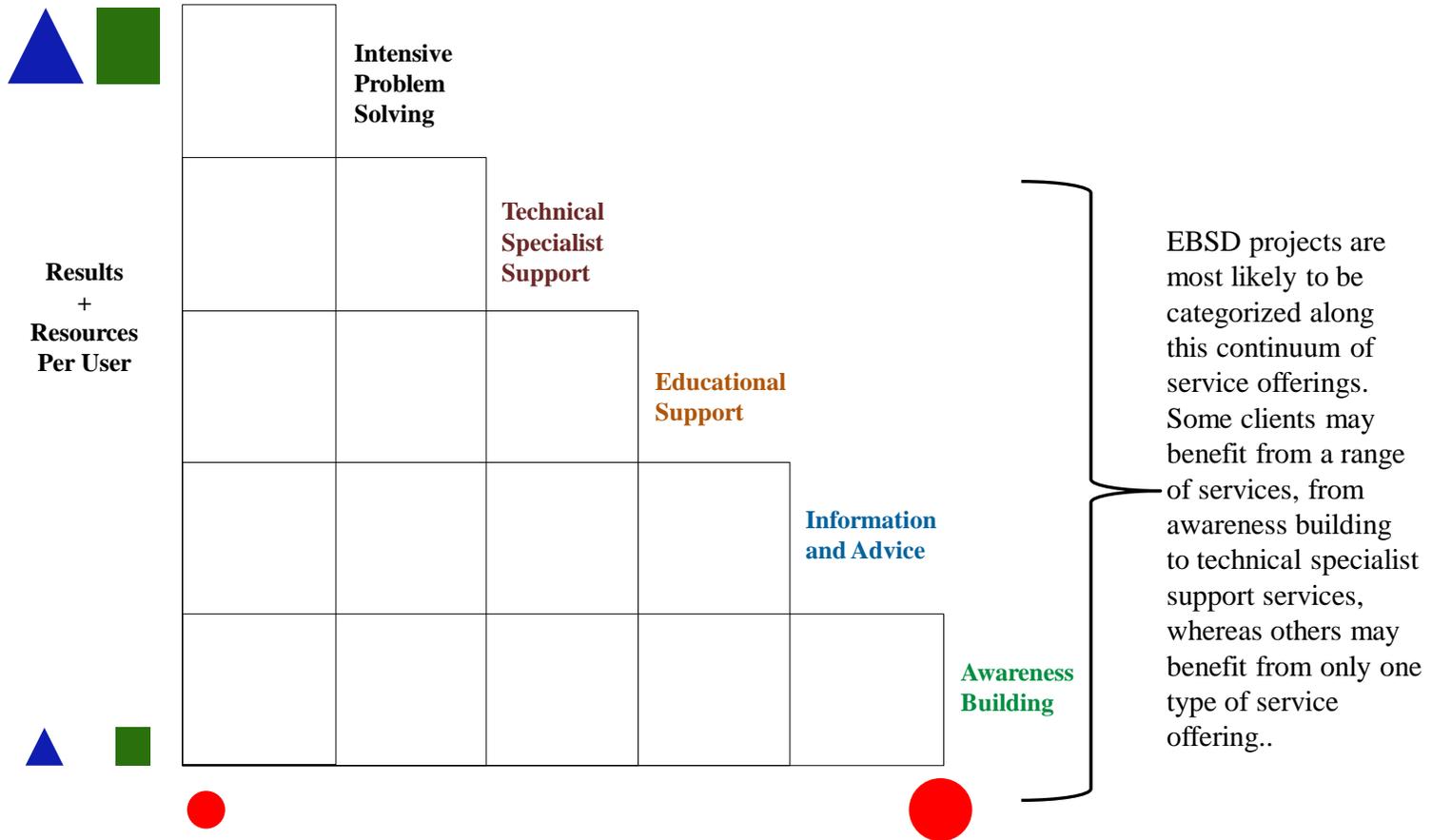
Region	Overview of Delivery of Elements of the EBSD
<p>Nova Scotia (N.S.) Mainland</p>	<p><b>WBI</b></p> <p>Advocacy and Coordination services are delivered internally by dedicated ACOA officer Business Counselling services are provided by the Support Centre for Women in Business The BMTA no longer exists. Similar services are provided through the Regional Training Project (\$60,000 to \$80,000 annual funding) and is run through the Centre for Women in Business. Funding of up to \$1,000 per person was provided last year, increased to up to \$2,000 this year for regional training or one-on-one support) The WBI-CAS is delivered internally by ACOA staff with operations and maintenance funds The LLRF is administered by H.O. Exporting and Innovation: The WBI participates in missions organized by H.O. No funding is provided for innovation-related initiatives.</p> <p><b>YEDI</b></p> <p>Sixty percent of YEDI regional funding is allocated to the Student in Business (SIB) Program There are also grants and contributions-funded projects There is more emphasis on funding aspiring than existing entrepreneurs There is little emphasis on community entrepreneurship development, which is carried out primarily through the University Business Development Centres (UBDCs)</p> <p><b>BDP</b></p> <p>Programming is delivered primarily through provision of operational funding to delivery agents (i.e. network of five UBDCs receives \$1.2 million per year: Centre for Entrepreneurship Education and Development (CEED), Entrepreneurs' Forum, Entrepreneurs with Disabilities, etc.) The BDP also provides funding to the N.S. Association of CBDCs to deliver a youth-internship program (one-year placements)</p>
<p>New Brunswick (N.B.)</p>	<p><b>WBI</b></p> <p>WBI programming is delivered through the N.B. Association of CBDCs including the WBI-CAS (grants and contributions)</p> <p><b>YEDI</b></p> <p>YEDI programming is delivered through the existing network of Community Economic Development Agencies and the CBDCs (14 youth coordinators located throughout the province) The focus is on both aspiring and existing young entrepreneurs There are no resources allocated to community entrepreneurship development</p> <p><b>BDP</b></p> <p>The BDP provides LearnSphere with \$300,000 annually to deliver business skills-related workshops across the region. The WBI-CAS receives \$85,000 annually. The BDP funds a wide variety of projects carried out by business-related organizations across the region.</p>

## Evaluation of ACOA's EBSD Program Sub-activity

Region	Overview of Delivery of Elements of the EBSD
Head Office (H.O.)	<p><b>WBI</b></p> <p>H.O. is responsible for coordination of the WBI across regions and of pan-Atlantic projects            H.O. delivers LLRF through provisions of a lump sum to the Atlantic Association of Community Business Development Corporations who manage the initiative with the 41 CBDCs in Atlantic Canada            Exporting initiatives are delivered in collaboration with Trade            Innovation has not been a focus</p> <p><b>YEDI</b></p> <p>H.O. is responsible for coordination among regions and for carrying out pan-Atlantic projects</p> <p><b>BDP</b></p> <p>H.O. is responsible for coordination among regions and for carrying out pan-Atlantic projects</p>

**Annex B: ACOA's Business Offerings and the EBSD**

# ACOA's Business Offerings and EBSD



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### Definitions

- **Intensive Problem Solving:** The use of the product or service solves a major problem or addresses a key need for users. (For example, a whole business is re-engineered, new technology is implemented, a new mode of transportation or communication is acquired. These products or services drastically change a user's ability to do what he or she wants.) The relationship between supplier and user is intensive, heavily supplier-dependent, and usually long-lasting. It is also costly.
- **Technical Specialist Support:** The use of a product or service solves an intermediate-level problem or important need for users. (For example, such services would include tax planning and filing, fitness program coaching, and support for most travel or communications services. Users' lives will be directly affected by using these products or services in that their existing concept of work or play will hopefully be improved but not radically altered.) The relationship between supplier and user is usually of medium intensity and may be limited in time.
- **Educational Support:** The use of a product or service helps users develop the skills or knowledge to help themselves. (For example, such services would include most public schools, colleges and other adult educational programs, workshops, seminars, and some conferences. Users' lives may be directly influenced, but only if they first learn to help themselves.) The relationship between supplier and user is of medium intensity as with TSS above, but there is a higher degree of shared dependency for a successful result.
- **Information and Advice:** The use of the product or service improves the ability of the user to make a decision which then creates value for the user. (This includes, for example, answers to questions on how to resolve a software usage problem, advice on which products or techniques to use in a particular gardening, cleaning or cooking situation. Users' lives will be affected if they choose to take action on the advice given and if they have the skills and knowledge to implement the advice.) The relationship between supplier and user is usually brief.
- **Awareness Building:** The use of awareness building products or services, like IA above, improves the lives of the users only if they appropriately receive the message and can act on it. The difference is that awareness building involves even more user engagement since the user must already be able to "read" the signals given without any need to probe or ask questions (e.g., mass media-newspapers, radio and television fall into this category, as do speeches or monologues, written instructions on packages and most signs). The relationship of suppliers to users is usually one to many precluding any real "relationship" in the sense of the four categories above.

**Annex C: Methodology**

## Evaluation of ACOA's EBSD Program Sub-activity

<b>Summary of Methodology</b>		
<b>Methodology</b>	<b>Description</b>	<b>Limitations</b>
Document Review	A comprehensive document and literature review of existing documents was undertaken, including background documentation on Entrepreneurship and Business Skills Development, including the BDP, YEDI and the WBI and their procedures, project proposals, project files and other documents deemed useful in helping the team familiarize itself with EBSD programming and to address specific issues. This task included internal (ACOA) and external documents. (See Annex E for list of documents reviewed.)	The documents provided critical background information to help address some of the issues. However, the documents reviewed were limited to those provided by ACOA and interviewees as well as those uncovered by the study team through literature searches. While every attempt was made to obtain all relevant documents, some important documents may not have been provided.
Data Review	Data reviewed included: <ul style="list-style-type: none"> <li>• detailed QAccess data on EBSD projects</li> <li>• QAccess data (limited fields) on all ACOA projects</li> <li>• data from the Salary Forecasting Module of GX (2008-2009)</li> <li>• WBI-CAS data</li> <li>• Statistics Canada data</li> </ul>	The detailed QAccess data for EBSD projects was vetted by the regions and included some projects that may not have originally coded as EBSD and excluded other projects that were originally coded as EBSD but were reclassified upon closer examination. On the other hand, the QAccess data on all ACOA projects contains information on more than 11,000 projects; this information was never vetted. Therefore, tables in the report may contain inconsistent totals because the information originates from two different databases. A qualitative review of the data provided revealed that there appear to be coding inconsistencies or errors. For example, projects appearing to target youth or women were coded as BDP rather than YEDI or WBI projects. WBI-CAS data was compiled based on information provided by the regions (NL, PEI, CB, and NS) and by the NB Association of CBDCs. No mechanisms were in place to validate the accuracy of the information.

Evaluation of ACOA’s EBSD Program Sub-activity

Summary of Methodology					
Methodology	Description			Limitations	
Interviews	In-depth interviews were completed as follows:				<p>Given the scope of the study, a large number of individuals could have been consulted. Therefore, even though a large number of interviews was completed, this represents a relatively small proportion of the potential interviewees. Nevertheless, the approach built in options to provide alternative opportunities for individuals to provide input into the evaluation (e.g. through supplementary web-based surveys).</p> <p>The interviews yielded valuable information on relevance but more limited information on effectiveness, efficiency and economy.</p> <p>Some individuals could provide a range of perspectives for this study. For example, some clients were also collaborators on other projects and or potential interviewees. In order to reach as many people as possible, while reducing the burden on interviewees, each person was selected as only one type of respondent. Otherwise, the interview would have been too long and the quality of the responses may have diminished by the end of the interview. The time required to analyze the results would also have been excessive. Therefore, anyone identified as a potential interviewee in more than one category was only selected for one of them.</p>
	<b>Region</b>	<b># Completed</b>	<b>Type</b>	<b># Completed</b>	
	N.L.	15	ACOA	26	
	P.E.I.	13	Recipients	31	
	C.B.	16	WBI-CAS Consultants	9	
	N.S.	13	Provincial Government	5	
	N.B.	16	Federal Government	5	
	H.O.	8	Other Stakeholders	8	
	Other	3	<b>Total</b>	<b>84</b>	

**Evaluation of ACOA's EBSD Program Sub-activity**

<b>Summary of Methodology</b>				
<b>Methodology</b>	<b>Description</b>			<b>Limitations</b>
Focus Groups	Six focus groups were completed as follows:			Attendance at some of the focus groups was limited, thereby limiting their value as mechanisms for group discussions. Nevertheless, they provided opportunities for obtaining information on a limited number of issues from a relatively large number of individuals.
	<b>Region</b>	<b>Type</b>	<b># Attending</b>	
	N.L.	Stakeholder	2	
	P.E.I.	Stakeholder	4	
	N.S.	UBDC	6	
	N.B.	Stakeholder English	6	
		Stakeholder French	4	
	H.O.	Different Program Sub-Activities	8	

**Evaluation of ACOA’s EBSD Program Sub-activity**

<b>Summary of Methodology</b>		
<b>Methodology</b>	<b>Description</b>	<b>Limitations</b>
Web-Based Survey of Beneficiaries	<p>An invitation was sent by e-mail to approximately 1,200 individuals who had participated in some of the activities or accessed the services of recipient organizations; a reminder was sent approximately 1½ weeks later. In total, 286 people responded to the survey, representing a response rate of approximately 32%.</p> <p>Respondents included:</p> <ul style="list-style-type: none"> <li>• 40 youth (35 years of age or younger)</li> <li>• 181 women (who could also be youth)</li> </ul> <p>All responses were anonymous.</p>	<p>The first limitation is associated with the sampling methodology. Since information on beneficiaries is not available through ACOA, this information needed to be obtained through recipients. The sample was therefore comprised of lists provided by the recipients. This was problematic because:</p> <ul style="list-style-type: none"> <li>• not all recipients have information on their beneficiaries nor do they have the e-mail addresses of their clients;</li> <li>• some recipients refused to or could not (due to confidentiality agreements) provide information; and</li> <li>• some recipients provided only a sample of their clients, which could be problematic if the client lists sent were not randomly selected.</li> </ul> <p>Another limitation with the sample pertained to the fact that lists of youth (under the legal age) could not be provided without parental consent. The sample of participants in youth activities was therefore limited (only 40 youth responded).</p> <p>Given the scope of the evaluation, the sample included participants in activities from several years ago. Given the nature of the activities, many did not recall their participation; this affected the response rate, which was approximately 32%.</p> <p>Finally, given the wide range of activities involved and the limited number of respondents, the survey responses could not be analyzed by type of activity or even funding mechanism (which could not be identified in the survey).</p>

**Evaluation of ACOA’s EBSD Program Sub-activity**

<b>Summary of Methodology</b>		
<b>Methodology</b>	<b>Description</b>	<b>Limitations</b>
Web-Based Survey of Recipients Not Interviewed	<p>An invitation was sent by e-mail to the 108 recipients who had not been subject to an in-depth interview; a reminder was sent approximately two weeks later. In total, 53 recipients responded to the survey, representing a response rate of approximately 49%. This included:</p> <ul style="list-style-type: none"> <li>• recipients from all regions;</li> <li>• a total of 169 projects;</li> <li>• 32 BDP, 5 WBI and 23 YEDI recipients (some with more than one).</li> </ul> <p>All responses were anonymous. (See technical report under separate cover for survey results.)</p>	<p>The only limitation with the survey of recipients is that, given the scope of the evaluation, many of the initial contacts for the recipient organizations were no longer with the organizations and no one else knew enough about the funding to comment. Nevertheless, the response rate of 49%, supplemented with the in-depth interviews with other recipients, provided excellent coverage of recipient organizations.</p> <p>Additionally, the survey provided information on results based on the perspective of the recipients. Some of these may not be based on accurate or up-to-date information.</p>
Web-Based Survey of WBI-CAS Consultants Not Interviewed	<p>An invitation was sent by e-mail to the 150 WBI-CAS consultants who had not been subject to an in-depth interview; a reminder was sent approximately two weeks later. In total, 23 consultants responded to the survey. All responses were anonymous. (See technical report under separate cover for survey results.)</p>	<p>The lists received for WBI-CAS consultants included consultants on the roster but never used. As such, while the response rate was relatively low (15%), it is not possible to determine the accurate response rate if only actual WBI-CAS consultants had been included in the survey invitation. The survey provided information on results based on the perspective of the consultants. Some of these may not be based on accurate or up-to-date information.</p>

## Evaluation of ACOA's EBSD Program Sub-activity

Summary of Methodology																
Methodology	Description	Limitations														
Case Studies	<p>A total of six case studies were completed. The cases involved a review of the files, in-depth interviews with recipients and other stakeholders as well as, in some cases, surveys of beneficiaries. Case studies were completed as follows:</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Title</th> </tr> </thead> <tbody> <tr> <td>N.L.</td> <td>N.L. Association of CBDCs Youth Ventures Program</td> </tr> <tr> <td>P.E.I.</td> <td>Prince Edward Island Business Women's Association Inc. Annual Women in Business Symposium</td> </tr> <tr> <td>C.B.</td> <td>Coastal Business Opportunities Incorporated Management Training Support for Women</td> </tr> <tr> <td>N.S.</td> <td>Saint Mary's University Business Development Centre</td> </tr> <tr> <td>N.B.</td> <td>New Brunswick Association of CBDCs Business Counselling and Outreach</td> </tr> <tr> <td>H.O.</td> <td>Entrepreneurs' Forum Business Planning and Advisory Services</td> </tr> </tbody> </table>	Region	Title	N.L.	N.L. Association of CBDCs Youth Ventures Program	P.E.I.	Prince Edward Island Business Women's Association Inc. Annual Women in Business Symposium	C.B.	Coastal Business Opportunities Incorporated Management Training Support for Women	N.S.	Saint Mary's University Business Development Centre	N.B.	New Brunswick Association of CBDCs Business Counselling and Outreach	H.O.	Entrepreneurs' Forum Business Planning and Advisory Services	<p>Given the scope of the study, the number of case studies completed is fairly small, particularly in light of the variables to consider (e.g. three initiatives, six regions, etc.). The case studies therefore do not provide sufficient coverage of the different program elements to provide a basis for comparing cases with one another. However, the case studies provide qualitative and quantitative information complementary to other lines of evidence. The case studies are intended to provide an in-depth understanding of the ways in which the activities led to the outcomes.</p>
Region	Title															
N.L.	N.L. Association of CBDCs Youth Ventures Program															
P.E.I.	Prince Edward Island Business Women's Association Inc. Annual Women in Business Symposium															
C.B.	Coastal Business Opportunities Incorporated Management Training Support for Women															
N.S.	Saint Mary's University Business Development Centre															
N.B.	New Brunswick Association of CBDCs Business Counselling and Outreach															
H.O.	Entrepreneurs' Forum Business Planning and Advisory Services															

**Annex D: Evaluation Issues**

### Evaluation Issues

#### **1. Relevance / Continued need for EBSD Sub-activity**

- 1.1 To what extent do the EBSD Sub-activity and its initiatives (i.e. WBI, YEDI, elements of the BDP) continue to address a demonstrable need of targeted clients & stakeholders and are responsive to their needs?
- 1.2 Does EBSD's focus on youth and women remain appropriate?
- 1.3 Have EBSD clients and needs changed?

#### **2. Relevance / EBSD's alignment with government priorities**

- 2.1 To what extent is the EBSD Sub-activity relevant and aligned with i) federal government priorities and Strategies for SMEs, ii) ACOA's mandate and strategic outcome?
- 2.2 To what extent are the objectives of BDP (as they relate to the EBSD strategy), YEDI and WBI relevant and consistent with the EBSD Sub-activity?

#### **3. Relevance / Consistency with Federal Roles and Responsibilities**

- 3.1 What is the legitimate and necessary role for ACOA in EBSD activities?
- 3.2 To what extent does the Agency need to be involved in EBSD? Is the Agency involved at the right level? Is the Agency using the right delivery framework for EBSD?
- 3.3 Are ACOA's contributions towards EBSD complementary or do they overlap /duplicate other government programs at the provincial or federal level?
- 3.4 To what extent are the YEDI and SEED Capital Program complementary or do they overlap? Do they respond to the same needs?

#### **4. Performance / Achievement of Expected Outcomes (Effectiveness)**

- 4.1 To what extent is ACOA's EBSD Sub-activity raising awareness in entrepreneurship as a career option, and contributing to the motivation of aspiring entrepreneurs?
- 4.2 To what extent are EBSD activities contributing to the skills required by entrepreneurs to establish a business?
- 4.3 To what extent are EBSD activities contributing to entrepreneurs starting a business, staying in business, and/or growing their business?

## Evaluation of ACOA's EBSD Program Sub-activity

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- 4.4 To what extent are EBSD activities contributing to the enhanced capacity of institutions to provide opportunities for individuals to obtain the entrepreneurship and business skills they need to succeed?
- 4.5 What factors have facilitated and/or impeded the achievement of objectives of the EBSD Sub-activity, and its program and initiatives (i.e. BDP, WBI, YEDI)? What opportunities exist for improving program delivery?
- 4.6 To which extent is EBSD's reach aligned with its targeted clients and stakeholders?
- 4.7 What have been the unintended impacts (positive or negative) of ACOA's involvement in EBSD activities?
- 4.8 Is EBSD programming incremental?

### 5. Performance / Efficiency and Economy

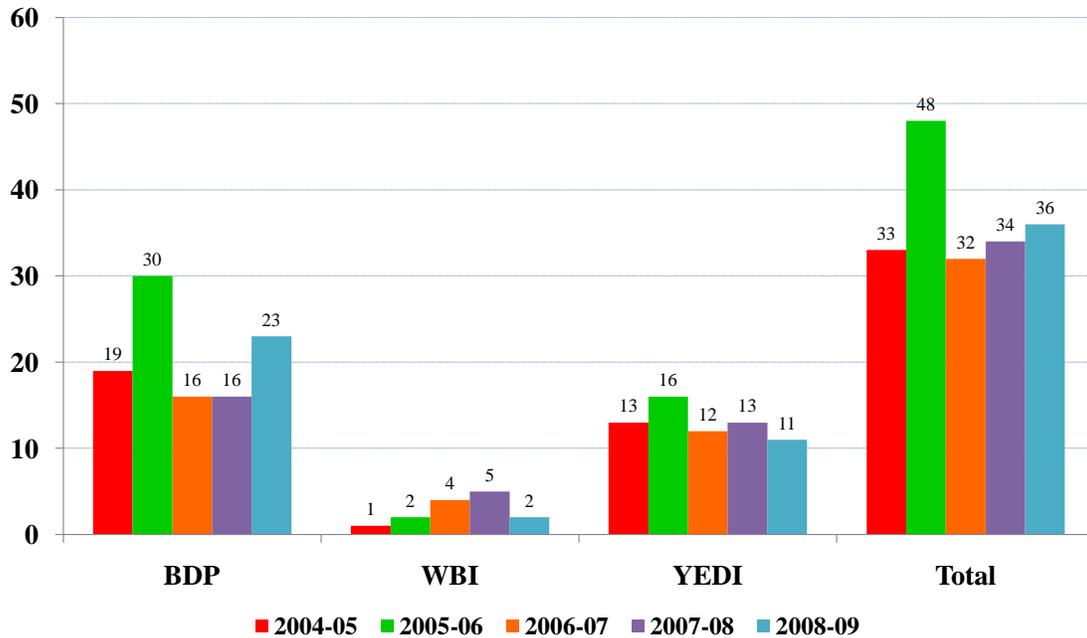
- 5.1 To what extent have EBSD related recommendations of BDP, YEDI and WBI evaluations been implemented?
- 5.2 To what extent is performance measurement being undertaken for the EBSD Sub-activity? To what extent is this information used to support decision-making?
- 5.3 To what extent has risk management been addressed for BDP, YEDI and WBI? To what extent have mitigations measures been effectively applied?
- 5.4 To what extent is the ACOA approach to EBSD effective? Are costs reasonable in light of demonstrable benefits? Are there any activities that can be replaced?
- 5.5 To what extent does EBSD interact with other sub-activities within the Enterprise Development and Community Development? How can these links be used to enhance the effectiveness of ACOA programming?
- 5.6 Is there a more cost-effective way of achieving expected results, taking into consideration alternative delivery mechanisms?
- 5.7 What are the lessons learned and/or best practice examples related to EBSD? What opportunities exist for improving program delivery?

**Annex E: Additional Tables and Figures<sup>51</sup>**

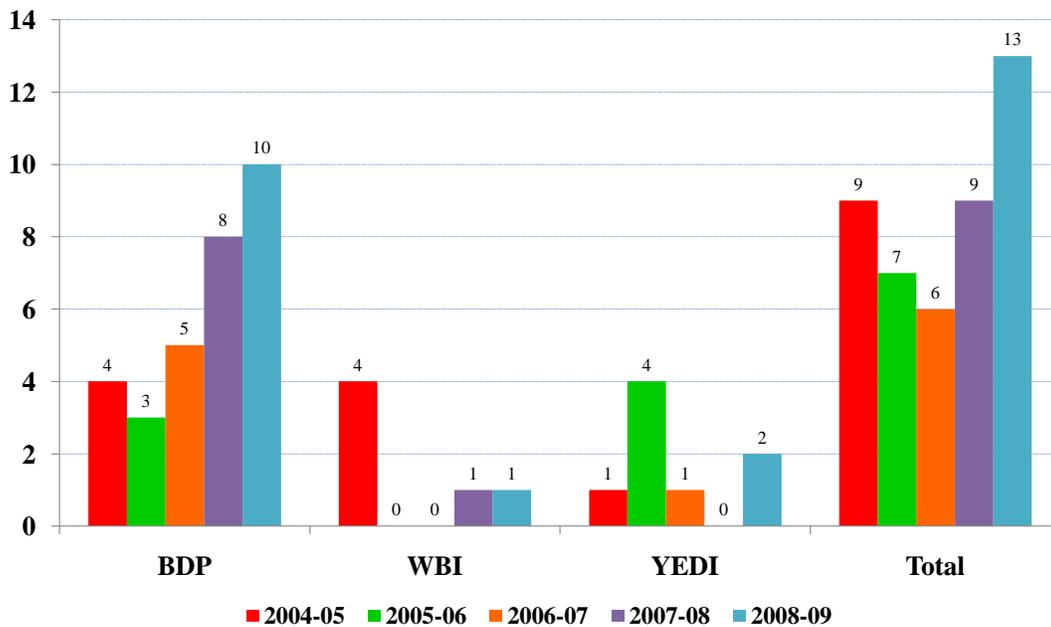
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<sup>51</sup> When interpreting tables and figures contained in this section, note that eight Nova Scotia BDP projects, representing \$3,194,412 of ACOA-approved funding, that took place in 2004-05 and 2005-06 were excluded from the scope of the study as they were identified following the completion of data collection and analysis.

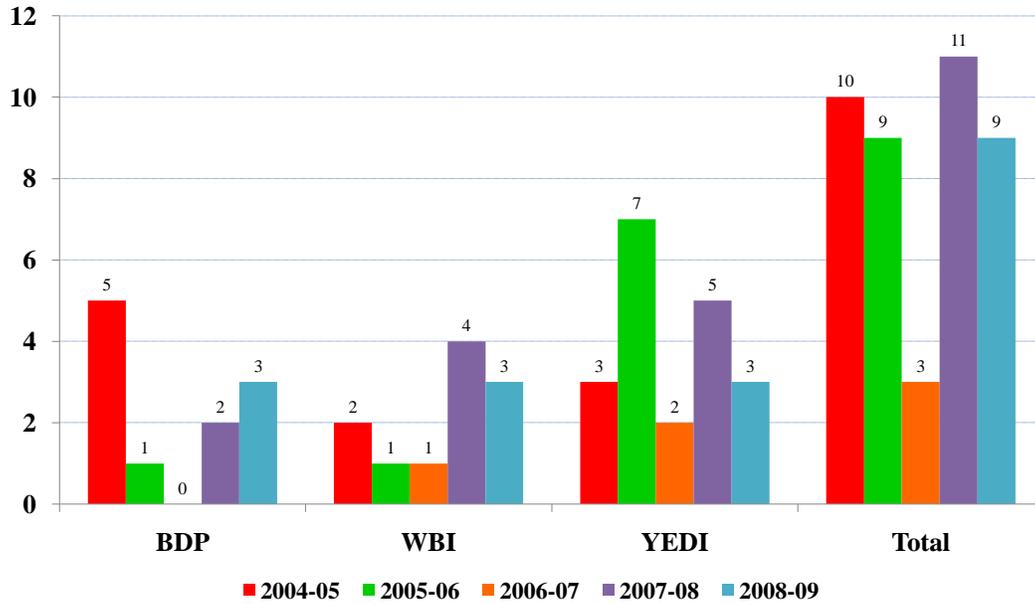
**Figure E-1: Number of Projects Approved by Year and Funding Mechanism - Newfoundland and Labrador**



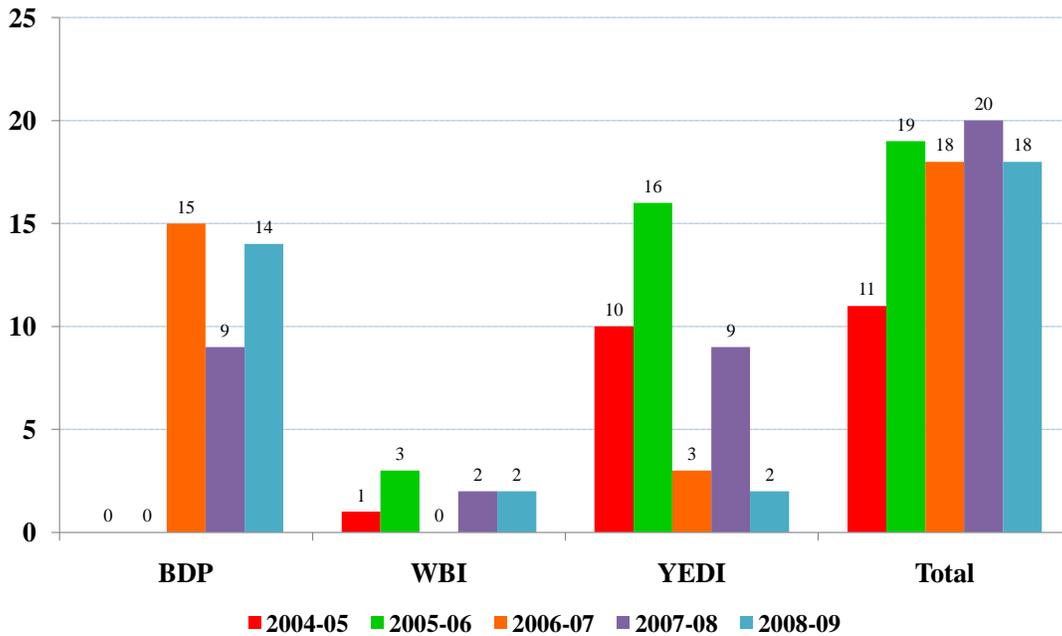
**Figure E-2: Number of Projects Approved by Year and Funding Mechanism - Prince Edward Island**



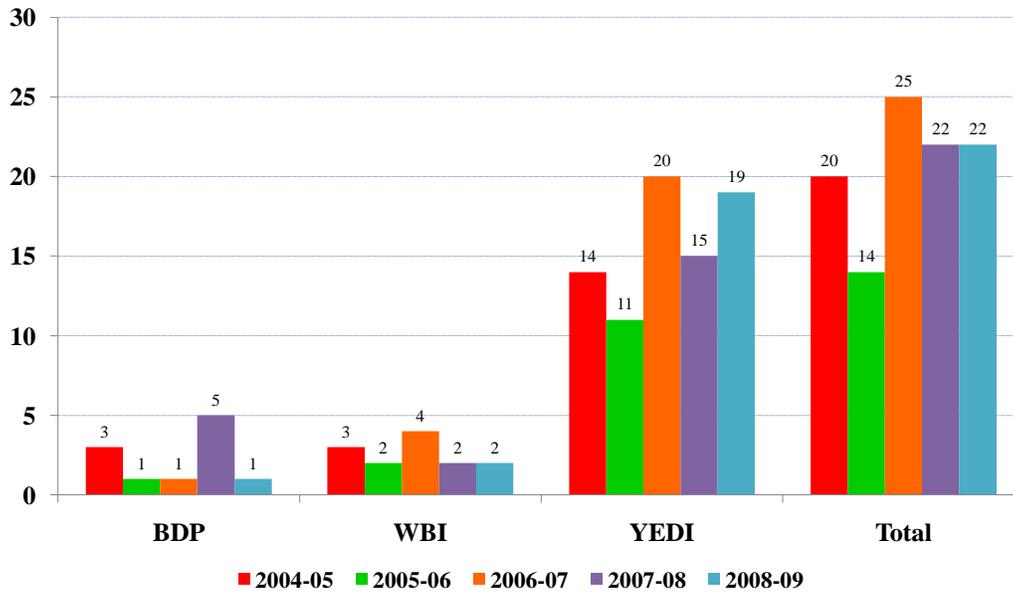
**Figure E-3: Number of Projects Approved by Year and Funding Mechanism - Cape Breton**



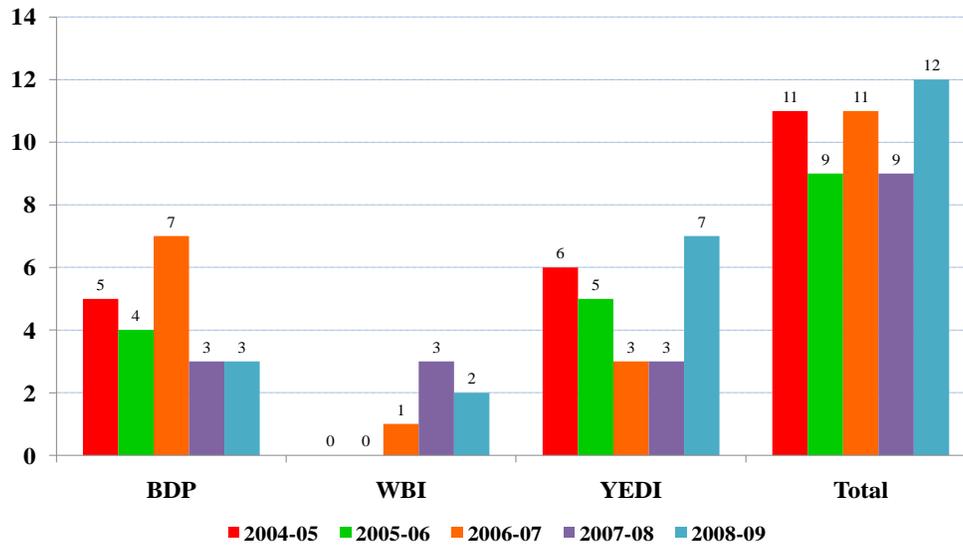
**Figure E-4: Number of Projects Approved by Year and Funding Mechanism - Nova Scotia Mainland**



**Figure E-5: Number of Projects Approved by Year and Funding Mechanism - New Brunswick**



**Figure E-6: Number of Projects Approved by Year and Funding Mechanism - Head Office**



## Evaluation of ACOA's EBSD Program Sub-activity

**Table E-1: Leveraging by Year, Region and Funding Mechanism**  
(ACOA \$ to Other \$)<sup>52</sup>

Region	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Overall
<b>BDP</b>						
N.L.	0.66*	0.54	0.87	0.80	1.16	<b>0.75</b>
P.E.I.	0.53	0.72	1.62	1.39	3.21	<b>1.70</b>
C.B.	0.85	6.91		0.77	5.60	<b>1.15</b>
N.S. <sup>53</sup>			1.70	1.59	2.47	<b>1.95</b>
N.B.	1.27	0.58	0.81	2.07	0.55	<b>1.10</b>
H.O.	1.07	1.93	1.81	2.65	2.05	<b>1.65</b>
<b>Overall</b>	<b>0.80</b>	<b>0.69</b>	<b>1.43</b>	<b>1.43</b>	<b>2.02</b>	<b>1.30</b>
<b>WBI</b>						
N.L.	2.47	1.78	1.29	0.52	0.95	<b>1.04</b>
P.E.I.	0.29	0.58	0.11		0.27	<b>0.27</b>
C.B.	0.33	6.03	0.12	0.30	0.16	<b>0.52</b>
N.S.	0.00	0.27	0.00	0.33	0.06	<b>0.09</b>
N.B.	0.35	1.26	0.13	0.05	0.07	<b>0.17</b>
H.O.			2.28	0.38	0.64	<b>0.67</b>
<b>Overall</b>	<b>0.30</b>	<b>0.61</b>	<b>0.54</b>	<b>0.28</b>	<b>0.38</b>	<b>0.39</b>
<b>YEDI</b>						
N.L.	1.08	0.69	1.04	0.95	0.93	<b>0.90</b>
P.E.I.	1.23	1.46	1.64		0.45	<b>1.03</b>
C.B.	1.68	4.10	6.33	0.33	1.65	<b>2.71</b>
N.S.	1.65	1.01	1.16	1.48	3.34	<b>1.42</b>
N.B.	0.88	1.17	1.37	0.98	1.11	<b>1.10</b>
H.O.	2.25	2.76	4.14	4.97	1.55	<b>2.52</b>
<b>Overall</b>	<b>1.59</b>	<b>1.48</b>	<b>1.67</b>	<b>1.32</b>	<b>1.26</b>	<b>1.47</b>

\* Reads: For every ACOA BDP dollar funded in N.L. in 2004-2005, others were investing, on average, another \$0.66 in the same projects.

Note: Blank cells mean that no project was funded during that fiscal year in that particular region using that particular funding mechanism.

<sup>52</sup> Source: QAccess, 2004-2005 to 2008-2009 projects, as received on February 4, 2010

<sup>53</sup> Eight Nova Scotia BDP projects, representing \$3,194,412 of ACOA-approved funding, that took place in 2004-05 and 2005-06 were excluded from the scope of the study as they were identified following the completion of data collection and analysis.

## Evaluation of ACOA's EBSD Program Sub-activity

**Table E-2: ACOA Funding and Total Project \$  
by Year, Region and Funding Mechanism<sup>54</sup>**

Region	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Overall
<b>BDP</b>						
N.L.						
ACOA \$	3,739,101	3,047,922	1,727,604	1,005,803	1,856,237	<b>11,376,667</b>
Total \$	6,219,422	4,705,302	3,223,339	1,812,662	4,001,854	<b>19,962,579</b>
P.E.I.						
ACOA \$	327,270	232,527	716,654	1,015,898	662,256	<b>2,954,605</b>
Total \$	501,535	399,136	1,880,750	2,423,676	2,786,381	<b>7,991,478</b>
C.B.						
ACOA \$	556,750	11,000	0	269,475	46,700	<b>883,925</b>
Total \$	1,032,685	87,000	0	476,445	308,000	<b>1,904,130</b>
N.S.						
ACOA \$	0	0	2,989,168	1,518,811	2,424,297	<b>6,932,276</b>
Total \$	0	0	8,066,351	3,936,119	8,423,661	<b>20,426,131</b>
N.B.						
ACOA \$	502,738	385,421	285,597	401,539	330,404	<b>1,905,699</b>
Total \$	1,141,236	609,532	516,442	1,232,924	511,008	<b>4,011,142</b>
H.O.						
ACOA \$	1,174,644	317,044	567,090	284,331	550,197	<b>2,893,306</b>
Total \$	2,429,150	928,995	1,592,570	1,037,179	1,680,113	<b>7,668,007</b>
<b>Overall</b>						
ACOA \$	<b>6,300,503</b>	<b>3,993,914</b>	<b>6,286,113</b>	<b>4,495,857</b>	<b>5,870,091</b>	<b>26,946,478</b>
Total \$	<b>11,324,028</b>	<b>6,729,965</b>	<b>15,279,452</b>	<b>10,919,005</b>	<b>17,711,017</b>	<b>61,963,467</b>

<sup>54</sup> Source: QAccess.

## Evaluation of ACOA's EBSD Program Sub-activity

**Table E-2: ACOA Funding and Total Project \$  
by Year, Region and Funding Mechanism<sup>54</sup>**

<b>Region</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>Overall</b>
<b>WBI</b>						
N.L.						
ACOA \$	68,589	22,250	700,512	465,137	467,235	<b>1,723,723</b>
Total \$	238,093	61,932	1,601,220	708,658	911,837	<b>3,521,740</b>
P.E.I.						
ACOA \$	1,323,530	34,400	217,000	0	404,180	<b>1,888,110</b>
Total \$	1,591,525	54,500	241,110	0	512,180	<b>2,399,315</b>
C.B.						
ACOA \$	27,865	20,000	64,620	168,238	119,486	<b>400,209</b>
Total \$	37,154	140,649	72,120	219,538	138,986	<b>608,447</b>
N.S.						
ACOA \$	603,101	522,813	468,079	60,937	324,054	<b>1,978,984</b>
Total \$	603,101	663,576	468,079	81,250	344,154	<b>2,160,160</b>
N.B.						
ACOA \$	574,133	69,347	769,436	739,900	699,900	<b>2,852,716</b>
Total \$	776,475	156,599	872,690	776,567	748,930	<b>3,331,241</b>
H.O.						
ACOA \$	0	0	95,000	483,593	481,703	<b>1,060,296</b>
Total \$	0	0	312,000	666,107	792,303	<b>1,770,410</b>
<b>Overall</b>						
ACOA \$	<b>2,506,218</b>	<b>668,810</b>	<b>2,314,647</b>	<b>1,917,805</b>	<b>2,496,558</b>	<b>9,904,038</b>
Total \$	<b>3,246,348</b>	<b>1,077,256</b>	<b>3,567,199</b>	<b>2,452,120</b>	<b>3,448,390</b>	<b>13,791,313</b>

## Evaluation of ACOA's EBSD Program Sub-activity

**Table E-2: ACOA Funding and Total Project \$  
by Year, Region and Funding Mechanism<sup>54</sup>**

<b>Region</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>Overall</b>
<b>YEDI</b>						
N.L.						
ACOA \$	474,938	1,117,038	721,189	626,304	655,346	<b>3,594,815</b>
Total \$	988,545	1,882,260	1,471,438	1,222,514	1,264,378	<b>6,829,135</b>
P.E.I.						
ACOA \$	202,417	40,655	195,000	0	305,076	<b>743,148</b>
Total \$	451,297	100,190	514,125	0	443,700	<b>1,509,212</b>
C.B.						
ACOA \$	82,702	209,891	121,750	136,808	537,154	<b>1,088,305</b>
Total \$	469,505	1,071,261	892,900	182,128	1,421,570	<b>4,037,364</b>
N.S.						
ACOA \$	1,193,730	1,014,578	321,400	604,541	89,400	<b>3,223,649</b>
Total \$	3,167,617	2,040,003	695,494	1,499,242	387,961	<b>7,790,317</b>
N.B.						
ACOA \$	847,525	504,615	951,723	906,140	693,240	<b>3,903,243</b>
Total \$	1,595,361	1,096,807	2,254,672	1,794,947	1,462,646	<b>8,204,433</b>
H.O.						
ACOA \$	887,994	768,044	141,894	155,000	578,080	<b>2,531,012</b>
Total \$	2,886,471	2,887,050	729,354	925,794	1,473,139	<b>8,901,808</b>
<b>Overall</b>						
ACOA \$	<b>3,689,306</b>	<b>3,654,821</b>	<b>2,452,956</b>	<b>2,428,793</b>	<b>2,858,296</b>	<b>15,084,172</b>
Total \$	<b>9,558,696</b>	<b>9,077,571</b>	<b>6,557,983</b>	<b>5,624,625</b>	<b>6,453,394</b>	<b>37,272,269</b>

## Evaluation of ACOA's EBSD Program Sub-activity

**Table E-3: The WBI-CAS by Year and Region<sup>55</sup>**

<b>Region</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>Overall</b>
<b>Funding</b>						
N.L.	\$50,403	\$126,192	\$21,114	\$49,342	\$31,614	<b>\$278,665</b>
P.E.I.	\$238,096	\$362,011	\$12,305	\$11,421	\$3,000	<b>\$626,833</b>
C.B.	\$11,811	\$12,334	\$18,531	\$13,332	\$16,685	<b>\$72,693</b>
N.S.	\$171,772	\$173,954	\$118,611	\$101,220	\$143,220	<b>\$708,777</b>
N.B.	\$52,641	\$274,938	\$128,054	\$88,605	\$65,474	<b>\$609,712</b>
<b>Overall</b>	<b>\$524,723</b>	<b>\$949,429</b>	<b>\$298,615</b>	<b>\$263,920</b>	<b>\$259,993</b>	<b>\$2,296,680</b>
<b>Number of projects</b>						
N.L.	12	28	5	10	7	<b>62</b>
P.E.I.	85	125	6	3	1	<b>220</b>
C.B.	3	3	5	4	4	<b>19</b>
N.S.	40	41	29	28	31	<b>169</b>
N.B.	27	71	31	22	21	<b>172</b>
<b>Overall</b>	<b>167</b>	<b>268</b>	<b>76</b>	<b>67</b>	<b>64</b>	<b>642</b>

<sup>55</sup> Source: Regional data and N.B. Association of CBDCs.

**Annex F: List of Documents Reviewed**

## Evaluation of ACOA's EBSD Program Sub-activity

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### List of Documents Reviewed

- Atlantic Canada Opportunities Agency, *Policy Priorities for ACOA: Summary of Analysis and Proposals for Future Directions* (2007).
- Atlantic Canada Opportunities Agency, *ACOA 2008 Awareness and Perception Study* (2008).
- Atlantic Canada Opportunities Agency, *Background on ACOA's 2008 Business and Stakeholder Study* (2008).
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- Atlantic Canada Opportunities Agency, *Evaluation of the Community Futures Program in Atlantic Canada – Final Report* (February 2009).
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- Atlantic Canada Opportunities Agency, *ACOA's Framework for Business Skills Development, Presentation to ED Directors* (June 2008).
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- Atlantic Canada Opportunities Agency, *Literature Review Business Skills* (2007).
- Atlantic Canada Opportunities Agency, *Performance Report for the Period Ending March 31, 2005* (2005).

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Atlantic Canada Opportunities Agency, *Performance Report for the Period Ending March 31, 2006* (2006).

Atlantic Canada Opportunities Agency, *Portrait of Women in Business Owners in Atlantic Canada in 2003* (October 2003).

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Collins Management Consulting & Research Ltd., *A Results-Based Management and Accountability Framework (RMAF) for ACOA's Business Development Program, Final Report* (February 20, 2004).

Corporate Research Associate Inc., *2007 Study on Skills Development Among Atlantic Canadian Micro Enterprises and SMEs* (January 2008).

Crowell, Eric, Kelloway, E. Kevin, and Wilson, Martha, *How to Grow a Business: Lessons from Leading Entrepreneurs* (2008).

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**Annex G: Recommendations From Previous Evaluations**

## Evaluation of ACOA's EBSD Program Sub-activity

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Evaluation Completion Date	Comments on Implementation
BDP – February 2003	The Management Action Plan (MAP) is not available from ACOA.
YEDI – November 2004	The MAP dated November 24, 2005, shows that all recommendations are either completed or had a target implementation date of fourth quarter of 2004-2005. No further information on implementation.
WBI – March 2005	<p>The MAP dated May 12, 2006, shows that WBI funding was renewed July 11, 2005, with the launch of Atlantic Investment Partnership – the Second Wave. No further action required, or completed status noted on all recommendations except those dealing with performance information and reporting.</p> <p>A target implementation date of June 30, 2006, for ACOA to examine reporting tools such as the CBDC e-reporting system to facilitate reporting activities. No further documentation was provided to indicate if action had been taken.</p> <p>A target implementation date was October 31, 2006, for ACOA to clarify reporting requirements to organizations funded by the WBI and to undertake a review of the WBI RMAF to ensure that it still meets the needs of the summative evaluation. No further documentation was provided to indicate if action had been taken.</p>

**Annex H: Risk Management**

## Evaluation of ACOA's EBSD Program Sub-activity

Potential Risk	Assessment Based on Evaluation Findings
1. Agency plans are short-term and do not address longer term challenges and goals, resulting in projects being unreflective of long-term goals.	The EBSD PSA and its partners periodically adjust program delivery to reflect changing client needs and to remain relevant. This is therefore not a major risk.
2. Business skills are not aligned with short- and long-term economic forecasts leading to entrepreneurs having the wrong skill set for business opportunities and educators/trainers not having the appropriate teaching skills.	The EBSD PSA utilizes third-party delivery extensively, taking advantage of their extensive knowledge of the needs of each organization's specific target group. This is therefore not a major risk.
3. Entrepreneurs are not consulted in the development of programs and initiatives, resulting in loss of credibility for the Agency and the formulation of programs/initiatives which are not meaningful for entrepreneurship development.	Evidence from evaluation shows that the EBSD PSA is aligned with the needs of potential and existing entrepreneurs. The risk is also minimized because third-party organizations that have knowledge of the needs of the communities they serve identify projects to address those needs. This is therefore not a major risk.
4. Entrepreneurship development does not promote the identification and taking of risk opportunities, resulting in missed success.	The evaluation results demonstrate that the EBSD PSA is highly successful in achieving its intended results. There is no evidence of this risk.
5. The Agency develops the entrepreneurship and business-skills development function without alignment with federal government objectives, causing inappropriate projects to be undertaken.	The evaluation results show that the EBSD PSA is well-aligned with federal government objectives. This is therefore not a major risk.
6. The Agency develops a business-skills plan without input from, and integration with, educational/training institutions, leading to inefficient use of Agency resources.	There are several examples of EBSD networking with universities and colleges to deliver training programs (e.g. St. Mary's University Business Development Centre). This is therefore not a major risk.
7. The Agency has insufficient financial and human capital applied to Entrepreneurship and Business Skills Development, resulting in planned activities not being undertaken and objectives not being met.	There is evidence of more demand than can be met with the current level of resources for a number of EBSD initiatives. However, coverage is reasonable. This is therefore not a major risk.
8. The monitoring of projects/initiatives in the EBSD function is not done in a meaningful, timely manner, allowing for missed deadlines and allowances for adjustments.	There is no evidence of this based on the evaluation findings.

## Evaluation of ACOA's EBSD Program Sub-activity

Potential Risk	Assessment Based on Evaluation Findings
<p>9. Other stakeholders (e.g. other government departments and agencies, the private sector, provincial governments, etc.) initiate projects which do not complement the Agency's objectives and lead to duplicate effort, compromise or conflicting intentions.</p>	<p>The EBSD PSA often develops and delivers projects and initiatives with stakeholders and delivery agents, resulting in a coordinated approach to project implementation. No other player has the resources or mandate to take a lead role in EBSD. This is therefore not a major risk.</p>
<p>10. The Agency does not explore new, innovative means for delivering the EBSD PSA, thereby causing inefficient use of resources, unproductive interaction with stakeholders, and allowing for a delivery mechanism not current with expectations and methods being used by the business community.</p>	<p>The evaluation found that the EBSD PSA is cost-effective and that resources are used efficiently. By working with third parties, ACOA benefits from their new and innovative ideas. In addition, by funding pan-Atlantic projects that build on the successes of some regions, ACOA builds on identified innovative means for delivering EBSD programming. This is therefore not a major risk.</p>
<p>11. The Agency does not have relevant performance data and information, resulting in a lack of knowledge of actual success in meeting objectives and expectations, and leading to difficulties in reporting the justification of applied financial and human capital.</p>	<p>Based on the evaluation findings, performance information is gathered, but the resulting data is not well-captured for integrated analysis and decision-making. There is, however, evidence that information on the key performance indicators for EBSD projects is captured for all projects. Nevertheless, there is evidence that an extensive amount of valuable performance information is available but not captured or analyzed.</p>
<p>12. The Agency does not include other stakeholders in the planning process (especially long-term planning), causing conflicting and duplicative efforts.</p>	<p>The evidence gathered during the evaluation confirms that the EBSD PSA works effectively with all stakeholders. This is therefore not a major risk.</p>
<p>13. The Agency implements projects and efforts that, while consistent with overall government policy and intentions, are not appropriate for Atlantic Canada, thereby causing unrealistic expectations.</p>	<p>There is no evidence of this based on the evaluation findings.</p>
<p>14. The Agency does not have the ability or the opportunity to promote new, innovative projects or programs that are appropriate for Atlantic Canada but which may not be a government priority or consistent with government objectives. This leads to missed opportunity and adverse reaction from the stakeholders.</p>	<p>There is no evidence of this occurring based on evaluation findings.</p>

## Evaluation of ACOA's EBSD Program Sub-activity

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<b>Potential Risk</b>	<b>Assessment Based on Evaluation Findings</b>
15. Governance structure is inappropriate for the effective management of the function, leading to ineffective decision-making.	Delivery of EBSD programming varies extensively among the five ACOA regions. There are opportunities for a more coordinated, strategic approach for delivery of business skills development across the Atlantic while still responding to regional needs. There are also opportunities for enhanced coordination with other program activities and sub-activities, particularly with regards to the integrated planning process and project selection to avoid duplication or overlap and to maximize complementarity.