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Industry, Science and  
Technology Canada

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Canadian Aboriginal  
Economic Development Strategy

**ABORIGINAL  
BUSINESS  
DEVELOPMENT  
PROGRAM**

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The Government of Canada has launched the *Canadian Aboriginal Economic Development Strategy* to provide Canada's Aboriginal citizens with long-term employment and business opportunities.

This new national strategy is designed to stimulate greater participation by Aboriginal individuals and businesses in national economic activity by providing them with the means to manage business enterprises and economic institutions as well as opportunities for job training and skills development.

The Strategy is being implemented through the federal departments of Industry, Science and Technology Canada (ISTC), Indian and Northern Affairs Canada, and Employment and Immigration Canada.

Three regionalized Aboriginal Economic Development Boards have been established to provide direction to ISTC in the delivery of its business-oriented programming under the Strategy. All projects which are developed with the assistance of this programming are reviewed by one of the Boards.

After consultation with Aboriginal communities, their leaders and non-Aboriginal business persons, former programs have been revamped and refocussed. The resulting changes have produced Aboriginal economic development programming which better reflects and responds to the needs of the client group it is intended to serve.

One of these initiatives, the **Aboriginal Business Development Program**, has been specifically designed to work in partnership with Aboriginal entrepreneurs to help them develop independent and viable businesses in all parts of Canada.

This brochure explains how to access and take advantage of the opportunities afforded under the Aboriginal Business Development Program.

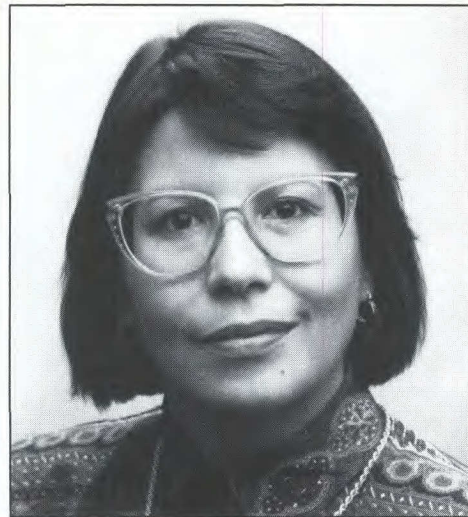


A handwritten signature in cursive script that reads "Tom Hockin".

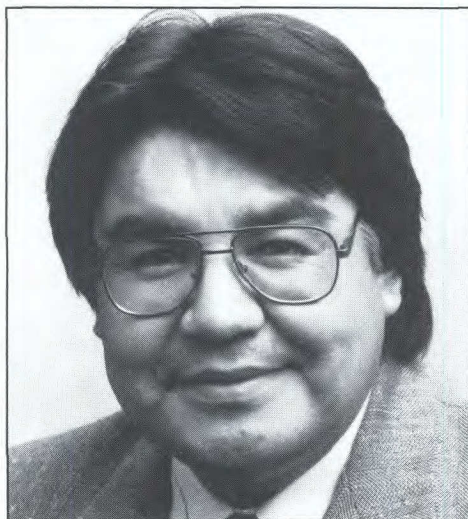
The Honourable Tom Hockin  
Minister of State  
(Small Businesses and Tourism)



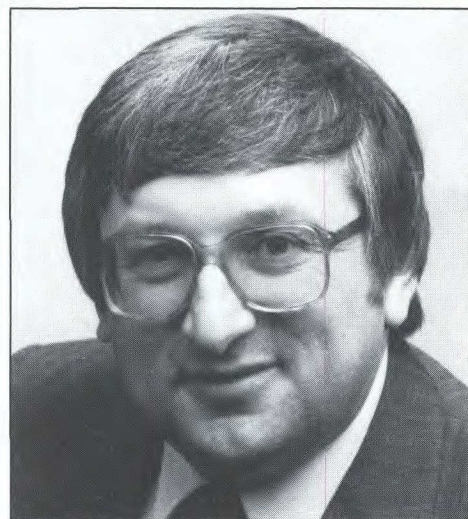
**KENNETH C. THOMAS**, Chairperson  
Aboriginal Economic Development National  
Board



**ANNE NOONAN**, Vice-Chairperson  
Aboriginal Economic Development National  
Board



**ALBERT DIAMOND**, Chairperson  
Aboriginal Economic Development Eastern  
Regional Board



**HENRY G. WETELAINEN**, Vice-Chairperson  
Aboriginal Economic Development Eastern  
Regional Board



**LEO HARDY**, Chairperson  
Aboriginal Economic Development Western  
Regional Board



**RUTH D. WILLIAMS**, Vice-Chairperson  
Aboriginal Economic Development Western  
Regional Board

## *THE ABORIGINAL BUSINESS DEVELOPMENT PROGRAM*

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**The *Aboriginal Business Development Program* provides financial and development assistance to Aboriginal entrepreneurs and communities to start up or expand commercial ventures. This new program is administered by the Aboriginal Economic Programs Branch of Industry, Science and Technology Canada.**

From many years of providing Aboriginal and regional economic development programs, the department has learned that only projects with strong potential to be commercially profitable will generate wealth and contribute to self-sufficiency. Experience also indicates that adequate project preparation and planning are as important to business success as project financing.

The Aboriginal Business Development Program brings together the best of what previously worked well, and adds a number of new features as suggested during the extensive consultation process.

## **THE ABORIGINAL BUSINESS DEVELOPMENT PROGRAM CAN FINANCIALLY SUPPORT**

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- Development of business plans and feasibility studies;**
- Establishment, expansion, modernization** of commercially viable businesses and acquisition of ongoing businesses;
- Development of new products, services, or production processes;**
- Marketing Initiatives**, such as the production of promotional literature or advertising, participation in trade shows, or market research;
- Business Infrastructure** (for example, sewer/water services, utilities);
- Developmental pilot projects** to determine if a specific opportunity can be a viable business;
- Project follow-up costs** such as accounting, marketing, and engineering services as required;
- Managerial, technical and entrepreneurial training;**
- Economic studies, seminars, or promotional activities** related to the enhancement of Aboriginal entrepreneurship.

Therefore, with its service and financial components, the Aboriginal Business Development Program can support all phases of the business cycle — the business planning stage, feasibility studies, entrepreneurial training, business infrastructure development, commercial establishment, and project follow-up requirements.

## *LEVELS OF ASSISTANCE*

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In the same way that the approach of the Aboriginal Business Development Program is adaptable to the needs of individual clients, the funding arrangements available through the program are flexible and will be tailored to each project.

Applicants will be expected to prepare a well-balanced proposal, combining equity, commercial and/or other financing as well as anticipated assistance from the Aboriginal Business Development Program.

The following indicates the levels of assistance which will most commonly be made available. However, each case will be assessed on its own merits and for many projects the program investment will be significantly less than the maximum allowable amount.

- Generally, 30-40 percent of the financing for the following types of projects will be considered, with an allowable maximum of 60 percent in certain cases:***
  - capital costs and infrastructure development costs associated with the establishment, expansion, acquisition or modernization of a commercial business;
  - costs for developing new products, new services, or innovative production techniques which have the potential to be applied in commercial operations.
- Up to 60 percent of costs of marketing initiatives.***
- Up to 75 percent of costs for business plans, studies, business follow-up assistance and training.***
- Up to 90 percent of developmental pilot project costs.***

***It is important to note that the client must have access to an appropriate amount of investment equity to contribute to the project.***

***Generally, client investment in excess of 10 percent of the total cost of the project will be sought.***

***Financing must be appropriately proportioned among client investment, commercial or other financing, and government assistance.***

***It should also be noted that program funding may be partially or fully repayable.***



## *HOW THE PROGRAM WORKS*

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The program calls for a close, long-term relationship between the client and a program representative to work together and create a successful, strong business.

Clients are encouraged to contact the nearest Aboriginal Economic Programs office (see page 7) early on in the development of a commercial project. Program representatives or qualified consultants will provide advice on the development of a business plan, and the steps that should be followed in accessing the Aboriginal Business Development Program, and in approaching lenders, other agencies or joint venture partners. Program representatives will maintain contact with clients during the critical early years of business operation.

Three Aboriginal Economic Development Boards, made up predominantly of Aboriginal business persons, provide direction to the program. One Board operates for the provinces and territories west of the Ontario/Manitoba border, one for eastern Canada and one operates nationally. All requests for program investment in projects will be reviewed by one of the three boards. The National Board reviews the larger and more complex projects.

Program investment, along with a client's own investment, is intended to promote lasting business success to benefit the enterprises funded, their employees and the communities in which they are located.

## TO THE ENTREPRENEUR: THE FIRST STEP

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In any journey, the first step is to be clear about where you are going. The same is true in business.

Before proceeding to request support from the Aboriginal Business Development Program, you should be well-prepared and should have considered some of the following factors about your proposed project.

**You do not need to have the answers to all of the following questions before you talk to program representatives about your proposal.** In fact, there are areas such as business planning and management training for which the Aboriginal Business Development Program can offer advice and financial assistance. However, you should be ready to address many of these issues with a program representative, including:

- Can you outline your business plan idea in one page?*
- Do you have experience with the kind of project you are proposing?*
- Should you gain experience by working in the line of business before you start your own venture?*
- Is your product or service one that people are willing to buy ...on an ongoing basis?*
- Who is your competition? Why are customers going to buy from you and not your competitor?*
- Have you conducted market research? How large is the market?*
- Who are your customers?*
- What resources can you personally invest in the project?*
- Do you have financial management experience?*
- Is your financing sufficient to undertake your new business activity?*
- Have you identified the number and the required skills of people you will need as employees?*
- Can you manage and motivate people effectively?*
- Do you feel you have the commitment necessary to work long hours to see your business succeed?*
- What are your strengths and weaknesses as a business person?*

## WHO CAN APPLY

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Business development support is available to Canadian Status and non-Status Indians, Métis, and Inuit individuals, associations, partnerships, profit and non-profit groups, and other entities which are majority-owned or controlled by Aboriginal people.

## HOW TO APPLY

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If you have a concept for a commercial project, and think the Aboriginal Business Development Program can help, **telephone or write** to the nearest program office with a brief description of your proposed project. Make an appointment with a program representative or arrange to meet when he or she is next in your region. (This may require a wait of a few weeks.)

Working with a program representative, you will complete a **Statement of Intent**, containing the basic information necessary to determine if proceeding to a Business Plan/Application is appropriate.

The **Business Plan/Application** stage involves assembling all relevant information required by the program to make an assessment. A guide book will be made available to you from your program representative.

Decisions on financial assistance to develop business plans, feasibility studies, or relevant training can be made generally within 30 days after completion of the Statement of Intent.

For investment in commercial enterprises, once a fully satisfactory business plan is provided, a decision on program assistance will be made in most cases within 60 to 90 days, depending on the complexity and size of the project.

*Through the new Aboriginal Business Development Program, the Government of Canada has committed considerable resources towards the development of Aboriginal enterprise and self-reliance. The opportunity is yours.*

## ***WHERE TO GET MORE INFORMATION***

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For further information or to discuss your business idea, you can call collect or write to any of the Aboriginal Economic Programs offices listed below.

### **NORTHWEST TERRITORIES**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
Precambrian Building  
10th floor, P.O. Bag 6100  
YELLOWKNIFE, N.W.T.  
X1A 2R3  
Tel.: (403) 920-8572

### **YUKON**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
108 Lambert Street  
Suite 301  
WHITEHORSE, Y.T.  
Y1A 1Z2  
Tel.: (403) 668-4655

### **BRITISH COLUMBIA**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
P.O. Box 11551, Suite 810  
650 West Georgia Street  
VANCOUVER, B.C.  
V6B 4N8  
Tel.: (604) 666-3871

### **ALBERTA**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
Canada Place, Room 540  
9700 Jasper Avenue  
EDMONTON, Alta.  
T5J 4C3  
Tel.: (403) 495-2954

### **SASKATCHEWAN**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
105-21st Street East  
6th Floor  
SASKATOON, Sask.  
S7K 0B3  
Tel.: (306) 975-4329

### **MANITOBA**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
330 Portage Ave., 11th Floor  
P.O. Box 3130  
WINNIPEG, Man.  
R3C 4E6  
Tel.: (204) 983-7316

### **ONTARIO**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
Dominion Public Building  
4th Floor  
1 Front Street West  
TORONTO, Ont.  
M5J 1A4  
Tel.: (416) 973-6987

### **QUEBEC**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
P.O. Box 289, Suite 2604  
Tour de la Bourse  
800 Place Victoria  
MONTREAL, Que.  
H4Z 1E8  
Tel.: (514) 283-1828

**ATLANTIC CANADA**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
4th Floor  
1801 Hollis Street  
P.O. Box 940  
Station M  
HALIFAX, N.S.  
B3J 2V9  
Tel.: (902) 426-2018

**Or contact:**

Aboriginal Economic Programs  
Industry, Science and Technology Canada  
235 Queen Street  
1st Floor West  
OTTAWA, Ont.  
K1A 0H5  
Tel.: (613) 954-4064

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