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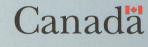
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Industry and Science Canada

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Canadian Aboriginal Economic Development Strategy

ABORIGINAL BUSINESS DEVELOPMENT PROGRAM

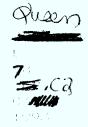


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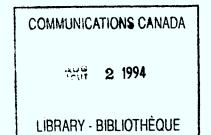
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THE ABORIGINAL BUSINESS DEVELOPMENT PROGRAM

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 and Science 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.

- development of business plans and feasibility studies;
- establishment, expansion and 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; and
- 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 supports all phases of the business cycle — the business planning stage, feasibility studies, entrepreneurial training, business infrastructure development, commercial establishment and project follow-up requirements.

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 are tailored to each project.

Applicants are 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 that are most commonly made available. However, each case is assessed on its own merits and for many projects, the program investment is significantly less than the maximum allowable amount.

- Generally, 30-40 percent of the financing for the following types of projects are 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 is 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.

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 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 maintain contact with clients during the critical early years of business operation.

Three Aboriginal Economic Development Boards, made up predominantly of Aboriginal businesspersons, 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 are reviewed by one of the three boards. The Aboriginal Economic Development 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

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 businessperson?

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

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 toward the development of Aboriginal enterprise and self-reliance. The opportunity is yours.

WHERE TO GET MORE INFORMATION

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.

BRITISH COLUMBIA

Aboriginal Economic Programs Industry and Science Canada Scotia Tower Suite 810, 650 West Georgia Street P.O. Box 11551 VANCOUVER, B.C. V6B 4N8 Tel.: (604) 666-3871 Fax: (604) 666-0238

ALBERTA

Aboriginal Economic Programs Industry and Science Canada Canada Place Room 545, 9700 Jasper Avenue EDMONTON, Alta. T5J 4C3 Tel.: (403) 495-2954 Fax: (403) 495-4172

SASKATCHEWAN

Aboriginal Economic Programs Industry and Science Canada Suite 401, 119 – 4th Avenue South SASKATOON, Sask. S7K 5X2 Tel.: (306) 975-4329 Fax: (306) 975-5334

MANITOBA

Aboriginal Economic Programs Industry and Science Canada Room 608, 330 Portage Avenue P.O. Box 3130 WINNIPEG, Man. R3C 4E6 Tel.: (204) 983-7316 Fax: (204) 983-4107

ONTARIO

Aboriginal Economic Programs Industry and Science Canada Dominion Public Building 4th Floor, 1 Front Street West TORONTO, Ont. M5J 1A4 Tel.: (416) 973-8800 Fax: (416) 973-2255

QUEBEC

Aboriginal Economic Programs Industry and Science Canada Suite 2604, 800 Tour de la Place Victoria P.O. Box 289 MONTREAL, Que. H4Z 1E8 Tel.: (514) 283-1828 Fax: (514) 283-1843

ATLANTIC CANADA

Aboriginal Economic Programs Industry and Science Canada 4th Floor, 1801 Hollis Street P.O. Box 940, Station M HALIFAX, N.S. B3J 2V9 Tel.: (902) 426-2018 Fax: (902) 426-2624

Or contact:

Aboriginal Economic Programs Industry and Science Canada 1st Floor West, 235 Queen Street OTTAWA, Ont. K1A 0H5 Tel.: (613) 954-4064 Fax: (613) 957-7010

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