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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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## **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 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.

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

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- **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.

## **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 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.***

## ***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 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**

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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 businessperson?*

## **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 toward 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.

### **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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