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Industry, Science and Technology Canada

**Final Report of the Evaluation of the
National Entrepreneurship Policy Initiative**

January 13, 1993

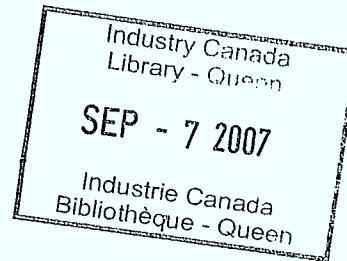


Price Waterhouse



January 13, 1993

Mr. Glyn Moore
Corporate Planning
& Evaluation Directorate
Industry, Science and Technology Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5



Dear Mr. Moore:

Price Waterhouse is pleased to submit five (5) bound copies and 1 unbound copy of our final report of the evaluation of the National Entrepreneurship Policy Initiative (NEPI) for Industry, Science and Technology Canada.

We have very much enjoyed working on this challenging and interesting assignment. Should you have any questions or comments, please don't hesitate to contact me, Kathleen Morris or Peter MacKechnie at 238-8200.

Yours very truly,
PRICE WATERHOUSE

Nancy Staisey
Partner

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1.0 Introduction

This report presents the findings and conclusions of a program evaluation study of the Entrepreneurship Awareness Program (EAP) and National Entrepreneurship Development Institute (NEDI) components of the National Entrepreneurship Policy Initiative (NEPI). The study addressed issues related to program rationale, alternatives to the programs, immediate and intermediate effects and impacts, and objectives achievement. The specific questions addressed are displayed in Exhibit 1, on the following pages.

The Corporate Planning and Evaluation Directorate of ISTC directed and coordinated the activities of the study which was conducted by Price Waterhouse and the conduct of the evaluation was overseen by a Steering Committee. Data for this evaluation were collected in October and November, 1992.

The following chapter provides a brief background on EAP and NEDI. Chapter 3 describes the approach and methodology used in the evaluation. The findings and conclusions are then presented in the final chapters.



Evaluation Issues

Generic Issues/Research Questions - for both EAP and NEDI
<p>Rationale</p> <p>A1. Were resources, activities, outputs and organizational structure:</p> <ul style="list-style-type: none"> • sufficient for carrying out the program; • consistent with the ISTC mandate; and • plausibly linked to the attainment of the objectives and the intended impacts and effects?
<p>Objectives Achievement</p> <p>A2. To what extent have EAP/NEDI met the key objectives of the National Policy on Entrepreneurship to:</p> <ul style="list-style-type: none"> • promote a strong spirit of entrepreneurship; • enhance public awareness of the importance of entrepreneurs; • remove obstacles to entrepreneurship; • advance the interests of entrepreneurs and small business; • encourage the start-up and growth of small firms to medium sized businesses; and • further enhance regional economic development through local decision making and entrepreneurship? <p>A3. To what extent have interactive networks been established, coordinated and maintained between governments, the private sector and the academic community?</p> <p>A4. To what extent have EAP/NEDI promoted entrepreneurship?</p>
<p>Impacts and Effects</p> <p>A5. To what extent have EAP/NEDI objectives shifted since their implementation? If shifts have occurred, what are the policy implications from the point of view of policy/design and policy/program implementation?</p> <p>A6. What has been the extent of multiplier effects as a result of EAP/NEDI activities?</p> <p>A7. To what extent do EAP/NEDI activities/outputs complement, duplicate, overlap or work at cross-purposes with each other programs?</p>



Evaluation Issues (cont'd)

EAP Issues
Impacts and Effects
B1. To what extent have other sponsors (government/non-government) been generated?
B2. To what extent have other partnerships and/or initiatives been generated from the original contributions?
B3. To what extent has a shift in attitudes towards self-employment occurred in the target groups as a result of the program?
Delivery/Alternatives
B4. Did the application of assessment criteria result in the selection of projects which contributed to the attainment of EAP/National Policy on Entrepreneurship objectives?
B5. To what extent did the eligibility criteria established for the program match the target population?
B6. What has been the program take up by region and by client group?
B7. Are there more cost-effective alternative programs (funded/non-funded) which might achieve the objectives and intended impacts and effects?
NEDI Issues
Objectives Achievement
C1. To what extent has NEDI contributed to an increase in the quality and quantity of research on entrepreneurship and the dissemination of information in Canada (over and above what was done at the time of the establishment of the Institute)?
C2. To what extent has NEDI assessed, developed, and promoted entrepreneurship education development and policies in Canada?
C3. To what extent has there been increased business development (nationally) as a result of the Institute's activities?
Delivery/Alternatives
C4. Is the NEDI concept an appropriate mechanism for achieving its objectives and those related to the National Policy on Entrepreneurship?



2.0 Background

In 1988, the federal government announced a National Policy on Entrepreneurship. The policy recognizes that:

- entrepreneurship plays a crucial role in the regional, social and cultural development of Canada;
- the federal government has a role to play in removing obstacles for growth for the small business sector; and
- government can be more effective in its action to support entrepreneurship.

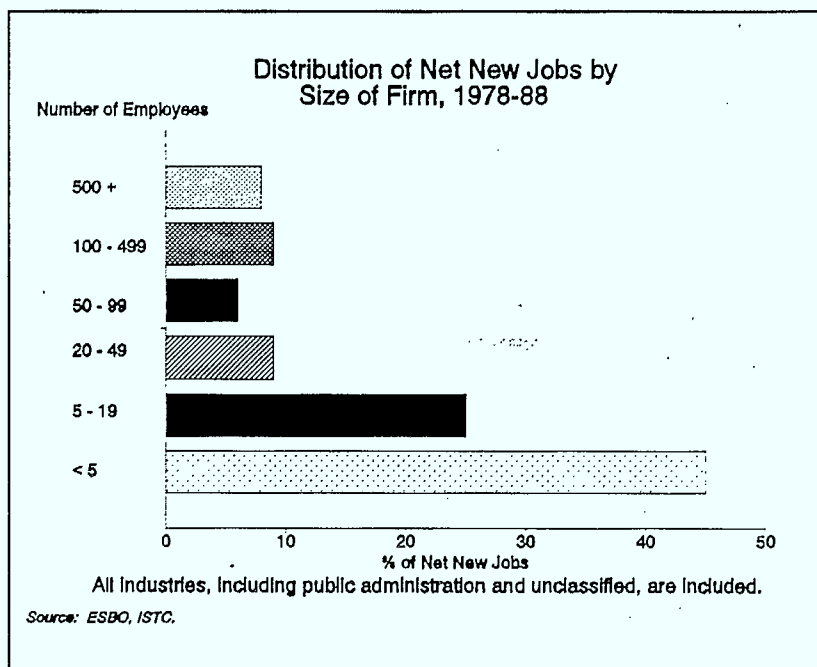
Under the National Policy on Entrepreneurship, ISTC launched two new initiatives - the Entrepreneurship Awareness Program (EAP) and the National Entrepreneurship Development Institute (NEDI). The Entrepreneurship and Small Business Office, as part of its mandate, administers these two entrepreneurship programs.

The Entrepreneurship and Small Business Office of ISTC is responsible for policy development and advocacy with respect to national programs affecting the small business community. In addition, the Office is also responsible for raising the awareness of entrepreneurship and small business as vital elements of the Canadian economy.

Small business can be defined as firms with fewer than 100 paid employees in the manufacturing sector and fewer than 50 paid employees in all other sectors. Since 1980, the small business sector has had a major impact on the structure and development of the



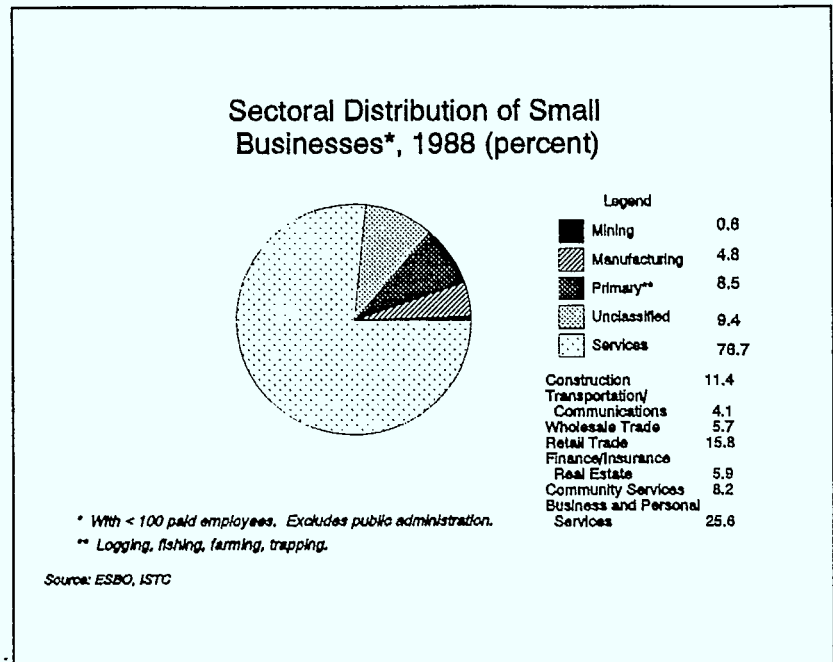
Canadian economy. Indeed, according to ISTC, of the 906,684 businesses registered in Canada in 1988, 97.4% had fewer than 50 employees. Further, as the figures below indicate, this sector has been responsible for the majority of net new jobs created in the economy since 1978.



As the figure on the following page indicates, the services sector is by far the most important in terms of small business development, representing almost 77% of all Canadian small businesses in 1988. Given the importance of small business development to the Canadian economy, EAP and NEDI were instituted in 1988 to address the needs of entrepreneurs in Canada. Both EAP and NEDI were initiated to assist



in the achievement of the broad goals of the National Entrepreneurship Policy Initiative.



The EAP was established to promote entrepreneurship and increase the awareness of Canadians of the social, economic and cultural benefits to be gained from entrepreneurship. The program seeks to encourage a shift in attitudes towards self employment. The main features of the EAP are:

- eligible recipients are non-profit organizations (government organizations and Crown Corporations are not eligible);



- eligible costs include research studies, resource materials, participation in trade shows and research on entrepreneurship; and
- assistance offered is a non-repayable contribution up to 50% of the eligible costs of the project, up to a maximum of \$50,000.

EAP has a total of \$3.3 million available over a 5 year period from fiscal year 1988-89 to 1992-93. Applications submitted to the Program will not be accepted after March 31, 1993.

NEDI was developed to promote entrepreneurship and the pursuit of excellence in business development. The Institute undertakes to promote a healthy entrepreneurial culture; to fund and disseminate entrepreneurship information and research; and to encourage entrepreneurship, new venture creation, and enterprise development.

The key features of the Institute are:

- it is a non-profit, federally incorporated, private sector driven organization;
- the activities are national in scope with a focus on regional needs and will include the dissemination of information, the development of research, methodologies and teachers, and the sponsoring of conferences, seminars and workshops; and
- a small national office is located in Montréal, works through regional networks and is governed by a Board of Directors.

NEDI has a total of \$1.6 million available over a 4 year period from fiscal year 1989-90 to 1992-93.



Over the last 18 months, NEDI has gone through some significant changes in terms of personnel, structure and activities. This evaluation report addresses all of NEDI's activities to date and, where relevant, has recognized the significant changes that have taken place.



3.0 Approach and Methodology

A variety of approaches were used to collect evaluative information on EAP and NEDI. These included:

- document and file review;
- in-depth interviews;
- case studies;
- survey of EAP applicants; and
- expert panel.

Each of these methodologies is described in more detail below.

3.1 Document and File Review

Prior to the data collection period, it was critical that the evaluation team have an understanding of NEPI and the two components that were central to this evaluation. We reviewed relevant documents and files on the programs including: project files; reports and reviews; and the data bases.

3.2 In-depth Interviews

Interviews were conducted with project officers and management at ISTC, as well as with some members of the Board of Directors of NEDI.



These interviews explored the rationale for the programs, the delivery mechanisms used, and perceived impacts and effects.

3.3 Case Studies

The case study approach was used to examine a sample of funded projects in-depth. The selection of the case study sample was done in consultation with ISTC officials. We conducted 5 EAP and 10 NEDI case studies. Cases were selected based upon the following criteria:

- contribution size;
- region of the country;
- nature of the project; and
- a mix of recipient organizations (e.g., industry association, professional association, university).

The case study protocol utilized is found in **Appendix A**. Sources accessed in conducting the case studies included departmental files and databases, documents of the organization and interviews with staff of the executing organization, and participants in the project. A summary of each of the 15 cases is found in **Appendix B**.

3.4 Telephone Survey

A survey of EAP applicants (including both those successful and not successful in securing funds) was an important source of information for



this evaluation. Since 1988, EAP has been involved with 182 funding applications. The breakdown of these applications is presented below:

	EAP Funding Applications*
Completed projects	69
Ongoing projects	45
Applications withdrawn	25
Applications rejected	42
Contracts cancelled	1
Total	182

* As of September 10, 1992

In many cases, a single contact person within an organization had been involved in a number of projects. To avoid placing undue burden on respondents, each respondent was interviewed on one project. As well, if the organization was selected for a case study, that name was removed from the telephone interview sample. The sample was comprised of 101 different individuals who had undertaken projects. The survey questionnaire and additional detail on the sample and response rate are found in **Appendix C**.

3.5 Expert Panel

An expert panel involving an entrepreneur, representatives of NGOs, a provincial government official and a banker was utilized to generate ideas concerning the relevancy of the program and its components.



Prior to the session, background information on EAP and NEDI and an outline of the discussion guide for the panel were sent to panel participants. The session covered a broad range of issues and allowed the research team to validate or test ideas that had emerged during the evaluation. The discussions at the expert panel session focused on assessing the findings and drawing conclusions about the effectiveness of the programs in furthering the objectives of the NEPI. A point form summary of the session is provided in **Appendix D**.



4.0 Findings - Generic Issues

This section of the report describes the findings related to generic issues common to both EAP and NEDI. These common issues are presented under three broad categories: sufficiency of resources and design; achievement of objectives; and program impacts and effects.

4.1 Sufficiency of Resources and Design

In evaluating NEDI and EAP, we addressed the following evaluation question:

- Were the resources, activities, outputs and organizational structure:
 - sufficient for carrying out the program;
 - consistent with ISTC mandate; and
 - plausibly linked to the attainment of objectives and the intended impacts and effects?

This question was examined separately for each of the programs.

4.1.1 NEDI

The formal objectives of NEDI are to:

- promote a healthy entrepreneurial culture;
- fund and disseminate entrepreneurship information and research; and
- encourage entrepreneurship, new venture creation, and enterprise development.



While the rationale for NEDI was consistent with the ISTC mandate, the need for and effectiveness of NEDI were seriously challenged in the case studies and expert panel. NEDI has experienced difficulties in establishing the national presence and widespread support needed to effectively promote a healthy entrepreneurial culture or to play a meaningful role in funding and disseminating entrepreneurship information. Although NEDI has, through the sponsorship of national conferences, promoted a spirit of entrepreneurship, it has not effected broad based cultural changes. After 3 years of operation, NEDI has not generated the expected funding from other levels of government, non-government organizations, and the private sector. The Institute has only 100-150 members, which gives it a weak infrastructure for communicating with the "grass roots" level and for receiving feedback from this level. While some interpret this as evidence of a lack of need for NEDI, others view this as the result of poor initial implementation of the Institute.

In addition, there is no mechanism in place to ensure that projects are meeting a defined need and are consistent with NEDI and ISTC mandates. Decisions on which projects should be pursued are made by a very small group of individuals.

A more detailed analysis of the resources, activities and outputs, and organizational structure of NEDI is presented below.



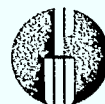
Resources

NEDI has not generated the expected funds from other levels of government, non-governmental organizations, and the private sector. Because of this, it has had insufficient resources to meet its objectives.

There was some bitterness in the entrepreneurial community when NEDI was launched. It was considered implausible that an Institute should be given such a broad mandate, and then be backed up with only \$1.6 million over a four year period.

An assumption underlying the design of and funding of NEDI was that it would raise and leverage funds from other sources. It was expected that NEDI, working with a base level of funding from ISTC, would be able to leverage these funds to attract money from other levels of government, NGOs and the private sector. It was anticipated that ISTC funding would constitute only 20% of NEDI's total budget.

During the first year and one-half of NEDI's experience (i.e., fiscal years 1989-90 and 1990-91), ISTC funding represented 87% of NEDI's revenues. By fiscal year 1991-92, ISTC's contribution dropped to 38% of NEDI's revenues. For this fiscal year, the percentage the ISTC contribution represents is projected to be 24%. It should be noted that the majority of NEDI's in-kind contributions have not yet been included in these percentages. These additional contributions are currently being substantiated and quantified, and are expected to lower the ISTC percentages each year by at least several percentage points.



It is particularly unlikely that NEDI will be able to have an impact on the objective of new venture creation and enterprise development, given its limited funding. In the start-up stage of business development, entrepreneurs need practical, one-on-one advice. As members of the expert panel noted, entrepreneurs are not interested in discussing business start-up in abstract, but rather entrepreneurs need to discuss the practical details of their own business. NEDI does not presently have the resources to meet this objective.

Activities and Outputs

Although the broad objectives of NEDI are consistent with the mandate of ISTC, there is no mechanism in place to ensure that specific NEDI activities meet defined needs and are consistent with NEDI and ISTC mandates. A number of factors influence this situation, including the lack of consensus on which activities are appropriate to achieve objectives; a lack of controls on the project selection process; and the initial focus on academics rather than entrepreneurs.

A clear definition of "entrepreneurship" would likely be helpful in terms of the identification of needs and the design of activities to meet these needs. A working definition would also provide guidance to applicants.

Those in the entrepreneurship field have spent many years attempting to arrive at an acceptable definition of "entrepreneurship". To date, no consensus has been reached. This lack of common understanding has lead to a divergence of opinion regarding the activities that should be undertaken and that can logically be expected to achieve the desired



results. For example, there is debate as to whether entrepreneurs are born or made. This lack of consensus has programming implications regarding whether resources should be focused on providing hands on support services (born) or focused on developing enterprise and innovation skills in the school system (made).

In the first years of the Institute, individual projects did not have any documented objectives, with the exception of a few which had the broadly stated objective of "promote entrepreneurship". From case study discussions with those involved in these projects, it appears that the only objectives considered were expressed in terms of activities, rather than in terms of impacts or effects.

Because the eligibility requirements and selection criteria for projects were not well defined, some organizations approached the Institute for funding for: (i) projects for which there was no demonstrated need, or (ii) projects that would have taken place anyway. Some viewed the process as a "grant grab" in which individuals and organizations attempted to access the Institute's money simply because it was available.

"We decided that NEDI had money and we had better jump on the bandwagon and get some."

Since the change in executive directors, the philosophy regarding the role of NEDI has changed. Rather than disbursing money on projects, NEDI now views itself as a resource to projects and charges a management fee. On some of the newer projects (for example, the in-



service training for Alberta teachers), NEDI has assessed the need prior to embarking upon a project.

As the Institute evolved, a more rigorous process was implemented to document and consider potential activities. More recently, applicants have been required to complete a project proposal sheet, which asks for information in the following areas:

- objectives;
- timing;
- funding;
- management;
- process; and
- budget.

However, the objectives section of these documents has continued to be a description of activities rather than outlining intended impacts or effects of the project. If these objectives are used to assess the success of a project, the evaluation would then be based simply on whether the detailed activities were in fact conducted and not on whether desired impacts were achieved.

Another approach originally used by the Institute was to attract "experts in the field", the majority of whom were academics. Because many of these individuals had no entrepreneurial experience, they were somewhat removed from the true needs and preferences of entrepreneurs. Some respondents felt that as a result, NEDI was not



responsive to the needs of entrepreneurs. As one case study participant indicated:

"Small business people were trying to tell NEDI what was needed...but they might as well have been talking to the wall."

Organizational Structure

As noted above, little emphasis has been placed on ensuring that NEDI's activities and outputs are plausibly linked to the attainment of its objectives. As well, the organizational structure of NEDI has not been well suited to the attainment of the Institute's objectives. Decisions on how funds were allocated have rested with a very small group of individuals. In addition, The membership of the Institute is small, fluctuating between 100 and 150 individuals. This has left NEDI with a weak infrastructure for communicating with and receiving feedback from the "grass roots" level.

The original organizational structure involved an Executive Director and a large 26-member Board which met infrequently. The Executive Director had considerable leeway over the manner in which the Institute's funds were allocated. Shortcomings of this organization structure included: narrowly based input on which activities should be pursued; little formal accountability of the Executive Director; and no mechanisms for communicating with and receiving feedback from the grassroots.

The organizational structure was changed in 1992 in an attempt to address these shortcomings. It now involves a 20-member Board, with



four Directors representing each region and four Directors at large. They are elected at the Institute's annual general meeting and the Board meets twice per year. It should be noted that the Board represents a significant proportion of total Institute membership (currently 100-150 members).

There is also an executive committee, which is referred to as "the driving force" in the Institute. This committee is elected by the Board and is headed by the Executive Director. The executive committee makes decisions regarding which projects NEDI should pursue. The executive committee meets every six weeks.

Another key change to the organizational structure has been the implementation of provincial Enterprise Councils. These councils, which are to meet twice yearly, are comprised of volunteer members who are to serve a two-way communication function between the national NEDI organization and entrepreneurs in their provinces. Because the organization has very limited staff resources, it must rely on volunteers to carry out projects. To date, three Enterprise Councils have been developed.

In the past, there did not appear to be a formal process to ensure that the projects to which volunteers wished to devote energy were indeed consistent with NEDI's mandate. Many changes have been planned to improve the organizational structure. To date, few of these suggestions have had a meaningful impact. The present organizational structure, particularly the low membership levels, has restricted the Institute from fulfilling its mandate.



4.1.2 EAP

The stated objectives of EAP are to promote entrepreneurship and increase awareness of the social, economic and cultural benefits to be gained from entrepreneurship. The program also seeks to encourage a shift in attitudes towards self-employment. These objectives are consistent with the mandate of ISTC and were well understood by EAP users. Although comments were received indicating that additional resources would improve program operations, there was a consensus that the activities, outputs and organizational structure of the program were plausibly linked to the attainment of its objectives.

In the telephone survey, applicants were asked about their perception of the rationale behind EAP. In unsolicited responses, 82% mentioned the promotion of entrepreneurship, and 32% mentioned advocating a change in attitudes towards self-employment. The only other frequently mentioned role was one of funding and disseminating information on research on entrepreneurship, 26%.

The vast majority of respondents to the telephone survey (89%) believed that EAP made sense. In many cases, the objectives of EAP were very similar to the objectives of the client organization, so there was a natural compatibility. Respondents stated that the EAP contribution "gets the ball rolling" and "gets people off the ground".

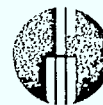


Resources

Of those who were able to make a judgement, 53% of survey respondents believed that the program had sufficient resources to fulfil its rationale. Most reported that the money which they had received from the program had been sufficient to accomplish their project objectives. Others indicated that EAP did not fund certain categories of expenses which were considered essential to the successful completion of the project (i.e., travel, project management). Case study participants suggested that the travel budget be increased for the program so that project officers could offer more assistance to projects outside Quebec and Ontario.

Activities and Outputs

The majority of respondents (64%) reported that EAP was using appropriate activities and approaches to fulfil its rationale. Most clients were familiar with the concept of grants and contributions programs and perceived them as an appropriate way for the federal government to promote entrepreneurship. EAP uses a formally stated set of selection criteria in reviewing funding applications. The survey indicated that there was a general acceptance of the EAP funding criteria, including the concepts of maximum allocations, the requirement for matching funding, and the restriction of funding exclusively to non-profit organizations.



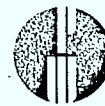
Organizational Structure

Most respondents (77%) reported that EAP had an appropriate organizational structure. Program staff were considered to be helpful, flexible and responsive. Assistance provided to clients included review of draft funding submissions, suggestions regarding alternative funding sources, general comments for improving project design structure, and constructive feedback on the draft finished project. It was noted that the program staff were helpful while allowing the client organization to have some flexibility and autonomy. A cooperative working relationship existed. Negative comments focused largely on reported delays in receiving reimbursement for project expenses.

4.1.3 Summary

Many viable concerns have been raised regarding the rationale for NEDI. The Institute's inability to generate significant funds from outside the federal government, low membership levels, and poorly controlled project selection levels have seriously impaired its ability to fulfil its mandate.

In contrast, EAP has demonstrated that its resources, activities, outputs and organizational structure are plausibly linked to the attainment of the objectives and the program's intended impacts and effects.



4.2 Objectives Achievement

To assess the degree to which the two programs have achieved their objectives, the Terms of Reference posed three questions:

- To what extent have EAP/NEDI met the key objectives of the National Policy on Entrepreneurship?
- To what extent have interactive networks been established, coordinated and maintained between governments, the private sector and the academic community?
- To what extent have EAP/NEDI promoted entrepreneurship?

4.2.1 To what extent have EAP/NEDI met the key objectives of the National Policy on Entrepreneurship?

The objectives of the National Entrepreneurship Policy Initiative include:

- to promote a strong spirit of entrepreneurship;
- to enhance public awareness of the importance of entrepreneurs;
- to remove obstacles to entrepreneurship;
- to advance the interests of entrepreneurs and small business; and
- to further enhance regional economic development through local decision making and entrepreneurship.

Both EAP and NEDI were designed to support the achievement of these objectives. The degree to which each contributes to their achievement



is summarized below¹. Since there is significant overlap between the evaluation question of "to what extent have EAP/NEDI promoted entrepreneurship?" and "to what extent EAP/NEDI met the objectives of NEPI", these issues are addressed together below.

Promote a strong spirit of entrepreneurship. NEDI and EAP have been effective in fostering a spirit of entrepreneurship through their sponsorship of conferences. Participants speak highly of the excitement generated at these events. As one person commented:

"There's a tremendous sense of energy at those events...of being involved at the very beginning of something that you know will be exciting and important."

NEDI has also attracted a small cadre of very committed volunteers. Many of these individuals have donated countless hours to NEDI supported projects with which they are involved. The flexibility of NEDI is appealing to these volunteers, who are happy to use NEDI as the vehicle to promote projects in which they already have an interest. There is some concern that NEDI is continually drawing on the resources of a limited number of people. The decision to establish the Enterprise Councils is a move to broaden the volunteer base and distribute the workload more widely.

EAP has funded a limited number of organizations, often approving several projects for the same organization. Because EAP has a small

¹Other ISTC programs may also be attempting to achieve these objectives as well.



budget, it has not done any work to aggressively promote awareness about the program. This is in part out of a fear of generating expectations and demands which the program cannot satisfy. Most people learn of EAP by word-of-mouth at seminars and conferences on entrepreneurship. This approach was criticised by some who felt that EAP promotes a spirit of entrepreneurship among only a very limited number of people.

Enhance public awareness of the importance of entrepreneurs. Most of the NEDI projects examined in this evaluation have enhanced public awareness of the importance of entrepreneurs to some degree. Some projects are aimed at the broader public, including the television series *The Leading Edge* and the *Becoming an Entrepreneur* newspaper articles.

Other projects are aimed at a specific segment of the public, notably educators. While these educators may in turn pass their heightened awareness on to the students, there is not a direct impact on public awareness. Yet other projects are aimed at increasing awareness in particular target groups not addressed through mainstream media or education systems. An example of this type of project is the adaptation of Junior Achievement programs for native communities.

EAP applicants who responded to the telephone survey were asked to rate the program's success in enhancing public awareness of the importance of entrepreneurs on a 1 to 5 scale, with 1 being "not at all successful" and 5 being "very successful". The average rating was 3.5, which was the highest rating accorded to any of the NEPI objectives.



This objective was particularly important in the selection criteria for early EAP projects. Program staff believe that this objective was necessary to address first, before more practical and concrete projects would be effective.

Remove obstacles to entrepreneurship². EAP applicants who participated in the telephone survey were asked to rate the program's success in achieving this objective on a 1 to 5 scale, again with 1 being "not at all successful" and 5 being "very successful". The average rating was 2.5, which was the lowest rating accorded to any of the NEPI objectives. This objective has been the focus of more recent EAP projects, but the original thrust of the selection committee was to approve projects which were designed to heighten awareness and build networks.

NEDI has undertaken several projects which address obstacles to entrepreneurship. The table below and on the following page identifies some of the obstacles which have been identified and the degree to which selected core studies address the obstacle. While the 15 cores selected were representative of EAP and NEDI, it is possible that other EAP/NEDI projects are addressing the obstacles as well. Case study projects have been selected from both programs (5 EAP, 10 NEDI).

²While NEPI is intended to address this specific objective, it is just one of a number of ISTC programs intended to do so.



Obstacle	NEDI project	EAP project
Absence of an entrepreneurial culture	<u>The Leading Edge</u> television series	
Shortage of educational materials to teach entrepreneurship	<u>Leading Edge</u> video series and teachers guide	CFEE ³ - <u>Spirit of Adventure</u> video series and teachers guide
Teachers insufficiently prepared to teach entrepreneurship	<p>In-service training of teachers</p> <p>Enterprise Education in Canada research study (provides teachers with contact names of others involved with entrepreneurship education)</p> <p>National conferences on entrepreneurship education - provide teachers with a chance to network and obtain ideas from their colleagues</p>	
Certain constituencies are disadvantaged in accessing information on entrepreneurship and starting their own businesses	Adaptation of Junior Achievement programs for native communities pilot project	Women Inventors Project training video

(continued)

³Canadian Foundation for Economic Education.



Obstacle	NEDI project	EAP project
Entrepreneurs are missing the practical skills required to start a business (preparing financial statements, business plans, etc.)	Seminar on starting a business "Becoming and Entrepreneur" newspaper series The Leading Edge television series	Mobile Business Clinic
There is a low level of understanding by those who offer services about the needs and preferences of entrepreneurs	Research project on factors leading to support systems availability - Western provinces	Research project on factors leading to support systems availability - Manitoba pilot Regional conference on self-employment - Halifax

However, participants in the case studies and expert panel identified that one of the most pressing obstacles facing entrepreneurs is the limited availability of start-up capital, and the reluctance of banks to grant loans to small business. None of the projects completed to date has directly addressed this obstacle. Until this issue is addressed, a significant hurdle to entrepreneurship will continue to exist.

Advance the interests of entrepreneurs and small business. Efforts by both programs to raise awareness of entrepreneurship have had a positive impact on existing entrepreneurs. This objective has been addressed in a number of fashions, including:

- activities to promote the development of networks among those who provide services to entrepreneurs;



- speeches and papers regarding the importance of entrepreneurs to the economy, presented at conferences and workshops;
- development of curriculum and teaching materials encouraging entrepreneurial behaviour among students;
- exposing the general public to the importance of entrepreneurs and the issues which they face, through television programs and newspaper series; and
- highlighting entrepreneurial success stories to serve as role models for others considering a career in entrepreneurship.

EAP applicants who responded to the telephone survey were asked to rate the program's success in achieving this objective on a 1 to 5 scale, with 1 being "not at all successful" and 5 being "very successful". The average rating was 3.3, which was the second highest rating accorded to any of the objectives.

However, neither EAP nor NEDI has participated in lobbying the government for policies favourable to entrepreneurs. This is unlikely to be an appropriate activity for EAP (as a government grants and contributions program). As a non-governmental body, NEDI could undertake or sponsor activities directed at influencing the policy development process. However, NEDI has clearly stated that it will not function as a lobbying organization, and views this as being outside its scope. There is a concern that the Institute's role in sponsoring research could be compromised or perceived to be biased if the Institute also functioned as a lobby organization.

Encourage the start-up and growth of small firms to medium sized businesses. EAP and NEDI have focused their initial efforts on projects



which create awareness, build networks and change attitudes. This approach was based on the assumption that only after these objectives have been achieved, can work begin on projects specifically designed to encourage the start-up and growth of businesses.

Although most NEDI projects have focused on research and education through the school system, some have dealt more directly with encouraging the development of small business. An example of this type of project would be the seminars on starting a business which were held in Winnipeg and Lethbridge. These seminars offered practical and pragmatic advice on how to go about starting a small business, and how to avoid some of the most common obstacles which face entrepreneurs.

An example of an EAP case study project which addressed this objective was the mobile business clinic operated in the Montreal area. This clinic focused on providing practical advice to entrepreneurs on an individual basis. In the telephone survey, EAP applicants were asked to rate the program's success in encouraging business start-up and growth on a 1 to 5 scale (with 1 being "not at all successful" and 5 being "very successful"). The average rating was 3.0.

Further enhance regional economic development through local decision making and entrepreneurship. This is a long term, broadly based objective. Because the NEDI and EAP programs have only been in operation for a short time and because they have limited budgets, it is not possible for them to have had a substantial impact against this objective.



Overall, EAP and NEDI have had mixed successes in meeting the objectives of the National Policy on Entrepreneurship. The programs have made progress in promoting a spirit of entrepreneurship; enhancing public awareness of the importance of entrepreneurs; and advancing the interests of entrepreneurs and small business. While all of the case study projects addressed obstacles facing entrepreneurs, no project from either program has focused on the most important hurdle to business start-up: accessing financing.

Neither NEDI nor EAP have made significant impact on the final two objectives: encouraging the start-up and growth of small firms; and further enhancing regional economic development through local decision making and entrepreneurship. Given the limited budgets of the programs and the time frames in which they have been in operation, it is unreasonable to expect sizable impacts in these areas at this time.

4.2.2 To what extent have interactive networks been established, coordinated and maintained between governments, the private sector and the academic community?

Both NEDI and EAP have played a key role in establishing networks among those interested in entrepreneurship. However, the programs have not had significant impact on the coordination and maintenance of these networks once they have been developed. The existence of networks is viewed by all parties as critical to the promotion and development of entrepreneurship in the country. They sometimes exist at the local level, under the auspices of organizations such as the Board of Trade. These local networks are most effective at bringing together local business people from different sectors as well as representatives



of local government. They are less successful at integrating academics and educators into their networks. There is also a very limited exchange of ideas between these local networks, so it is assumed that there is a considerable amount of "reinventing the wheel".

In order to derive maximum benefit from resources devoted to the promotion of entrepreneurship, it is critical that interactive networks exist at the regional and national levels. These networks should ideally permit the sharing of information, and facilitate the transferability of successful projects from one region of the country to another. National networks between governments, private sector, academics and educators are unlikely to occur naturally. Instead, they must be developed and nurtured.

The manner in which NEDI and EAP have been most successful in establishing networks is through the sponsorship of conferences on entrepreneurship and entrepreneurship education. At these conferences, interested parties have the opportunity to meet and discuss current issues in their field.

The conferences sponsored by NEDI and EAP were cited as helpful by various respondents for developing networks. Often, the personal contact with others in the field was more valuable than the actual material presented at the conference. It was noted that it is difficult to structure a conference which would attract representatives from government, the private sector, and academia.



It was highlighted in both the case studies and the expert panel that there are significant barriers that hinder the development of networks. Factors which influence conference attendance include time commitment, travel expense, and applicability of the subject matter. For entrepreneurs to attend conferences and workshops, significant time and financial resources need to be committed. Often, the subject matter is more academic than practical and therefore of little interest to actual entrepreneurs.

The networks developed at these conferences are informal, and there is no evidence of efforts to make them more established. Membership in NEDI would be a logical way to formalize the networks, but this has not occurred, as membership levels over the past 3 years have fluctuated between 100 and 150.

NEDI is currently in the process of developing provincial enterprise councils. These are intended to form the basis for networking at the provincial level. The enterprise councils are relatively new bodies. Only a few have been established to date, thus it is too early to comment on their activities.

The program staff in the Entrepreneurship and Small Business Office (ESBO) were regarded as a key component of many entrepreneur's networks. They possess good information, both on the field of entrepreneurship in general and on specific activities that are currently taking place. As one prominent player in the entrepreneurship field mentioned:



"There are few people who I speak with on a regular basis who can tell me something that I don't already know about developments in the field of entrepreneurship - the people at EAP can do that."

EAP and NEDI have played a lead role in initiating networks between governments, the private sector, and the academic community. However, neither organization has been effective in coordinating or maintaining these networks once they have been formally established.

4.3 Impacts and Effects

The Terms of Reference for the evaluation outline the following questions to assess the impacts and effects of EAP and NEDI.

- To what extent have NEDI/EAP objectives shifted since implementation? What are the policy implications from the point of view of policy/design and policy/program implementation?
- What has been the multiplier effects as a result of EAP/NEDI activities?
- To what extent do EAP/NEDI activities/outputs complement, duplicate, overlap or work at cross-purposes with other programs?

These questions are examined in detail for both programs below.

4.3.1 To what extent have NEDI/EAP objectives shifted since implementation? What are the policy implications from the point of view of policy/design and policy/program implementation?



The objectives of both NEDI and EAP have shifted since the programs were implemented. The nature of these shifts and their implications for policy design and program implementation are discussed below.

NEDI's initial objective was to promote awareness of entrepreneurship. The Institute was willing to become involved in a wide range of projects, many of them closely linked to the specific interests of its relatively small membership base. Over time, it became apparent that this was not an appropriate method of achieving objectives, and a change in philosophy was implemented. This coincided with the appointment of a new executive director in late 1991. The following is excerpted from NEDI October 1992 Business Plan:

"It (NEDI) is a national, private sector organization that seeks to attract a significant membership, led by this country's most prominent entrepreneurs and other top Canadians who command wide respect. The NEDI network acts as a clearinghouse, facilitating the generation and sharing of information on entrepreneurship. It also initiates a wide variety of programs and services that help entrepreneurs and develop an understanding of entrepreneurship throughout Canada. It is a grassroots network that works in cooperation with other organizations. It does not compete with other organizations devoted to entrepreneurship; it seeks rather to meet to help them meet their goals and to build on those efforts, picking up where they leave off. It seeks consensus. It gathers and shares information, built on a significant data base with a primary orientation toward education and research."

At the same time, the strategy acknowledged that NEDI had lost momentum, and had been unable to define itself in terms of programming activity in the past. The membership base was small, and the Institute had not been able to secure the cooperation of many other organizations involved with entrepreneurship. There was a significant



lack of awareness of the Institute among Canada's entrepreneurial community, outside of university academic circles.

As mentioned earlier, the new focus has led to the establishment of provincial enterprise councils - three have already been formed (New Brunswick, Alberta and Prince Edward Island), with plans for others to follow. Members are volunteers who

"give us access to the needs and priorities of the constituencies we seek to serve and to deliver the services that NEDI can offer to those same constituencies" (NEDI 1992 Business Plan).

This proposal has been well received among those interviewed. One individual commented:

"Having a focus on local/regional involvement is the only way to ensure that NEDI is listening to its grass roots."

Other plans include the expansion of the NEDI network to include partnerships with new organizations. It is too early to assess any impacts or effects arising from this change in policy. However, to date NEDI's membership continues to hover at between 100 and 150 individuals, of whom 20 serve on the Board.

EAP objectives have also evolved since the program was established. The initial focus of the selection committee was focused on choosing projects which promoted awareness, developed networks, and worked to change attitudes towards entrepreneurship. Projects which fell into these categories included conferences, educational tools, and contests.



In funding these awareness-generating activities, the program placed emphasis on products that could extend the life of a project, such as the production of take-home material from a conference.

The perception among program staff was that significant awareness has been raised, and that the media is now adopting a more prominent role in promoting the entrepreneurship concept. The program is now more focused on projects that can be measured in terms of deliverables.

These projects might include:

- training programs;
- surveys of best practices;
- development and dissemination of success strategies;
- curriculum development;
- case studies; and
- forums for service providers, such as banks and consultants, to explain their services and requirements.

These projects, which can be more easily measured in terms of deliverables, are likely to hold greater appeal for private sector funders.

In summary, both EAP and NEDI have shifted their objectives since implementation. With EAP, the shift has been driven by positive forces. Now that the initial goals of awareness-generation and network-building have been met to some degree, program staff have decided to build on their efforts and devote an increasing proportion of their resources to more practical/deliverable-oriented projects.



NEDI has also shifted objectives, but this shift has been driven by a lack of achievement. The Institute has shifted its strategy several times in an effort to find a meaningful niche in the entrepreneurship field. This has led to considerable confusion about what the true mandate and role of the Institute is.

4.3.2 What has been the multiplier effects as a result of EAP/NEDI activities?

A number of multiplier or spin-off activities can be identified for NEDI and EAP sponsored projects. They are explored in greater detail below.

In a few instances, NEDI activities have led to spin-off projects. The format for the seminar on starting a business was used in Lethbridge after its initial success in Winnipeg. The *Becoming an Entrepreneur* newspaper series was adapted from similar efforts in Quebec and Saskatchewan. The *Leading Edge* television series, which has spawned a second season of shows as well as a teaching guide and video set based on the series.

More frequently, NEDI has replicated successful projects initiated in various regions of the country. For example, the *Leading Edge* television series was based on a show called *The Winning Edge* from Saskatchewan. The review of support services for new ventures in the western provinces was based on a EAP study which had been done in Manitoba.

A few of those interviewed were concerned that a "cookie cutter" replication approach was being used inappropriately by NEDI. They felt



that they were presented with a "fait accompli" project by the Institute. They reported that NEDI did not initially recognize that they had to "re-do" parts of the developmental stage of the project because:

- they had to ensure that the project was indeed meeting the needs of their specific constituencies; and
- the process of development is critical to achieving internal buy-in to a project.

Most of those who had received funding from EAP were able to identify positive spin-off effects as a result of the money they had been given by the program. Of those surveyed, 83% identified multiplier effects, while another 14% indicated that it was too early in their project to tell. All EAP projects receive a follow-up assessment by the project officer who documents the achievements and impacts of the project. However, the project officer relies on the organization to track results and articulate the multiplier effects. Some organizations are adept at this, understanding that well documented efforts in this area will likely facilitate future funding. Others operate on a less sophisticated basis, and view the evaluation of completed projects as a non-productive use of resources which could otherwise be devoted to new programming initiatives.

The nature of multiplier effects arising from EAP projects is described more fully in section 5.1.2.



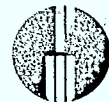
4.3.3 To what extent do EAP/NEDI activities/outputs complement, duplicate, overlap or work at cross-purposes with other programs?

There are a number of organizations involved in the promotion of entrepreneurship, each with their own objectives and mandate. The NEDI and EAP programs were created to fill a unique role in the field of entrepreneurship promotion, and to complement the activities of existing organizations. The extent to which they have met this objective is explored below.

NEDI

There are many organizations involved in the promotion of entrepreneurship, and NEDI's role is neither well understood nor clearly distinguished from that of others. Other programs that promote entrepreneurship exist at the federal, provincial, municipal, and non-governmental organization levels. Some concern has been raised that NEDI's objectives could be adequately accomplished by existing programs in each area of NEDI's mandate: research, education, business development, as well as in the coordinating or "umbrella" function:

- **Research:** There are a number of existing forums for academics to present their research and academic articles. They include the International Council of Small Business (ICSB); Canadian Council for Small Business and Entrepreneurship (CCSBE); and Gateway.
- **Education:** Two other organizations have been identified as playing a strong role in entrepreneurship education. They are Canadian Foundation for Economic Education (CFEE) and Foundation for Advancement of Canadian Entrepreneurs (FACE). Although recent



NEDI documents formally state an intention not to compete with other organizations, some case study participants and members of the expert panel criticised NEDI for a perceived lack of cooperation with these organizations. Both NEDI and CFEE are involved in developing educational materials on entrepreneurship, and in the associated teacher training. Others indicated that the role of NEDI vis à vis these organizations was complementary. A project which involves a partnership with FACE is scheduled for the 1992/93 fiscal year. Other organizations which play a prominent role in entrepreneurship education include provincial departments of education, regional coordinating bodies (i.e., Maritime Provinces Education Federation) and faculties of education at the various universities.

- **Business development:** At the start-up stage of a business, the entrepreneur requires a considerable amount of hands-on, practical advice. There are many other organizations involved in providing this type of assistance, including Federal Business Development Bank (FBDB), Chambers of Commerce, Economic Development Councils, and university sponsored business incubators.
- **"Umbrella organization":** NEDI's role as an "umbrella organization" has been strongly questioned, in view of the fact that many of the organizations expected to participate are reluctant to let NEDI assume this function. Examples of these comments include:
 - "NEDI's the new kid on the block and they want to be an umbrella for all these organizations who've been around for a while and built up their credibility - why would I want to get into that kind of arrangement unless NEDI could offer me something substantial that I don't already have....and they can't."
 - "An umbrella has to be bigger....there's no point in a little organization like NEDI with few staff to be an umbrella for the bigger organizations underneath it."

With respect to education, research and business development, NEDI duplicates, in part, the activities of other organizations. With respect to



providing an "umbrella organization", NEDI is not viewed as currently serving this function. Many of those who participated in the case studies and expert panel questioned the need for the Institute. They saw no distinct role for NEDI, and foresaw no negative consequences of the program being disbanded.

"Why is it necessary to have NEDI as the financial middleman? Couldn't the money be given directly to the eventual recipients in the form of directed funds?"

"If NEDI were to disappear today, nothing would happen except for that a few people would lose their jobs."

Those who do see a unique role for NEDI view the Institute as a neutral, national presence that is able to take on projects that would be too political for other organizations to handle. A particular strength that was emphasized was NEDI's ability to coordinate projects which require inter-provincial cooperation. Others note that although there are many other organizations promoting entrepreneurship, most of them operate within limited geographical, intellectual or functional boundaries.

In summary, some serious concerns have been raised regarding NEDI's role vis à vis other organizations involved in the promotion of entrepreneurship.

EAP

EAP has established a unique and meaningful role in the field of entrepreneurship promotion. Its absence would have a significant impact on the majority of projects which it has funded.



Many (75%) of those who responded to the telephone survey were aware of other programs designed to promote entrepreneurship. Some of those mentioned included:

- Community Futures;
- Federal Business Development Bank (FBDB);
- Ministry of Industry, Trade and Technology; and
- Employment and Immigration Canada.

It is interesting to note that in the telephone survey, NEDI was never mentioned as an organization involved in the promotion of entrepreneurship.

No respondent indicated that the EAP program was duplicating or working at cross-purposes to the efforts of these organizations. In fact, 69% of respondents indicated that they would have been unable to proceed with the project in the absence of funding from EAP. Other than cancelling the project, other consequences of not receiving funding would have been:

- the organization would have gone into debt;
- events would have been local rather than regional;
- there would have been no budget for guest speakers or for take-home material;
- there would not have been funds for promotion and therefore fewer participants in project;
- the project would not have been translated; and
- fees for participants would have been raised prohibitively.



Almost two-thirds of applicants indicated that EAP funding made it easier to obtain funding from other sources. Applicants commented that federal government involvement in and support for their project helped build credibility, and encouraged other levels of government and the private sector to buy-in. Survey respondents noted that EAP program staff were helpful in suggesting other potential funders and in helping the client position their project to other funders.

Summary

On the whole, EAP has achieved its objectives, while NEDI has met its objectives with limited success. Both organizations have shifted objectives since implementation. However, the shift at EAP was a sign of progress against initial objectives, while at NEDI, the shift reflected an acknowledgement that original strategies had not been effective. Both NEDI and EAP were able to generate multiple effects from their projects, although EAP has been more successful in this regard. Finally, EAP has been able to establish a unique and meaningful role among other organizations involved in promotion entrepreneurship. Many of these involved in the evaluation identified NEDI as duplicating and overlapping the activities of existing organizations. NEDI's role was not well understood.



5.0 Findings - EAP Specific

The evaluation issues raised a number of questions which were specific to the EAP program. These questions dealt with the impacts and effects of program activities, as well as issues regarding program delivery and alternative mechanisms for achieving the EAP objectives.

5.1 Impacts and Effects

To assess the impacts and effects of EAP to date, the Terms of Reference for the evaluation identified three key questions:

- To what extent have other sponsors (government and non-government) been generated?
- To what extent have other partnerships and/or initiatives been generated from the original contributions?
- To what extent has a shift in attitudes towards self-employment occurred in the target groups as a result of this program?

5.1.1 To what extent have other sponsors (government and non-government) been generated?

From an examination of EAP projects completed to date, EAP has been particularly effective in accessing other financial contributions for projects which the program has funded. Based on an examination of 64 EAP funded projects:

- 86% of the projects accessed private sector funds, 69% accessed other levels of government funding, 48% accessed other federal



government departments' funds, and 20% of funded organizations contributed their own funds.

- The average overall budget was \$131,280 (completed projects), and, on average, 44% of the funds came from the private sector, 21% from other levels of government, 19% from EAP, 12% from other federal government departments, and 4% from organizations that had received funding.
- The average EAP contribution was \$25,310 with an average private sector contribution of \$57,240.
- In 86% of the projects, two or more sources, other than EAP, were used to finance the project.

When the 64 projects were examined from a financial (as opposed to a project point of view), the 64 projects were funded in the following manner: 19% EAP; 12% other government departments; 21% other levels of government; 44% private sector; and 4% own organization. The term private sector, as used in these statistics, includes contributions made by universities and NGOs. EAP assistance has leveraged funding from a variety of sources including government (federal and other levels), as well as private sector sources. Funding from within the recipient organization was relied on to a much lesser degree. It should be noted that all of these contributions were not necessarily financial, as "in-kind" contributions were also accepted.

5.1.2 To what extent have other partnerships and/or initiatives been generated from the original contributions?

As a result of EAP funded projects, significant impacts have been felt which were beyond the scope of the objectives of the projects including



spin-offs, partnerships and other initiatives that have been generated as a result of the project.

As noted in Section 4.3.2, the majority of individuals who were involved in funded projects were able to identify multiplier effects. The types of spin-offs from EAP projects were generally in the area of an increased awareness and recognition for the organization that had received funding or a general increased awareness of entrepreneurship. Spin-off effects from case study projects were also examined and generally support the survey findings. Of the case study projects examined, four of the five projects reported spin-off activities that were beyond intended impacts of the projects. These unintended impacts included: dissemination of a the product (i.e., a video) to other than the intended audience (three cases); and the launch of a similar project in three other provinces that did not require EAP funding.

Half (50%) of the respondents with funded projects reported that the original contribution from EAP had been used to develop new partnerships or initiatives. The new initiatives that have occurred included new programs and the development of new areas within the organization (e.g., Centre for Student Ventures, international consulting, home based business project).

As a result of the EAP funded project, respondents reported that new partnerships had been developed with both private sector and public sector organizations. Among these partnerships created, most were either with the private sector (56%), or the public sector (29%), and a



smaller number were with universities or colleges (19%), or non-government organizations (13%).

5.1.3 To what extent has a shift in attitudes towards self-employment occurred in the target groups as a result of this program?

There are contradictory findings with respect to the extent to which there has been a shift in attitudes towards self employment as a result of EAP. Of the surveyed respondents, 65% felt that EAP had brought about a shift in attitudes towards self employment. As well, a mean score of 6.6 (0 "not important", 10 "very important") was given by respondents in terms of how important they felt EAP has been in shifting attitudes towards self employment. However, when asked to articulate exactly why there has been a shift in attitudes, 52% indicated that economic conditions were the major cause of the shift in attitudes, 9% felt that EAP had made a contribution to the shift, and 15% felt that there had definitely been a shift, but EAP was not linked to the cause of the shift.

To a certain degree, it is unrealistic to expect that a small dollar, national grants and contribution program would significantly shift attitudes towards self employment. What is more important however, is to determine how EAP has contributed to the shift towards self employment. When the data are examined from this point of view, EAP has made a contribution to the shift. The program has done this, according to survey respondents in a number of ways, but predominantly, the program has increased awareness of entrepreneurship and self employment. Comments provided by respondents include:



"People feel more confident and they realize that this is an avenue to pursue. This comes from understanding and knowledge."

"People are no longer scared of it (self employment) or running away from it."

5.2 Delivery/Alternatives

This issue was examined by addressing four specific questions:

- To what extent did the eligibility criteria established for the program match the target population?
- Did the application of the assessment criteria result in the selection of projects which contributed to the attainment of EAP/National Policy on Entrepreneurship objectives?
- What has been the program take up by region and by client group?
- Are there more cost-effective alternative programs (funded/non-funded) which might achieve the objectives and intended impacts and effects?

Since there is significant overlap between the first two evaluation questions, these issues are addressed together below.

5.2.1 To what extent did the eligibility criteria established for the program match the target population?

The funding criteria for EAP are generally well-understood and accepted. However, EAP has had limited success in gaining significant representation among key components of its target group, including ethnic and cultural groups, Aboriginal people and the aged. Some of



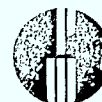
these target groups (i.e. Aboriginal people) can access funding through other levels of government and other ISTC programs.

Eligibility criteria for receiving EAP funding are available to applicants in a package that describes the terms and conditions for the program. Each request for funding submitted is evaluated by the ESBO based upon the following criteria:

- whether the project is directly related to the objectives of the National Policy on Entrepreneurship;
- the likelihood that the applicant will be able to complete the project within the time frame and budget proposed;
- demonstrated commitment to entrepreneurship development and education by eligible applicants;
- whether the project is innovative;
- support from other sponsors, especially the private sector; and
- it should not duplicate existing services.

The target population is also described in the General Terms and Conditions for EAP:

"Eligible recipients will be non-profit organizations whose interest is to assist and further entrepreneurship and small business development in support of the National Policy on Entrepreneurship. Included will be economic, business or technological institutes or foundations; national or regional associations or federations representing manufacturers, industry sectors, service industries, and special interest groups."



Further reference is made to target groups in the 1988 Statement of Policy for NEPI. The policy indicates that while the NEPI is aimed at all Canadians, the policy is particularly aimed at:

"... youth, women, students, the unemployed, new Canadians, ethnic and cultural groups, native people, large businesses with employees affected by downsizing, mid career individuals and the aged."

The data collection has indicated a number of findings with respect to the funding criteria for EAP. First, 79% of respondents in the survey (successful as well as unsuccessful applicants) said that the funding criteria were clear. Of the minority of respondents who reported that the criteria were not clear, most reported that their project had been turned down for funding and that they did not understand why it had been turned down. Only 21% of those interviewed reported that the criteria were confusing or difficult to understand.

In terms of the degree to which projects are reaching the identified target groups, the findings indicate that some target groups are overly represented among EAP projects while other target groups are under-represented or not funded at all. EAP has funded predominantly non-profit organizations with some funding to universities. However, in terms of the specific target groups outlined in the NEPI Policy Statement, EAP has mostly funded projects aimed at students/youth or at professionals (i.e., business people, government officials, academics, policy makers). The review of completed EAP projects indicated the following break-down of projects by target groups:

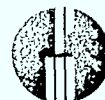


- 33% for youth and or students;
- 18% for professionals;
- 11% for women;
- 6% for new entrepreneurs;
- 5% for disadvantaged groups;
- 3% for ethnic groups; and
- 20% for the general audience or no particular target group.

A breakdown was also conducted of EAP dollars contributed to each target group:

- 43% youth;
- 17% professionals;
- 9% women;
- 7% new entrepreneurs;
- 6% disadvantage groups;
- 3% ethnic groups; and
- 15% general audience.

While the NEPI Policy Statement does not provide specific directions concerning the relative proportions of EAP funds to be allocated to each target group, some of the target groups have received minimal funding. The deficiency is especially apparent for disadvantaged groups, and ethnic and cultural groups, with no completed projects identified as specifically targeted at Aboriginal people, or the aged.



5.2.2 What has been the program take up by region and by client group?

From an examination of completed EAP projects from 1988 to September 1992, it is clear the program has funded projects across the country, but the emphasis has clearly been on Ontario (especially Toronto) and Quebec. The following bullets summarize the completed EAP projects:

- 69 projects have been conducted by 50 different organizations. A total of 19 organizations have completed more than 1 project, and some of these organizations have completed up to 5 EAP projects.
- The vast majority of organizations completing EAP projects to date have been non-government organizations, but 16% of the organizations which received funding were universities.
- Most of the completed projects have taken place in Ontario (36%) or Quebec (33%) with some in the West (17%) and the Atlantic provinces (13%). Projects in Toronto accounted for 21% of all EAP projects. The remaining projects have been located in 8 other provinces or territories. The only provinces/territories that have not had a completed EAP project are PEI and the North West Territories.

There are presently 39 projects 'in progress' and these projects display characteristics similar to completed EAP projects. Most projects come from Ontario (49%) and Quebec (21%). Projects in Toronto accounted for 33% of all EAP in-progress projects. In-progress projects are located in 7 provinces.

In interpreting this data, it should be noted that the headquarters for many non-governmental organizations are located in Quebec or Ontario.



Projects providing funding to organizations in Ontario and Quebec may have had intentions to target national audiences. Therefore, the benefits of some of the Quebec and Ontario based projects may accrue to people outside these provinces. As well, the National Conference on entrepreneurship has rotated using different sites for the conference.

5.2.3 Are there more cost-effective alternative programs (funded/non-funded) which might achieve the objectives and intended impacts and effects?

Those consulted for this evaluation report said there were few alternative programs that could achieve EAP's objectives in a cost effective manner. However, there were a variety of suggestions made to improve the cost-effectiveness of EAP. Suggestions made by respondents centred mostly around the project approval process. While most respondents found the funding criteria clear, 62% felt that something should be changed in the project approval process. Of these respondents, the most common changes sought to the project approval process were (not mutually exclusive):

- 35% wanted to see quicker turnaround time on applications submitted;
- 17% wanted the funding extended to for-profit groups; and
- 9% wanted to remove the maximum \$50,000 requirement.

Other suggestions included: removing the 50% outside funding criteria for projects; involving local people in the decision-making process; and increasing advertisement and communication concerning the program.



These findings were confirmed in the expert panel. Participants in the panel felt that the best funding programs for business were ones which: were logistically simple and straight forward; provided good and efficient services through the use of officers; had a fast turn around time for applications; and were staffed by local people. As well, there was an overall need to provide tangible assistance to entrepreneurs that was practical and could be used easily.

5.3 Summary

EAP projects have been very effective in generating other sponsors both government and non-government. In most cases, two or more funding sources have been accessed. The projects sponsored by EAP have also been effective in generating partnerships or new initiatives as more than half of respondents said the projects were used to develop new partnerships or initiatives. The extent to which EAP has shifted attitudes towards self-employment is somewhat limited due to the size of the fund, but EAP has made a contribution to this shift.

EAP has not been successful in funding the scope of intended target groups. This is the case for disadvantaged groups, ethnic and cultural groups and especially Aboriginal people and the aged.

The program has had a strong orientation to central Canada, especially Toronto, although some of the impacts from these projects will be national in scope.



The cost effectiveness of EAP was generally satisfactory, except for the project approval process where a majority of EAP clients felt that the turnaround time should be quicker, for-profit groups should be included, or the \$50,000 requirement should be reduced.



6.0 Findings - NEDI Specific

The Terms of Reference for the evaluation revised certain questions which were specific to NEDI. These questions dealt with the extent to which the Institute had achieved objectives, as well as alternative mechanisms for achieving NEPI objectives.

6.1 Objectives Achievement

To assess the degree to which NEDI objectives have been achieved, the following specific questions were outlined:

- To what extent has NEDI contributed to an increase in the quality and quantity of research on entrepreneurship and the dissemination of information in Canada (over and above what was done at the time of the establishment of the Institute)?
- To what extent has NEDI assessed, developed and promoted entrepreneurship education development policies in Canada?
- To what extent has there been increased business development (nationally) as a result of the Institute's initiatives?

These questions are explored in more detail below.

6.1.1 To what extent has NEDI contributed to an increase in the quality and quantity of research on entrepreneurship and the dissemination of information in Canada (over and above what was done at the time of the establishment of the Institute)?



NEDI has been reasonably successful at encouraging entrepreneurship research, but has not been effective in ensuring that the results are widely disseminated.

Several research projects have been conducted under the auspices of NEDI. Projects include:

- a study of the support service availability in the Western provinces;
- a study of the appropriateness of the Junior Achievement program for aboriginal communities; and
- an analysis of enterprise education in Canada.

Those involved in the above-mentioned projects indicated that it was unlikely that their studies would have taken place without NEDI involvement. Case study participants and members of the expert panel were supportive of research activities on two conditions: the results must have some practical application; and the results must be distributed. When presented with the research studies examples above, expert panel members were satisfied that these studies were sufficiently tangible and useful to the development of entrepreneurship in Canada. However, there is a perception that the research results are not, and will not be, adequately disseminated. This problem is associated with research efforts in general, and is not unique to the NEDI situation. It was suggested that any research proposal prepared for NEDI should have a detailed and practical dissemination plan as well as an outline of the research protocol.



There was concern that the original membership of NEDI was largely from the academic community, and that research, without true consideration of its practical application, was the thrust of NEDI activities. This is not supported by an examination of NEDI projects, but the high academic membership may have had an impact on general projects such as the focus of conferences, etc. Many of those interviewed during the case study process and from the expert panel were unfamiliar with NEDI's activities in the research area.

The field of entrepreneurship is not well established in university level academic circles. In order to establish entrepreneurship as a legitimate area, academics are publishing articles on theoretical issues which are often of little practical application to service providers and policy makers. Some suggest that NEDI should be taking research, analyzing its potential practical applications, and then distributing it to appropriate recipients.

There is one Canadian journal for entrepreneurship (Journal of Small Business and Entrepreneurship). NEDI participated in producing a special issue on entrepreneurship education in December 1991. Some report that the journal is not run effectively, and suggest that NEDI could potentially assume this role on an ongoing basis.

In summary, NEDI has promoted entrepreneurship research. This research has had a limited impact but the results have not been effectively disseminated.



6.1.2 To what extent has NEDI assessed, developed and promoted entrepreneurship education development policies in Canada?

NEDI has sponsored educational conferences, teaching materials and teacher training programs, but has not addressed the area of entrepreneurship education policy.

The majority of NEDI's activities have been in the field of education. The type of projects conducted fall into three major categories:

- **Conferences:** NEDI has sponsored two national conferences on entrepreneurship education, and is currently involved in planning a third. These conferences have provided a forum for an exchange of information among university, college, high school and elementary school teachers. Also in attendance were guidance counsellors, trustees, administrators and government policy officials.
- **Teaching materials:** NEDI has been involved in the development of a teaching guide and video set based on material from the television series *The Leading Edge*.
- **Teaching training:** NEDI is currently involved in managing the development of an in-service course for teachers in Alberta so that they will be prepared to teach the new Enterprise and Innovation curriculum being introduced in the province in 1993.

NEDI has not been active in the assessment, development or promotion of educational policy. Many of the provinces have already developed policies on entrepreneurship education and the level at which it should be taught. There is considerable variation among these policies, and NEDI has attempted to focus its efforts on activities which could potentially be useful to all provinces. The October 1992 business plan



for the Institute indicates that no future activity is planned in this area:
"NEDI is **not** a lobby group. It is not an arm of the government."

6.1.3 To what extent has there been increased business development (nationally) as a result of the Institute's initiatives?

No one interviewed in the case studies could link the development of a business directly to the Institute's activities. With the limited resources available to NEDI, in both human and financial terms, it is perhaps unreasonable to expect NEDI to have a significant impact in this area. Certain projects have attempted to encourage business development as part of their objectives. These include:

- a seminar on starting a business, which gave entrepreneurs and potential entrepreneurs information on the logistics of starting a business as well as practical advice on how to avoid common obstacles to entrepreneurship;
- "Becoming an Entrepreneur" newspaper series, along with its associated business case competition, is expected to encourage business development. The competition is a "call to action" for would-be entrepreneurs, encouraging them to take the first step to turn their vision into a reality; and
- conferences, teaching aides, and television series, through the presentation of entrepreneurial role models, may play a part in encouraging individuals to consider entrepreneurship as a career option.

Business development as an end in itself has not been a primary thrust of NEDI programming. At the start-up stage of a business, the entrepreneur requires a considerable amount of hands-on, practical advice. There are many other organizations involved in providing this



type of assistance, including Federal Business Development Bank (FBDB), Chambers of Commerce, Economic Development Councils, and university sponsored business incubators.

The role of encouraging business development (i.e., start-up and expansion) is critical. However, because there are so many other players in the field, it was recommended that NEDI train its focus elsewhere. There was a strong consensus among case study participants and members of the expert panel on this point.

6.4 Delivery/Alternatives

6.4.1 Is the NEDI concept an appropriate mechanism for achieving its objectives and those related to the National Policy on Entrepreneurship?

A number of concerns were raised with regard to NEDI as an appropriate mechanism for achieving NEPI objectives:

- NEDI's role as an "umbrella organization" has been strongly questioned, in view of the fact that many of the organizations expected to participate are reluctant to let NEDI assume this function.
- If NEDI is to continue to provide funding for certain projects, clear eligibility criteria should be established to determine which projects should be eligible and how to access the money.
- An arms length organization moving to a less ISTC dependent position, in terms of financing, may not necessarily support present or future policy of the federal government. In other words, an Institute that has an arms length relationship with government may not necessarily support a change in policy by the federal government towards entrepreneurship.



- There was some concern voiced during the expert panel regarding how NEDI would fit into any new government policies on trade and domestic prosperity.

In summary, NEDI has not had the resources, approach, or organizational structure to fulfil its mandate or achieve the objectives of the National Entrepreneurship Policy Initiative.



7.0 Conclusions

This evaluation study reviewed the Entrepreneurship Awareness Program and the National Entrepreneurship Development Institute. It included an examination of each program's rationale, achievement of objectives, impacts and effects, and delivery mechanism.

The evaluation results indicate that EAP is an effective program. The program is supportive of the NEPI and ISTC mandates. It has the activities, outputs and organizational structure required to address its mandate. EAP is highly regarded by its constituents. However, given the relatively low level of funding available, it can not achieve broad national impacts.

The program has concentrated its funding among certain target groups, and has not reached many of the groups specifically identified in targets under NEPI, (i.e., Aboriginal people, the aged, disadvantaged, ethnic groups).

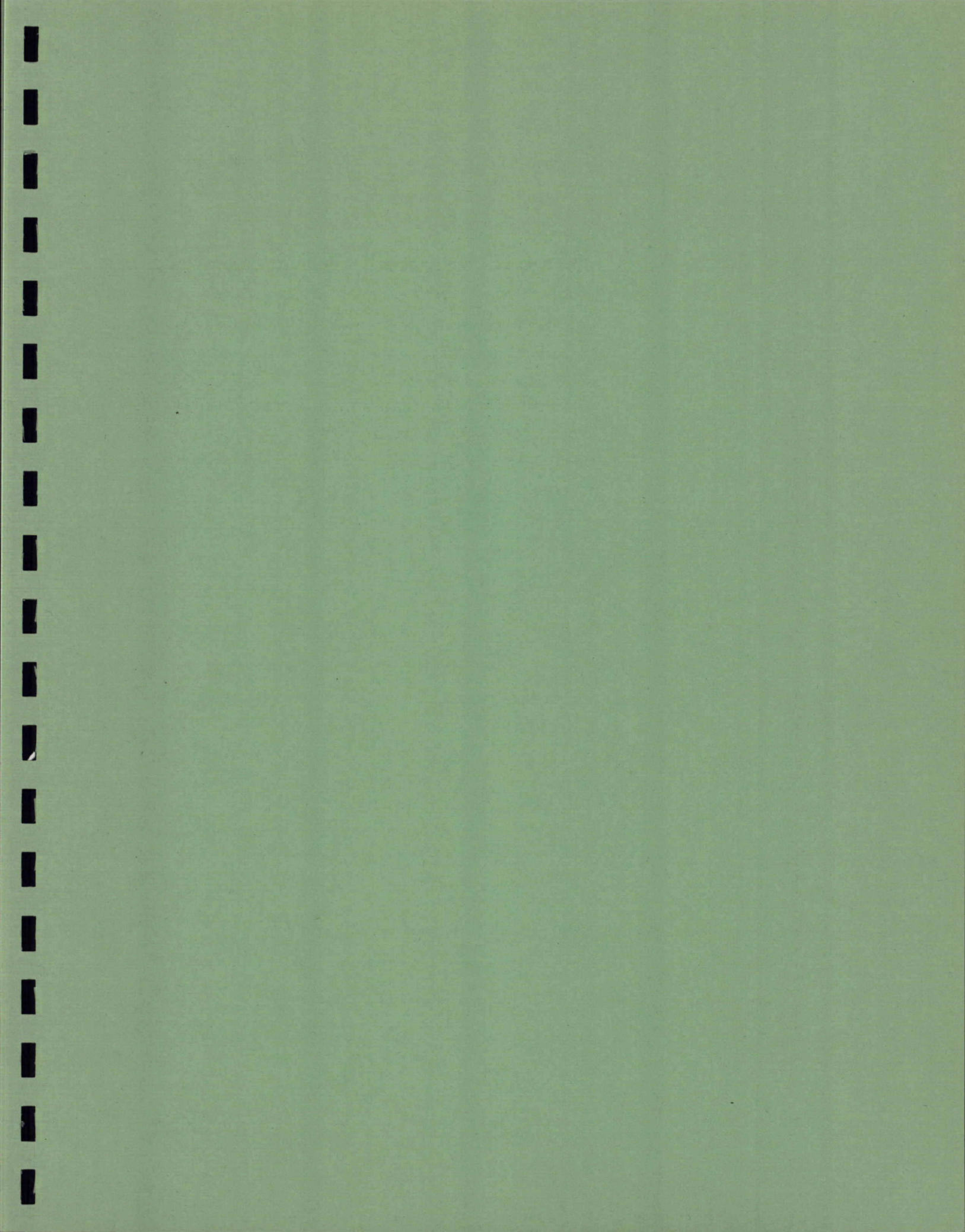
NEDI has experienced many difficulties in establishing itself as a national organization, and as a result, is limited in achieving its objectives. Many of those interviewed questioned the need and rationale for NEDI. NEDI has not generated the expected funding from other levels of government, NGOs, or the private sector. With respect to project funding and delivery, NEDI does not have formally stated project selection criteria. There is no established process to ensure that the most worthy projects are selected, or that the projects are consistent with NEPI and ISTC mandates. The Institute has only 100-



150 members which provides a weak infrastructure for the provision of programming. They did not understand the Institute's role, and did not see it as clearly distinguishable from that of other organizations.

The Institute underwent a change in leadership approximately one year ago and NEDI has recently developed a business plan, modified its organization and reoriented its activities. While these changes may address some or all of the shortcomings identified in this report, it is too early at this time to assess the impacts of these changes.





Industry, Science and Technology Canada

**Final Report of the Evaluation of the
National Entrepreneurship Policy Initiative**

Appendices

January 13, 1993



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Appendix A

Case Study Protocol



Appendix A - Case Study Protocol

Case Study Outline

1. Introduction
2. Description of the project:
 - objectives
 - duration
 - funding
3. Interaction with EAP/NEDI
 - awareness
 - application process
 - ongoing interaction during project
 - post-completion interaction
4. Issues or problems
5. Impacts of the project
 - immediate impacts
 - impacts on entrepreneurship (eg new partnerships, new initiatives, etc.)
6. Impact of EAP/NEDI on the project



Case Study Interview Guide

Price Waterhouse has been hired by Industry Science and Technology Canada to conduct an evaluation of two funding programs which they sponsor: the Entrepreneurship Awareness Program, and the National Entrepreneurship Development Institute. As part of this evaluation, we are conducting case studies of 7 projects. One of the projects selected is the _____. I would like to ask you some questions about the project.

ISTC Official

1. Can you give me a brief description of the project?
 - participants
 - objectives
 - duration
 - funding
2. What was your first contact with the project?
3. What was your role in the selection/administration of the project?
4. Do you continue to have any involvement with the group/project now that the project is complete?
5. Were there any issues or concerns that arose during the project? If so, what were they and how were they resolved? Did you have a role to play in their resolution?
6. In your opinion, what were the immediate impacts of this project? Were there any longer term impacts - eg new partnerships, new initiatives?



7. Did the project have a positive impact on entrepreneurship in Canada?
8. How important was the role of NEDI/EAP in the success of this project? Would the project have taken place without funds from these groups?
9. Are you aware of a user or beneficiary of this project who it would be helpful for us to talk to?

Project Representative

1. Can you give me a brief description of the project?
 - participants
 - objectives
 - duration
 - funding (all sources)
2. How did you become aware of the funding program?
3. What made you decide to apply?
4. Were there any challenges or obstacles which you encountered during the application process?
5. How were you able to locate other sources of funding?
6. What was your relationship with program staff? How did it change over the course of the project?
4. Do you continue to have any involvement with the program now that the project is complete?



5. Were there any issues or concerns that arose during the project? If so, what were they and how were they resolved? Did ISTC staff have a role to play in their resolution?
6. In your opinion, what were the immediate impacts of this project? Were there any longer term impacts - eg new partnerships, new initiatives?
7. Did the project have a positive impact on entrepreneurship in Canada?
8. How important was the role of NEDI/EAP in the success of this project? Would the project have taken place without funds from these groups? What was the key benefit in becoming involved with ISTC? Were there any drawbacks?
9. Are you aware of a user or beneficiary of this project who it would be helpful for us to talk to?

User/Beneficiary

1. Can you give me a brief description of the project?
2. How did you find out about the results of this project?
3. How do you use the results of the project?
4. Do you think that the results of this project have benefitted entrepreneurship in Canada?
5. Did you know that this project received funds from federal government programs?



Appendix B

Case Study Summaries



Appendix B - Case Study Summaries

Inventory of Enterprise Education in Canada

1. Introduction

This research study attempted to quantify the nature and scope of enterprise education in Canada.

2. Description of the Project

Status: completed

Origin: The research plan was originally prepared in the US for ACE (Association of Collegiate Entrepreneurs). One of the researchers involved in this study moved to Canada and met Wayne Long, who suggested that a similar study be performed in Canada. This study focused exclusively on the 92 Canadian universities. The study was published under the ACE and NEDI names, although it was funded entirely by the University of Calgary. The names of these two entrepreneurship organizations were used to lend the study an air of neutrality and lend some credibility when the telephone calls were made. The Executive Director of NEDI subsequently approached the researcher to do a similar study, this time focusing on high schools and community colleges. This portion of the study was funded entirely by NEDI.



How it worked: The study was conducted in two phases. The first looked at enterprise education in high schools across the country; the second at junior and community colleges. The study was conducted by telephone, with calls to various members of each academic institution. They were asked what programs they offered in entrepreneurship, who the programs were geared to, and what the thrust of the course was. The results were tabulated and compiled in a comprehensive volume, which is being sent to all NEDI members. The compilation has also been advertised in NEDI Notes and in conference mailings, available at a cost of \$15. The results of the high school study were presented at the 2nd National Conference on Entrepreneurship Education in June 1992. The researcher has also been able to present the results to the academic community through the Journal of Small Business and Entrepreneurship.

Partners: The study was commissioned by NEDI and was conducted by researchers at the University of Calgary.

Date:	Phase I (universities)	Summer 1991
	Phase II (high schools)	June 1992
	Phase III (colleges)	September 1992

3. Interaction with NEDI

The researcher was approached to conduct the study based on his previous work in the area. Once the contract had been awarded, progress reports were sent on a regular basis to the Executive director. Other than the issue identified below, there was a positive working relationship between the researcher and NEDI.



4. Issues or Problems

There some confusion regarding the interpretation of the scope of the assignment. The researcher assumed that it included high schools only, while the Executive Director believed that community colleges were also within the terms of reference.

There was some concern that the study has not ben widely disseminated, and therefore action based on study results is not taking place. The Executive Director of NEDI is considering this issue, and may disseminate the results through the publication of articles in NEDI notes.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. This was not directly an objective of the study.

Remove obstacles to entrepreneurship. This was not directly an objective of the study.

Advance the interests of entrepreneurs and small business. This was not directly an objective of the research study.

Encourage the start-up and growth of small firms to medium-sized businesses. This was not directly an objective of the research study.



Further enhance regional economic development through local decision making and entrepreneurship. This was not directly an objective of the research study.

6. Impact of NEDI on the Project

The project would not have taken place without NEDI funding. NEDI also gave the project credibility. The researcher reported that people were willing to give data to NEDI, but may have been reluctant if the study had been sponsored by the University of Calgary (because of perceived competition issues).



"Becoming an Entrepreneur" Newspaper Series

1. Introduction

This project is a series of 13 newspaper articles which examine some of the issues encountered in starting up a business.

2. Description of the Project

Status: in progress

Origin: The series was based on similar initiatives from Saskatchewan and Quebec newspapers. The material had to be adapted for publication in the Atlantic region. NEDI representatives approached ACOA and the Daily News to see if they would be interested in the concept.

How it worked: The newspaper articles from other provinces were given to an Acadia University business professor so that he could modify them for Atlantic Canada. These modifications included using Atlantic region statistics and contact numbers, as well as any appropriate changes regarding legislation, etc.

The Halifax Daily News was chosen as a pilot paper to run the articles. If successful, the project will be "rolled out" to other cities in the region. The Daily News was chosen primarily because it expressed interest in the venture, and because it was expected that there would be interest for this type of business reporting in the Halifax market. The Halifax



Daily News is a daily tabloid that primarily serves the metro market. It is not considered a business paper, but rather has strengths in coverage of local news and sports.

Along with the newspaper series will be a Business Case competition. Readers will be asked to submit a business case following the guidelines and suggestions outlined in the series. A panel of judges representing the partner organizations has been selected, and care will be taken that the prizes will be awarded to "real entrepreneurs" as opposed to academics who are practised at preparing business cases. Prizes will be geared to the needs of a small business, and will likely include items such as free fax service, office furniture, photocopying certificates, etc. To date, it has been relatively easy to attract sponsors, particularly because the requests are for merchandise/product rather than cash donations.

Location: Halifax, Nova Scotia

Partners:

NEDI	\$10,000
ACOA	\$50,000
Daily News	No financial contribution, but are contributing advertisements leading up to the start of the series, and the time of the publisher in attracting sponsors for the business case competition, etc.
Private sector sponsors	prize donations - value assigned in NEDI plans - \$20,000



Date: The series is currently in the planning stages and is expected to be run in Spring 1993.

3. Interaction with NEDI

The newspaper was approached by the NEDI Atlantic representative to publish the series of articles. It was presented as a "no-lose" situation, as the NEDI/ACOA group were purchasing the space necessary for the articles. Since the paper agreed to participate, there has been constant communication with the NEDI/ACOA group to work out the details of the business plan contest, attract appropriate sponsors, etc.

4. Issues or Problems

No interviewee was able to identify any problems or concerns which had occurred during the planning process to date.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The Daily News has a Sunday circulation of 40,000 and is the only Sunday paper in the province. They have a 30% penetration rate. This broad circulation and prominent featuring of the entrepreneurship series should increase public awareness of entrepreneurship.

Remove obstacles to entrepreneurship. The content of the series deals with specific problems that entrepreneurs may face in starting a



business, and walks them through the steps involved in addressing these issues.

Advance the interests of entrepreneurs and small business. The business plans will be reviewed and the judging panel will provide comments. This may advance the interests of the entrepreneurs who submit business cases to the contest.

Encourage the start-up and growth of small firms to medium-sized businesses. Through publication of the series, and encouraging readers to take the initial step and prepare a business plan, it is hoped that this series will encourage business start-up in the province.

Further enhance regional economic development through local decision making and entrepreneurship. This objective should be accomplished through the achievement of the preceding objectives.

Spin-off activities: If this series proves to be successful, newspapers in other areas of the region (St. John, Fredericton, Moncton, Charlottetown) will be approached.

6. Impact of NEDI on the Project

NEDI was able to take a concept that had been successful in other areas of the country and adapt it to the Maritime region.



The Leading Edge: Part I

1. Introduction

This project involved the production of a television series profiling entrepreneurs and exploring issues associated with entrepreneurship.

2. Description of the Project

Status: completed

Origin: ACOA (Atlantic Canada Opportunities Agency) developed a strategic plan to promote entrepreneurship in the Atlantic region. The individual who conceived the plan identified an obstacle as the lack of information on successful regional entrepreneurs, who could serve as role models for those considering entrepreneurship. She had heard of a television program in Saskatchewan that profiled local entrepreneurs, and considered replicating this idea in the Atlantic region. NEDI was approached to be a partner in the project, and MITV television network was approached to produce and broadcast the program. This network is relatively new, and is interested in programming which allows it to develop a unique Maritime focus. Because of this, it was interested in the project.

How it worked: A weekly television series was produced, featuring at least two local entrepreneurs per episode. Each entrepreneur was filmed on location. Each show had a specific theme (ie. training, developing a business plan, arranging financing, etc.) and studio guests



were present to speak on the various topics. The show is broadcast on Sunday evenings for 22 weeks on the MITV network, which currently has a 75% penetration of the Maritime region. Copies of the show are available if requested, and NEDI has unrestricted use of the research and material from the program.

Partners:

MITV: \$229,409
ACOA: \$238,650

Date: The program was broadcast during the 1991-92 television season.

3. Interaction with NEDI

NEDI representatives were closely involved with the other partners at all stages of the project. They helped determine the format, worked with the production of the episodes, provided names of entrepreneurs who might be of interest, etc.

4. Issues or Problems

No issues or problems were identified.



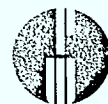
5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The project brings the entrepreneurship message using television. This is a medium which people often turn to when looking for information. BBM listing indicate that there were an average of 17,000 viewers per episode (key markets only). A survey done in the Halifax and St. John areas indicated that 10% of the population has seen the show at least once, with viewership highest among the 25-44 age group. Four percent of the viewers were self-employed (versus 13% regional average). This may indicate that the show is appealing to those who are considering the option of entrepreneurship. The network reports that it receives many phone calls and letters from viewers asking for more information, requesting to be profiled, suggesting additional topics, etc.

Remove obstacles to entrepreneurship. The show is centred around themes which often address how to deal with obstacles (ie. financing, production, training).

Advance the interests of entrepreneurs and small business. The show has been advantageous for those who have been profiled. It may also have some positive influence on policy makers or service providers who may be viewers.

Encourage the start-up and growth of small firms to medium-sized businesses. Only 4% of viewers are self-employed, versus a 13% regional average. This may indicate that viewers are interested in starting their own businesses. The show also has many segments



devoted to assisting entrepreneurs with start-up and growth related issues.

Further enhance regional economic development through local decision making and entrepreneurship. This is the message behind the program, encouraging Atlantic Canadians that entrepreneurship is a viable route to enhancing regional economic development.

Spin-off activities: After they were profiled by the show, many entrepreneurs reportedly noticed growth in their businesses. A second set of 22 episodes has been produced. Footage from the show is being incorporated into the Leading Edge teachers guide and video series.

6. Impact of NEDI on the Project

They helped determine the format, worked with the production of the episodes, provided names of entrepreneurs who might be of interest.



The Leading Edge: Part II

1. Introduction

This project picked up where the Leading Edge Part I left off, and a second season of television shows based on a similar format were produces.

2. Description of the Project

Status: in progress

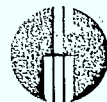
Origin: The Leading Edge's first season was perceived to be successful, and it was decided to continue with the concept.

How it works: The show will continue to be broadcast weekly and will maintain its focus of presenting the issues facing local entrepreneurs. New hosts have been assigned to the show, including Don Tremayne, a long-time CBC Maritime personality, and Vanda Jackson, formerly of CBC Windsor. The MITV network, over which the show is broadcast, has expanded its penetration and is now accessible by Cape Breton residents.

Partners:

MITV: \$241,000

ACOA: \$248,000



Although the total amount has increased, the participants are contributing in the same ratio as they were with the Leading Edge - Part I.

Date: The program is being broadcast during the 1992-93 television season.

3. Interaction with NEDI

The process is much the same as was used in the planning and development of the Leading Edge - Part I, with all partners having an active voice in decisions.

4. Issues or Problems

No problems have been identified.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The project brings the entrepreneurship message using television. This is a medium which people often turn to when looking for information. BBM listings for the 1992-93 season are not available yet, but 1991-92 statistics indicate that there were an average of 17,000 viewers per episode (key markets only). The network reports that in the second season it still receives many phone calls and letters from viewers asking for more information, requesting to be profiled, suggesting additional topics, etc.



Remove obstacles to entrepreneurship. The show is centred around themes which often address how to deal with obstacles (ie. financing, production, training).

Advance the interests of entrepreneurs and small business. The show has been advantageous for those who have been profiled.

Encourage the start-up and growth of small firms to medium-sized businesses. Only 4% of viewers are self-employed, versus a 13% regional average. This may indicate that viewers are interested in receiving information on starting their own businesses.

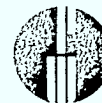
Further enhance regional economic development through local decision making and entrepreneurship. This is the message behind the program, encouraging Atlantic Canadians that entrepreneurship is a viable route to enhancing regional economic development.

Spin-off activities: After they were profiled by the show, many entrepreneurs reportedly noticed growth in their businesses. The footage from the show will be incorporated into the Leading Edge teachers guide and video series which is currently in production.



6. Impact of NEDI on the Project

They helped determine the format, worked with the production of the episodes, provided names of entrepreneurs who might be of interest.



First National Conference on Entrepreneurship Education

1. Introduction

This conference represented one of NEDI's earliest initiatives, and brought together educators from across the country.

2. Description of the Project

Status: completed

Origin: Two original NEDI members decided that it would be appropriate to hold a conference which would allow the many individuals involved in entrepreneurship education to come together and discuss their ideas and strategies. They contacted the Deputy Ministers of Education in each of the provinces and asked for a representative to sit on the conference planning committee. The conference was designed to give NEDI a "face" in the entrepreneurship community and to help NEDI understand the needs of the educational community.

How it worked: The conference was held in Toronto and presented the first opportunity for those involved with entrepreneurship education to meet and develop networks. There were representatives from all levels of education, as well as many policy makers and academics. The majority of attendees were teachers at the high school level.



Partners: This event was funded by NEDI, although most of the costs were offset by conference registration fees. Apple computers donated draw prizes.

Date: June 1990

3. Interaction with NEDI

For many of the conference delegates, this was the first opportunity to deal with NEDI. Many who attended referred to the session as "exciting" and "high energy", thus generating a positive impression of NEDI. However, many learned from planning committee members about the perceived political struggles and lack of financial accountability, which clouded their impressions of the organization.

4. Issues or Problems

There were differences among members of the planning group regarding the appropriate focus of the conference. Eventually, the planning group divided its duties, with some members focusing on the program of the conference while others focused on the operational issues of getting the conference off the ground.

The financial breakdown of conference revenues and expenditures was never given to the planning committee, and there was therefore some concern about how the funds had been spent.



5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The conference was not aimed at general public, but rather at the segment of the population involved in entrepreneurship education. For this group, the conference was able to raise their awareness of entrepreneurship activities in other regions of the country.

Remove obstacles to entrepreneurship. Through the establishment of networks at the conference, participants had many more resources to draw upon when they were faced with obstacles.

Advance the interests of entrepreneurs and small business. This was not directly an objective of the conference.

Encourage the start-up and growth of small firms to medium-sized businesses. This was not directly an objective of the conference.

Further enhance regional economic development through local decision making and entrepreneurship. This was not directly a goal of the conference.

Spin off activities: As a result of this conference, another similar event was held in Moncton in 1992, and a third conference is planned for 1993. Since the conference brought together many with similar interests for the first time, it was the beginning of many networks for future entrepreneurship activities (i.e. the Henson College regional conference on self-employment).



6. Impact of NEDI on the Project

The conference established the NEDI name in the field of entrepreneurship education. The organization provided a coordinating body so that for the first time entrepreneurship educators could meet and share information. The issues identified with the organization and financial accountability of the conference discouraged those who had helped organize the conference, who in turn passed the information on to their associates.



Henson College Regional Conference on Self-Employment

1. Introduction

This was a conference to promote awareness and development of self-employment across the four Atlantic provinces as a career option for disadvantaged workers. It was aimed at entrepreneurs and those providing services to the self-employed.

2. Description of the Project

Status: completed

Origin: Two of the key players in organizing the conference (Doug Meyers of Henson College and Peter Nares of SEDI) were brought together at the First National Conference on Self Employment in Toronto. They then discussed the idea of having a self-employment conference in the Atlantic region.

How it worked: Just over 200 delegates attended a regional conference on self-employment which took place in Halifax. The conference looked at four key topics:

- self-employment in action;
- what is self-employment and how should we think about it;
- public policy framework; and



- training and support services: program profiles and issues in delivery.

Highlights of the conference included a presentation of an entrepreneur's struggle to access credit, a panel discussion of cabinet ministers from the four provinces, and a closing speech from the federal Minister of Employment and Immigration, Barbara MacDougall.

Partners:

EAP	\$25,000
EIC	\$25,000
ACOA	\$20,000

Henson College (Dalhousie University); Extension and Community Affairs (University College of Cape Breton); Department of Extension (St. Francis Xavier University); and Self Employment Development Initiative (SEDI) were all partners in the conference planning who made non-financial contributions to the event.

Date: 2 days and one evening in November 1991

3. Interaction with EAP

The organizers knew of EAP from its involvement in the First National Conference, and prior to that through informal channels. One of the organizers dealt frequently with government funding programs and was well informed of what was available. Other than through the application



process and reimbursement process, there was little interaction with EAP project staff.

4. Issues or Problems

The organizer responsible for the administrative end of the project had not worked with many government grants and contributions programs before. He perceived that there were too many strings attached - EAP should work to strike the right balance between allowing organizers sufficient freedom to operate versus management accountability. These concerns pertained particularly to the way in which the EAP program considers eligible costs.

Organizers were concerned that EAP was not able to fund any costs for the development of the funding proposal, and that they were unable to cover staff costs for administration of the project. It was perceived that good project management is essential to the successful outcome of a project, and thus should be eligible for EAP funding.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The conference was able to accomplish this objective in that it provided an opportunity for people involved with many aspects of entrepreneurship to interact with each other. The conference received coverage in the local papers and in the Nova Scotia Business Journal. It expanded the concept of entrepreneurship to include self-employment.



Remove obstacles to entrepreneurship. Although many of the community agency representatives at the conference became aware of self-employment as an option for their clients, they have not since developed a series of specific ideas that would help people turn the corner.

Advance the interests of entrepreneurs and small business. The individuals highlighted at the conference were "striking but not unique examples of people who could generate meaningful employment and be economically independent." The policy makers who attended the conference were thus made aware of the contribution self-employed individuals could make to the economy.

Encourage the start-up and growth of small firms to medium-sized businesses. One of the organizers was disappointed in that he saw many of the obstacles to self employment were still there. He perceived that there were programs designed to set up conventional small business but few designed to develop the base to include self-employment.

Further enhance regional economic development through local decision making and entrepreneurship. Although this is a desirable outcome, it was not the immediate objective of the conference.

Spin-off activities: Conference organizers were somewhat disappointed with what they perceived to be the lack of effective spin-off activities from the conference. It was noted that this conference marked the



initiation of many new networks in the regional entrepreneurship circle, and was useful in this regard.

6. Impact of EAP on the Project

Without EAP, the conference would likely have been only Nova Scotia rather than a regional conference. It was noted that money to fund conferences is very difficult to obtain from other sources. EAP is filling a key role in this respect, as conferences are critical to generating awareness of entrepreneurship issues and in developing networks of individuals interested in entrepreneurship.

The organizers reported that "most people are afraid of funding conferences" , and applauded EAP for providing financial assistance for this much needed activity. They noted that this was particularly true for the subject of self-employment, which they perceive is considered trivial by big business while they perceive that organized labour views it as a means to close down factories.



In-Service Education for Teachers

1. Introduction

This project involves the development of an in-service education program for teachers of "Enterprise and Innovation" course offered in Alberta high schools. The course is being piloted in the University of Calgary's catchment area.

2. Description of the Project

Status: in progress

Origin: The idea was the result of a NEDI (Alberta Enterprise Council) brainstorming session where the group were looking for ways to fulfil their education mandate. The timing coincides with the introduction of an "Enterprise and Innovation" curriculum by the provincial Department of Education.

How it will work: The in-service is designed as a pilot program for teachers who work within the University of Calgary's catchment area. A notice about the course was sent out to approximately 700 of these teachers, and 40 sent in a slip requesting more information. A survey was sent to these teachers asking them how they thought the course should be structured, what were they looking to get out of the course, etc. The consultant who developed the curriculum has been asked to develop and lead the course, based on input from the survey. The course will consist of 20 hours: 8 hours one weekend and 8 hours two



weeks later. In between the two sessions, teachers will be asked to design and implement a hands-on project. This will allow them to have some practical application of their learning and to discuss what happened with their colleagues.

Partners: The expenses of the event will be offset by the revenue generated from enrolment. NEDI has agreed to make certain contributions, in the form of guest speakers, travel costs for guest speakers, etc. should these be chosen to enrich the program. NEDI plans to charge a small management fee for its organizational services.

Date: The planning process has been underway since early summer 1992, with the course scheduled for delivery in March 1993.

3. Interaction with NEDI

The NEDI representative chairs the steering committee, and is extremely active in bringing together the "right" people for the project. Other participants in the project recognize NEDI as effective in the role of identifying individuals with key expertise and in ensuring smooth and regular communication.

4. Issues or Problems

To date, no major obstacles have been encountered in the planning process.



5. Impacts of the Project

The group is now deciding on means of measuring the impacts. They feel that enrolment for the initial offering, as well as any second offerings, will be an indicator. As well, they plan to have the teachers fill out an assessment immediately after the course, and are considering the possibility of conducting a follow-up survey after the teachers have had a chance to incorporate their plans in the classroom.

Enhance public awareness of the importance of entrepreneurs. The project is aimed at teachers of enterprise education rather than at the general public. The course will provide teachers with ideas on how to implement the new curriculum and how to encourage an enterprising attitude among their students. This will assist in promoting an awareness of entrepreneurship among students.

Remove obstacles to entrepreneurship. The Enterprise and Innovation course is designed to give students the tools required to deal with obstacles which they might encounter in an entrepreneurial situation. This in-service program will assist teachers in effectively communicating these tools.

Advance the interests of entrepreneurs and small business. This is not a direct objective of the project.

Encourage the start-up and growth of small firms to medium-sized businesses. This is a desirable long term outcome but is not a specific goal of the in-service program.



Further enhance regional economic development through local decision making and entrepreneurship. This is a desirable long term outcome but is not a specific goal of the in-service program.

Spin-off activities: If the pilot is deemed successful, it will be expanded to the teleconference network, and potentially to other provinces.

6. Impact of NEDI on the Project

NEDI was instrumental in bringing all the key players together. It is an issue that must be handled in a sensitive nature, because of such factors as:

- teachers are unionized.
- teachers have been criticised by the local Chamber of Commerce
- teachers as a group may not be naturally entrepreneurial

All of these factors meant that the program had to be presented carefully. NEDI was seen as a neutral organization with interests in both education and entrepreneurship.



Adaptation of Junior Achievement Material for Aboriginal Communities

1. Introduction

This project involved modifying the Junior Achievement program so that it would be more appropriate to meet the needs of native communities. Two separate initiatives were undertaken; one in Quebec and the other in Alberta. The focus of this case study is on the Alberta initiative.

2. Description of the Project

Status: in progress

Origin: The NEDI member who spearheaded the project attended a conference where it was suggested that the mandate of each council member was to go back to their communities and pursue projects that will promote entrepreneurship. The NEDI member had a background in working with native communities, and was interested in finding a vehicle for bi-cultural business development. With the assistance of NEDI and \$15,000 raised through private sector foundations, a research study was conducted to determine which factors should be considered in adapting Junior Achievement to native communities.

How it will work: The research study showed that the Junior Achievement concept could adapt well to the native culture, as long as a few minor modifications were made. These primarily concerned changes in terminology. The Siksika Nation reserve in Alberta was



chosen to pilot the program. It was selected for its proximity to Calgary, its well-developed infrastructure, and the receptiveness of its chief to the Junior Achievement concept. The project has been introduced to the Siksika Nation's Band Council and the Board of Education, receiving approval from both bodies. Because native "ownership" of the program was seen to be a key success factor, a member of the Band Council was selected to be the program manager. The NEDI representative's role was to assemble an advisory committee (which would provide expertise on which the program manager could draw), and to assist in raising funding for the project. The pilot will operate as an afterschool program. At its conclusion, an evaluation will be conducted and a report will be prepared on whether the pilot project can or should be rolled out to the rest of the province.

Partners: The funding arrangements for the pilot project have not been finalized. The current thinking is that the money will be raised from private sector foundations. The organizing committee does not plan to approach either NEDI or the federal government for funding assistance.

Date: The pilot project in Alberta is scheduled to be implemented in January 1993, pending acquisition of required funding.

3. Interaction with NEDI

A volunteer NEDI representative in Alberta spearheaded the project. She had extensive involvement with the project, chiefly in the planning stages. She performed a key role in assembling all the stakeholders and in ensuring the flow of communication.



4. Issues or Problems

The Quebec-based project radically changed the concept of Junior Achievement and eventually was not endorsed by the organization. Junior Achievement representatives considered that communication between the two groups was poor. By contrast, communication has been very good with the project in Alberta.

The Junior Achievement organization had some concerns about funds being raised specifically for this project among local companies. Junior Achievement conducts its own fund-raising activities and would be reluctant to lose any control of this aspect of its revenue generation.

NEDI representatives filed a funding application (to run the pilot) with another ISTC program and were not satisfied with the manner in which their application had been handled. They have elected to turn down government funding and generate all funds needed to run the pilot project from private sources.

The reserve originally approached to do the pilot was not interested in a "white" solution to their business education needs. Although this hurdle has been overcome with the current pilot site, the issue will have to be addressed in the roll-out of the program.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. This project was aimed at very specific segment of the population, namely native



youth. It is hoped that the project will foster a heightened awareness of entrepreneurship among this group.

Remove obstacles to entrepreneurship. The initial research demonstrated that natives face a cultural barrier to entrepreneurship, as most business is conducted in a "white" manner. It is expected that the presentation of a bi-cultural junior achievement program will help alleviate these obstacles.

Advance the interests of entrepreneurs and small business. This program is aimed at encouraging new entrepreneurs rather than advancing the interests of existing entrepreneurs and small business.

Encourage the start-up and growth of small firms to medium-sized businesses. The junior achievement program will allow the students to go through all stages of a business: from initial idea development to dissolution of the company. It is hoped that native children will find this to be a positive experience and may be better equipped to start their own businesses.

Further enhance regional economic development through local decision making and entrepreneurship. It is expected that the entrepreneurial concept, presented in a bi-cultural fashion, will assist native communities to become more economically independent.

Spin-off activities: Should the pilot prove successful, it will be rolled out to other reserves in Alberta. Several Band Councils have already expressed some interest in the project.



6. Impact of NEDI on the Project

Although NEDI as an organization is not closely involved in the day-to-day operations of the project, the member responsible for spearheading the initiative reports that she would not have done it without NEDI. NEDI provided her with the vehicle, as well as access to key resources (such as Wayne Long at University of Calgary).



University of Manitoba Research Study

1. Introduction

This research study attempted to identify factors that played a major role in the development of small businesses and assess the effectiveness of existing support systems.

2. Description of the Project

Status: completed

Origin: A number of Canadian academics had been in South East Asia at a conference on entrepreneurship. At this conference, delegates attempted to identify areas of research which could be pursued across various countries. Identifying and examining support systems used by entrepreneurs was one such topic. It was decided to pilot the study in Manitoba (because the chief researcher was based out the University of Manitoba), and then role it out to other regions of Canada and abroad.

How it worked: A survey was conducted of 500 new businesses in Manitoba and 74 organizations thought to be possible providers of support services to the small business sector. A 40% response rate was achieved from the small businesses, and a 60% response rate was achieved from the organizations. From the survey information, the researchers prepared a report profiling businesses which had been created in the past five years, including the financial supports used and the problems which they had encountered.



was accepted because it was a pilot, and because it might help ESBO in setting future policy directions.

During the course of the project, there was little interaction with EAP project officers. The researchers were satisfied with this arrangement, as they felt that no further involvement was necessary.

4. Issues or Problems

Because EAP only funds non-profit organizations, the applicant had to be the University of Manitoba rather than the individual who was to conduct the research. All contracts at University of Manitoba must be channelled through the Office of Research Administration. This had negative financial implications for the project, since a 35% management fee is charged by the University.

There were a number of administrative issues which were slow to be resolved. It took five months for the details of the contract to be finalized and payment in full was not received until six months after the contract had been completed. This was not directly of concern to the research team, as they were funded in advance from the Office of Research Administration.

There was some concern that the full value of the study has not yet been realized because of slow dissemination of the results. Although the findings had been given at conferences and papers, no active efforts had been made to distribute it to other potential beneficiaries (i.e. Canadian Bankers Association, Chambers of Commerce, Boards of



Trade, etc.). It was mentioned that this was a role which could potentially be filled by NEDI.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The study addressed only a specific segment of the public, namely policy makers. Their awareness of certain components of the small business spectrum (i.e. self-employment) was heightened through the conferences and papers prepared on the results.

Remove obstacles to entrepreneurship. The recommendations of the research study addressed potential solutions for removing barriers to entrepreneurship. It also highlighted the support programs of which entrepreneurs most frequently took advantage.

Advance the interests of entrepreneurs and small business. The conclusions of the research study were designed to provide guidance and direction for policy makers so that they can better meet the needs of entrepreneurs. As a result of the findings, the Manitoba government launched a program for home-based businesses.

Encourage the start-up and growth of small firms to medium-sized businesses. The study focused on identifying which support services were most favoured by entrepreneurs. Now that it is better understood where entrepreneurs turn, these services can gear their operations to better serve entrepreneurs. If support services are geared to



appropriately meet the needs of entrepreneurs, this should in turn encourage new business start-ups.

Further enhance regional economic development through local decision making and entrepreneurship. Providing recommendations on how to improve local support services should eventually lead to the achievement of this objective.

Spin-off activities: Based on the format of the Manitoba study, similar project were launched in the other three western provinces. Because of the interest in the original results, the follow-up projects were able to attract sponsorship from other sources and did not require EAP funding.

6. Impact of EAP on the Project

EAP was the first program which had been approached for funding. Thus the organizers do not have a good sense of whether other organizations would have been willing to fund the project. They were able to fund the roll-out of the project without any financial contribution from EAP. Having successfully completed the pilot project made it much easier to attract funding from other sources for the Western Canada roll-out study.



Mobile Business Clinic/ Clinique D'affaires Mobile

1. Introduction

This was a pilot project for a mobile business resource centre operated by a coalition of business, universities, government agencies and other service organizations.

2. Description of the Project

Status: completed

Origin: The idea was originated by Jean Marie Toulouse (the Maclean Hunter Enterprise Chair at HEC) and Alex Harper of the Board of Trade. The organizers were uncertain about how they had learned of EAP, but think it may have come from a book published by a private sector organization called "Government Assistance Programs". They may also have discovered it in connection with some other Federal activities they were involved in at the time. In general though, he said it is their business to be aware of such funding programs, because part of their mandate is to help secure financing for various projects. There was a perfect fit with what the Board of Trade was seeking to do and the objectives of the EAP program.

How it worked: The objective of the clinic was to bring together various resources under the Board of Trade's umbrella to provide expertise and assistance to actual and prospective entrepreneurs. Several locations in the Montreal area were used to stage a total of 11 events over a 6



week period from May 24 - June 30, 1990. A trailer was set up as a mobile resource centre for entrepreneurs. There was a reception area where general information was available and the video on entrepreneurship which had been created as part of the project was on display. MBA students from various participating universities would administer a diagnostic questionnaire to interested entrepreneurs. Those who required very general information were assisted by the MBA students. Those who required more specialized information were directed to another section of the trailer, which was staffed by specialists from various areas (ie Royal Bank, FBDB, CRIQ, university faculty). They provided more detailed information on financial assistance, marketing ideas, technology solutions and start-up advice.

Partners:

EAP	\$40,000
Ministry Industry, Trade, Commerce	\$35,000
Royal Bank	\$30,000
Internal funds	\$30,000
John Dobson Foundation	\$25,000
Other private organizations	\$20,000
Universities	\$5,000
Centre Recherche Industrielle du Quebec	\$5,000
City of Montreal	\$5,000
FBDB	\$5,000

Date: Summer 1990



3. Interaction with EAP

EAP staff were helpful in reviewing a draft funding proposal and giving the organizers some constructive feedback. The proposal was revised to incorporate EAP staff comments, and was then approved quickly. EAP staff had little involvement with the execution of the project, which was to the satisfaction of the organizers, as they believed they did not require any assistance in this area.

4. Issues or Problems

Although the project ran quite smoothly for a new venture, some problems did occur in the marketing of the event. The local media tended to cover the clinic either while it was operational in a particular part of the city or after it had left. It would have been of more use had there been coverage in anticipation of the clinic's arrival. One of the other funders indicated that it would have been helpful to have had the marketing objectives more clearly articulated.

It was also noted that there were many players on the steering committee, including a number of government organizations. There was some perception that this constituted "too many cooks in the kitchen".

ISTC representatives were not involved in problem resolution (nor were they asked to be).



5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The event was covered by the Journal de Montreal, the Gazette, the Suburban, and through association newsletters.

Remove obstacles to entrepreneurship. All components of the trailer: booklets, video, expert staff, were there to address the particular needs of entrepreneurs and help them remove any obstacles which they were facing.

Advance the interests of entrepreneurs and small business. All information forms which were completed by visitors to the clinic were forwarded to local organizations for follow-up purposes. These organizations are better positioned to provide direct and immediate help to these entrepreneurs.

Encourage the start-up and growth of small firms to medium-sized businesses. The mobile business clinic encouraged these activities by providing a resource centre where entrepreneurs could turn for practical and pragmatic advice.

Further enhance regional economic development through local decision making and entrepreneurship. A key advantage of the project was that it brought many Montreal-area groups who were working on entrepreneurship issues together for the first time. These new partnership will assist in achieving this goal.



Spin-off activities: The video that was produced (entirely from EAP funds) was shown at the annual meeting of Chambers of Commerce where many attendees were interested in receiving or purchasing a copy. The Edmonton Chamber of Commerce organized a seminar around the video. 200 - 300 copies of the video have been distributed, including one to each CEGEP in the province. The Board of Trade has since produced a sequel video called "Preparing Business Plans" (without having to access EAP funds). The Royal Bank may have recruited some new clients from the event, but they do not have a tracking system to confirm this.

6. Impact of EAP on the Project

EAP had a significant impact on the project. The organizers do not know whether the funding could have been generated otherwise. The funding from EAP was instrumental in encouraging investment in the project from private sector sources.

An advantage of working with ISTC was that The Board of Trade got feedback early on as to the merits of their idea, received cautions of things to watch out for. This was considered to be good advice. Another advantage was that they were very conscious of the dual language issue, and supportive of producing materials in both official languages. Because of this, the material can now be shared across the country. Organizers noted their appreciation of EAP staff efficiency, stating that everything proceeded quite smoothly and quickly.



From the perspective of private sector sponsors, it was attractive to have a matching funding program. The fact that the federal government was willing to commit to the project lent it further credibility.



Seminar on Starting a Small Business - Winnipeg

1. Introduction

This was a one day seminar which provided advice on how to start a small business.

2. Description of the Project

Status: completed

Origin: The University of Manitoba Centre for Entrepreneurship was given a \$10,000 contribution by NEDI and asked to establish a presence for NEDI in Manitoba. A core group of Manitobans who had been involved in the start-up of NEDI formed a committee to determine how the \$10,000 contribution should best be spent. They noted that seminars on starting a business appeared to be very popular, and felt that offering one at a reasonable cost would be in the public interest.

How it worked: Approximately 350-400 people attended the seminar. Registration had to be cut off over a week before the seminar, and people were turned away at the door. The seminar was a day-long event, and there was a trade show on starting a business which the participants could attend before the seminar and during the lunch break. The seminar featured a number of speakers creating awareness during the morning, and offered break-out sessions on specific topics during the afternoon.



Partners: Because the it was designed to establish the NEDI name, no other partners were sought for the event. However, the Winnipeg Free Press contributed through the promotion of the event in the newspaper at no cost to the organizers.

Date: April 1992

3. Interaction with NEDI

The seminar was run by those associated with the University of Manitoba Centre for Entrepreneurship under the auspices of NEDI. The seminar raised about \$3,500 from ticket revenue, which was returned to the NEDI organization. The executive director of NEDI was invited to speak at the seminar.

4. Issues or Problems

No serious issues arose during the planning and organization of the project. In reviewing the format of the event, the organizing committee would shorten the seminar component and allow participants more time at the trade show.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The seminar primarily created an awareness for NEDI, providing a profile in the community for an organization that most had never heard of before. The organizers had anticipated that 300 people would be interested, but



over 350 attended and many had to be turned away at the door. Organizers report that the seminar was successful in reaching people in disadvantaged groups, such as natives and women, although no specific numbers are available.

Remove obstacles to entrepreneurship. The seminar provided practical advice on how to address the barriers that entrepreneurs face. The focus was on educating entrepreneurs about the possible problems they might encounter, and offering pragmatic solutions to these problems.

Advance the interests of entrepreneurs and small business. The seminar featured a panel of entrepreneurs who had been successful, and in doing so advanced the interests of these entrepreneurs.

Encourage the start-up and growth of small firms to medium-sized businesses. The purpose of the seminar was to provide practical information and advice which would encourage entrepreneurs to start-up their own businesses. The seminar provided the encouragement and direction, and the trade show provided the participants with reference material and sources of information.

Further enhance regional economic development through local decision making and entrepreneurship. This was not a direct objective of the seminar.

Spin-off effects: Plans are underway to conduct a second seminar in Winnipeg this spring. As well, the seminar format has been followed in two western cities.



6. Impact of NEDI on the Project

Since NEDI was not well known in Manitoba, the organization had little impact on the event. The revenue generated from tickets offset most of the costs. Some of the organizers felt that NEDI involvement was not critical, as other sponsors could likely have been found if the seminar had been put on by the Centre for Entrepreneurship.



The Leading Edge Educational Tool

1. Introduction

Information on entrepreneurs and entrepreneurship was taken from the Leading Edge television series and packaged in a format that would be suitable for teachers in the classroom.

2. Description of the Project

Status: in progress

Origin: A NEDI representative approached the Maritime Provinces Education Foundation (MPEF) with the idea for an educational series. The concept originated with the group involved in the Leading Edge television series, who saw this as a potential spin-off from the program which would assist in meeting NEDI's educational mandate.

How it works: Clips of the profiles of entrepreneurs from The Leading Edge series will be combined with a teacher's guide to produce a package to complement existing entrepreneurship teaching material and curricula. The guide will be organized around various entrepreneurial issues, and a variety of clips that complement the issue will be suggested for the teacher.

Partners:

ACOA \$65,000



Provincial departments of Education from the four Atlantic provinces will pay for the reproduction costs of the costs of the tapes and teachers guide, as well as for the distribution costs. This has an estimated value of \$74,500.

The MPEF is also represented on the steering committee. NEDI is managing the project and charging a management fee for its services.

Date: Fall/Winter 1992-93, scheduled for implementation in schools September 1993

3. Interaction with NEDI

NEDI approached the MPEF and presented the concept of a teachers guide based on the Leading Edge. The MPEF had to study the concept to ensure that it was meeting the needs of their constituents, so it was referred to their media committee. Upon acceptance by this committee, a steering committee was formed. All members of the steering committee, including NEDI, have an active voice in the project.

4. Issues or Problems

The only problem identified was one of continuity of the NEDI representative on the project. That transition has now been effectively made, but initially slowed the process somewhat.



5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The project focuses on assisting teachers raise the awareness of student regarding entrepreneurship.

Remove obstacles to entrepreneurship. A component of the teachers guide will focus on identifying potential obstacles to entrepreneurship and will suggest methods of working with the students to resolve these issues.

Advance the interests of entrepreneurs and small business. Through greater exposure to the concept of entrepreneurship, students will be encouraged to consider entrepreneurship as a career option. Those who do not choose to become an entrepreneur will have at least developed a better understanding of the importance of entrepreneurship and the potential difficulties faces by entrepreneurs.

Encourage the start-up and growth of small firms to medium-sized businesses. This is not a direct objective of this project.

Further enhance regional economic development through local decision making and entrepreneurship. This is not a direct objective of this project.

Spin-off activities: It has been suggested that the clips could be updated on an annual basis with each new series of The Leading Edge broadcast. In addition, as needs change, it may be possible to tailor some of the profiles in the television series to unfilled educational needs (provided that they meet the primary needs of the series).



6. Impact of NEDI on the Project

The idea was originated with NEDI representatives on the Leading Edge television series, and through their contacts they were able to interest the appropriate educational organizations.



Support Systems for Entrepreneurs Research Study - Western Provinces

1. Introduction

This research study attempted to identify factors that played a major role in the development of small businesses and assessed the effectiveness of existing support systems.

2. Description of the Project

Status: "Western Canada" comprehensive report has been released, individual provincial results are not yet in the public domain.

Origin: The project was based on a pilot research study which had been conducted in Manitoba and funded in part by the EAP program. The Research Director of NEDI heard about the pilot and assessed it as a suitable undertaking for NEDI.

How it worked: A committee was formed with representatives of all the funding parties, along with the Research Director of NEDI and the designer of the pilot research study from the University of Manitoba. Academics in each of the three Western provinces (BC, Alberta and Saskatchewan) were recruited to administer the survey and write a report based on the results from their own province. The research director of the pilot study compiled the results from each province and produced a comprehensive report on the four individual studies. The data for each province would be held confidential for the period of one



year. The sample size for the project was 4,000 firms and 1,400 responses were received.

Partners:

Royal Bank of Canada:	\$15,000
Alberta Economic Development and Trade	\$65,000 (represents all provincial contributions)
BC Development and Trade and Tourism Saskatchewan Economic Diversification and Trade Western Economic Diversification	\$70,000

NEDI received \$19,000 in management fees (residuals from unused contributions)

Date: Survey was in the field September/October 1991; final report produced February 1992.

3. Interaction with NEDI

The Research Director for NEDI was responsible for "structuring the deal": he approached all of the funding sponsors and persuaded them of the benefits of the project. It is the consensus of those involved that the money was much easier to obtain when the successful track record of the pilot project could be used as a selling tool.

NEDI had no involvement in the funding of the project, and in fact received all remaining funds which were not used for project completion.



4. Issues or Problems

The Research Director's contract expired during the study. He remained with the project on a voluntary basis to see things through to completion.

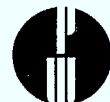
A concern was raised that the information may not be adequately disseminated once the provincial studies are in the public domain.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The study results are proprietary (for 1 year) were geared to policy makers in each of the Western provinces and to the Royal Bank. Although these groups are examining policy alternatives in response to the results, this has not yet had any impact on the general public.

Remove obstacles to entrepreneurship. The findings of the study may allow policy makers and service providers to refine their programming and service strategies for entrepreneurs. To date, the results of the study have not been widely distributed, so the impact has not been great.

Advance the interests of entrepreneurs and small business. Because the needs of entrepreneurs have been better identified, service providers and policy makers may provide more appropriate programs and services for entrepreneurs. No new programs arising from this study have been identified to date.



Encourage the start-up and growth of small firms to medium-sized businesses. This was not a direct objective of the study.

Further enhance regional economic development through local decision making and entrepreneurship. This was not a direct objective of the study.

Spin-off activities: The provinces and private sector partners are dealing with their proprietary information. Further spin-offs may result once this information is in the public domain.

6. Impact of NEDI on the Project

The key to the initiation of this project was securing the support of the other three Western provinces. The involvement of the NEDI Research Director was instrumental in this aspect of the project. He was able to structure a proposal that was acceptable to the provinces, since there was full involvement of local academics in the survey supervision and report writing functions. NEDI was seen as a neutral, national organization and not having strong interests in any one of the western provinces.

The involvement of NEDI in the project may facilitate its replication in the Atlantic region of Canada.



Women Inventor's Project: "What If.....?" Video

1. Introduction

This video is aimed at those who provide services to women entrepreneurs, and educating them about the obstacles that these women face.

2. Description of the Project

Status: completed

Origin: The video and training sessions were developed in response to feedback received on the Women Inventors Project's (WIP) first initiative: a 124 page manual that was designed for front line, program delivery staff and others who work with entrepreneurs and inventors. The WIP solicited feedback from individuals who had used the manual and discovered that women were still having problems. From this sprang the idea of training service providers and raising their awareness of the characteristics, communication styles and needs of female clients.

How it worked. A sixteen minute video was developed which profiled 7 female entrepreneurs. These entrepreneurs were selected to represent a variety of economic sectors. The video identified the different perspectives which women have on entrepreneurship. The video is used as a central component of the training program for service providers. An international film and video festival awarded the video first prize (out of 1500 entries) in the training, business and government



category. The video has been made available to schools, government agencies and organizations involved with women and entrepreneurship. The video is available for sale to private interests, and to date 37 copies have been sold.

Partners:

Employment and Immigration Canada	\$240,000
Private sector	\$40,000
EAP	\$25,000
Government of Ontario	\$10,000

The \$25,000 contribution of EAP was directed towards the production of the video.

Date: Spring 1990

3. Interaction with EAP

The organization was uncertain of how they had first learned of EAP, although they were assisted by one of their Board members who worked in the provincial government and had a general awareness of government funding programs. The EAP project officers worked with the group to run focus groups gauging reaction to the initial video.



4. Issues or Problems

There was some confusion of what constituted eligible costs on the part of the client. This resulted in payment being made 6 months after the project was completed. The issue was resolved through back and forth communication with the EAP officer, but the process was frustrating and slow.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The organizers have been able to reach a national audience with their training package, and present viewers with facts, success profiles, and reasons why supporting entrepreneurs makes good economic sense. The video is also used at virtually all speaking engagements of the Women Inventors staff, which average two per week.

Remove obstacles to entrepreneurship. The video is designed to change the attitudes of service providers towards women entrepreneurs.

Advance the interests of entrepreneurs and small business. Although only seven entrepreneurs are profiled in the video, they are from all industry sectors and from all regions of the country - entrepreneurs and services providers everywhere should be able to identify with them.

Encourage the start-up and growth of small firms to medium-sized businesses. This was not a goal of the video per se, but the role models



provided may encouragement to entrepreneurs to stick with their idea and succeed.

Further enhance regional economic development through local decision making and entrepreneurship. The video and training series attempted to demonstrated the benefits to local economy of encouraging women entrepreneurs.

Spin-off activities: The video has been used beyond the training sessions, and is a core feature of Women Inventors Project speaking engagements. An unexpected audience for the video is school children (grade 4/5 and up), who receive the video very well.

6. Impact of EAP on the Project

Without funding from EAP, the video would not have been produced (although the training program would still have taken place. EAP project officers were also able to offer advice on potential improvements to the final product which were incorporated by the group. Because of the positive relationship developed during this project, the Women Inventors Project has approached EAP on subsequent occasions to fund other projects.



"The Spirit of Adventure" French Video Series

1. Introduction

The project consisted of a series of half hour videos featuring francophone entrepreneurs, along with a corresponding teachers guide.

2. Description of the Project

Status: completed

Origin: CFEE had originally produced 6 English language videos, which had been distributed to over 4,200 high schools, community colleges, and universities across the country. In July of 1990, Senator Trevor Eyton requested \$350,000 from the Prime Minister to produce a similar series featuring francophone entrepreneurs. In March 1991, Canadian Foundation for Economic Education (CFEE; producers of the English series) and La Fondation de l'Entrepreneure, a Quebec-based organization, formed a partnership and submitted a proposal to EAP for \$250,000.

How it worked: A series of six videos were produced, featuring francophone entrepreneurs from across the country. Each video is centred around a structured theme, and entrepreneurs were selected to provide information complementing each theme. The videos and user guides were distributed to 1,000 francophone high schools across the country, at no cost to the schools.



Partners:

Ontario Ministry of Education	\$40,000
Seafam Foundation (Alberta)	\$75,000
Private sector	\$300,000 +
EAP	\$250,000

Date: September 1992

3. Interaction with EAP

Due to the many issues which arose over the course of the project (see section 4 below), there was considerable interaction with EAP program staff. They played a lead role in mediating differences between representatives from La Fondation and CFEE.

4. Issues or Problems

A major conflict arose in the partnership between the two organizations, CFEE and La Fondation. CFEE's objective was to produce a series for francophone Canadians, regardless of where they lived. La Fondation wanted to produce a series for francophones in Quebec. Their secondary priorities were to translate the series for English Quebecers, and lastly for other French in Canada. This lack of consensus in priorities had implications for the video series - La Fondation only wanted to include Quebec entrepreneurs, while CFEE believed they should focus on French entrepreneurs from across the country.



Two other issues compounded the above conflict. Firstly, private sector support was more difficult to raise than had been anticipated. English companies outside Quebec were hesitant to support a French project, while Quebec companies were reluctant to support a national project. Secondly, the cost to produce the videos was higher than had been anticipated.

The differences between the two groups were considered to be irreconcilable. Since 5/6 of French Canadians live in Quebec, the EAP program staff decided to allocate 5/6 of the allocated \$250,000 contribution to a series for French high schools. Thus, \$208,000 (less any amounts already spent on Quebec) was given to La Fondation to produce their video series. The remaining 1/6 of the funds was given to CFEE to produce a video series for francophones in the rest of Canada. Of the 32 entrepreneurs featured in the CFEE videos, 22 are from Quebec.

5. Impacts of the Project

Enhance public awareness of the importance of entrepreneurs. The video series reach the general public since they are broadcast on public and cable television stations. However, they are principally aimed at educators and their students.

Remove obstacles to entrepreneurship. The videos highlight some of the most common problems encountered by entrepreneurs, and present profiles of entrepreneurs who have successfully surmounted these obstacles.



Advance the interests of entrepreneurs and small business. The series advances the interests of these groups by promoting a positive image of entrepreneurs and entrepreneurship.

Encourage the start-up and growth of small firms to medium-sized businesses. By presenting a positive image of entrepreneurship and entrepreneurial role models for the students that some of them will consider a career in entrepreneurship.

Further enhance regional economic development through local decision making and entrepreneurship. This was not directly an objective of the project.

Spin-off activities: The series has just been released, and there has been little opportunity for spin-off activities to occur. CFEE has been informed that there are teachers in Quebec who would be interested in using the CFEE videos. The English version of the series is sometimes used by economic development organizations, and it expected that some French communities may use the series for this purpose.

6. Impact of EAP on the Project

EAP program staff played a large role mediating, and eventually resolving, the conflict between the two organizations. Without the significant contribution from EAP, it is unlikely that the French video series would have been produced.



Appendix C

Response Rate and Telephone Survey



Appendix C - Response Rate and Telephone Survey

EAP Telephone Survey Response Rate

The breakdown of completed interviews and reasons for not completing an interview are displayed below.

Sample	101
Not in service	17
Refused	5
Not funded	2
Not available for the duration	2
No Answer	6
Call Back	13
Completed	56
Total	101

For individuals within the no answer, and call back groups a minimum of three attempts have been made to contact the individual. In some cases, 5 or 6 calls have been made. For not in service numbers, directory assistance has been used to track the individual and/or the organization. The not funded category indicates that the individual did not receive the funding as per the ISTC records.



National Entrepreneurship Policy Initiative

Applicants (Successful and Unsuccessful)

Name: _____

Organization: _____

Project: _____

Date: _____

Status: Completed
 On-going
 Cancelled
 Un-successful

Hello, my name is _____, and I am calling from Price Waterhouse. We have been hired by Industry, Science and Technology Canada (ISTC) to conduct a review of **The Entrepreneurship Awareness Program (EAP)**. EAP was established to promote entrepreneurship and increase the awareness of the social, economic and cultural benefits to be gained from entrepreneurship. The objective of the review is to examine the rationale, delivery and management procedures, as well as the impacts and effects of the program. I am here today to speak about the _____ project. The results from this interview will be extremely important to the federal government in helping them structure programs to encourage entrepreneurship in Canada.

The project application listed your name as the key contact person. Are you the correct person to interview about this project? (If no, ask for contact name and terminate interview). All comments made during this interview will held confidential. All comments will be synthesized in the report so as not to permit the identification of individuals.



1. What is your understanding of the rationale for the program (i.e., what need or problem was the program expected to address)? **unaided, check all that apply**

- promote entrepreneurship
- fund and disseminate information and research on entrepreneurship
- change attitudes towards self-employment
- networking function
- sponsor conferences
- act as a resource centre
- link into education curriculums
- other (specify _____)

Read formal objectives

EAP: EAP was established to promote entrepreneurship and increase the awareness of the social, economic and cultural benefits to be gained from entrepreneurship. The program also seeks to encourage a shift in attitudes towards self-employment. The program will offer a non-repayable contribution of eligible project costs up to a maximum of \$50,000. Recipients must be non-profit organizations.

2. Considering what the program does and in light of these objectives, does the program make sense?

- Yes
- No

Why?/Why not? _____

3. Does the program have the resources, approach and organizational structure to fulfil its rationale?

- | | | |
|---|------------------------------|-----------------------------|
| <input type="checkbox"/> resources | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> approach | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> organizational structure | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



4. The National Policy on Entrepreneurship sets out a number of objectives for the program. I will read you a list of these objectives, and ask you to rate how successful the program has been in attaining them. Please use a scale of 1 to 5, with 1 being "not at all successful", and 5 being "very successful"

- increased public awareness of the importance of entrepreneurs
1 2 3 4 5
- removed obstacles to entrepreneurship
1 2 3 4 5
- advanced the interests of entrepreneurs and small businesses
1 2 3 4 5
- encouraged the start-up of small firms to medium-sized businesses
1 2 3 4 5
- enhanced regional economic development through local decision making and entrepreneurship
1 2 3 4 5

5. Are you aware of other programs designed to promote entrepreneurship?

- La Fondation
- International Council on Small Business (ICSB)
- Canadian Foundation on Economic Education (CFEE)
- Ontario Business Education Association
- Chamber of Commerce
- Provincial government (specify _____)
- Federal government (specify _____)
- Other (specify _____)



6. In your opinion, do EAP complement any of these programs?

- La Fondation
- International Council on Small Business (ICSB)
- Canadian Foundation on Economic Education (CFEE)
- Ontario Business Education Association
- Chamber of Commerce
- Provincial government (specify _____)
- Federal government (specify _____)
- Other (specify _____)

If yes, how? _____

7. In your opinion, do EAP activities duplicate or work at cross purposes with any of the other programs?

- La Fondation
- International Council on Small Business (ICSB)
- Canadian Foundation on Economic Education (CFEE)
- Ontario Business Education Association
- Chamber of Commerce
- Provincial government (specify _____)
- Federal government (specify _____)
- Other (specify _____)

If yes, how? _____

8. Do you think that there has been a shift in attitudes towards self-employment as a result of the EAP program?

- Yes
- No

Why?/Why not?



9. How did you become aware of the EAP program?

- industry publication
- Other (specify _____)

10. Were the criteria for funding clear?

- Yes
- No

If no, what was the problem? _____

11. Do you think that the approval process assures that the most worthy projects are funded?

- Yes (why _____)
- No (why not _____)

12. What should be changed about the approval process to make it more appropriate?

- quicker turnaround
- extend to for-profit groups
- remove maximum \$50,000 requirement
- remove 50% from outside sources criteria
- other (specify _____)

Successful applicants only

13. Have there been any positive spin-off effects from the funding you received from the program?

- Yes (specify _____)
- No
- Too soon to tell



14. Have you used the original contribution as a springboard to developing new partnerships or initiatives?

Yes (proceed to 15)

No (proceed to 18)

15. Who have these new partnerships been with?

16. What new initiatives have occurred?

17. How has the original contribution from EAP facilitated these efforts?

18. Would you have been able to proceed with the project without EAP funding?

19. How would the project have been altered without EAP funding in terms of:

- scope?

- size?

- would it exist?

20. If you did not get EAP \$ would you have used other sources?

Yes

No

If yes, what sources?



Unsuccessful applicants only

21. Why do you think that your project was not selected to be funded?

22. Did you apply to other organizations for assistance?

- Yes (specify _____)
- No

23. Did you go ahead with your project without EAP funds?

- Yes
- No

Who funded the project? _____

24. Will you or your organization submit another proposal to the EAP program?

- Yes
- No

All respondents

25. Are there other alternative programs which might achieve EAP's objectives and impacts in a more cost-effective way? What are they?

26. Is there anything else you wish to add?



Appendix D

Expert Panel Summary





Appendix D - Expert Panel Summaries

The expert panel was held on December 1, 1992 at the Ottawa office of Price Waterhouse. There were six experts attending the session and the session was observed by an officer from Corporate Planning and Evaluation at ISTC. The session was moderated by Kathleen Morris and Peter MacKechnie. Those attending the session represented: a bank; a provincial economic council; a national non-government organization in the manufacturing sector; an entrepreneur and head of a non-government organization; a consultant from a not-for-profit consulting firm affiliated with a university; a provincial government official working in the area of entrepreneurship education.

From our data collection to date, there appears to be a lack of consensus on what entrepreneurship is - does this finding surprise you? Why/Why not? What is entrepreneurship?

- **What impact does this lack of consensus have for the ISTC programs?**

There were two different views expressed by the group regarding this issue. First, there was the sense that although there may be no precise definition, the concept of entrepreneurship is clear and therefore having or not having a consensus on entrepreneurship does not matter. Second, it was felt that the task of promoting entrepreneurship is difficult if people are not sure what entrepreneurship is. While a proper definition may be of some debate in the community, setting parameters of what is and is not considered entrepreneurship will be helpful for any government program. A definition that is narrow or wide will have



ramifications for what is funded so therefore it is felt that at least some working definition of entrepreneurship is needed. This working definition should also be consistent with other federal government programs.

From the point of view of the entrepreneur where is the need for assistance the greatest?

- **Promoting the concept; start-up assistance; lobby to remove obstacles to entrepreneurship?**

There were a variety of suggestions made about what help entrepreneurs need. There was a general theme among the suggestions made and that was entrepreneurs need concrete or tangible assistance. Suggestions of types of assistance include: venture capital; practical business skills; young people need to be made aware of entrepreneurship; how to work with bankers; start-up training; information; 'patient' capital (money that does not require immediate payback or interest free for a period); and programs that have follow-up after the assistance has been given. There were also some suggestions about what entrepreneurs do not need: direct subsidies to business; generic training; and programs that fund consultants doing business plans. The need for assistance was very different for those that were actual entrepreneurs versus those that were 'would-be' entrepreneurs.



From our data collection there is a debate about the need for these programs. Is there a role for the federal government to promote entrepreneurship?

- **Would it more effective to assist entrepreneurs directly (i.e., reduce the tax burden for small businesses, provide grants directly to entrepreneurs)?**
- **If yes, how should entrepreneurship be promoted?**

The group felt that there was a role for someone to promote entrepreneurship and the federal government was seen as the logical place to do this. There was a to coordinate existing efforts and to provide the entrepreneur with the whole picture through 'one stop shopping'. There were a variety of ways in which the federal government could assist the entrepreneur: a complete listing of what programs are available for entrepreneurs, who is eligible and how to apply for funding; an articulate and clear policy on entrepreneurship that is more than motherhood statements with a targeted approach; a coordinating role for existing programs; a focus on disadvantaged business people that do not have access to money that other groups have; and provide the environment in which entrepreneurship will grow.

The use of funding various organizations who then in turn pass on information to entrepreneurs was thought to be a good idea but that too few organizations are aware of both NEDI and EAP. Two of the six participants in the expert panel were unaware of either NEDI or EAP.



Are there other programs or initiatives with a similar objective or mandate to that of EAP or NEDI?

- Do these programs complement, duplicate or overlap NEPI activities?
- Are there other programs that NEPI could learn from?

There were a variety of opinions expressed about this issue. There was wide spread concern that there were too many programs assisting entrepreneurship and that there was little coordination amongst the programs and therefore there must be some duplication of what was being offered. Although few specific examples were offered, there was the sense that simply due to the number of programs and the lack of coordination there has to be some duplication. Some saw NEDI in direct competition with FACE and others did not (NEDI has the network and FACE has a program - the two should come together).

There were a number of programs that were seen as being programs from which EAP and NEDI could learn something. Suggestions made by the group included:

- regional offices of ACOA and ISTC were seen as being good for their flexible programs and service provided by officers;
- the economic development department of the province of Nova Scotia was viewed as very good because of their in-service program; provision of information quickly about the programs; the ability to do one-stop-shopping, and fast turn-around time on funding applications; and
- the Community Futures program and the used of Business Development Centres were viewed as positive because they were staffed with local people; they help in a tangible way (doing a



business plan); they help implement business plans; and the actual costs to run the program are low.

Is the use of a grants/contributions program (EAP) an effective mechanism to promote and encourage entrepreneurship? Is the use of an arms length institute for entrepreneurship (NEDI) an effective mechanism?

- **Some of those interviewed to date felt the requirements of EAP were arduous (50% private sector funds required, excessive paperwork and accounting requirements). Can a public sector program be delivered that helps small business but also respects the requirements of the federal government?**

The mechanism of a grants and contribution program was generally viewed positively although there was the concern that not many people are aware of the program. The group felt that NEDI required clear eligibility criteria to determine who is eligible and how to access the money. There was also a concern that an arms length organization that appears to be looking for self sufficiency may not necessarily support the present or any future business or entrepreneurship policy of the federal government. Although the rationale for an arms length organization does make some sense.

Advice given about the use of these programs included: keep the process simple and straight forward; provide a completed application to show people how to complete the form; reduce the waiting time after the application has been submitted as much as possible; get information about the program out in the community (i.e., through the CBC television show 'Venture').



What role, if any, should these programs have in establishing, coordinating and maintaining networks between governments, the private sector and the academic community? Is there evidence that you have seen that these programs are fulfilling this function?

There were two types of needs that dominated the discussion: an need for information about what was 'out there' for business people; and the need to coordinate and maintain networks. These needs were not viewed as something that happens on their own, and need to be encouraged. Presently, there are barriers between government, business people and academics that need to be overcome for these networks to be established. Business people do not attend conferences due to the time commitment required, the expense and the sometimes intangible subject matter. Entrepreneurship was not a discipline within universities and the research conducted was often not of interest to entrepreneurs. As well, some business people view government programs as something to stay away from. Some in the group cited the NEDI conference on entrepreneurship as being helpful for overcoming some of these barriers.

Our findings to date indicate that NEDI has too broad a mandate between business development, education, and research. Do you agree with this? If so, what should be done?

There was a virtual consensus amongst the group that NEDI should not be into business development and should be more interested in education and to a certain degree research. Business development was something that was being done by a variety of programs including some in ISTC. Education was viewed as an especially important area



as this is where the most impact could be felt, especially with students. Research was seen as an important area if the research done was tangible and if efforts were made to distribute this type of research.

There was also a concern that with a small budget, NEDI should concentrate their resources in fewer areas and have a larger impact in those areas. It was felt that changing business culture was unrealistic with this budget. There was some concern how NEDI would fit into any new policy directions or rationalization of federal government policies with respect to trade and domestic prosperity.



ESPQ RESOURCE CENTRE

DOCUMENT #: [REDACTED]

DATE: January 13, 1993