

Evaluation of the Indigenous Business Development Services (IBDS)

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1. INTRODUCTION

1.1 PURPOSE OF THE EVALUATION

This report presents the results of an evaluation of the Indigenous Business Development Services (IBDS). Across western Canada, PacifiCan and PrairiesCan annually provide operating funding of \$168,200 to delivery organizations in each province that provide early entrepreneurship support for new and existing Indigenous entrepreneurs and businesses. The IBDS was launched in 1998 and last evaluated in 2005. Since then, there have been significant changes in the level of Indigenous entrepreneurship and business development, departmental priorities, the entrepreneurial ecosystem in western Canada, and the IBDS. The evaluation reviews the needs of new and existing Indigenous entrepreneurs and businesses; alignment of the IBDS with client needs as well as the federal government's priorities; the services that are delivered and their effectiveness in meeting client needs; the entrepreneurial ecosystem in which the IBDS operates; and program design and delivery. It also outlines potential strategic directions.

1.2 METHODOLOGY

The evaluation was conducted in three phases: planning phase, research phase, and analysis and reporting phase. Throughout the evaluation, we met with an Evaluation Committee consisting of PacifiCan and PrairiesCan staff. In conducting the evaluation, we reviewed research on Indigenous entrepreneurs and businesses, profiled the programming ecosystem in place in western Canada to support development of Indigenous entrepreneurs and businesses, and interviewed 12 representatives of PrairiesCan and PacifiCan, 9 delivery organization representatives, and 22 program clients. We also conducted interviews with 30 representatives of the entrepreneurial ecosystem serving Indigenous entrepreneurs in Western Canada, two focus groups with 19 representatives involved in the entrepreneurial ecosystem, and case studies of three clients. The final phase involved analyzing results from the lines of evidence and preparing the draft report.

Key strengths of the evaluation are the use of multiple lines of evidence. Secondary literature and program administrative data were triangulated with the primary research to increase consistency and reliability of findings. Limitations included an absence of program data on the characteristics of clients served, lack of departmental access to client lists which meant the client sample was developed by the delivery organizations, and the potential for respondent bias from key informants involved in the program. The limitations have not impacted the evaluation's recommendations.

1.3 STRUCTURE OF THE REPORT

The following chapter provides an overview of the IBDS while Chapter 3 summarizes the major findings regarding the relevance, effectiveness, design and delivery of the IBDS. Chapter 4 outlines potential future directions.

2. OVERVIEW OF THE IBDS

2.1 BACKGROUND

The IBDS, then known as Aboriginal Business Services Network (ABSN), was established in 1998-99 as a national initiative to provide relevant and accessible business information to Aboriginal entrepreneurs and businesses with a strong focus on providing online business information. Recognizing the Indigenous community was generally less aware and found it more difficult to access and use business information, services and training, the purpose of the ABSN was to respond to these needs by providing a relevant range of products, services, and delivery mechanisms.

Under the IBDS, PacifiCan and PrairiesCan provide operating funding of \$673,200 annually to organizations in each western province (\$168,300 per province). The level of support has not changed substantially since the program was first implemented in 1999.

2.2 DELIVERY ORGANIZATIONS AND SERVICES

Both the types of organizations involved in delivering the IBDS and types of services delivered vary across four provinces. Delivery organizations include a Community Futures (CF)/Indigenous Financial Institution (IFI) in BC, a federal and provincially funded Business Service Centre in Alberta, a CF in Saskatchewan, and the Provincial CF Development Association in Manitoba.

Type of Organization Delivering the IBDS in Each Province		
Province	Type	Description
BC	Community Futures/IFIs	Delivered by Haida Gwaii Community Futures (which is both an CF and IFI) in association with three other CF/IFIs (Nuu-Chah-Nulth Economic Development Corporation, Stó:lō Community Futures, and Central Interior First Nations of Community Futures British Columbia)
Alberta	Business Service Centre	In Alberta, Business Link is a government-funded non-profit. It is jointly funded by PrairiesCan and the Alberta Ministry of Jobs, Economy, and Trade.
Saskatchewan	Community Futures	In Saskatchewan, the IBDS is coordinated by Sagehill Community Futures (previously the program in Saskatchewan was delivered by Vision North).
Manitoba	Community Futures Development Association	In Manitoba, the program is delivered through Community Futures Manitoba.

The services most commonly delivered by the program include the delivery of training and entrepreneurship services, provision of business advisory and information services, community capacity building, and networking. The following table provides a summary of the services delivered in each region.

Overview of the Services Provided in Each Province

Province	Examples of Services Delivered
BC	<ul style="list-style-type: none"> Haida Gwaii Community Futures (Marketing Initiatives) Stó:lō Community Futures (Business, Marketing, Financial Literacy and Business Plan Development workshops) Central Interior First Nations (Business Planning Support Services and Marketing Workshops) Nuu-Chah-Nulth Economic Development (Marketing Masters Training) Ways of Knowing: Indigenous Facilitation & Leadership Training Small Business BC (Indigenous-specific training to support entrepreneurs across BC through webinars, blog posts, articles, and business portal) Cultural awareness and engagement training for the Community Futures BC network at the annual Spring Training and Fall Conference
Alberta	<ul style="list-style-type: none"> One-on-one advice, guidance, and support through Business Link Advisors Entrepreneurial and business training/workshops and webinars Pathfinding services/referrals to Business Link support as well as programs offered by other organizations Business information (content, tools, resources, and referrals provided in response to client needs and requests).
Saskatchewan	<ul style="list-style-type: none"> One-on-one advisory services delivered by IBDS Facilitator/Consultant remotely and online through platforms, Facebook, YouTube, and guides. Business training (virtual learning events and You Tube videos) Assistance in developing websites and move businesses online
Manitoba	<ul style="list-style-type: none"> Business advisory services delivered remotely and in person Information and resource materials (e.g., Business Planning Workbook) Workshops and seminars Dragon's Quest Business Planning Competition (prize of \$7,500) Up to \$5,000 to organizations for capacity-building projects

2.3 PERFORMANCE INDICATORS

In 2022-23, the IBDS delivery organizations reported delivery of 670 advisory services and 1,478 business information services, serving 801 unique Indigenous clients and helping to create, maintain, or expand 175 businesses.¹

Aggregate Performance Indicators for the IBDS in Western Canada, 2018-19 to 2022-23

Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Business advisory services	317	1,061	414	660	670
Business information services	1,342	1,964	967	1,341	1,478
Businesses created, maintained, or expanded	39	48	99	98	175
Indigenous clients served	1,884	1,241	986	912	801

Source: PrairiesCan and PacifiCan

¹ It is important to note that the COVID-19 pandemic impacted indicator outcomes, particularly in 2020-21 and increased costs related to program delivery.

3. MAJOR FINDINGS

3.1 PROGRAM RELEVANCE

1. Indigenous entrepreneurs often require various types of support to assist them in developing early-stage businesses.

According to the program representatives, clients, ecosystem members and available literature, Indigenous entrepreneurs commonly require assistance in areas such as capital, business advice, training, marketing, and networking:

- *Capital.* Indigenous entrepreneurs face unique challenges "when attempting to launch and grow their startups; inaccessibility to funding and investors catalyzed by a lack of historical relationships between banking institutions and Indigenous communities is a large hurdle for First Nations, Inuit and Métis entrepreneurs."² Major banks in Canada have a limited "on-the-ground" presence in most Indigenous communities, and not all have services that specialize in Indigenous entrepreneurship. A further challenge is the relatively high proportion of Indigenous entrepreneurs who are young, have limited personal savings, and little experience in developing businesses or managing finances. First Nation, Inuit, and Métis entrepreneurs tend to face greater barriers to accessing financing, including low rates of financial literacy, lack of security and credit history, and lower rates of home ownership and household wealth. They may also encounter greater discrimination, bias, or cultural barriers.³
- *Business advisory services.* One-on-one advisory sessions can provide advice tailored specifically to an entrepreneur's individual needs, challenges, and business model. Advisory services can help Indigenous entrepreneurs fill gap in their existing knowledge, provide emotional support and specialized expertise in areas such as finance, marketing, and operations, help them research and develop business plans, and provide an objective assessment of their plans.
- *Training.* Training, workshops, mentorships, and other assistance is commonly needed to improve financial literacy and further develop entrepreneurial, business planning and management skills.⁴ This is particularly true amongst younger entrepreneurs (about 20% of Indigenous entrepreneurs are less than twenty-five years old, as compared to 15% of non-Indigenous entrepreneurs).⁵ Young entrepreneurs may also face greater barriers in accessing training programs such as cost, location, and availability. A Conference Board of Canada study concluded that the resources required to support and inform Indigenous

² Export Development Canada, *How Indigenous businesses are taking on the world*, June 6, 2022

³ Canadian Council for Aboriginal Business, *Promise and Prosperity: The 2016 Aboriginal Business Survey*, 2016

⁴ In both focus groups, the participants stressed the importance of business training and highlighted financial literacy as the greatest area of need.

⁵ Canadian Council for Aboriginal Business, *Promise and Prosperity: The Aboriginal Business Survey*, 2016,

entrepreneurs are not available and greater effort is needed to educate youth about the necessities of financial literacy and financial capability.⁶

- *Marketing.* Indigenous entrepreneurs often face challenges in reaching potential customers, partners, or investors for their products or services. They may lack exposure, visibility, or recognition in their target markets.
- *Support networks.* The ability to access business networks and mentorship opportunities for start-ups can be vital to the success of Indigenous entrepreneurs (especially women)⁷.
- *Access to procurement opportunities.* Challenges associated with government procurement can make it difficult for Indigenous suppliers to serve that market.⁸
- *Labour.* All Canadian regions and sectors faced labour shortages coming out of the pandemic. However, those shortages tended to be even more significant for Indigenous businesses. In the Survey of Business Conditions, more than half of Indigenous businesses anticipated challenges in recruiting and retaining skilled employees, including 60% that reported conditions have become more challenging over the past year.⁹
- *Specialized services.* Indigenous entrepreneurs can require support in areas such as accounting and bookkeeping, understanding tax laws (e.g., figuring out when taxes must be paid, and how the geographical location of a business impacts taxes), and marketing.
- *Programming that aligns with Indigenous values.* Mainstream business practices may not align with Indigenous cultural values and practices.¹⁰ Research indicates that programs to stimulate entrepreneurship on-reserve and in Northern and remote communities need to be community-based and reflective of collective community values.

2. An entrepreneurial ecosystem has been developed in western Canada to provide some support to Indigenous entrepreneurs.

Major components of the ecosystem include:

- NACCA and the 33 Indigenous Financial Institutes (IFIs), which deliver a range of government-funded programs targeted at Indigenous businesses. The support provided by the IFIs varies across organizations but can include developmental lending, non-repayable contributions, and business financing (e.g., ranging from microfinancing for

⁶ Conference Board of Canada, *Opportunities to improve the financial ecosystem for Aboriginal entrepreneurs and SMEs in Canada. Report prepared for the National Aboriginal Capital Corporations Association (NACCA) and Business Development Bank of Canada (BDC)*, 2017

⁷ RBC Royal Bank, *Indigenous Entrepreneurship in Canada: The Impact and the Opportunity*

⁸ House of Commons, *Barriers to Economic Development in Indigenous Communities: Report of the Standing Committee on Indigenous and Northern Affairs*, April 2022

⁹ Statistics Canada, *Canadian Survey on Business Conditions*, Fourth Quarter 2022 (November)

¹⁰ The Conference Board of Canada - Northern and Aboriginal Policy, *RESEARCH MODULE 3: Barriers to Aboriginal entrepreneurship and options to overcome them*, February 2017

early-stage businesses to more substantial funding for business), consulting services (ranging from strategic financial planning and market analysis to advice on operations), and business start-up and aftercare services to First Nations, Métis, and Inuit businesses.

- 90 Community Futures (13 of which are also IFIs while others which may serve Indigenous entrepreneurs as part of a larger target group). CFs primarily provide access to capital as well as some other services such as business counselling, information services and supporting for community-based projects and special initiatives.
- Other members of the Western Canada Business Service Network (WCBSN) particularly Small Business Service Centres and Women Enterprise Initiatives. Funded by both the federal and provincial governments, these centres deliver services related to business information, pathfinding, training, and assistance with market research and business planning. Similar to CFs, Women Enterprise Initiatives provide access to capital, advisory services, training, and mentoring.

Other components include federal government departments (particularly Indigenous Services Canada, Business Development Bank of Canada, Export Development Canada, PrairiesCan and PacificCan), several provincial government programs, other sources of capital (including a venture fund, financial institutions, and non-profit programs), education and training programs provided by institutions, non-profits and others, and other programs that promote or otherwise support entrepreneurs and business development.

3. While the ecosystem provides much needed assistance, ecosystem members, clients and literature all agreed that more assistance is needed.

When asked to rate how successful the existing entrepreneurial ecosystem is in addressing the needs of Indigenous entrepreneurs and businesses on a scale of 1 to 5, where 1 is not at all successful and 5 is very successful, ecosystem members provided an average rating of 3.0. Only one of the 30 ecosystem members felt that the level of support and services available to Indigenous entrepreneurs and businesses was sufficient to meet their needs. This perception is that the shortage in services will worsen going forward, given the rising interest in entrepreneurship among Indigenous people, particularly among the youth.

Challenges associated with the existing ecosystem include capacity limitations (limits on the numbers of clients that can be served and level of assistance that can be provided), structural issues, and programming gaps. The structural issues included:

- *Lack of a coordinated vision for Indigenous entrepreneurship and small business development.* There is no prevailing strategy to guide the design, development and implementation of services intended to support Indigenous entrepreneurs and businesses. While there is a National Indigenous Economic Development Strategy, it provides little direction regarding entrepreneurship or small business development. There is no national and western Canada Indigenous entrepreneurship strategy in place.

- *Lack of coordination between players in the ecosystem.* Key informants identified the need for a coordinating body or committee at the provincial or pan-western level that could meet periodically to coordinate programming, identify gaps in services, foster greater collaboration among service providers, and develop strategies to support Indigenous entrepreneurs more effectively across the province or region. At present, the perception among ecosystem members is that organizations operate largely in silos with relatively little communication between those delivering services to Indigenous entrepreneurs.
- *Uneven access to services.* Access to services can vary in that some services are available only in certain regions of a province (matching the geographic footprint of the organization delivering the service) or to certain target groups (e.g., Métis clients). Federal government programs have tended to focus primarily on populations on-reserve and outside of the major population centres. Some services may be inaccessible due to locational issues or lack of client awareness regarding the existence of resources or which resources they require.
- *Lack of a front door or central access point for the system.* While there is a range of services in each province, there is no recognized central access point or framework. Both clients and key informants characterized the ecosystem as confusing and difficult to navigate. This is particularly true for entrepreneurs who are at an early stage of business development. Key informants suggested establishing a primary access point which would first assess client needs and then refer those clients to appropriate services for which they are eligible.

The programming gaps most identified included:

- *Pathfinding.* While clients may be referred to different services within the same organization (e.g., within a CF or IFI), referrals to other organizations occur much less often. A major challenge is that both clients and ecosystem members have low awareness of programming available to Indigenous entrepreneurs. More needs to be done to build and strengthen referral networks.
- *Business management skills and training.* Focus groups participants indicated the highest priority for training is the need to improve financial literacy among prospective Indigenous entrepreneurs. Other topics that were identified included business planning, management, accounting, leadership, communication, marketing and sales, networking and relationship building, and technology.
- *Access to capital.* CFs and IFIs have progressed in addressing the need for capital. However, a gap was identified with respect to access to micro-loans (e.g. up to \$15,000). With the exception of the Indigenous Women Entrepreneurship Program which provides micro-loans to women, IFIs and CFs generally do not target that end of the market.

- *Mentorship and networking.* Entrepreneurs express interest in connecting with other entrepreneurs and networking with mentors and others who can help to guide them through the business-development and ownership process.
- *Access to experts.* It can be expensive for entrepreneurs to access expert or specialized services in areas such as accounting, taxation, business law, accounting, budgeting, marketing, market research, social media, branding, and website development. A program could be established which would provide Indigenous entrepreneurs with access to such services, either free of charge or on a subsidized basis.
- *On the ground services.* While many of the services can and should be delivered remotely, ecosystem members noted the important role that boots on the ground in the communities can play in generating interest in entrepreneurship and providing the support that entrepreneurs need to take the very first steps towards the development of a business.

4. The characteristics of the entrepreneurial ecosystem serving Indigenous entrepreneurs do not vary significantly across the four provinces. The key structural issues and program gaps identified by key informants are evident in each.

Although there are some relatively minor differences in the ecosystem across provinces, the same key components (i.e. the IFIs, CFs, other members of the Western WCBSN and programs delivered by federal government departments such as Indigenous Services Canada, Business Development Bank of Canada, and Export Development Canada) are active in each province.

5. There is a strong need to increase access to services for Indigenous entrepreneurship and business development, given the gaps in available services and the potential benefits associated with accelerating Indigenous business development.

Key informants and the literature highlighted a strong need for Indigenous entrepreneurship and business development services. For example, when asked to rate the need for the IBDS on a scale of 1 to 5, where 1 is no need at all and 5 is major need, members of the ecosystem provided an average rating of 4.6. Representatives of PacifiCan, PrairiesCan and the delivery organizations also saw a major need to increase access to programming that supports Indigenous entrepreneurs. The strong need to increase access to services was attributed to:

- *Gaps in the available services:* Early-stage entrepreneurs and businesses face significant challenges in accessing the services they need in key areas such as capital, business advice, information, training, business networks, and human resources.
- *The significant challenges faced by Indigenous entrepreneurs,* which often exceed those facing other entrepreneurs. For example, financial literacy levels tend to be low. Rural and remote entrepreneurs tend to face higher transportation and development costs, and greater challenges in accessing markets, capital, workers, business networks and on-the-ground support due to their locations. Colonization, assimilationist government policies,

and forced enfranchisement have resulted in inter-generational trauma, punctuated by a loss of language, land-based, and cultural identity.¹¹

- *The rising demand for services.* The Indigenous population is large, young and growing much faster than the overall population. According to the 2021 Census, nearly one million Indigenous people reside in western Canada. While this is contributing to a growing population of Indigenous businesses and rising interest in entrepreneurship, the number of Indigenous businesses per 1,000 residents remains relative to the rest of population; this suggests there may be significant potential to accelerate growth of entrepreneurship.
- *The potential economic impact.* Business and entrepreneurial development can have a major impact in promoting economic development and reducing poverty levels amongst Indigenous people. According to the 2016 Census, approximately 80% of First Nations reserves have median incomes that fall below the poverty line and 44% of the on-reserve population lived in low-income households as compared to 14.4% of the total population. A 2016 report by the National Indigenous Economic Development Board estimated that closing the socioeconomic gap between Indigenous and non-Indigenous Peoples in Canada “would result in an increase in GDP of \$27.7 billion annually or a boost of about 1.5% to Canada’s economy.”¹²

6. The services of the IBDS ease gaps in the ecosystem and align with federal government priorities. However, the small size of the program greatly limits its impact in addressing those gaps and meaningfully achieving government priorities.

IBDS services such as business advice, business training, and marketing support align with some of the needs of early-stage businesses and entrepreneurs highlighted earlier. Furthermore, the IBDS aligns with the intent of the federal government to address UNDRIP and respond to the National Indigenous Economic Strategy as well as with the departmental priorities of PrairiesCan and PacifiCan (both PrairiesCan and PacifiCan have established priorities related to building a more inclusive economy). However, the small program budget for the IBDS greatly limits the number of clients who can participate and the level of assistance that can be provided to those clients. The design of the IBDS align with the needs of Indigenous entrepreneurs but the program is too small to “move the needle” in terms of supporting Indigenous entrepreneurship.

3.2 PROGRAM EFFECTIVENESS, DESIGN AND DELIVERY

1. Entrepreneurs who participate in the IBDS tend to be operating very small businesses or still be in the planning phase.

Of those interviewed, 63% of clients were currently operating a business, 32% were in the planning stage, and 5% had started a business but it was not currently operating. None of the

¹¹ National Indigenous Economic Development Board, *National Indigenous Economic Strategy for Canada*, 2022

¹² National Indigenous Economic Development Board, *Reconciliation: Moving Canada Forward by \$27.7 Billion*, 2016

operating companies had more than two employees and most were started in the past one or two years. Representatives of the delivery organizations confirmed that most companies that participate in the IBDS are in the planning or early start-up stage.

2. Clients reported satisfaction with the services they received.

When asked to rate their satisfaction with the program, clients provided an average rating of 4.5. Participating in the IBDS increased client interest in developing businesses, helped them to further develop their entrepreneurial and business skills, increased awareness and use of business resources and other sources of assistance, and helped in creating or building the business. For some, it also helped to strengthen their marketing and networking, become more investment-ready and obtain referrals to financing.

3. The representatives of the delivery organizations also rate the IBDS services highly in terms of their effectiveness for participating businesses.

When asked to rate the effectiveness of IBDS services in meeting client needs, delivery organization representatives provided an average rating of 4.5 on a scale of 1 to 5, where 1 is not at all effective and 5 is very effective. The representatives of the delivery organizations indicated that the services are having a positive impact on participating clients, particularly given the limited resources available. However, it was noted that, while the services are useful to clients in developing their skills and businesses, they typically do not carry the same impact as, for example, receiving a Community Futures loan or IFI funding. As one service provider noted, “The IBDS services are important, but not life altering”. The IBDS is commonly one of a series of resources that an entrepreneur may access in developing their skills and business. The interactions are commonly short and intermittent, although some advisors have maintained contact with clients over a long period of time. Almost one-half of clients (46%) indicated they also received assistance from another entrepreneurial or business development program.

4. While there are some strengths associated with design and delivery of the IBDS, there are also some significant challenges. The major strengths of the IBDS design and delivery include:

- *The delivery organizations are dedicated and committed.* Each delivery organization is committed to the delivery of the program, expressed strong interest in continuing to be involved in the program, and has put a priority of the delivery of the program services.
- *The delivery system levers other resources.* Each organization delivers complementary services to entrepreneurs and early-stage businesses and/or is part of a network of organizations which provide such services. As such, the IBDS benefits from being able to leverage the resources, connections, and services of the delivery organizations.
- *Services have successfully transitioned to a largely remote model.* The transition was fueled in large part by the pandemic. While there is some disagreement, the general consensus amongst delivery and departmental representatives is the IBDS should largely be a remote program through which most services are delivered online. While in-person services may better attract and assist participants, the costs of delivering in-

person services are much higher which greatly reduces the footprint of the program. Even before the pandemic, the IBDS was increasingly delivering services remotely.

- *Services are responsive to local needs.* While most focus group participants and key informants indicated the program should be more clearly defined, it was noted that the flexibility of the program has allowed the delivery organizations to be more responsive to client needs, determine the programming that best meets the needs of Indigenous entrepreneurs, and aligns services with the strengths of the delivery organization. Services have evolved somewhat over time in response to the needs and interests of clients.

The major factor constraining the impact of the program is the limited budget. Other challenges including the lack of clear program objectives, high levels of staff turnover, the low program profile and limited reach, and the diverse nature of the target market:

- *Program Definition.* The IBDS is a legacy program that operates without clearly defined objectives or priorities with respect to the types of services delivered or target segments. This has contributed to widely differing approaches across the provinces and confusion regarding its role in the ecosystem.
- *Staff Turnover.* Limited funding and periodic uncertainty about future funding have contributed to considerable staff turnover. Delivery organizations commonly face challenges in attracting and retaining program coordinators.
- *Low Program Profile.* The program tends to have a relatively low profile in each province, which restricts access to the program but may be appropriate given the limited funding and delivery capacity currently available.
- *Reach.* The program reach is strongly affected by the footprint of the organization delivering the services. Some key informants questioned whether the IBDS is placing enough emphasis on serving urban clients. Most Indigenous people (82%) in Western Canada reside off-reserve, a majority live in larger centres (CMAs).
- *Diverse nature of the target market served.* The IBDS is challenged not only by the geographic dispersion of the target market but also the extent to which the market varies in terms of characteristics of the business (e.g., size, sector or stage of business development) and entrepreneur (e.g., business experience or financial literacy).

5. There is not clear evidence that any of the four IBDS delivery models in place is fundamentally superior to the others.

The general consensus is that trade-offs have had to be made in selecting delivery organizations; no one organization will meet all of the criteria. Recommendations regarding the selection of delivery organizations varied across the departments, delivery organization and ecosystem representatives. Some argued that the program should be delivered only Indigenous organizations while some recommended focusing on organizations with a

provincial-wide mandate. Still others recommended that, rather than having a single delivery organization, the IBDS should provide top-up funding to a range of existing organizations that are based in the regions and already serve entrepreneurs and early-stage businesses such as IFIs and CFs which would enable them to expand their services. The two criteria that were identified most often were having the program delivered by an Indigenous organization and program reach (e.g., being able to serve much if not all of the province). However, none of the delivery organizations are an Indigenous organization that is currently serving the entire province.

6. Representatives of the departments, delivery staff and ecosystem members provided a range of recommendations to improve the IBDS.

The most common recommendation to improve the design and delivery of the IBDS was to increase the level of funding. Other recommendations made by representatives included:

- *More formally design the program.* A common recommendation was to develop formal objectives for the programs, clarify priorities with respect to services and target group, and move towards a more standardized approach across the provinces,
- *Raise the profile of the IBDS.* There is a need to increase the visibility of the program, create greater awareness of the services and supports that are available, and have a clear call to action regarding how potential clients can connect with the IBDS.
- *Continue to provide a range of services.* Given the breadth of the target market needs, it was recommended that the IBDS continue to deliver a mix of services.
- *Improve communication and collaboration with other ecosystem members.* There is a need to improve collaboration between the IBDS and members of the ecosystem in each province. In addition, the program would benefit from increasing collaboration across provinces between the organizations involved in delivering the IBDS.
- *Improve the performance indicators.* The key performance indicators provide an indication of activity levels but provide little information on the depth or impacts of the services provided.

4. FUTURE STRATEGIC DIRECTIONS

4.1 THREE POTENTIAL OPTIONS

This section outlines three potential strategic directions that PrairiesCan and PacifiCan could take with respect to the IBDS. The actual directions that will be taken by PrairiesCan and PacifiCan will be determined by the senior management, reflecting strategic priorities of the department, investment options and other considerations. The three options are:

- **Option 1: Expand the IBDS** by increasing the level of investment and strategically restructuring the IBDS to better meet the needs of early-stage Indigenous businesses and entrepreneurs.
- **Option 2: Improve the IBDS** by making smaller, incremental improvements to the IBDS.
- **Option 3: Sunset the IBDS.**

Option 1: Increase Investment and Strategically Restructure of the Program

There is a strong case in favour of increasing the level of investment and strategically restructuring the IBDS to better meet the needs of early-stage Indigenous businesses and entrepreneurs given:

- The growing numbers of Indigenous businesses and rising interest in entrepreneurship within the large, growing population of Indigenous people in western Canada.
- The potential economic impact of accelerating Indigenous business and entrepreneurial development.
- The challenges faced by Indigenous entrepreneurs and businesses.
- The gaps and structural issues in the existing Indigenous entrepreneurial ecosystem.
- The alignment of the IBDS with federal government priorities including the departmental priorities of PrairiesCan and PacifiCan and the intent to address UNDRIP and respond to the National Indigenous Economic Strategy.

This option would involve significantly increasing the level of investment in the IBDS. Under that circumstance, we recommend that PrairiesCan and PacifiCan:

- **First work with other members of the ecosystem in preparing an Indigenous entrepreneurial development strategy for western Canada.** While an Indigenous Economic Development Strategy has been prepared at the national level, it does not have a significant focus on entrepreneurial development. As part of the strategy development process, we recommend that further research be conducted regarding the varying needs and characteristics of Indigenous entrepreneurs and early-stage businesses, associated business clusters and the entrepreneurial ecosystem. The strategy would identify and develop strategies to fill gaps in the available services and resources as well as facilitate a

more coordinated approach to development between the different players in the ecosystem.

- **Then define the primary objectives, target groups, role and services of the IBDS in the context of that strategy.** Subject to the strategy and input from other members of the ecosystem, consideration could be given to positioning the program as a front door to other services in each province. We expect that the program would be available to Indigenous businesses and entrepreneur across each province and that the primary target group could be defined to include a broader range of entrepreneurs and businesses (current clients tend be pre-startup or near new businesses with one or two employees). Although not necessary, there would be significant benefits to defining a common set of objectives and roles for the IBDS across the four provinces.

Subject to the results of that review, we anticipate that the departments would use increased funding to:

- **Promote the IBDS as a first stop for Indigenous entrepreneurs seeking information on programs and services.** A dedicated website and using social media could be used to promote greater awareness of the program and its services, particularly among Indigenous youth.
- **Employ business advisors who will assess the needs of the entrepreneur, assist where possible, build referral networks, and provide pathfinding services linking the entrepreneurs to other resources in the ecosystem.** Building referral networks which will require keeping current with the range of other programs and resources available and maintaining connections. The business advisors could also educate other members of the ecosystem, as needed, on working with Indigenous clients.
- **Fill selected gaps in the ecosystem.** Depending on the level of funding available, program components could be introduced to:
 - Raise awareness of the entrepreneurship option among Indigenous youth (through education and social media marketing activities).
 - Deliver training programs to fill some gaps in training available from other sources.
 - Providing access to micro-loans for early-stage Indigenous businesses.
 - Subsidize the cost of expert advisors in areas such as business management, business setup, incorporation, accounting, market research, and marketing.
- **Strengthen networking within the Indigenous entrepreneurship ecosystem.** The objectives would be to increase coordination across ecosystem members and collaboration across provinces between organizations involved in delivering the IBDS.
- **Monitor program results.** This will involve developing a logic model and performance measurement strategy, monitoring the needs of Indigenous entrepreneurs, client satisfaction with the services received, the interaction with other elements of

entrepreneurial ecosystem including incoming referrals and referrals made to other program, and longer-term business outcomes. Recommendations regarding a possible performance measurement strategy are provided in Section 4.2.

Option 2: Make Incremental Improvements to the Program (Medium Priority)

The second option is to continue to operate the IBDS, with refinements to the structure of the program, preferably combined with an increase in funding. Should this option be pursued, we recommend that the IBDS:

- **Formally define the objectives of the IBDS and its role in the ecosystem.** The IBDS has been operating without clearly defined objectives, clear priorities with respect to the services delivered or target groups, or a clearly defined role within the ecosystem. This result is widely differing approaches across the four provinces. Under this option, we recommend that the primary role of the program be to serve as the front door to the entrepreneurial ecosystem for Indigenous entrepreneurs. This will require increasing the profile of the program as the first point of contact and providing some direct services combined with referrals to other available resources.
- **Continue to target early-stage Indigenous businesses and entrepreneurs who are still exploring the potential to create a business.** The existing services are targeted primarily at this group (e.g., none of the clients interviewed had more than two employees). The IBDS can build on its history by continuing to target these groups.
- **Focus primarily on needs assessment, pathfinding and training.** Under this model in which the IBDS would be positioned as a front door to other services, IBDS advisors would conduct an assessment of the needs of the entrepreneur, assist where possible, and provide referrals to other programs and services. Pathfinding will require that the delivery organizations keep current with the range of other programs and resource available, significantly raising the profile of the IBDS, establishing strong referral networks, and at times educating other sources of assistance on working with Indigenous clients. The IBDS could also build on its existing training programs to fill some gaps in the training available from other sources. The IBDS would benefit from greater coordination across the four provinces in promoting the program, and sharing training and other resources including information on other programs and services in the ecosystem.
- **Extend services throughout the provinces.** While some services will continue to be delivered in person to clients, the IBDS has largely moved to a remote delivery model. Given this, it becomes less important as to where the delivery organizations are located. More important is their ability to aggressively promote the program and deliver services throughout the province.
- **Develop a performance measurement strategy for the IBDS.** The logic model should be revised to reflect the refined program structure and a series of performance indicators

should be developed which will be useful in managing the program and comparing performance across regions.

Sunset the Program

The IBDS has some characteristics that are common to programs that become sunsetted. It is a legacy program without a clear set of objectives. The budget has not increased over the years and the design of the program has largely stagnated. While the services are well-received by clients, the small size of the program limits the impact of those services.

Both PrairiesCan and PacifiCan have committed to supporting the development of Indigenous businesses and communities. However, that could be achieved through a range of different investments, only one of which is supporting the development of early-stage Indigenous businesses and entrepreneurs through the IBDS. Senior management could make the decision to focus on other investment areas.

The reason why the sunset option may be considered a lower priority is that there is major need to increase access to services to fill gaps and better support early-stage businesses and entrepreneurs, the demand for such services is likely to increase in the coming years, and those services can have a significant impact in promoting entrepreneurship and economic growth.

4.2 DELIVERY ORGANIZATION AND PERFORMANCE MEASUREMENT

Recommendations regarding the future selection of delivery organizations and performance measurement are as follows:

- **The IBDS should continue to use an RFP process to select the most appropriate delivery organization in each province.**

The three types of organizations that are best positioned to deliver the IBDS are IFIs, CFs, and other members of the Business Services Network, particularly Business Services Centres.

- Each of these organizations can lever existing resources and programming in delivering IBDS services.
- IFIs have the advantage of being Indigenous organizations with extensive experience in working with Indigenous entrepreneurs and businesses but not in serving the entire province.
- CFs have extensive experience in working with entrepreneurs and businesses but not in serving the entire province. CFs can vary widely in terms of their experience in working with Indigenous entrepreneurs.
- Business Service Centres have the greatest experience in serving the entire province and providing pathfinding services but tend to have more limited relationship with Indigenous entrepreneurs.

Defining the criteria and selecting the delivery organization should be the final step in the process, undertaken only after the objectives, roles and services of the IBDS have been defined. The key criteria should be the ability of the organization to deliver the defined services, their experience in Indigenous entrepreneurial and business development, their plans and ability to serve the entire province, and their commitment to delivering the program.

- **Once the objectives and design of the program have been finalized, the program logic model should be updated and a performance measurement strategy should be developed.**

The scale of the performance measurement effort will depend in part on the level of investment in the program. The objective of the performance measurement strategy would be to better track information on:

- Clients - the numbers and characteristics of the entrepreneurs and businesses served.
- Services - the number and types of services delivered/number of clients participating in each type of service (e.g. business advice and guidance, training, webinars, workshops, events, and mentoring).
- Referrals - the numbers of inbound and outbound referrals by source and target.
- Outcomes – resulting impacts on the clients and their businesses (e.g., businesses created, skill development, employment and revenue growth).
- Client satisfaction - client feedback on the effectiveness and relevance of services
- Usage - website page views and downloads.
- Awareness – source and level of awareness of the program.

To facilitate the collection of data, consideration should be developing a centralized intake and database which would better enable the IBDS to:

- Collect descriptive data from entrepreneurs and their businesses when they apply to participate in the program (in terms of needs, location, sector or stage of development).
- Update the records with data collected by the IBDS Advisors as they work with clients on an on-going basis. This would enable the program to track data on clients, interactions, program activities including hours spent, referrals to other programs and resources, and progression of the business (operational status, employment and revenues).
- Conduct a follow-up survey of a sample of program clients. Through the survey, data could be collected on indicators such as services received, satisfaction with the services provided by the IBDS, use and results of referrals to other programs and resources, and changes in employment and revenues.