

ACCESS WEST

WESTERN ECONOMIC DIVERSIFICATION CANADA

July - September 2001

WORK-LINKING: A NEW PARTNERSHIP ALTERNATIVE

Small business owners tend to concentrate on niche markets where they know what they're doing and can make a name for themselves. What they may have overlooked, however, are the opportunities available if they partnered with the most available resources – other small businesses.

Business partnerships are formed daily for a variety of reasons. A key to small business partnering is establishing strong relationships with other small businesses that can provide expertise in areas that complement their own.

Within local communities, partnerships may be as simple as sharing an advertising opportunity with a complementary business, working with the Chamber of Commerce on initiatives or events, or offering seminars on specific services with other businesses.

Although work-linking, a unique new way to grow your business, is often associated with home-based businesses, the idea is not limited to those entrepreneurs who choose to work from home. Work-linking has an advantage over the “do it all myself” style of management, allowing businesses to expand their capabilities by working with others. By forming a temporary alliance, a business can open up its geographic market and offer a broader range of services.

Work-linking is an agreement to operate as a temporary, flexible partnership that can be as simple as a collaborative advertisement or brochure that features related independent businesses or as complex as a joint venture agreement. Partners can be across town, in the

next province or on the other side of the globe. Just think of the opportunities!

These “virtual companies” or “strategic alliances” are growing between businesses, large and small, to extend their market reach through temporary partnerships that broaden the capabilities of each partner without increasing overhead. These work-links also create a mutual network among the team of independent businesses.

To get started in work-linking requires defining business expansion objectives and determining what outside skills are required. Without this blueprint to forming an alliance, entrepreneurs may expand their business, but likely won't be able to identify the skill sets they need from their work-linking partners.

Rarely will work-linking partners meet face-to-face, so these strategic alliances are not easily formed and managed, and will be formed by trial and error. The Internet becomes a valuable resource when researching partners or opportunities.

Business patterns are changing. Becoming an independent, small businessperson is on the rise. But while the small business owner mindset can be an asset, it can also blind one to opportunities for combining talents. Work-linking partnerships will not only help increase business, but also offer the chance to expand your horizons while maintaining independence.

Only your imagination limits the possibilities of work-linking partnerships! ♦



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A MESSAGE FROM THE HONOURABLE *Ron J. Duhamel*



*Ron J. Duhamel
Minister of Veterans Affairs
and Secretary of State
(Western Economic
Diversification)
(Francophonie)*

Forming new partnerships that make sense for Western Canada has been part of the way Western Economic Diversification Canada (WD) has done business since the Department opened its doors in 1987.

In 1996, WD formed the Western Canada Business Service Network to ensure its services were made available throughout the West. The network partners include Canada Business Service Centres, Community Futures Development Corporations, offices of the Women's Enterprise Initiative and WD's own offices in the four western

provinces. In April of this year, four Francophone Economic Development Organizations, one in each province, became the newest members of the network.

WD also works in cooperation with educational and financial institutions, as well as with other federal, provincial and municipal government departments to deliver national programs such as the Infrastructure Canada Program.

As the Minister responsible for WD, I am proud of the important role the Department plays in forging successful partnerships in the West that enable the Government of Canada and western Canadians to work together on shared priorities. WD will continue to engage in strategic partnerships and seek new opportunities to provide leadership and coordination to deliver economic programs and services to western Canadians that are innovative, sustainable, entrepreneurial and inclusive. ✨

NEW LOAN PROGRAMS FOCUS ON KNOWLEDGE-BASED BUSINESSES

By Gordon Eckert

The number of financing options for budding or existing entrepreneurs across Western Canada was recently boosted by new loan programs made possible by Western Economic Diversification Canada (WD) in partnership with the **Canadian Imperial Bank of Commerce (CIBC)** and **Business Development Bank of Canada (BDC)**.

The programs target “knowledge-based businesses” and have broader eligibility criteria for firms in this sector. They follow in the footsteps of WD’s loan programs introduced in 1996. The loan funds provide a new source of patient debt capital to firms in sectors that traditionally have difficulty obtaining financing. Today, WD and its financial partners offer a variety of loan programs that are aimed at industry sectors important to Western Canada.

Each program provides access to patient and flexible debt capital on terms especially suited to the unique needs and cash flow requirements of small and medium-sized businesses. The loan programs are unique in that WD also provides businesses with free information and advice on a wide range of financing alternatives and will help determine their eligibility for programs that best suit their needs.

To be eligible under a knowledge-based loan program, interested entrepreneurs should be operating or about to operate a business in Western Canada and should meet a few other criteria. An important condition focuses on the strength of an entrepreneur’s business idea and desire to pursue a “knowledge-based business” project. They should have a commercially viable product or service and sound business plan. It also helps if the product or service has proven market acceptance and/or export potential.

Loans made through the programs can be used for research and development leading to commercialization, pre-commercial and commercial product or service development, enhancements to production and services capacity, marketing and promotional activities, or

working capital for anticipated sales increases. Loans range from a minimum of \$50,000 to a maximum of \$1 million per project, and \$2 million per borrower.

Eligible companies will be involved in one of the following sectors: advanced materials, aerospace, advanced manufacturing technologies, biotechnology, environment, health, information technology, multi-media, film and ocean industries, or other products and services deemed eligible.

For more information about either of these programs, contact WD at 1-888-338-WEST (9378) or visit the Business Financing section on WD’s Web site: www.wd.gc.ca/eng/finance/xnetwork.html. ♣

Business Loans for Knowledge and Growth



- \$15 million capital pool
- loans can range from a minimum of \$50,000 to a maximum of \$500,000 per project and \$1 million per borrower
- firms involved in tourism are also eligible
- loans can also be used for the acquisition of specialized assets and work in progress, marketing and promotional activities, to cover pre-shipping costs or provide working capital for anticipated sales increases

Loans for Knowledge-Based Businesses



- \$20 million capital pool
- loans can range to a maximum of \$1 million per project and maximum of \$2 million per borrower
- loans can also be used for enhancements to new production or service capacity or market development and expansion (not including retailing, wholesaling or reselling)

USP - THE SECRET MARKETING WEAPON

Today's competitive marketplace demands that you rise above your competition if you want to succeed. This means getting your customer's attention and keeping it by providing an incentive that will make them *want* to buy your product or service.

Place yourself in the shoes of the potential customer and decide what benefit will make your product or service appear to stand out from anything else available on the market. The secret marketing weapon that will give your business a competitive advantage is called the **unique selling position**, or **USP!**

What is your USP? A USP should be the biggest and most compelling reason your potential customer will choose your product over the competition. You'll get your best results from a USP that customers obviously desire and no other business is using.

- **Great Customer Service** – If you have ever received *excellent* customer service, you'll remember how the business went out of its way to help you and you will want to do business with them again. Great customer service *always* makes a great USP.
- **Low Prices** – If your prices are lower than your competitors, make this your USP. Splash this clearly in your advertising and be specific about how low your prices really are. *"We guarantee our prices are 10% lower than anybody else!"*
- **Untouchable Guarantees** – A reasonable guarantee won't make the grade as a USP, but using a strong, *Iron Clad* or *Risk-Free* guarantee can give you a real advantage. *Lifetime Guarantees* work the best. Live up to the promises of these guarantees, and although you may experience a few customer returns over the years, you'll get far more business with this type of USP.

- **Better Selection** – Choices generate sales because consumers love variety. For your advertising to be effective, ensure that you spell out exactly how many choices your customers have. *"Most stores offer only 2 widgets, but we have over 27 to choose from in 20 different colours."* Be careful though, too much inventory may not be a good thing, so use this as an USP only if it makes sense for your business.
- **Free Shipping** – If you have joined the e-business world or sell products by mail, free shipping could be your USP. Mail order buyers complain about the high shipping charges, but love to take advantage of free shipping. Canada Post also offers solutions for e-businesses and can help reduce your costs in these areas, making this USP more appealing for your business and your customers.
- **After Sales Service** – Product help and support that customers can count on after your product is in their home or office is a major USP! Let your customers know you'll always be there for them, whether it's through your concrete or electronic storefront, or on the phone. Not only will you have a satisfied customer, but one who'll likely buy from you again.
- **Easy Credit Terms** – The second most powerful USP is manageable credit terms for purchases. *"Buy now and don't pay for six months"* ads really work! Consumers like the idea of taking something home and not worrying about a payment for six months. Long-term payments and no interest are also big attention grabbers for consumers.

There are many choices for your business' USP, but unless you shout it out to your customers, they'll never know about it. Remind your sales people to always repeat your unique selling position every time they're with a customer, and always use your USP in advertising. ♣

WOMEN ENTREPRENEURS WORKING TOGETHER IN THE WEST

Women entrepreneurs are playing an increasingly important role in the creation and operation of small businesses across Canada, yet they have traditionally faced difficulties breaking into the entrepreneurial arena. Fortunately for women in Western Canada there is a network of women's organizations that are available to help!

Funded through Western Economic Diversification Canada (WD), offices of the **Women's Enterprise Initiative** provide business information and services specifically aimed at women entrepreneurs. Each western

province has set up its own component of this pan-western initiative. The non-profit groups, led by volunteer boards of entrepreneurs and business professionals, offer help to women who want to start and grow their own business.

Services are offered that improve access to financing, education and training, business counselling and loan aftercare, information, networking and mentoring. Each organization works to identify and fill service gaps facing entrepreneurs with products and services uniquely tailored to meet the needs of women entrepreneurs in their province. ✻



Alberta Women's Enterprise Initiative Association (AWEIA)

AWEIA has offices in Calgary and Edmonton,

but also has a network of business coaches located throughout Alberta. The client-centred approach to service delivery means businesswomen take responsibility for moving their business plans forward...while AWEIA can guide and offer support, information and options. For more information about AWEIA, its program and services, contact 1-800-713-3558, or visit their Web site at: www.aweia.ab.ca.



Women's Enterprise Centre of Manitoba

Establishing, operating and expanding a business requires careful planning and the funds to put viable ideas into action. The Women's Enterprise Centre of Manitoba offers services throughout the province such as: practical loan options to start, purchase or expand businesses; consultations with

experienced professionals and continuous business knowledge development by way of business seminars; business-to-business linking program; youth programs and other special initiatives. Winnipeg is home to the office of the Women's Enterprise Centre of Manitoba. Contact 1-800-203-2343 or (204) 988-1860, or visit their Web site at: www.mbnet.mb.ca/wec.



Women Entrepreneurs of Saskatchewan Inc. (W.E.)

W.E. provides business solutions for success by working with women considering a business, starting a business or operating an existing

business. Helping women throughout Saskatchewan to achieve their entrepreneurial goals is a priority. W.E. is a membership organization, with five rural chapters in various communities across the province. Contact the Saskatoon or Regina offices to inquire about W.E. programs and services, at 1-800-879-6331, or visit the Web site at: www.womenentrepreneurs.sk.ca.



Women's Enterprise Society of British Columbia (WESBC)

WESBC's vision is to be the gateway to women's entrepreneurial success. From its offices in Kelowna and Vancouver, WESBC delivers a variety of services and innovative training programs designed to assist women entrepreneurs in even the most remote communities of British Columbia. Whether a woman is starting, purchasing or growing an enterprise, WESBC can assist her along the path to prosperity. For more information, contact (250) 868-3454 or 1-800-643-7014, or visit their Web site at: www.wes.bc.ca.

SERVICE NETWORK VOLUNTEERS HONOURED IN OTTAWA

By Stephen Lamoureux

It is appropriate with this being *International Year of Volunteers* that members of the Western Canada Business Service Network (WCBSN) should take a front seat in the celebrations.

Roland Dandeneau, Chairperson of Community Futures Partners of Manitoba, and **Anita Ratchinsky**, Chairperson of Alberta Women's Enterprise Initiative Association (AWEIA), were selected by Western Economic Diversification Canada (WD) to be honoured at celebrations held in Ottawa in April. Dandeneau and Ratchinsky, who exemplify the entrepreneurial spirit of the West, represented the volunteers of the WCBSN at the events.



Human Resources Development Minister Jane Stewart honours Anita Ratchinsky (left) and Roland Dandeneau (right) at Federal Volunteer Recognition ceremonies in Ottawa.

During a reception at the Museum of Civilization on April 25th, 60 volunteers joined other outstanding Canadians, including Aboriginal peoples, acclaimed musicians, Parliamentarians and representatives of the Games of La Francophonie, to meet Prince Charles. Volunteers from across Canada were honoured by the Government of Canada at the Federal Volunteer Recognition Ceremony on Parliament Hill on April 26th.

Dandeneau has volunteered for 34 years in various capacities and enjoys making a contribution to his community locally, provincially and nationally. "Economic development is a special interest and I saw an opportunity that would provide special benefits to my community and an opportunity for me

to make a contribution," he says of his 11-year involvement with the Community Futures program in Manitoba.

The most important reason why Ratchinsky volunteers her time is that she has achieved many things in her life, not only those things she set her mind to achieve, but other opportunities that have enriched her life in many ways. "Volunteering is an opportunity for me to give back and to help others achieve their goals and dreams. I have a diverse background of experience and if I can give a helping hand to others that allows them to succeed, then I will have made a difference."

WD is fortunate to have the support of many volunteers, without whose help the Department would not successfully deliver its mandate. WD's network partners have relied heavily on volunteers who have put the needs of others above their own and given selflessly of their time and talent as members of volunteer boards or mentors.

Community Futures offices rely on approximately 2,872 volunteers across the West, including 996 volunteer board members. Offices of the Women's Enterprise Initiative involve 232 volunteers, including 32 board members. The four Francophone Economic Development Organizations also engage approximately 50 board members in total.

Community Futures Development Corporations (CFDCs), Women's Enterprise Initiative organizations and Francophone Economic Development Organizations are strongly connected to the community through their volunteer board members. The most impressive indicator of their success is the willingness of westerners to volunteer for these organizations. Volunteerism is key to healthy, dynamic, vital organizations whose leaders are well respected in the community. The commitment of volunteers maximizes the effectiveness of WD's resources and ensures the solutions are tailored to meet local needs.

The Western Canada Business Service Network includes WD offices, CFDCs, offices of the Women's Enterprise Initiative, Canada Business Services Centres and Francophone Economic Development Organizations across the West. For more information about the network partners or how to volunteer for one of these organizations in your area, contact 1-888-338-WEST (9378) or see the WCBSN listing in each regional supplement enclosed. ♣

LINKING INNOVATION IN THE WEST

By Sandra Volume, WestLink Innovation Network Ltd.

Partnerships are an important part of today's business world, with alliances between public and private sectors being key to many successful organizations. A truly remarkable western Canadian example of partnership is the **WestLink Innovation Network Ltd.**

WestLink is a not-for-profit organization created in 1999 to facilitate communication, collaboration and technology commercialization among the 14 western universities and their affiliated research institutes.

Western Economic Diversification Canada (WD) and the Natural Sciences and Engineering Research Council (NSERC) provided start-up and operational funding, with the original seed investment from WD being a catalyst to develop programs and services in Western Canada.

WestLink has partnered with university-based technology transfer offices and two Networks of Centres of Excellence to offer a range of programs and services for its members. It provides the foundation for networking and communications through meetings, Web site materials and secure Intranet, discussion groups, collection and provision of statistical research on the members, and sharing of best practices. WestLink also offers skill-building events delivered in partnership with its members to researchers, graduate students and the business community, and works to increase the awareness of technology transfer issues to its stakeholders.

Recently, the **WestLink Technology Commercialization Internship Program** was developed to meet the need for trained managers with an understanding of early stage technology development issues. The program allows 20 interns to participate in three 8-month work terms with a university technology transfer office, a high-tech small business enterprise and a venture capital/finance investment firm.

Financial support for this program has been tremendous, with sponsors such as WD, NSERC, the Canadian Institutes of Health Research and the four western provinces.

The interns from the West were selected from over 200 applicants and began the program in May. WD Deputy Minister Oryssia Lennie and Dr. Bob Church, Chair of the Alberta Science and Research Authority, spoke to the interns at an introductory "boot camp" held in Edmonton. The camp



Sandra Volume from WestLink working with Matt Ferguson, Technology Manager, University/Industry Liaison, Simon Fraser University (Vancouver, B.C.).

provided them with an overview of technology commercialization in Western Canada and an opportunity to network with other interns and leading experts in the field.

WestLink works in many capacities to meet the varying needs of its diverse members, as well as with smaller institutions to develop their internal capacities and discover new inventions. It also provides linkages to the larger members looking for technology bundling or partnership opportunities and offers a range of contract services, such as the "Spin-Off Company Survey" – a database and survey process that was developed by the University of British Columbia - Industry Liaison Office.

The needs of WestLink's members are evolving, especially with technology commercialization being a relatively new industry in Canada and the emerging knowledge that universities can be great resources for innovation and partnership to develop new commercial opportunities. WestLink will continue working towards strengthening the western Canadian technology commercialization industry to help foster increased economic diversification for the region.

For more information, visit their Web site at: www.westlink.ca. ♣

If undeliverable please return to:

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WD WELCOMES NEW MEMBERS TO THE WESTERN CANADA BUSINESS SERVICE NETWORK

By Anastasia Lim

No matter how complete a family may be, there is always room for one more. Western Economic Diversification Canada (WD) welcomes four Francophone Economic Development Organizations (FEDOs) to the Western Canada Business Service Network (WCBSN). The Francophone groups become the fifth members of the network which includes WD offices, Community Futures Development Corporations, Canada Business Service Centres and offices of the Women's Enterprise Initiative.

FEDOs are independent, not-for-profit organizations governed by volunteer boards of directors representative of the province, with a mandate for Francophone community economic development. They include **La Société de développement économique de la Colombie-Britannique, La Chambre économique de l'Alberta, Le Conseil de la coopération de la Saskatchewan, and Le Conseil de développement économique des municipalités bilingues du Manitoba.**

WD is committed to enhancing the vitality of English and French minority language communities in Canada and assisting in their development on the economic and community fronts. WD also made a commitment to pursue an inclusive approach to business development in the West.

In the last few years, WD and FEDOs have supported the economic development needs of the French speaking communities in Western Canada. Past discussions with Francophone communities suggested that, for both language and demographic reasons, the existing WCBSN partners did not have targeted products or enhanced services to provide Francophones with a level of service comparable to service being delivered to other clients. In acknowledgement of this service delivery gap, a provincial economic development organization was established in each province. FEDOs currently provide a comparable type and level of service as the other network partners.

Inclusion in the network is a natural evolution in WD's support of the Francophone Economic Development Organizations, which

began in 1996. FEDOs will now participate as integral members of the Western Canada Business Service Network, and explore ways of working together with other partners to provide the best possible service to western Canadians.

Through a strategic initiative, WD will fund the operating costs of the FEDOs over a three-year period ending March 31, 2004. This core funding ensures ongoing services in a publicly accessible site; the availability of materials and resources for the public; the availability of staff to provide program referrals, training and business counselling; business development advice; and access to financing.

Some of the services available to Francophone entrepreneurs will include:

- small business information;
- referral to government programs;
- information sessions, workshops and exhibits to strengthen the skills of Francophone entrepreneurs and to allow them to explore business opportunities; and
- business management skill development, including marketing and bookkeeping.

As the newest member of the WCBSN family, the Francophone Economic Development Organizations are a valuable addition that helps to ensure that all entrepreneurs in Western Canada have access to the programs and services they need to succeed and grow. ♦

For more information about your local FEDO, contact:

La Chambre économique de l'Alberta
(780) 414-6125 or 1-888-414-6123

La Société de développement économique de la Colombie-britannique
(604) 732-3534 or 1-877-732-3534

Conseil de développement économique des municipalités bilingues du Manitoba (CDEM)

(204) 925-2320 or 1-800-990-2332

Conseil de la Coopération de la Saskatchewan (CCS)
(306) 566-6000