

Evaluation of the Brand Canada (BC) Program

Final Report

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	iii
1. INTRODUCTION	1
1.1 Background	1
1.2 Program Description	1
1.2.1 Objectives and Guiding Governance Principles	1
1.2.2 Program Resources	3
1.2.3 Allocation Process	6
1.2.4 Performance Measurement	7
1.3 Evaluation Issues and Objectives	7
1.4 Methodology	8
1.4.1 Document Review	8
1.4.2 Analysis of Administrative Data	8
1.4.3 Analysis of Reports on Shows	9
1.4.4 Interviews with Stakeholders	9
1.5 Limitations of the Evaluation	10
1.6 Purpose and Organization of the Report	10
2. FINDINGS	11
2.1 Rationale for the Program	11
2.2 Governance and Performance Measurement	12
2.2.1 Governance of the Program	12
2.2.2 Performance Measurement	13
2.3 Outcomes and Objectives Achievement	15
2.3.1 Use of Brand Canada Funds	15
2.3.2 Visibility	17
2.3.3 Canada's Standing	18
2.3.4 Visitors to Canadian Pavilions	19
2.3.5 Foreign Buyers and Decision-Makers	20
2.3.6 Canadian Companies	20
2.3.7 Impact of Absence of Program	22
2.3.8 Suggestions for New Initiatives	22
2.4 Lessons Learned	23
2.4.1 Overlap and Duplication	25

3.	CONCLUSIONS AND RECOMMENDATIONS	26
3.1	Conclusions	26
3.1.1	Program Rationale	26
3.1.2	Governance	26
3.1.3	Outcomes and Objectives Achievement	27
3.1.4	Lessons Learned	28
3.2	Recommendations	28
3.2.1	Preamble to Management Responses	29
3.2.2	Management Responses	31

EXECUTIVE SUMMARY

The Brand Canada (BC) Program was introduced in May, 2001 as a method of raising the profile and improving the image of Canada internationally at trade shows that are recognized as vital to their industries. BC aims to achieve the goal of raising the Canadian profile by enhancing Canada's presence at global trade shows and major regional shows in Team Canada Inc (TCI) priority sectors. During the four years since the inception of the BC program, 91 trade shows have been allocated incremental funding, covering all 12 TCI priority trade sectors.

The evaluation examined the continued need for the Brand Canada Program, the current governance structure and the extent to which this structure has been efficient and effective, and the extent to which the objectives of the Program have been met.

Evaluation Findings

1. Program Rationale

There is a clear rationale and continuing need to enhance Canada's profile at key industry trade shows. Canada still needs BC funding to improve its image and present a face that is both reflective of its considerable standing in many key industries, and to remain competitive with the displays of other nations at shows. This need is as great as it was when the Program was first established.

Most of the concerns around the design of the Program involved the timing of BC funding, especially the tying of the funding to the government fiscal year. Although many vital industry shows are being funded, there were concerns that the somewhat restrictive eligibility criteria of the Program excluded many important shows in key industry sectors.

2. Governance and Performance Measurement

The BC Program's governance structure was praised for both its interdepartmental collaboration and transparency and accountability, and there is little doubt among key informants that the Program has strengthened TCI. Concerns were raised, however, about whether that governance structure is enabling the Program to be sufficiently flexible and responsive to the needs of TCI members.

Though the spirit of the performance measurement strategy for the BC Program is appreciated, criticisms were made. In particular, concerns were raised with respect to

the post-event evaluations especially the relevance of the questions and the lack of systematic follow up.

3. Outcomes and Objectives Achievement

Overall, the evaluation findings indicate that the BC Program is having an impact on at least some of the expected areas. Most notably, the funding has contributed much to Canada's visibility, profile and image at key trade shows through larger pavilions, technological and graphic enhancements, and special events. These enhancements appear to have also positively influenced Canada's standing at trade shows relative to competitors. Though in some cases more work may be necessary to raise Canada's standard to that of other major countries, the improvement from BC funding is evident.

Terminating the program, and thereby diminishing Canada's presence at key industry trade shows, has the potential to hurt Canada's image and standing with world entrepreneurs and industrialists. For example, BC has improved Canada's image greatly and brought it back to the forefront, so a step back to a less impressive pavilion may raise flags among attendees about Canada's business climate.

Recommendations

On the basis of the Brand Canada Program evaluation findings, the following recommendations are made to TCI through International Trade Canada:

1. ***Reconsider the current funding delivery arrangement.*** A number of concerns have been raised about the way in which BC funding is provided to recipients. In many cases, the funding is not arriving well enough in advance for people to book their services and equipment without having to borrow from elsewhere in the meantime. Some shows that were funded in the past have been denied funding because the following year's show falls within the same fiscal year as the one before. For reasons such as these, the Program should examine whether funding can be delivered in a manner that is more helpful to recipients, or perhaps consider the possibility of multi-year funding agreements.
2. ***Review and reassess the criteria for funding shows.*** It appears that many potentially worthwhile industry shows are missing out on the benefits of the Brand Canada Program because they do not meet certain funding criteria, such as being a show in which Canada has participated in the past. In the interest of conquering potentially lucrative new markets and, through reconsidering shows that may not be the best use of funds anymore, it is

advisable for the Program to open up its criteria, and possibly create a process by which new, but potentially valuable shows can be nominated for BC funding.

3. **Explore options for saving costs.** In the interest of cost-effectiveness, Brand Canada may want to consider different ways to alleviate the costs of things such as equipment rentals. Options to contemplate may include cost-sharing with other departments or private-sector companies, or buying a reserve of often-needed equipment that can be loaned to various industries instead of renting every time.
4. **Consider increasing the involvement of industry in the design and delivery of the Program.** In some ways, many of the issues around flexibility and timing of funding could be resolved by encouraging greater involvement in the Program on the part of industry representatives. Needs vary from industry to industry, and are often dynamic. Greater involvement from people who are more 'on the ground' in the various industries could help the BC Program to remain current and responsive.
5. Improve the **standardized reporting template for show managers.** This evaluation encountered considerable difficulty in determining any concrete impacts of the BC Program on things such as attendance and sales. Part of this is due to the inconsistent format and quality of show reports. For more informative evaluations in the future, it is advisable for Brand Canada to enforce more strictly the use of the report template by show managers. Furthermore, the template should be improved to allow for quantitative data to be provided on the number of visitors, and the template should have clearly-marked spaces for number of companies in the Canadian pavilion, in the entire show, and so on, so there is no confusion regarding what numbers are required. There should also be room for explaining any incremental impacts; presumably if this report is required at every show every year, it will be possible to determine incrementality after a few shows. Finally, the on-site reports provided a more objective assessment. However, improvements should be made to the standardized template for these reviews.

The Management responses to the above recommendations can be found on page 33, Section 3.2.2 of this report.

1. INTRODUCTION

1.1 Background

The Brand Canada Program of Team Canada Inc (TCI) was introduced in May 2001 in order to raise the profile and improve the image of Canada internationally, at trade shows that are uniformly recognized as vital to their industries. This program was initiated in response to the perceived negative impact of an inferior presence at such trade shows due to ongoing budget reductions. As a result, gaps emerged between Canada's presence at key venues and that of its competitors. Given increasing competition internationally and Canada's reliance on exports for 45 per cent of its GDP, a strong presence at key international trade shows is considered important.

By undertaking this type of promotional program, TCI wanted to provide a supportive environment that would give Canadian companies, especially small and medium enterprises (SMEs), a more competitive edge and make them more successful in generating export sales, solid contacts, trade leads and market intelligence. The broad goal is to serve the interests of all Canadian suppliers by promoting Canada's "brand image" and improving the country's credibility and visibility. Ultimately, the impression Canada creates among foreign buyers should be durable, such that they seek out Canadian suppliers (directly and through missions abroad) long after the completion of the individual trade shows.

1.2 Program Description

1.2.1 Objectives and Guiding Governance Principles

The Brand Canada (BC) Program was designed to raise the profile and improve the image of Canada internationally at key trade shows, commensurate with the standards of our competitors, as an advanced, high-tech, sophisticated country and a superior source of high-quality, value-added products. It aims to achieve this goal through enhancing Canada's presence at global trade shows and major regional shows in TCI priority sectors (i.e., Aerospace and Defence; Agricultural Products, Agri-Food and Seafood; Automotive; Bio-Industries; Cultural Products and Services; Environmental Industries; Health Industries; Information and Communications Technologies; Natural Resources Technologies and Services; Plastics; Service Industries; and Wood Products and Other Building Materials). The Program's objectives are as follows:

- Raising the profile and improving the image of Canada internationally at trade shows recognized as vital to their industries;

- ❑ Promoting Canada's "brand image" and improving Canada's credibility among foreign buyers and decision makers present at these trade shows; and
- ❑ Contributing to the impact for participating Canadian companies (i.e., on export sales, solid contacts, trade leads and market intelligence).

The guiding governance principles of the BC Program (as identified in BC Program documents) include:

- ❑ Inclusiveness — the program will engage any interested TCI partner;
- ❑ Partnership and teamwork — the program will reinforce the concept of horizontal decision-making;
- ❑ The program will be simple in terms of its governance structure and efficient in its budget allocation and program delivery methodologies;
- ❑ The program will allow for flexibility in order to maximize event impact;
- ❑ It will be evaluated according to accepted TCI results-based performance measurement criteria; and
- ❑ The program will be delivered in-line with Canadian Trade Commissioner Service "New Approach" principles, which govern the responsibilities of mission-based officers vis-à-vis trade shows.

In the four years since the inception of the BC Program, 91 trade shows have been allocated incremental funding (several occurring more than once in the four-year period), covering all 12 TCI priority trade sectors, in markets in Africa, Asia, Europe, the Middle East, Latin America and North America.¹

Program funds are incremental. It must be unlikely that the proposed initiative would be undertaken without BC support. Funds are not used to subsidize the participation of individual firms, which are expected to continue the practice of paying their own costs as well as contributing to common costs associated with a national presence. The funds constitute the government's share of a partnership with the private sector to leverage their contribution and maximize overall results.² Examples of the types of trade show expenditures covered by the Brand Canada Program include:

¹ Information derived from "TCI Call Letter for Proposals, Brand Canada Program, Funding for FY 2004-2005."

² Information derived from "TCI Call Letter for Proposals, Brand Canada Program, Funding for FY 2004-2005."

- Expansion and re-design of Canadian pavilions and/or federal government booths;
- Innovative approaches incorporating the use of IT (e.g., multimedia and web-based marketing materials);
- Improved media relations and advertising programs;
- Concurrent promotional activities such as Canadian cultural events;
- Networking, matchmaking and hospitality activities focussed on key sectoral business leaders;
- Enhanced Ministerial participation; and
- Other creative concepts.

In addition to funding incremental trade show activities, the BC Program also funds initiatives that can be applied horizontally across all shows, in order to achieve a consistent Canadian image and realize cost savings. These initiatives include: ³

- Advertising;
- “Best practices” seminar;
- Common graphics;
- Common marketing materials;
- On-site evaluation; and
- Web-page design.

1.2.2 Program Resources

The total budget of the Brand Canada Program was \$12 million. The BC funds have been disbursed as follows:

- \$1 million in FY2001-02;
- \$4 million in FY2002-03;
- \$4 million in FY2003-04; and
- \$3 million in FY2004-05.

As is indicated in Table 1.1 below, the majority of BC funding was intended to go to branding projects at international trade shows.

³ Information derived from “Branding Canada Through International Trade Shows: Concept Plan for Horizontal Initiatives” and the Brand Canada Program Secretariat.

Evaluation of the Brand Canada (BC) Program

Table 1.1: Summary of Planned Expenditures ('000's)

	2001-2002	2002-2003	2003-2004	2004-2005	Total
Branding Projects at International Trade Shows	950	3,180	2,900	2,700	9,730
Horizontal Initiatives	50	500	500	200	1,250
Contingency Funds	0	320	600	100	1,020
Total	1,000	4,000	4,000	3,000	12,000

Source: TCI Brand Canada Program Expenditure Plan 2001-2004

Industry sectors received varying proportions of the BC funding, with the ICT industry receiving the largest proportion overall (17 per cent), and the service industry receiving the smallest proportion (two per cent). Further details on the allocation of funds are provided in Table 1.2.

Evaluation of the Brand Canada (BC) Program

Table 1.2: Allocation of Funds by Sector

Industry Sector	2001-2002	%	2002-2003	%	2003-2004	%	2004-2005	%	Total	%
Aerospace and Defence	\$50,000	5%	\$484,000	12%	\$380,730	10%	\$290,000	10%	\$1,204,730	10%
Agriculture	\$225,000	23%	\$335,941	8%	\$356,059	9%	\$453,500	15%	\$1,379,500	12%
Automotive	\$100,000	10%	\$184,560	5%	\$360,000	9%	–	–	\$644,560	5%
Bio	\$130,000	13%	\$230,000	6%	\$200,000	5%	\$130,000	4%	\$690,000	6%
Cultural Industries	\$0	0%	\$88,000	2%	\$250,000	6%	\$220,000	7%	\$558,000	5%
Environmental Industries	\$120,000	12%	\$150,000	4%	\$326,500	8%	\$87,000	3%	\$683,500	6%
Health	\$0	0%	\$235,000	6%	\$235,000	6%	\$125,500	4%	\$595,500	5%
ICT	\$90,000	9%	\$848,500	21%	\$748,800	19%	\$325,000	11%	\$2,012,600	17%
Natural Resources	\$111,500	11%	\$390,000	10%	\$280,000	7%	\$359,200	12%	\$1,140,700	10%
Plastics	\$0	0%	\$156,162	4%	\$158,700	4%	\$265,000	9%	\$579,862	5%
Services	\$48,000	5%	\$66,064	2%	\$101,200	3%	\$59,000	2%	\$274,264	2%
Wood and Building Products	\$103,000	10%	\$288,000	7%	\$182,000	5%	\$413,500	14%	\$986,500	8%
Total for Trade Shows	\$977,500	98%	\$3,456,228	86%	\$3,587,989	90%	\$2,727,700	91%	\$10,749,417	90%
Horizontal Fund	\$22,500	2%	\$356,927	9%	\$162,945	4%	\$176,000	6%	\$718,372	6%
Contingency Fund	\$0	0%	\$186,845	5%	\$249,066	6%	\$97,000	3%	\$532,911	4%
Total	\$1,000,000	100%	\$4,000,000	100%	\$4,000,000	100%	\$3,000,000	100%	\$12,000,000	100%

Source: Brand Canada Program Secretariat

February 2005

1.2.3 Allocation Process

Program funds are allocated annually by an interdepartmental Experts Committee co-chaired by Industry Canada (IC) and ITCan, composed of a representative group of TCI members (AAFC, EC, NRCan and PCH) reporting to TCI's Executive Committee. The day-to-day administration of the BC Program is supported by one FTE funded under the Program that reports to the Deputy Director of the Market Support Division of ITCan.

Proposals are invited from all TCI members through a call letter with the caveat that only one proposal per event would be considered, placing the onus on TCI partners to consult with each other to arrive at one agreed proposal. As per the original intent of the Program, approved initiatives focus on global trade shows and major regional shows in TCI priority sectors (Aerospace and Defence, Agricultural Products, Agri-Food and Seafood, Automotive, Bio-Industries, Cultural Products and Services, Environmental Industries, Health Industries, Information and Communications Technologies, Natural Resources Technologies and Services, Plastics, Service Industries, and Wood Products and Other Building Materials).

Proposals are reviewed by the Experts Committee against established criteria. To be eligible for funding, the trade show (project) manager must first demonstrate that Canada had a pavilion at the show in previous years. Applicants are required to complete the proposal template by providing information about the proposed show for each of the criteria identified. In addition to responding to the criteria, the amount of incremental funding requested is required, including a notional budget that demonstrates how the incremental funding would be spent. Funding proposals must highlight creative approaches that will elevate the quality of Canada's presence, making Canada stand out above its competitors.

As part of the final decision-making process on funding, the Experts Committee also now asks event organizers to make a short presentation in person in support of proposals that have been short-listed. This step was added in the last year of the Program to add further clarity to the process and thereby enhance decision-making. The Experts Committee makes its recommendations to the TCI Executive Committee for final approval.⁴

⁴ Information derived from the Terms of Reference for the Evaluation of the Brand Canada Program.

From 2001–02 to 2004–05, 355 submissions were reviewed and recommendations made for funding 91 trade shows.⁵ The average amount of BC funding per show was \$116,841.

1.2.4 Performance Measurement

Show (project) managers are required to submit a post-event report which contains detailed information on the use of the Brand Canada funding, characteristics of the show itself, and results of a standardized exhibitor satisfaction survey. In addition, surveys of foreign visitors to Canadian pavilions had been undertaken by an independent consulting firm for a sample of 12 shows by the time of this evaluation.

1.3 Evaluation Issues and Objectives

Based on the Terms of Reference for the evaluation, the research has focused on assessing the overall effectiveness of the BC Program, therefore providing basic accountability for the resources utilized and the results achieved. Of particular interest was the extent to which the Program has contributed to medium-term outcomes related to international business development.

Four key issues were identified for this evaluation, as follows:

1. **Rationale:** The first issue identified for this evaluation concerned assessing the rationale for this initiative and adequacy of the Program's design. As part of the rationale issue, the evaluation examined the continued need for the Brand Canada Program, whether the objectives and funding criteria identified for the Program continue to be relevant, and whether the design of the BC Program is appropriate and adequate to achieve the intended objectives.
2. **Governance:** The evaluation assessed the efficiency and effectiveness of the Program's governance. As part of this issue, evaluation questions examined the current governance structure in place, and the extent to which this structure has been efficient and effective, as well as flexible and responsive to the needs of TCI members. The evaluation also looked at the extent to which the BC Program has been successful in promoting partnership and teamwork among TCI members, as well as examining the current performance measurement approach.

⁵ Brand Canada Program Secretariat

3. **Outcomes and objectives achievement:** The evaluation sought to determine the extent to which the objectives of the Program have been met and document observable outcomes of the Program. As part of this issue, the evaluation examined what activities and projects have been funded as a result of the BC Program, and whether activities are consistent with objectives and funding criteria. As well, the impacts of the Program to date were examined.
4. **Lessons learned and cost-effectiveness:** The final issue involved identifying lessons learned to date, as well as the strengths and weaknesses of the Program, perceived cost-effectiveness of the Program, and any overlaps or duplications with other initiatives.

1.4 Methodology

The evaluation utilized several methodologies: document review; administrative data analysis; post-event report analysis and key informant interviews. Each is briefly described below. The interviews and document/report review occurred from the last week of June through the summer 2004.

1.4.1 Document Review

The first step in the evaluation involved a review of pertinent documents. The review of documents served to guide the identification of evaluation questions and indicators for each issue, facilitate the development of data collection instruments, and provide information for the Program description. Documents reviewed included: Program reports; survey templates designed for participants and foreign visitors; examples of post-event reports; internal documents; and governance documents.

1.4.2 Analysis of Administrative Data

The second task in the evaluation was an analysis of administrative data relating to the BC Program. A number of spreadsheets/databases exist which contain information on all projects funded under the Program. Administrative data collected on projects includes budget information, industry sector, project lead/manager, and name of the event. The administrative data was collected in order to develop a comprehensive picture of the activities of the Program, including: overall allocation of funds by project type (including horizontal initiatives), level of funding by event, and funding by priority sector.

1.4.3 Analysis of Reports on Shows

The third line of evidence for the BC Program evaluation came from a variety of reports that have been completed on shows. First, post-event evaluation reports were completed by show (project) managers on individual events (also, these reports were summarized into a master document prepared by the Program, which was also used here). Second, surveys were conducted by Environics of foreign visitors to Canadian pavilions (at 12 events by the time of this evaluation) pertaining to their views and impressions of the pavilion. Finally, six on-site visit reports, written by the BC program manager and officers not involved in the Canadian pavilion, assessed the shows on the basis of factors such as visibility, appearance and promotional items. These three types of reports were reviewed and analyzed for this evaluation.

A total of 65 post-event evaluations had been produced at the time of the BC evaluation. A template exists to guide the content of these reports, which includes background information on the event (description of the show, as well as the Canadian presence and activities); an assessment of the Canadian pavilion (budget, exhibitors, performance of exhibitors, pavilion design, construction, government presence and promotional events); and comments from Canadian exhibitors. These reports are also intended to include the results of client satisfaction surveys completed by participants at each event.

All trade show post-event evaluation reports were reviewed using an information collection template. Information from the proposal database was imported whenever necessary to fill in gaps. A review of the visitor survey results and site visit reports also added to the information available from evaluation reports.

1.4.4 Interviews with Stakeholders

A total of 38 interviews were conducted with stakeholders of the Brand Canada Program. Stakeholders interviewed included: members of the Experts Committee (n=5); project managers of individual Brand Canada shows (n=13, note that one individual is the contact for projects in two sectors); the manager of the BC Program (n=1); Trade Officers at missions abroad (n=9); industry associations (n=5); and provinces (n=5)⁶.

For the interviews with show (project) managers, we attempted to identify one individual for each of the priority sectors. The show (project) managers were drawn from a variety of federal departments, although a majority were from Industry Canada. Managers were

⁶ Interviews with one additional industry association and one additional Trade Officer were planned, but despite repeated attempts, these were not able to be scheduled.

also drawn from Agriculture and Agri-food Canada, International Trade Canada, Canadian Heritage, and Natural Resources Canada, reflecting the overall composition of the shows that received BC funding.

Industry association representatives identified for inclusion in interviews were those associations nominated as interview candidates by Brand Canada show (project) manager interviewees. Trade Officers were drawn from posts (missions) where key shows funded by the BC Program are most often located and included individuals suggested by interviewed show (project) managers. These included: Germany, the U.S., France, England, Japan, Singapore, Mexico and Chile. Provinces from which representatives were interviewed were Ontario, Quebec and Alberta.

Interviews with stakeholders who were most closely involved with the Program addressed all evaluation issues and questions, as identified in the evaluation matrix. Rationale, program governance, objectives achievement and outcomes, lessons learned and cost-effectiveness were all addressed in these interviews.

Interviews with stakeholders who were less directly implicated in the ongoing work of the Program (i.e., Trade Officers, associations, provinces) focused on the issue of objectives achievement and outcomes, as well as rationale and lessons learned.

1.5 Limitations of the Evaluation

One limitation of this evaluation is the absence of a comparison point to use in the assessment of incrementality. Hence, the evidence around the difference made by the Brand Canada Program, although valuable, is solely qualitative. Further, there are limited perspectives from independent observers (i.e., the qualitative information has come from individuals who are, to varying degrees, stakeholders in the Program). Finally, tremendous variability in the content of the post-event reports completed by show (project) managers made it very difficult to report overall findings from this evidence source.

1.6 Purpose and Organization of the Report

The purpose of this document is to present the findings for the evaluation of the Brand Canada Program. The evaluation findings are presented, by issue, in Chapter Two and the evaluation conclusions and recommendations are presented in Chapter Three.

2. FINDINGS

2.1 Rationale for the Program

There is overwhelming continued support for the objectives of the BC Program. Key informant interview respondents agree that the objectives remain relevant and appropriate. Canada is seen as greatly needing the funding to increase its profile, often because the nation's standing at trade shows does not otherwise reflect its position in a given market. In other words, even though Canada is a major player in many industries, without BC funding its trade show displays often fall far short. Furthermore, many other nations spend significant amounts on trade show displays, and BC simply helps Canada to "catch up" with them. BC-funded displays also help to improve Canada's image and raise awareness more generally. There is a sense that the world does not really "know" Canada all that well, or that people hold outdated perceptions of Canada such as that it is primarily rich in natural resources, not in technology. Also, recent incidents such as the SARS outbreak and the cases of BSE, and strained relations with the United States over the current socio-political environment, suggest that Canada needs to continue to strengthen its image.

Key informants also believe unanimously that the need that the Program was designed to meet still exists. The reasons outlined above were frequently given, but it was also argued that, if anything, there is a greater need. This is partly because commitment to strengthening the Canadian brand is important to maintain, but also because there are always new markets to conquer. Furthermore, the technology and standards for events are always changing, and Canada needs to keep up; now that Canada has raised the calibre of its participation at shows, it is necessary to maintain it.

In general, there are not many serious concerns about the design of the BC Program, although many respondents did not feel they knew enough about it to be absolutely sure. Of course, more funding for more projects was considered to be a desirable improvement; some felt that the funding was being spread too thinly across too many projects. A few problems around the timing of the funding were encountered. For example, while the funding is received relatively close to the event, not all show expenses are incurred then. Contractors and materials such as banners often must be paid for in advance. Many shows are also planned over two years and so funding is necessary even earlier on. Additionally, issues were raised regarding shows whose timing overlapped with fiscal years, resulting in short turnaround times for funding, or sometimes no funding at all when the same show takes place twice in the same fiscal year. One respondent commented that "the rest of the world does not operate on fiscal years." There were also some calls for more transparency in funding decisions; one

respondent, for example, wanted to know why one industry sector received a considerably larger portion of the program budget.⁷

Though many shows that are vital to their respective sectors are receiving BC funding, there are significant concerns about certain shows being left out, and in one case, the wrong show being funded. Certain eligibility requirements are problematic. The requirement that only trade shows at which Canada has participated in the past can be eligible was criticized because it runs contrary to attempts to conquer new markets. As one respondent put it, “I don’t see the logic in that. What if it’s a really important show?” A concern was also raised about one particular industry show. According to a trade mission representative, this show may not be the most suitable recipient of BC funding because it is too broad, and now not only attracts industry professionals, but also families and even tourists. Because Canada’s focus is on certain niche markets in this industry, there may be more relevant events at which Canada could improve its presence.

More generally, the focus is sometimes seen to be too much on the government sectoral priorities, and not enough on the particularities and market priorities within each individual sector. It was felt that the eligibility criteria should be linked to where Canadian companies have the most potential to succeed. It is believed that more industry input would be beneficial in this process. Ultimately, though, if new shows are to be considered, measures must be in place to ensure that informed decisions regarding funding are being made. For example, a potentially relevant show could be evaluated by the appropriate trade officer and then a formal recommendation could be made back to the Program.

2.2 Governance and Performance Measurement

2.2.1 Governance of the Program

Generally, the current governance structure of the BC Program is seen as efficient and effective. Respondents had mostly positive things to say, particularly around transparency and accountability, as well as the collaboration and involvement of different players. Additionally, the administration of the Program (e.g., systems and records) was found to be very well organized, with thorough program information readily available (noted both in interviews as well as directly through the process of conducting the evaluation). However, views were expressed to the effect that the allocation process could be improved with a greater involvement of (project) show managers. Despite the

⁷ Interestingly, their perception of the proportion received by the sector in question was incorrect.

overall positive views on the governance structure, it would appear that it is currently not enabling the program to be sufficiently responsive or flexible to meet the needs of many TCI members. Again, a number of concerns were raised about the timing of funding, and how it does not always correspond well to the timing of the shows. Additionally, some respondents feel that there is too much rigidity in the funding from year to year. One person reflected that “you’re given what you’re given, which is often the exact same amount as the year before.” This approach appears not to consider how industry needs change over time. For example, because certain countries were not identified by the industry early on as priority countries, worthwhile shows taking place in those countries are sometimes turned down.⁸ Also, greater branding as a result of participation in shows leads to a greater demand for staff at pavilions. Because travel costs are not eligible for coverage by BC funding, this places a financial strain on partner organizations such as industry associations and individual companies. Other key informants raised the issue of opening the program up to new shows as a flexibility issue. It was suggested that the recommendations from TCI members are not always heeded.

It is almost unanimously believed that the BC Program has strengthened TCI. For several respondents, this was accomplished through bringing different departments together to collaborate. This has led to a more holistic approach; for example, common design elements have led to more unity and therefore more impact. The collaboration has also created more opportunity for departments to compare notes on what they have done. This type of collaboration can also benefit the entire government, not just TCI. In the words of one respondent, “the more cross-departmental connections there are in government, the more likely public servants are to discuss issues with more people and obtain other opinions, both formally and informally and at various levels.”

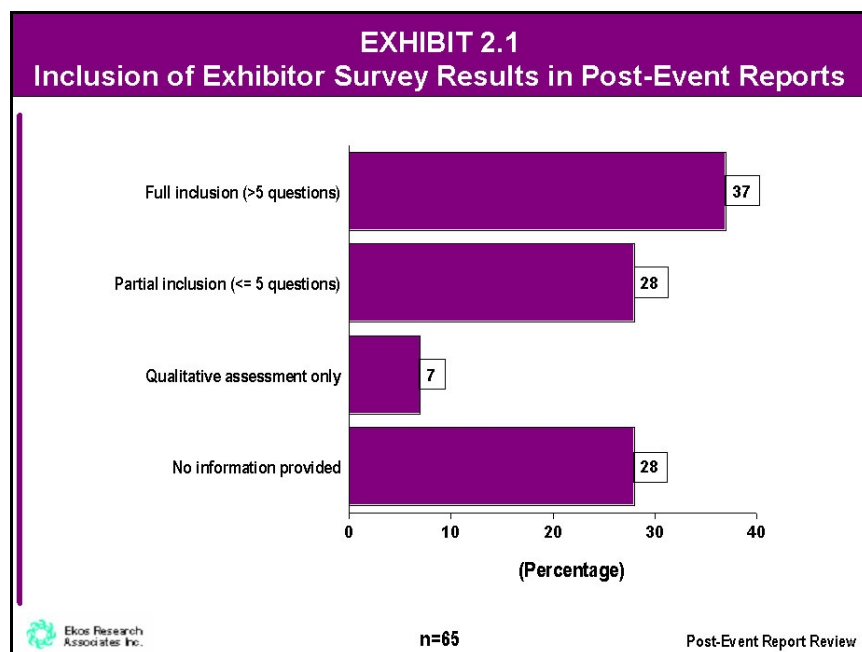
2.2.2 Performance Measurement

Though the intent of the program’s performance measurement is appreciated, respondents raised issues regarding both the post-event evaluations and the visitor surveys. The post-event evaluations, for example, do not include any kind of systematic follow-up with show participants and therefore it is difficult to extract valid results from them. There also were concerns that many of the questions were fairly subjective, and that more quantitative measures around issues such as cost-effectiveness should be incorporated. Even with this kind of information, however, it is not easy to attribute any long-term results to BC alone, as there are so many other factors at play (e.g., market conditions, non-BC elements of the event).

⁸ It should also be noted that decisions around funding many shows were made right at the start of the Program, rather than at regular intervals over the years.

Opinions were mixed among those who had experience with the visitors' survey. Some respondents felt that the people delivering the surveys were getting in the way of doing business. As well, some show (project) managers are designing and delivering their own surveys.

Another problem with performance measurement emerged from the review of show reports. Although the current performance measurement approach and tools appear to be appropriate in measuring the individual projects funded through Brand Canada, it appears that not all exhibitors in the Canadian pavilions completed the client satisfaction surveys at the Trade Fairs and/or that not all show (project) managers provided survey results back to the Program. Ultimately, this affects how efficiently the effectiveness and success of the events is measured. Furthermore, there was substantial variation in the quality of the reports submitted, ranging from one or two-page summaries via email with no details whatsoever to full reports with photographs and all survey results. With respect to the exhibitor survey, 65 percent of show reports partially included (28 per cent provided information on five or fewer variables from the ten in the survey) or fully included (37 per cent provided information on more than five variables from the ten in the survey) the survey results in the post-event report (Exhibit 2.1). Seven per cent of the show reports provided qualitative/anecdotal evidence only. Twenty-eight percent of show reports did not provide any survey data or qualitative/anecdotal evidence. Finally, it should be noted that not all of the show (project) managers reported their survey results in a consistent fashion and therefore it was very difficult to assess key findings across all shows.



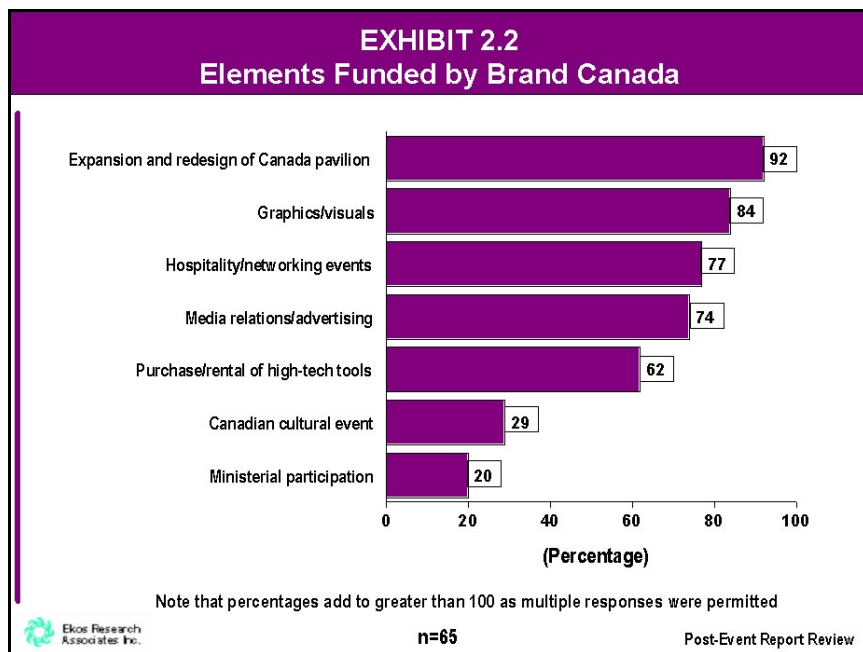
2.3 Outcomes and Objectives Achievement

Key informants were asked to discuss the impacts of the BC Program, both through incremental funding of trade shows and horizontal initiatives. Show reports and site visit reports were also consulted for insights on this topic. Success in achieving various objectives varies considerably across outcomes. While the impact of BC funding was quite visible in some respects, in others it was somewhat more difficult to determine.

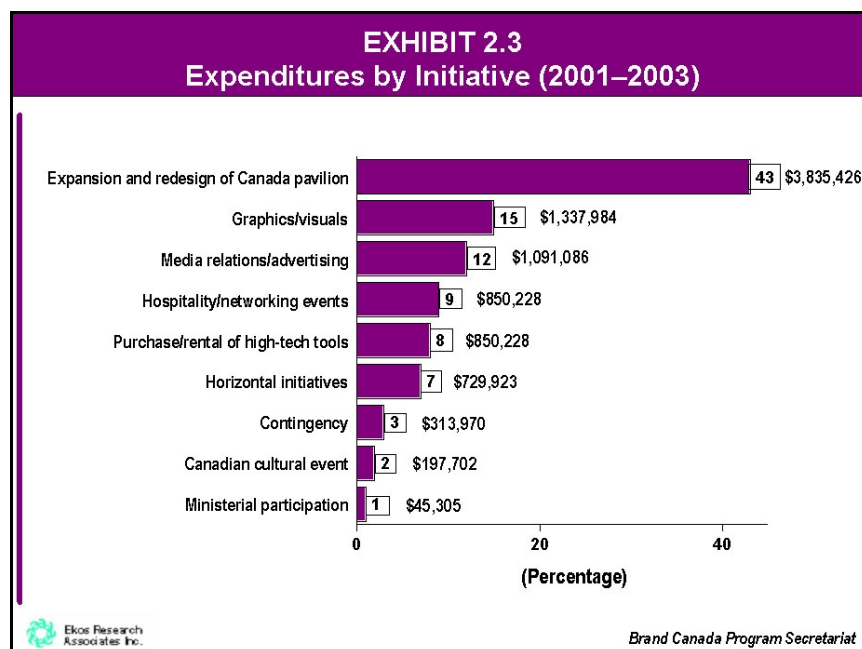
2.3.1 Use of Brand Canada Funds

According to the review of show reports, and as presented in Exhibit 2.2, the initiatives for which Brand Canada funding was used most commonly were: expansion and re-design of the Canada pavilion (92 per cent); graphics and visuals (84 per cent); and hospitality/networking events (77 per cent).⁹ With respect to the incorporation of BC common elements, more than two thirds (65 per cent) of projects utilized common graphics and 63 per cent included common promotional materials as part of their exhibits.

⁹ Note that percentages add to greater than 100 as funds for one show could be applied to more than one initiative within that show.



This corresponds fairly closely to the distribution of BC funding by initiative, over the fiscal years 2001–02, 2002–03 and 2003–04, as presented in Exhibit 2.3.



2.3.2 Visibility

Successes were most obvious in the context of Canada’s visibility, profile and image at funded trade shows. Respondents saw a vast improvement with Brand Canada; as one interviewee put it, Canada’s visibility “was in decline in the late 1990s, but Brand Canada helped us rebuild and now we’re back to looking like a major player.” The funding helped make displays larger and look more professional. A variety of enhancements were paid for by BC funding, including high-tech equipment such as plasma screen TVs, media kits, graphics, receptions and cultural events such as musical guests. One side benefit of this increased visibility, as described by some respondents, is that Canada has more clout to book good space at future shows. Countries with smaller, less impressive displays are usually placed in less prominent, less central areas of a show.

The site visit reports provided an interesting perspective on shows. It is important to bear in mind when considering the results from the site visit reports, however, that only a small number of reports were available to review (i.e., six). Also, the purpose of these reports was to provide a third-party view on how BC money is being spent. They were not conducted as a systematic evaluation data collection mechanism. That being said, they did provide valuable objective information to the evaluation. Further, anecdotal evidence exists to demonstrate improvements made to BC funded pavilions as a result of an on-site visit report.

The site visit reports contained mixed results. Some of the positive feedback on the issue of visibility included comments that the Canada Pavilion was highly visible; the use of things such as banners and towers was seen to contribute greatly to visibility. Other examples of positive aspects discussed in these reports included: good placement of pavilions; lots of space; a very polished and distinctive look; clever layout of exhibitors; trade Commissioners always available to answer questions; demonstrations that drew large crowds; a preference on the part of most exhibitors to exhibit in the Canada pavilion; and promotional items that appeared to be very popular, as people were seen carrying them throughout some shows.

On the other hand, there also were a number of problems identified in the site visit reports. In some cases, the pavilions were not as visible as they could be. For example, one on-site evaluator stood in the middle of the Canada pavilion and asked visitors about it. None of these visitors knew Canada even had a pavilion. Another report indicated a similar lack of visibility. Examples of other issues of concern were: no reference to Canada in the trade show directory; visitors were not always sure of the purpose of exhibits; lack of focus on Canadian innovation and technology; common graphic promotional items not always used; some technology could have been better promoted, with operating instructions; presentations were poorly-attended; and promotional items were found lying on the ground or locked in a storage unit.

2.3.3 Canada's Standing

Canada's standing relative to competitors at trade shows also appears to have benefited significantly from BC funding. At some shows, Canada was described by stakeholders and visitors as the best or most visible exhibitor. Others were pleased to see BC funding bring Canada up to the level of the rest of the countries exhibiting at shows. In many cases, however, it would appear that there is still work to be done.

Many respondents said that while BC funding made a definite improvement, Canada's pavilion still fell far short of the others. As one respondent put it,

"We're the fourth largest country for (our industry), but we spend about one quarter of what Belgium does, and 10 per cent of what Italy does. We don't even come close to the U.S. or the U.K. We spend about \$1.5 million when Germany spends \$25 million. Other countries, to be fair, do things differently. They have nationalized companies that lend their goods and services such as technology to these displays and therefore the displays are flashier. Many nations consider (this industry) to be their touchstone for technology, and so they invest a lot in branding. We don't spend a

lot at all, which is frustrating. Ministers who visit our pavilion ask why it's not as nice as those of the other countries."

Results from the Environics survey of visitors indicate that, on average¹⁰, almost all (90 per cent) visitors surveyed felt that the Canada pavilion at the show they attended was as good as or better than the other pavilions. More than one quarter (27 per cent) rated it "better than most of the others".

2.3.4 Visitors to Canadian Pavilions

Increased visibility may be drawing more visitors to Canadian pavilions, and interesting events may be having a similar effect. For example, one pavilion featured a live gaming challenge, in which people from different countries played against each other. This attracted many visitors, and helped make the pavilion interesting.

The results of the Environics visitor satisfaction surveys provide useful insight into the pavilions' impacts on visitors. For example, an average of nearly three quarters (73 per cent) of visitors surveyed made a spontaneous decision to visit the pavilion after seeing it. More than half (55 per cent) of visitors surveyed believed that their current business relationship with Canada would "probably" or "definitely" be enhanced as a result of their visit to the pavilion, while nearly one third (30 per cent) reported that new business relationships would "probably" or "definitely" result from their visit. The highest proportion of "definitely" responses to this question came from visitors to Americana (22 per cent), OTC and BIO (both 17 per cent).

Canada pavilions also seem to be helping to change some visitors' perceptions of Canada. Survey respondents were asked to name which of a series of characteristics best described their image of Canada both before and after seeing the pavilion. The highest increase was observed among those who perceived Canada as "a modern and dynamic industrial nation." On average, there was a 12 per cent increase of people who thought this best described their image of Canada from before viewing the pavilions to after.

While the surveys provide some helpful illustrative data, they unfortunately did not measure any incrementality, from before BC funding to after, and therefore it is unclear whether these numbers suggest any increases in visitor impacts due specifically to BC funding.

¹⁰ In all instances except where otherwise indicated, the statistics refer to the average percentage across the 12 trade shows surveyed by Environics by the time of this evaluation.

2.3.5 Foreign Buyers and Decision-Makers

Impacts on foreign buyers and decision makers attending the shows were somewhat more difficult to gauge. In general, a better presence seems to attract more people, including buyers and decision-makers. The “Canada Chalet” meeting facilities at the Paris and Farnborough air shows are also seen as a positive influence, particularly when they showcased Canadian food and beverages, which seems to help establish a Canadian image to the rest of the world. In countries where government is generally regarded very favourably, seeing Canadian companies being supported by their government makes a good impression.

Networking and cultural events also improve Canadian companies’ exposure to foreign buyers; improved attendance at these events has been observed. The following quote exemplifies some of the key impacts on foreign buyers and decision-makers:

“...it’s a real contest to get a person’s time for 15 minutes. We’ve done a good job increasing our profile with these people; we’re astute on the world stage, and not just about branding. These people are hard-pressed to fit everyone in; you have to get their attention. We hold a major evening reception, and send out 2500 to 3000 invitations, with 600 attending. We out-draw others who spend more. This is partly because we are congenial and there are no hard sales pitches at our functions.”

Some respondents reported conducting surveys to this effect, and their results appear to show that foreign buyers and decision makers are impressed with the shows. For example, they have indicated that their perceptions of Canada improve after visiting the display.

2.3.6 Canadian Companies

BC seems to have had a variety of positive impacts on the Canadian companies who participate at trade shows. Although some respondents reported increases in sales, most said it is still too soon to measure those types of concrete impacts. Many, however, described impacts such as increased market intelligence, better networking and contacts, and also increased confidence and pride in Canada’s “brand.” Respondents frequently referred to the continued interest of companies in participating as compelling evidence that they are happy with the results.

Many respondents, when asked about longer-term impacts, pointed out that companies are frequently reluctant to give out information related to their success such as sales

figures. Others said that while they are conducting studies, it might still take some time before impacts can truly be observed. It was also suggested that market conditions such as cyclical downturns can make it hard to distinguish impacts. Again, they pointed out that the fact that companies come back year after year seems to suggest that they consider the shows to be beneficial, especially, as one respondent pointed out, trade shows are getting more expensive with time.

Nevertheless, contacts have been made, and according to respondents in at least some industries, Canadian suppliers are approached by local industry and sometimes potential clients even go to visit the companies in Canada. Interviewees sometimes receive calls about companies and products, and even a few reports of actual sales. According to the show reports, some participating companies did identify export sales, established solid contacts and trade leads. Reporting of these figures was not consistent, but among those show (project) managers who provided figures (26 out of the 65 reports, or 40 per cent), the number of resulting sales leads reported ranges from two to 881.¹¹ Around the same number reported on-site sales (27 reports or 42 per cent) and fewer presented findings on expected sales over the next 12 months (15 reports or 23 per cent). Tremendous variability in reporting results (as well as differences in magnitude as a function of sector) makes it difficult to present any figures on these potential outcomes. It is impossible here, as well, to separate out the effect of BC versus the show in general. As a result, these data could not be used in this evaluation. This is an aspect of the post-event reports that will need to be addressed in the future.

Key informants also identified the following additional positive impacts:

- Companies feel more confident in what they have to offer when they are in a nice pavilion;
- More interest from Canadian industries than expected;
- More interest from provincial governments in getting involved, given the greater federal backbone;
- More unity among Canadian companies and suppliers;
- Better morale and pride in being Canadian;
- Good local media coverage;

¹¹ Inconsistency in reporting makes it difficult to present findings overall. Some presented a total for all exhibitors combined (e.g., a total of 265 leads), some presented the range for individual exhibitors (e.g., number varied from two to eight), some reported only generally (e.g., generated hundreds of leads), and others reported proportions within ranges, but the ranges differed (e.g., 1 to 5, 6 to 10, 11-15, 16-20 and >20; or 1-9, 10 or more).

- An invitation to be 'country of the year' in one industry, leading to publicity around the world for at least a year;
- Increased visibility, leading to increased appreciation for opportunities abroad, resulting in greater company participation;
- Improved dialogue between Canadian industry associations and associations in other countries; and
- Closer interdepartmental coordination.

2.3.7 Impact of Absence of Program

Generally, if the BC Program were to be discontinued, the impact would most likely be felt in terms of a greatly diminished Canadian presence at trade shows. Canada would likely go back to a more bare-bones presentation, and would again look second-rate compared to many of its competitors. This situation would likely lead to a number of different negative impacts, as suggested by key informants:

- After seeing a BC-funded exhibit, people at trade shows now expect more from Canada. So, if the funding were cut and Canada's showing reduced to what it was before BC, people would think that something was wrong with Canada's industry and might be reluctant to do business with Canada.
- There would be no money to do any advertising.
- Show organizers tend to treat people who take up larger spaces better, so Canada would not get a good location.
- It would be very bad for the government's image; they would be perceived as not being supportive of industry, and the departments would have less control over the Canadian presence at shows.
- Events such as receptions, luncheons and business meetings would not be possible.
- While use of the common image has gone up since BC, if the funding was cut people would revert back to the previous wide variety of images and therefore reduce the impact of the 'brand'.
- If you do not put on a good show every time, the message will be lost and then the original funding will have been a waste of money anyway. There must be repetition and commitment.

2.3.8 Suggestions for New Initiatives

Though many respondents still emphasized the importance of Canada's presence at key trade shows, to the point of clarifying that those should be funded first, a number of

suggestions were made regarding future initiatives that may benefit from BC funding, such as new shows to conquer new markets. Another common suggestion for funding was trade missions, or, bringing foreign buyers in to visit Canada. Although this is currently outside the scope of BC, a number of respondents suggested it as another way to accomplish these objectives. Respondents also mentioned the need for more media relations funding to improve publicity for Canada. Educational seminars were also suggested, as was the possibility of funding provincial organizations. It was also suggested that some funded shows are no longer the best-suited shows for the Canadian industry, and that BC should explore the possibility of others.

2.4 Lessons Learned

Interviews revealed a number of insights on what worked for BC projects and what did not, as presented below.

Governance Structure

- The relatively low level of bureaucracy helps bring departments closer together, and this encourages them to share ideas.
- Ensure that “experts” are on the committee.
- Communications around requests to submit proposals could be improved; the criteria for proposals are not detailed enough when it comes to budgeting. Those criteria could be tightened up and be more specific in the existing template. This way, more suitable proposals would be received.
- Work as a team; federal and provincial representatives should work together.
- Missions should have a clearer role in the Program; one of the criteria is to involve the local embassy, and yet many representatives at trade missions know nothing of BC and therefore do not take advantage of it.

Program Design

- It at times seems like a typical government process where it is decided how much funding people get and that never changes from year to year, even though applicants are expected to submit a new proposal every year. Longer-range planning would be beneficial.
- Adding some sort of sectoral component that is more specific than larger industries might be helpful. Working closely with industry at the design phase to determine the best use of BC funds is critical, and you need to be flexible and understand the unique requirements of each industry.

Program Delivery

- Sometimes slogans developed in English do not translate well into other languages.
- It would have been preferable for some if the money had been sent directly to the relevant mission. The extra steps meant that some shows did not have the money right when they needed it for some things.
- When there is a pool of money, there are many Canadian stakeholders who want to “join the bandwagon.” The money helped bring people together.
- Consideration should be given to more involvement from Industry Canada, and a lesser role for ITCan. It was felt that Industry Canada understands better how industry works (e.g., deadlines). With ITCan, there are “endless meetings and paperwork”.
- Sometimes there are ways to cost-share creatively with others at a show. This may be difficult to figure out, but it is an option for stretching the funding. Also, assuming that many shows use common core elements, the Department could buy a cache of equipment such as plasma screens, and loan them to each pavilion, so that they can stop renting. This would save money in the long run.
- Common design elements should be available in multiple graphic formats. There have been problems, particularly in other countries, with downloading the files.
- There has been a lack of funding for certain sectors — the culture industry, for example, has been split up.
- A challenge that is completely beyond anyone’s control is the fluctuations in currency exchange. Because show organizers must stick to their participation fee for companies, they must absorb themselves any costs incurred by changes in the value of the Euro or any other currency.

Types of Initiatives that are most successful at “branding” Canada

- Trade shows are still the most economical, direct approach to penetrating new markets and maintaining presence. Reinventing things may be a waste of time and resources.
- Promotional materials that people will use (e.g., bags) help spread the word around.
- Events where people can meet and mingle are effective.

2.4.1 Overlap and Duplication

Generally, it appears that the BC program is not duplicating the efforts of any other programs. Very few respondents were able to identify any alternatives for raising the profile and improving the image of Canada internationally at key trade shows. There were a few mentions of other initiatives, including the Program for Export Market Development (PEMD), Trade Routes, and small amounts of funding from provinces and NGOs; however, there was no comparison to be made as these resources were often far smaller, and were more limited in their applications. There appears to be no evidence of overlap or duplication either, as show (project) managers and other organizers are careful to ensure that different funds are being invested into separate functions. In other words, people are making sure that there is no duplication of effort.

3. CONCLUSIONS AND RECOMMENDATIONS

3.1 Conclusions

3.1.1 Program Rationale

There is a clear rationale and continuing need to enhance Canada's profile at key industry trade shows. Canada still needs BC funding to improve its image and present a face that is both reflective of its considerable standing in many key industries, and to stay competitive with the displays of other nations at shows. This need is as great as it was when the Program was first established, if not greater.

Most of the concerns around the design of the Program involved the timing of BC funding. The funding was sometimes not distributed far enough in advance of an event, or the timing of funding around fiscal years created problems for certain shows.

Although many vital industry shows are being funded, concerns were expressed that BC funding is not always going to the most appropriate shows. The criteria for eligible shows are sometimes too restrictive, and some shows have somewhat 'outgrown' their usefulness to Canadian industry.

3.1.2 Governance

The BC Program's governance structure was praised for both its interdepartmental collaboration and transparency and accountability, and there is little doubt among key informants that the Program has strengthened TCI. Concerns were raised, however, about whether it is enabling the Program to be sufficiently flexible and responsive to the needs of TCI members. Concerns about the timing of funding, and the rigidity of rules around funding suggest that there is room for improvement in this respect.

Though the spirit of the performance measurement strategy for the BC Program is appreciated, criticisms were made. In the context of the post-event evaluations, there were concerns about the relevance of the questions and the lack of systematic follow-up. Further, there are concerns about inconsistencies in how they are completed and subsequently reported in the post-event reports. In the case of the visitor satisfaction surveys, some felt that these were intrusive and bad for business.

3.1.3 Outcomes and Objectives Achievement

Overall, the evaluation findings indicate that the BC Program is having an impact on at least some of the expected areas. Most notably, the funding has contributed much to Canada's visibility, profile and image at key trade shows through larger pavilions, far more technological and graphic enhancements, and special events. These enhancements appear to have also positively influenced Canada's standing at trade shows relative to competitors. Though in some cases more work may be necessary to raise Canada's standard to that of other major countries, the improvement from BC funding is evident.

It is more difficult to determine the results of the program on foreign buyers and decision-makers, or visits to Canadian pavilions. Though it seems that Canada's better showing likely attracted more visitors, incremental data on quantity or quality of visits was not available for most shows. Foreign buyers and decision-makers were, however, often seen to be impressed with Canada's improved pavilion and facilities. The Program appears to be having a positive effect on companies; that the companies return to the shows year after year is evidence to support this idea. More concrete impacts included increased market intelligence, better networking and contacts, and also increased confidence and pride in Canada's "brand." Apparently, however, it is too soon to get any meaningful sense of increased sales from BC-funded shows.

It may also be too soon to describe many long-term impacts. Furthermore, companies may be reluctant to give out information related to their success such as sales figures. Still, some results have been observed, from contacts being made, to sales, to visits to Canada from buyers. A variety of additional impacts, some unexpected, were described. Many of these impacts pertained to confidence and morale, increased interest and support, and better collaboration and communication.

Terminating the program, and thereby diminishing Canada's presence at key industry trade shows, has the potential to hurt Canada's image and standing with world entrepreneurs and industrialists. For example, BC has improved Canada's image greatly and brought it back to the forefront, so a step back to a less impressive pavilion may raise flags among attendees about Canada's business climate.

Though key informants are generally very pleased with Brand Canada's support for trade shows, some would like to see other initiatives funded by the program in the future, including new shows and opportunities for foreign buyers to visit Canada.

3.1.4 Lessons Learned

Key informants identified a variety of lessons learned, relating predominantly to program governance, design, delivery and the types of initiatives that are most successful at “branding” Canada. Most of the governance comments pertained to greater collaboration and communication. Design issues raised included the need to consider longer-term funding agreements and greater input from sectors. A variety of suggestions were made regarding delivery, from reconsidering which department delivers the program, to branding logistics such as graphic formats and language barriers. Events, promotional items and, most importantly, the pavilions themselves, were seen as the most effective tools to “brand” Canada.

The BC Program appears to be unique in its mission and approach. In the few cases where limited funding or support might be available elsewhere, great care is taken to ensure no duplication of efforts.

3.2 Recommendations

On the basis of the Brand Canada Program evaluation findings, the following recommendations are made to TCI through International Trade Canada:

1. **Reconsider the current funding delivery arrangement.** A number of concerns have been raised about the way in which BC funding is provided to recipients. In many cases, the funding is not arriving well enough in advance for people to book their services and equipment without having to borrow from elsewhere in the meantime. Some shows that were funded in the past have been denied funding because the following year’s show falls within the same fiscal year as the one before. For reasons such as these, the Program should examine whether funding can be delivered in a manner that is more helpful to recipients, or perhaps consider the possibility of multi-year funding agreements.
2. **Review and reassess the criteria for funding shows.** It appears that many potentially worthwhile industry shows are missing out on the benefits of the Brand Canada Program because they do not meet certain funding criteria, such as being a show in which Canada participated in the past. In the interest of conquering potentially lucrative new markets and, through reconsidering shows that may not be the best use of funds anymore, it is advisable for the Program to open up its criteria, and possibly create a process by which new, but potentially valuable shows can be nominated for BC funding.

3. **Explore options for saving costs.** In the interest of cost-effectiveness, Brand Canada may want to consider different ways to alleviate the costs of things such as equipment rentals. Options to contemplate may include cost-sharing with other departments or private-sector companies, or buying a reserve of often-needed equipment that can be loaned to various industries instead of renting every time.
4. **Consider increasing the involvement of industry in the design and delivery of the Program.** In some ways, many of the issues around flexibility and timing of funding could be resolved by encouraging greater involvement in the Program on the part of industry representatives. Needs vary from industry to industry, and are often dynamic. Greater involvement from people who are more 'on the ground' in the various industries could help the BC Program to remain current and responsive.
5. **Improve the standardized reporting template for show (project) managers.** This evaluation encountered considerable difficulty in determining any concrete impacts of the BC Program on things such as attendance and sales. Part of this is due to the inconsistent format and quality of show reports. For more informative evaluations in the future, it is advisable for Brand Canada to enforce more strictly the use of the report template by show (project) managers. Furthermore, the template should be improved to allow quantitative data to be provided on number of visitors, and the template should have clearly-marked spaces for number of companies in the Canadian pavilion, in the entire show, and so on, so there is no confusion regarding what numbers are required. There should also be room for explaining any incremental impacts; presumably if this report is required at every show every year, it will be possible to determine incrementality after a few shows. Finally, the on-site reports provided a more objective assessment. However, improvements should be made to the , standardized template for these reviews.

3.2.1 Preamble to Management Responses

The Brand Canada (BC) program was a pilot initiative of Team Canada Inc (TCI) introduced in 2001 to raise the quality and profile of Canadian pavilions at international trade shows. On many levels, the pilot has been a success and achieved its objectives as the findings of the evaluation show. In particular the evaluation noted that:

- There is a clear rationale and continuing need to enhance Canada's profile at key industry trade shows and to remain competitive with the displays of other

nations. This has been a consistent message heard during recent consultations with industry on Emerging Markets.

- The program funding has contributed much to Canada's visibility, profile and image at key trade shows through larger pavilions, technological and graphic enhancements and special events. These enhancements appear to have also positively influenced Canada's standing at trade shows relative to competitors.
- Increased visibility may be drawing more visitors to Canadian pavilions. An independent survey of foreign visitors at Brand Canada supported pavilions show that an average of nearly three quarters of visitors made a spontaneous decision to visit the pavilion after seeing it. More than half of visitors surveyed believed that their current business relationship with Canada would "probably" or "definitely" be enhanced as a result of their visit to the pavilion, while nearly one third reported that new business relationships would "probably" or "definitely" result from their visit. This clearly demonstrates the impact of an attractive and high profile Canadian pavilion as a tool in creating new business opportunities for Canadian exhibitors.
- Exhibiting Canadian companies reported a variety of positive impacts from higher profile Canadian pavilions including increased market intelligence, better networking and contacts and increased confidence and pride in Canada's "brand".
- Thanks to its governance structure which emphasized interdepartmental collaboration, transparency and accountability, the Brand Canada program strengthened Team Canada Inc.

The evaluation made five recommendations to improve the program. The Brand Canada initiative terminated on March 31st 2005 and no new funding has yet been allocated to extend it. Should the government decide to allocate funding to the program in the future, these recommendations as well as the lessons learned during the pilot will be considered in designing the governance, allocation process and funding criteria of a more permanent program. Meanwhile, the management response laid out below must be considered in this context.

3.2.2 Management Responses

Response to recommendation # 1

This recommendation reflects a measure of misunderstanding of the program on the part of some of those interviewed for the evaluation. At the outset of the program, a core group of 26 global trade shows was approved by Treasury Board for funding during the life of the program. The actual funding allocation was done every fiscal year based on specific branding proposals for the pre-identified shows. The proposals were assessed against a set of criteria pertaining to the history of the show and its importance to the industry. It was agreed at the beginning of the program that expenditures would be managed on a single as well as a multi-year basis. That approach was in recognition of the particular requirements of the trade show industry and to enable TCI members to properly plan their level of participation at the shows. For example, it is common practice at major international trade shows to reserve and pay for space one or more years before the event actually takes place. The BC program was flexible enough to provide the required funding to the organizing departments/agencies to enable them to reserve and pay for the space for the future Canada pavilions according to the time frame imposed by the organizers of the show. Notwithstanding, it is possible that at times trade show (project) managers had to cash manage expenditures following the inevitable delays sometimes encountered in an allocation and funding disbursement process involving 23 federal partners. Should this pilot initiative ever become a permanent program, improvements will be introduced to the governance, allocation and disbursement process to further increase the flexibility of trade show (project) managers commensurate with the requirements of the trade show industry.

Response to recommendation # 2

We agree with the recommendation. When the BC pilot initiative was launched more than four years ago, it was determined that the best way to select shows was on the basis of past attendance, given that shows which had not previously been attended were not high priority. In the intervening time, the world trading landscape has evolved. Canadian exporters are interested in new markets. For example, China, Brazil and India are now hosting major trade shows in key sectors where Canadian expertise is second to none. Should BC ever

become a permanent initiative, funding criteria will be revamped for the program to be more responsive to the needs of Canadian companies and the evolution of international markets. For example, funding would be provided for a wider array of shows in more industrial sectors, including in new and emerging markets where Canada has not necessarily participated in the past. In addition, a renewed program may determine that some shows previously funded are no longer as critical to industry as they were at the outset of the pilot.

Response to recommendation # 3

What is recommended has to a large measure been implemented in the pilot BC program. First of all, the BC program is a cost-shared program among federal government departments, the provinces, industry associations and private companies. Typically, a Canada pavilion has already been planned (with costing) by a sectoral federal department/agency in cooperation with a number of partners including provinces, industry associations and Canadian companies (which pay the full cost of the space they occupy within the pavilion). BC funding is incremental to the funding allocated by the partners. In addition, as shown in Exhibit 2.3 of the evaluation, in the first three years of the program, over \$700,000 of the BC funding were allocated to “horizontal” initiatives such as the development of common graphics to be used at any BC funded trade show. Promotional items with the BC common identifiers (pens, kit folders, plastic shopping bags, business card holders, etc.) were also produced and widely used at both BC funded shows and other shows. BC pop up displays were purchased for use as backdrop for booths at trade shows, conferences, seminars at embassies, consulates or local hotels in various parts of the world. BC funding was also allocated to the purchase and storage of flat screen televisions sets and DVD players for use at trade shows in Europe. Copies of the “Over Canada” video were purchased for showing at shows and as gifts to key foreign visitors.

Response to recommendation # 4

Canadian industry, both companies and their associations, are already involved in the design and delivery of the BC program. In a number of cases, such as in the mining, automotive, plastic, biotechnology and wood product sectors, the proposals submitted by TCI members for BC funding were developed in cooperation with the provinces and

industry associations. A renewed BC program would certainly seek to further increase the involvement of industry in the delivery of the program.

Response to recommendation # 5

We agree in part with the recommendation. Standard reporting templates were developed as part of the BC Performance Measurement Framework to enable show (project) managers to systematically evaluate the show and to report on: 1) client satisfaction; and 2) the number of leads, on-site sales and forecast sales over time. However, there were significant inconsistencies in their use by trade show (project) managers. A future program would be accompanied by a more comprehensive and enforced performance measurement framework and tools. A Results-Based Management and Accountability Framework (RMAF) would be developed to provide a measurement strategy and methodology for each show. The measures and indicators would be both quantitative and qualitative and would include such items as: visitors to our pavilions, sales leads (to the extent companies are willing to provide this information), level of satisfaction of participants. We agree that the on-site evaluation reports by a third party proved to be a very effective tool to evaluate the effectiveness of the BC funding to enhance the image and profile of Canada at trade shows. However, these were conducted on an ad hoc basis. In a future BC program, we intend to systematize these on-site evaluations with a more precise reporting template.