



GOVERNMENT OF  
NEWFOUNDLAND AND LABRADOR  
*Department of Innovation, Trade and Rural Development*

# **NEWFOUNDLAND AND LABRADOR BUSINESS NETWORKS**

## **PROGRAM GUIDELINES**

**GUIDELINES ARE SUBJECT TO CHANGE**

## **INTRODUCTION**

Newfoundland and Labrador has a global reputation for providing goods, services and technology, as well as skilled professionals to business and industry. As a result of having the knowledge and the contacts to access key world markets, international trade has experienced unprecedented growth over the last 10 years.

Our trading success, however, continues to be challenged by increasing competition in global markets. As a result, international business information is fast becoming a prime commodity, and information based networks are being developed to help small and medium enterprises communicate about business needs, expand their markets, share their resources, knowledge and experience.

Establishing business networks can help facilitate solutions to industry challenges and create opportunities to grow businesses through joint marketing, joint purchasing, strategic alliances, creative solutions, competitive collaboration, and improved technologies. Together, business networks can accomplish what individual businesses can not do alone.

## **PROGRAM DESCRIPTION**

The Newfoundland and Labrador Business Networks program, as delivered by the Department of Innovation, Trade and Rural Development, is designed to increase the export/trade potential of Newfoundland and Labrador firms by:

- focusing incremental resources on export identification opportunities and export readiness activities for small and medium sized enterprises (SME's);
- addressing the business development needs of SME's; and,
- focusing on priority markets/sectors and contributing to the development of the economy.

The overall goal of the program is to assist "business networks" to pursue export opportunities in national and international markets that supplement and enhance the target growth sectors of the province and ongoing business development strategies of the Department.

Projects which facilitate the development and commercialization of new technologies, as well as improve the management, marketing and production capabilities of SME's may also be considered.

Particular emphasis will be given to business networks from the following sectors, however, other sectors may also be considered:

- Ocean Technologies
- Information and Communications Technology
- Building and Construction Products
- Environmental Technologies
- Biotechnology
- Food and Beverage
- Consumer Products

## ELIGIBILITY CRITERIA

In general, this program will provide support only to the extent that assistance is not eligible through other federal and provincial programs and activities. Where circumstances warrant, support may be provided to complement other government assistance.

Project funding will be provided only to “business networks” that are consistent with the following guiding principles:

- the initiatives are consistent with the overall objectives of the program;
- projects must be completed and costs incurred before March 31, 2007; and,
- projects are compatible with existing provincial policies.

The Newfoundland and Labrador Business Networks program is applicable anywhere in Newfoundland and Labrador. Eligibility of a project for support does not mean an automatic right to assistance. Assistance will only be provided to the level necessary to allow a project to proceed. The level of assistance payable under this program to any one “business network” applicant is based on a 50:50 cost sharing formula up to a maximum of \$50,000.00. However, 75% funding may be available for costs such as training and consultant fees at the discretion of the evaluation committee.

Costs incurred or commitments made on any portion of a “business network” project prior to the receipt of an application/proposal are not eligible for assistance, and, depending on the significance of the prior commitment, the proposed project could be deemed ineligible.

New exporters that apply for funding may be required to have export readiness assessments completed and/or undertake export training before projects are approved or implemented.

## ELIGIBLE NETWORKS

Unless specifically excluded in the eligibility criteria of this program, eligible applicants include:

- “Business networks” comprised of three or more Newfoundland and Labrador based SME s (incorporated companies or firms of professionals), which represent the majority of participants in the network, who have identified a common export purpose that, by working together, can more effectively or efficiently be attained. Members of the network must demonstrate the management competence, commitment, technical capability and financial resources to carry out the activities identified in the proposal and successfully pursue the objectives of the network;
- Canadian companies, foreign companies, as well as non-profit organizations (i.e. industry associations), non-commercial organizations, universities, research institutes, and community colleges with a mandate that includes international business development and/or technology development are eligible network **partners but are not considered core members of the business network for funding approval purposes;**

- The “business network’s” readiness to pursue cost-shared business development activities must be demonstrated; and,
- “Business networks” must be based in Newfoundland and Labrador.

### **ELIGIBLE ACTIVITIES**

- Activities designed to enhance domestic capabilities, competitiveness and increased exports of goods and services, which may include market information and intelligence, international marketing activities (e.g. participation in trade shows/trade missions), and other marketing development initiatives;
- Activities designed to address exporter preparation, including exporting awareness and promotion, exporter preparation, pre-export planning and one-to-one counseling;
- Activities designed to enhance export skills, knowledge and experience of SME’s, including international trade training, export skills seminars and international business/education linkages;
- Seminars, round tables, training and network development activities;
- Commercial activities that contribute to export business growth, diversification and long term job creation;
- Initiatives incremental to the existing activities of particular companies; and,
- Cooperative initiatives in strategic areas including, but not limited to, opportunity identification, market and/or product development, transportation, manufacturing, R & D, technology commercialization and training.

### **ELIGIBLE COSTS**

Eligible costs include incremental costs incurred by the applicant, which are necessary and directly related to the proposed project. No support shall be provided for costs incurred prior to project approval.

Eligible costs may include the following:

- activities related to the organization & delivery of international trade seminars, round tables, training and similar costs;
- workshop sessions devoted to training “business networks” in relation to a host of global marketing, trade and export activities;
- the usage of professional consultants devoted to developing export opportunities, readiness and global awareness/knowledge of specific markets;

- market development costs (e.g. participation in trade shows, trade missions, market visits, promotional materials, translation costs, market research, market representatives), product development, and the direct incremental costs of establishing and operating a network office; and,
- specified travel and translation requirements directly related to the creation and/or implementation of an export/trade marketing development strategy.

## **INELIGIBLE COSTS**

The following costs are ineligible:

- any cost that could be interpreted as subsidizing an existing business operation, or an individual business promotion activity and/or that business' product selling price;
- hospitality/entertainment;
- salaries and commissions and other internal costs (e.g. administration/overhead costs);
- in-kind contributions;
- the cost of producing goods, including samples and products for testing;
- the transportation cost of goods to the target market, except for trade shows, missions and international exhibitions; and
- capital costs such as office furniture, computers, etc.

## **APPLICATION AND ASSESSMENT PROCESS**

A completed "Application for Business Networks Funding" must accompany the proposal for program funding. Interested "business networks" are advised to contact or visit the Department of Innovation, Trade and Rural Development to discuss the proposal prior to submission.

Applicants must include the following information in their proposal:

- the main objectives of the project, a detailed description of the project, a proposed budget listing other sources of funding requested, a project management scheme and desired results;
- a detailed description of how the project contributes to the overall objectives of the program;
- a description of how the project contributes to the economic development objectives of the program in principle.

Proposals will be evaluated by a committee of representatives from the Department of Innovation, Trade and Rural Development. It is the applicant's responsibility to provide detailed information within the proposal for proper assessment and adjudication.

Applicants cannot presume support under this program until approval is obtained through a properly signed legal agreement. A verbal assurance of approval will not be issued under any circumstances.

Support will generally be provided to "business networks" whose sectors have been recognized as having long-term economic growth potential. Support will not be provided to the retail and wholesale sectors, or financial institutions.

### **APPROVED PROJECTS**

A Letter of Offer will be issued on approval of a proposal outlining the terms of funding, the responsibilities of all parties involved, as well as the procedures for payment of claims. Payments will be made only for eligible costs incurred subsequent to the receipt of the proposal. All claims will be supported by original invoices for costs claimed as well as proof of payment (e.g. cancelled cheques).

In the case of unincorporated networks, one cheque will be issued to the lead company/organization in the network. It will be the responsibility of the lead company/organization to ensure that all documentation is received to support the claim and ensure the proper distribution of funds reimbursed.

### **QUESTIONS/COMMENTS**

Following your review of the program guidelines, you are invited to direct any questions or comments to:

Department of Innovation, Trade & Rural Development  
Government of Newfoundland & Labrador  
Trade & Investment Division  
P.O. Box 8700  
2nd Floor-West Block-Confederation Building  
St. John's, NL  
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