



Industry  
Canada

Industrie  
Canada



# Aboriginal Business Canada & YOU



*Even more opportunities available...*

How we work with  
you to succeed

What we look for



ABORIGINAL BUSINESS CANADA  
ENTREPRISE AUTOCHTONE CANADA

Canada

*Industry Canada's Aboriginal Business Canada program provides a range of services and support. Working with clients and many partners, we are helping to promote the growth of a strong Aboriginal business sector in Canada. Our support to entrepreneurs varies, depending on client needs and program priorities.*

## About us



Aboriginal Business Canada's (ABC) support focuses on a set of priorities intended to promote the establishment, growth and expansion of Aboriginal firms. These priorities are **innovation, trade and market expansion, tourism, youth entrepreneurship development and strengthening Aboriginal business and financial development organizations.**

Clients must be individuals of Canadian Indian (on or off-reserve), Métis or Inuit heritage, or majority-owned Aboriginal business and financial organizations or development corporations.

This publication provides a step-by-step description of what's involved when you apply for financial assistance for your business proposal.

### ► We can:

- help you determine whether your proposed project is eligible for ABC assistance before you submit an application;
- help you develop your business plan by providing you with business planning guides, or terms of reference, advice and referrals to business consultants, if required, as well as financial support;
- provide access to sector information relevant to your business;
- help you access the lenders you will need for the commercial financing requirements of your business, which may include referring you to an Aboriginal Financial Institution;
- provide financial assistance, most often in the form of equity contributions;
- provide advice and financial assistance to facilitate business partnerships;
- offer loan insurance, in some cases;
- provide financing towards the costs of management training and for business advisors once your business is operating; and
- provide financial assistance for conferences, workshops and studies related to ABC program priorities.

# About you

## ▶ What is available for commercial ventures?

**If you want to start a business**, our role reflects the priorities outlined on page 1. We can help you to establish or acquire:

- ▶ a tourism business;
- ▶ a manufacturing business;
- ▶ a business, professional, scientific or technical service business; or
- ▶ a business linked to a specified major development (in limited situations).

For other new businesses, we can consider support for marketing and information technology needs.

Please note that assistance to establish or acquire a business is intended for first-time entrepreneurs and existing entrepreneurs/businesses that are proposing to carry out a particular commercial activity for the first time.

**If you are already operating a business**, you may be eligible for business planning, capital cost, marketing and business support financing related to activities such as:

- ▶ expanding sales into other regional, national or international markets;
- ▶ improving your business processes, productivity or sales through technology or other improvements, including the use of information and communications technologies in commercial applications; and
- ▶ developing, enhancing and commercializing new or existing products, technologies, systems and processes.

**If you are an Aboriginal individual between the ages of 18 and 35 (inclusive)**, we offer broader support. Contributions are available to help you establish, acquire or expand a business, to source financing, to access markets, and to develop the specific management skills you will need. This will help you move into a more competitive marketplace. The business opportunity can be in any sector.



## ► How much funding can you expect?

Each proposal and request for financial support is assessed on its own viability and merits. This takes into account the need, the scope of the project, and other sources of financing available, including funds received from other government departments and agencies. A balanced financial package, involving debt financing from other sources, as well as a minimum level of your own equity is required. **For youth entrepreneurs between the ages of 18 and 35 (inclusive), the minimum cash equity required is equivalent to 10 percent of eligible project costs; for other applicants, the minimum required is 15 percent.**

The level of support for your business project depends on a number of factors, which your development officer will discuss with you. While there are ceilings for the average contributions offered, the actual investment from ABC will be limited to only what is required to ensure that your project proceeds and is viable.

Project cost	Typical contribution level
Developing business plans, marketing plans or feasibility studies	Up to 75%
Establishing/acquiring a business or acquiring information technology	30–40%
Expanding a profitable business or developing new products, services or production processes	30–40%
Inventory costs	Discuss this with your officer
Operating costs	Discuss this with your officer
Implementing marketing initiatives	Up to 60%
Project-related management, technical and entrepreneurial training	75%
Accounting and professional business advice after you start your business	75%

The vast majority of Aboriginal Business Canada contributions are made to small and medium-sized businesses and are in the form of non-repayable equity contributions. Contributions may be repayable in some circumstances.

In the case of larger, community-based projects, other conditions will be taken into account in order to determine the contribution level and repayability.

**Loan insurance** may also be available to supplement or replace direct contributions.

## ► What is available for advocacy initiatives?

**If your Aboriginal organization** requires support towards eligible activities designed to improve the business climate for Aboriginal firms in Canada, financial support may be available. Such activities include:

- organization or coordination of business-specific conferences, trade shows or other events or initiatives related to innovation, trade and market expansion, tourism, youth entrepreneurship development, business financing, or entrepreneurial and institutional capacity-building; and
- private-sector-led development of economic research, sector information and analysis, or other material, which increases the shareable data available on the progress of Aboriginal enterprise in Canada.

Support for this kind of activity is intended to result in widespread benefit; direct financial benefit does not result for the applicant. Results of the initiative are expected to be shared in some way, such as through publishing reports in print or on-line. For these types of projects, the applicant equity requirement may be waived.

**With this as general background, and when you have reviewed the various published materials to answer initial questions, the next step is to talk to a development officer about your specific proposal.**



## ▼ **How to apply**

Applying to ABC for financial assistance for your business is a three-step process.

- ▶ **Step One:** Refer to ABC's information materials in your application kit or on our Web site ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)) to help you determine whether your project is eligible. To be eligible, you must demonstrate Aboriginal heritage, have a balanced financial package (involving debt financing from other sources, as well as your own equity), a viable business opportunity and experience in your sector. Additional requirements will also apply. These are explained in our policies and guidelines, which are available on our Web site.
- ▶ **Step Two:** Contact the ABC office nearest you (see *listing on page 6*) to discuss your project with a development officer. The development officer can provide further clarifications on eligibility requirements and will be your ongoing contact point within ABC.
- ▶ **Step Three:** If you think you may be eligible for support, submit a completed Statement of Intent. You can fill it out on-line ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)), download it, or request an application kit from the office nearest you (see *listing on page 6*).

A development officer will review your application. If you are eligible for support, you will be asked to submit a business plan to determine the viability of your business venture.

The time needed to process your application for support will depend on the complexity of your project. Your development officer will discuss the timelines when you apply.

## ► How to contact ABC

If you require assistance at any stage in the development of your business proposal, please contact your local Aboriginal Business Canada office. You can enquire about ABC services on-line ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)) or by phone at one of the numbers listed below:

Halifax	(902) 426-2018	Winnipeg	(204) 983-7316
Montréal	(514) 283-1828	Saskatoon	(306) 975-4361
Ottawa	(613) 954-4064	Edmonton	(780) 495-2954
Toronto	(416) 973-8800	Calgary	(403) 292-8807
Ohsweken	(519) 445-0470	Vancouver	(604) 666-3871
London	(519) 680-2843	Yellowknife	(867) 920-6624

You can also request assistance through one of our External Delivery or Alternate Service Delivery Organizations. For a list of these, check our Web site, or ask your nearest Aboriginal Business Canada office for contact information.

Your enquiry will be directed to a development officer who serves your particular geographic location, or to an officer in an External Delivery or Alternate Service Delivery Organization in your area.

The development officer is your ongoing point of contact within ABC. This person is responsible for assisting you through each phase of the financial support process. You should contact a development officer to enquire about:

- ABC's financial support;
- your eligibility and that of your business venture to receive financial support from ABC;
- what personal financial resources you need to be eligible to receive support from ABC;
- what kind of business experience ABC will expect you to have;
- other funding and information sources, as well as individuals, groups and organizations that may assist you in planning and implementing your business venture; and
- how to make an application to ABC for financial support.

When you make an enquiry, be sure to give us the complete contact information we need to reach you. You can ask ABC to contact you by phone, fax, e-mail or regular mail.

By making an enquiry and introducing yourself to your development officer, you begin an ongoing working relationship with ABC for assistance in getting your business idea implemented. Once you initiate an enquiry to ABC, an officer will call you.

**You should not proceed with any purchases for your project, since any costs for which you have made a legal commitment prior to project approval will not be eligible for ABC support.**

## ▶ How to submit a Statement of Intent

The Statement of Intent is a short outline of your business proposal. By completing this form, you are providing your development officer with necessary information to assess your basic eligibility for financial support under ABC guidelines. You can complete your Statement of Intent on-line ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)) or download a copy from our Web site, which you can print out and return to us. You can also obtain an application kit by contacting the office nearest you (see listing on page 6).

If you need assistance in completing the form, please contact your development officer.

With the Statement of Intent, you must also provide your development officer with the following information about each of the principal owners of the company:

- ▶ evidence of Aboriginal ancestry;
- ▶ evidence of sufficient personal financial resources to undertake the project you are proposing;
- ▶ a résumé that highlights experience, training and/or education related to your business activity; and
- ▶ for existing businesses, a copy of your most recent financial statements (up to three years, if available).

Once you submit a complete Statement of Intent, your development officer will review it. He or she may ask you to provide additional information, or may request clarification of the information submitted.

**Statement of Intent**  
Aboriginal Business Canada

**Instructions**

- The purpose of this form is to determine eligibility for support under the Aboriginal Business Canada (ABC) program. It is not a guarantee of funding. The information you provide will be used to assess your eligibility for funding. You must provide accurate and complete information. You must provide information that you are not providing to any other government department or agency.
- Before making a commitment to provide information, Aboriginal Business Canada may require an assessment of the information you provide. To determine eligibility, you must provide the following information:
  - Proof of your Aboriginal ancestry.
  - Proof of your personal financial resources.
  - Proof of your business activity.
  - Proof of your business activity.
- Please ensure that you provide accurate and complete information.
- Information provided for assessment of your Statement of Intent, your development officer will use the information to determine your eligibility for support under the program. You must provide information that you are not providing to any other government department or agency.
- Eligibility to receive financial support under the program is subject to the availability of funding. You must provide information that you are not providing to any other government department or agency.

**Information to assist you**

- Aboriginal Business Canada provides information on the web (<http://abc-eac.ic.gc.ca>) to help you understand the program. You can also contact your development officer for more information. You can also contact your development officer for more information. You can also contact your development officer for more information.
- Under the provisions of the Access to Information Act, Aboriginal Business Canada cannot guarantee the confidentiality of all information provided to us by the program. However, we will make every effort to ensure that your information is kept confidential. However, we cannot guarantee that your information will not be disclosed to other government departments or agencies.

**For more information**

The table below is a list of regional development offices and services for Aboriginal entrepreneurs and business opportunities. For more information, please contact the Aboriginal Business Canada office nearest you.

City	Telephone	Fax	E-mail
Abbotsford	(604) 855-2100	(604) 855-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Calgary	(403) 261-1330	(403) 261-1330	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Edmonton	(780) 428-2100	(780) 428-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Halifax	(902) 428-2100	(902) 428-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
London	(519) 460-2100	(519) 460-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Montreal	(514) 492-2100	(514) 492-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Ottawa	(613) 993-2100	(613) 993-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Quebec	(514) 492-2100	(514) 492-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Regina	(306) 362-2100	(306) 362-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Saskatoon	(306) 362-2100	(306) 362-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Vancouver	(604) 689-2100	(604) 689-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>
Winnipeg	(204) 952-2100	(204) 952-2100	<a href="mailto:abc@ic.gc.ca">abc@ic.gc.ca</a>



## ► What ABC will do with this information

Once your development officer has received all of your information and clearly understands your plans, he or she is required to present your proposed project to a screening committee. This process helps to ensure that all projects are handled consistently on a project-by-project basis as well as across regions.

Eligibility is evaluated using the following considerations.

### Applicant eligibility

- Is the applicant of Canadian Aboriginal descent? How will this be verified? In the case of partnerships and corporations where one or more proposed owners is not Aboriginal, please refer to the eligibility policies on the ABC Web site ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)) or ask your development officer.
- Does the applicant have the financial resources to undertake the business venture proposed?

*Note: A credit check may be completed at this stage to determine your ability to access other forms of financing.*

### Business project eligibility

- Does the proposed management team have the skills required to undertake the project as described?
- Does the business idea make sense? For example, is there a good market opportunity? Does the proposal have a reasonable approach for reaching the market? Do the potential profits provide a sufficient return on investment?
- Does the business idea fit within the activities supported by ABC?

### Other factors that may affect eligibility

- A number of other policies and guidelines pertaining to specific situations may have an impact on a project's eligibility for support. Ask your development officer about this.

After your project has been reviewed by the screening committee, your development officer will contact you with one of the following responses:

- a request for further information for re-screening the project;
- a request to submit a complete business and/or marketing plan;
- a request for consulting proposals to complete a business and/or marketing plan;
- notification that ABC will proceed with the assessment of your business plan; or
- notification that your application did not meet ABC investment requirements, and was not approved for funding.

If your application is determined to be eligible, the development officer will inform you. A follow-up letter may also be sent to outline what is required to proceed. Note that this confirmation of eligibility does not guarantee that your application will be approved for financial assistance at this time. ABC must still evaluate your business venture's viability by reviewing your business plan.

**You should not proceed with any purchases for your project, since any costs for which you have made a legal commitment prior to project approval will not be eligible for ABC support.**

If your application is considered ineligible, the development officer will contact you to explain the reasons for this decision.

## **How to submit a business plan**

Once you and your proposal have been deemed eligible for ABC financial support, your development officer will request a complete business and/or marketing plan. You may complete the plan yourself, or you may request assistance from an arm's-length third-party consultant. If you do work with a consultant, you should nonetheless be actively involved in the preparation of your plan.

### **If you complete the plan yourself . . .**

There are a number of resources you can use to complete your business plan. Your development officer will be able to direct you to these resources and guide you through the process.

At a minimum, your plan must include five sections.

- 1) Management plan:** How do you plan to manage your business?
- 2) Market assessment/marketing plan:** What products and services do you intend to sell? To whom? How do you plan to price your products or services? How do you plan to promote your business? What methods will you use to distribute your products and services?
- 3) Operational plan:** How do you plan to operate your business on a day-to-day basis, including purchasing, working with suppliers, manufacturing processes, human resources requirements, meeting federal, provincial or territorial government regulations, and so on?
- 4) Financing plan:** What is this proposed business project going to cost? How do you intend to finance it?

**5) Financial projections:** You must submit financial projections for your business, for up to three years, if possible. These usually contain a monthly cashflow projection, projected income statements, projected balance sheets and projected sources and uses of funds statements. Include any assumptions made with respect to your financial projections.

Include all information necessary to provide ABC with a full understanding of your business opportunity.

### **If you request a consultant to assist in preparing your business plan . . .**

ABC may be able to reimburse some of the fees involved, but we will need to assess this and have a Letter of Offer in place before any work begins. Consultants must be arm's-length. If you are unsure what you should be looking for in third-party consultants, your development officer can provide you with a business planning guide or terms of reference to help you understand what will be required of them.

We may request that you obtain multiple bids for consulting proposals to ensure competitive prices and to compare consulting approaches.

At a minimum, all proposals from consultants must include the following information:

- ▶ a work plan detailing the work to be completed and the timeframe in which it will be completed;
- ▶ a description of the methodology to be used in completing the work;
- ▶ a detailed budget that identifies the number of days required to complete the project, the per diem rates to be charged, as well as any out-of-pocket expenses for travel or administration;
- ▶ a detailed listing of the direct, related experience of the company hired to prepare the plan; and
- ▶ résumés demonstrating the capability or expertise of the individuals on the project team who will be completing the work.

Although ABC will evaluate the ability of the consultant to undertake the work and will make an assessment of the overall project budget, you must decide which consultant you will be able to work with most effectively. It is essential that you choose a consultant that will best suit your needs.

Please allow yourself sufficient time for the preparation of your business plan. This document is vital to the success of your application and that of your business venture. In our experience, preparing a business plan can take weeks, even months, depending on the complexity of your project.



## ► How ABC will assess your business plan

Once your business plan is complete, you must submit one copy to your development officer. The assessment of your business plan is an ongoing, back-and-forth discussion, and the time needed to assess it depends on the nature and complexity of your project and the completeness of the information provided. Your response time to the development officer's requests for further information can significantly speed up or slow down this process.

When all of the information has been received by your development officer, you will be given one of two possible responses:

- **Project Approved:** The development officer is satisfied that there is a viable business opportunity that warrants a recommendation for ABC investment.
- **Project Declined:** The development officer and ABC management have reviewed the proposal and determined that there is not a viable business opportunity warranting an ABC investment at this time. This does not necessarily mean that your proposal does not have merit. However, it will require serious revisions to be able to be considered a viable opportunity.

If your project is not approved, you will receive notification by telephone, as well as by mail, outlining the reasons for the decision.

If your project is approved, ABC must prepare a contract (subsequently referred to as the Letter of Offer) between you and ABC. You should receive an original copy of the Letter of Offer after your development officer has notified you of the investment approval.

# What to expect in your Letter of Offer

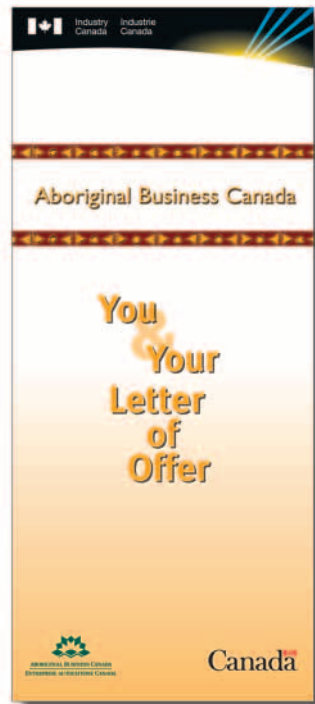
For all approved projects, a contribution agreement, also called a Letter of Offer, will be prepared. The Letter of Offer will detail all elements of the financing approved by ABC, including loans, lending terms, amount of the contribution, contribution terms, public information considerations, key dates and deadlines, special conditions and relevant contact information.

It is very important to review your Letter of Offer with your development officer to verify the amount of the contribution, any special conditions on ABC financing and any special milestone dates that must be met.

If the conditions specified in the Letter of Offer are not satisfied or met, the Letter of Offer may be withdrawn, and the amount paid to date by Industry Canada may have to be repaid.

Once a Letter of Offer has been issued, you will be asked to sign and return one original copy of the document to ABC by the deadline indicated. Once the contract has been executed, you will be required to prepare claims in order to receive funding. Funds are provided only after eligible costs have been incurred and claimed.

The *You & Your Letter of Offer* pamphlet will be sent along with your Letter of Offer to guide you in reviewing it.



## ► How to obtain reimbursement

Your Letter of Offer will contain a financial commitment from ABC to reimburse you for the agreed-to portion of the costs that you have identified in your business plan. To receive your first cheque, you must provide ABC with the following information:

- evidence that you have satisfied all of the conditions of payment identified in your Letter of Offer; and
- completed claim forms and supporting invoices identifying all of the costs incurred to date.

For subsequent claims, you need only to provide completed claim forms along with supporting invoices and proofs of payment, as directed by your development officer.

ABC encourages you to submit claims regularly throughout the course of your project. However, due to the administrative requirements of making a payment, ABC asks that you submit no more than one claim per month. Please also ensure that your claim amount is at least \$1000.

As your project progresses and you continue to submit claims, at some point you will near the end of your project. At this time, ABC will normally retain 10 percent of the total ABC assistance to ensure that the project is completed as outlined in the business plan. This final 10 percent will be released upon confirmation by your development officer that the project has been satisfactorily completed.

Details on how to submit a claim are described in *You & Your Claim for Payment*. This pamphlet and related claim forms will be sent to you along with your Letter of Offer.





## ► Why you should keep in touch with ABC

Once you have received all payments and your business project is operating, ABC would like to keep in touch. We want to ensure that your business opportunity is a success. We will continue to monitor your progress and offer our support with your operational concerns for the period specified in your Letter of Offer. We do this to:

- assist you in identifying small problems before they develop into big ones;
- ensure that you are maintaining the financial records needed for effective management and for adhering to the requirements of other lending institutions;
- review your progress;
- identify potential new opportunities arising from our knowledge of the Aboriginal marketplace in Canada and around the world; and
- provide us with a tool to measure the overall success of ABC financing activities and ensure that we continue to provide effective services to clients.

At a minimum, you can expect to have your development officer visit your operation within the control period identified in your Letter of Offer. You will also be required to complete an annual business performance review and may be required to submit annual financial statements for your business activity.

Any additional reporting requirements will be identified in your Letter of Offer and will be clearly identified to you by your development officer.

**Remember, start by reviewing our materials.** For more information, please visit our Web site ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)) or contact the Aboriginal Business Canada office nearest you. Contact information is listed on page 6.

**ABORIGINAL BUSINESS CANADA ...**  
***building on success for the future.***

For further information, please visit  
our Web site ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)).

*Aussi disponible en français sous le titre :*  
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