



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Aboriginal Business Canada (ABC)

Opening New Doors for Your Business

Presentation at Cape Croker

Location: Ontario Region

Date: November 24, 2011



Canada



Overview

- ABC Program Elements
- Aboriginal Business Canada (ABC)
- Am I eligible?
- How can ABC help?
- How do I apply?
- How to contact ABC?



Aboriginal Business Canada

- INAC program delivered in partnership with business organizations and financial institutions.
- Supports the establishment and growth of Aboriginal-owned and controlled businesses.
- Five components:
 - Aboriginal Business Canada
 - Major Resource and Energy Developments
 - Partnering with Aboriginal Financial Institutions
 - Pilot Loan Loss Reserve Initiative
 - Pilot Major Resource and Energy Initiative



Aboriginal Business Canada (ABC)

- ABC provides financial contributions for:
 - Business planning
 - Business support
 - Business start-ups and acquisitions
 - Business expansion
 - Marketing

- ABC also provides:
 - Guidance and business advice
 - Referrals to other possible sources of financing and business support



Eligibility

- Aboriginal heritage:
 - Status and Non-Status Indians, Inuit or Métis entrepreneurs
 - Aboriginal-owned businesses, financial organizations or development corporations
- Demonstrated education and/or experience including management capacity
- Active Aboriginal involvement on full-time basis
- Financial commitment (minimum cash equity 10-15%)
- Ability to obtain commercial financing
- Demonstrated need
- Demonstrated project viability/merit



Types of Support

- Depending on the project, ABC can support:
 - Developing business plan, marketing plan or feasibility study
 - Capital costs
 - Costs associated with the purchase of shares and assets
 - Operating costs
 - Marketing costs
 - Costs associated with technical, legal, financial or business services
 - Costs associated with obtaining appropriate training and/or mentoring services



Typical Contribution Levels

Project Costs	Typical Contribution Level
Developing business plans, marketing plans or feasibility studies	Up to 75%
Establishing, acquiring or expanding a business	Between 30% to 50%
Implementing marketing initiatives	Up to 60%
Project-related management	Up to 75%
Accounting and professional business advice after you start your business	Up to 75%



Funding Levels

- Individual entrepreneurs may receive contributions up to a maximum of \$99,999.
- Community-owned businesses may receive contributions up to a maximum of \$1 million.
- The level of support depends on a number of factors:
 - Nature of the project
 - Project scope
 - Need for financing
 - Availability of other funding sources
 - Project Impacts/Economic Benefits



A funding formula example...

Costs:		Financing:	
Capital:		Capital:	
Equipment	\$25,000	Applicant equity (10-15%)*	\$7,500
Leaseholds	\$20,000	ABC (35%)	17,500
Opening inventory (3 mo.)	\$2,500	Loan (50%)	<u>\$25,000</u>
Operating (3 mo.)	<u>\$2,500</u>		
Total capital:	\$50,000	Total capital:	\$50,000
Marketing:		Marketing:	
Website	\$5,000	Equity/cash from ops(40%)	\$4,800
Brochures/cards	\$2,000	ABC (60%)	<u>\$7,200</u>
Advertising	<u>\$5,000</u>		
Total marketing:	\$12,000	Total marketing:	\$12,000
Business Support:		Business Support:	
Accounting/legal	\$5,000	Equity/cash from ops (25%)	\$1,250
		ABC (75%)	<u>\$3,750</u>
Total Business Support:	\$5,000	Total Business Support:	\$5,000





Application Process

Aboriginal Business Canada & YOU

Working with you to succeed

Canada

- Visit the INAC Web site for further information on eligibility requirements.
<http://www.ainc-inac.gc.ca/e cd/ab/A BDP/ABDPnu-eng.asp>



Application Process – 3 Steps

- **Step 1: Speak to Development Officer before completing application**
 - Our application form is called "Business Proposal" and can be downloaded from our website <http://www.ainc-inac.gc.ca/ecd/frms/index-eng.asp>

- **Step 2: Screening**
 - Once an application and all required supporting documents are received, it will be screened at a weekly ABC committee meeting. This is an internal process ABC uses to confirm eligibility of an applicant and discuss potential viability issues with respect to the business opportunity.
 - NOT an approval of the project in anyway; its merely an interim step.

- **Step 3: Investment Decision**
 - The final step is the business plan assessment. It is at this stage that ABC makes its final investment decision and if successful, issues a formal contract to client.



How to Contact Us

- Call the office nearest you at:

Halifax..... (902) 426-2018

Montreal..... (514) 283-1828

Toronto..... (416) 973-8800

Ohsweken..... (519) 445-0470 or (519) 445-2373

Winnipeg..... (204) 983-7316

Saskatoon..... (306) 975-4329

Edmonton..... (780) 495-2954

Calgary..... (403) 292-8807

Vancouver..... (604) 666-3871

Yellowknife..... (867) 669-2624

- Or visit us online at:

<http://www.ainc-inac.gc.ca/ecd/ab/ABDP/index-eng.asp>



ABC has delivery partners across Canada





Aboriginal Financial Institutions

- ABC provides support to Aboriginal Financial Institutions and the National Aboriginal Capital Corporation Association (NACCA).
- Aboriginal Financial Institutions across Canada provide a range of services and supports to Aboriginal businesses:
 - Business Loans up to \$250,000
 - Business planning and advisory services.
 - Referrals to other programs, financial institutions and funding resources.
- **Some Aboriginal Financial Institutions extend delivery of ABC programming (equity contributions) in remote and rural areas.**
- Visit us online for a list of AFIs: http://www.ainc-inac.gc.ca/ecd/ab/ABDP/abt/h_ab00091-eng.asp -



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