



2017-18 Corporate Plan

NWT Business Development and Investment Corporation



Northwest Territories Business
Development and Investment
Corporation

701, 5201-50th Ave.
Yellowknife, NT X1A 3S9

Telephone: (867) 767-9075

Fax: (867) 765-0652

Email: bdicinfo@gov.nt.ca

Web: www.bdic.ca

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INTRODUCTION

The Northwest Territories Business Development and Investment Corporation (BDIC) was established in 2005, with the merger of the former Northwest Territories Business Credit Corporation and Northwest Territories Development Corporation.

The BDIC is mandated to support the economic objectives of the Government of the Northwest Territories (GNWT) in a manner that benefits the people and the economy of the Northwest Territories. The BDIC pursues this mandate by:

- encouraging the creation and development of business enterprises;
- providing financial assistance to business enterprises, either on its own or as a complement to private sector or other financing;
- directly investing in business enterprises; and
- providing information to business enterprises and members of the public respecting
 - » the establishment and operation of businesses, and
 - » other business matters.

The corporation is governed by a Board of Directors appointed from the private sector. A person is eligible for appointment as a director if he or she:

- has owned or managed a business enterprise in the Northwest Territories; or
- has in the opinion of the Minister, business expertise relevant to the economy of the Northwest Territories.



VISION

Our vision is to be an accountable crown corporation providing resources for the economic development of the Northwest Territories.

MISSION

Our mission is to support the NWT economy by encouraging the creation and development of businesses in communities.

PROGRAMS & SERVICES

The BDIC's investment in northern business is a cornerstone of the GNWT's economic development strategy. It directly supports business development and provides resources to expand the business knowledge and capacity of NWT business owners.

The corporation offers programs and services to all 33 communities in the NWT.

The following programs and services are currently available:

- Credit Facilities Program
- Venture Investment Program
- Business Development Project Fund (BDPF)
- Subsidiary Program
- Business Support Services



Left to Right, the 2016/2017 Board of Directors: Darrell Beaulieu (Chair), Denise Yuhas (Vice-Chair), Gwen Robak, Ruby Simba (term ended Nov. 4, 2016), Andy Wong, Denny Rodgers, Joanne Deneron, Charlie Furlong



CREDIT FACILITIES PROGRAM

The Credit Facilities Program provides NWT-based businesses with debt financing of up to \$2,000,000. The BDIC provides the following options under the program:

TERM LOANS

General Term Loans are provided for clients who may not be able to secure bank financing. BDIC clients can choose between fixed or variable term loans.

STANDBY LETTERS OF CREDIT

Standby letters of credit enable clients to secure contract bids or provide security to suppliers through assurance of payments to third parties.

WORKING CAPITAL GUARANTEES

Working Capital Guarantees are available to clients to help them secure a line of credit or other working capital financing for their business through conventional banks.

CREDIT FACILITIES: 5-YEAR TREND

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
APPROVALS (#)	20	9	14	23	12
APPROVALS (\$000)	\$7,677	\$2,661	\$5,421	\$8,202	\$6,109

COMMUNITY FUTURES

The BDIC provides Community Futures Development Corporations (CFDC) with access to low-cost capital, enabling them to finance small and medium-sized NWT businesses with loans of up to \$200,000.



VENTURE INVESTMENT PROGRAM

The Venture Investment Program is an equity financing program through which the BDIC injects capital into NWT businesses. Investments under this program are limited to \$100,000 per job created or maintained by the business.

The BDIC recently revised its Venture Investment Program to make the program accessible to a wider range of small businesses. In addition to investing through preferred shares, in 2017/2018 the BDIC will offer investments in exchange for a percentage of a business's ongoing revenues.

LEVEL ONE COMMUNITIES:

Yellowknife (including N'Dilo), Hay River, Inuvik and Fort Smith

LEVEL TWO COMMUNITIES:

All other NWT communities

BUSINESS DEVELOPMENT PROJECT FUND (BDPF)

CORE BDPF

The BDIC offers the BDPF to businesses, arts and crafts persons and harvesters. The BDPF is available for start-up and expansion projects including feasibility assessments, product development, preparation of marketing and business plans, and pilot projects. Approved businesses are eligible, over a five-year period, for up to \$20,000 (\$10,000 in level one communities).

BDPF AFTERCARE

In addition to Core BDPF, businesses are supported with aftercare funding which is available for business software, training and education fees, and succession planning. Businesses in level two communities are eligible for \$5,000 in aftercare funding over the life of the business and businesses in level one communities are eligible for \$3,000.

BUSINESS DEVELOPMENT PROJECT FUND: 5-YEAR TREND

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
APPROVALS (#)	26	27	38	54	47
APPROVALS (\$000)	\$257	\$245	\$292	\$318	\$311



SUBSIDIARY PROGRAM

The BDIC owns a number of companies (subsidiaries) located in level two communities (except for Arctic Canada Trading Company Ltd.). These subsidiaries provide economic opportunities and employment in communities. The BDIC currently operates the following five subsidiaries across the Northwest Territories:

- Acho Dene Native Crafts Ltd. (Fort Liard)
- Arctic Canada Trading Company Ltd. (Yellowknife)
- Dene Fur Clouds Ltd. (Fort Providence)
- 913044 NWT Ltd. o/a Fort McPherson Tent and Canvas (Fort McPherson)
- 5983 NWT Ltd. o/a Ulukhaktok Arts Centre (Ulukhaktok)

Three of the BDIC's subsidiaries are involved in traditional fine arts and crafts and the use of traditional materials, all of which support communities. The subsidiaries deal with markedly different product lines and are located in different and unique NWT regions.

The BDIC, through Arctic Canada Trading Company Ltd., markets the subsidiaries unique northern arts and crafts in Canada and the United States with outlets in every Canadian province and territory. Arctic Canada Trading Company Ltd. distributes the BDIC's subsidiary products through partnerships with retailers as well as online through each of the subsidiaries websites.



Arctic Canada
Trading Company



Fort McPherson
Tent & Canvas



Dene Fur
Clouds

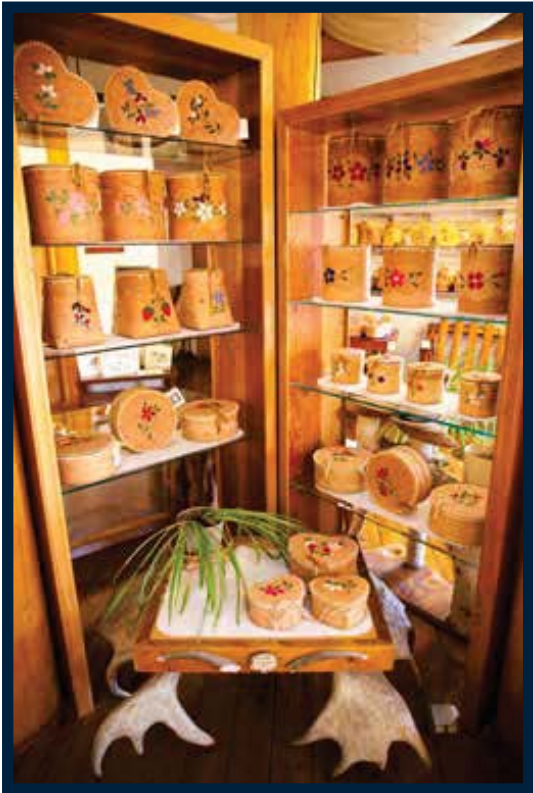


Acho Dene
Native Crafts



Ulukhaktok
Arts Centre





A display of locally-made birch bark baskets at Acho Dene Native Crafts



The factory floor at Fort McPherson Tent & Canvas



A hand-knit garment in progress at Dene Fur Clouds



Print-making at the Ulukhaktok Arts Centre

BUSINESS SUPPORT SERVICES

The BDIC operates Canada Business NWT (CBNWT), a business service centre which provides businesses with the resources they need to start, grow and prosper, including a wide range of information on government services, programs and regulations.

CBNWT is part of the Canada Business Network, a network of business service centres across Canada assisting clients to start and grow their businesses. Its mission is to contribute to economic growth by ensuring business people across the NWT have access to accurate, timely and relevant business information through a convenient single access point. The CBNWT also partners with Community Futures Development Corporations (CFDCs) across the NWT to offer regional access for businesses.



Business services available through CBNWT include:

- Business resource library that is available online so that clients from any community can order a book/business resource and have it mailed to them
- 1-800 number that NWT clients can call to get business information specific to their region
- How to Start a Business in the NWT – an online and printed guide to starting a business in the NWT
- CanadaBusiness.ca – content created and managed by CBNWT specifically for NWT residents
- Video and web conference business learning sessions available online and through CFDCs
- Administration services such as computer work stations and business planning tools available in person through the BDIC, CFDCs and partner organizations





The BDIC's business library: books can be checked out for free and shipped anywhere in the territory.



BDIC CEO Dr. Pawan Chugh speaks to young entrepreneurs at a 2016 business bootcamp

In addition to the business services provided through CBNWT, the BDIC partners with organizations to assist entrepreneurs in NWT communities. The BDIC hosts learning seminars, sessions and events such as Small Business Week and the Northern Economic Development Practitioners Conference to build business capacity in the NWT.

In 2016, the BDIC began a partnership with Futurpreneur Canada to improve access to expertise and provide mentorship for young entrepreneurs in the NWT. In the first year of this partnership, five young entrepreneurs were matched with mentors and launched businesses across a range of industries including food, tourism, automotive and health and wellness.

BUSINESS LEARNING SESSIONS: 5-YEAR TREND

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
SESSIONS	27	42	60	71	48
PARTICIPANTS	60	104	179	309	113



2016 NORTHERN ECONOMIC DEVELOPMENT PRACTITIONERS CONFERENCE

Over one hundred economic development professionals from across the Northwest Territories gathered in Yellowknife October 12 and 13 to attend the seventh biennial Northern Economic Development Practitioners Conference (NEDP).

This year, the theme of the event was “Northern Success Stories: Innovation and Economic Diversification”. The conference was aimed at building capacity by giving attendees the tools needed to enhance service to businesses in NWT communities.



The NWT Disabilities Council discusses the advantages of hiring people with disabilities

The conference featured over 25 presentations from economic development experts. Government organizations provided information on their programs and services, businesspeople shared their success stories,

while other speakers showcased innovative ways to support businesses and economic development. Presentations also covered agriculture, tourism and the film industry.

Some of the highlights of the conference were presentations by keynote speakers Alain Paul Martin, from Harvard University Global Systems, and Darrel Manitowabi, from Laurentian University. An afternoon-long training session on innovation and economic diversification was conducted by Brock Dickinson from the University of Waterloo.

Feedback gathered at the conference was positive: attendees felt that the presentations gave them valuable information that will help support businesses and economic development in their communities.



The NWT Professional Media Association highlights the positive economic and social impacts of the territory's growing film sector





The Honourable Wally Schumann addresses the more than 100 attendees who gathered for NEDP 2016



Gaia Integrative Clinic, Yamouri Inn, and Sunrise Cabinets receive their Outstanding Business Performance Awards



BDIC CEO Dr. Pawan Chugh delivers a presentation on a holistic approach to economic development



The Tłı̄ch̄q Region Economic Development Working Group showcase recent successes and future



2017-2018 GOALS

Objective	Action	2017-2018 Target
Increase capacity at subsidiaries	Continue to support professional development of subsidiary managers and supervisors	Educational content delivered to subsidiary managers and supervisors on a monthly basis
Increase accountability and transparency in BDIC operations	Make detailed quarterly loan and contribution performance data publicly accessible	Issue a quarterly, publicly accessible report on the BDIC's loan and contribution program performance
Complete implementation of Guidelines on French Language Communications and Services	Finalize translation of the BDIC's website and other communications materials	A successful audit of the BDIC's french language communications and service delivery
Increase participation in the BDIC's business learning sessions	Increase the promotion of business learning sessions through various marketing channels and partners	Monthly business learning session calendars distributed to economic development stakeholders
Increase awareness of the BDIC's subsidiaries	Pursue opportunities to establish displays of subsidiary arts and crafts	Subsidiary arts and crafts displays established
Increase awareness of the BDIC's programs	Distribute information on BDIC programs tailored to GNWT priority sectors for investment	BDIC program information distributed through relevant industry associations
Encourage the creation and development of business enterprises	Research the feasibility of operating a business incubator	A completed feasibility report



BUDGET SUMMARY

The BDIC's budget is comprised of two separate funds, the Contribution Fund and the Loans and Investments Fund.

Contribution Fund

The Contribution Fund is funded through a contribution agreement with the GNWT, and through investment income. It is administered through four separate funds:

- **Subsidy Fund** - provides subsidies to BDIC subsidiaries and BDPF contribution funds to northern businesses
- **Capital Fund** - provides start-up costs for new subsidiaries
- **Capital Reserve Fund** - provides capital funds for repairs to existing subsidiaries
- **General Operating Fund** - provides operating costs for the BDIC's delivery of programs and services including the CBNWT Centre (which also receives partial funding from CanNor).

For 2017/2018, the BDIC forecasts revenues of \$3,016,000 to the Contribution Fund. Of this amount, \$2,819,000 (including \$16,000 for the provision of French language services) would be funded from the GNWT, \$97,000 from CanNor to co-fund the CBNWT Centre, and \$100,000 in investment income.

Loans and Investments Fund

The Loans and Investments Fund is funded through client loan repayments, client venture payments and/or GNWT loans. This fund is administered through two funds:

- **Loans Fund** - provides loan capital to northern businesses
- **Venture Investment Fund** - provides equity investment to northern businesses

For 2017/2018, the BDIC forecasts new loan disbursements of \$5,500,000 and repayments of \$4,500,000.



2017-2018 BUDGET

Exhibit 1 - Contribution Fund Budget Summary (\$000)
2017/2018 Fiscal Year

	Subsidy Fund	Capital Fund	Capital Reserve Fund	General Operating Fund
Opening Balance	459	873	147	6,570
Sources of Cash	865	-	-	2,151
Use of Cash	865	-	-	2,500
Closing Balance	459	873	147	6,221



Exhibit 2 - Subsidy Fund Budget (\$000)
2017/2018 Fiscal Year

	Budget 2018	Budget 2017	Actual 2016
Opening Balance	459	459	462
Sources of Cash:			
GNWT Contribution	865	840	911
Sub-Total	865	840	911
Uses of Cash:			
Contributions:			
Business Development Projects	200	200	274
Subsidiaries:			
5983 NWT Ltd. (Ulukhaktok Arts Centre)	90	90	90
913044 NWT Ltd. (Fort McPherson Tent & Canvas)	275	250	250
Acho Dene Native Crafts Ltd.	150	150	150
Arctic Canada Trading Co. Ltd.	50	50	50
Dene Fur Clouds Ltd.	100	100	100
Sub-Total	865	840	914
Closing Balance	459	459	459



Exhibit 3 - Capital Fund Budget (\$000)
2017/2018 Fiscal Year

	Budget 2018	Budget 2017	Actual 2016
Opening Balance	873	873	873
Sources of Cash:			
GNWT Contribution	-	-	-
Sub-Total	-	-	-
Uses of Cash:			
New Subsidiary	-	-	-
Sub-Total	-	-	-
Closing Balance	873	873	873



Exhibit 4 - Capital Reserve Fund Budget (\$000)
 2017/2018 Fiscal Year

	Budget 2018	Budget 2017	Actual 2016
Opening Balance	<u>147</u>	<u>147</u>	<u>147</u>
Sources of Cash:			
GNWT Contribution	<u>-</u>	<u>-</u>	<u>-</u>
Sub-Total	-	-	-
Uses of Cash:			
Capital Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Sub-Total	-	-	-
Closing Balance	<u>147</u>	<u>147</u>	<u>147</u>



Exhibit 5 - General Operating Fund Budget (\$000)
2017/2018 Fiscal Year

	Budget 2018	Budget 2017	Actual 2016
Opening Balance	6,570	6,420	6,035
Sources of Cash:			
GNWT Contribution	1,954	2,456	2,446
Interest	100	150	130
Business Service Centre Contribution	97	97	97
Sub-Total	2,151	2,703	2,673
Uses of Cash:			
Operation Expenditures			
Advertising	25	22	56
Board expenses	40	45	52
Business Service Centre	220	194	144
Computers	100	75	100
Office	40	45	42
Purchased services	80	90	78
Telephone & communications	15	16	12
Travel	50	90	69
Salaries & benefits	1,930	1,976	1,735
Sub-Total	2,500	2,553	2,288
Closing Balance	6,221	6,570	6,420



Exhibit 6 - Loan and Investment Fund Budget Summary (\$000)
 2017/2018 Fiscal Year

	Venture Investment Fund	Loan Fund
Opening Balance	4,375	1,596
Sources of Cash	-	5,515
Use of Cash	-	5,500
Closing Balance	4,375	1,611



Exhibit 7 - Venture Investment Fund Budget (\$000)
2017/2018 Fiscal Year

	Budget 2018	Budget 2017	Actual 2016
Opening Balance	4,375	4,668	4,655
Sources of Cash:			
Dividends	-	-	2
Redemptions	-	7	11
Sub-Total	-	7	13
Uses of Cash:			
Venture Investments	-	300	-
Sub-Total	-	300	-
Closing Balance	4,375	4,375	4,668



Exhibit 8 - Loan Fund Budget (\$000)
2017/2018 Fiscal Year

	Budget 2018	Budget 2017	Actual 2016
Opening Balance	1,596	1,076	1,099
Sources of Cash:			
Repayments received	5,500	7,800	7,220
Interest Income	15	20	21
Borrowed from the GNWT (net)	-	-	-
Sub-Total	5,515	7,820	7,241
Uses of Cash:			
Loans disbursed	4,500	6,300	5,964
Repayment to the GNWT	1,000	1,000	1,300
Sub-Total	5,500	7,300	7,264
Closing Balance	1,611	1,596	1,076



