

ABORIGINAL BUSINESS DEVELOPMENT PROGRAM (ABDP)



In a special agreement with “Aboriginal Affairs and Northern Development Canada”; Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory Services is recognized as an “External Delivery Organization” for the Aboriginal Business Development Program (*formerly Aboriginal Business Canada*). Our office is staffed by an External Development Officer, who covers the Treaty #3 Territory. This will briefly demonstrate how **Aboriginal Business Development Program** can work for you.

Your first step is to call *Beverley Cochrane, External Development Officer* at Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory Services (807) 274-8531 to discuss your business idea to determine if you are eligible for ABDP assistance.

Eligible Applicants

To be eligible for support, an applicant must be a Canadian Aboriginal individual or a Canadian corporation, partnership, association or other legal entity that is majority-owned and controlled by Canadian Aboriginal people. Cases where Aboriginal communities have a minority interest in a partnership or joint venture can be supported. In these situations, eligible costs will be prorated based on the level of Aboriginal ownership and control in the venture. Any agreement to support the venture must be with the Aboriginal proponent.

A Canadian Aboriginal individual is a person who is one of the following:

- a Status Indian;
- a Non-Status Indian
- an Inuk; or
- a Métis.

Aboriginal entrepreneurs and communities that are proposing to establish a business, acquire a business or expand existing business, are eligible for support under the program.

If you are eligible to access (ABDP) funding, your second step is to submit a Business Proposal. You need to demonstrate that you have 15% cash equity for applicants 36 year and over. *Youth applicants aged between 18-35 need to demonstrate 10% cash equity. In addition to the cash equity requirements, we will also take the following into consideration:

1. Related Work Experience/ Education
2. Market
3. Credit History

The following business activities are in-eligible for support:

- direct alcohol production, marketing, distribution or sales,
- tobacco production, marketing, distribution or sales,
- games of chance operations, casinos, bingo halls, small scale gaming operations, etc.
- sexually exploitive, materials, services, products, marketing, distribution and sales, including any web-based activities,
- pawn shops, cheque cashers, finance companies and others, making small, short-term, high interest rate loans that go by a variety of names: payday loans, cash advance loans, cheque advance loans, post-dated cheque loans or deferred deposit cheque loans, and
- passive investments (real estate) or any other activity where the applicant is not fully involved.

Once the Business Proposal is submitted and appears to be a viable business, the project is reviewed by screening committee, who makes a decision to approve or decline funding for the project. If Business Proposal is approved by Province-wide Screening Committee, the next step is to then submit a Business Plan.

Aboriginal Business Development Program Eligible Project Costs

Eligible costs, include capital costs, costs of related infrastructure development (see policy on infrastructure development and vehicles), costs of shares and assets, operating costs, marketing costs, costs associated with business innovation/growth, costs of engaging consultants and other qualified professionals, costs associated with providing financial and business services, and costs associated with obtaining appropriate training and/or mentoring.

1. Business Plan: You can prepare your own business plan or get an *experienced business person to assist you. ABDP has funds available for business planning costs. We'll assume the cost of the business plan is \$5,000.

25% applicant cash equity	5,000 x 25%	=	\$1,250
<u>75% ABDP - non repayable</u>	<u>5,000 x 75%</u>	=	<u>\$3,750</u>
100% cost of Business Plan	100%	=	\$5,000

*If accessing ABDP funds for a business plan or other consulting costs, you must provide at least three quotes from "arms-length" consultants. Once business plan is complete, we review it and look for business viability. If the business has merit we can assist in your start-up costs, construction, marketing and business support.

2. Capital Costs: For example, we'll assume the business needs \$50,000 to start-up.

ABDP does not fund your whole project, our contribution ranges from 30-50%; you **are required** to obtain commercial financing from either a Bank, Credit Union, Rainy Lake Tribal Area Business & Financial Services Corporation, RRFDC/ LOWBIC/ PACE/ AEDC, or any other commercial lending institution you choose to deal with.

15%	cash from client	\$50,000 x 15% =	\$7,500	(*Youth project)	\$50,000 x *10% =	\$ 5,000
30%	ABDP – non repayable	\$50,000 x 30% =	\$15,000	→	\$50,000 x 35% =	\$17,500
<u>50%</u>	<u>Loan (Repayable)</u>	<u>\$50,000 x 55% =</u>	<u>\$27,500</u>		<u>\$50,000 x 55% =</u>	<u>\$27,500</u>
100%	Total Project Cost	100%	\$50,000		100%	\$50,000

3. Marketing Costs: If you have any marketing/ advertising costs, ABDP can assist up to 60% of your marketing costs. Let's assume you require \$3,000.

40%	cash from client	\$3,000 x 40% =	\$1,200
<u>60%</u>	<u>ABDP - non repayable</u>	<u>\$3,000 x 60% =</u>	<u>\$1,800</u>
100%		100%	\$3,000

4. Business Support: If you require additional business support, we can assist up to 75% of the costs. Business support can be any related course/mentoring that will improve the business operation, or other professional costs such as lawyer/ auditor fees, etc. Let's assume it will cost \$2,000

25%	cash from client	\$2,000 x 25% =	\$500
<u>75%</u>	<u>ABDP - non repayable</u>	<u>\$2,000 x 75% =</u>	<u>\$1,500</u>
100%		100%	\$2,000

****Any costs for which you have made a legal commitment prior to project approval will not be eligible for support****

Thank you for your interest in the Aboriginal Business Development Program
If you have any questions please contact:

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