



**2016-17 Corporate Plan**

# **NWT Business Development and Investment Corporation**



NWT Business Development  
and Investment Corporation

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## ESTABLISHMENT OF THE BDIC

The NWT Business Development and Investment Corporation (BDIC) was established as a crown corporation on April 1, 2005, with a mandate to provide economic programs and services on behalf of the Government of the Northwest Territories (GNWT).

## THE BDIC ACT

The purpose of the BDIC is to support the economic objectives of the Government of the Northwest Territories in a manner that benefits the people and the economy of the Northwest Territories, by:

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

## VISION

The BDIC's vision is to be an accountable crown corporation providing resources for the economic development of the Northwest Territories.

## MISSION

The BDIC's 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 BDIC offers programs and services to all 33 communities in the NWT.

The BDIC currently offers the following programs and services:

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

### Credit Facilities

The Credit Facilities Program is a debt financing program. The BDIC provides the following under its Credit Facilities Program:

- Term loans
- Standby letters of credit
- Working capital guarantees

The BDIC's Credit Facilities Program portfolio totalled approximately \$50 million including \$6.1 million in loans approved during 2015/2016.

### Venture Investment Program

The Venture Investment Program is an equity financing program in which the BDIC invests in a client's company in return for preferred shares. The client pays dividends to the BDIC and buys back the preferred shares over time. Funding under this program is tied to the number of jobs created or maintained by the business.

The BDIC is revising its Venture Investment Program to be more innovative and tailor to new, existing and small northern business



needs. It will identify and address areas where there is the most need for assistance.

The BDIC's Venture Investment Program portfolio totalled \$634,000 in 2015/2016.

## Business Development Project Fund (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).

As part of the 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.

In 2015/2016, the BDPF program was oversubscribed with the BDIC approving approximately \$311,000 in BDPF funding.

### Level One Communities

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

### Level Two Communities

All other NWT communities



## 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 five following subsidiaries across the Northwest Territories:

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

Three active BDIC 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.

In 2015/2016, the BDIC's subsidiaries maintained 15 direct employment positions and supported over 128 cottage craft producers. The BDIC provided approximately \$640,000 in annual subsidies to the subsidiaries.



**Arctic Canada**  
Trading Company



**Fort McPherson**  
Tent & Canvas



**Dene Fur**  
Clouds



**Acho Dene**  
Native Crafts



**Ulukhaktok**  
Arts Centre



## Business Support Services

The BDIC provides business support services to assist NWT residents start and grow their businesses.

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.

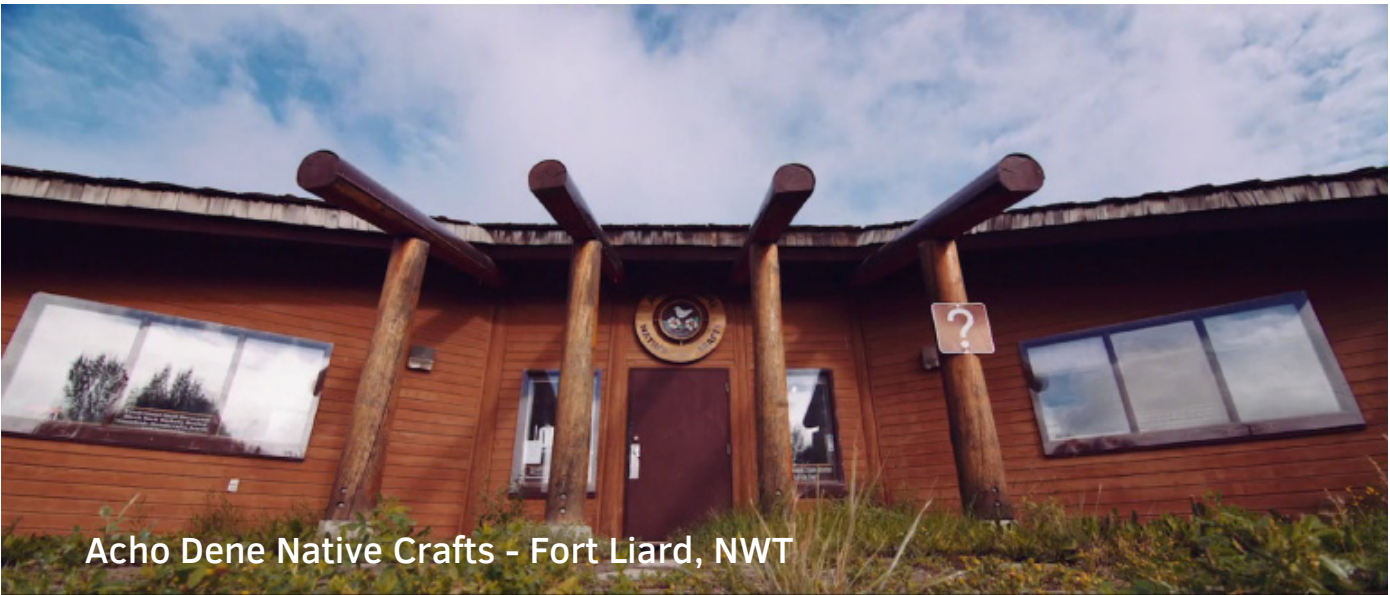
Business services available through CBNWT include:

- 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

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.







Acho Dene Native Crafts - Fort Liard, NWT

## BDIC HIGHLIGHTS FOR 2015/2016

- Loans totalling \$6,109,000 approved
- Loan repayments totalling \$7,688,000
- Approved 47 BDPF contributions totalling \$311,000
- Subsidiary Program offered 15 full-time employment positions
- Subsidiary Program supported 128 craft producers
- Small Business Week events hosted by the BDIC had 29 members of the business community participate
- Over 10,500 online visitors to BDIC.ca
- Over 370 visitors to the Canada Business NWT Service Centre
- Over 2,350 visitors to the Canada Business NWT website



## 2015-2016 SCORE CARD

Objective	Target	Status
Measure impact of all BDIC programs and services	Implementation of framework; integration of the framework in the 2015/16 Annual Report	Researched on and developed performance measurement framework
Increase efficiency in loan processing time	Implementation of identified improvements; parallel review process implemented	Revised review process at headquarters, which will reduce application review times
Lower cost of Working Capital Guarantees to borrowers	A report of the findings	Report completed
Revise the Venture investment program	Model completed	Various options of models prepared
Enhance value of business services to Northern residents and businesses	Offer BDIC services in French (as per French language service delivery schedule)	Designated French language service coordinator hired to provide BDIC services in French
	Feedback forms available at BDIC.ca for CBNWT clients. Clients providing feedback online	Feedback forms provided to CBNWT clients in session and are available to clients online.



## 2015-2016 SCORE CARD (CONT.)

Objective	Target	Status
Expand services to existing clients and introduce new services	Tracking CBNWT activities through new performance indicators	Quarterly reports provided to network partners based on performance indicators in 2015-2018 Canada Business agreement
Standardize subsidiaries operations	Implementation of procedures	Implemented shipping procedures
Increase capacity at subsidiary companies	Subsidiary managers participating in training in 2015/16 and 2016/17	Subsidiary managers completed training on bookkeeping software and year-end audit requirements
Enhancing BDIC partnerships	The identification of a new partner. Assess agreement with partners	Partnered with Futurpreneur Canada and entered into an agreement to provide training to young entrepreneurs



## 2016-2017 GOALS

	Objective	Action	2016-2017 Target
<b>Credit Facilities Program</b>	Provide financial support to BDIC loan clients	Implement interest rebate to reduce costs to clients	Rebates to qualifying BDIC loan clients
		Expand the BDIC's Credit Facilities program to include a new option for clients	New Credit Facilities option available to clients
<b>Venture Investment Program</b>	Revise the Venture Investment Program	Develop a revised Venture Investment Program that is applicable to Northern entrepreneurs	Finalize Venture Investment model
<b>BDPF</b>	Increase BDPF uptake in level two communities	Increase promotion of BDPF in level two communities	Businesses in level two communities receive at least half of all approved BDPF contributions
<b>Business Services Program</b>	Increase awareness of BDIC programs and services online across the NWT	Publish three issues of the BDIC's newsletter, translate "How to Start a Business in the NWT" into French and refine communications strategy	At least a 10% increase in NWT-based website visitors to BDIC.ca
	Increase support for young entrepreneurs in the NWT	Partner with Futurpreneur Canada to deliver moMENTum and business bootcamp programs	Complete five mentor-mentee matches and deliver four bootcamps
		Partner with organizations to give presentations promoting BDIC programs and services	Reach NWT residents through presentations in at least three communities
	Increase the availability of training for NWT-based businesses	Increase the frequency of BDIC business learning sessions	Offer at least one business learning session each month



## 2016-2017 GOALS (CONT.)

	Objective	Action	2016-2017 Target
<b>Subsidiaries</b>	Increase capacity at subsidiary companies	Assist subsidiary managers/supervisors with developing Continuing Professional Development (CPD) plans	At least 12 hours of CPD completed by each manager/supervisor
	Assist subsidiary companies with marketing	Help subsidiaries take advantage of the NWT tourist market	Translate subsidiary product tags into languages most spoken by NWT tourists
		Promote subsidiary products to wholesalers and update wholesale packaging	Increase in subsidiary wholesale sales by at least 5% and new wholesale clients by at least 5%
<b>NEDP</b>	Build capacity of Northern Economic Development Practitioners	Host 7th biennial Northern Economic Development Practitioners (NEDP) conference in the fall of 2016	At least two sessions on capacity building



## BUDGET SUMMARY

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

### Contribution Fund

The Contribution Fund is funded through the GNWT, the Canadian Northern Economic Development Agency (CanNor), 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.

For 2016/2017, the BDIC forecasts revenues of \$3,543,000 to the Contribution Fund. Of this amount, \$3,296,000 would be funded from the GNWT, \$97,000 from CanNor to co-fund the CBNWT Centre, and \$150,000 in interest income.

### Loan and Investment Fund

The Loan and Investment Fund is funded through client loan repayments, client venture payments and/or GNWT loans. The Loan and Investment Fund is administered through two funds:

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

For 2016/2017, the BDIC forecasts dividends and redemptions of \$7,000 to its Venture Investment Fund and loan repayments of \$7,800,000 with disbursements of \$7,300,000 from the Loan Fund.



# 2016-2017 BUDGET

## Exhibit 1 - Contribution Fund Budget Summary (\$000) 2016/2017 Fiscal Year

	Subsidy Fund	Capital Fund	Capital Reserve Fund	General Operating Fund
Opening Balance	461	873	147	6,268
Sources of Cash	840	-	-	2,703
Use of Cash	840	-	-	2,553
Closing Balance	461	873	147	6,418



**Exhibit 2 - Subsidy Fund Budget (\$000)**  
2016/2017 Fiscal Year

	Budget 2017	Budget 2016	Actual 2015
Opening Balance	461	461	461
<b>Sources of Cash:</b>			
GNWT Contribution	840	940	941
Sub-Total	840	940	941
<b>Uses of Cash:</b>			
Contributions:			
Business Development Projects	200	300	301
Subsidiaries:			
5983 NWT Ltd. (Ulukhaktok Arts Centre)	90	90	90
913044 NWT Ltd. (Fort McPherson Tent & Canvas)	250	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	840	940	941
Closing Balance	461	461	461





**Exhibit 3 - Capital Fund Budget (\$000)**  
 2016/2017 Fiscal Year

	Budget 2017	Budget 2016	Actual 2015
Opening Balance	873	873	873
<b>Sources of Cash:</b>			
GNWT Contribution	-	-	-
Sub-Total	-	-	-
<b>Uses of Cash:</b>			
New Subsidiary	-	-	-
Sub-Total	-	-	-
Closing Balance	873	873	873

Northwest Territories Business Development and Investment Corporation



**Exhibit 4 - Capital Reserve Fund Budget (\$000)**  
2016/2017 Fiscal Year

	Budget 2017	Budget 2016	Actual 2015
Opening Balance	147	147	147
<b>Sources of Cash:</b>			
GNWT Contribution	-	-	-
Sub-Total	-	-	-
<b>Uses of Cash:</b>			
Capital Expenditures	-	-	-
Sub-Total	-	-	-
Closing Balance	147	147	147



**Exhibit 5 - General Operating Fund Budget (\$000)**  
2016/2017 Fiscal Year

	Budget 2017	Budget 2016	Actual 2015
Opening Balance	6,268	5,864	5,867
<b>Sources of Cash:</b>			
GNWT Contribution	2,456	2,849	2,531
Interest	150	140	168
Business Service Centre Contribution	97	97	97
Sub-Total	2,703	3,086	2,796
<b>Uses of Cash:</b>			
Operation Expenditures			
Advertising	22	30	23
Board expenses	45	50	57
Business Service Centre	194	250	257
Computers	75	80	103
Office	45	50	40
Purchased services	90	90	155
Telephone & communications	16	16	13
Travel	90	120	95
Salaries & benefits	1,976	2,260	1,885
Sub-Total	2,553	2,946	2,628
Closing Balance	6,418	6,004	6,035



**Exhibit 6 - Loan and Investment Fund Budget Summary (\$000)**  
2016/2017 Fiscal Year

	Venture Investment Fund	Loan Fund
Opening Balance	4,667	670
Sources of Cash	7	7,820
Use of Cash	300	7,300
Closing Balance	4,374	1,190



**Exhibit 7 - Venture Investment Fund Budget (\$000)**  
2016/2017 Fiscal Year

	Budget 2017	Budget 2016	Actual 2015
Opening Balance	4,667	4,571	4,550
<b>Sources of Cash:</b>			
Dividends	-	2	8
Redemptions	7	10	97
Sub-Total	7	12	105
<b>Uses of Cash:</b>			
Venture Investments	300	-	-
Sub-Total	300	-	-
Closing Balance	4,374	4,583	4,655



**Exhibit 8 - Loan Fund Budget (\$000)**  
2016/2017 Fiscal Year

	Budget 2017	Budget 2016	Actual 2015
Opening Balance	670	1,600	1,191
<b>Sources of Cash:</b>			
Repayments received	7,800	6,800	7,492
Interest Income	20	15	19
Borrowed from the GNWT (net)	-	-	-
Sub-Total	7,820	6,815	7,511
<b>Uses of Cash:</b>			
Loans disbursed	6,300	4,700	5,603
Repayment to the GNWT (net)	1,000	1,500	2,000
Sub-Total	7,300	6,200	7,603
Closing Balance	1,190	2,215	1,099





