



# Northwest Territories Business Development and Investment Corporation 2021-22 CORPORATE PLAN



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*Cover photo: Acho Dene Native Crafts storefront in Fort Liard*

# MESSAGE FROM THE CHAIRPERSON AND CEO

This year, as the world continues to face significant economic impacts and uncertainty arising from the COVID pandemic, it is essential to keep working together to help Northwest Territories businesses navigate through these tumultuous times. Last year, the Northwest Territories Business Development and Investment Corporation (BDIC), in collaboration with the Department of Industry, Tourism and Investment, provided deferred loan payments and working capital loans to businesses across the Territory.

As of December 31, 2020, the BDIC had approved 98 working capital loans totaling \$2.46 million and offered deferred loan payments to 139 businesses. The BDIC and its partners will continue to work closely with NWT businesses to help them succeed and adapt to the changing economy.

In 2021-22, the BDIC's Board of Directors will lead the implementation of our multi-year strategic plan, the guiding document for the organization. The BDIC's 2021-24 Strategic Plan provides an overview of what the Corporation is striving to achieve, in order to guide its employees and communicate to its partners and stakeholders what they can expect from the BDIC.

As we look to the year ahead and years to follow, we know that our impact will be greater when we work collaboratively. Together with partners and stakeholders, we are setting our sights on entrepreneurial growth and sustainability.

Our targets for this year reflect our dedication to supporting NWT businesses. They also support the collective efforts of the Territory and our partners as we work together to strengthen the Northwest Territories' economy and quality of life for our residents now and into the future.

Denny Rodgers  
**Chairperson**

Joyce Taylor  
**Chief Executive Officer**

# OVERVIEW OF THE BDIC

The Northwest Territories Business Development and Investment Corporation's (BDIC) mandate, as established under the *Northwest Territories Business Development and Investment Corporation Act*, is 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 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
- Providing information to business enterprises and members of the public respecting
  - the establishment and operation of businesses
  - and other business matters

This mandate also guides the BDIC's actions to advance the priorities of the 19th Legislative Assembly to:

- Increase employment in small communities
- Increase economic diversification by supporting growth in non-extractive sectors and setting regional diversification targets
- Increase resource exploration and development

## VISION

**A stronger, more resilient business sector in the Northwest Territories**

## MISSION

**Promote business growth and diversification by providing flexible financing options, targeted financial programs and services that support businesses throughout their lifecycles**

# OPERATING ENVIRONMENT

## Implementation Plan and Multi-Year Strategic Plan

Guidance from the BDIC's program review and the implementation of the recommendations continues to be a priority for strengthening future programs. The Board of Directors has completed a strategic planning process to identify the BDIC's priorities, goals and a clear path for progress on these goals. The 2021-24 Strategic Plan is a high-level guidance and priority-setting framework that will help the BDIC align resources and objectives with its vision while allowing for flexibility during regular reviews.

## BDIC COVID Economic Relief

Businesses in the Northwest Territories are still facing financial challenges as the economic impacts of COVID continue. Physical distancing, travel restrictions and changing consumer patterns are causing disruptions, realignment and adaptation throughout the Northwest Territories. To help sustain the NWT economy and provide business support, the BDIC working in collaboration with the Department of Industry, Tourism and Investment introduced two loan initiatives. The purpose of these initiatives was to:

- Provide immediate temporary cashflow to northern businesses
- In conjunction with other government financial relief programs, provide low interest rate loans to small businesses during the pandemic and recovery period

## Payment Deferment or Reduction

BDIC clients could apply to have their loan repayments reduced or deferred until March 31, 2021 without penalty or additional interest charges. As of December 31, 2020:

**179** accounts representing  
**139** businesses

were approved for deferment or reduction

## Working Capital Loans

Loans of up to \$25,000 (or more if need was clearly addressed) were made available to qualified businesses at a rate of 1.75%. Loans could be amortized for up to five years with options for payment deferral to March 31, 2021 upon request. As of December 31, 2020:

**98** Working Capital loans

were approved

totaling **\$2.46 million**

# 2021-2022 OBJECTIVES

The BDIC has set the following objectives for 2021-22:

## Objective 1

Deliver programs and tools to support NWT businesses, including targeted financial products and services

### Deliverables

- **Needs of entrepreneurs are gathered through an online survey and analyzed (Summer 2021)**
- **Evaluation of the BDIC's current resources and materials available to NWT businesses (Fall 2021)**
- **A simplified loans application process for businesses is implemented (Fall 2021)**
- **Enhanced business programming is developed (Winter 2022)**

## Objective 2

Enhance the BDIC's programs and services to support business recovery and growth in a post-COVID economy

### Deliverables

- **Evaluation of the BDIC's contribution program (Summer 2021)**
- **Business-related outcome based Key Performance Indicators (KPIs) are developed (Summer 2021)**
- **Re-launch of venture investment program to provide equity financing and flexibility to northern businesses (Summer 2022)**
- **Digital platform for small loan requests (Winter 2022)**

# 2021-2022 OBJECTIVES

## Objective 3

Continue to boost the performance of the BDIC's subsidiaries

### Deliverables

- **Roll out inventory management system for Acho Dene Native Crafts (Summer 2021)**
- **Development of business plans for each operating subsidiary (Fall 2021)**
- **Assessment of the subsidiaries' product prices and cost structures (Fall 2021)**
- **New website for the Arctic Canada Trading Company (Winter 2022)**
- **Increased sales throughout Canada and internationally (Ongoing)**

## Objective 4

Raise awareness of the BDIC and its activities, demonstrating the organization's achievements and relevance

### Deliverables

- **Development of a corporate communications plan (Spring 2021)**
- **Implementation of the social media strategy (Summer 2021)**
- **Enhanced business information available on the BDIC's website (Fall 2021)**
- **Promotion of the BDIC programs and services through social media and other communication channels (Ongoing)**



# 2021-2022 OBJECTIVES

## Objective 5

Continue strengthening internal capacity and collaborating with other organizations to benefit the NWT business community

### Deliverables

- **Enhanced staff training and performance measurement processes monitored and assessed (Fall 2021)**
- **Ongoing communication with community and business organizations to build new and revive existing relationships (Ongoing)**
- **Stronger collaboration with businesses, government organizations and other stakeholders to deliver business services and information in the NWT (Ongoing)**
- **Business information is provided to NWT enterprises in collaboration with BDIC partners and stakeholders (Ongoing)**

## Objective 6

Strengthen corporate governance to enhance management efficiency

### Deliverables

- **Implementation of the BDIC's Strategic Plan goals (Spring 2021)**
- **Ongoing alignment of BDIC corporate goals to support the mandate of the Government of the Northwest Territories (Spring 2021)**
- **Board of Directors' competency matrix is developed (Summer 2021)**
- **Updated Board of Directors' terms and conditions (Summer 2021)**

# FINANCIAL PROGRAMS

The BDIC offers **3 financial programs** to encourage the creation and development of northern business enterprises.

## 1. Credit Facilities

- Term Loans
- Standby Letters of Credit
- Working Capital Guarantees

## 2. Contributions

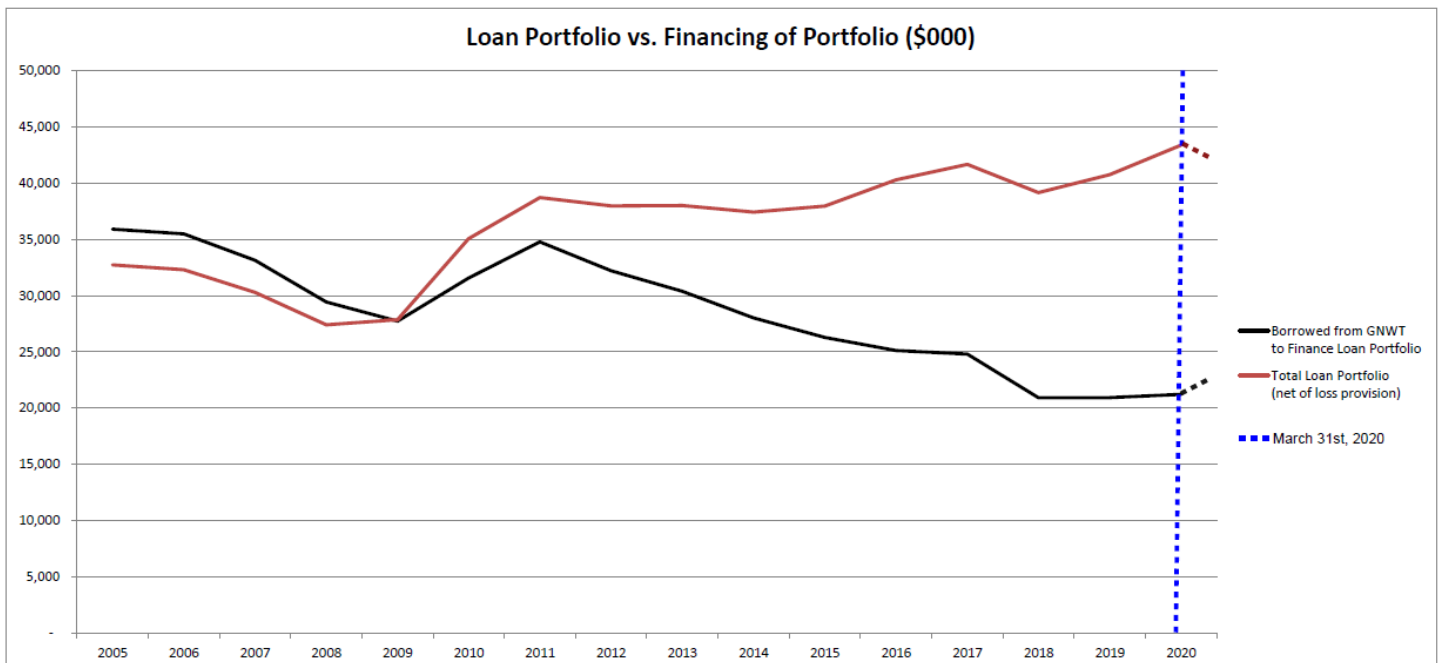
for start-up and existing businesses under the Business Development Project Fund (BDPF) including:

- Core funding
- Aftercare funding

## 3. Venture investment funding

consisting of investments in company preferred shares.

Each program has its own specific criteria and procedures. The BDIC can steer clients to the program best suited to their needs. Additional information about the BDIC's programs can be found at [www.bdic.ca](http://www.bdic.ca).



Significant changes should be expected to the trend lines post March 31, 2020 narrowing the spread between these lines. The anticipated changes in trend reflect:

- Expected economic impacts of COVID affecting projected loan losses
- Annual transfers from the Loan Portfolio effective 2020-2021 in order to internally fund BDIC operations. Until the extent of COVID impacts are known, the BDIC has estimated a minimum budget transfer of \$1 million per year will be needed.

# SUBSIDIARIES

The BDIC invests in business and community initiatives that provide products for sale and create employment opportunities across the NWT. The BDIC owns 100% of subsidiary companies in Fort Liard, Fort McPherson, Fort Providence, Ulukhaktok and Yellowknife.

 <b>Acho Dene</b> Native Crafts	<b>Supports the traditional Dene crafts industry through marketing products such as porcupine quill birch baskets and beaded moose hide accessories</b>
 <b>Fort McPherson</b> Tent & Canvas	<b>Manufactures durable canvas-wall tents and tipis</b>
 <b>Ulukhaktok</b> Arts Centre	<b>Markets traditional Inuit arts and crafts such as muskox horn carvings, qiviut products, leather products and traditional stencil prints</b>
 <b>Dene Fur</b> Clouds	<b>Manufactures and sells luxurious knit sheared-beaver fur garments</b>
 <b>Arctic Canada</b> Trading Company	<b>Provides marketing support for all subsidiaries</b>

The BDIC's subsidiaries have supported over **110 arts and craft producers** and **11.5 full-time equivalent jobs** in small NWT communities. Products from the subsidiaries are sold nationally and internationally.

# BUSINESS SERVICES

At the BDIC we offer services that provide access to a network of resources, which can help accelerate growth for start-ups and existing businesses.

The BDIC operates Canada Business NWT (CBNWT) in partnership with the Canadian Northern Economic Development Agency (CanNor).

Business support services are available across the NWT through a toll-free number, online or at a business service centre located in each region.



The BDIC's Business Centre in Yellowknife

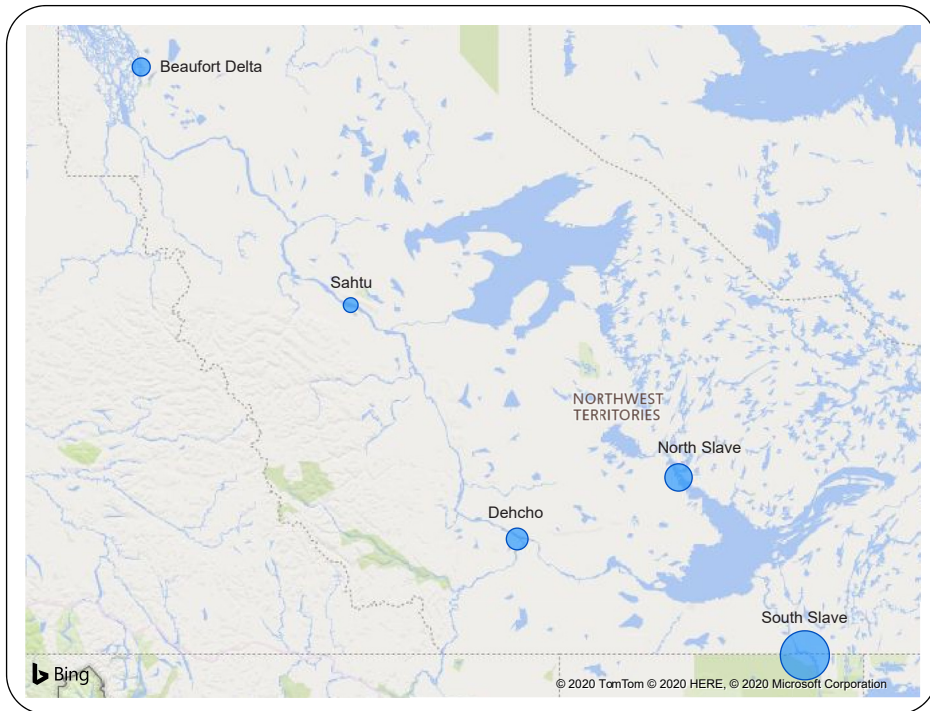
## Free support services include

- **A business resource library with business books, sample business plans and business reference materials**
- **Business learning sessions**
- **A comprehensive and valuable guide, How to Start a Business in the NWT, available in print, online and via mobile App, in both English and French**
- **A business service centre with workstations, fax and phone services**

# PROGRAM AND BUSINESS SERVICES OVERVIEW

## LOAN PORTFOLIO HOLDINGS BY REGION

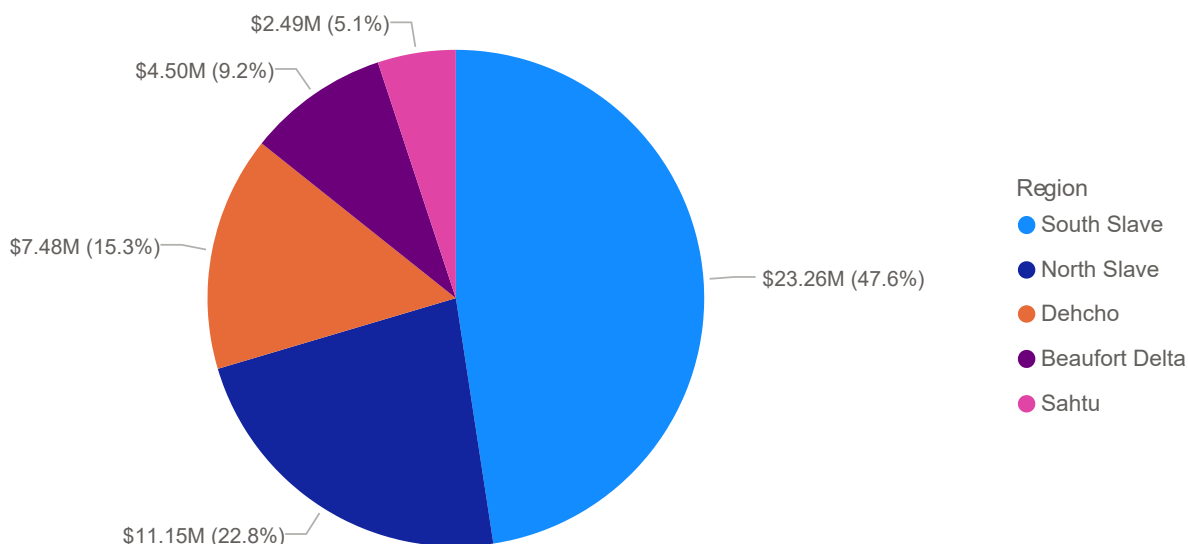
As of December 31, 2020



Region	Total Portfolio
South Slave	\$23,261,580
North Slave	\$11,152,555
Dehcho	\$7,482,927
Beaufort Delta	\$4,499,463
Sahtu	\$2,485,464
<b>Total</b>	<b>\$48,881,989</b>

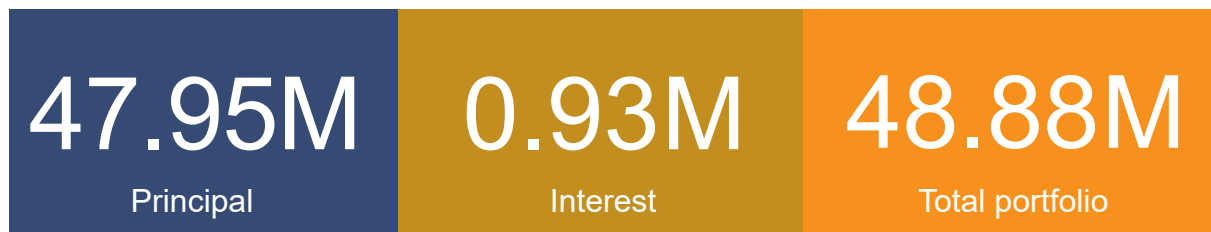
## THE BDIC'S LOAN PORTFOLIO IS DISTRIBUTED THROUGHOUT THE FOLLOWING REGIONS

As of December 31, 2020

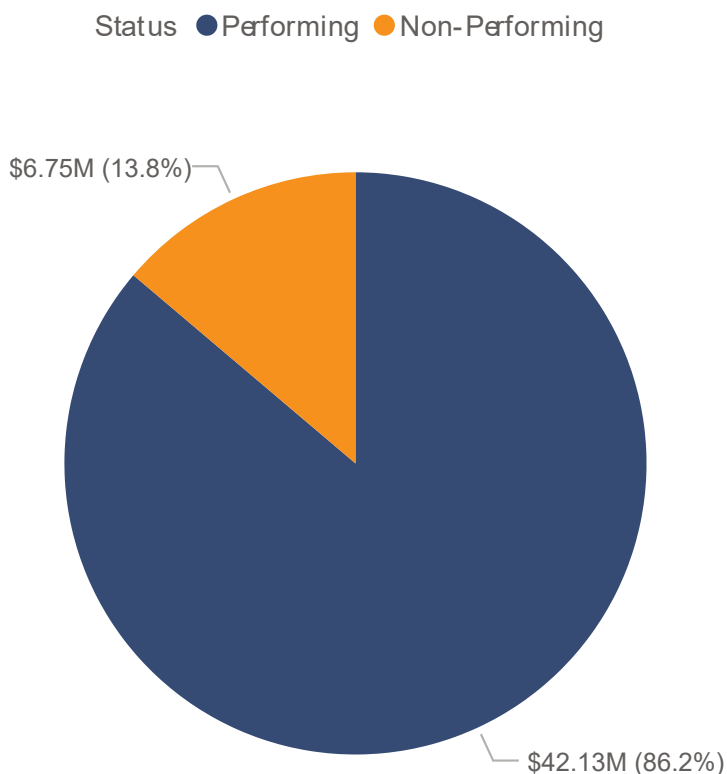


# PROGRAM AND BUSINESS SERVICES OVERVIEW

## BDIC'S LOAN PORTFOLIO BALANCE ALLOCATION BY INTEREST AND PRINCIPAL As of December 31, 2020



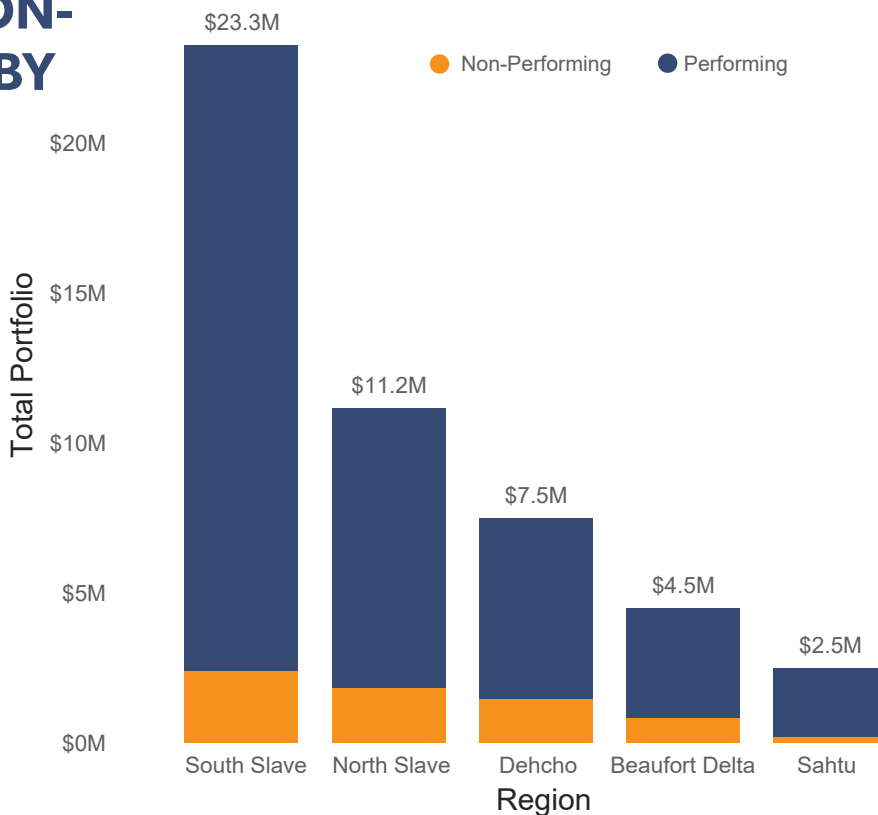
## \$42.13 MILLION (86.2%) OF BDIC'S LOAN PORTFOLIO HOLDING IS PERFORMING AND \$6.75 MILLION (13.8%) IS NON-PERFORMING As of December 31, 2020



# PROGRAM AND BUSINESS SERVICES OVERVIEW

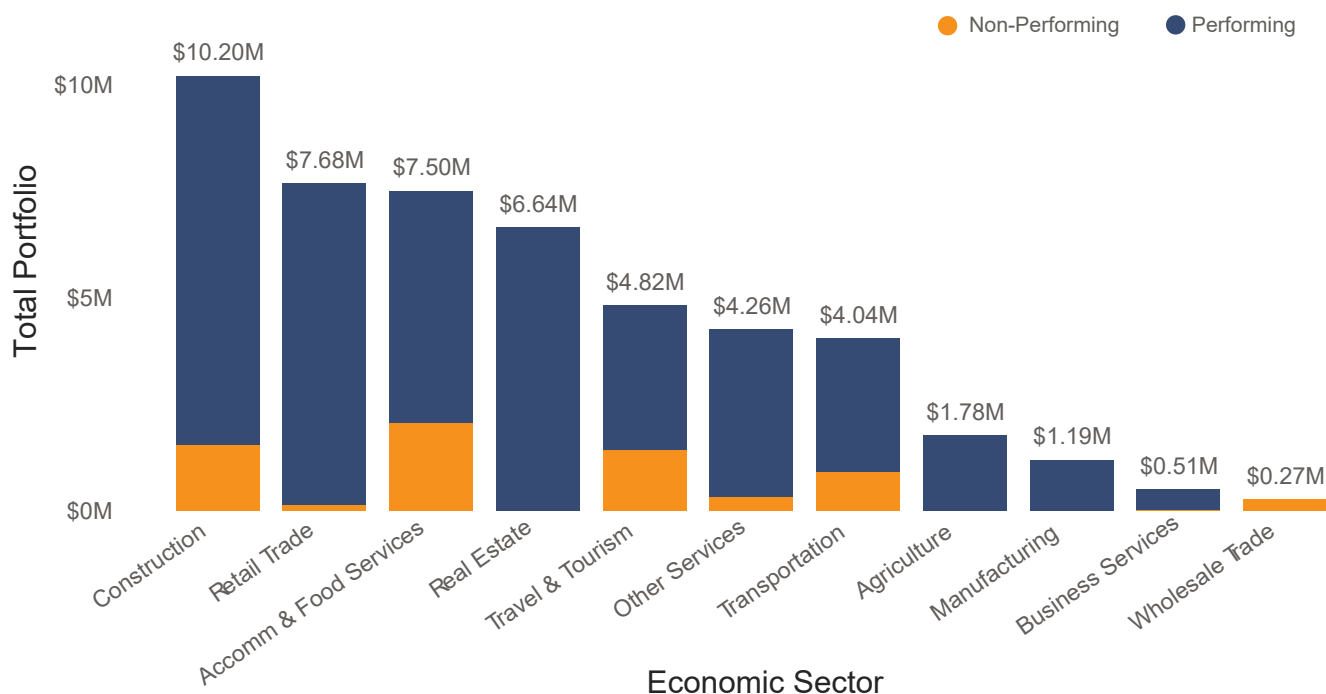
## PERFORMING AND NON-PERFORMING LOANS BY REGION

As of December 31, 2020



## PERFORMING AND NON-PERFORMING LOANS BY ECONOMIC SECTOR

As of December 31, 2020



# PROGRAM AND BUSINESS SERVICES OVERVIEW

The BDIC has disbursed approximately  
**\$100.7 million** in communities across  
the Northwest Territories to  
**469 businesses** since 2005

## April 1, 2005 to March 31, 2020 Financial Disbursements

		Number of Businesses	Population Estimate July 1, 2020*	Amount per Capita
Region	Amount			
Dehcho	\$14,554,514	41	3,289	4,425
Beaufort Delta	\$11,943,510	96	6,839	1,746
North Slave	\$19,619,661	192	25,147	780
Sahtu	\$7,200,253	19	2,591	2,779
South Slave	\$47,341,786	121	7,295	6,490
<b>Total</b>	<b>\$100,659,724</b>	<b>469</b>	<b>45,161</b>	<b>-</b>

		Number of Businesses	Population Estimate July 1, 2020*
Community Level	Amount		
Level 2	\$37,489,398	167	13,717
Other Level 1	\$44,351,323	117	9,697
Yellowknife	\$18,819,003	185	21,747
<b>Total</b>	<b>\$100,659,724</b>	<b>469</b>	<b>45,161</b>

Program	Amount
Contribution	2,624,571
Credit	87,956,016
Subsidiary	10,079,137
<b>Total</b>	<b>\$100,659,724</b>

### Level 1 Communities

Communities with well developed business infrastructure and air/road transportation links. Fort Smith, Hay River, Inuvik and Yellowknife including N'Dilo.

### Level 2 Communities

Communities with less developed business infrastructure and air/road transportation links. All other NWT communities not listed above.

\* Source: NWT Bureau of Statistics



# 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:

- 1. Subsidy Fund - Provides subsidies to BDIC subsidiaries and BDPF contribution funds to northern businesses**
- 2. Capital Fund - Provides start-up costs for new subsidiaries**
- 3. Capital Reserve Fund - Provides capital funds for repairs to existing subsidiaries**
- 4. 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)**

## 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:

- 1. Loans Fund - Provides loan capital to northern businesses**
- 2. Venture Investment Fund - Provides equity investment to northern businesses**

For 2021-2022, the BDIC forecasts:

- \$3.5 million in loan disbursements
- \$5.5 million in repayments

The BDIC will also transfer \$1.0 million from the Loan Funds to the General Operating Fund for operations.

# 2021-2022 BUDGET

## Exhibit 1 - Contribution Fund Budget Summary (\$000)

Fiscal Year ending March 31, 2022

	Subsidy Fund	Capital Fund	General Operating Fund	Total
<b>Opening Balance</b>	434	1,020	4,111	5,565
Sources of Cash	840	-	2,444	3,284
Uses of Cash	840	-	2,412	3,252
<b>Closing Balance</b>	<b>434</b>	<b>1,020</b>	<b>4,143</b>	<b>5,597</b>



# 2021-2022 BUDGET

## Exhibit 2 - Subsidy Fund (Unconsolidated) (\$000)

Fiscal Year ending March 31, 2022

	Budget 2022	Budget 2021	Actual 2020
<b>Opening Balance</b>	<b>434</b>	<b>434</b>	<b>432</b>
<b>Sources of Cash:</b>			
GNWT Contribution	840	802	775
Sub-Total	<b>840</b>	<b>802</b>	<b>775</b>
<b>Uses of Cash:</b>			
Business Development Projects	200	200	153
5983 NWT Ltd. (Ulukhaktok Arts Centre)	110	100	90
913044 NWT Ltd. (Fort McPherson Tent & Canvas)	250	220	250
Acho Dene Native Crafts Ltd.	120	150	150
Arctic Canada Trading Co. Ltd.	0	2	0
Dene Fur Clouds Ltd.	160	130	130
Sub-Total	<b>840</b>	<b>802</b>	<b>773</b>
<b>Closing Balance</b>	<b>434</b>	<b>434</b>	<b>434</b>



# 2021-2022 BUDGET

## Exhibit 3 - Capital and Capital Reserve Funds (\$000)

Fiscal Year ending March 31, 2022

	Budget 2022	Budget 2021	Actual 2020
<b>Opening Balance</b>	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>
<b>Sources of Cash:</b>			
GNWT Contribution	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	<u>0</u>	<u>0</u>	<u>0</u>
<b>Uses of Cash:</b>			
New Subsidiary	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	<u>0</u>	<u>0</u>	<u>0</u>
<b>Closing Balance</b>	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>



# 2021-2022 BUDGET

## Exhibit 4 - General Operating Fund Budget (Unconsolidated) (\$000)

Fiscal Year ending March 31, 2022

	<b>Budget 2022</b>	<b>Budget 2021</b>	<b>Actual 2020</b>
<b>Opening Balance</b>	<b>4,111</b>	<b>4,174</b>	<b>5,361</b>
Sources of Cash:			
GNWT Contribution	1,172	1,210	1,184
Loan Fund	1,000	1,000	0
Interest	175	120	294
Business Service Centre Contribution	97	97	97
Sub-Total	<b>2,444</b>	<b>2,427</b>	<b>1,575</b>
Uses of Cash:			
Advertising	20	20	16
Board expenses (note)	45	50	31
Business Service Centre	183	190	200
Computers & communications	105	110	96
Office	62	41	46
Purchased services (note)	50	279	40
Travel	40	30	19
Salaries & benefits	1,907	1,770	2,314
Sub-Total	<b>2,412</b>	<b>2,490</b>	<b>2,762</b>
<b>Closing Balance</b>	<b>4,143</b>	<b>4,111</b>	<b>4,174</b>

**Note:** The BDIC anticipates restructuring costs to incur as it adopts the recommendations of the recent program review.

# 2021-2022 BUDGET

## Exhibit 5 - Loan and Investment Fund Budget Summary (\$000) Fiscal Year ending March 31, 2022

	Venture Investment Fund	Loans Fund
<b>Opening Balance</b>	<b>4,476</b>	<b>5,996</b>
Sources of Cash	0	5,580
Uses of Cash	200	4,500
<b>Closing Balance</b>	<b>4,276</b>	<b>7,076</b>



# 2021-2022 BUDGET

## Exhibit 6 - Venture Investment Fund Budget (\$000)

Fiscal Year ending March 31, 2022

	Budget 2022	Budget 2021	Actual 2020
<b>Opening Balance</b>	<b>4,476</b>	<b>4,676</b>	<b>4,676</b>
Sources of Cash:			
Dividends	0	0	0
Redemptions	0	0	0
Sub-Total	<b>0</b>	<b>0</b>	<b>0</b>
Uses of Cash:			
Venture Investments	200	200	0
Sub-Total	<b>200</b>	<b>200</b>	<b>0</b>
<b>Closing Balance</b>	<b>4,276</b>	<b>4,476</b>	<b>4,676</b>



# 2021-2022 BUDGET

## Exhibit 7 - Loan Fund Budget (\$000)

Fiscal Year ending March 31, 2022

	<b>Budget 2022</b>	<b>Budget 2021</b>	<b>Actual 2020</b>
<b>Opening Balance</b>	<b>5,996</b>	<b>6,631</b>	<b>2,818</b>
Sources of Cash:			
Repayments received	5,510	6,300	7,084
Interest Income	70	15	79
Borrowed from the GNWT (net)	0	0	0
Sub-Total	<b>5,580</b>	<b>6,315</b>	<b>7,163</b>
Uses of Cash:			
Loans disbursed	3,500	5,500	3,350
Repayment to the GNWT	0	450	0
General Operating Fund	1,000	1,000	0
Sub-Total	<b>4,500</b>	<b>6,950</b>	<b>3,350</b>
<b>Closing Balance</b>	<b>7,076</b>	<b>5,996</b>	<b>6,631</b>





# 2021-2022 BUDGET

## Exhibit 8 - Consolidated Budget and Actual (\$000)

Fiscal Year ending March 31, 2022

	<b>Consolidated Budget 2022</b>	<b>Main Estimates Budget 2021</b>	<b>Consolidated Actual 2020</b>
<b>Revenues</b>			
Interest on loans receivable	1,950	2,300	2,511
Sales and other income	706	766	872
Interest	301	132	399
Federal Government	97	97	97
Government of the Northwest Territories	2,782	2,812	2,825
	<b>5,836</b>	<b>6,107</b>	<b>6,704</b>
<b>Expenditures</b>			
Advertising and promotion	29	31	22
Amortization	77	77	80
Bank charges and interest	29	26	29
Board of Directors	48	52	32
Business Development Project Fund	200	200	153
Business Service Centre	233	240	247
Computers and telecommunications	128	133	117
Cost of goods sold	763	794	914
Credit loss (net)	650	400	(37)
Insurance	24	27	22
Interest expense on advance from the GNWT	225	425	293
Office and general	98	80	91
Professional services	118	350	98
Rent	176	216	169
Salaries and benefits	2,727	2,598	3,193
Travel	53	55	21
Utilities	71	59	68
	<b>5,649</b>	<b>5,763</b>	<b>5,512</b>
<b>Annual Surplus</b>	<b>187</b>	<b>344</b>	<b>1,192</b>

**Exhibit 8** presents the consolidated budgets of the BDIC's programs and services. This includes the budgets of its subsidiaries, accommodation services provided by the GNWT and regional staff support without cost to the BDIC.





**Please contact us for business information and assistance.**  
**Contactez-nous pour obtenir de l'aide et des renseignements d'affaires.**  
1-800-661-0599 | 867-767-9075 | info@bdic.ca | www.bdic.ca

