

Business Investment Fund

Commercial Funding Programs

Department of Innovation, Business and Rural Development

- **Business Investment Fund (Commercial)**
 - Grants
 - Loans/Equity
- **Regional Development Fund (Non-Commercial)**
 - Regional Development (Grants)
 - Partnership and Community Capacity Building (Grants)

Enhanced Client Service

- **Increased flexibility;**
- **Simplified processes;**
- **Eligible industry sectors and supplier development; and,**
- **Supports opportunities that arise from non-commercial funding.**

Intended for NL indigenous and emerging companies

- **Low Interest (3%) Flexible Repayable Loans.**
 - The fund will permit investments in the form of:
 - Term loans (\$500,000 per government fiscal year); and,
 - Equity investments (\$500,000 per project, maximum aggregate of \$1 million is available).

- **Purpose is to attract investment to the Province.**
 - the attraction of companies to the province; or,
 - the expansion of local companies as a result of inward investment.
- **A minimum deal size of \$500K.**
 - term loans or
 - equity investments
- **Flexible and subject to negotiation.**

Eligible activities of this program are focused in
4 components:

- Productivity improvement;
 - Knowledge/Skills development;
 - Market development including IBRD-led travel; and,
 - Professional technical assistance.
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- Projects funded to maximum of 50% of total eligible costs.
 - Maximum non-repayable contribution of \$100K per year.

Program Purpose

- **To assist SMEs with opportunities to increase their productivity and improve their competitiveness.**
- **The program supports SMEs who demonstrate a desire to develop and grow by improving the operations of the business, investing in its people and focusing on trade opportunities.**
- **IBRD assistance will be targeted towards businesses in strategic sectors that normally focus on export markets and/or provide import substitution.**

- The eligible activities of this program are focused in 4 areas:
- Productivity Improvements;
- Knowledge / Skills Development;
- Market Development; and,
- Professional Technical Assistance.

Purpose

- The productivity improvements component will support activities that improve business competitiveness by increasing their efficiency and capacity.
- Activities related to product and process improvements, technology transfer, technology adoption including investment in machinery, equipment and software may be supported under this component.

Eligible Activities for Productivity Improvements may include:

- **Lean manufacturing;**
- **Waste reduction plan;**
- **QA/QC program;**
- **ISO certification;**
- **LEED; and,**
- **HACCP may be considered under this program;**

Eligible Activities for Productivity Improvements may include:

- Introduction, modification or replacement of technology (including machinery, equipment and software) that provides significant benefit to a business's operational processes, production or quality.
- Technology transfer including transferring skills, knowledge, technologies and methods of manufacturing to assist in improving the productivity of a business.
 - Activities may include technical training, travel and professional expertise related to the transfer of technology.
- Introducing technology and processes to help promote a green business.
 - Activities may include but not limited to introducing a more efficient waste management and recycling processes within an operation, energy management and efficiency improvements.
- Other activities related to improving the overall productivity and competitiveness of a SME shall be considered.

Eligible Expenses for Productivity Improvements

- **Hiring external professional expertise to:**
 - Develop and implement a productivity or quality improvement plan including opportunities for greening the business;
 - Review business processes; and,
 - Review capacity limitations due to equipment, plant layout, human resource constraints, etc.
- **Cost of documentation associated with certifications and related activity.**
- **Machinery, equipment and software, including transportation and installation.**
- **Material costs associated with introduction of green opportunities.**
- **Professional expertise and travel related to training costs and technology transfer (See section 8.0 of guidelines).**
- **Other expenses related to the implementation of a productivity improvements project.**

Purpose

- **The skill development component will support activities that help SMEs enhance capacity, retain and develop its employees to help improve the competitiveness of the business.**
- **Assistance to SMEs who focus on improving the capacity of the company by investing in the skills enhancement of existing employees and the overall management leadership including marketing and financial skills will be the emphasis of this component.**

Eligible Activities for knowledge / Skills Development may include:

- Training existing employees who require advanced skills or technical skills development to carry out their duties.
- On-the-job training for new employees in hard-to-fill positions.
- Knowledge upgrading for workplace specific duties.
- Completion of industry recognized certification by existing employees.
- Training that addresses workplace knowledge or skills shortages and may require short-term (i.e. course or workshop) or long-term (i.e. 1-year certificate) training.

Eligible Expenses for Knowledge / Skills Development

- Hiring external expertise to deliver training to staff within a business.
- Training institution fees for completion of course, workshop or certificate.
- Travel related expenses for skills development training outside the province if the required training or equivalent is not available in the Province; deemed more economical to complete out-of-province; or is time sensitive to the operations of the business.
- Purchase of software if it is required to train exiting relatively low-skilled employees to improve overall workplace skills and help the business enhance its productivity and competitiveness.
- Wages will only be considered in exceptional circumstances.

Purpose:

- **The market development component will support activities that address the issues and challenges businesses face in all aspects of market development from developing a marketing plan to penetrating new markets.**
- **Through this program, Government can provide assistance to a business to implement its marketing plan in areas of research, market investigation, advertising and promotion which is incremental to existing marketing activities.**

Eligible Activities for Market Development may include:

- Development of a marketing plan if warranted in the development of the applicant's export marketing activities.
- Completion of market opportunity investigation, market research and intelligence studies and new market entry strategies.
- Developing marketing tools incremental to existing marketing activities to help support advertising and promotion.
- Participation in in-bound buyers missions or reverse trade missions aimed at developing international markets.
- Business-to-business travel engagements (incremental) that support market development and expansion.
- Network development activities designed to create export focused business networks. This may include seminars, round tables, training and the services of professional facilitators and consultants.
- Opportunity to demonstrate new, innovative products, services and technologies in a public sector setting.
 - If a business is seeking assistance to engage in a demonstration project, and the project is deemed suitable, IBRD will provide assistance in identifying and securing a public sector participant.

Purpose:

- **The professional technical assistance component supports businesses to hire professionals for business advisory services not identified under productivity improvements, knowledge / skills development and market development components.**

Eligible Activities for Professional Technical Assistance may include:

- **Proposal and bid preparation for economic development opportunities and special events for SMEs.**
- **New business development assistance for costs related to the establishment of a joint venture including proposal and bid preparation for contracts related to the resource sector.**
- **Technical feasibility research relating to potential new business opportunities which is ready for commercial production.**
- **Support for acquiring external expertise on financial management or other internal business needs for growth and expansion.**

Eligible Expenses for Professional Technical Assistance may include:

- Hiring professional external expertise.
- Travel expenses associated with acquiring external expertise outside Newfoundland and Labrador.

Eligible Applicants

- **SME having fewer than 100 employees and less than \$10M in sales.**
- **Sole proprietor, partnership, corporation, co-operative or business network.**
- **Operate in a strategic sector as defined by IBRD.**
- **Demonstrate its ability to access the financial capital required to complete the project.**
- **Demonstrate its ability (managerial and financial) to undertake the work identified in the project proposal.**
- **Be in good standing with the Province.**
- **Retailers and distributors participating in the Craft, Gift and Apparel strategic sector may be considered for funding.**
- **Competitive impact is of concern when financial support could potentially assist a business to gain market share from other local companies.**

- **IBRD-led business development activities.**
- **IBRD-led missions i.e. India, China and Brazil.**
- **IBRD sponsored trade shows and conferences i.e. SEUS.**
- **IBDA-led initiatives.**
- **Funding could cover a broad range of objectives for the company i.e. market research, joint ventures and partnership identification, investment attraction and broker identification.**
- **Travel stipend based on travel jurisdiction (i.e. Canada - \$1K, USA - \$2K, India/China/Brazil - \$4K).**
- **Maximum yearly contribution of \$10K.**
- **Presentation for Funding Decision shall be completed for every stipend request.**

- **Businesses may receive a maximum of \$10K per year in stipends.**
- **This funding will be deducted from the maximum IBRD contribution under the Business Development Support Program.**
- **Repeat trips will be limited to two trips per market.**
- **Newer exporter or early stage businesses may be allowed additional trips to the same market, if required and deemed necessary.**

Questions