



2018-19

Corporate Plan

HEAD OFFICE

#701, 5201 – 50th Avenue
Yellowknife NT X1A 3S9
Telephone: (867) 767-9075
Fax: (867) 765-0652
Toll free: 1-800-661-0599

www.bdic.ca

bdicinfo@gov.nt.ca



TABLE OF CONTENTS

Overview of the BDIC.....	2
NWT Economic Environment	3
Programs & Services	4
2018-2019 Objectives	7
Budget Summary	10
2018-2019 Budget	11

OVERVIEW OF THE BDIC

On April 1, 2005, the Northwest Territories Business Development and Investment Corporation (BDIC) was established with the merger of the Northwest Territories Development Corporation and the Northwest Territories Business Credit Corporation. The *Northwest Territories Business Development and Investment Corporation Act* outlines the mandate of the BDIC, which 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.”

The BDIC fulfills its mandate by providing programs and services to businesses across the Northwest Territories.

Since 2005, the BDIC has approved over \$87 million in funding for more than 500 NWT businesses operating across the territory, and has delivered training to more than 1,400 participants at learning sessions hosted at its business centre, Canada Business NWT.

The BDIC’s subsidiaries, located in Fort Liard, Fort Providence, Ulukhaktok, Fort McPherson, and Yellowknife, support over 120 arts and craft producers in small NWT communities. Products from the BDIC’s subsidiaries are sold at approximately 75 locations across Canada and the United States.

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.

NWT ECONOMIC ENVIRONMENT

Indicator	2014	2015	2016	2017e	2018f
Gross Domestic Product chained (2007) millions of dollars	3,789 ▲ 4.9%	3,839 ▲ 1.3%	3,868 ▲ 0.8%	4,187 ▲ 8.2%	4,183 ▼ (0.1%)
Total Investment chained (2007) millions of dollars	1,315 ▲ 4.8%	1,482 ▲ 12.7%	1,412 ▼ (4.7%)	1,145 ▼ (18.9%)	1,086 ▼ (5.1%)
Household Expenditure chained (2007) millions of dollars	1,393 ▲ 1.5%	1,416 ▲ 1.7%	1,422 ▲ 0.4%	1,432 ▲ 0.7%	1,447 ▲ 1.0%
Exports chained (2007) millions of dollars	2,624 ▲ 8.0%	2,505 ▼ (4.5%)	2,522 ▲ 0.7%	2,966 ▲ 17.6%	2,988 ▲ 0.7%
Imports chained (2007) millions of dollars	3,431 ▲ 6.6%	3,431 0.0%	3,379 ▼ (1.5%)	3,252 ▼ (3.8%)	3,235 ▼ (0.5%)
Employment (Resident) number of persons	22,100 ▼ (4.7%)	21,900 ▼ (0.9%)	22,500 ▲ 2.7%	21,300 ▼ (5.3%)	21,400 ▲ 0.5%
Average Weekly Earnings dollars	1,398 ▲ 4.1%	1,421 ▲ 1.7%	1,403 ▼ (1.3%)	1,402 ▼ (0.1%)	1,425 ▲ 1.6%
CPI (All-Items), Yellowknife 2002 = 100	128.4 ▲ 1.7%	130.4 ▲ 1.6%	131.9 ▲ 1.2%	133.4 ▲ 1.1%	134.8 ▲ 1.1%

e: estimate

f: forecast

Source: Statistics Canada and NWT Bureau of Statistics

PROGRAMS & SERVICES

CREDIT FACILITIES

Qualifying NWT businesses can access up to \$2 million in financing through the BDIC's Credit Facilities program. Interest rates for this financing are set at Prime +2%, 3% or 4%, depending on risk. The following financing options are available under the Credit Facilities program:

Term Loans

- Term Loans are available to NWT businesses that may not be able to secure bank financing. Clients can choose between loans with fixed or variable rates, and can request adjustments to loan payment amounts to account for seasonal variations in revenue. Term Loans can be repaid early without penalty.

Standby Letters of Credit

- A Standby Letter of Credit (SLC) enables clients to secure contract bids or provide security to suppliers through assurance of payments to third parties. SLCs can be issued to clients after they have been approved for an SLC Facility with the BDIC.

Working Capital Guarantees

- Working Capital Guarantees can be issued to NWT businesses as security to assist in obtaining working capital financing (such as an operating line of credit or overdraft) from a commercial bank.

BUSINESS DEVELOPMENT PROJECT FUND (BDPF)

The BDIC's contribution program provides non-repayable funding of up to \$20,000 to assist entrepreneurs in starting or expanding their business. The program has two funding categories, Core BDPF and BDPF Aftercare:

Core BDPF

- Core BDPF can be used to fund expenses related to the startup and expansion of NWT businesses (e.g. assets, new software, marketing/advertising, feasibility assessments, business plans, or short term projects that create employment opportunities). It can also be used to purchase raw materials for the production of arts and crafts (in level II communities only). The maximum funding available in any 5 year period is \$10,000 (\$20,000 for businesses in level II communities).

BDPF Aftercare

- BDPF Aftercare can be used to purchase accounting software or services, and provide access to succession planning and business training programs. The lifetime maximum for BDPF Aftercare funding is \$3,000 (\$5,000 for businesses in level II communities).

Level I Communities: Communities with well developed business infrastructure and air/road transportation links.
Yellowknife (incl. N'Dilo), Hay River, Fort Smith and Inuvik.

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

PROGRAMS & SERVICES

SUBSIDIARY PROGRAM

Through the Subsidiary Program, the BDIC invests in and provides operational support to companies that generate economic opportunities and employment in small NWT communities. The BDIC currently has five active subsidiaries:

Acho Dene Native Crafts, based in Fort Liard, retails and wholesales locally produced birchbark baskets, jewellery, moccasins, mittens, mukluks, and other souvenirs.

Dene Fur Clouds, based in Fort Providence, specializes in luxurious knit fur garments and accessories including headbands, hats, mitts, scarves, and sweaters.

Fort McPherson Tent and Canvas designs and manufactures arctic tough tents and teepees, sled wrappers, hockey bags, and other durable canvas products.

The **Ulukhaktok Arts Centre** produces prints, muskox carvings, qiviut products and other traditional items.

The **Arctic Canada Trading Company**, based in Yellowknife, markets the products of other BDIC subsidiaries through approximately 75 galleries and gift shops across Canada and the United States.

VENTURE INVESTMENT PROGRAM

Through the Venture Investment Program, the BDIC makes equity investments in NWT businesses. In exchange, the BDIC receives preferred shares in the business.

Investee businesses pay dividends to the BDIC, with dividend rates set based on risk. Investee businesses can redeem their shares at any time.

Invested funds can be used to support a wide range of job creation activities, including research and development. They can also be leveraged to obtain additional private sector financing.



PROGRAMS AND SERVICES

BUSINESS SERVICES

The BDIC provides business services to help people start and grow their business in the Northwest Territories.

The BDIC is a member of the Canada Business Network, which provides start-ups and small businesses with a wide range of information and references about government services, programs and regulations. The BDIC operates Canada Business NWT (CBNWT) in partnership with the Canadian Northern Economic Development Agency (CanNor). CBNWT services are available online and through community partners to residents across the NWT.

Business services available include:

- Business resource library that is indexed online so that clients from any community can order a resource material and have it mailed to them
- 1-800 number that clients in NWT communities can call to get business information specific to their region
- CanadaBusiness.ca – content created and managed by CBNWT specifically for NWT residents
- Video and web conference sessions available to educate entrepreneurs
- Administration services and business planning resources available in person through the BDIC and partner organizations
- Coordination of Small Business Week in partnership with business stakeholders

The BDIC offers NWT clients business information through its comprehensive guide, *How to Start a Business in the NWT*. This guide provides entrepreneurs in all NWT communities with the information they need to start their business. The document contains information about licenses and regulations in the NWT, support services available for entrepreneurs, information on writing a business plan, structuring a business and much more.

How to Start a Business in the NWT is available in print as well as mobile enabled on the BDIC's website. The guide is available in both English and French.



The BDIC's business centre in Yellowknife

2018/2019 OBJECTIVES

■ Enhance and Promote the BDIC's Programs and Services

One of the BDIC's goals is to raise awareness of the programs and services offered to NWT businesses. Networking and community involvement are actions that support this goal, while also giving the BDIC direction on how to better serve NWT entrepreneurs and businesses.

The BDIC will consult potential clients to enhance its programs and services. The BDIC will also enhance its programs and services by developing new tools for businesses, including French-language business training, and will increase awareness of its programs and services through updated website content.

2018/19 Target: Enhanced BDIC programs and services are available and promoted to the public.

■ Solicit Increased Feedback from the BDIC's Clients

Client feedback helps measure satisfaction with the BDIC's programs and services, and provides the BDIC with insights into how to improve the client experience.

By providing frequent opportunities for feedback, the BDIC can enhance its operations and ensure the BDIC meets or exceeds its clients' expectations. The BDIC will achieve this objective by increasing feedback opportunities.

2018/19 Target: A feedback system is in place and collecting input from BDIC clients.



2018/2019 OBJECTIVES

■ Increase the Export-Readiness of the BDIC's Subsidiaries

The BDIC's subsidiaries supply approximately 75 outlets in Canada and the United States with products handmade in the NWT. Development of this distribution network has created a foundation from which the BDIC's subsidiaries can now pursue other strategic international markets.

The BDIC will create new export opportunities for its subsidiaries by undertaking strategic promotion efforts in key international markets. The BDIC will also work to build capacity at its subsidiaries to take advantage of new export opportunities.

2020/21 Target: The BDIC's subsidiaries are exporting their products to key international markets.

■ Improve the BDIC's Interest Rate Risk Management

Like other lenders, the BDIC faces interest rate risk when rising interest rates reduce the value of its assets relative to its liabilities. Over time, this will require the BDIC to increase its interest payments to the GNWT, without an offsetting increase in revenues.

To account for this, the BDIC will seek to reduce its risk related to interest rate fluctuations and strengthen its long-term financial sustainability by evaluating best practices in interest rate risk management.

2018/19 Target: A completed evaluation of best practices in interest rate risk management.



2018/2019 OBJECTIVES

■ Provide entrepreneurial support to Indigenous people, women, youth and persons with disabilities

The BDIC is well-positioned to assist Indigenous people, women, youth and persons with disabilities start and expand their businesses in the NWT.

The BDIC's term loans are flexible and can be tailored to meet the needs of underrepresented entrepreneurs. In addition, the BDIC's business services can facilitate mentoring and access to business training to meet the needs of people in these groups.

The BDIC will work on programs designed to help build confidence and improve business knowledge among Indigenous people, women, youth and persons with disabilities.

The BDIC will also undertake revisions to its BDPF Aftercare program to provide financial support for business accessibility improvements, translation of business materials into official NWT languages, and access to advice, training, and technology that can increase business performance.

2018/19 Target: The BDIC will revise its programs to provide entrepreneurial support to Indigenous people, women, youth and persons with disabilities.



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 2018/2019, the BDIC forecasts revenues of \$2,098,000 to the Contribution Fund. Of this amount, \$1,876,000 (including \$14,000 for the provision of French language services) would be funded from the GNWT, \$97,000 from CanNor to co-fund the CBNWT Centre, and \$125,000 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 2018/2019, the BDIC forecasts loan disbursements of \$6,500,000 and repayments of \$6,020,000 (including \$20,000 in interest).



2018/2019 BUDGET

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

Fiscal Year ending March 31, 2019

	Subsidy Fund	Capital Fund	Capital Reserve Fund	General Operating Fund	Total
Opening Balance	471	873	147	5,681	7,172
Sources of Cash	785	-	-	1,313	2,098
Use of Cash	825	-	-	2,671	3,496
Closing Balance	<u>431</u>	<u>873</u>	<u>147</u>	<u>4,323</u>	<u>5,774</u>



2018/2019 BUDGET

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

Fiscal Year ending March 31, 2019

	Budget 2019	Budget 2018	Actual 2017
Opening Balance	471	471	488
Sources of Cash:			
GNWT Contribution	785	865	840
Sub-Total	785	865	840
Uses of Cash:			
Business Development Projects	200	200	217
5983 NWT Ltd. (Ulukhaktok Arts Centre)	90	90	90
913044 NWT Ltd. (Fort McPherson Tent & Canvas)	275	275	250
Acho Dene Native Crafts Ltd.	150	150	150
Arctic Canada Trading Co. Ltd.	10	50	50
Dene Fur Clouds Ltd.	100	100	100
Sub-Total	825	865	857
Closing Balance	431	471	471



Exhibit 3 - Capital Fund (\$000)

Fiscal Year ending March 31, 2019

	Budget 2019	Budget 2018	Actual 2017
Opening Balance	873	873	873
Sources of Cash:			
GNWT Contribution	0	0	0
Sub-Total	0	0	0
Uses of Cash:			
New Subsidiary	0	0	0
Sub-Total	0	0	0
Closing Balance	873	873	873



2018/2019 BUDGET

Exhibit 4 - Capital Reserve Fund Budget (\$000)

Fiscal Year ending March 31, 2019

	Budget 2019	Budget 2018	Actual 2017
Opening Balance	147	147	147
Sources of Cash:			
GNWT Contribution	0	0	0
Sub-Total	0	0	0
Uses of Cash:			
Capital Expenditures	0	0	0
Sub-Total	0	0	0
Closing Balance	147	147	147



2018/2019 BUDGET

Exhibit 5 - General Operating Fund Budget (Unconsolidated) (\$000)

Fiscal Year ending March 31, 2019

	Budget 2019	Budget 2018	Actual 2017
Opening Balance	5,681	6,030	5,759
Sources of Cash:			
GNWT Contribution	1,091	1,954	2,367
Interest	125	100	127
Business Service Centre Contribution	97	97	117
Federal Government - Other	0	0	73
Sub-Total	1,313	2,151	2,684
Uses of Cash:			
Advertising	25	25	25
Board expenses	40	40	25
Business Service Centre	220	220	209
Computers	90	100	76
Office	40	40	53
Purchased services	175	80	207
Telephone & communications	15	15	12
Travel	50	50	22
Salaries & benefits	2,016	1,930	1,784
Sub-Total	2,671	2,500	2,413
Closing Balance	4,323	5,681	6,030

2018/2019 BUDGET

Exhibit 6 - Loan and Investment Fund Budget Summary (\$000)

Fiscal Year ending March 31, 2019

	Venture Investment Fund	Loans Fund
Opening Balance	4,676	4,628
Sources of Cash	-	6,020
Use of Cash	100	6,500
Closing Balance	4,576	4,148



2018/2019 BUDGET

Exhibit 7 - Venture Investment Fund Budget (\$000)

Fiscal Year ending March 31, 2019

	Budget 2019	Budget 2018	Actual 2017
Opening Balance	4,676	4,676	4,667
Sources of Cash:			
Dividends	0	0	1
Redemptions	0	0	8
Sub-Total	0	0	9
Uses of Cash:			
Venture Investments	100	0	0
Sub-Total	100	0	0
Closing Balance	4,576	4,676	4,676



Exhibit 8 - Loan Fund Budget (\$000)

Fiscal Year ending March 31, 2019

	Budget 2019	Budget 2018	Actual 2017
Opening Balance	4,628	4,613	1,076
Sources of Cash:			
Repayments received	6,000	5,500	8,095
Interest Income	20	15	23
Borrowed from the GNWT (net)	0	0	0
Sub-Total	6,020	5,515	8,118
Uses of Cash:			
Loans disbursed	6,500	4,500	4,081
Repayment to the GNWT	0	1,000	500
Sub-Total	6,500	5,500	4,581
Closing Balance	4,148	4,628	4,613





#701, 5201 – 50th Avenue
Yellowknife NT X1A 3S9
Telephone: (867) 767-9075
Fax: (867) 765-0652
Toll free: 1-800-661-0599

www.bdic.ca

bdicinfo@gov.nt.ca