Maximizing Capital Investments

Indigenous Relations
Economic Development
2017
Agenda

• Capital Investments
• Planning your Capital Project
• Overview of Indigenous Relations Economic Development Grants
• Financing your Capital Project
• Pitch your Project!
Why Invest?

• **Community Economic Development:**
  – Using local resources in a way that enhances economic opportunities while improving social conditions in a sustainable way.

• **Capital Project:**
  – Build or Buy something that will bring you returns on your investment.

• **Returns on your Investment**
  – Better environment
  – Better social well-being
  – Jobs
  – $$$$$!
Path to success

• What is the best way to take advantage of an opportunity or to solve a problem?
  – Set clear Objectives
    • Community Objectives (see Ec Dev Plan)
    • Business Objectives (see Business Plan)
    • Project Objectives (see Project Plan)
  – Corporate Governance Structure
  – Find the right partners
  – Stick to the plan!
Optimize use of Capital

Pre-Investment  After 1 Yr  After 5 Yrs

Physical  Financial  Natural  Human  Social

Resources

- Physical
- Financial
- Natural
- Human
- Social

Pre-Investment  After 1 Yr  After 5 Yrs
7 Tips on Maximizing Capital Investments

1. Have a Plan!
   – Community Economic Development Plan developed through community engagement
   – and follow through

2. Land Designation
   – Secure your investment!

3. Thorough Market Analysis
   – Non-conventional users and uses
   – Incorporate Youth
7 Tips on Maximizing Capital Investments (Cont’d)

4. Leverage Partnerships
   – Management/Technology/Knowledge transfer
   – Financial (Naming Rights)
   – In-Kind (Labour, Materials, Procurement)

5. Leverage Finances
   – Matching Grants
   – Loans

6. Utilize Clusters
   – Land Planning (Co-location of related businesses)
7 Tips on Maximizing Capital Investments (Cont’d)

7. Re-investment of Dividends vs. Distribution
   – Compound vs Simple Interest
   – Grow the business
Capital Project Ideas

- Realistic
- Actionable
Capital Project Ideas

• Discuss some Capital Project ideas in small groups (2 mins)
Project Selection

• Select the group’s favourite project idea (2 mins)
• Project Scope (5 mins)
  – What’s going to be done?
  – Where does it end?
• Project Plan (High Level) (5 mins)
  – How will we do it?
  – Who needs to Approve it?
Indigenous Relations
Economic Development Grants
Two Opportunities for Funding

Aboriginal Economic Partnerships Program (AEPP) Soft Costs

Aboriginal Business Investment Fund (ABIF) Capital Funds

Aboriginal Business Development Services (ABDS) Entrepreneurship
Aboriginal Business Investment Fund (ABIF)

- $150,000 - $750,000 for Capital costs to Indigenous Community-owned business for start-up or expansion
- [Indigenous.alberta.ca/ABIF](http://Indigenous.alberta.ca/ABIF)
Other Funding Sources

- INAC
- Western Diversification
- Business Development Bank of Canada (BDC)
- AFI’s
- Banks
Financing Structure

- Equity (Down Payment)
- Grants
- Loans
Plan your Pitch!

• 3-5 Min Pitch
• Introduction
• Describe the need (Opportunity)
• What you want to accomplish (Outcome)
• Partners, Supporters (Champions, Sponsors)
• What you want to do (Activities)
• When you want to start
• How you will pay for the project
• Summarize
• Ask for support
Other Places to Look

- CANDO ([www.ebo.ca](http://www.ebo.ca))
- Economic Developers Association of Alberta ([www.edaalberta.ca](http://www.edaalberta.ca))
- Canadian Council for Aboriginal Business ([www.ccab.com](http://www.ccab.com))
- Industry Association Websites

Contacts

- **Business Development Advisors**
  - [Christopher.Tyrkalo@gov.ab.ca](mailto:Christopher.Tyrkalo@gov.ab.ca)
  - [Lekan.Oladokun@gov.ab.ca](mailto:Lekan.Oladokun@gov.ab.ca)