

## **BUSINESS GROWTH PROGRAM**

### **GENERAL APPLICANT GUIDE**

This guide is intended to assist with the development of a project proposal for your Business Growth Program (BGP) project and provide the information required for the Department of Industry, Energy and Technology (IET) to evaluate your project.

**Please contact an IET representative prior to submitting an application to discuss your proposal.** Information required will vary depending on the need and complexity of the project. Additional information or clarification may be required during the assessment process as IET reviews the information provided. In some cases, BGP projects may require advice from experts in a particular field to determine the merits of your application. In addition to the documents outlined below, a detailed project proposal (using the suggested or a similar format) and completed application form are also required.

**\*\* For research projects related to Development and Commercialization (R&D) please obtain the *Business Growth Program Development and Commercialization (R&D) Applicant Guide*.**

#### **I. General Information**

##### **1) Program Objective**

The Business Growth Program provides non-repayable contributions for projects or initiatives to assist businesses start, innovate, scale and improve sales locally, nationally and internationally. As a tool to support growing Newfoundland and Labrador's pool of innovation and growth-focused companies, investments under the BGP will be aligned with the following priorities:

- Development and Commercialization
- Productivity Improvement and Innovation
- Knowledge and Technical Assistance
- Growth and Internationalization

## 2) Eligible Applicants

To qualify for assistance applicants must be businesses that are either:

- Growth-focused, innovative firms including sole proprietors, partnerships or corporations operating within Newfoundland and Labrador that demonstrate commercial viability; or
- Co-operatives or non-profit organizations operating within Newfoundland and Labrador that demonstrate an ability to generate commercial revenue or are pursuing international trade or economic development opportunities.

Applicants must demonstrate:

- Ability to undertake the work identified in the project proposal;
- Ability to access the financial capital required to complete the project;
- Good standing with the Government of Newfoundland and Labrador (including Companies and Deeds Online, WorkplaceNL, Office of the High Sheriff, Department of Finance and the Office of the Comptroller General); and
- Good standing with Canada Revenue Agency.

### Ineligible Applicants

- Residential and commercial real estate services, wholesale, and beverage rooms and taverns.
- Applicants with proposed projects or initiatives that are in direct competition with local market entities.
- Professional service operations are not normally eligible. Consideration may be given to eligibility of a project within this sector in a unique situation as identified by the Department.
- NL cannabis producers are eligible for export market development only. Cannabis proposals for start-up and expansion projects are ineligible at this time.
- Contributions may be limited or declined based on the nature of an applicant's previously proposed/approved projects.

### 3) Financial Assistance

Contributions will be non-repayable and normally up to 50 per cent of total eligible project costs, to a maximum of \$200,000 over 24 months per project, per company. The maximum amount that can be disbursed per fiscal year is \$100,000.

Applicants must confirm their access to remaining funds required to complete the proposed project. A minimum 20 per cent demonstrated project contribution is required from the applicant. Total combined government assistance (provincial, federal, municipal) shall not exceed 80 per cent of total eligible project costs.

Please contact an IET officer in your region to discuss eligible and ineligible costs.

## **II. Proposal Requirements**

The following format may be used in development of your written project proposal. **Please contact an IET officer in your region prior to developing a proposal.** Information required will vary depending on the need and complexity of the project proposed.

### 1) Project Title

Provide a brief, concise title that conveys the purpose of the proposed project.

### 2) Business Description

Provide a brief history of the company. Describe the type of product(s) or service(s) your business offers. You may also outline your company's strategic plans and goals.

### 3) Project Description

Provide a description of the project or opportunity. Describe the potential benefits of the project/opportunity to your business and the potential economic benefits to the province.

- If funding is requested for Productivity Improvement and Innovation, provide details on the project's required technology investments, or innovative enhancements. This may include digitalization, investment in continuous improvement and enterprise efficiencies, technology transfer, adoption of digital technologies or engaging professional services for protection of IP.

- If funding is requested for Knowledge and Technical Assistance, identify any existing knowledge gaps and how these limit productivity, global competitiveness and/or business expansion.
- If funding is requested for Growth and Internationalization, provide details related to the company's 12-24 month market development plan. This may include details on market development activities, market research required, international trade activities and other opportunities to accelerate the company's market development and international trade activity.
- If funding is requested for travel related to market development, provide a 12-24 month strategic market development plan. Travel should be justified with specific objectives for each trip as part of a long-term market development activity, including how applicants expect it will help the company long-term.

#### **4) Ownership / Affiliated Companies / Project Leadership Team**

Identify the owners and key management personnel in your business, including the percentage of ownership, and what, if any, management role. Include a brief history of the shareholders and identify any affiliated companies if applicable.

You may also identify who will be leading your project, including a summary of roles and responsibilities as well as the company's experience in managing projects such as the one proposed.

#### **5) Key Collaborators**

Identify any key collaborators (consultants/contractors), alliances, or other linkages that are relevant to the project. Describe their roles and responsibilities as well as a rationale as to why they are essential to the project.

#### **6) Summary of Progress to Date**

Provide a summary of your progress leading up to this proposal, include any evidence if available (e.g. market demand, supportive data, references, etc.) that will support the feasibility of the proposed project.

### **7) Regulatory Approvals**

If applicable, please discuss anticipated regulatory approvals required for all phases of the proposed project. Identify the approvals received to date or describe how/when you will obtain regulatory approval. This may include the anticipated costs and timelines (i.e. industry standards) required to obtain the regulatory approval.

### **8) Intellectual Property**

If applicable, please describe the background and foreground intellectual property arrangements (e.g. copyrights, trademarks, patents, industrial design rights, etc.) required to exploit the technology involved in the project. Describe your plan for handling intellectual property ownership issues and their associated costs. If professional services will be used to assist with IP planning please identify the firm and their relevant expertise.

### **9) Project Costs and Financing**

Provide details on the proposed project costs (i.e. professional fees, marketing costs, travel costs, etc.) as well as the sources of project financing (including confirmation of the source of the company's contribution and if applicable funding anticipated from other government agencies). Please also provide relevant quotes to support the project budget if available.

Applicants who are entitled to a Canadian Revenue Agency (CRA) rebate or credit on a portion of GST/HST paid on goods and services, deemed eligible under a BGP project are permitted to claim only the portion of tax not refunded by CRA.

### **10) Commercialization Strategy**

If applicable, please provide your commercialization strategy for bringing the proposed product/service to market. This may include details such as how the resulting product or service will be introduced into the marketplace and how revenue will be generated. It may help to consider outlining how the commercial outcomes of the project will be promoted, distributed and sold.

You may also consider details such as:

- The need for the proposed product, process or service
- The size of the market and the targeted niche within the market

- Potential competitors and competing products, processes or services
- The market penetration objectives and associated challenges
- The expertise of the team and its collaborators as it relates to the commercialization of new products and services in the marketplace
- The value proposition that resulting products/services will deliver to the end customer
- How the resulting product/service will achieve competitive advantage in the marketplace
- A description of the anticipated revenue streams (e.g. usage fees, sales of products/services, subscriptions, etc.)
- A breakdown of anticipated sales and market projections

### **11) Supporting Documentation Checklist**

The following information is required to complete your application package:

- Completed and signed Application for Assistance
- Project proposal
- Confirmation of funding sources
- Relevant quotes to support the project budget
- Two years of historical Financial Statements (if available) along with Financial Projections
- Certificate of Officers and Directors, Articles of Incorporation (for incorporated companies)
- Confirmation of the company's shareholders, directors and signing authorities. Corporations can provide this information via a Certificate of Officers and Directors