

Black Business Initiative Task Force

The five-member Task Force of the Black Business Initiative are pleased to table the Report to the Ministers of the Economic Renewal Agency and the Atlantic Canada Opportunities Agency, dated this day, August 31, 1995.

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BLACK BUSINESS INITIATIVE TASK FORCE

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EXECUTIVE SUMMARY

Context

On May 24, 1995, the Governments of Nova Scotia and Canada announced the Black Business Initiative (BBI) to address the unique needs faced by the Black community. The BBI is a five-year, \$5 million, province-wide business development project designed to support the development of business and job opportunities for Black Nova Scotians.

A five-member Task Force was appointed to consult with the Black community throughout the Province and to report back to government by no later than September 1, 1995 on how the four components of the BBI should be designed and funded.

The four components of the BBI are:

- Strategic Planning for Communities
- Black Business Centre
- Regional Business Development
- Loan Fund

In presenting its recommendations, the Task Force has not allowed itself to be restricted in scope to these four pre-determined components. It has tried to engage in an open consultation process to more fully understand the needs of the Black business community and to then attempt to address these needs within the funding limitations that have been imposed.

The Task Force has not allowed government to pre-determine such important decisions as the physical location of the Black Business Centre - it has sought the advice of the community on the most appropriate site for the Centre. The Task Force has also sought the advice of the Black community on other key issues such as board composition, services to be provided at the Centre and lending guidelines.

The Task Force feels strongly that it is only through an open and responsive consultation process, backed up by solid research and planning, that a workable long-term solution can be found. The BBI is an opportunity to legitimately and openly address the real needs of the Black business community province-wide for improved access to mainstream business assistance and to enhance opportunities for economic independence.

THE BLACK COMMUNITY

It has been estimated that the actual Black population in Nova Scotia is in excess of 30,000, primarily concentrated in 48 Black communities located in all but 2 of the 12 Regional Development Authority (RDA) areas of the Province.

Unemployment rates in Black communities is higher than the provincial average and the occupational break-out reflects a predominance of service, clerical or construction related occupations.

There is a serious lack of reliable information on the distribution of Black businesses across the Province, however, a total of 207 businesses have been identified with full time employment of 309.

In order to deliver quality service to all Black businesses, the Task Force has broken the Province into four BBI regions, to service the Metro, Southern, Central and Northern portions of the Province. It is essential that all regions of the Province have access to the benefits of this Initiative.

THE PROCESS

The Task Force undertook extensive consultations with the Black community throughout the Province. The process involved 18 public meetings, as well as meetings with groups, organizations, key individuals and the analysis of written submissions. A five-page questionnaire was used to canvass the opinions of the Black community and to ensure consistency of response. The questionnaire results have been analyzed and form an important research base for the findings of the Task Force. The process also included the review of a number of relevant documents and reports on issues relating to the Black business community.

In order to meet the 98 day deadline for its report, the Task Force met at least weekly during the months of June, July and August. This Report reflects the solid teamwork that developed between the Task Force members and the government support staff and their dedication to the project.

THE STRATEGY

The Issues:

The people involved in the BBI process discussed openly the problems and obstacles they face daily in trying to develop a viable business, in what is often an uncaring or even hostile environment. This insight, together with the Report of the Black Learners Advisory Committee and other key research, has clearly identified nine major issues to be addressed:

1. Lack of business skills;
2. Scattered distribution of Black population;
3. Weak business culture;
4. Discriminatory behaviour from mainstream organizations and institutions;
5. Lack of linkages to business and community leaders;
6. Few Black role models and mentors;
7. Non-traditional communications, i.e., church bulletins;
8. Lack of access to capital;
9. Lack of knowledge of business assistance programs.

Vision:

To foster a dynamic and vibrant Black presence within the Nova Scotia business community.

Goals:

1. To help create economic independence of individuals;
2. To further entrepreneurial development, education and training in the Black community;
3. To build partnerships and linkages to the broader business community;
4. To create/improve access to private and public sector business support.

In order to evaluate the progress of the Initiative, a series of specific measurement criteria have been

set for each goal. For example, the creation of 10 new companies in year one of the BBI, 12 in year two, 15 in year three, 19 in year four and 24 in year five. Evaluations will also be conducted to measure key indicators of company profitability and unemployment levels in Black communities versus the provincial average.

MOBILIZING THE RESOURCES

Consistent messages were heard from Black entrepreneurs across the Province on the need for services such as business counselling, mentoring, business skills training and financial assistance. It was also clear that the BBI must have a physical location that is welcoming, easy to access and able to provide both resource material and quality business support services -- a Black Business Centre.

The Black Business Centre (BBC)

The BBC will act as the “Head Office” of the BBI and it will serve as the main bridge to mainstream financial institutions, government agencies and business support infrastructure. The Centre will also offer a full range of services, including; business skills training, counselling, monitoring and after-care, consulting assistance, partnerships, mentoring, research, administration and communications/ public relations support services.

Fundamental principles underlying the operation of the Centre are quality client service, access to business equipment and resource materials, professional dedicated staffing and building effective partnerships with the “movers and shakers”, both in the public and private sectors.

Staffing

The success of the BBI will be directly related to the skills and dedication of the staff hired. The BBC will be staffed with six Black professional workers, consisting of an Executive Director, three Regional Business Development Managers, a Controller and an Administrative Assistant. Each of these staff will be hired on a renewable contract basis tied to specific performance measurements. It is clear that the scope of the task is extremely demanding and only individuals committed to building Black entrepreneurship and the goals of the BBI will be considered. Training of all staff is an immediate and on-going priority.

The Task Force has provided an outline of the key responsibilities of each of the staff functions as well as detailed position descriptions for the Centre's staff.

The Location Issue

It has been suggested that the natural location of the BBC is the Preston area, due, primarily, to the large concentration of Blacks in this area. On the surface, this would seem to be a logical and compelling reason to locate the BBC in Preston.

The community consultation process has indicated a strong preference for a location within the downtown core of the city of Halifax, with only 21% of respondents indicating Preston as the preferred location.

The Task Force strongly supports a downtown Halifax location as the BBI and the BBC must generate a significant profile with the general "mainstream" public. A Centre that is not fully integrated into the mainstream system will have difficulty in achieving the goal of accessibility.

There is also a very real risk that should the Centre be located in the Preston area, so close to existing organizations such as the Watershed Association Development Enterprises (WADE) and the Preston Area Economic Development Office, it may detract from programs that these organizations are presently delivering. The BBC must, however, establish a strong working relationship with organizations such as these.

To maximize the impact of the limited budget allocated to the BBI, it is expected that the Centre be located where overheads would be minimized. One possibility is the Canada/Nova Scotia Business Service Centre on Brunswick Street.

Regional Business Development Program

The main reason for a Regional Business Development Program is the need to provide the services of the BBC to areas of the Province not geographically located near the Centre. The consultation revealed a concern that the rural areas would become the “excluded people” and many felt that previous government programs have been centred in the Preston area.

Three Regional Business Development Managers will be hired to spend a significant amount of time servicing the four BBI regions of the Province to deliver quality counselling, advisory services, training programs, partnerships -- in short, all the programs available at the BBC. This can best be accomplished by partnering with existing organizations such as Access Nova Scotia, RDA's, Business Development Centres (BDC's) or in appropriate community offices.

The Black Business Loan Fund (BBLF)

While there are many government and private sector financing programs available to the Nova Scotia business community, the consultation process gives clear evidence of a lack of access to these programs by the Black business community.

The BBLF will assist those businesses that are unable to fulfill all of the necessary requirements of existing financing programs. It is imperative to clarify that this fund is not intended to replace existing programs. The Task Force acknowledges that the Loan Fund represents a relatively small portion of the total BBI budget.

The Loan Fund eligibility criteria, equity requirement, interest rate, terms of financing and fund administration have been detailed in the body of the Report. The Black community indicated that Black entrepreneurs should have some investment in their own business. Accordingly, the minimum equity requirement for the fund is 10% of total project costs.

Equity Fund

Even with the provision of a 10% equity requirement for the BBLF it is evident from the consultations that this may still be an impediment to starting viable businesses. The identification and development of a pool of private sector investors willing to invest and provide advice to Black entrepreneurs is essential. The Nova Scotia Department of Finance Equity Tax Credit Program could be used to provide an incentive to investors. Additionally, the BBI will establish a small equity (venture capital) fund to allow for maximum equity investments of \$5,000 per business. A minimum equity contribution of 5% of total project costs will be required by the entrepreneur.

As is the case with the BBLF detailed eligibility criteria, equity requirements, terms and details related to the Equity Fund are included in the body of the Report.

Development Fund

The Task Force also recognized that Black communities, groups and organizations, may need assistance with the identification of their strengths, strategic planning and program development. In this regard, a Development Fund has been established, the terms of which are included in this Report.

The BBI Board of Directors

The BBI and activities of the BBC will be governed by a 12 member Board of Directors (Board). The members of the Board must be chosen strictly based on abilities and expertise and include the following skill sets -- seven successful business people, legal and accounting expertise, marketing and public relations expertise, private sector banking expertise, public sector lending experience and education and training expertise.

There will be at least two directors from each of the four designated regions of the Province.

BUDGET

It became clear during the consultation process that the Black community is of the opinion that one million per year for five years is insufficient to achieve the objectives of this Initiative. For this, and other reasons, the Task Force feels that the full \$5 million should be advanced up-front so that the interest earned could be used to promote the sustainability of the Initiative by increasing total funds available. This will be a demonstration of good faith, by government, to the Black community.

***TRANSITION FROM THE TASK FORCE
RECOMMENDATIONS TO THE NEW BOARD***

As indicated previously in this Report, the Task Force was given a 98 day window to complete its work and to provide recommendations to government. This September 1, 1995 deadline has been met.

The Task Force, in turning over its Report, wishes to ensure that an aggressive timetable be adopted in getting the BBI up and running and in implementing the recommendations of the Report. The following timetable identifies specific activities and proposes dates of completion for each:

<u>Activity</u>	<u>Date of Completion</u>
Approval in Principle from Ministers of ERA and ACOA	September 8, 1995
Publication of the Report	September 22, 1995
Logistics of Office Set-up	September 29, 1995
Selection of BBI Board and Executive Director	September 29, 1995
Establishment of Black Business Centre	November 1, 1995
Initial Training of Staff completed	November 1, 1995
Financial and other Business Assistance	

Programs up and running

November 1, 1995

The Task Force also believes that it should be given the clear mandate and authority to select the Board of Directors and the Executive Director of the Black Business Centre.

The Task Force has, over the course of its consultations and research, devoted considerable attention to the questions of Board composition, province-wide representation, abilities, accessibility and staffing expertise. In defining the structure of the Black Business Centre and the comprehensive range of services to be offered, the Task Force strongly believes that the success of the entire Initiative depends directly upon the quality, excellence and dedication of the Board and staff. A key member of the staff team will be the Executive Director of the Black Business Centre. The Task Force Report has carefully considered the staffing requirements, providing position descriptions for all staff. The Task Force is, therefore, well positioned to further assist government in the implementation of this important Initiative and to ensure that the momentum generated through the consultation phase of the BBI is not jeopardized.

SUMMARY OF RECOMMENDATIONS

Governments have, in the past, attempted to address the issue of economic self-sufficiency within the Black business community of Nova Scotia. Programs have been designed and implemented to address this issue, yet, the problem remains.

The Task Force, after completion of an extensive consultation process, has designed this Initiative to address the cause of the problems and not just the symptoms.

Due to the financial limitations imposed, it is unlikely that this Initiative will be the complete solution but, it is expected to form an excellent base from which to build.

The following summary of recommendations recaps and groups the recommendations that are contained in this Report, in order to provide the reader with a basic understanding of the direction the Initiative should take. Accordingly, the recommendations are as follows:

BLACK BUSINESS CENTRE

- 1. It is strongly recommended that the BBC be located in an existing government structure within the downtown Halifax core.**
- 2. That significant funding be allocated to provide for training of Black entrepreneurs.**
- 3. It is recommended that the BBC develop an education module for Blacks to show what they can and should expect (or not expect) from institutions, governments and organizations offering business assistance.**
- 4. All levels of government should provide details on an ongoing basis, of programs affecting the Black community to the BBC.**
- 5. That the principles and values which are laid out in the Report to guide the Initiative be adopted.**
- 6. One of the responsibilities of the proposed Black Business Centre will be to undertake**

- research and to compile a comprehensive Black business database. It is further recommended that funds be allocated to allow for research projects as required.
7. That Statistics Canada undertake the collection of data on the unemployment level in the Black community on an annual basis. In the interim, the BBI will attempt to find partners to develop the Nova Scotia data.
 8. That the BBC establish an information Resource Centre, which will be a collection of government and private sector information booklets and other publications relevant to business.
 9. That a workstation area be established in the BBC that can be utilized for short periods by entrepreneurs.
 10. That funds be allocated to allow for the contracting of consultants as required and that the BBC compile and maintain an up-to-date listing of consultants who can perform these duties and have a rapport with the Black community.
 11. That the Black Business Centre develop and maintain a mentorship program.
 12. It is recommended that a flexible approach be adopted to business skills training.
 13. It is recommended that the BBC conduct a monitoring and after-care program for its clients.
 14. It is further recommended that Board approval be required for all expenditures over \$2500.

REGIONAL BUSINESS DEVELOPMENT PROGRAM

- 1. Four BBI regions be established to ensure province-wide coverage. The four regions are: Region #1 - Metro Region, Halifax/Halifax County; Region #2 - Southern Region, Kings, Annapolis, Digby, Yarmouth, Shelburne Queens and Lunenburg Counties; Region #3 - Central Region, Hants, Colchester and Cumberland Counties; Region #4 - Northern Region, Pictou, Antigonish, Guysborough and Cape Breton Counties.**
- 2. That government introduce a program to fast track race relations education for ERA and ACOA regional development staff.**
- 3. That funds be allocated to allow for partnering with existing community offices to ensure that business support services are equitable across the Province.**
- 4. It is recommended that the BBC establish a strong working relationship with organizations such as WADE and the Preston Area Economic Development Office.**
- 5. That ERA & ACOA hire Black field staff to work closely with the Black business community.**

STAFFING

- 1. It is recommended that the Task Force Chairperson, one other member of the Task Force, plus the Chairperson of the Board of Directors, be assigned the responsibility of selecting the Executive Director.**
- 2. It is strongly recommended that the Executive Director of the BBI open and maintain communication channels and develop a strong working relationship with the African Canadian Services Division of the Nova Scotia Department of Education.**
- 3. That training for all staff of the BBI be undertaken prior to the opening of the BBC. This training should include sufficient time at ERA, ACOA, and BDBC (Business Development Bank of Canada, formerly Federal Business Development Bank), to allow for a clear understanding of the programs offered by each agency and the basic criteria for eligibility for each program.**

LOAN / EQUITY / DEVELOPMENT FUND

- 1. That a Black Business Loan Fund (BBLF) of \$290,000 (\$250,000 in year one) be established to provide financial assistance by way of direct advance or a loan guarantee to the Black business community in Nova Scotia.**
- 2. That the Black Business Loan Fund have an equity requirement of 10% of the total cost of the project.**
- 3. That the BBC liaison closely with ERA accounting staff for assistance in establishing the loan portfolio management system.**
- 4. In the interest of efficiency, it is recommended that a Micro Loan Committee, consisting of the Executive Director, one Director from the applicant's region and one other Director appointed by the Board, be established to approve loan and equity contributions under \$2,500.**
- 5. That all cheques under \$2,500 be signed by both the Executive Director and the Controller and any expenditures or advances above \$2,500 be signed by either the Controller or Executive Director, plus the Chairperson or Vice Chair of the Board.**
- 6. That a \$64,000 equity (venture capital) fund (\$52,000 in year one) be established to provide a maximum equity investment of \$5,000 per business.**
- 7. That the Equity Fund require that the applicant contribute an amount equal to a minimum of 5% of the total project costs.**
- 8. The Task Force recommends that \$25,000 be allocated to a non-repayable Development Fund.**

BOARD OF DIRECTORS

- 1. That the 12 member Board should always be composed of the following skill sets, seven successful business people, legal expertise, accounting expertise, marketing and public relations expertise, private sector banking expertise, education and training expertise, and public sector lending expertise (knowledge of ACOA, ERA, BDBC).**
- 2. That there must be at least two directors from each of the designated regions at all times.**
- 3. That the Board should, at all times, have a majority composition of Black community members.**
- 4. That the Task Force be assigned the responsibility of selecting the members of the first Board of Directors.**
- 5. It is recommended that the Board of Directors be governed by the guidelines contained in this Report. Further, changes to the guidelines are restricted without the approval of the Minister of ERA.**
- 6. That the term of office for a Board member should be two years with no director sitting for more than three consecutive terms and at least a third of the Board should be replaced every two years.**
- 7. That a five-member Executive Committee of the Board be formed to meet on short notice.**
- 8. It is recommended that one staff member from ERA, ACOA, HRDC and BDBC be appointed to act as resource people to the Board and promote the Initiative within their respective departments.**
- 9. That the \$5 million be advanced at the beginning of the BBI so that the interest earned can be used to increase the funds available for financial assistance.**

INTRODUCTION

On May 24, 1995, the Governments of Nova Scotia and Canada announced the Black Business Initiative (BBI) to address the unique business needs faced by the Black community. The BBI is a five-year, \$5 million, province-wide business development project designed to support the development of business and job opportunities for Black Nova Scotians. In connection with this Initiative, a five-member Task Force was appointed to consult with the Black community throughout the Province in order to provide recommendations by no later than September 1, 1995 on how the components of the BBI should be designed and funded.

The five member Task Force was comprised of the following individuals:

Grace White, Chairperson	Business woman from Dartmouth
Tony Ross	Lawyer from Halifax
John Madison	Retired Military and Business man from Preston
Joan Jones	Community Worker from Halifax
Dolly Williams	Community Activist from East Preston

Support and Resource Staff:

Bonnie Williams	Administrative Support
Tab Borden	Economic Renewal Agency
Nancy Ives	Economic Renewal Agency
Gillian Wood	Economic Renewal Agency
Donna Jeffrey	Economic Renewal Agency (Co-op Student)
Margaret Cartwright	Atlantic Canada Opportunities Agency
Michael Choo	Atlantic Canada Opportunities Agency

In order to protect the integrity of the process, the Task Force members agreed that no member of

the Task Force would be appointed to the Board of Directors of the BBI, nor would any member access funding, directly or indirectly, from the Initiative, for a period of at least 18 months after submission of this Report.

As previously stated, the Task Force was asked to make recommendations on the components of the BBI. The four components are detailed below:

- 1). Strategic Planning for Communities - This component entailed a community consultation process within the Black community, with attention given to strategic planning, identification of opportunities, research and investment prospecting.
- 2). Black Business Centre - This component suggested the establishment of a Business Centre to stimulate employment opportunities through the support of new and expanding businesses by providing counselling, mentoring advice and assistance in the preparation of business plans, project assessment and loan fund administration.
- 3). Black Business Development - This component is to provide for community outreach and development officers to work closely with existing business centres across the Province and to provide hands-on counselling and advice to Black entrepreneurs throughout the Province. Additionally, the officers are to assist Black businesses in developing loan requests and accessing financing. In essence, to provide much the same services as the Black Business Centre but to areas not geographically located near the Centre.
- 4). Loan Fund - This component is to provide flexible financial assistance to support a broad range of entrepreneurs and activities.

The Task Force had a 98 day window to complete the consultation process and provide their recommendations. This Report is the culmination of the work and research conducted by the Task Force. The recommendations contained in this Report are based on findings from community consultation, responses received to questionnaires, as well as written and oral presentations received from various groups and organizations.

In presenting its recommendations, the Task Force has not allowed itself to be restricted to only the four BBI components as previously outlined. The Task Force has endeavoured to engage in an open consultation process to more fully understand the needs of the Black business community and to then address those needs within the funding limitations that have been imposed.

The Task Force has not allowed government to predetermine such important decisions as the physical location of the Black Business Centre. It has sought the advice of the Black community on the most appropriate site for the Centre. The Task Force sought the advice of the Black Community on other key issues such as the composition of the Board of Directors, the services to be provided at the Centre and lending guidelines for the loan fund.

The Task Force strongly believes that it is only through an open and consultative process, backed by solid research and planning, that a workable long-term solution can be found. Government cannot continue to succumb to quick-fix solutions that seek to satisfy the needs of strong lobby groups in the Black community nor should it succumb to political interference in the process.

The Black Business Initiative is an opportunity to legitimately and openly address the real needs of the Black business community province-wide for improved access to mainstream business assistance and to enhance opportunities for economic independence. In this regard, the Task Force was pleased with the level of involvement and input received from the community. The position taken by the Task Force with the community fostered a tremendous exchange of information and opinions, thus, enabling the Task Force to complete this Report.

The Task Force believes that the recommendations contained in this Report not only addresses the issues to be covered by the program announcement but also the needs of the Black business community. This stepping stone initiative, combined with the continued commitment of both levels of government, will result in the real progress needed to address economic issues in the Black business community in the Province.

TERMS OF REFERENCE

Under the parameters previously outlined for the four components of the BBI, the Federal Minister responsible for the Atlantic Canada Opportunities Agency and the Provincial Minister responsible for the Nova Scotia Economic Renewal Agency appointed the Task Force to provide recommendations by September 1, 1995 on a specific set of terms of reference. These terms of reference are detailed as follows:

- 1). Prepare an economic strategy for Black Nova Scotian entrepreneurial development based upon the results of consultation with the community.
- 2). Design the remaining three components of the BBI, specifically the Black Business Centre, Black Business Development and the Loan Fund.
- 3). Provide recommendations on how a Black Business Centre should function to support new and expanding businesses across the Province.
- 4). Provide recommendations on how the Black Business Centre and Outreach Program should be staffed and governed.
- 5). Provide recommendations on how a Loan Fund should be structured.
- 6). Provide recommendations on how the budget should be allocated among the components of the BBI.
- 7). Provide recommendations on how the work of the project should be evaluated.
- 8). Provide any other advice the Task Force feels is important to ensure the success of the BBI.

INTRODUCTION TO THE BLACK COMMUNITY

In the late spring of 1993, the Research Committee of the Black Learners Advisory Committee (BLAC) approved a plan to conduct a comprehensive survey of the Nova Scotia Black community. Approximately 4,400 persons within the Black community participated in the survey. The survey collected an immense and unprecedented amount of information on the Black community throughout Nova Scotia. The information which follows on the socio-demographic profile of the Nova Scotia Black community has been extracted from the BLAC Report.¹

SOCIO-DEMOGRAPHIC PROFILE OF THE NOVA SCOTIA BLACK COMMUNITY

*Population -- 1991 Census data*²

<i>Age Group</i>	<i>Population</i>	<i>Percentage</i>
Under 30	4,085	37.3%
30 to 39 years	2,505	22.9%
40 to 49 years	1,790	16.4%
50 to 59 years	890	8.1%
60+ years	<u>1,675</u>	<u>15.3%</u>
	<u>10,945</u>	<u>100.0%</u>

These census data are from a table for the Nova Scotia born Black population only and does not reflect data on the 0 to 14 year old age group nor does it include data on the Black population born

¹ Extracted from page 121 of the BLAC Report on Education, *Redressing Inequity - Empowering Black Learners*, dated December 1994, Volume 3

² Ibid., page 129

outside Nova Scotia but now living here.

It has been estimated that the actual Black population now in Nova Scotia is in excess of 30,000.

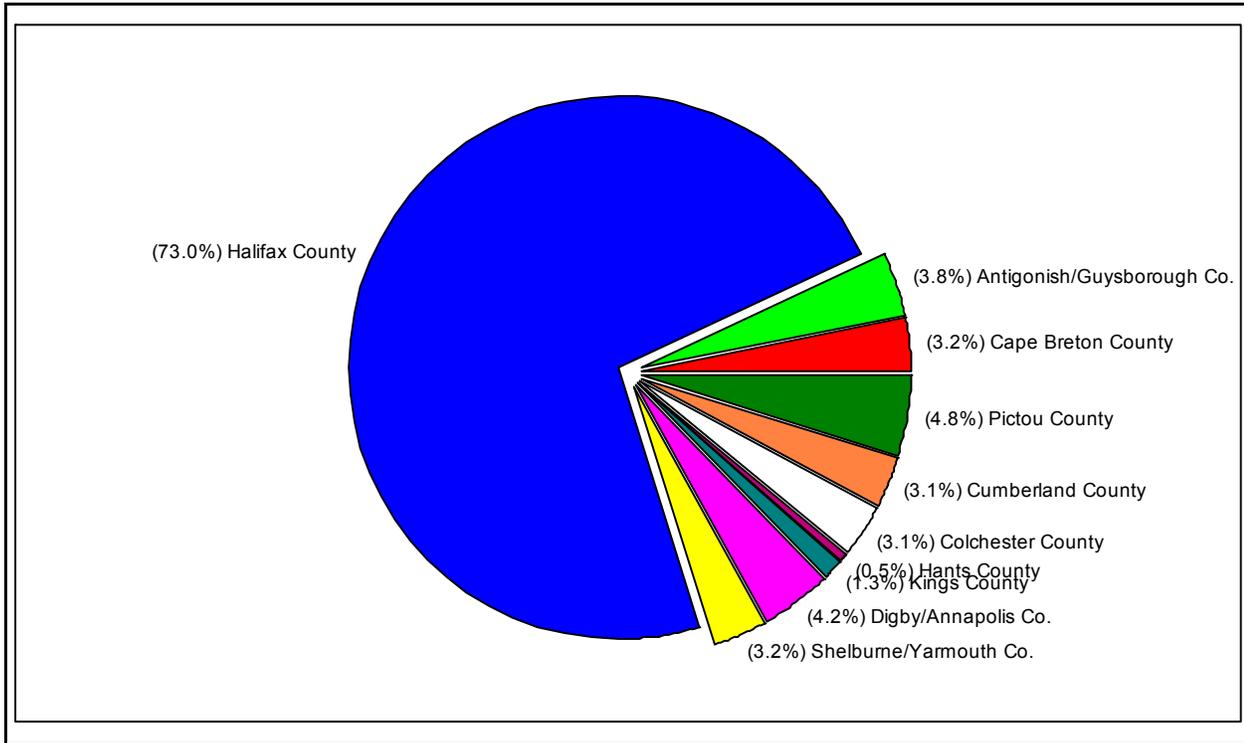
According to statistics prepared in 1987 there were 48 Black communities in Nova Scotia with a combined population of approximately 12,600.³ Although this information is out-of-date and inconsistent with the 1991 Census data shown above, it will give the readers an indication of the Black population distribution in Nova Scotia. Charts 1(a) and 1(b), which follow, depict the distribution of the population of the Black community in 10 of the 12 Regional Development Authorities (RDA) areas. There were no Black communities listed for 2 RDA areas, the Victoria, Inverness and Richmond RDA and the Lunenburg/Queens RDA.

Chart 1(a)
Distribution of Black Population by RDA Area

Regional Development Authorities(RDA) Territories	Population	Percentage Breakout
Cape Breton County	403	3.2%
Antigonish & Guysborough Counties	479	3.8%
Halifax County	9,215	73.0%
Shelburne & Yarmouth Counties	398	3.2%
Digby & Annapolis Counties	530	4.2%
Kings County	160	1.3%
Hants County	60	0.5%
Colchester County	396	3.1%
Cumberland County	386	3.1%
Pictou County	600	4.8%
Total	12,627	100.0%

³ Extracted from the Nova Scotia Black Cultural Centre World Wide Web Site

CHART 1(b)
Distribution of Black Population by RDA Area



Unemployment⁴

Concern about the very high unemployment rate in the Black community was almost universal. The BLAC socio-demographic survey indicates that the estimated unemployment rate for young Black adults in Nova Scotia, between 20 and 29 years of age, exceeds 40 percent. For those between 30 and 39 years of age, unemployment is as high as 30 percent. For those aged 30 to 45 years, unemployment averages 25 percent.

⁴ Ibid., page 85

The comparable unemployment rates for all Nova Scotians from Statistic Canada's Labor Force Survey range from a high of 27 percent for the 20 to 24 year age group to a low of 10.77 percent for the 45 to 54 year old age group. Although the age categories are not identical, it is apparent that the gap between Black community unemployment and the Nova Scotia average is clearly unacceptable.

Education⁵

The main trend evident from the data collected by the BLAC is that younger persons are more likely to have completed high school than older persons; the older the respondent, the more unlikely is high school completion.

Types of Work in the Black Population⁶

The main occupation of respondents to the BLAC work survey had worked in either service, clerical or construction related occupations.

<i>Categories</i>	<i>Percentage</i>
Service occupations	30.3%
Clerical and related occupations	15.8%
Construction trades occupations	11.3%

⁵ Ibid., page 134

⁶ Ibid., page 143

Distribution of Black Businesses Across Nova Scotia

There is no comprehensive database of Black businesses across Nova Scotia. In 1992/93, Human Resource Development Canada (HRDC) did prepare a listing of Black businesses in Nova Scotia, (excluding the Preston area). This listing is currently being updated by HRDC. This information, along with information extracted from the Preston Area Business Directory⁷, has been used as the basis for the following identification of Black businesses across Nova Scotia.

The Task Force cautions the reader of this Report that this information may not be complete or accurate -- but will serve as a starting place for discussion and action. The Task Force also recognizes that timely and accurate research regarding the locations and the number of Black businesses across Nova Scotia is essential. **It is, therefore, recommended that one of the responsibilities of the proposed Black Business Centre will be to undertake this research and to compile a comprehensive Black business database. It is further recommended that funds be allocated to allow for research projects as required.**

Charts 2(a) and 2(b) on page 24 show the geographic distribution of Black Businesses in Nova Scotia and Charts 3(a) & 3(b) on page 25 show the distribution of Black Businesses in Nova Scotia by Industry Category.

⁷ Prepared by the Preston Area Economic Development Office, March 1994

CHART 2(a)
Distribution of Black Businesses in Nova Scotia

C.E.C. Area	Number of Businesses	Employment	
		Full time	Part time
Amherst	21	27	4
Antigonish	12	19	8
Bedford	17	31	7
Bridgewater	1	1	1
Digby	9	17	3
Glace Bay	4	8	4
Halifax	31	47	1
Kentville	5	8	4
New Glasgow	4	6	0
Port Hawkesbury	1	2	0
Sydney	5	12	7
Truro	11	27	11
Windsor	8	11	4
Yarmouth	13	12	4
Preston	65	81	37
Total	207	309	95

CHART 2(b)
Distribution of Black Businesses in Nova Scotia

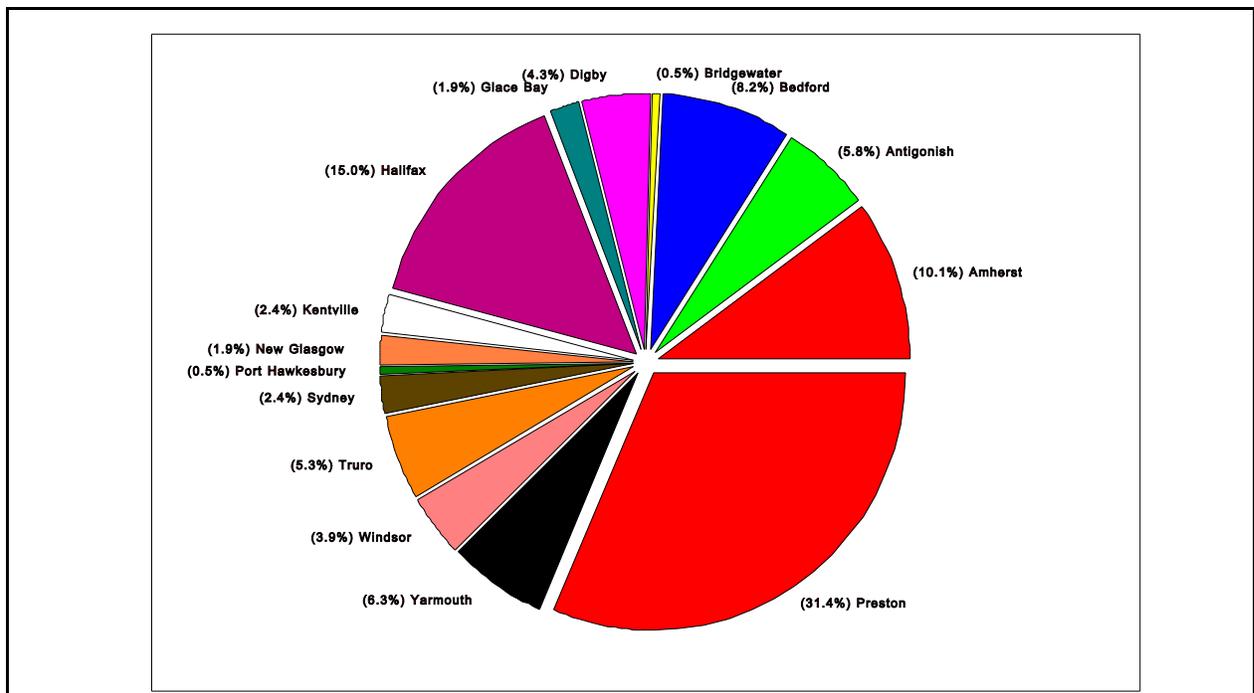
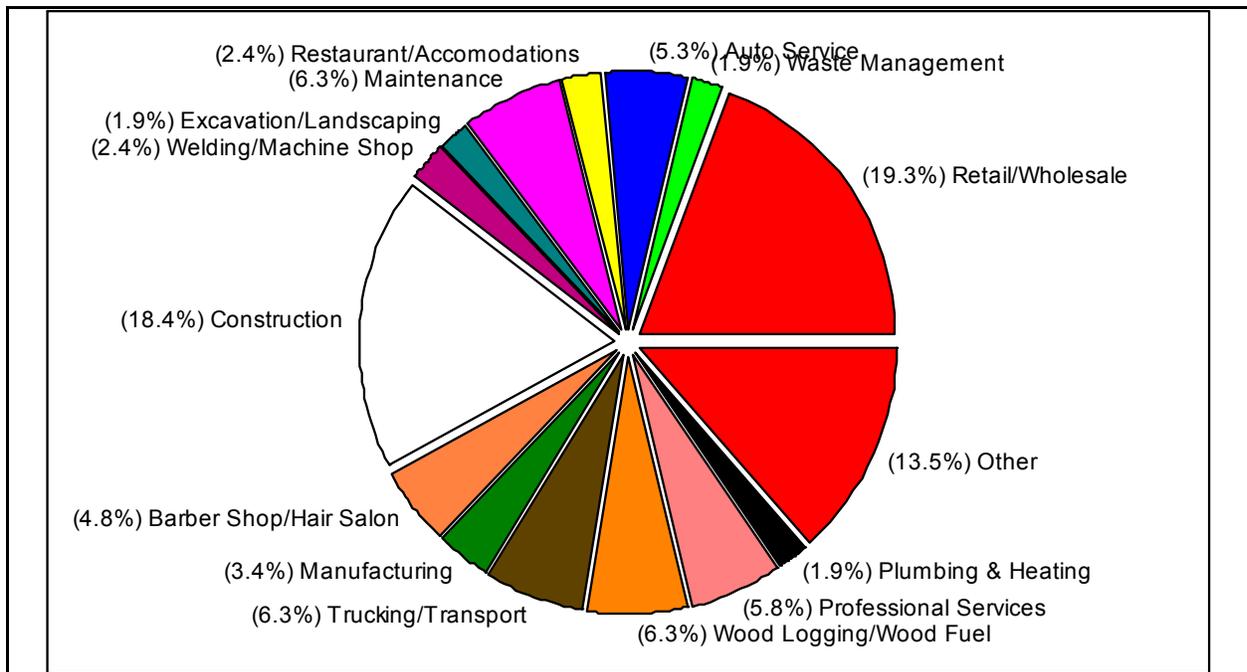


CHART 3(a)
Distribution of Black Businesses in Nova Scotia by Industry Category

Industry	Number of Businesses	Percentage Breakout
Retail/Wholesale	40	19.32%
Waste Management	4	1.93%
Auto Service	11	5.31%
Restaurant/Accommodations	5	2.42%
Maintenance	13	6.28%
Excavation/Landscaping	4	1.93%
Welding/Machine Shop	5	2.42%
Construction	38	18.36%
Barber Shop/Hair Salon	10	4.83%
Manufacturing	7	3.38%
Trucking/Transport	13	6.28%
Wood Logging/Wood Fuel	13	6.28%
Professional Services	12	5.80%
Plumbing & Heating	4	1.93%
Other	28	13.53%
Total	207	100.00%

CHART 3(b)



Distribution of Black Businesses in Nova Scotia by Industry Category

PROGRESS

Government has funded a number of projects in the past in an attempt to address specific needs of the Black community. These included programs such as the Black Entrepreneur Fund and the Preston Area Development Fund. The most recent, notable initiative is the "Response to the Black Learners Advisory Committee Report on Education". This Initiative is only in its initial stages, however, it represents a systematic, proactive approach to addressing pitfalls in the education system with respect to Black learners. Education is recognized as a cornerstone to success and, an initiative such as this that will improve the education level of the Black population in Nova Scotia, will bring the Black community a step closer to achieving economic independence. One of the recommendations contained in the BLAC Report and accepted by Government was the formation of the African Canadian Services Division within the Department of Education.

There will be many opportunities for the BBI and the African Canadian Services Division of the Department of Education to work together. **Therefore, it is strongly recommended that the Executive Director of the BBI open and maintain communication channels and develop a strong working relationship with the African Canadian Services Division.**

It is equally important that the BBC be kept informed of any and all initiatives affecting the Black community. This will ensure that the BBC can remain responsive to the needs of the Black community. **It is recommended that all levels of government provide, on an ongoing basis, details of programs affecting the Black community to the BBC.**

PROCESS USED FOR CONSULTATION

The Task Force undertook extensive consultation with Black communities throughout the Province. The process involved community consultations and the distribution and completion of questionnaires by individuals of the Black community. A number of written submissions were also received from key organizations and agencies. In addition, the Task Force met with individuals in the Black community and representatives from organizations and groups to listen to their ideas.

Community Consultations

At the time the Task Force was appointed, the African Nova Scotian Business Ad-Hoc Committee of Voluntary Planning was in the process of facilitating a long term strategic plan for African Nova Scotia Business Development. This Committee had scheduled meetings with various communities across the Province to seek input. In order to avoid duplication and confusion, the Ad-Hoc Committee agreed to allow the Task Force to participate in those community meetings, make a brief presentation on the BBI and participate in the group discussion. There were a series of 16 meetings held in communities throughout the Province during the months of June and July 1995. The advertisement and promotions for these meetings were arranged by Voluntary Planning.

In addition to the above, the Task Force held a separate community consultation meeting on July 19, 1995 at the Black Cultural Centre in Dartmouth, Nova Scotia. Information flyers were prepared by the Task Force and circulated widely in the community to notify residents of the meeting. Also, advertisements were placed in the Halifax Herald. (See Appendix 1).

As well, an interview was held on CBC Information Morning Radio on July 19, 1995 to discuss the BBI and the purpose of the community consultation meeting for that evening. There was also a separate community consultation meeting held in Windsor Plains on July 26, 1995.

During each of these community consultations the Task Force summarized matters that were conveyed to the BBI. A summary and correlation of these consultations is included in Appendix 2.

The following listing indicates the communities and dates where the consultations took place.

<u><i>Date</i></u>	<u><i>Location</i></u>	<u><i>Person / Group</i></u>
June 21	Kentville	group Annapolis Valley, Kings County, and Windsor Plains
June 22	Halifax	cancelled due to no attendance
June 23	Lincolntonville	group, Lincolntonville, Guysborough, Antigonish
June 23	New Glasgow	group, Pictou County
June 24	Sydney	group, Sydney area
June 26	Beechville	group, Beechville area
June 29	Lucasville	group, Lucasville and Upper Hammonds Plains area
July 4	North Preston	group, North Preston area
July 5	East Preston	group, East Preston area
July 6	Cherry Brook/ Lake Loon	group, Cherry Brook/Lake Loon area
July 7	Digby	group, Acaciaville, Digby, and Bridgetown area
July 8	Yarmouth	group, Yarmouth and Shelburne area
July 11	Dartmouth	small group
July 13	Halifax	group, Halifax area
July 14	Truro	group, Truro area
July 15	Amherst	group, Amherst area
July 19	Black Cultural Centre	group, meeting by BBI only
July 26	Windsor Plains	group, Windsor and Three Mile Plains area, by BBI only.

Questionnaires

A five-page questionnaire was developed by the Task Force (see Appendix 3) and circulated in Black communities throughout the Province. Approximately 300 questionnaires were distributed, resulting in 55 completed questionnaires returned to the Task Force. The following chart shows the geographical distribution of respondents to the questionnaires.

BLACK BUSINESS INITIATIVE QUESTIONNAIRE RESPONDENTS

Location	Total Number Received	Percentage of Total
Amherst	5	9.1%
Centreville	1	1.8%
Dartmouth	5	9.1%
Digby	1	1.8%
Eastern Passage	1	1.8%
East Preston	5	9.1%
Halifax	2	3.6%
Lower Sackville	3	5.5%
Monastery	1	1.8%
New Glasgow	4	7.3%
New Minas	1	1.8%
Sydney	1	1.8%
Timberlea	1	1.8%
Unknown	19	34.5%
Windsor	5	9.1%
TOTAL	55	100.0%

An outside consultant, Mr. Edward Halef, Premium Computer Services, was engaged to summarize and analyze the results of the questionnaires and to summarize the key findings resulting from the community consultations. A copy of his report is included in Appendix 4.

There were eleven questionnaires received after the responses were summarized and analyzed. As those questionnaires contained similar responses to those already summarized, the Task Force was satisfied that the summary adequately addressed the comments and issues included in those questionnaires.

Presentations by Organizations

Listed below are the organizations/groups that were invited to make a presentation to the Task Force. The organizations that accepted the invitation and met with the Task Force are noted by an asterisk. Where written presentations were provided a copy has been included in this Report in Appendix 5.

Voluntary Planning African Nova Scotian Ad-Hoc Committee *
Advanced Management Centre - Henson College *
Africville Genealogy Society
Afro Canadian Caucus of Nova Scotia
Association of Black Social Workers
Black Lawyers Association
Black Learners Advisory Committee *
Black United Front
Dartmouth East Black Learning Centre
Halifax County Regional Development Agency*
Minority Construction Association of Nova Scotia *
Preston Area Economic Development Office *
Preston Area Housing Fund
Rainbow Network Support Association
Watershed Area Development Enterprise *

Presentation by Individuals

The Task Force approached a number of individuals and responded to requests by individuals, to meet on a one-on-one basis to exchange ideas and opinions. The following is a listing of these individuals:

Doug Sparks - Development Co-ordinator LUHP Development Office
Tony Atuanya - Preston Area Economic Development Office

Rustum Southwell - African Canadian Business Development Centre
Aileen Johnston - J M. Bookkeeping & Taxation Service
Calvin Gough - Department of Education
Gordon Tynes, Businessman - T.W. Pultrusion Ltd.

Submissions

The Task Force received submissions from the following:

African Canadian Business Development Centre
Black Lawyers Association
Carol Martin, C. M. Development Services
Darcy J. Gray
HOPE Society
Nova Scotia League for Equal Opportunities
Preston Area Board of Trade

Copies of these submissions are contained in Appendix 6.

Meetings by Task Force

In order to meet the September 1, 1995 deadline, the Task Force met at least weekly during the months of June, July, and August. A total of 22 meetings were held up to August 31, 1995. Additionally, informal discussions and communication between Task Force members took place on a regular, ongoing basis, usually daily.

The Task Force also took a team approach in fulfilling its duties. The Support and Resource Staff played an integral role in assisting the Task Force. **While the Task Force members maintained responsibility for decision making staff members were always part of the process.**

Reports and Other Reference Material

The Task Force gained access to a number of relevant documents and reports on initiatives and issues relating to Black communities. A detailed listing of the reports which were available to the Task Force are included in the Bibliography.

A STRATEGY FOR SUCCESS

The Issues

The consultation process and the input received from the questionnaires provided the Task Force with invaluable insight into the Black business community. The people involved in the process discussed the problems and obstacles they face daily in trying to develop a viable business in what is often an uncaring or even hostile environment. From these discussions, other consultations within the Black community, and research undertaken by other groups, such as the work done by the Black Learners Advisory Committee, the Task Force has identified nine major issues:

1. From all of the information gained from questionnaires and meetings, the lack of business skills was identified as the number one issue. The level of business knowledge among Black entrepreneurs is low particularly in the areas of financial management, marketing, and overall development of business plans. The consequences of this are tremendous, namely, an inability to get financial assistance.

The basis of this problem obviously begins with the overall education level of the Black learner. Many previous government programs have attempted to address the financial needs of the Black entrepreneur without emphasis on upgrading of skills. In many cases this addressed the symptoms of the problems and not the cause.

2. Black communities are spread throughout the Province and community size ranges from very small, with fewer than 50 people, to the metro area with upwards of 10,000. This distribution complicates the efficient delivery of any program and makes it harder to mobilize individual Black communities to tap the resources that each community will need.

A concerted effort will be needed to accommodate the population distribution. Several suggestions were received, such as; coordinating activities with other groups, providing a travelling outreach service, use of appropriate media tools, providing electronic communications networks.

3. There is evidence of a weak business culture, which is generally true for all Nova Scotians, but a real interest expressed by people in starting a business.

Based on the information from the 1992/93 Human Resource Development Canada Report and the Preston Area Business Directory, there are approximately 200 businesses in Nova Scotia which are owned by Blacks and half of these are located in Halifax, Bedford and Preston areas. This is somewhat surprising since Halifax County is home to nearly 73% of the total Black population and a higher proportion of Black businesses would be anticipated. Nearly one third of all the businesses are located in the Preston area.

Of the total number of businesses, only 7 are engaged in manufacturing and 12 in professional services. Most of the others are active in businesses serving a local population, they are: retail, construction, auto service, personal services. Most of the companies are small, averaging 1.5 full time employees.

The consultation process and the questionnaires revealed that most who participated either owned a business or were interested in starting one.

4. Perceived and actual discriminatory behaviour from:

- banks and other financial institutions;
- government;
- business people;
- community or regional economic organizations.

The questionnaire and meeting responses revealed a number of instances where the applicant felt that the person representing the institution or organization was unfair, unhelpful or outright discriminatory in dealing with their application. The general feeling within the Black community is that existing offices that are established to provide assistance, i.e., government, banks, training facilities, are not open to assist the Black entrepreneur.

Whether this opinion is warranted or not is not the issue in this Report. What is at issue is the perception that the "doors are closed". This is what stops the Black entrepreneur from attempting to access this assistance. One example recounted to the Task Force was a situation where a Black male entrepreneur entered a government office to review his proposal and obtain an application for financial assistance. This individual stated that he was not treated fairly and was refused in his request for the application forms. At some point later, the entrepreneur's spouse, a white woman, went to the same government office with the same proposal and was provided with an application form.

5. There are few links to business and community leaders although this varies considerably depending on the community. This can hamper the development of potential Black businesses which have to access normal business resources in the course of their establishment and growth. It also marginalizes Black people to establishing those businesses which require the least amount of capital because accessing the necessary business resources such as financing is not a normal and natural part of their routine.

The consultation process revealed other evidence of isolation from the business community, including the lack of participation of Blacks in business organizations the lack of participation in community economic development organizations and groups and the lack of consultation with the Black community in general. Needless to say, there are very few Blacks among the professional ranks of financial institutions, government institutions and other related business services.

6. There are few successful Black business leaders within communities who can act as role models and mentors. While this is changing, and there are examples of successful Black business people who export throughout the world, it is changing slowly.

Some communities, notably the larger ones, have many potential business role models. Other communities are not as fortunate, but they have community leaders or professionals. Each community has its own set of resources to draw upon.

7. In some communities, communication and information exchange is conducted in non-traditional ways, for example, through church bulletins, flyers, in person. Each community differs.

This indicates a need for individually designed communications plans which must fit the needs of the particular community. There is obviously a role for electronic communications to meet the needs of business people who can use this method to bring resources to their own businesses and to meet the needs of the larger Black community.

8. Financing the early stages of business establishment and growth is a difficult task for most companies. Small business associations, governments and institutions have identified the lack of access to capital as one of the most serious problems facing business people today.

For the Black community, this difficulty is even more apparent because of the greater lack of business skills and history of rejection from institutional financing sources. Also, because of the socio-economic condition of the Black community there is not a great deal of wealth in the community.

Lack of capital was identified throughout the consultation process. Specific references to financing difficulties included lack of working capital, equity capital, and loans. Another problem facing the Black business community is the difficulty in gaining access to financial resources. The experience of some Black entrepreneurs in obtaining financing from private and public institutions is very poor. The ultimate result is that Black businesses are typically under-financed and therefore likely to fail. The Black business community must be in a position of equitable opportunity with other businesses in approaching institutions which offer these services. Clearly there are financial "gaps", which must be addressed.

9. There is a lack of information and understanding about business assistance both from government and private sector financial institutions. The level of knowledge about government assistance programs is extremely low in the Black community as demonstrated by the graphs on pages 38 and 39.

Current government communication channels simply do not get information on government programs into the community and ultimately into the hands of the Black entrepreneur. This problem was generally more pronounced the further the community was away from the metro area.

Stories were recounted where Black entrepreneurs went to government offices and directly requested information on programs that are available. They were often advised of only one or two of the most utilized programs and not of the multitude of programs that are currently offered. Almost, without exception, there was no knowledge of programs like the Canada/Nova Scotia Co-operation Agreements. It was not possible at the consultation meeting to determine if this was due to a marginalizing of the Black entrepreneur, or if the government officers simply were not aware of the programs themselves. Additional discussions with government field officers seem to indicate that both factors played a role.

insert graph

insert graph

Vision

The Black Business Initiative is an opportunity to address the issues within a cohesive framework that will achieve a number of overall goals:

- economic independence of individuals;
- improved standards of living;
- career options for youth;
- pride in communities.

This Initiative will work toward these overall goals by concentrating its efforts in one specific area: **business development**. The Task Force believes that helping individuals create and grow healthy businesses will provide economic self-sufficiency and a future for Black youths looking for career options. At the same time jobs will be created within a community suffering from extremely high unemployment, more than 40% in the 20 to 29 age bracket.

The Task Force has articulated a vision for the Black Business Initiative, as follows:

"To foster a dynamic and vibrant Black presence within the Nova Scotia business community."

Principles

The Task Force recommends the adoption of the following principles and values which will guide the Initiative. It is expected that these principles will be understood and adopted by everyone associated with the Initiative and the principles will guide day-to-day operations.

- *Every Black person who expresses an interest in starting a business is important to this Initiative;*
- *The Black community needs business know-how, information and skills development - not*

charity;

- *The Black business community should be fully integrated with the larger business community in order to access the necessary resources;*
- *Direct financial assistance is only one component of this Initiative;*
- *The merits of a project depend on the viability of the business case.*

Key Development Areas

Based on the consultation process, the following areas must be addressed through this Initiative:

- Communications and networks of all types - person to person, through organizations, through the media, in written communications, and via electronic means;
- Information about business assistance and opportunities, and training in business skills;
- Race relations education for people who provide resources to businesses - both within the government and within the private sector (for example: banks, credit unions, insurance agencies, legal services, business services);
- Research on ways to assist the Black community, surveys and studies to understand what is needed and whether the Initiative is fulfilling expectations, and evaluation of this program so that adjustments can be made to better meet the needs of the Black business community.

Goals

The Task Force has identified four goals for the Initiative which will concentrate the resources available to maximize effectiveness and to see real, measurable progress in economic development within the Black community.

The following goals have been designed to address the key development areas listed on the previous page:

1. To help create economic independence of individuals;
2. To further entrepreneurial development, education and training in the Black community;
3. To build partnerships and linkages to the broader business community;
4. To create/improve access to private and public sector business support.

Goals And Evaluation Framework

In order to determine whether or not the Initiative is making progress, the Task Force has established the following measurement criteria for each goal:

1. To Help Create Economic Independence Of Individuals

- i) To create new companies - 10 new companies in year one of the Initiative, 12 in year two; 15 in year three; 19 in year four; and 24 in year five. Year one of the Initiative will be November 1, 1995 to September 30, 1996. The database created by the BBI will track company creation and sustainability on an annual basis.
- ii) To strengthen existing companies -this will be measured by key indicators: revenue, profitability, employees, productivity, etc. An annual survey will include results in the BBI Database.
- iii) Increase employment in the Black community (by ensuring that the Black unemployment level is no worst than the Provincial average). **It is recommended that Statistics Canada undertake the collection of such data on an annual basis. In the interim, the BBI will attempt to find partners to develop the Nova Scotia data.**

2. To Further Entrepreneurial Development, Increase The Opportunity For Business Education And Training In The Black Community.

- i) Partner with organizations, such as; Universities, the Black Learners Advisory Committee, Self-Employment Assistance Program (SEA), Community Colleges, High Schools, Credit Unions, BDBC (Business Development Bank of Canada, formerly Federal Business Development Bank), Boards of Trade, Training Institutions, etc., to lever resources for training via workshops and courses, and for access to computer equipment.
- ii) Provide, at least, three development seminars in each of the four regions per year, either directly or in partnership with other organizations. These seminars will be designed to meet the needs of the community.
- iii) Develop a quarterly business newsletter for circulation in the Black community and to RDA's, BDBC, ACOA, ERA, BDC's, and others.
- iv) Identify mentors for Black businesses and include them in the communications plan. Identify and approach Black business or professional people who would like to volunteer their time to help Black entrepreneurs by acting as a resource within the community.
- v) Develop a speakers list (including both successful business people and those who have experienced failures) and promote its use as a resource to bring experienced people to the community. This list will be made available to communities to conduct speaker series.
- vi) Publish and distribute through established communication channels, case studies and videos on successful Black business people
- vii) Develop, or acquire, interactive training modules which can be used by Black entrepreneurs at home or in their own communities.

- viii) Develop a list of investors who are interested in investing in Black businesses thereby partially addressing lack of equity capital issues.

3. Build Partnerships and Linkages to Broader Business Community

- i) Conduct research, which would include research on existing Black businesses and on the obstacles to Black business ownership. Organize this information in a database and communicate appropriate material on the Internet and through established communications channels.

- ii) Communications:

Create an electronic presence and encourage banks and other institutions and organizations to participate. Link to the Black Cultural Centre World Wide Web page and other appropriate sites.

Find the most effective way to communicate with Blacks within particular communities as well as assisting in the establishment of alternative communication channels. In some places this may be contact through churches; in others it may be weekly papers or person to person.

Offer a toll-free, 1-800 phone service for information about the Initiative and for channelling business assistance requests.

- iii) Link to existing structures in all regions, including RDA's, BDBC, ACOA, ERA, BDC's, BLAC, etc. The Board and staff of the BBC will develop and foster relations with these organizations and others as appropriate. The members of the Board will actively participate in the implementation of this objective.

4. To Create/Improve Access to Private and Public Sector Business Support

i) Race Relations training:

It is recommended that government introduce a program to fast track race relations education for ERA and ACOA regional development staff (as a group so that the discussions will centre around aspects of discrimination related to businesses). This program is currently offered by the Provincial government and will simply require the proper scheduling to ensure the training occurs.

An institutional program - a systematic program of discussions with banks, credit unions and other financial, insurance, accounting and legal institutions and organizations about their dealings with Black clients to ensure that fairness is achieved and seen to be achieved.

As appropriate, implement similar programs for RDA's, other levels of government and other community organizations.

ii) Expectations training:

It is recommended that the BBC develop an education module for Blacks to show what they can and should expect (or not expect) from institutions, governments and organizations offering business assistance.

iii) Make representation to organizations that the Black view must be taken into account, either through a specific mechanism or through representation on their Boards. Approach ACOA, ERA, RDA, BDBC, Chamber of Commerce, among others.

MOBILIZING THE RESOURCES FOR THE INITIATIVE

Overview of Structure

Throughout the consultation process consistent messages were heard from Black entrepreneurs across the Province on the need for services such as business counselling, business skills training, and financial assistance. Black entrepreneurs also spoke of the need for better communications, information, and race relations education for those that deliver public and private sector business support services. A plan of action to address these and other relevant issues has been presented in the *Issues and Strategy Sections* of this Report. Very thoughtful and thorough consideration was given on how the structure of the Initiative should be designed to best implement the *Strategy for Success*. This section of the Report will describe the structure chosen and the underlying rationale for its design.

The BBI must have a physical location where Black entrepreneurs can walk in, feel comfortable and be able to access an array of resource material and business support services. This physical presence is also required for the BBI to generate significant profile within the broader business community and to be the communications centre/head office for Black businesses in the Province. Accordingly, one component of the structure will be the establishment of a **Black Business Centre**.

Black communities are spread throughout the Province and community sizes, outside the Metro area, are generally very small. For this reason it is not practical or financially feasible to establish a series of Black Business Centres. The community consultations echoed the need for mobile service delivery rather than a static series of centres throughout the Province, as the chart on page 48 illustrates. The Initiative has been structured so that Regional Business Development Managers will be hired and will be responsible for travelling and bringing program and service delivery to clients in the outlying regions. These Regional Business Development Managers will use existing office locations and will partner with organizations within the community, such as; ERA, ACOA, RDA's, BLAC, BDC's, etc., in order to deliver the services required. It was felt that hiring **Regional Business Development Managers** to deliver programs and services to these communities was the most cost-effective and efficient way to address the geographical isolation of the Black communities throughout the Province.

The **Regional Business Development Program** will be the second component of the structure.

It was clear from community consultations that Black entrepreneurs find it difficult to access capital for business ventures. One of the mandates of the Centre and the Regional Business Development Managers will be to help Black entrepreneurs access existing loan programs. However, where this is not possible, and where entrepreneurs have viable business plans and can demonstrate effective management, there needs to be an avenue to provide capital to these entrepreneurs for their business ventures. A third component of the Initiative will be the establishment of a **Loan Fund** to address the financial gaps that have been identified and provide an avenue for Black entrepreneurs to access capital for business ventures.

There may be instances where a Black entrepreneur has a viable business plan and can demonstrate effective management, but may lack the initial equity capital required in order to secure financing for business start-up. A fourth component of the structure will be the establishment of an **Equity Fund**.

In addition to the above funds, a **Development Fund** will be established to help Black communities, groups and organizations identify their strengths, undertake strategic planning and develop programs. This Development Fund will be the fifth component of the structure.

In order to provide for accountability a Board of Directors needs to be established to provide guidance and assume the overall responsibility for all elements of the Initiative. It is also important for the Board to be representative of all regions of the Province. For this reason a 12 member Board of qualified individuals who share a commitment to Black business development will be formed. Accordingly, the sixth component of the Initiative will be the **BBI Board of Directors**.

These components have been designed by the Task Force to bridge current gaps in the system, as well as introduce the Black entrepreneur into the system in a positive and rewarding way. Each of the components of the BBI, being the Black Business Centre, the Regional Business Development Program, the Loan Fund, the Equity Fund, the Development Fund and the BBI Board, will be discussed in more detail in the following sections of the Report.

insert chart

Black Business Centre (BBC)

The BBC will become the co-ordinating body of the BBI in the Province and will, among many other activities, act as the "Head Office" of the BBI. Under the vision statement "To foster a dynamic and vibrant Black presence within the Nova Scotia business community", the mandate of the BBC will be to support the establishment of new Black businesses and the expansion of existing businesses. The BBC will also act as a leader, a catalyst and a bridge to mainstream programming.

As the administration, communications, and resource centre, it will be responsible for the day to day implementation of the strategy, researching and tracking data, maintaining records, co-ordination and delivery of business services, hiring, training, supervision, and evaluation of the BBI staff.

The range of services to be performed by the BBC can be tied directly to the needs expressed during the consultations as depicted in the following graph.

These services are:

- Business Support Services
- Business Skills Training
- Counselling, Monitoring and After-Care Program
- Consulting Assistance
- Partnerships
- Mentoring
- Communications
- Research
- Administration

The proposed location of the BBC also reflects the majority opinion of the Black business community.

Business Support Services

Aspiring Black entrepreneurs require fundamental business knowledge as well as access to a variety of resources in order to develop their ideas in viable business ventures. They will have many demands for both their time and financial resources.

The BBC, by providing access to these business support materials, will allow the entrepreneur to direct the financial resources of the business to day to day operations, rather than capital assets. For example, a new business may have only periodic need for a fax machine. If provided with access to a fax machine located at the BBC then the money that the business person would have spent on purchasing a fax machine could be used for more pressing requirements. As the business grows the entrepreneur will have greater requirements for this type of equipment and, will hopefully become more profitable, thereby enabling the entrepreneur to purchase the capital assets that are required.

Obviously, these services will not assist the rural areas which do not have access to the BBC. **It is recommended that funds be allocated to allow for partnering with existing community offices to ensure that the business support services are equitably delivered across the Province. It is also recommended that a workstation area be established in the BBC that can be utilized for short periods by entrepreneurs.** Additionally, the workstation which will include a computer, plus other relevant office equipment and will allow access to the "Internet". This will allow the entrepreneur to tap into the multitude of Black home pages on the Internet. (A recent search on the internet for the key words "Black Business" revealed in excess of 60,000 home pages).

In addition to a workstation area, the Black entrepreneur requires access to a wide variety of information and technical assistance. **It is recommended that the BBC establish an Information Resource Centre, which will be a collection of government and private sector information booklets and other publications relevant to business.** A complete and up to date selection of brochures detailing programs available to business, as well as publications such as *Black Enterprise* should be maintained.

Business Skills Training

As previously stated, there was a clear message from the consultation process that Black entrepreneurs throughout this Province require business skills upgrading. Whether it is a new or existing entrepreneur, some of the skills necessary to run a business may be lacking. **It is recommended that significant funding be allocated to provide for training of Black entrepreneurs.**

The training that is required spans a broad range of topics. The existing entrepreneur may need assistance in financial management (including bookkeeping), marketing, production, etc. The new entrepreneur may require the same types of skills training but may also have additional needs such as how to prepare a business plan, how to conduct market research, or even what to expect from different organizations. An example of the latter which has previously been mentioned is Expectations Training.

Having had little experience with organizations such as banks, government, etc., many new and existing entrepreneurs may not understand what these organizations can do for them or what the organizations may require. This type of training should be developed by the staff of the BBI so that all Black entrepreneurs can understand how the system can work for them.

Access to training will not only be from the BBC but will also include training programs delivered by other existing institutions. Seminars may be set up specifically for Black entrepreneurs or they may participate in programs already established. Every effort must be made to tap into all training programs currently available, providing the information is delivered in a format understood by the Black entrepreneur.

Whatever form the training takes, two basic principles must be adhered to:

- 1). The training must be relevant to and driven by the Black business community. Programs must address the real needs of the entrepreneur and not simply be delivered for the sake of providing training.
- 2). The training must be accessible. Accessibility can mean many things to many people. In rural areas it may be necessary to take programs normally only offered in the metro area right to the community. Accessibility is also relevant in terms of timing. It is not reasonable to expect entrepreneurs to attend training courses only during working hours. They have businesses to run and may only be able to attend courses in the evening. **It is recommended that a flexible approach be adopted to business skills training.**

Counselling, Monitoring and After-Care Program

The BBI must do more than simply help a new business get started. It must also stay with the new business or assist an existing business in becoming, staying or improving its viability. **It is recommended that the BBC conduct a monitoring and after-care program for its clients.** Basically, it should continue to help an entrepreneur until they can stand on their own and become mentors themselves.

This after-care program should take on many forms. The staff of the BBC should maintain contact with business in many ways:

- Assist entrepreneurs in analyzing their financial statements (annually, or more frequent, as required);
- Periodic site visits or other contact with clients;
- Assist in assessing of additional financial requirements;
- Business advisor services.

This hands on type of support will not only help improve troubled situations but also help prevent the situations from occurring. This after-care program is an extremely important element as it is vital that the approximately 200 existing Black businesses in the Province grow and flourish. This base of businesses will form mentors and role models for the future as well as continue the creation of new jobs for the Black community.

Consulting Assistance

The BBC should also have the ability to assist the entrepreneur by hiring a consultant on a short term basis to help rectify specific problems. There will be times when BBC staff are unable to or are too busy to properly assess and address the problems of an existing business. The BBC should be able to, on a selective basis, retain a professional consultant to study and detail the extent of a problem, recommend changes to the company structure and/or implement changes in the operations. **It is recommended that funds be allocated to allow for the contracting of consultants as required. It is also recommended that the BBC compile and maintain an up-to-date listing of consultants who can perform these duties and have a rapport with the Black community.**

Partnerships

The staff of the BBC must develop and foster a number of partnerships. Some of the most obvious partnerships will be with financial and educational institutions, community groups and organizations, and various levels of government, including the African Canadian Services Division of the Department of Education. There are many reasons for this type of partnering.

The primary reason is to create a flow and dissemination of information. It has been stated before that the Black business community simply is not aware of the current programs or guidelines of these targeted institutions. The BBC will have to bridge this gap by obtaining all of the information it can. It will seek out those that are successfully delivering programs and provide that information to the Black community.

Partnerships with private industry must also be considered. It is becoming more commonplace to see larger organizations such as MT&T, IBM and many others taking on a greater role as corporate citizens. Tapping into this pool could provide some much needed resources to the BBC at little or no cost. For example, perhaps free internet access could be negotiated with NSTN, or perhaps IBM (whose president happens to be Black) could assist with establishing a workstation. These approaches may or may not be successful, but if nothing else they will raise the profile of the BBI.

Mentoring

Partnerships must be formed with the existing business community. The BBC must seek out successful entrepreneurs who are able and prepared to act as role models for Black entrepreneurs. One excellent way to assist a new entrepreneur is through a mentorship program. Successful business people can pass along a great deal of knowledge to a new entrepreneur. **It is recommended that the Black Business Centre develop and maintain a mentorship program.**

While it would be preferred that successful Black business people become the mentors there is a large number of successful non-Black entrepreneurs who could perform in this role and would welcome the opportunity.

Communications

The BBC must address one of the other most significant obstacles currently facing the Black entrepreneur -- accessing communication channels. While the BBC will actively seek out all knowledge of government programs for business, it too must be able to disseminate this information.

To accomplish this, the BBC will undertake to develop or partner with another organization to produce a quarterly newsletter. This newsletter will serve as a vehicle to not only get program information out but also to spread the good news about Black business success stories.

The BBC will also establish a presence on the Internet. This will allow for effective two-way communications not only throughout the Province, but also worldwide. The BBC will establish a toll-free, 1-800 service as a means of making accessibility less expensive to non-metro areas.

In addition to these initiatives, the Regional Business Development Managers will also be responsible for exploring, understanding, and assisting in the establishment of communication channels within each community. The consultation process has revealed that each community differs in how it "gets the word out" with some being more effective than others.

It is recommended that the BBC develop effective communication channels for the Black business community.

Effort will be expended in developing the networks and assisting those networks in tapping into mainstream channels.

Research

The BBC will undertake ongoing research projects in order to fulfil its mandate. Some areas already identified include:

- Establishing and continuously updating a province-wide Black business directory;
- Identifying unemployment levels within Black communities;
- Development and update of a comprehensive database of Black business;
- Survey companies on key financial indicators;
- Case Studies;
- Speaker list;
- Developing mentorship program;
- Obstacles to Black business ownership.
- Investors List.

Administration

The BBC will need to establish effective internal administrative and financial controls. The flowing of \$ 5 million is a significant outlay that requires strict controls to ensure that all funds can be accounted for and programs can be evaluated. Understanding where the money has been spent and how effective programs have been is integral to ensuring the BBI remains responsive to the needs of the communities.

In order to ensure these controls are in place, the BBC will hire a Controller with an appropriate financial background. See Staffing section of this Report on page 66.

The financial controls will encompass all aspects of the BBC. They include not only money spent on programs, but also salaries and overheads, loan disbursements and collections, and accounts payables and receivables.

The BBC will establish a relationship with a major chartered bank and open accounts as required. Administration of salaries may be best handled through the utilization of one of the many payroll service companies currently in the marketplace, many of which are associated with the chartered banks.

In order to maintain control over the outflow of money from the BBI, it is recommended that all cheques under \$2,500 be signed by both the Executive Director and the Controller and any expenditures or advances above \$2,500 must be signed by one of the Controller or Executive Director, plus the Chairperson or Vice Chair of the Board.

The administration of the loan fund will necessitate effective loan accounting records systems. **It is recommended that the BBI liaison closely with ERA accounting staff for assistance in establishing the loan portfolio management system.**

All of the above-noted points are designed to maintain a handle on the outflow of money. Another important aspect that must be considered is the control and management of cash reserves. The BBI will, at times, have significant cash holdings. These funds must be managed in an effective and prudent manner to ensure the return on these funds are maximized at minimal risk.

Location

While the role and function of the BBC has been discussed, consideration must also be given to its location. It has been suggested by some that the natural location of the BBC is in the Preston area. The primary reason for this opinion is due to the large concentration of Blacks in this area.

The geographic distribution chart on page 21 of the report reveals that 73% of the Black population in Nova Scotia is located in Halifax County. Admittedly, a large percentage of this population is in the Preston and Cherry Brook area. On the surface, this would seem to be a compelling reason to locate the BBC in Preston.

The community consultation process has, however, indicated a strong preference for a location in the city of Halifax. 21% of the respondents to the questionnaire indicated Preston as the location of preference. Alternatively, 52% indicated a preference for Halifax or Dartmouth. Discussions at the consultation meetings also indicated some concerns over the effectiveness of a Preston location. Refer to page 60 for a chart displaying location preferences as indicated during the consultation process.

There appears to be a real polarization of the Black community outside of the Preston area. There is a very strong feeling and perception that past government programs directed for the Black community have been directed solely at the Preston area at the exclusion of the rest of the Province. Without fail, this point was raised at every consultation meeting outside of Metro. In fact, most are extremely sceptical that the BBI will extend beyond the Halifax boundaries. These perceptions must be taken into account when devising a program such as the BBI.

In addition to the feedback from the consultation process, there are additional factors that must be considered in determining the location:

- 1). The BBI and BBC must generate a significant profile within the general "mainstream" public. Ultimately, it would be optimal if at the end of the BBI that the Black business community is fully integrated into the mainstream system and the need for programs such as the BBI is eliminated. This is ambitious and may not be obtainable but locating the BBC away from the mainstream will diminish its profile.
- 2). In addition, to simply being seen the BBC must be located where it has access to and a presence in the financial hub of Nova Scotia. In order to solve the access issue previously noted, the BBC will have to develop strong relationships within both the public and private sector lending institutions. This will be difficult to achieve if the BBC is not located in the "hub".
- 3). There is also a very real risk that should the BBC be located in the Preston area, some of the infrastructure currently in place may be challenged. This challenge would certainly not be intentional but having two or more offices, in a small area, all providing assistance to businesses and only one being seen as having access to funding will result in confusion and perhaps the demise, or at least diminishment of one or more of the offices.

In other words, locating a new and separate organization such as the BBC so close to the WADE office and Preston Area Economic Development Office may detract from programs the latter two organizations deliver.

Instead of being viewed as competition it would be far more effective not to locate in the same area but to locate the BBC elsewhere and develop a very strong working relationship with these organizations. This will ensure that the entrepreneur who has been utilizing the services offered by the two above-noted existing offices will continue to use these services, plus tap into other programs offered by the BBC. **It is recommended that the BBC establish a strong working relationship with organizations such as WADE and the Preston Area Economic Development Office.**

- 4). Overhead is another issue. In order to maximize the impact of the limited funding of the BBI, it was considered that the BBI would partner with and utilize existing government infrastructure. In these times of downsizing and cutbacks, there may be existing office space in government buildings that would be suitable for the BBI. It would be expected that the BBC could be established in an existing government office for a nominal rent plus actual expenses. The location that immediately comes to mind is the Business Service Centre on Brunswick Street. Other comparable locations in the downtown financial district would also be acceptable.

The most important point to be recognized is that the utilization of program dollars for rental space must be minimized, as every dollar spent on overhead is one less dollar for program delivery.

Considering all of these factors it is strongly recommended that the BBC be located in an existing government structure within the downtown Halifax core.

insert chart of locations

Regional Business Development Program

The services offered by the BBC have now been discussed at some length. It is also necessary to review the aspects to be included in the Regional Business Development Program. The primary role of the Regional Business Development Program is to provide the services of the BBC to areas not geographically located near the Centre.

The consultation process revealed a number of specific issues relative to the rural areas of the Province. One of the primary concerns was that of being the " excluded people". The perception is that previous government programs for the Black community have only been meant for Preston. This perception must be addressed and overcome.

Establishing a regional approach for delivery of the BBI will ensure that all areas of the Province will have access to the benefits of the Initiative. One of the concerns expressed by virtually every non-metro community the Task Force consulted with was that the BBI must deliver to the entire Province and not only to the metro Black communities.

For the purpose of the Initiative the Task Force recommends that four BBI regions be established to ensure province-wide coverage.

	Black Population
<u>Region #1 - Metro Region</u>	
Halifax/Halifax County	<u>9,215</u>
<u>Region #2 - Southern Region</u>	
Kings County	160
Annapolis & Digby	530
Yarmouth & Shelburne Counties	398
Queens & Lunenburg Counties	<u>0</u>
	<u>1,088</u>
<u>Region #3 - Central Region</u>	
Hants County	60
Colchester County	396
Cumberland County	<u>386</u>
	<u>842</u>
<u>Region #4 - Northern Region</u>	
Pictou County	600
Antigonish & Guysborough Counties	479
Cape Breton County	<u>403</u>
	<u>1,482</u>
<i>Total Region Population</i>	<u>12,627</u>

Each officer of the BBI will be assigned one of the non-metro regions as a principle responsibility. Additionally, each officer will be assigned specific files in the metro region by the Executive Director. Through this allocation of duties all areas of the Province will receive proper attention.

The division of the Province into four regions and the hiring of three regional business development managers is the first step in addressing this issue. The Regional Business Development Manager will be able to spend a significant amount of time in the field helping to meet the needs of the Black entrepreneur.

It was generally acknowledged that the farther away the community was from Halifax, the greater the likelihood that government communication channels broke down. Areas such as Yarmouth, appeared to receive far less information on government programs than would Preston. Even in the Preston area the level of knowledge about government programs was weak. One exception to this pattern was in the Lincolnville area. There appears to be a strong working relationship between the community and Donna Lawrence, the ERA Field Officer serving that area. This seems to imply that the stronger the relationship with government officers, the more open communication channels can be. Accordingly, an important role for the Regional Business Development Managers will be to bridge the gaps between government offices and the community. **To facilitate the partnering with government, it is recommended that ERA & ACOA hire Black field staff to work closely with the Black business community.**

The following maps on page 63 and 64 show the boundaries for the twelve Regional Development Authorities, and the Business Service Centres of the Economic Renewal Agency, the locations of the Federal Government's Business Development Centres and Base Closure locations, and the recommended boundaries for the four BBI regions.

addressing this insert RDA map

insert Business Service Centres map

In addition, to simply being in the field and forming relationships with existing government and private sector offices such as banks, the field staff will work with entrepreneurs to provide the advisory services, training programs, partnerships, and other programs of the BBC. This Program will also endeavour to establish workstations in strategic locations throughout the Province.

This will be accomplished by partnering with existing organizations such as; Access Nova Scotia, RDA's, Business Development Centres (BDC's), community offices, etc. In some situations, these workstations may already exist and it will simply be a task of informing the Black entrepreneur.

When and where possible, the field staff will utilize existing government or community offices to operate out of when in a community. They will, of course, also make regular contact with their clients and conduct site visits.

Staffing Of The Initiative

It is the opinion of the Task Force that the success of the BBI will be directly related to the skills of the staff hired. The community consultations rated qualified staff as the number one requirement (see chart on page 70). The critical element will be for staff to forge relationships with Black entrepreneurs in the Province, identify and then address their needs. Relationships must also be forged with government, financial and educational institutions. It is expected that many of the advisory needs of the entrepreneur can be dealt with by staff. Therefore, it will be necessary to ensure that highly qualified, dedicated staff are hired. The requirements of the positions to be filled are immense and only individuals who are truly interested in the advancement of the Black entrepreneur and the goals of the BBI will be able to accomplish the tasks ahead of them.

The Black Business Centre will be staffed with six Black professional workers, consisting of an Executive Director, three Regional Business Development Managers, a Controller and an Administrative Assistant. Given the extensive knowledge of the Nova Scotia Black community gained by the Task Force during the consultation process, **it is recommended that the Task Force be assigned the responsibility of selecting the Executive Director.** Each of these staff will be hired on a renewable contract basis. The Executive Director will report to the Board of Directors of the BBI while the three Business Development Managers, Controller and Administrative Assistant will report to the Executive Director. The organizational chart for the Centre is shown on page 71 of the Report.

As previously stated, the consultation process clearly indicated particular concerns and problems for the rural areas of the Province. The simple fact that the rural areas are not located near Metro has, in itself, created problems in accessing programs, i.e., access to the TD Venture Loan Program, when the nearest TD Bank is 100 - 200 kilometres away.

The three Regional Business Development Managers will each be assigned a specific non-metro region and together the three will be responsible for the metro region. The designation of one manager per rural region will place an emphasis on the regions and facilitate the relationship building process. It is anticipated that the Executive Director will also share some responsibility for the case-load in the Halifax/Halifax County area.

The staff of the Black Business Centre will be located in the Halifax metro area. However, it is anticipated that the Regional Business Development Managers will travel and work extensively throughout the regions designated to them. These Regional Business Development Managers will use existing office locations and partner with various organizations within the community, such as; ERA, ACOA, BLAC, RDA's, etc., in order to deliver the services required. The Regional Business Development Managers will, however, assess the organizations in each community and form partnerships with the most effective and relevant group.

Key Responsibilities Of Staff

The Task Force outlined a number of major issues which are summarized in *The Issues* section of this Report. These issues include perceived and actual discriminatory behaviour from various private and public sector organizations; few links to business and community leaders; lack of information and understanding about business assistance/support programs and training in business skills; the need to identify an effective community and information network; and the need to undertake more detailed research on Black businesses in Nova Scotia. Accordingly, the key responsibilities of the Centre's staff have been designed to address those issues identified by the Task Force.

It is recommended that training for all staff of the BBI be undertaken prior to the opening of the BBC. This training should include sufficient time at ERA, ACOA, and BDBC, to allow for a clear understanding of the programs offered by each agency and the basic criteria for eligibility for each program. There may also be a need for ongoing upgrading of business skills levels for staff. It is unlikely that each member will have expertise in all aspects of running a business. The more knowledgeable the officers the more effective the BBI will be.

Included in Appendix 7 are suggested position descriptions for the Centre's staff. These position descriptions are not intended to be all inclusive, but designed to provide for the identification of key responsibilities of the Centre's staff. The position descriptions are summarized as follows:

Executive Director

The Executive Director will be accountable to the Board of Directors for the implementation of the strategic planning, development, and management of the various components of the Black Business Initiative. The Executive Director will also be responsible for the provision of in-depth analysis and professional business consulting services designed to encourage and promote business growth and employment opportunities to new and existing Black businesses in Nova Scotia. The Executive Director will also facilitate/co-ordinate business skills and entrepreneurial training.

In addition, the Executive Director will be responsible for creating/improving access for the Black community to private and public sector business support. This will be accomplished in part by building partnerships and linkages with the broader business community.

Regional Business Development Managers

The Regional Business Development Managers will act as the first point of contact between the BBC and its clients (Black businesses, organizations, communities and individuals). The Regional Business Development Manager delivers programs and services. They will assist clients in accessing other government programs and services. The basic functions in the position are: assisting business in an infinite range of requests, problems and opportunities; assisting with the entrepreneurial development, education and training in the Black community throughout the Province, in partnership with others.

Accountant/Controller

The Controller is accountable for the development and management of accounting policies and procedures, the design and implementation of the financial planning process, internal control and financial reporting for the BBC. The Controller will also be responsible for the administration of financial and legal requirements of the Centre's loan, development and equity funds. The Controller will be responsible for the internal monitoring and evaluation of the BBC to determine whether it is fulfilling expectations and meeting its objectives and goals.

Administrative Assistant

This position will facilitate communications of all types, such as person-to-person, media and electronic means, etc., throughout the business community. The Administrative Assistant will also be responsible for the co-ordination of research and studies needed to assist the Black community, including conducting surveys and studies to understand what is needed.

insert chart /qualified staff

insert organizational chart

Loan Fund

While there are many government and private sector financing programs available to the Nova Scotia business community, our consultation gives clear evidence of a lack of access to these programs by the Black business community. Therefore, the primary financing function of the BBC will be that of matching existing financial assistance programs with the financial needs of Black business. The BBC management and staff must be knowledgeable of all the existing financing programs in order to assist Black business in accessing these programs. However, many Black businesses will not meet some of the requirements of these more traditional programs (i.e., equity requirements, poor credit histories, sector exclusions, etc.). The BBI Loan Fund should be established to assist these businesses who are unable to fulfil all of the necessary requirements of existing programs.

It is recommended that a Black Business Loan Fund (BBLF) of \$290,000 (\$250,000 in year one) be established to provide this financial assistance by way of direct advance or a loan guarantee to the Black business community in Nova Scotia.

Strict guidelines and eligibility criteria were demanded by the Black business community as indicated on the graph which will follow. Therefore, the Loan Fund has been structured to provide for appropriate controls and guidelines.

Eligibility Criteria

Under the BBI, any new or existing Black Nova Scotian business that can demonstrate they have effective management, a viable business plan, and an ability to repay the loan, are eligible for funding. There are, however, some exclusions on the industry sectors to be considered, namely: residential and rental accommodations, financial and insurance agencies, real estate and land development, taverns, beverage rooms and lounges and any other business activity deemed not to be in the best interests of the community or the Province.

1. Loans can be considered for the following purposes: capital asset acquisition, working capital, and short term receivable financing.
2. Loans **will not generally** be considered for:
 - i. Refinancing of existing loans or obligations to others. (However, applications which include retirement of prior charges on fixed assets may be considered where, such charges constitute an onerous burden on the business, or are considered necessary to provide adequate security for the loan, and the total amount involved does not represent a major portion of the requested financing).
 - ii. Change of ownership or purchase of existing businesses. (Unless it can be shown that such is important to the survival of the business, and continuation of the business is beneficial to the local community).
 - iii. To finance transactions between related businesses or individuals.
 - iv. To finance a business similar to an existing one owned by applicant or family.
 - v. Purchase of vehicles.
 - vi. For applicants who have previously accessed the fund and have defaulted (without credible justification).

Equity Requirements

Traditional lending programs require a minimum of 20% equity. As previously mentioned, the consultation process revealed the difficulty in raising equity within the Black community. It was also evident from the consultation process that the Black community believes that the business owner should have something at risk. **Therefore, it is recommended that the Black Business Loan Fund have an equity requirement of 10% of the total cost of the project.** For the purpose of the BBI equity is defined as any tangible asset that could be used as security. This includes cash, equipment, land and building, inventory, etc.

Interest Rate

The interest rate will be fixed for the length of the term at the prime rate of the BBC's chartered bank, plus 1%. The loan will be non-interest bearing for a period of one year from the date of advance.

Terms

The maximum loan amount will be \$25,000. The maximum repayment terms will be five years for capital assets and one year for working capital. However, the repayment term for working capital loans will be reduced for businesses which are seasonal.

Security

Security will normally include at least a first charge on any asset being financed (unless otherwise determined), and, if appropriate, such other security as the Board may deem reasonable. Any legal fees associated with the registration of the security are the responsibility of the client.

Personal guarantee/promissory notes, or assignments, where appropriate, will be required for up to the amount of the loan requested.

Fund Administration

The Board of Directors is the ultimate authority for loan approval and fund administration. The Directors may assign any duties or delegate any of their powers to committees consisting of as many members of their members as they may from time to time determine. Members of such committees may, but need not necessarily, be members of the Board. Any committee so formed shall, in the discharge of duties and the exercise of the powers so assigned or delegated, conform to any regulations that may be imposed upon them by the Board.

In the interest of efficiency, is recommended that a Micro Loan Committee be established to approve loans under \$ 2,500. This Committee will consist of the following:

- **The Executive Director;**
- **One Director from the applicant's region;**
- **One other Director appointed by the Board.**

Equity Fund

Even with the provision of a 10% equity requirement for the BBLF, it is clear from our community consultation that 10% might be an impediment to some members of the Black community starting viable businesses (see graph on page 79). In order to achieve the goals of the Initiative, management's functions must also be one of assisting in identifying and developing a list of private sector investors that not only would be willing to invest in viable Black businesses, but are able to provide needed skills to the business. This should be in consort with the Nova Scotia Department of Finance Equity Tax Credit Program. This tax credit is designed to assist Nova Scotia small businesses, co-operatives, and community economic development initiatives in obtaining equity financing by offering a personal income tax credit to individuals investing in eligible businesses.

In support of this area of the initiative, it is recommended that a \$64,000 equity (venture capital) fund (\$52,000 in year one) be established to provide a maximum equity investment of \$5,000 per business. The Board of Directors will determine the amount of equity investment in any project.

This program will assist Black entrepreneurs to lever financing from the Black Loan Fund and/or from other lending programs.

Eligibility Criteria

Any new Black Nova Scotian incorporated business, except those that are involved in the following activities: residential and rental accommodations, financial and insurance agencies, real estate and land development, taverns, beverage rooms and lounges, and, any other business activity deemed not to be in the best interest of the community or the Province. Because of the higher risk associated with providing equity funding, the applicant must be able to clearly demonstrate that their business plan is viable and that effective management is in place.

Equity contributions **will not generally** be considered for projects which involve:

- i. Refinancing of existing loans or obligations to others.
- ii. Change of ownership or purchase of existing businesses. (Unless it can be shown that such is important to the survival of the business, and continuation of the business is beneficial to the local community).
- iii. Financing transactions between related businesses or individuals.
- iv. Financing a business similar to an existing one owned by applicant or family member.
- v. Purchase of vehicles.
- vi. For applicants who have previously accessed the either the Loan Fund or the Equity Fund and have defaulted (without credible justification).

Equity Requirements

Although this program has been designed to accommodate those Black entrepreneurs who lack the initial equity capital for business start-up, it is believed they should have some investment in their own business. **Therefore, it is recommended that the Equity Fund require the applicant contribute an amount equal to a minimum of 5% of the total project costs. For the purpose of the Equity Fund, an applicant's equity is defined as any tangible asset, such as cash, equipment, land and buildings, inventory, etc.**

Equity Contribution Limit

A maximum amount of \$5,000 per business will be available.

Terms

This program will have sufficient flexibility to allow for investment in the way of common or preferred shares and for share redemption and/or conversion of share capital to term debt.

The level and length of participation in businesses will ultimately be determined by the BBI Board on a case-by-case basis, but in no case should it extend beyond five years.

Fund Administration

The Board of Directors is the ultimate authority for equity approval and fund administration. The Directors may assign any duties or delegate any of their powers to committees consisting of as many of their members as they may from time to time determine. Members of such committees may, but need not necessarily, be members of the Board. Any committee so formed shall, in the discharge of duties and the exercise of the powers so assigned or delegated, conform to any regulations that may be imposed upon them by the Directors.

In the interest of efficiency, is recommended that the Micro Loan Committee of the Loan Fund be used to approve equity contributions of less than \$2,500. This Committee will consist of the following:

- **The Executive Director;**
- **One Director from the applicant's region;**
- **One other Director appointed by the Board.**

insert graph

Development Fund

The Task Force recognizes that Black communities need assistance with the identification of their strengths and in strategic planning. In order to attract business, the Black community must determine what type of industry best fits their community. This knowledge would assist communities in linking to other infrastructure such as the Investment Promotion division of the Economic Renewal Agency. The Investment Promotion division could then actively seek out businesses that fit the community's profile.

The consultation process identified other groups and organizations that need to develop programs to strengthen their sectors. One example given at the public consultation meeting at the Black Cultural Centre was the need for the Black Construction Association to develop an Estimating Program to improve the skill level of its members. Another community identified their need for funds to cost share business development initiatives. **Therefore, the Task Force recommends that \$25,000 be allocated to a non-repayable Development Fund.**

As with all other elements of the BBI, this fund is not intended to replace any other funding programs. Therefore, the staff of the BBC must first identify any existing funding programs for these initiatives.

Eligibility Criteria

Black groups, organizations and community development projects that support the development of business and job opportunities for Black Nova Scotians, are eligible for funding.

Terms

The maximum non-repayable contribution will be determined on a case by case basis, based on the merit of the project and the demonstrated level of community support and the potential for employment opportunities.

BBI Board of Directors

The BBI and activities of the BBC shall be governed by a 12 member Board of Directors (Board). The Board must be a dedicated group of talented individuals who share a commitment to Black business development.

The Board will have the overall responsibility for all elements of the BBI within the guidelines of the policy framework contained in this Report. **It is further recommended that Board approval be required for all expenditures over \$2500.** The Board will provide direction to the BBC Executive Director so that he/she can effectively implement the components of the BBI.

The Board will also be fully accountable to the Minister of the Economic Renewal Agency and the Minister for ACOA and will be required to provide an audited annual report and program evaluation within 90 days of its year end.

The members of the Board must be chosen strictly based on abilities and expertise. The importance of this Initiative is such that every single member of the Board must bring specific skills to the table that will help Black business succeed. Accordingly, **it is recommended that the 12 member Board should always be composed of the following skill sets.**

- Seven successful business people;
- Legal expertise;
- Accounting expertise;
- Marketing and public relations expertise;
- Private sector banking expertise;
- Education and training expertise;
- Public sector lending expertise (knowledge of ACOA, ERA, BDBC)

In addition, it was very clear from the consultation process that there must be representation from across the Province. Refer to graph on page 84. **At a minimum, it is therefore recommended that there must be at least two directors from each of the designated regions at all times.** Refer to page 61 for regional breakdown.

It is also recommended that the term of office for a Board member should be two years with no director sitting for more than three consecutive terms. Additionally, at least a third of the Board should be replaced every two years.

It was suggested at the time the BBI was announced that at least five members of the 12 person board should be Black. **It is recommended that in order for the Initiative to be accepted by the Black community, the Board should, at all times, have a majority composition of Black community members.** This was also the opinion expressed by the community during the consultation process. In fact, the Task Force believes there is the ability to have an all Black Board.

Recognizing the necessity of maintaining close relationships with specific government agencies, it is recommended that one staff member from each of ERA, ACOA, HRDC and BDBC be appointed to act as resource people to the Board and promote the programs of the BBI in their respective departments.

There shall be a Chairperson of the Board, as well as a Vice Chair to fill in during times the Chairperson is absent. Given the extensive knowledge of the Nova Scotia Black business community gained by the Task Force during the consultation process, **it is recommended that the Task Force be assigned the responsibility of selecting the members of the first Board of Directors.**

It is also recommended that a five member executive committee, that is able to meet on short notice, be struck. The primary purpose of this committee will be to handle the issues that the Board will need to address in between meetings, as well as to perform an advocacy role. In this advocacy role the committee shall review proposals that are ready for financing, with an eye towards making recommendations on improving the proposal. This step would be taken prior to the proposal going to funding institutions such as banks or government. It is expected that the committee members will have been briefed by such funding institutions as to their criteria to be approved for funding.

Once this criteria is understood, the committee can add their recommendations to the proposal and the entrepreneur can go forth with some level of confidence that their proposal has a reasonable chance of success. This is not to force lending institutions into lending the funds, but to assure the lending institution that the proposal has been reviewed and is of a quality that deserves to be given consideration.

It is recommended that the Board of Directors be governed by the guidelines contained in this Report. Further, changes to the guidelines are restricted without the approval of the Minister of ERA.

insert graph

BUDGET

It is imperative that it be understood by all that this fund is not intended to replace any of the existing financing programs. It is to be used as a tool to help Black business access these other programs.

The consultation process clearly documented the need for business services, financial assistance and qualified staff to deliver the services. In order to meet these needs, the budget has allocated the funds to three categories; namely administrative, business assistance, and financial assistance. The Task Force acknowledges that funding for the above mentioned programs is small due to the financial parameters placed on the Task Force. (Refer to budget on page 87).

It became clear, during the consultation process that the Black community believes that \$ 1 million dollars per year for five years is insufficient to achieve the objectives of this Initiative. Others voiced their concern as to the fact that the fund was not self-sustaining.

The Task Force therefore recommends that the \$ 5 million be advanced at the beginning of the BBI so that the interest earned could be used to promote the sustainability of the Initiative by increasing total funds available.

There are other compelling reasons for the up-front advance. There is a lack of faith within the Black communities towards the political process. There is real concern that the program will not be funded for the entire five years given government cutbacks. The \$ 5 million up-front is a display of good faith to the community.

There are also some inherent problems associated with Co-operation Agreement funding, the source of the \$ 5 million. The difficulty of having to deal with the bureaucratic process for the advancing of funds on a regular basis is an onerous and frustrating task. The funding process is not always sufficiently fast or responsible enough to the needs of the client. The BBI must maintain these characteristics if it is to make a difference.

It is, at times, the case that if the funds from an agreement are not spent within the specific fiscal year they can be lost. There is absolutely no room for any diminishing of the \$ 5 million from this program. In fact, anything that can be done to extend the benefits of the BBI to the Black community should be considered. If the money is not spent in its allotted time due to whatever reason, it must not be lost.

The COOPERATION Agreement on Economic Diversification is due to expire in March 1999, while the BBI will extend well into the year 2000. Therefore, the Agreement would have to be amended and extended to allow the BBI to fulfill its five-year mandate.

The Task Force consultation gave strong evidence of the need for infrastructure in Preston, the largest Black community in Nova Scotia. A \$5 million dollar deposit to a chartered bank might be all that is necessary to encourage one of the major chartered banks to open a branch in Preston.

insert budget sheet

***TRANSITION FROM THE TASK FORCE
RECOMMENDATIONS TO THE NEW BOARD***

As indicated previously in this Report, the Task Force was given a 98 day window to complete its work and to provide recommendations to government. This September 1, 1995 deadline has been met.

The Task Force, in turning over its Report, wishes to ensure that an aggressive timetable be adopted in getting the BBI up and running and in implementing the recommendations of the Report. The following timetable identifies specific activities and proposes dates of completion for each:

<u><i>Activity</i></u>	<u><i>Date of Completion</i></u>
Approval in Principle from Ministers of ERA and ACOA	September 8, 1995
Publication of the Report	September 22, 1995
Logistics of Office Set-up	September 29, 1995
Selection of BBI Board and Executive Director	September 29, 1995
Establishment of Black Business Centre	November 1, 1995
Initial Training of Staff completed	November 1, 1995
Financial and other Business Assistance Programs up and running	November 1, 1995

The Task Force also believes that it should be given the clear mandate and authority to select the Board of Directors and the Executive Director of the Black Business Centre.

The Task Force has, over the course of its consultations and research, devoted considerable attention to the questions of Board composition, province-wide representation, abilities, accessibility and staffing expertise. In defining the structure of the Black Business Centre and the comprehensive range of services to be offered, the Task Force strongly believes that the success of the entire initiative depends directly upon the quality, excellence and dedication of the Board and staff. A key member of the staff team will be the Executive Director of the Black Business Centre. The Task Force Report has carefully considered the staffing requirements, providing position descriptions for all staff. The Task Force is therefore well positioned to further assist government in the implementation of this important initiative and to ensure that the momentum generated through the consultation phase of the BBI is not jeopardized.

POLICY GUIDELINES

LOAN AND EQUITY FUNDS

Eligibility Criteria

1. The Applicant must be registered in Nova Scotia as a proprietorship, partnership, or limited company that can demonstrate:
 - a) an ability to successfully operate an enterprise;
 - b) an ability to repay the loan and,
2. The Applicant must present a business plan for a viable operation; including a suitable management strategy.
3. Loans can be considered for the following purposes: capital asset acquisition, working capital, and short term receivable financing.
4. Loans **will not generally** be considered for:
 - i. Refinancing of existing loans or obligations to others. (However, applications which include retirement of prior charges on fixed assets may be considered where, such charges constitute an onerous burden on the business, or are considered necessary to provide adequate security for the loan, and the total amount involved does not represent a major portion of the requested financing).
 - ii. Change of ownership or purchase of existing businesses. (Unless it can be shown that such is important to the survival of the business, and continuation of the business is beneficial to the local community).
 - iii. To finance transactions between related businesses or individuals.
 - iv. To finance a business similar to an existing one owned by applicant or family;
 - v. Purchase of vehicles.
 - vi. For applicants who have previously accessed the fund and have defaulted (without credible justification).

Equity Requirements

The minimum equity requirement for the loan fund is 10% of total project costs.
The minimum equity requirement for the equity fund is 5% of total project costs.

Interest Rate

The interest rate for the loan fund will be fixed for the length of the term at the prime rate of the BBC's chartered bank, plus 1%. The loan will be non-interest bearing for a period of one year from the date of advance.

Terms - Loan Fund

The maximum repayment terms will be five years for capital assets and one year for working capital. However, the repayment term for working capital loans will be reduced for businesses which are seasonal.

Terms - Equity Fund

The Fund will have sufficient flexibility to allow for investment in the way of common or preferred shares and for share redemption and/or conversion of share capital to term debt. The level and length of participation in businesses will ultimately be determined by the BBI Board on a case-by-case basis, but in no case should extend beyond five years.

Security

Security will normally include at least a first charge on any asset being financed (unless otherwise determined), and, if appropriate, such other security as the approval authority may deem reasonable. Any legal fees associated with the registration of the security are the responsibility of the client.

Personal guarantee/promissory notes, or assignments, where appropriate, will be required for up to the amount of the loan requested.

Sector Exclusions

Residential and rental accommodations, financial and insurance agencies, real estate and land development, taverns, beverage rooms and lounges and any other business activity deemed not to be in the best interests of the community or the Province.

Board Meeting Frequency and Schedule

At the first meeting of the Board of Directors of the BBI, the Directors should consider a standing time and date be set for regular monthly meetings.

Board Scope of Proposal Evaluation:

Proposals prepared by staff for consideration by the Board should address all of the above issues and should provide the Board with adequate information to allow them to come to an informed decision.

An Executive Summary should provide management comments and recommendations. The Proposal, The Executive Summary, and a Schedule of terms and conditions will constitute a complete submission for the Board's consideration.

Conflict of Interest Guidelines

Proposals must be reviewed for conflict of interest positions by the Directors. Upon the establishment of each Board, the Board member submits a list of interests and/or potential conflicts which would be reviewed and updated on a regular basis. Prior to the distribution of Board materials, steps are taken to ensure the varied interests of each Board member do not conflict with the Board submission. Care would also be taken to ensure that a Director was not in a competitive position with a potential client. When a conflict has been confirmed the Board submission, which deals only with that conflict, is withheld from the Director in question and recorded as such. During the meeting the Director is excused both from the room and from any discussion on the client in question, which would be recorded in the minutes.

(1) No director shall be disqualified from office as a result of contracting with the BBI, either as vendor, purchaser, or otherwise; nor, so long as the requirements of either subclause (2) or (4) are met, shall any such contract, or any contract or arrangement entered into or proposed to be entered into by or on behalf of the BBI in which any Director is in any way interested, either directly or indirectly, be avoided, nor shall any Director so contracting or being so interested, be liable to account to the BBI for any profit realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relationship thereby established.

(2) Whenever a transaction is under consideration with a company of which a Director is a director or in which a Director has an interest, the Director shall disclose his/her interest, shall ordinarily absent him/herself from the room where the discussion is taking place, and shall refrain from voting on any motion in connection with the transaction. Every such action by a Director shall be recorded in the minutes (but any failure to do so shall have no legal consequences).

(3) Every Director shall, when required by the Secretary;

- (i) file with the BBI a list of all his/her directorships;
- (ii) review and refile such list after having made such changes therein as may be necessary to make such list accurate and complete at the date of refiling. The Secretary shall request every Director to file such a list within ninety days following his/her first appointment to the Board after the coming into force of this provision, and thereafter shall request, at least annually, every Director to review and refile such list.

(4) Failure of a Director to make the declaration required by subclause (2) shall not render a transaction void nor voidable, or the Director liable to account for any profit thereof, if at the time the directorship or interest which he/she ought to have declared is contained in the latest list which he/she has filed with the BBI in compliance with subclause (3).

(5) Whenever the Executive Director determines that a Director may have a conflict of interest with an applicant for Financial Assistance, he/she may order that any confidential information supplied by the applicant in support of his/her application be withheld from such Director and, if such Director objects to the withholding, he/she may appeal to the Executive Committee to have the order of the Executive Director varied or reversed. The decision of the Executive Committee shall be final and binding.

All information provided to Board of Directors is to be treated on a strictly confidential basis. Since detailed financial information is included in proposal summaries, it is essential that the clients of the BBI feel assured that sensitive information will have limited and confidential circulation.

Scope of Proposal Loan Evaluation

The criteria used to make a credit decision is similar regardless of the size or complexity of the financial proposal being considered. The credit decision involves evaluating the proposal on the basis of management, earnings prospects, security and owner's investment. In addition, environmental laws require any lender to seriously consider its potential liability in every provision of financial assistance. Another factor that requires consideration is the potential effect on Black businesses in the region which may be in direct competition with the applicant.

Proposal summaries prepared by staff for consideration by the Board should address all the above issues and should provide the Board with adequate information to allow them to come to an informed decision.

The differences in size and scope of the proposals should relate to the amount and type of financial assistance being requested and the complexity of the business. Regardless of the company's size or type, each proposal should contain information under the various section headings.

A Schedule "A" is used to record the various terms and conditions under which financial assistance is provided. The Schedule "A" is also used to communicate the terms and conditions to the Board and to the client in a single document which is clear and concise.

An Executive Summary summarizes the proposal and provides for management comments and recommendations.

Together, the Executive Summary, Proposal Summary, and Schedule "A" (terms and conditions) provide a complete package which is submitted to the Board for consideration.

CREDIT ANALYSIS REPORT

Name:	Financing Requested:
	Financing Recommended:
Address:	Repayment Terms:
Type of Business:	No. of Employees-
	Existing:
	Proposed:

PROPOSAL

Term loan to assist in
Program

Financing

HISTORY AND BACKGROUND

FINANCIAL PROJECTIONS (in 000's)

OWNERSHIP AND MANAGEMENT

COMMENTS ON PROJECT

PRODUCTS/SERVICES

MARKETS/COMPETITION

EMPLOYMENT

SECURITY

BANK AND/OR OTHER REFERENCES

GENERAL REMARKS AND RECOMMENDATIONS
SCHEDULE "A"
TERMS AND CONDITIONS
RELATING TO A LOAN OF _____

1. PROGRAM AND FINANCING

2. REPAYMENT

(a) Interest to be charged at the _____ rate established for the period commencing September 1, 199X, calculated annually not in advance as well after as before maturity and both before and after default for the period commencing from the date of any advance of Principal Amount hereunder;

3. SECURITY

4. CONTINGENT CONDITIONS

5. UNDERLYING CONDITIONS

(a) Company prepared financial statements;

(b) Public liability insurance;

(c) All transactions with related or associated companies shall be at fair market value;

(d) Without prior consent of BBI, the company will not make total capital expenditures in excess of _____ in any fiscal year;

(e) Disbursement of the loan may be withheld if, in the opinion of the BBI, any material adverse change in risk occurs;

(f) Any other conditions that the Board deems appropriate.

APPENDIX

- Appendix 1 Advertisement for July 19, 1995 Community Meeting at the Black Cultural Centre
- Appendix 2 Summary and Correlation of Community Consultation Meetings
- Appendix 3 Community Consultation Questionnaire
- Appendix 4 Summary and Correlation of key findings resulting from Questionnaire (report of Mr. Edward Halef, Premium Computer Services)
- Appendix 5 Copies of written Presentations from Organizations Invited to make a Presentation to the Task Force
- Appendix 6 Copies of written Submissions from Individuals and Organizations
- Appendix 7 Job Descriptions for the Centre's Executive Director, Regional Business Development Manager, Controller and Administrative Assistant

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Analysis of, and Response to, the Evaluation of the Preston & Area Development Fund, prepared by Deloitte & Touche Management Consultants, November, 1993.

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Initial Government Response and Action Plan on Leadership Starts with Listening.

Leadership Starts with Listening - Initiative Related to 30-60-90 Report February 1994.

Literacy & Upgrading Strategy & Action Plan with Recommendations for Lucasville, and Upper Hammonds Plains.

Nova Scotia Government Response to the Report of the Nova Scotia Advisory Group on Race Relations.

Preston Area Regional Development Authority--A Strategic Plan to Establish a RDA for the Greater Preston Area.

Report of the Remote Learning Centre for Lucasville and Upper Hammonds Plains.

Response to the Black Learners Advisory Committee Report on Education, June 1995.

Voluntary Planning - Creating Our Own Future--A Nova Scotia Economic Strategy, November 1991.

APPENDIX 4

Black Business Centre

Question # 1

In your opinion, in order to address the needs of the Nova Scotia Black community where should a Black Business Centre be located and why?

- Out of total responses of 61,
- 39% (24) said “Halifax”
- 21% (13) said “Preston”
- 13% (8) said “Dartmouth”
- 10% (6) said “Central NS, Truro”
- 6% (4) said “Windsor”
- Other locations suggested include; Sydney, Amherst, & Outside of Metro.

Question # 2

What business services would you like the centre to provide?

- Out of total responses of 96,
- 20% (19) said “Counselling & Information”
- 18% (17) said “Consulting & Marketing assistance”
- 15% (14) said “Financial assistance”
- 11% (11) said “Training programs”
- 8% (8) said “A Mentor program”
- 6% (6) said “Computer services and computer training”
- 6% (6) said “Accounting and Book keeping services”
- Other services suggested include; A networking of Black businesses, Advertising, A resource library, Child care, and Management services.

Question # 3

How can the centre best provide those business services to you?

- Out of total responses of 56,
- 23% (13) said “Qualified staff”
- 16% (9) said ‘Consulting”
- 16% (9) said “A circulating news letter”
- 13% (7) said “Support & Counselling”
- 7% (4) said “Monitor progress”
- 7% (4) said “A good location, easy access”
- Other suggestions include; Training, Good resources, Networking of Black businesses, and Advertising.

Question # 4

What resources would you like to see available at the centre?

- Out of total responses of 76,
- 32% (24) said “Computers / Access to Internet”
- 18% (14) said “resource library”
- 12% (9) said “Education & Training”
- 6% (5) said “Funding Information”
- 5% (4) said “Consulting”
- 5% (4) said “Networking of Black business information”
- 5% (4) said “Copier / Fax”
- 5% (4) said “Qualified staff”
- Other suggestions include; Services to monitor progress, Legal assistance, Accounting services, & Market studies.

Black Business Outreach Centre

Question # 1

How can an outreach centre service be best delivered to ensure that support can be obtainable for all Black Nova Scotia businesses.

- Out of total responses of 51,
- 33% (17) said “Travelling Liaison going region to region”
- 16% (8) said “Centres throughout Nova Scotia”
- 14% (7) said “Toll free number”
- 10% (5) said “Qualified personnel”
- 8% (4) said “Monitor progress”
- Other suggestions include; Seminars, A resource centre, Computers/Internet, & News letter.

Question 2a

Please describe the business assistance programs (excluding loan programs) that you are aware of.

- Out of total responses of 72,
- 43% (31) said “None”
- 15% (11) said “ACOA”
- 10% (7) said “FBDB”
- 7% (5) said “ERA”
- Other responses include; HRDC, TD, SARS, CEIC, PARA, Calmeadow, SEA, BDC, RDA, ACB, ACE, Guysborough, & Preston Economic Development among others.

Question #2b

Please describe your experience with these programs.

- Out of total responses of 22,
- 23% (5) said “Great Benefit”
- 23% (5) said “They were turned down”
- 14% (3) said “Process is too formal”
- 14% (3) said “Process was too difficult”
- 10% (2) said “They were dissatisfied”
- Others comments include; Not reliable, Was resourceful, Unqualified personnel, & Never applied.

Question #3

What forms of business assistance do you require?

- Out of total responses of 140,
- 23% (32) said “Marketing”
- 22% (30) said “Banking”
- 19% (27) said “Preparation & Planning”
- 17% (24) said “ Legal advice”
- 12% (17) said “Regular counselling”
- 3% (5) said “None”
- Other answers include; Finance, Personal Development, & Advertising

Loan Fund

Question # 1

Have you ever approached a funding organization such as bank or government for assistance in your business?

- Out of a total responses of 55,
- 52% (or 29) said YES
- 48% (or 26) said NO
-

Question # 2a

Were you successful in obtaining the funding requested?

- Out of a total responses of 51
- 76% (39) said NO
- 23% (23) said YES

Question # 2b

Was the funding / lender helpful?

- Out of a total responses of 25,
- 60% (15) said YES
- 40% (10) said NO

Question 2c

Did you need to rework your business plan a number of times? If so in what way?

- Out of a total responses of 41,
- 43% (18) said NO
- 31% (13) said YES

Other reasons include;

- Financial restructuring
- Market strategy
- Cash flow
- Location
-

Question # 3

If you were not successful did the funding source fully explain why the request was turned down?
State reason given.

- Out of a total responses of 24,
- 37% (9) said YES
- 16% (4) said NO
- 12% (3) said “No start-up funds”
- 8% (2) said “No equity”
- 12% (3) said “Due to type of business”
- 8% (2) said “Amount required”
- 2% (1) said “Due to the location of the business”

Question 4

Were you able to raise sufficient equity to satisfy the funding source?

- Out of a total responses of 30,
- 60% (18) said NO
- 40% (12) said YES

Question 5

If a loan fund is established what would you like to see as some of the elements of the lending guidelines and why?

- Out of a total responses of 47,
- 19% (9) said “Strict guidelines”
- 12% (6) said “Held accountable”
- 12% (6) said “Market study, good business plan”
- 12% (6) said “Initial start-up required”
- 8% (4) said “Good credit rating”
- 8% (4) said “Equity required”
- 6% (3) said “Fair consideration”
- Other included, Mentor, Good access, & Reasonable repayment period, (6%)

Question 6

Do you feel that you understand what government assistance is available at this time?

- Out of a total responses of 55,
- 80% (44) said NO
- 20% (11) said YES

Question 7

How many government programs do you believe are available to help fund business today? List if any.

- Out of a total responses of 34,
- 53% (18) said “Two or less”
- 20% (7) said “None”
- 14% (5) said “Several”
- Majority listed; ACOA, FBDB, & Dept. Of Economic Renewal.

Question 8

If there is a loan fund, it has been suggested that it should be run by an independent board of directors. How should a board of directors be chosen to ensure that there is fair representation throughout the Province and that qualified persons are on the board?

- Out of a total responses of 45,
- 29% (13) said “Regional representation”
- 20% (9) said “Through a Black committee”
- 13% (6) said “Based on qualifications”
- 11% (5) said “Through an Election”
- 6% (3) said “Government appointed”

- 6% (3) said “Diversity”
- Other suggestions included; Applications, Non political, & Appointed.

Question 9

Most boards of this nature operate under a conflict of interest guidelines to ensure fairness to all. What guidelines do you think should be in place?

- Out of a total responses of 29,
- 62% (18) said “No self interest” Or family involvement.
- 20% (6) said “Give fair assessment”
- 6% (2) said “Board should be made up of diverse group”
- Other suggestions included; Consider serious applicants, & follow government guidelines.

Question 10

Please state any comments or suggestions.

- Out of a total responses of 23,
- 30% (7) stated that “It is long overdue”
- 17% (4) suggested “Having a qualified staff”
- 17% (4) suggested “Must Benefit the Black community”
- 13% (3) suggested “It must be fair”
- 8% (2) suggested that there should be a travelling liaison to monitor progress.
- Other comments included; Fund is to small, Must have good planning, Should have a news letter to keep all informed.

***EXECUTIVE DIRECTOR
POSITION DESCRIPTION***

General Accountability

This position will be accountable for the implementation of the strategic planning, development, and management of the various components of the Black Business Initiative and provision of in-depth analysis and professional business consulting services designed to encourage and promote business growth and employment opportunities to new and existing Black businesses in Nova Scotia. This position will also be responsible for creating/improving access to private and public sector business support by building partnerships and linkages to the broader business community.

Structure

The Executive Director will report to the Board of Directors of the Black Business Initiative. The Executive Director will be responsible for staff which will consist of three Regional Business Development Managers and one Administrative Assistant.

Key Responsibilities (To Include But Are Not Limited To)

Communications (50%)

To provide information to the Black community on business assistance and opportunities.

To relay concerns/issues affecting the Black community to the BBI Board.

To pursue and develop both a credible and co-operative rapport with lenders and others, such as ACOA, ERA, FBDB, Chartered banks, training institutions, and various community organizations in order to open channels of communication, to encourage Black representation on Boards, and to pursue partnership arrangements for training, program delivery, etc.

To make contact with the government/business/RDA's and other levels of government and community organizations for the purpose of sensitizing staff to the concerns of the Black community and about dealings with Black clients to ensure that fairness is achieved and seen to be achieved.

Develop a quarterly business newsletter for circulation in the Black community and to RDA's, ACOA, ERA, BDC's, BLAC, and others.

To make presentations to groups and organizations on behalf of the BBI.

Administration (30%)

To develop and implement short and long-term policies and practices to monitor and maintain consistent administration of loans including, the handling of delinquent accounts as well as systems to facilitate the monitoring of the credit application and approval process and turnaround time.

To measure the effectiveness of the BBI components and delivery thereof and to make the appropriate recommendations to the BBI Board for overall improvements to meet changing business conditions.

To oversee and submit timely budget plans to the BBI Board for the operation of the BBI Centre and annual reports.

To develop a human resource plan to make the most effective use of the Centre's staff by effectively applying and conducting regular results oriented performance evaluations, providing for the appropriate training based on continual needs assessment

To report to the Board on areas of research and findings.

To prepare reports, project analysis and to identify funding sources for projects.

Provide analysis and reports (including assistance with the annual report) based on the research undertaken and makes recommendations for policy development.

Business Assistance (20%)

To encourage and maximize business development and growth within the Black community through formulation and delivery of advice and counselling; and where necessary, financial assistance and other programs.

Identify mentors for Black businesses who would like to volunteer their time to help Black entrepreneurs by acting as a resource within the community.

Requirements

The incumbent must be professional accredited and suitably experienced in the financial, lending and educational / training fields.

This position requires that the individual be a self-starter and able to act independently with minimal supervision. Excellent judgement is required relevant to sound business and community development principles. Tact and diplomacy is critical given the seriousness of the clients' projects and the frequent need to act as an intermediary, e.g., between a company and its bank.

Technical competence is necessary to assimilate information, analyze problems and opportunities, and make realistic recommendations. Good verbal and written communication skills and computer skills (including word processing, data-base and internet) are essential. The individual must have the ability to relate tactfully, professionally, and empathetically to clients. Must demonstrate good organizational ability and analytical ability. The individual must have a good working knowledge of government programs and services.

The position has a high profile in the community and requires a high degree of professional, credible behaviour.

ACCOUNTANT/CONTROLLER

POSITION DESCRIPTION

General Accountability

The Controller is accountable for the development and management of accounting policies and procedures, the design and implementation of the financial planning process, internal control and financial reporting for the BBC. The Controller will also be responsible for the administration of financial and legal requirements of the Centre's loan, development and equity funds.

Structure

The Controller will report to the Executive Director of the Centre.

Key Responsibilities (To Include But Are Not Limited to)

Business Assistance (20%)

To assist the business development managers in analyzing client financial statements and projections in areas requiring technical accounting and income tax advice.

To review client monthly financial statements and to advise the business development manager and/or to provide follow up with the clients directly in financial targets are not being met.

Communication (10%)

To develop and maintain a liaison and work co-operatively with staff such as the Executive Director, Business Development Managers, clients, various legal firms, and banks.

Administration (70%)

To be responsible for the development, implementation and management of the accounting and financial reporting functions of the Centre, including all aspects of bookkeeping (accounts payable, bank deposits, invoicing, collection of accounts receivable, etc).

To prepare the operating, revenue and capital budgets for the BBI Centre.

To maintain the Centre's general ledger accounts, and develop and maintain other computer generated reports as required.

To implement recommendations resulting from audits performed.

To manage effectively a \$5 million budget, accountable for ensuring that the funds are invested appropriately to obtain the maximum interest rate available. He/She will have cheque signing authority.

To manage effectively a Venture Capital Fund which will be established by the BBI Initiative.

To review all legal documentation relating to loan approvals and disbursements before they are made to ensure all conditions precedent are met before funds are disbursed. The Controller will also register security documentation where required.

To prepare monthly financial statements, arrears, reports and any other necessary items, such as invoices to be approved, and present the information to the Executive Director for presentation to the Board.

To be responsible for management of all microcomputer resources and training for hardware and software usage. The position is also responsible for designing and coordinating the development of various Management Information Systems for internal use such as a master client database.

To undertake special projects, studies, financial analysis and reviews as required.

To provide for internal monitoring and evaluation of the BBC to determine whether it is fulfilling expectations and meeting its objectives and goals.

Requirements

This position requires that the individual be able to take initiative and work under minimal direction from the Executive Director. Professional financial training(CMA or CA), an ability to communicate effectively and exercise sound judgement.

Good verbal and written communication skills, and computer skills are important. Must demonstrate good analytical abilities and be capable of presenting logical and concise reports, providing recommendations to the Executive Director.

The individual must have experience in the development and management of financial reporting systems.

The position is a highly confidential senior position and as such requires a degree of aptitude, diplomacy, confidentiality, and judgement.

***REGIONAL BUSINESS DEVELOPMENT MANAGERS
POSITION DESCRIPTION***

General Accountability

The Regional Business Development Managers will act as the first point of contact between the BBI Centre and its clients (Black businesses, organizations, communities and individuals). The Business Development Manager will deliver the Centre's programs and services. They will assist clients in accessing other government programs and services. The basic functions in the position are: assisting business in an infinite range of requests, problems and opportunities; and, assisting with the entrepreneurial development, education and training in the Black community throughout the Province in partnership with others.

The Business Development Manager's area of responsibility is of a highly confidential nature involving very sensitive information on client's finances, business problems and development plans.

Structure

The Business Development Manager will report to the Executive Director of the Centre.

Key Responsibilities (To Include But Are Not Limited to)

Business Assistance (65%)

To provide information to the Black community on business assistance and opportunities.

To advise clients on routine business activities (eg marketing, finance, production, management, planning, quality). Will arrange for the service of other professional advice for more complex research or analysis as required.

To assist the client in the preparation of business plans and proposals requesting financial assistance for presentation to private and public financial institutions.

To assist clients resolve differences and problems through interaction with bankers, governments,

creditors and others where necessary.

To respond to client requests for, and proactively promote the use of programs and services of government and private agencies as appropriate to client needs.

To present proposals to the BBI board with appropriate recommendation for approval, deferral, rejection, etc.

To provide for follow-up and maintain after-care service to existing clients.

Communication (25%)

To relay concerns/issues affecting the Black community to the Executive Director.

To assist Black community groups to identify business development opportunities, project analysis and implementation.

To develop and maintain a liaison and work co-operatively, and in partnership, with staff at agencies such as ACOA, ERA, FBDB, BDC, Chartered Banks, BLAC, RDA, community development groups, etc.

To organize and/or lead professional programs for educators or community personnel for sensitivity awareness.

To participate in and organize/co-ordinate special events, such as seminars, workshops, and information sessions through partnerships with organizations such as universities, the BLAC, Community Colleges, private training institutions, etc.

To make presentations to groups and organizations on behalf of the BBI.

To prepare reports and project analysis.

Administration (10%)

To administer disbursement of the Centre's loan fund. These activities include verification of expenditures made, compliance with offer or approval, physical inspection, audit and recommendation for payments.

Requirements

This position requires that the individual be a self-starter and act independently with minimal supervision. Excellent judgement is required relevant to sound business and community development principles. Tact and diplomacy is critical given the seriousness of the clients' projects and the frequent need to act as an intermediary, e.g. between a company and its bank.

Technical competence is necessary to assimilate information, analyze problems and opportunities, and make realistic recommendations. The Business Development Manager must be able to handle emergencies and a broad range of requests.

Good verbal and written communication skills and computer skills (including word processing, data-base and internet) are essential. The individual must have the ability to relate tactfully, professionally, and empathetically to clients. Must demonstrate good organizational ability and analytical ability. The individual must have a good working knowledge of government programs and services.

The position has a high profile in the community and requires a high degree of professional, credible behaviour.

***ADMINISTRATIVE ASSISTANT
POSITION DESCRIPTION***

General Accountability

This position will to facilitate communications of all types, such as person-to-person and electronic means, throughout the business community. The Administrative Assistant will also be responsible for the co-ordination of research and studies needed to assist the Black community.

Structure

The Administrative Assistant will report to the Executive Director of the Centre.

Key Responsibilities (To Include But Are Not Limited to)

Communications (50%)

To be the first point of contact for callers to the BBI Centre, including those that call through on the 1-800 number.

To facilitate an electronic presence and encourage banks and other institutions and organizations to participate. Link to the Black Cultural World Wide Web page and other appropriate sites.

To maintain a speakers list (including both successful business people and those who have experienced failures) and to broadly distribute this information to government organizations, universities, Black community groups, BLAC, RDA's, etc.

To assist in the development and circulation of a quarterly newsletter.

To assist in the development of interactive training modules which can be used by Black entrepreneurs at home or in their own communities.

Research (25%)

To coordinate research, which would include research on existing Black businesses, on the obstacles to Black business ownership, on the number of new business start-ups, increase in employment levels in the Black community and improvements in terms of growth of existing businesses.

Organize the research information on data-base and communicate appropriate material on the Internet and through established communication channels.

Administrative (25%)

Provide administrative support to the Executive Director and the Business Development Managers, and Controller, as required.

Requirements

This position requires considerable resourcefulness and initiative. This position requires that the individual be a self-starter and able to act independently with minimal supervision. The position requires good interpersonal abilities and research skills. The individual will also require excellent computer skills and knowledge and use of the internet would be an asset.

Good verbal and written communication skills are essential. The ability to relate tactfully, professionally, and empathetically to clients. The individual must demonstrate good organizational ability and analytical ability.