

Report on Community Futures National Conference

Halifax, N.S. May 30 to June 1, 2012

Region # 1- Northwest

Ms. Angela Halvorsen,

Business Investment Officer, Rainy River FDC

As part of my duties of the northwest representative on the OACFDC board, I was sent to the CF National Event in Halifax in May/June. I'd like to take this opportunity to thank the OACFDC board for sending me to the event.

I found the event very valuable in terms of the information that I can share with the other CFs in the Northwest. Some of the key features of the conference that I found very beneficial were as follows:

CF Funding Panel Discussion: The Future of Community Futures Funding Models Reviewed Over the past two years, the Community Futures Program has seen change in most areas of the country. This plenary session offered an opportunity to exchange ideas on how each association has dealt with these changes. Specifically, what change occurred? How did each association respond? How has each change affected CF members and the clients they serve? What has been the impact, either positive or negative, of implementing these changes?

The State of Play: BC-value system, changing year, 571 loans, \$26.4 in loans, CFs partnering with each other, seeing more specialty funds, forestry, 34 CFs in BC, hold other contracts (SEB), province, average funding \$300K, one year contract extensions, changes funding, looking for new opportunities;

SK-13 plus provincial association, managers are hired by board, operating finding, no new loan funds, WD funding, 80% comes from treasury, \$270 operating, interest transfer to operating for special projects, each CF provides core services and decides on projects, do more with less;

MB-16 legs, just under \$300k, funding formula divides \$ up depending on regional needs, higher lending volumes, 3 years of extensions, province does not supplement, some do SEB, no interest fund transfer to operating, strong performance in CED, 160 loans per year, declining;

ON-2 different funding agencies, 61 CFs, split FedNor/FedDev, \$300K funding, average \$3.3m portfolio, managed IT TEA, group insurance, 4 regional networks, no asset management program, loan syndicates, EODP, NOEDF, specialty programs with the province;

Atlantic Canada-\$252 operating, \$1.5m in loans average, \$5.6 portfolio, 173 loans average, TEA, health plan, common governance fund, ACCBIF syndicate.

Changes: Atlantic-operating and inv side, collaborative with ACOA, additional capital, come up with new way to operate, positive changes, collapse silos, risk mitigation fund, new funding formula based on need, inv funds to support operating to max \$400k;

ON-lending limit up to \$250k, followed by FedDev creation, CF was the only program with 34 CFs to administer, additional investment capital, community adjustment fund, OACFDC conference board of Canada, used for advocacy, 40% increase, how to achieve operating savings and make more money, 25 year history;

MB-flat revenues and performance, financial sustainability, no new money, CF performance was of concern, needed to take a look at the solutions, good relationship with WD, conditions, improve results, could differ

province to province, invited chairs and managers to planning session, creation of committees, boundary review committee, funding allocation review committee, efficiency and innovation committee;

SK-no changes occurred, proposed changes, implications, opposition to changes, formed group to look at proposal, received memo in April that says no changes were to occur, clear that jobs and Economic Development, not interested in penalties, assist CFs that were struggling;

BC-strong offices and regions, strategic issues, established a strategies working group, new funding model, engage membership in discussion, voted in, funding levels, community needs, WD asked for expansion of results

Results/Impact, Future: **BC**-increase in regional groups, core values and quality standards, CVQS committee, strategies working group, amendments, multiyear agreements, tools, results, future-strong regional groups, new loan program, CF credit card;

SK-Individual CFs have to look at how they do business, increase revenue and/or reduce expenses, 13 CFDCs, do they need an association, could it be done by other CFs, what about amalgamating, go paperless, save time, revenue generation, rent board rooms, adjust to needs in the future, bottom up grassroots buy in;

MB-still in process, mergers, committees thinking about change, recommendations, get input from as many as possible, get volunteer buy-in, government \$ not going away but not increasing, implementation the difficult part, faith in key players;

ON-Northern Ontario no change, forestry down mining up, Southern Ontario performance based funding model, \$285k plus chance to get \$15k, all April 1st year, new innovation fund, not limited to rural, new relationships new loan thresholds, up to \$500k, program cut \$1.1M from decline in productivity, operating down \$10k, TEA money, one time draw from inv funds, timely ride the waves of change an opportunity;

Atlantic-loosened up investment fund and operating, recapitalization, support mechanism, high risk lending, support government plans, volume has increased in many areas, portfolio hasn't suffered, ACOA consultation, planning and spending easier with new model, healthy change, future positive, proven itself over and over, national perspective program is ongoing, minister says permanent funding, government says its best program, extremely positive, would like a national report on the program, let's start with one thing not 183

Performance Measurement Strategy Panel Discussion: "Preliminary Results". An overview of the performance measurement strategy and analysis to date The Performance Measurement Strategy for the Community Futures Program measures the results of CF-funded and non-CF-funded firms across a broad spectrum of objective indicators. The agency has now completed its first study and the results have been very positive.

We heard first-hand, from agency personnel, how the CF program actually impacts client performance indicators, such as sales growth, employment growth, employment growth variance and survival rate variance. Preliminary results were presented to attendees during this plenary session.

Performance Management Strategy notes:

-developed to have consistent comparable data -growth and job creation, diversified local economy, economic sustainable communities, strengthened and expanded businesses -compare results across the regions - employment, % funded by industry, business survival rate, growth in sales

Performance Measures:

-uses statistics Canada info, employment growth, sales growth, business survival rate, share of funded businesses by industry-diversity index -data comes from business numbers from CFDCs -goes to StatsCan and

the match to the business register -longitudinal employment analysis program -general index of financial information

Approach:

-Compare to group of unassisted businesses -only businesses in rural areas will be compared -includes data same region, size, and industry

Limitations:

- program selection bias
- timeliness
- excludes clients
- inaccurate client information
- clients that are not incorporated, aboriginal businesses operating on reserve, etc.

Results:

-of the 2173 records provided by ACOA-72% were in BR, 42% were in BR and LEAP, 28% were in all -firms by industry, %, manufacturing, retail, accommodation and food -average annual sales growth for firms less than 100 employees -consistent growth in sales 15.5% more in CF assisted firms than non -assisted comparison group

Western Diversification:

-2008-2010 data was big lending times, match to the BR is 92% on second run vs. 53% the first -retail, accommodations & food, other (no manufacturing) mixed industries -employment growth was higher for CF supported clients than non -assisted group -payroll growth significant increase with CF assisted firms -sales growth 25.8% increase 5% above comparable firms -under 20 employees firms

FedNor:

- 594 businesses, match to BR 38%
- manufacturing, retail, accommodation/food -employment growth -sales growth climbed till 2007 then leveled off - manufacturing more than doubled -survival rates 71% compared to 52%

FedDev:

- 1243 business 64% on the BR
- same industries as others
- Average employment growth twice the rate than non -assisted
- 5% more payroll growth
- Sales growth not as good as other areas of Canada

Quebec-presentation in French

-same industries, mainly under 20 employees -employment increases almost double -growth in sales stats show below comparable then 2005 goes above

One of the most valuable parts of the CFNC was the opportunity to network with other CFDCs in Canada. I would have liked to see some more networking opportunities, however, I met people from all over the country and spoke to them about some of the challenges they face as well as some of the successful projects they have undertaken. Overall, there are numerous similarities in all the provinces and throughout the CFDC/CBDCs. It was really nice to see all the stats that show just how hard we all work to help our local entrepreneurs. In listening to people speak I really noticed just how passionate we all are about what we do and we all wish there were more dollars to help us do our jobs.

Region # 2- Northeast Rep

Mr. Denis Bérubé,

Manager, North Claybelt CFDC

Co-facilitated one workshop and participated in two other ones.

Participated in ***"Understanding the relationship between the Board and the CF Manager":***

Very few CFDCs had a problem with this relationship. There was the question of how to deal with Board members who have very specific expertise and how to channel this strength into a positive experience for staff and Board.

Participated in ***"Rural communities in the digital age":***

This workshop dealt with a specific pilot project that reinforces the need as well as provides basic work/life skills for workers.

Co-facilitated ***" Rural Canada: Doing Business Differently":***

Consensus from over 100 participants was that the CF program is still very relevant across rural Canada. The mandate that was given to us 25 years ago still very much applies. There is a need for more CED dollars and CFDCs have to become more entrepreneurial in order to generate revenues to address funding freeze and increasing budget demands.

General Rick Hillier's keynote speech was memorable and East Coast Kitchen party was a blast. All in all a great event.

Region #3 – East First Rep

Ms. Dianne Adshead,

Board Member, Valley Heartland CFDC

May 30, 2012

Registration and Reception: Very well organized registration desk, good food. This was followed by Opening welcome, volunteer recognition and then a great performance of DRUM!

May 31, 2012

Panel Discussion: The future of Community Futures Funding Models Reviewed: Five presenters outlined their experiences over the past couple of years and their future directions. Ontario is the largest CFDC network and is unique in that it has two federal funding agencies. WD includes all the Prairie Provinces and British Columbia and CFDC offices are provided with right around \$300,000 for operations. ACOA covers all the Atlantic Provinces and the offices receive very varying operating funds with the average being about \$252,000. Changes have occurred in all agencies but the attitudes of the funding organization is vastly different ranging from expressing very great concern to have CFDCs become self-sufficient with revolving loan funds to a view that CFDCs were never supposed to be self-sufficient but the funding models need to change to make their operations more efficient and common governance strategies, etc. Most regions have had new funding models introduced

recently. The future directions were all different as well with B.C. looking at adopting common core values, quality standards, assessment tools, strengthening regional groups and introducing CFDC credit cards. Saskatchewan is looking how they do business – need to increase revenue and reduce expenses, looking at models including disassociation, no association, amalgamation, cyclical activities. Manitoba feels it has strong leadership involvement in the change process. The Atlantic Provinces are looking to loosen segregation between operating and equity funding and feel they have a strong, healthy model to move forward. Ontario reported on the major cuts to Southern Ontario CFs and OACFDC funding from FedDev Ontario that they were informed of two weeks prior to this session and how they are going to have to do a reassessment of how they do program delivery. FedNor has not cut the funding for the Northern Ontario CFs. Overall my impression is that it would be ideal if there was a more consistent funding formula across the country with slight variations for regional differences. Given the impact of the CF program on the country's economic development, the government should be lobbied to put more capital into the program.

Workshop 1: Board Governance Essentials: move from micro-management to macro-governance: This session was presented by Karen Buchamer of Vantage Point. It was a very basic presentation of Board Governance and Ms. Buchamer did not seem to fully understand the CF program and Board members' roles in the CF program. Most of the people attending appeared to have as much knowledge as she did about board governance. Some of the handout material may prove to be helpful in the future, especially the Board self-evaluation tools.

Energy is everything: Janice Butler presenter. Following lunch, Ms. Butler tried to energize the group and she is a very positive, energetic person. Things taken away from this were "think positively", "appreciate those around you and yourself (look in the mirror and enjoy what you see)", "focus on good things and there will be more good in life", "make time relax, laugh, play and dream".

Workshop 2: Food, fun and prosperity – regional collaborations for entrepreneurship, business creation, and growth!: Presenters were Denise Deschamps & Cindy Reasbeck. This was a presentation of collaborative projects undertaken by the 15 Northeastern Ontario CFDCs. Four projects were illustrated with each having a short video to visually see the program in action. The first project was Northeast Youth Entrepreneurship Initiative. The project's concept was to focus on promoting an entrepreneurial culture and reduce youth out-migration. This assisted youth who participated in a camp program that got youth to create and implement their ideas and then market them. It gave participants a summer high school credit and also taught financial literacy. Results have been quite impressive and, compared to a control group, many more wish to operate their own business or be involved in a small business and intend to stay in the north. Teachers, parents and businesses are very supportive of the program. The second project discussed was "Futurallia", which is a program providing funding dedicated to francophones in Northern Ontario SMEs. It is a 'business to business' forum to establish global business relationships. The 2011 event took place in Kansas City, lasted 2 days, had over 600 participants and represented over 20m nationalities. Resulted in new markets being developed and partnerships formed with FedNor project values over \$600,000. In November 2012 a similar event "Centrallia" will be held in Winnipeg. The Third project was Entrepreneurs PLUS which has a focus on expansion of small francophone businesses in Northern Ontario. It has created strategic alliances, created employment for 20 to 25 youth interns and generally increased the skills base of those businesses participating. The fourth project was "La Foire Gourmande de L'Abitibi-Temiscamingue et du Nord-Est ontarien. This is a collaborative project with

the province of Quebec and is a food fair with taste booths, cooking demos, artists', music, kids' activities, evening shows, etc. Many businesses participate as well as the CFDCs, FedNor governments of Canada and Quebec. The number of visitors has grown from under 5,000 in 2002 to nearly 40,000 in 2011. The investment is \$350,000 annually and the estimated area impact is \$3,400,000. This program faces many challenges, including too many visitors to the region, self-sufficiency, volunteer assistance, accommodations and resources. The highlight of the 2012 event will be "Dining in the Sky".

June 1, 2012

Following the networking breakfast a panel discussion "***Preliminary Results***" – ***An overview of the performance measurement strategy*** and analysis to date took place. Panel participants were representative of the Federal Regional Development Organizations. It was expressed that there is desire to collect information on a regional basis but attain a national comparability. Initially the focus will be on four items: Economic growth - employment; Diversification – percentage of businesses funded; Economic sustainability – business survival rates; Strength of expanded businesses – growth in sales. CFDC assisted firms showed stronger growth, employment and sales. In Northern Ontario 71% of the businesses assisted had survived. In Southern Ontario, CFDC assisted firms had twice the employment rate of other firms, twice the growth and sales growth 3% higher than non-assisted firms. Other forms of tracking will be developed to assess CED programs. The federal funding agencies will in the future be looking to ensure implementation of strategies outlined, setting of targets and will be doing regional evaluations.

Workshop 3 and 4: So You Want to Be a CF Chair: Marie Gallant of Pan West was the presenter. This presentation was Module 12 of the Community Futures Pan West Board Development program. The session covered what an individual considering becoming a chair should consider before putting their name forward, such as the commitment of time and energy required, the duties of the board and the chair, board excellence, dangers to be avoided, and creating the right culture. It also looked at what qualities an effective chair should have and many relationships that a chair must maintain to ensure the CF is effective and responsible. This module also takes the participants through preparing and getting through meetings and the types of challenges that can occur. For me, the presentation did not offer much new information but the discussions around the table were quite interesting, especially because the table was more or less equally split between English and French speaking participants who each spoke little of the other language and somehow communication of ideas still took place. The Board Chair Assessment Survey included in the package is a tool which many Boards may want to consider implementing in their CF and the table of processes and the motions, seconding, debate, amendments, voting requirements may also be useful to all new Board members.

Overall: The conference was somewhat disappointing but the opportunity to meet and talk with representatives from other parts of the country was very rewarding. Sharing ideas and thoughts has a very beneficial effect and I have already shared a couple of ideas with some of the members of our CFDC. I also expect to receive some materials from other organizations that may assist us in our community.

Region #3 – East Second Rep

Ms. Judy Heffernan,

General Manager CAO, Peterborough CFDC

Board relationship and roles and responsibilities: I thought this was a 101 series of discussions that was not well presented in context as to where we are now, i.e. 20 years with the CFDC. We were put in groups and for 30 minutes sent to the hallway to discuss gaps and challenges in our CFDC. Some it was a timing issue for meetings, others it was a travel issue, i.e. Nunavut, but no clearly defined roles and responsibilities. I would suggest workshop put on by UW

BDC. Marketing Booster. In French: Good discussion & examples of how the program assists SMEs, it has a cost but you come out with a marketing plan professionally done with your input throughout.

Discussions are typically held over 3 four hour sessions providing examples of how to talk to clients, quality, ways of thanking them for your business, ways of keeping their business, etc.

Excellent CFDC led EODP project offering 50% funding to FP businesses. We had BDC present to 22 individuals on Monday & have so far 13 businesses signed with interest in proceeding. Highly recommend for your clients

RDAs presentation: Thought the comparisons from province to province, capital available by region, loan funds, cost of loans, helpful. Heads up when FedDev discussed PBS. Various funding models discussion

Region #5 – Southwest

Ms. Wendy Walton,

Board Member, Enterprise Brant

Understanding the Relationship between Board and CF Manager and So you want to be a CF Chair:

I combined these two workshops as they were very similar. There seemed to be no issues with the relationship between board & manager and or chair and management. The session covered basic relationships, who did what and who reported to whom. Both workshops were full

Most attendees were or had been a CF chair. The first part of this session covered basics - time commitment, duties to follow, agenda's very basic. The second part offered a little more, as in very good discussions around the table but again very basic. Any person who had or currently was a chair may not have received much information out of this workshop.

Region #6 – West

Ms. Judy Nafziger,

Board Member, Perth County CFDC

Rural Canada: doing business with a smaller and older population:

- Need to provide medical services

- Need to be connected to technology re: internet, Skype etc.
- Need to provide activities and social networking with companionship and partnering
- Need affordable housing with low maintenance- cost of living is huge issue
- Need to provide sense of community

Thrive online:

If not on Facebook etc. should make a name for yourself before someone else does it for you, if you post for yourself you can control the message.

Presently YouTube second largest contact. Videos should be V- Valuable, I-Interesting, D-Direct, E-Engaging , O-Options. By 2013 90% of all content will be video based. Average attention span is 7 seconds, so need to catch attention of user quickly. Must always think how you want to have you or your organization/association remembered.

Risk Management:

Whistleblowers need to be protected.

Anyone being controlling, loner, island onto self, there should be RED FLAG. Can have all the policies, bylaws, and checks and balances in place, but make sure someone is checking the person in charge. Signing cheques: no pre-signed blank cheques. All cancelled cheques viewed by board. Strategy: need a clear separation of duties.

Check what is said is being done is really being done and if someone asks don't you trust me? You will want to look deeper into that comment.