



BARRIERS TO SUCCESS

**FOR INDIGENOUS FEMALE
ENTREPRENEURS IN
CAPE BRETON – UNAMA'KI**

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1.0 EXECUTIVE SUMMARY

Indigenous women have a long history of using traditional knowledge and skills to help care and provide for their families.

Many cultural practices such as harvesting materials, preparing natural medicines, basket making, and artistry have been passed down through generations keeping those traditions alive today. Survival instinct and perseverance are common factors linking modern Indigenous women to their ancestors, and are key traits of successful entrepreneurs.

Women-owned businesses have diversified from traditional activities to also encompass a wide range of industries including renewable energy, professional services, and trade-based companies.

In 2019, The Cape Breton Partnership commissioned a study to be conducted on “Barriers to Success for Indigenous Female Entrepreneurs in Cape Breton - Unama’ki”. The study involved a gender-based analysis and assessment of the Indigenous entrepreneur support system in

Cape Breton - Unama’ki, and the barriers Indigenous female entrepreneurs face in accessing entrepreneurial support services and programs.

Throughout the course of this study, current and former female Indigenous entrepreneurs were invited to participate in focus groups held in each of the five First Nation communities in Cape Breton - Unama’ki. Most of the focus group participants also completed an anonymous survey. At the close of the project an evening session was held at the Membertou Trade and Convention Centre, which was open to all aspiring, current and former female Indigenous entrepreneurs in the region.

The study also included a review of services and supports available to aid entrepreneurs in their business development, sustainability and growth.

1.1 PROJECT OVERVIEW

RISE Results Business Services, a research and business development consulting firm, was contracted by The Cape Breton Partnership to conduct this study.

An advisory committee was assembled to oversee the project, and included subject matter experts from the five Indigenous communities in Cape Breton - Unama’ki:

Susan Googoo, Director of Employment and Training for We’koqma’q First Nation

Tahirih Paul, Economic Development Officer for Potlotek First Nation

Eileen Paul, Manager of the Membertou Entrepreneurship Centre

Laura Prosper, Economic Development Officer for Eskasoni First Nation

Audrey Piero, Native Employment Officer for Wagmatcook First Nation

1.2 FOCUS GROUPS AND SURVEY SUMMARY

With assistance from the advisory committee, focus groups were held in each community with a total of 27 Indigenous female entrepreneurs participating in discussions and 25 providing responses

to our survey. Forty-two women, including four economic development representatives, attended the wrap-up meeting in Membertou.

A summary of the survey results revealed:

- **64%** of respondents are **currently active in business**
- **Craft and design** was selected as the most common business industry
- **84%** of respondents **have not completed a business plan**
- **Lack of funding** was identified as the top barrier to business success or growth
- **Only 4%** of respondents **have contacted a traditional financial institution** for funding assistance
- **57%** have **invested personal savings** to help finance their business
- **50%** of respondents indicated that **their business is the main source of income** for their families
- **57%** of respondents **do not have a mentor**



■ 1.3 SUPPORTS AND SERVICES SUMMARY

Internet research and interviews were conducted to identify the support systems in place to aid Indigenous female entrepreneurs in Cape Breton - Unama'ki.

The results revealed communication and service gaps between business support organizations, funders, service providers,

and Bands, and the community of female Indigenous entrepreneurs in Cape Breton - Unama'ki.

Indigenous entrepreneurs often face unique barriers, yet there are few providers that offer products or services unique to this population of entrepreneurs.

■ 1.4 STATE OF INDIGENOUS FEMALE ENTREPRENEURSHIP

According to an article published by Policy Options in July 2017, “Indigenous women are starting businesses at twice the rate of Canadian women generally.”¹

It has also been reported that they have lower default rates for loans than men in their communities.²

Yet, according to Mary Ng, Federal Minister of Small Business and Export Promotion, “Male entrepreneurs, when they make a pitch for funding, are funded 68 percent of the time. The very same pitch, made by a woman - same words, same pitch - it’s only funded 32 percent of the time.”

In 2019, the Atlantic Provinces Economic Council (APEC), on behalf of the Atlantic Aboriginal Economic Development and Integrated Research Program (AAEDIRP)³,

conducted a study titled “Highlighting the Success of Atlantic Indigenous Businesses”⁴. According to the published results, women-owned businesses find it more difficult than men-owned business to:

- Locate potential outside sources of financing (71% vs. 44%),
- Meet the qualifications or requirements for lending (52% vs. 19%)
- Apply for financing (48% vs. 24%)
- Access expert advice / mentoring on financial issues (38% vs. 33%)

1 <https://policyoptions.irpp.org/magazines/july-2017/make-entrepreneurship-accessible-to-indigenous-women/>

2 <https://business.financialpost.com/entrepreneur/aboriginal-women-entrepreneurs-ready-to-mentor-peers>

3 AAEDIRP is administrated by the Atlantic Policy Congress of First Nations Chiefs Secretariat (APCFNC)

4 https://www.apcfnc.ca/images/uploads/FINAL_Report_-_Successful_Atlantic_Indigenous_Businesses__June_2019.pdf

2.0 EXPLORING THE BARRIERS

In the process of this study, we found terminology and communication were barriers for engaging Indigenous women entrepreneurs.

Even the term “entrepreneur” proved to be a barrier as some view themselves as mothers supporting their families using their skills and knowledge to provide products or services, but do not make the connection that they are entrepreneurs. Many are working to cover short-term

financial needs, but barriers prevent them seeing their activities as viable, long-term businesses.

This chapter reviews barriers identified by the study participants, and also those revealed through our literature review.

■ 2.1 BARRIERS IDENTIFIED IN CAPE BRETON – UNAMA’KI

Disparity of Funding Opportunities

Living in Band-owned homes leaves Indigenous entrepreneurs without access to equity that can be leveraged by a lender towards a business loan, and traditional banks are hesitant to lend to people living on a reserve, as they cannot legally seize assets from Indigenous land.

Unawareness of Available Support Systems

The study participants were asked which support and funding options they had heard of. While many were aware of Ulnooweg Development Group, an Aboriginal financing organization that offers lending services and administers the non-repayable Aboriginal Business Financing Program (ABFP), there was little awareness of other providers or programs they could access for assistance.

Credit and Financial Literacy Challenges

Lack of financial literacy training and lack of understanding on what actions positively or negatively impact credit has resulted in many having low credit scores.

According to an article published by D. Collin titled Aboriginal Financial Literacy in Canada, “Cultural barriers such as language, values that affect financial decisions, the persistence of noncash-based economies, lack of trust toward financial institutions, and habituation to government program management culture all affect financial literacy.”⁵

5 http://publications.gc.ca/collections/collection_2011/fin/F2-201-2011-eng.pdf

Fear of Losing Financial Security

Many fear that financial success from their business may be temporary but have a long term or permanent impact on their social assistance from the Band, which they see as their family's security.

Access to Business Services

Four of five of Cape Breton - Unama'ki's First Nation communities are located 30 - 60+ minutes away from many business and professional services. Lack of transportation was expressed as a concern from those who do not drive or have access to a vehicle.

Access to Training

While the women involved in this study may excel in their area of work, many are challenged with the other aspects of business management such as accounting, marketing, human resources, and sales. Unavailability of business training within most communities has been raised as a barrier.

Access to Internet Service

Unreliable Internet service in some of the communities makes it challenging for website or social media based marketing and sales, as well as connecting with suppliers and service providers. Note: It was announced on August 13, 2019 that the federal and provincial governments were funding fiber optic cable for high-speed Internet in Eskasoni, which should help alleviate the concern for many entrepreneurs in that community.

Access to Workspace

Lack of land ownership has restricted some from building or acquiring working space on the properties where they reside, i.e. studio or workshop outside the house. Availability in the communities for retail space is limited, and the cost to rent outside is prohibitive (including rent, transportation, insurance, utilities, etc.)

Lack of Resources

Lack of resources including business supplies, inventory, technology (i.e. laptop, printer, etc.), and limited access for funding to acquire these resources make it difficult to ensure continuity in business activities.

Family Responsibilities

Fifty percent (50%) of the women surveyed identified family responsibilities as a barrier to their success. This struggle was also repeatedly noted during discussions, specifically related to lack of consistent childcare and having to carry out the majority of household management tasks.

Lack of Confidence / Fear

Fear of rejection by the general business community, fear of discrimination and prejudice from funders and service providers, and fear of pursuing business opportunities outside of the First Nation communities have been brought up as barriers during discussions.

Gender Bias

Gender bias was discussed by several of the women, particularly those in traditionally male-dominated industries. One woman whose business is in the energy sector identified gender bias as a significant struggle, stating how everyone from contractors to customers gravitate to her husband over her when they are together, even though he is not involved in the business.

Government Requirements

Business registration, financial reporting, charging and paying HST, and employee tax deductions / remittances become barriers due to lack of training and knowledge on requirements. Not knowing the rules for CRA can put the women at risk of government penalties.

Lack of Band Support

In each of the meetings, a disconnect between the community Bands and the entrepreneurs was discussed. Many of the participants felt a lack of encouragement from the Band offices, and do not feel that there is tangible support for business start-up or expansion.

Women in Membertou noted that although they have the Membertou Entrepreneurship Centre, they still feel that the Band itself does little to show support for individual businesses.

Although there is a focus on economic development for Band-owned enterprises that build revenue for the communities as a whole, the feedback indicates that the women feel the Bands do not view their individual businesses as having a notable impact on the community.

Politics was also noted in discussions, and how support decisions are often motivated by potential votes particularly during community elections.

Twenty-two percent (22%) of the survey respondents reported contacting their Band offices for financial assistance for their business.



Figure 1: Location of Indigenous communities in Cape Breton - Unama'ki compared to service hubs

■ 2.2 BARRIERS IDENTIFIED THROUGH LITERATURE REVIEW

A literature review was completed as part of this study to uncover other barriers existing for Indigenous female entrepreneurs throughout the country.

Many of the barriers identified echoed those noted by the study participants in Cape Breton - Unama'ki. Other barriers are discussed in this section.

Lack of Confidence

Confidence is a major obstacle. It stems partly from not having mentors or a strong family support system, due to the continuing multi-generational impact of residential schools.⁶

Lack of confidence and fear of prejudice often prevent Aboriginal women from leaving their comfort zones to seek out collaboration, networking, training, and/or funding opportunities outside of their own network or community. Generally, women tend to outnumber men in taking advantage of training and networking opportunities, although Indigenous women are underrepresented in these settings.

Ability to work full-time

Many banks require the borrower to work in the business full time – something that is not possible for many women due to family commitment or other responsibilities.

Access to Business Networks⁷

Many of the smaller communities do not have Economic Development departments or community run businesses; there may be no one in the community to mentor the owner of a start-up business and it's just as unlikely that there will be business networks to tap into for support or marketing.

Racial Discrimination⁸

Federal government policies put in place by Canada's founding fathers created many of the issues and challenges Indigenous Peoples still live with today and contribute to the negative attitudes towards Indigenous Peoples and their businesses. Enduring stereotypes and an underlying misconception that Indigenous culture is counterintuitive to good business strategies are inhibitors to Indigenous entrepreneurs.

6 According to a report produced by Impakt and funded jointly by the Indian Business Corporation and the Business Development Bank of Canada

7 <https://www.ictinc.ca/blog/11-challenges-for-indigenous-businesses>

8 <https://www.ictinc.ca/blog/11-challenges-for-indigenous-businesses>

3.0 SERVICES AND SUPPORTS

Included in the scope of work for this project was consultation with service providers in the region.

The first section in this chapter discusses the providers that offer products and services specific to Indigenous entrepreneurs, while the second section provides an overview of general services and supports.

In-person or telephone consultation took place whenever possible. RISE also

performed extensive Internet searches using related keywords and phrases to see what information was available. Search phrases included “how to start a business”, “start a business Cape Breton”, “business startup women”, “business financing women”, “Mi’kmaq business startup”, etc.

■ 3.1 INDIGENOUS-FOCUSED SERVICES

Band Offices in Cape Breton - Unama’ki

Bands vary in the types of services and supports offered to community entrepreneurs. In Cape Breton - Unama’ki, Membertou First Nation has the most advanced support through the Membertou Entrepreneurship Centre. Aspiring or current entrepreneurs from the community can access one-on-one support and customized training and workshops. Membertou also offers incubator space for businesses to set up brick and mortar stores or offices with low rental fees.

Economic Development Officers (EDOs) in Potlotek and Eskasoni offer support in terms of guidance and identifying resources, but do not have budgets to help foster small business development and growth. Wagmatcook and We’koqma’q do not have anyone in a dedicated EDO role.

Some of the Bands have reportedly provided entrepreneurs with small financial assistance at times, but none promote specific programs, methods or amounts of funding available.

Ulnooweg Development Group, www.ulnooweg.ca

Ulnooweg is an Aboriginal Financial Institution (AFI) that has been supporting Indigenous business in Atlantic Canada since 1986. They have provided entrepreneurs in the Atlantic region with over \$60,000,000 since inception.

Ulnooweg offers micro-loans of up to \$5,000, youth loans, and general business loans. They also administer the Aboriginal Business Financing Program (ABFP) for the Atlantic region that is funded by Indigenous Services Canada. The majority of ABFP funding goes to support small and medium sized Indigenous businesses in the form of non-repayable contributions.

Although Ulnooweg, as an Indigenous-focused lender, understands cultural business barriers and can work around some of the challenges that mainstream providers cannot, they do require cash equity and a reasonable credit history to proceed with most loans, and also a business plan for general loans.

Twenty-two percent (22%) of the study participants contacted Ulnooweg for funding support. Many others who didn't contact them shared perceptions that interest rates were very high and the application process was too involved.

Most pertinent to the study participants would be the micro-lending program. Applicants can obtain up to \$5,000 repayable over a two-year period at eight percent (8%) interest. Requirements include:

- Completed application (Applicant, Business and Loan Information, Consent of Borrower)
- Copy of Aboriginal Ancestry (status card, membership card, etc.)
- Copy of Driver's License or other piece of Government ID
- Resume and/or Bio
- Executive summary of project
- Simple Cash Flow Statement
- Copies of price quotations and estimates for projected costs
- Copies of signed contracts, letters of support etc., if applicable
- Confirmation of Equity (5% cash, Bank Statement)

Applicants must not have any collections or judgements reported in the last 12 months and must show that the revenue/income from project is enough to support loan payments.

Indigenous Services Canada (ISC)

The mandate of ISC is to improve access to services for First Nations, Métis, and Inuit communities. Areas of priority include healthcare, education, family and child welfare, infrastructure, and developing new fiscal relationships with Indigenous communities.

While ISC supports Indigenous community economic development through the Community Opportunity Readiness Program (CORP) and the Lands and Economic Development Services Program (LEDSP), the support they provide direct to entrepreneurs is delivered by AFIs throughout the country. Ulnooweg is the AFI that administers this funding for entrepreneurs in Atlantic Canada.

Short-term Programs

Short term lending or grant programs are available from time to time, and require entrepreneurs and EDOs to be consistently paying attention for media releases and information to catch opportunities as they arise. An example of a short-term fund is outlined below:

- **The Indigenous Women Entrepreneurship Fund⁹:** a micro-finance program open to Indigenous women-owned businesses that may lack access to conventional financing. The Indigenous Women Entrepreneurship Fund was established as a result of a donation from CIBC, along with a contribution from the Indigenous Women's Leadership Summit. Applicants may be eligible for up to \$4,000.00 repayable over 36 months with 0% interest. Application deadline was August 31, 2019.

■ 3.2 GENERAL PROVIDERS

Business Development Bank of Canada (BDC), www.bdc.ca

The BDC is a Crown corporation owned by the Government of Canada. They provide support specifically for Canadian entrepreneurs including financing and business advisory services. Advisory services such as business management, sales and marketing, and operational efficiency are available for a fee starting at \$7,500.

The BDC does offer programs unique to Indigenous entrepreneurs, and employs an Indigenous Account Manager serving Atlantic Canada. Benefits for Indigenous clients include waived application and annual account review fees, and interest rate savings of between 3-5%.

Ulnooweg and the BDC often partner together with clients on larger projects, and both offer flexible repayment plans based on seasonality of business revenues.

The BDC does not have a micro-lending program, but mainly deals with clients to support larger financing needs between \$20,000 and \$350,000. Similar to Ulnooweg, requirements include proof of Indigenous ancestry, completed business plan, equity, and a reasonable credit history.

Community Business Development Corporations (CBDC), www.cbdc.ca

The CBDC offices serving residents of Cape Breton - Unama'ki are Coastal Business, CBDC InRich, and CBDC Northside Victoria. Understanding the unique requirements of Indigenous women entrepreneurs, Coastal Business will often refer clients to Ulnooweg for lending services.

9 <https://www.ccab.com/indigenous-women-entrepreneurship-fund/>

Four percent (4%) of our study participants reported contacting a CBDC office for business financing.

Other services that are offered by CBDCs that are most applicable and accessible to Indigenous female entrepreneurs are:

- **The Self Employment Benefits program (SEB)** supports unemployed Atlantic Canadians during the initial phase of their business, including financial assistance, counselling and technical advice. Eligible participants must be receiving or have received Employment Insurance (EI) benefits within a certain timeframe. Participants will continue to receive EI benefits until their claim ends. At this time they will receive support at a provincially established rate for the duration of time remaining on the SEB Program. Alternatively, if an applicant is approved for the SEB Program but is not currently receiving EI benefits, they will receive a weekly allowance at a provincially established rate.

The SEB program is not widely known particularly amongst our study participants. Once someone has started any form of business activity, they become ineligible for the program so it's important to educate aspiring entrepreneurs prior to starting.

- **Consulting Advisory Service (CAS):** The CAS program is funded by Atlantic Canada Opportunities Agency (ACOA) and administered by local CBDC offices. This program provides financial assistance for entrepreneurs to access consultants for activities including diagnostic assessments, business management development practices, sourcing capital, market readiness / export potential, specific studies / business plan mentoring, and aftercare mentoring and follow up. If approved, the CAS program will cover the majority of fees charged by consultants to provide these services with a small portion payable by the entrepreneur.
- **Business Management Skills Training:** CBDC offers training on many business management topics including market development, feasibility studies, bookkeeping, finance, business analysis and more. Group courses are free for participants, while customized training for individual entrepreneurs can be covered at 90% up to a maximum of \$1,000.

Chartered Banks

Promotion of banking services to Indigenous people by chartered banks has been steadily increasing across the country, with some having achieved Gold Level certification from the Canadian Council for Aboriginal Business for Progressive Aboriginal Relations.¹⁰

Most institutions are engaged in Indigenous relations efforts through sponsorship of Indigenous education initiatives and recruitment of Indigenous employees. However, local branches from mainstream banks don't seem to have adapted engagement strategies or process for the unique needs of Indigenous entrepreneurs.

Some have Indigenous banking teams with a representative serving Atlantic Canada, however there are no representatives located in Cape Breton - Unama'ki. There are also no chartered bank branches in any of the reserves in Cape Breton - Unama'ki, requiring Indigenous clients to have to leave their communities for their banking needs.

Our team reached out to representatives at TD Canada Trust, CIBC, BMO, Scotia Bank, and RBC. All offer general services to the full population, however loan applicants who are homeowners or have other collateral and are not located on a reserve have an equity advantage.

Four percent (4%) of our study participants reported contacting a chartered bank for business financing.

Local Credit Unions

Credit Unions have the advantage of being able to make lending decisions locally. While general criteria of a reasonable credit score, acceptable debt ratio and income to support a loan are required, Credit Unions may be more flexible to consider individual circumstances of applicants.

None of the survey participants reported having contacted a Credit Union for funding, however the manager of the Membertou Entrepreneur Centre noted that she has had clients successfully obtain financing from the local branch.

Cape Breton Centre for Craft and Design, www.capebretoncraft.com

The Cape Breton Centre for Craft and Design is a non-profit charitable organization funded by ACOA and the Province of Nova Scotia - Department of Communities, Culture and Heritage. Its mandate is to promote excellence in the field of craft and design through education and training, exhibitions and special events.

¹⁰ <https://www.ccab.com/programs/par-companies/>

Funding programs are available for artisans in Cape Breton - Unama'ki for the following services:

- **Consultant Services** for business assessment, business plan development, export plan development, lean manufacturing, international trade development or marketing plans. The level of non-repayable assistance will normally be up to 75% of the cost to a maximum of \$5,000.
- **Website Development** for the development of new websites or the enhancement of a craft producer's existing website. The level of non-repayable assistance will be up to 75% of the overall cost of the project to a maximum of \$5,000, HST included, for new websites and up to 75% of the overall cost of the project to a maximum of \$2,000, HST included, for an existing website.
- **Trade Missions / Trade Shows:** financial assistance may be available to craft businesses wishing to participate in trade missions/shows that will help to expand their markets. Shows eligible for funding include wholesale trade shows and certain juried retail shows, which are either provincial or national in scope. The level of non-repayable assistance will be up to a maximum of 75% for the first time a business participates in a mission, up to a maximum of 65% for the second time, and up to a maximum of 50% thereafter. Eligible costs for assistance are the travel, accommodation, booth fees, and freight up to a specified limit.
- **Branding:** craft producers who wish to develop their brand or further develop existing branding to meet current market demands may qualify for non-repayable assistance up to 75% of costs to a maximum of \$2,000.
- **Succession Planning / Mentorship:** craft producers who wish to plan for the future of their businesses after retirement and pass on their craft to an emerging artisan or to mentor a younger artisan may qualify for non-repayable assistance up to 75% of costs to a maximum of \$2,500.

For most programs, applicants are required to be registered with the Nova Scotia Registry of Joint Stocks, complete an application, and request price quotes for services from two Cape Breton companies. For example, if applying for funding for website development, applicants would request quotes from two companies providing web services in the region. Other requirements vary per program.

Atlantic Canada Opportunities Agency (ACOA)

ACOA works to create opportunities for economic growth in Atlantic Canada. The agency provides funding support to businesses within its mandated sectors of advanced manufacturing, clean technology, tourism, green energy, food (non-restaurant), immigration, and ocean supercluster.

Indigenous economic development has been recognized as a priority of the Government of Canada, however there are currently no specific funds or programs offered for Indigenous entrepreneurs. Any entrepreneur or community (Indigenous or non) may be considered for interest-free financing for projects related to the sectors noted above.

ACOA's most specific support of individual entrepreneurs is through its provision of operational funding for Coastal Business, which works directly with small business owners.



4.0 RECOMMENDATIONS

Indigenous Liaison Officer

One of the first recommendations to come from this project was the concept of hiring an Indigenous Liaison Officer. Eileen Paul introduced the idea at early project meetings with the rest of the committee's support. The purpose of the Liaison Officer is to act as a dedicated resource to Indigenous entrepreneurs in Cape Breton - Unama'ki, connecting them with service providers and lenders and providing tangible assistance in helping them start and grow viable businesses. The Officer would be well versed in business language and knowledgeable about all various options available for training, financing, and non-repayable funding, even accompanying clients to meetings with service providers as requested. Offering start to finish support, they would work with clients through all stages of business development from concept to succession planning. The recommendation was for the Officer to be an Indigenous person from Cape Breton - Unama'ki, and employed by the Cape Breton Partnership to serve Indigenous entrepreneurs. Possible funding sources to cover the costs for the position are contributions from the Bands and Indigenous Services Canada.

Related to this position, it is also recommended that the liaison build a communications database of all current female Indigenous entrepreneurs, and use a Facebook group as well as email and direct mail to provide regular updates on initiatives. It is important to keep this group informed and engaged on opportunities that will support the growth of this sector.

Changing the Language

Although sixty-eight percent (68%) of the survey respondents stated that they had education related to their business, most of the study participants with whom we spoke do not have business-specific training. This provides a challenge when seeking out business services and support, and ties in with the challenge of language and jargon earlier expressed.

The recommendation is to educate local lenders on the needs of Indigenous clients, encouraging them to adapt communications and offerings to better support this sector. Marketing to the Indigenous female entrepreneur may mean creating some promotional materials in Mi'kmaq, working with the Indigenous Liaison Officer (as recommended above) and community economic development representatives to understand the scope of entrepreneurship in Cape Breton - Unama'ki, and testing a micro-loan product with less cumbersome application requirements.

The AAEDIRP / APEC study referenced in the Executive Summary of this report found that fifty-two percent (52%) of Indigenous female entrepreneurs value their relationship with financial institutions vs. sixty-nine percent (69%) of male Indigenous entrepreneurs. It is going to take a consistent effort on the part of local service providers to build trust and relationships with this group, although the result of the effort could prove profitable for the lenders, the entrepreneurs and the local economy.

Bring Services to the Communities

We heard consistently from study participants that having to travel for business related services can be burdensome to their families and their business. Training sessions, networking events, applying for grants or funding, or accessing services such as business registration often requires the entrepreneur to travel. As noted earlier in the report, access to transportation was expressed as a concern, and can be a barrier for business growth.

We recommend the following be considered in relation to bringing services direct to communities:

1. Training - Workplace Education, an initiative of Nova Scotia Works, has expressed concerns with engagement when attempting to run training programs in the past in several communities. The organization requires a minimum number of participants per program, and some have been cancelled for lack of participation. The women in this study have shown strong interest in learning topics such as basic business skills, marketing for small business, financial literacy, and product readiness (pricing, packaging and promotion). Our assessment is that while interest is high, barriers such as lack of confidence, family demands and business responsibilities get in the way of attendance.
 - a. It is recommended that the communities support the women entrepreneurs wanting to participate in training by offering childcare, transportation to training sites, and pre-session meetings to discuss what they can expect and what is expected from them
 - b. It is recommended that “Train the Trainer” sessions be provided to trainers leading a course in an Indigenous community, learning about the culture and the barriers that these women face daily so the trainers can provide the support and encouragement required
 - c. It is recommended that if no Indigenous trainers are available with the necessary training background to conduct these courses, that a call for Indigenous persons interested in becoming a trainer be placed to build capacity in this area. The applicants can shadow the trainers and learn to run courses independently

2. Lenders Roadshow – Ulnooweg and other lenders have frequently visited communities to present their products and services. It is recommended that funders and service providers be invited back to each community for roundtable discussions with female entrepreneurs. Instead of presentation style meetings where the funder is the speaker and the potential clients are the audience, the set up would enable equal time for discussion between all parties to share their struggles, ideas and needs, and providers can share what they offer as well as suggestions for the entrepreneur on how to progress to access funds in the future (i.e. credit building techniques, business registration, etc.).
3. “Coffee house” meetings – The recommendation is for The Cape Breton Partnership (or Liaison Officer), along with the community economic development representatives, to conduct quarterly meetings in each community to build connections and foster relationships with the entrepreneurs. Based on a suggestion from community leadership during the wrap-up session in Membertou, meeting the entrepreneurs in their area in a relaxed setting will encourage more participation in their local business community. This can also help to foster natural mentorships between seasoned and new entrepreneurs.

Reignite the Balance Conference

The concept for “Balance” is to give Indigenous entrepreneurs the tools they need to balance their health and wellness, families, and responsibilities while creating and building successful businesses.

Eileen Paul, Manager of the Membertou Entrepreneurship Centre, initiated the Balance series of conferences for women in business in 2008 after realizing the need for customized programming and support for Indigenous female entrepreneurs.

The project began with a pilot conference for Indigenous women in business from Cape Breton - Unama’ki. It was held in Membertou in 2008 and supported with a small budget from the former ECBC (Enterprise Cape Breton Corporation). This one-day conference with 75 attendees was a success, measured by interest, attendance, and positive response from participants regarding content and networking.

Based on the success of the pilot conference, the second was planned and took place in 2009 at the Westin in Halifax with 217 participants from across Atlantic Canada. This was a 2 1/2 day conference which was also applauded by participants for its content customized for Indigenous women in business. With two successful conferences completed, and the demand for more from past and prospective participants, plans began for Balance 2010 to be held again in Membertou. This edition of Balance offered hands-on activities including an Apprentice Challenge, trade show, fashion show, and a wellness clinic. Bill Rancic, winner of the original Apprentice, attended as the keynote speaker. Balance 2010 was another successful conference hosting 120 participants from across Atlantic Canada.

It is recommended that the Balance conference be reinstated starting in 2020 in Unama'ki. The series will continue to offer the type of hands-on learning and activities as the 2010 conference.

Sample Conference Content:

Leadership development

Effective leadership is a choice to be made by you. Leaders become great because of their ability to be effective, inspiring and dynamic with personal strengths and people skills. What is your leadership potential?

Finances

Effective money management tactics from investing to budgeting, for building and using wealth for greater success.

Career

How to create successful building blocks for your career through goal-setting, education and leadership.

Community

Tapping into the potential of collaborative and supportive relationships with mentors, coaches, partners and family members, and how to make them part of your success in business. Where do you find a mentor? How do you choose one?

Communication

How to express your ideas for optimal impact with different audiences and generations, communication skills that help you lead, inspire and motivate others.

Health

Are you balancing your life and putting your priorities in the right bucket? Are you managing your stress? Are you eating right?

ISC and ACOA were approached for funding in November 2018 to support another Atlantic-wide Balance Conference, however the project did not fall under the mandate of current priorities for either organization. It is recommended that other sources of funding be explored for the event to be held again in Cape Breton - Unama'ki supporting the attendance of Indigenous female entrepreneurs from the region.

Micro-loan Pilot

Fifty percent (50%) of survey respondents currently in business do not have a business bank account or other business related financial products. For these women, their personal and business finances are lumped together making it difficult to understand the financial health of their business. Only seven percent (7%) of respondents have a business line of credit, business credit card or business loan. Yet the need for financing is great as evidenced by the fact that sixty-four percent (64%) claimed lack of funding as a barrier, forty-three percent (43%) borrowed money from friend or family, fifty percent (50%) took on personal debt and fifty-seven percent (57%) invested personal savings to help finance their business.

It is recommended that a Micro-loan pilot project be considered to support Indigenous women entrepreneurs in Cape Breton - Unama'ki for start-up and growth related funding needs. It is recommended to support twelve women with up to \$4,000 per loan and offer terms similar to those of the short-term Indigenous Women Entrepreneurship Fund offering repayment over a 36-month period. It is also recommended that a small interest rate of 5% be charged.

Other related recommendations include:

1. Requirements to include a credit check, but to help the applicants understand their credit scores and factors impacting their score more than for the decision process.
 - a. Those with low scores or limited credit history will be provided with mandatory training on financial literacy.
2. The business must be registered prior to the full amount of the funds being released. Fees for registration can be provided in advance as part of the loan.
3. A summary of how the funds will be spent should be included, as well as estimates for purchases.
4. A brief annual report will be required from participants on the status of their business post funding.



5.0 WISE PRACTICES

There are many studies and articles discussing the challenges faced by Indigenous female entrepreneurs, and most include research-based recommendations on how to address those challenges.

As far as best practices are concerned, there is much less information available specifically addressing successful programming for this sector.

As a result of the limited amount of information available on best practices for addressing barriers to success for Indigenous

female entrepreneurs, it is recommended that any recommendations implemented from this report be monitored for success with results recorded and published.

The following are two best practices that are relevant to this study:

The National Indigenous Women Entrepreneurs Ecosystem (NIWEE)

Launched by Idea Connector Network in Edmonton and Sudbury in 2018, NIWEE is a program supporting Indigenous women interested in launching their business.

The 5 program pillars are:

1. Increasing the number of Indigenous women in business.
2. Supporting Indigenous women in starting a business.
3. Facilitating sustained collaboration between Indigenous Women Entrepreneurs and non-Indigenous groups and individuals active in the entrepreneurship/business space (corporations, economic development groups, business associations, women's group, government agencies and financial institutions).
4. Improving access to finance for Indigenous women entrepreneurs.
5. Increasing Indigenous women capabilities to access leadership positions.

The plan called for the creation of “Hubs” in selected municipalities or rural areas. These “Hubs” are linked online forming a National Indigenous Women Entrepreneurs Ecosystem. “Hub” is defined as the gathering (in a specific community or region) of entrepreneurs, funders, corporations, government agencies, advisors and supporters interested in supporting Indigenous women seeking to launch their business and to engage in commerce.

Foundational to these Hubs are Indigenous cultures and traditions. Indigenous women interested in launching their small business will be provided a 5-month holistic program. The program requires 10 to 12 hours per week on average. It integrates workshops, self-directed e-learning, e-simulations, group projects, networking, active coaching and mentorship. Collaborative learning is the cornerstone of this program and participants accelerate their own learning by being part of a support circle of 15-women per learning group. Ongoing purposeful mentorship will be provided for a total of 12 months.

The program delivery cost per participant is estimated at \$6,000. Participants are enrolled in the program at no cost to them. At the end of term, those women interested in launching their business will have developed their own project, market tested their solution/product, developed their business plan and be ready to pitch investors.¹¹

Developmental Lending

Developmental Lending involves making loans to people and organizations that cannot get financing at a bank or credit union. The three keys to developmental lending involve specialized risk assessment, steps to ensure payback and evaluating and reporting the social outcomes to all stakeholders.¹²

The Indian Business Corporation (IBC) is an example of a developmental lender focused on Indigenous entrepreneurs. IBC has successfully practiced developmental lending in Alberta since 1987. The company – owned by the three treaty areas of Alberta (treaties 6, 7, and 8) – is a financial institution first, tailored to meet the specific needs of Aboriginal entrepreneurs. Developmental lending, however, is more than a financial transaction. IBC is a social business, one that expects positive social outcomes from its financial activities and whose main organizational goals go beyond those of mainstream or commercial lenders.

Developmental lending entails a higher degree of risk than does traditional lending. While write-offs are anticipated, IBC strives to hold loan loss to a maximum of 3% of its annual operating revenue. IBC seeks to provide solutions that keep borrowers on track while protecting the effectiveness and integrity of IBC's business. This client-centred approach is based on effective two-way communication between IBC staff and clients. IBC supports its clients through regular calls and semi-annual site visits. As well, IBC is flexible with respect to the needs of its clients, recognizing that there is no “one-size-fits-all” approach to developmental lending. As part of its flexible lending approach, IBC endeavours to make quick but informed decisions about loans so that entrepreneurs can take advantage of business opportunities in a timely fashion. While IBC's business risk would be considered too high for a commercial lender, its approach to lending mitigates risk and ensures the company and its clients have the best possible chance for success.¹³

11 <http://ideaconnector.net/bridging-the-gap/>

12 <https://www.terrapinsf.ca/developmental-lending/>

13 <http://www.indianbc.ca/reports/potential.pdf>

6.0 SURVEY RESULTS

6.1 SAMPLE SIZE

As a company that was founded on research, RISE Results Business Services strives to achieve a confidence level of 95% with a margin of error of 5% or less for survey results. To ensure these levels of accuracy are met, the target population must be available to identify the sample size required¹⁴. This has proved challenging in relation to this project.

There are limited sources of information identifying female Indigenous entrepreneurs in the region of Cape Breton - Unama'ki. Adding to the challenge, some do not register their business for various reasons.

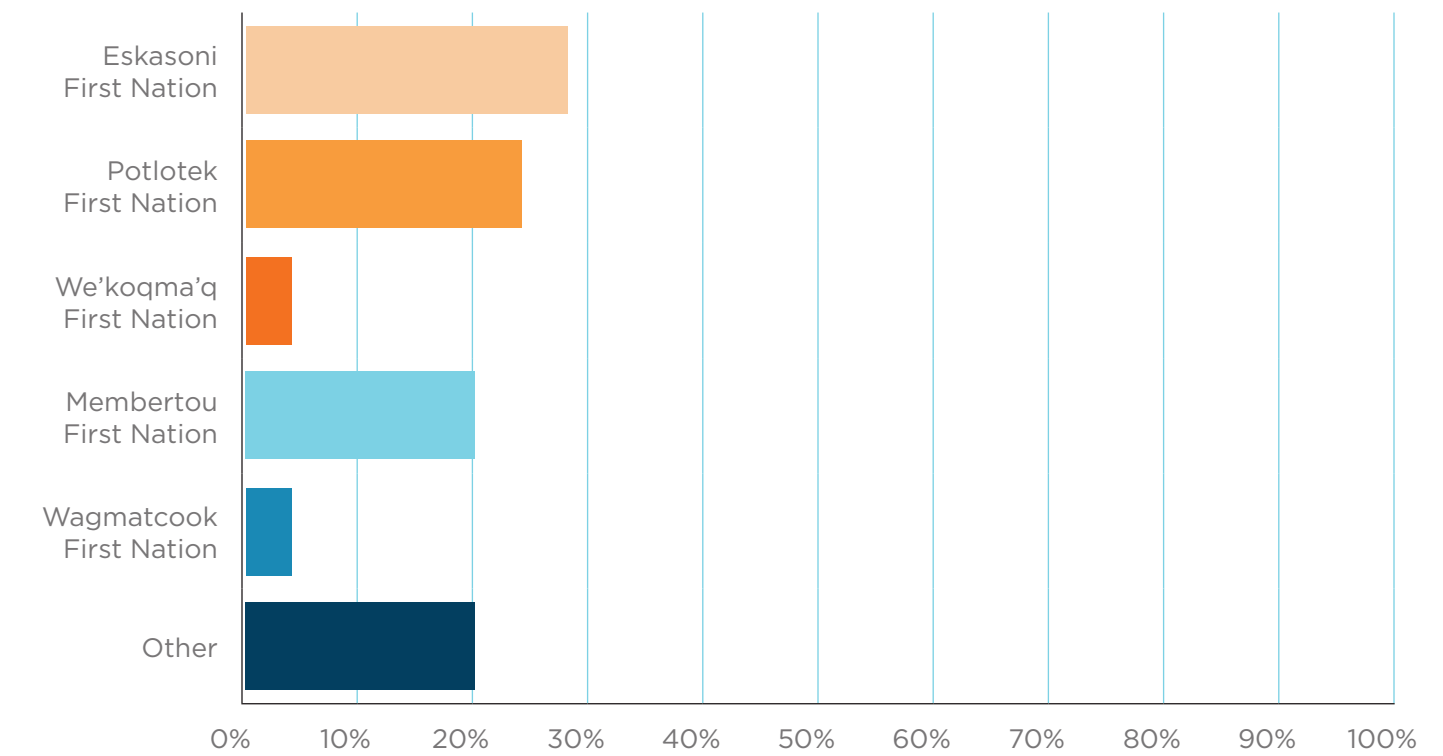
In attempting to identify the population size, we have used information found in the APEC report previously referenced, which identified 226 Indigenous businesses in Nova Scotia. It was also discovered that approximately half of those are in Cape Breton - Unama'ki with close to thirty-five percent (35%) owned by women. These figures would result in a population size of approximately 40, not including unregistered businesses or independent representatives for multi-level marketing companies. Twenty-five women responded to the survey.

14 <https://www.surveysystem.com/sscalc.htm>



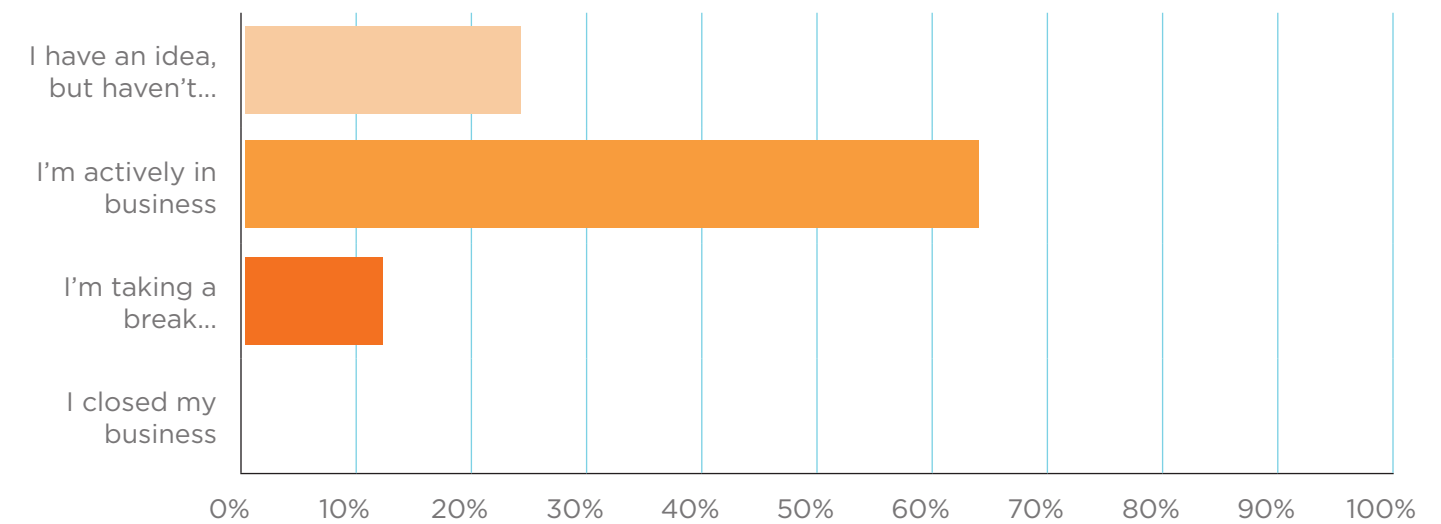
6.2 SURVEY RESPONSES

Q1: In which community do you live?



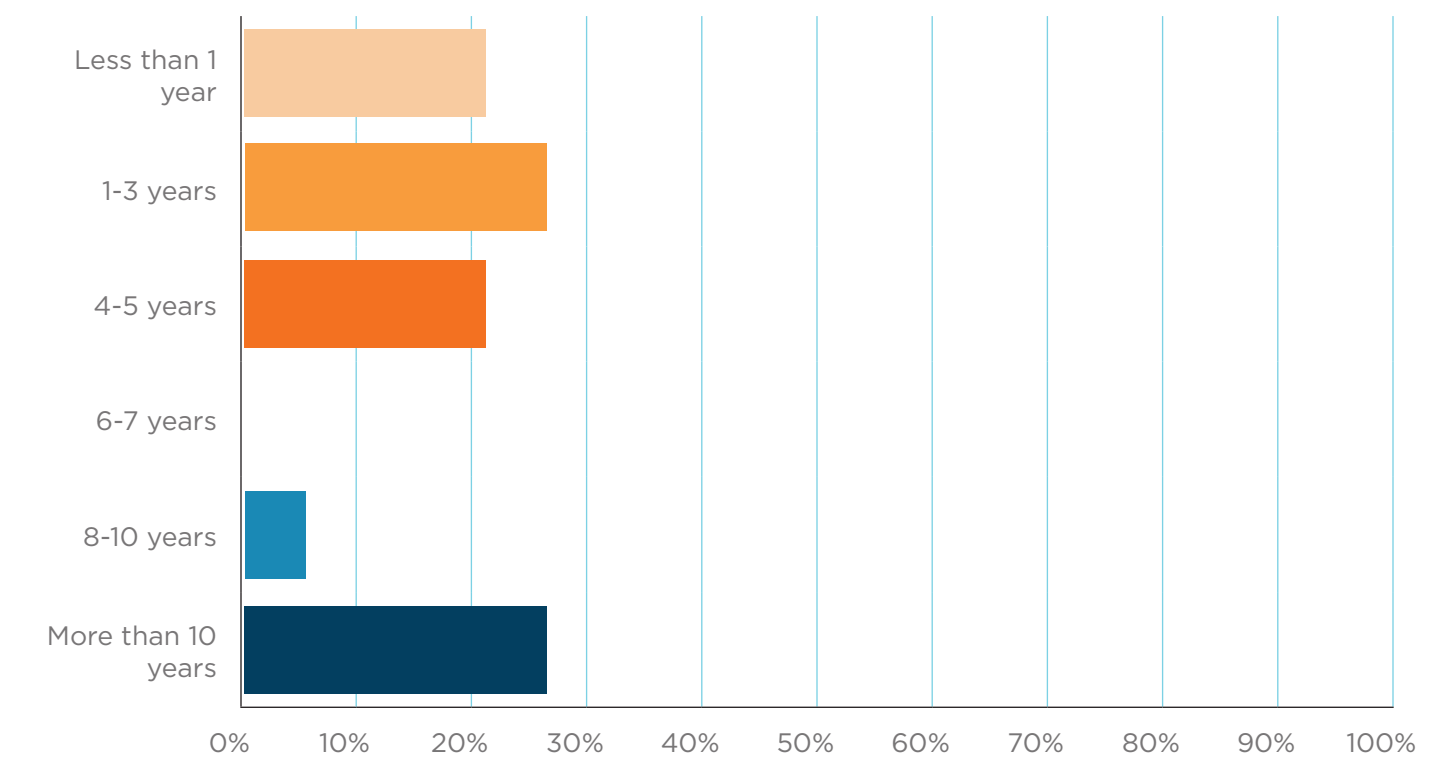
ANSWER		RESPONSES	
	Eskasoni First Nation	28.00%	7
	Potlotek First Nation	24.00%	6
	We'koqma'q First Nation	4.00%	1
	Membertou First Nation	20.00%	5
	Wagmatcook First Nation	4.00%	1
	Other	20.00%	5
TOTAL			25

Q2: What is your current status as an entrepreneur?



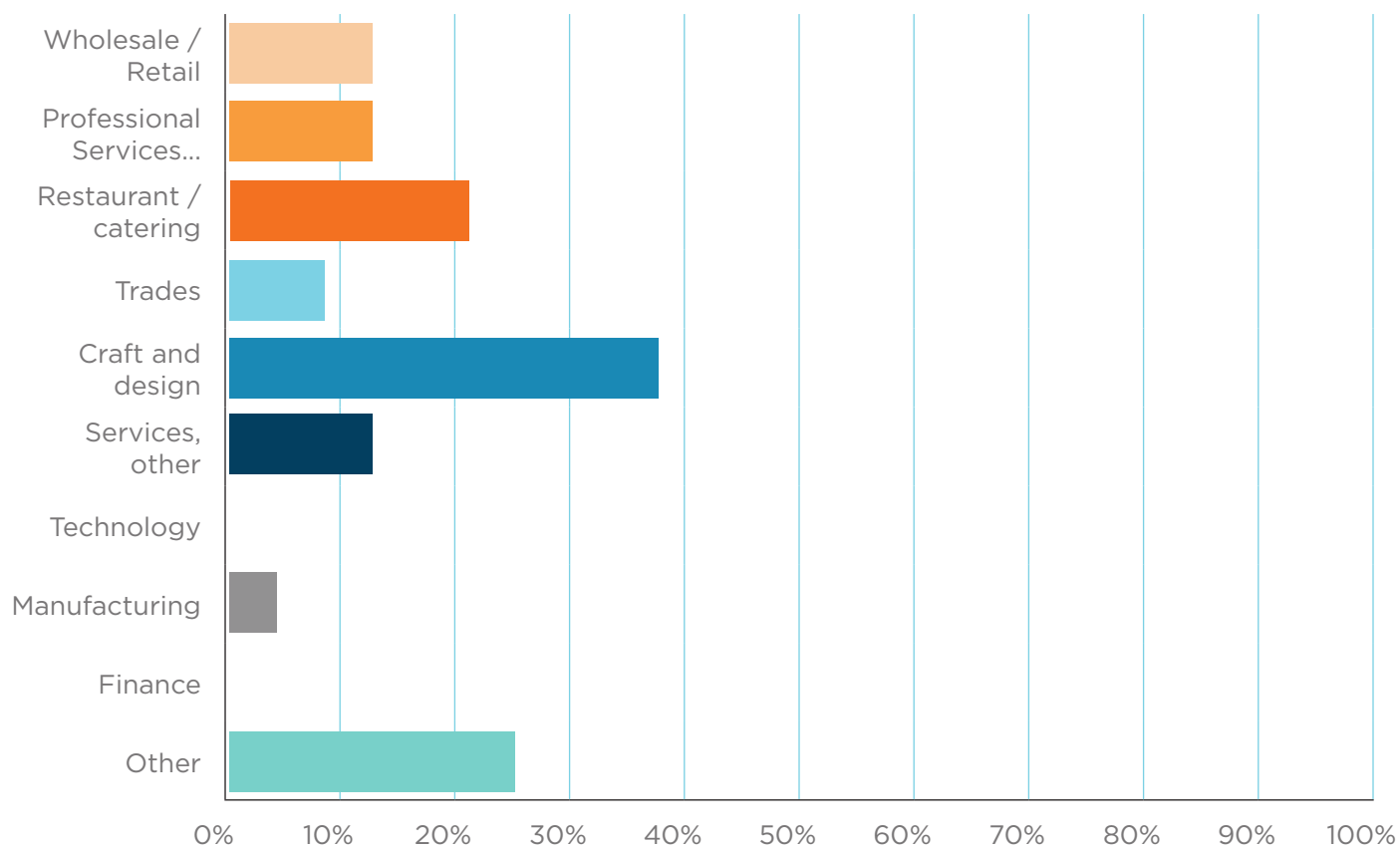
ANSWER		RESPONSES	
	I have an idea, but haven't started my business yet	24.00%	6
	I'm actively in business	64.00%	16
	I'm taking a break from my business	12.00%	3
	I closed my business	0.00%	0
TOTAL			25

Q3: If currently in business or for closed businesses, how long has/had your business been in operation?



ANSWER		RESPONSES	
	Less than 1 year	21.05%	4
	1-3 years	26.32%	5
	4-5 years	21.05%	4
	6-7 years	0.00%	0
	8-10 years	5.26%	1
	More than 10 years	26.32%	5
TOTAL			19

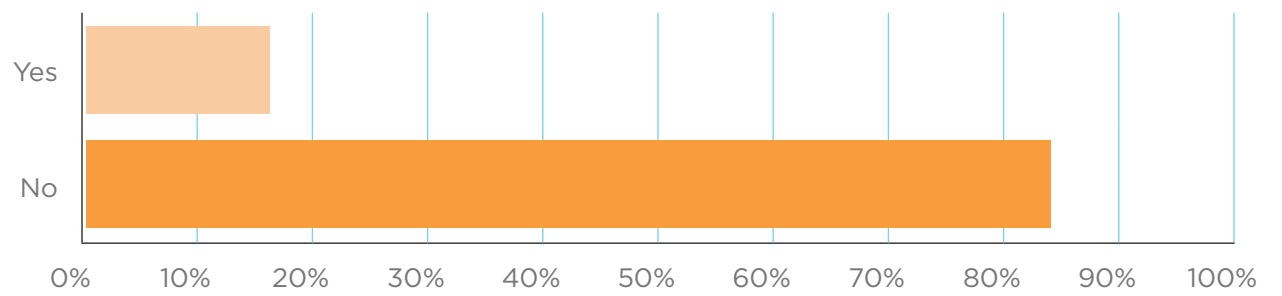
Q4: Please indicate which industry(ies) best matches your business or business idea.
(Please select all that apply)



ANSWER		RESPONSES	
	Wholesale / Retail	12.50%	3
	Professional Services (law, accounting, consulting, etc.)	12.50%	3
	Restaurant / catering	20.83%	5
	Trades	8.33%	2
	Craft and design	37.50%	9
	Services, other	12.50%	3
	Technology	0.00%	0
	Manufacturing	4.17%	1
	Finance	0.00%	0
	Other	25.00%	6

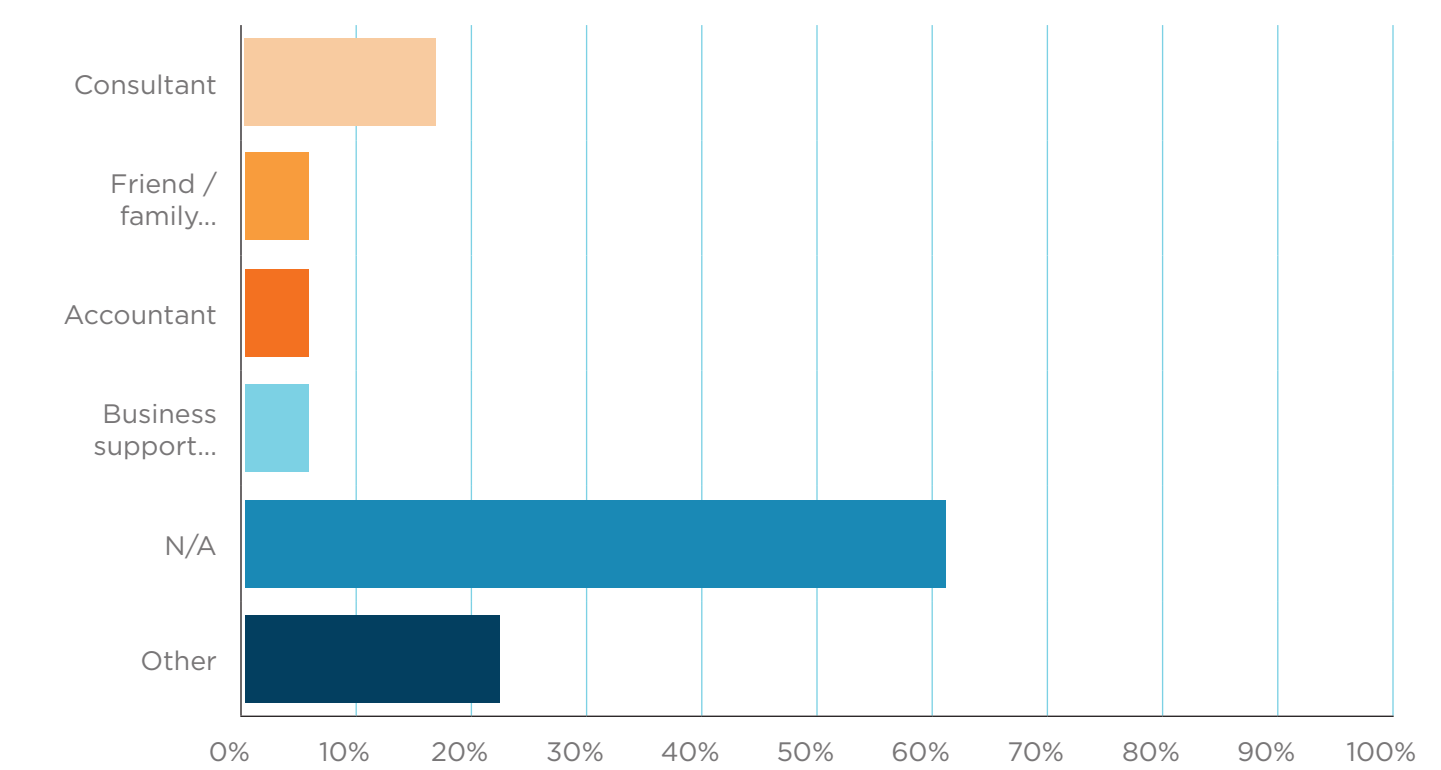
TOTAL RESPONDENTS: 24

Q5: Have you completed a business plan?



ANSWER		RESPONSES	
	Yes	16.00%	4
	No	84.00%	21
TOTAL			25

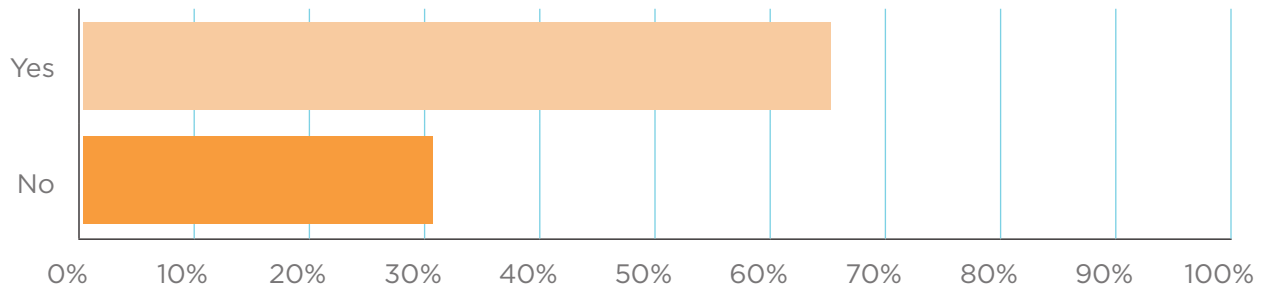
Q6: Did you have assistance with your business plan from any of the following?
(Please select all that apply)



ANSWER		RESPONSES	
<div></div>	Consultant	16.67%	3
<div></div>	Friend / family member	5.56%	1
<div></div>	Accountant	5.56%	1
<div></div>	Business support organization	5.56%	1
<div></div>	N/A	61.11%	11
<div></div>	Other	22.22%	4

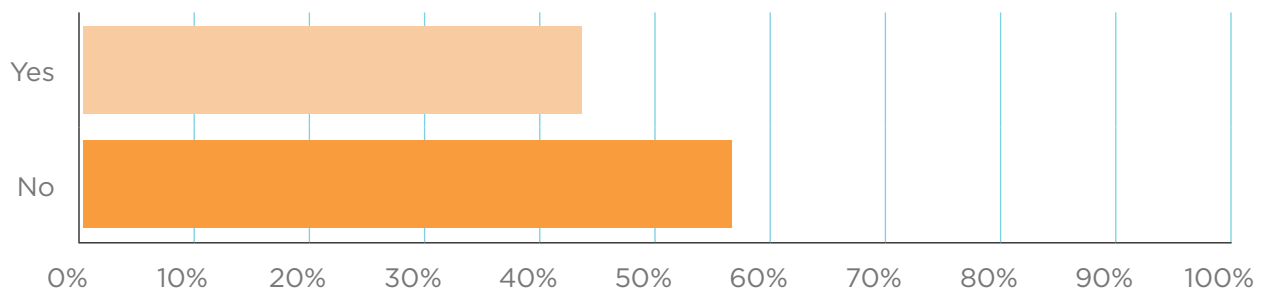
TOTAL RESPONDENTS: 18

Q7: Do you have education that is specific to your business?



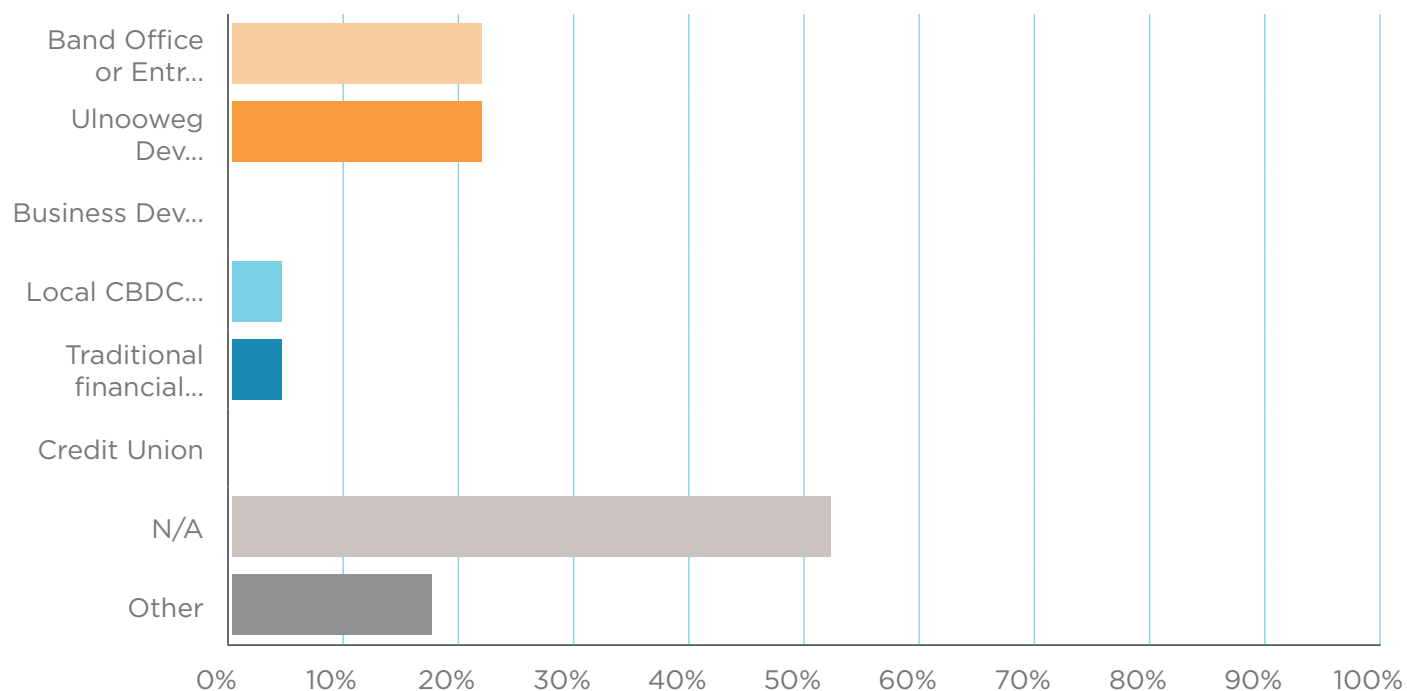
ANSWER		RESPONSES	
	Yes	65.22%	15
	No	30.43%	7
TOTAL			22

Q8: Do you have a mentor?



ANSWER		RESPONSES	
	Yes	43.48%	10
	No	56.52%	13
TOTAL			23

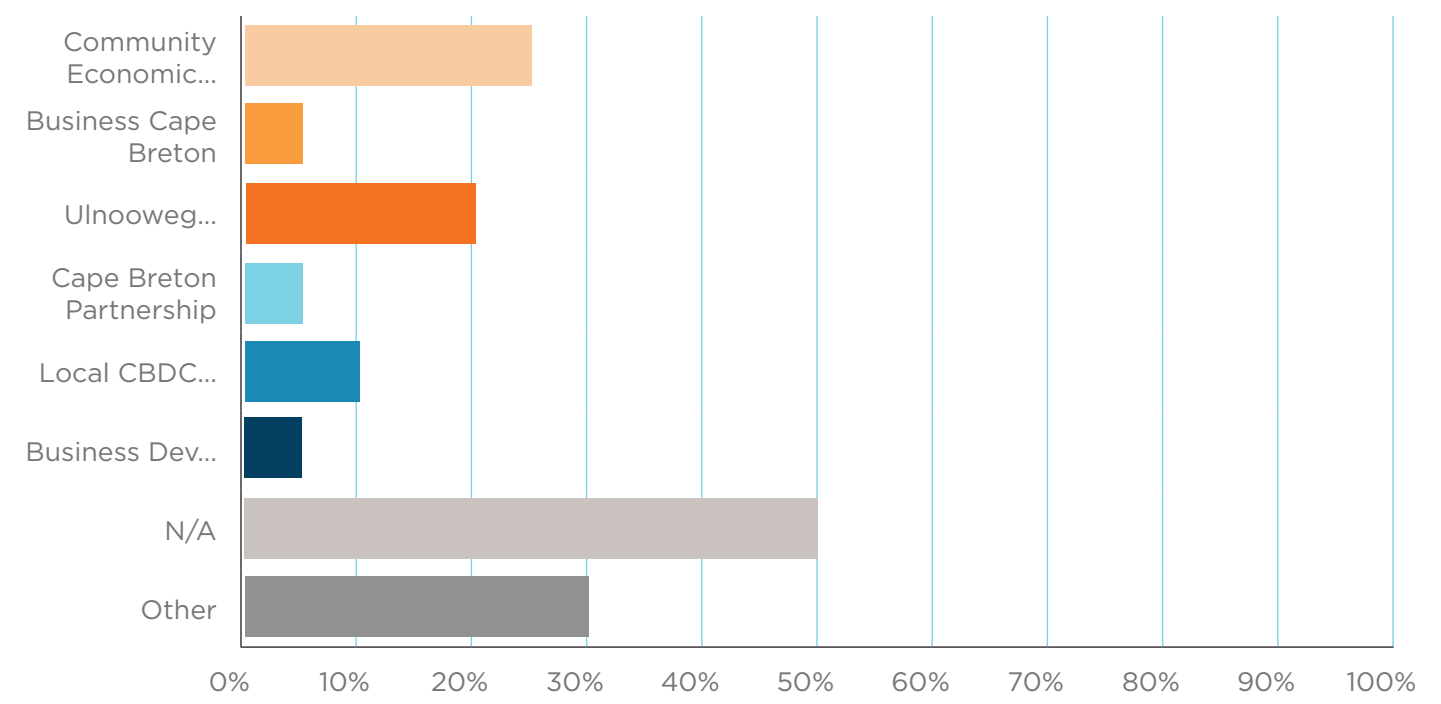
Q9: Which of the following have you contacted for business financing assistance?
(Please select all that apply)



ANSWER		RESPONSES	
	Band Office or Entrepreneurship Centre	21.74%	5
	Ulnooweg Development Group	21.74%	5
	Business Development Bank of Canada	0.00%	0
	Local CBDC (i.e. Coastal Business Opportunities)	4.35%	1
	Traditional financial institution (i.e. Royal Bank, CIBC, etc.)	4.35%	1
	Credit Union	0.00%	0
	N/A	52.17%	12
	Other	17.39%	4

TOTAL RESPONDENTS: 23

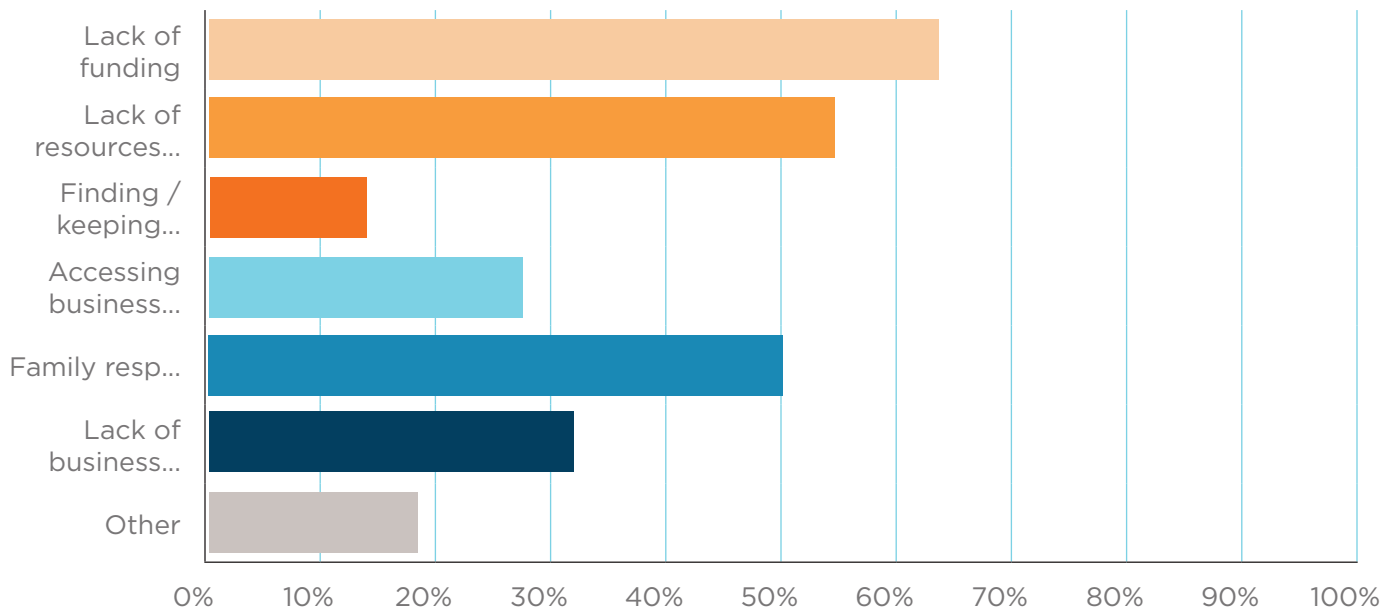
Q10: Who have you contacted for support in starting or growing your business?
(Please select all that apply)



ANSWER		RESPONSES	
	Community Economic Development Officer	25.00%	5
	Business Cape Breton	5.00%	1
	Ulnooweg Development Group	20.00%	4
	Cape Breton Partnership	5.00%	1
	Local CBDC (i.e. Coastal Business Opportunities)	10.00%	2
	Business Development Consultant	5.00%	1
	N/A	50.00%	10
	Other	30.00%	6

TOTAL RESPONDENTS: 20

Q11: Please indicate which of the following present a barrier to your business success or growth. (Please select all that apply)



ANSWER		RESPONSES	
	Lack of funding	63.64%	14
	Lack of resources (inventory, technology)	54.55%	12
	Finding / keeping employees	13.64%	3
	Accessing business training	27.27%	6
	Family responsibilities	50.00%	11
	Lack of business space	31.82%	7
	Other	18.18%	4

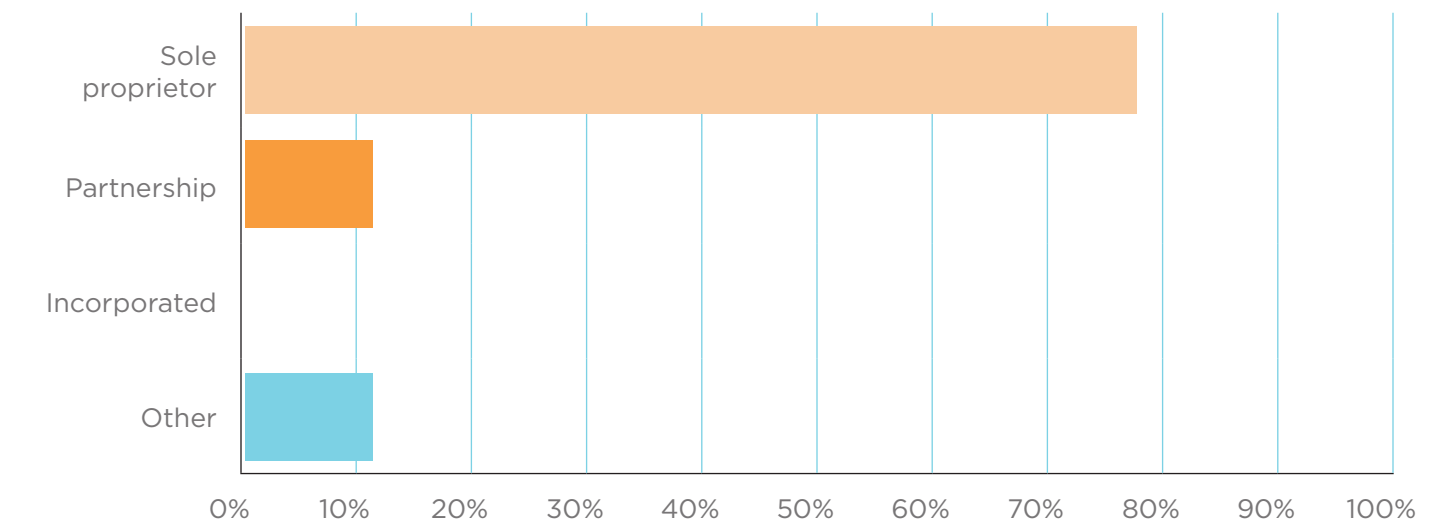
TOTAL RESPONDENTS: 22

Q12: What supports or services do you feel are needed to help Indigenous female entrepreneurs in Cape Breton be more successful?

ANSWER
Business plans, support, training How to get funding Support for moms taking risks as entrepreneurs
Resources, land
Accounting
Grants - services for artists Indigenous artists gathering place
Travel options, childcare, family support, mentorship programs, community building
Accounting help how to find non-payable grants debit/payment options dialogue with other Indigenous women entrepreneurs
We should have monthly meetings to see how each other is doing cause they might have different ideas on resources
Funding mentorship sales training
Credit, money, power to indigenous women, education, support
Mentors, more, supports in communities
An introduction to business plans
A community
Funding / support
Finances
Support local business, proposal / business plan writers, First Nation women mentors in and available to women in communities and off reserve
Giving women a possible workspace or possible funding
More for those other than youth, more small loans for women in business - \$5000 - \$10,000

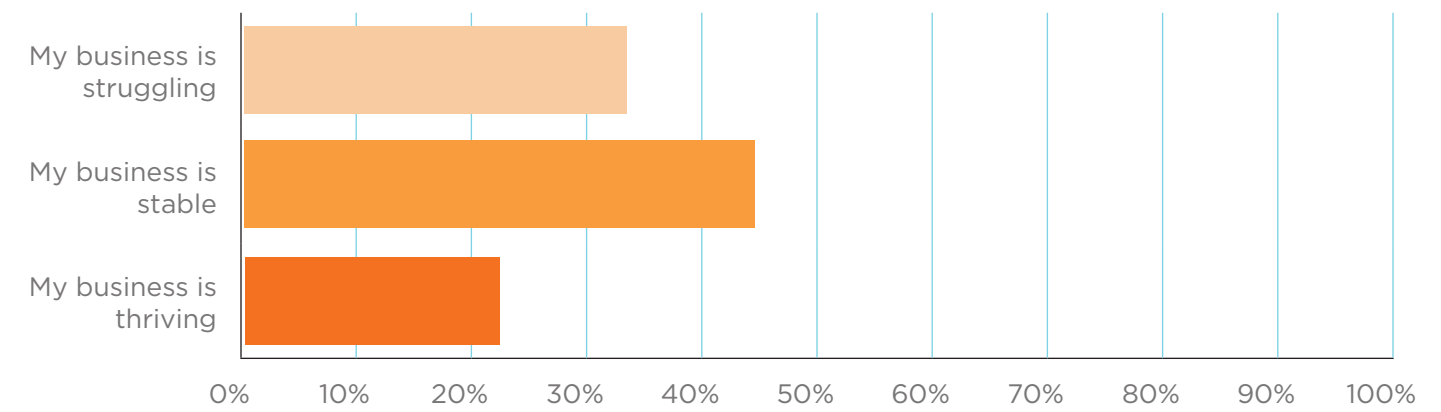
TOTAL RESPONDENTS: 17

Q13: Please select the option that matches your business.



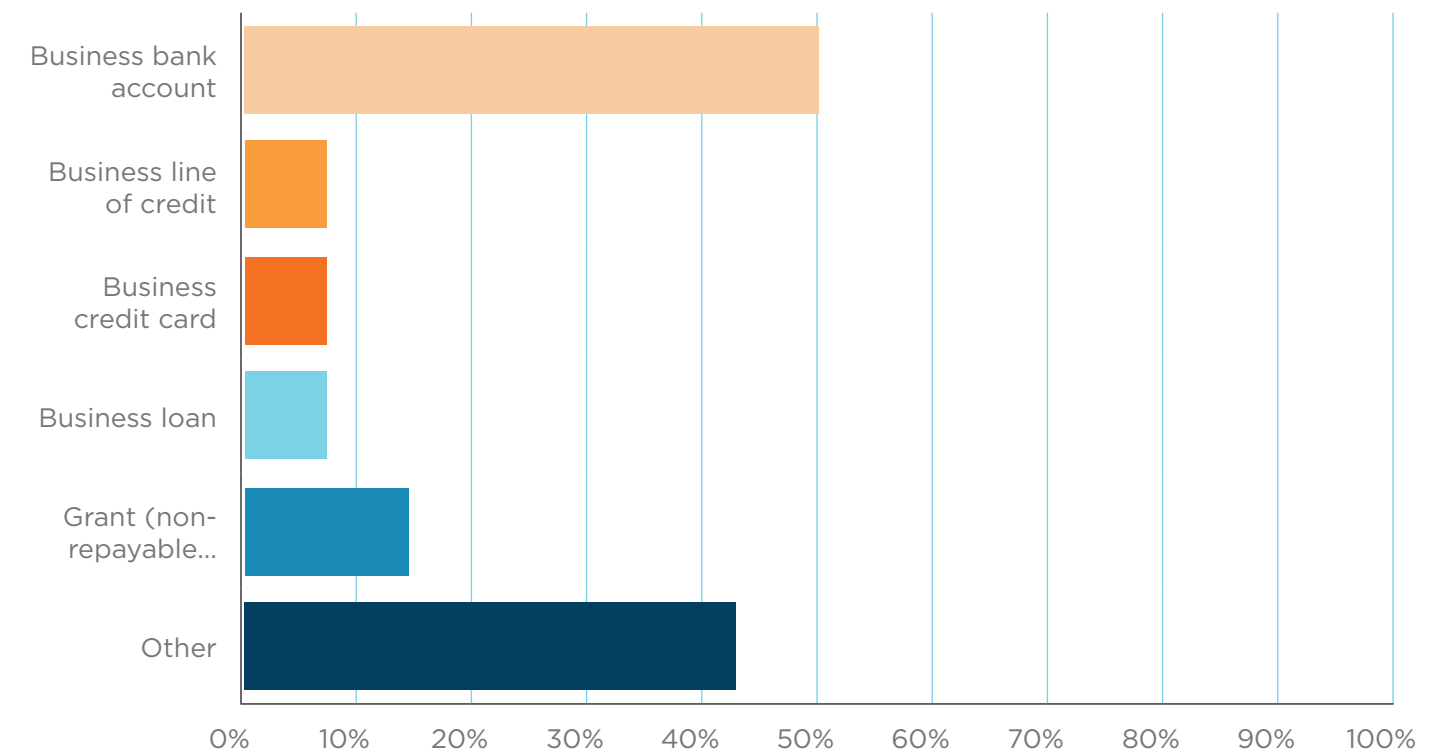
ANSWER		RESPONSES	
	Sole proprietor	77.78%	14
	Partnership	11.11%	2
	Incorporated	0.00%	0
	Other	11.11%	2
TOTAL			18

Q14: How would you rate your business success?



ANSWER		RESPONSES	
	My business is struggling	33.33%	6
	My business is stable	44.44%	8
	My business is thriving	22.22%	4
TOTAL			18

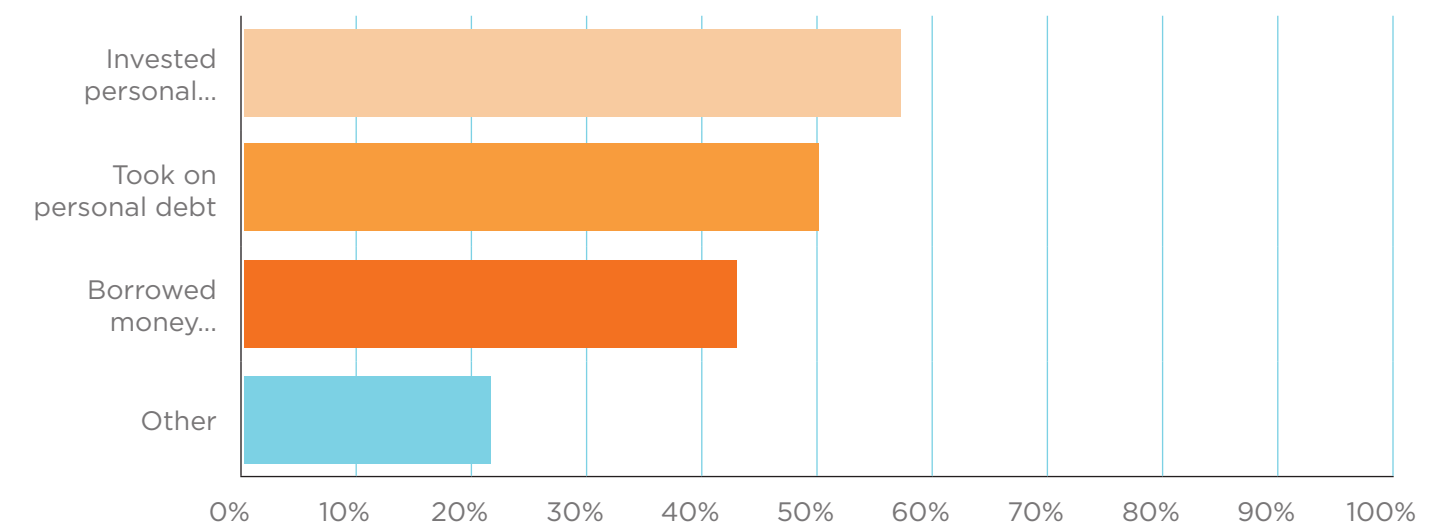
Q15: What type of financial services does your business use? (Please select all that apply)



ANSWER		RESPONSES	
	Business bank account	50.00%	7
	Business line of credit	7.14%	1
	Business credit card	7.14%	1
	Business loan	7.14%	1
	Grant (non-repayable loan)	14.29%	2
	Other	42.86%	6

TOTAL RESPONDENTS: 14

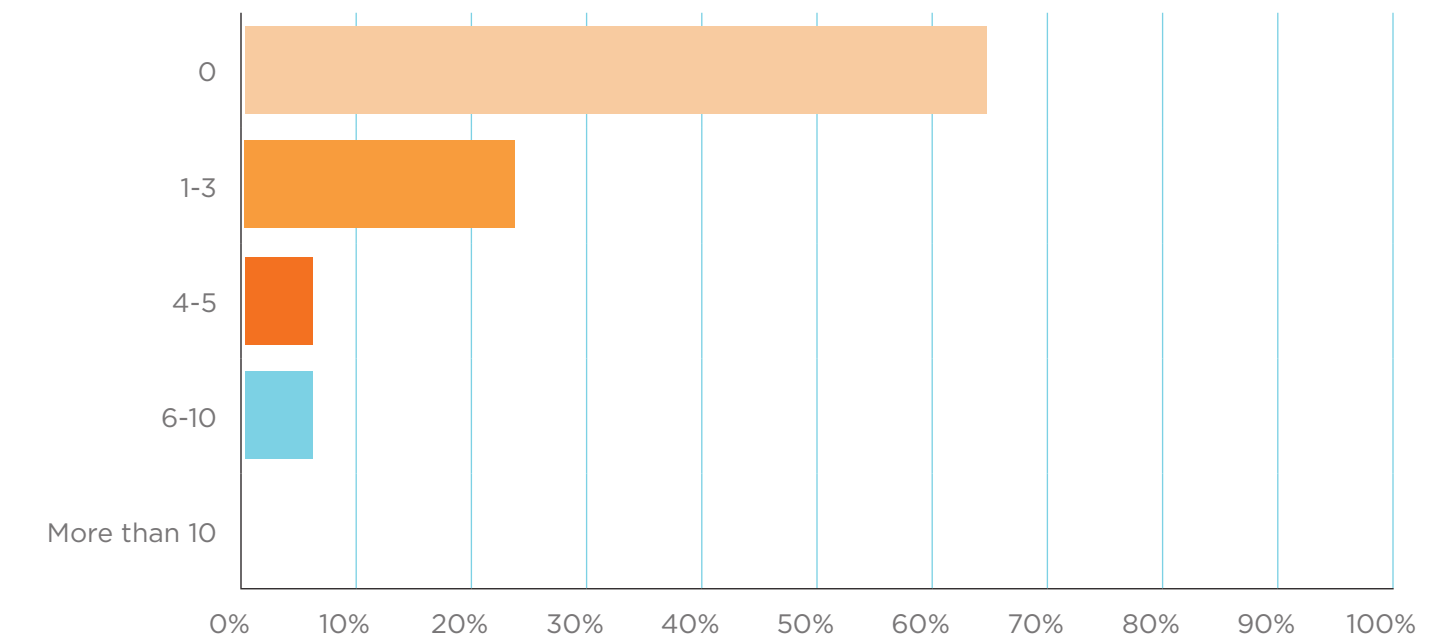
Q16: Please indicate all other forms of financing you may have used.



ANSWER		RESPONSES	
	Invested personal savings	57.14%	8
	Took on personal debt	50.00%	7
	Borrowed money from family or friends	42.86%	6
	Other	21.43%	3

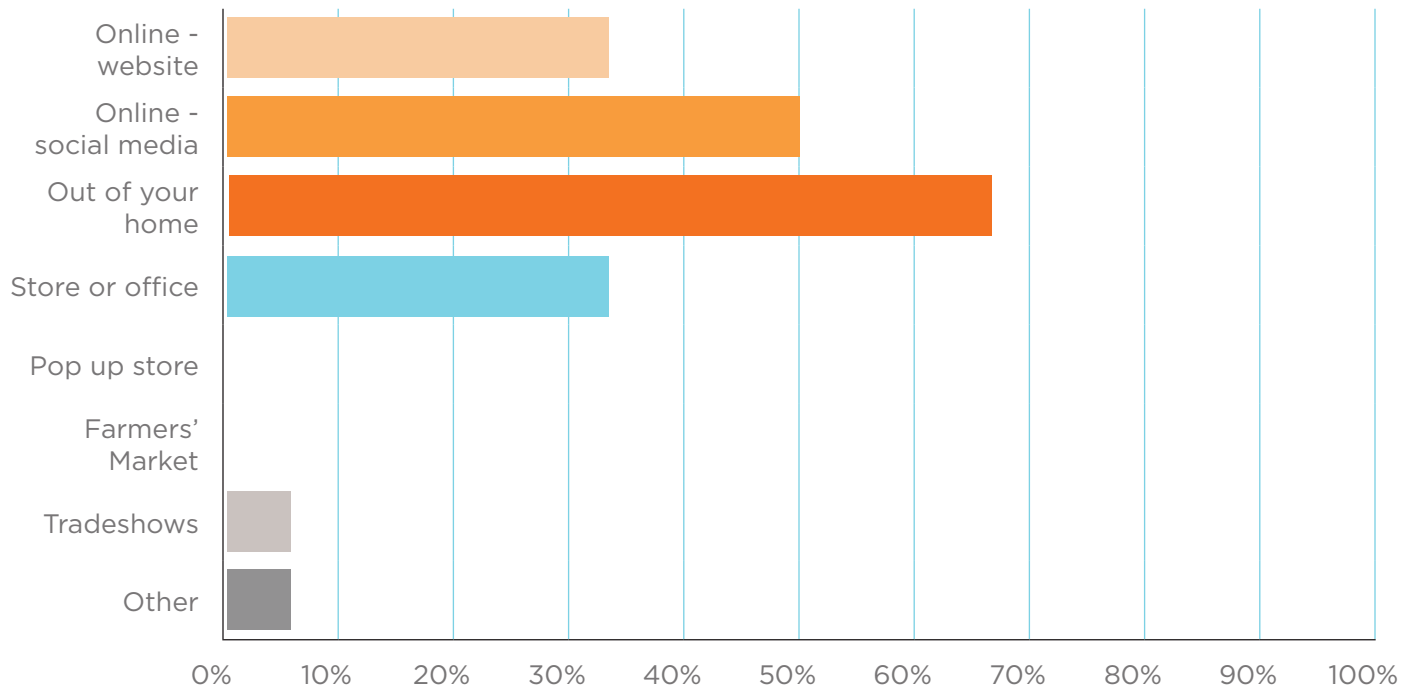
TOTAL RESPONDENTS: 14

Q17: How many employees do you have?



ANSWER		RESPONSES	
0		64.71%	11
1-3		23.53%	4
4-5		5.88%	1
6-10		5.88%	1
More than 10		0.00%	0
TOTAL			17

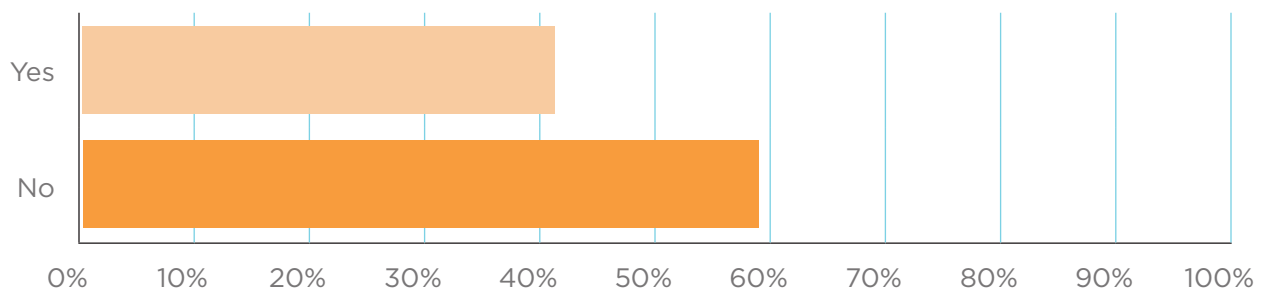
Q18: Where do you operate your business? (Please select all that apply)



ANSWER		RESPONSES	
	Online - website	33.33%	6
	Online - social media	50.00%	9
	Out of your home	66.67%	12
	Store or office	33.33%	6
	Pop up store	0.00%	0
	Farmers' Market	0.00%	0
	Tradeshows	5.56%	1
	Other	5.56%	1

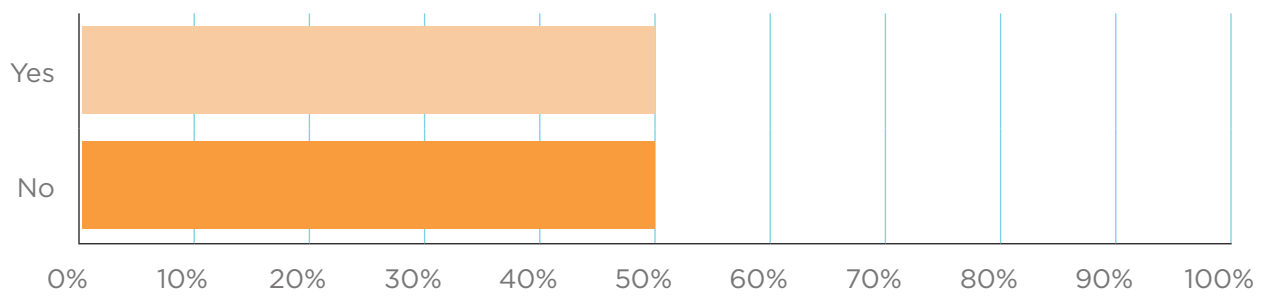
TOTAL RESPONDENTS: 18

Q19: Do you have a mentor?



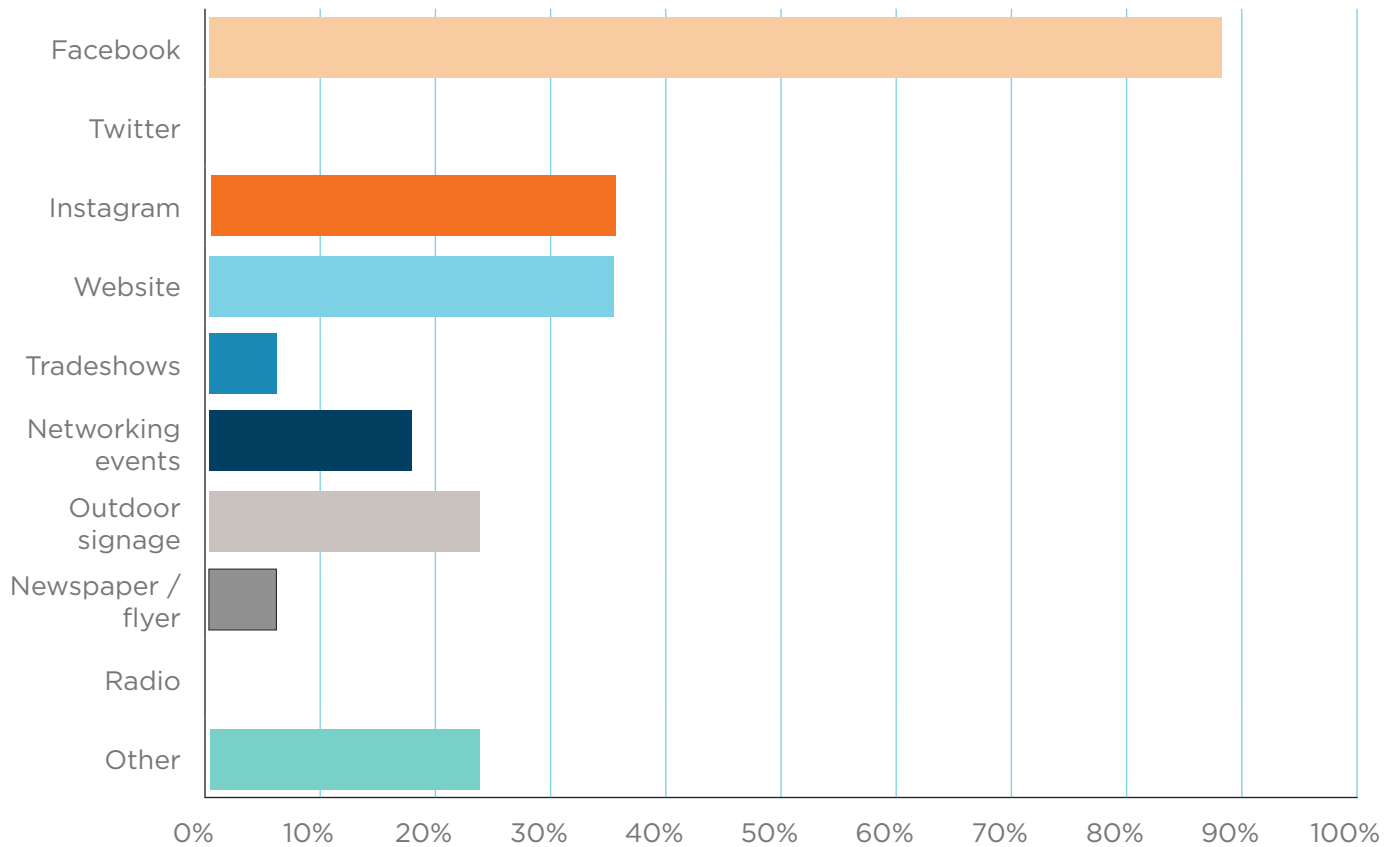
ANSWER		RESPONSES	
Yes		41.18%	7
No		58.82%	10
TOTAL			17

Q20: Is your business the main source of income for your family?



ANSWER		RESPONSES	
Yes		50.00%	9
No		50.00%	9
TOTAL			18

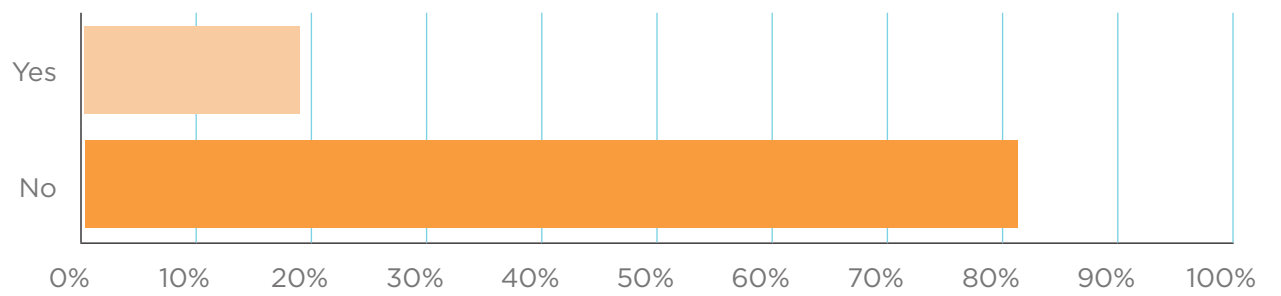
Q21: How do you advertise your business? (Please select all that apply)



ANSWER		RESPONSES	
	Facebook	88.24%	15
	Twitter	0.00%	0
	Instagram	35.29%	6
	Website	35.29%	6
	Tradeshows	5.88%	1
	Networking events	17.65%	3
	Outdoor signage	23.53%	4
	Newspaper / flyer	5.88%	1
	Radio	0.00%	0
	Other	23.53%	4

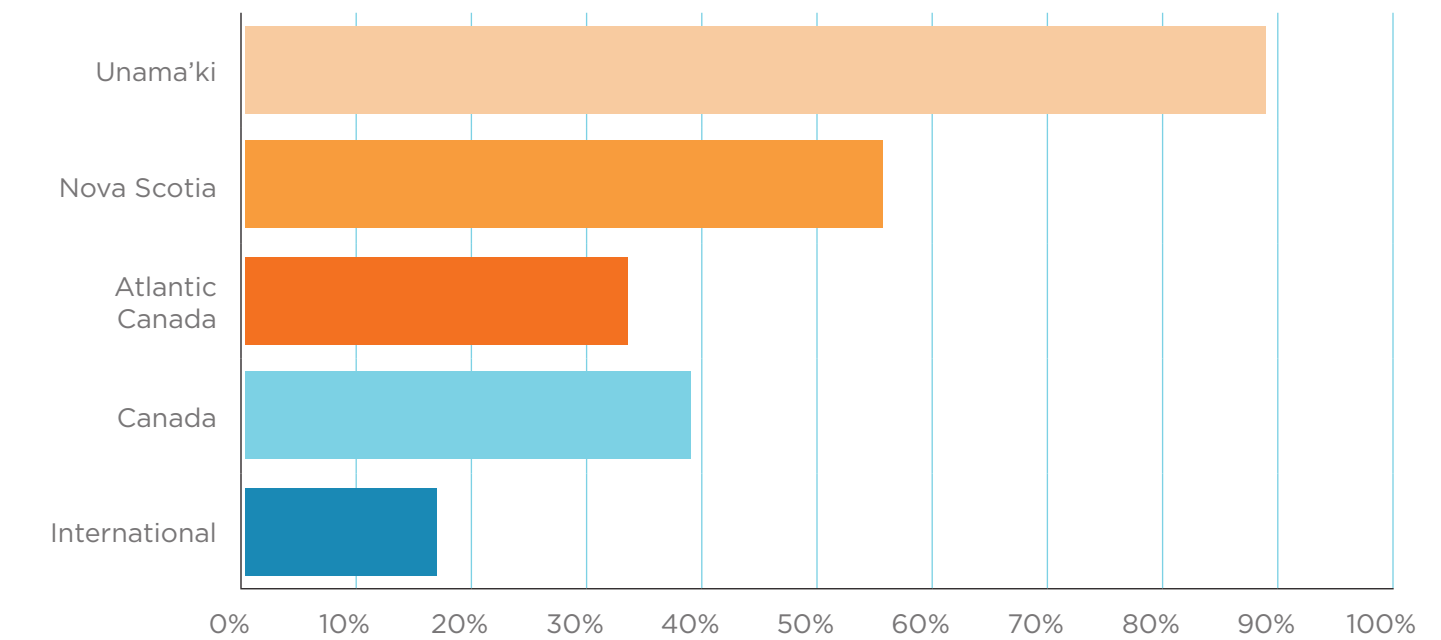
TOTAL RESPONDENTS: 17

Q22: Do you allocate a budget for marketing?



ANSWER		RESPONSES	
	Yes	18.75%	3
	No	81.25%	13
TOTAL			16

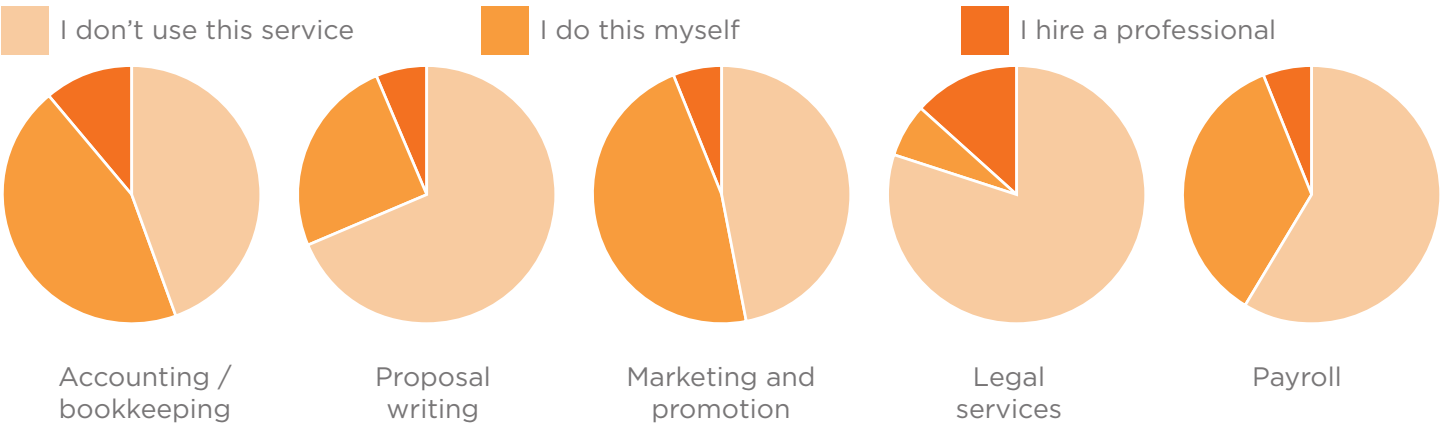
Q23: Where are your clients / target market located? (Please select all that apply)



ANSWER		RESPONSES	
	Unama'ki	88.89%	16
	Nova Scotia	55.56%	10
	Atlantic Canada	33.33%	6
	Canada	38.89%	7
	International	16.67%	3

TOTAL RESPONDENTS: 18

Q24: Please note your use of the following services or supports



	I DON'T USE THIS SERVICE	I DO THIS MYSELF	I HIRE A PROFESSIONAL	TOTAL RESPONDENTS
Accounting / bookkeeping	44.44% (8)	44.44% (8)	11.11% (2)	18
Proposal writing	68.75% (11)	25.00% (4)	6.25% (1)	16
Marketing and promotion	47.06% (8)	47.06% (8)	5.88% (1)	17
Legal services	80.00% (12)	6.67% (1)	13.33% (2)	15
Payroll	58.82% (10)	35.29% (6)	5.88% (1)	17

