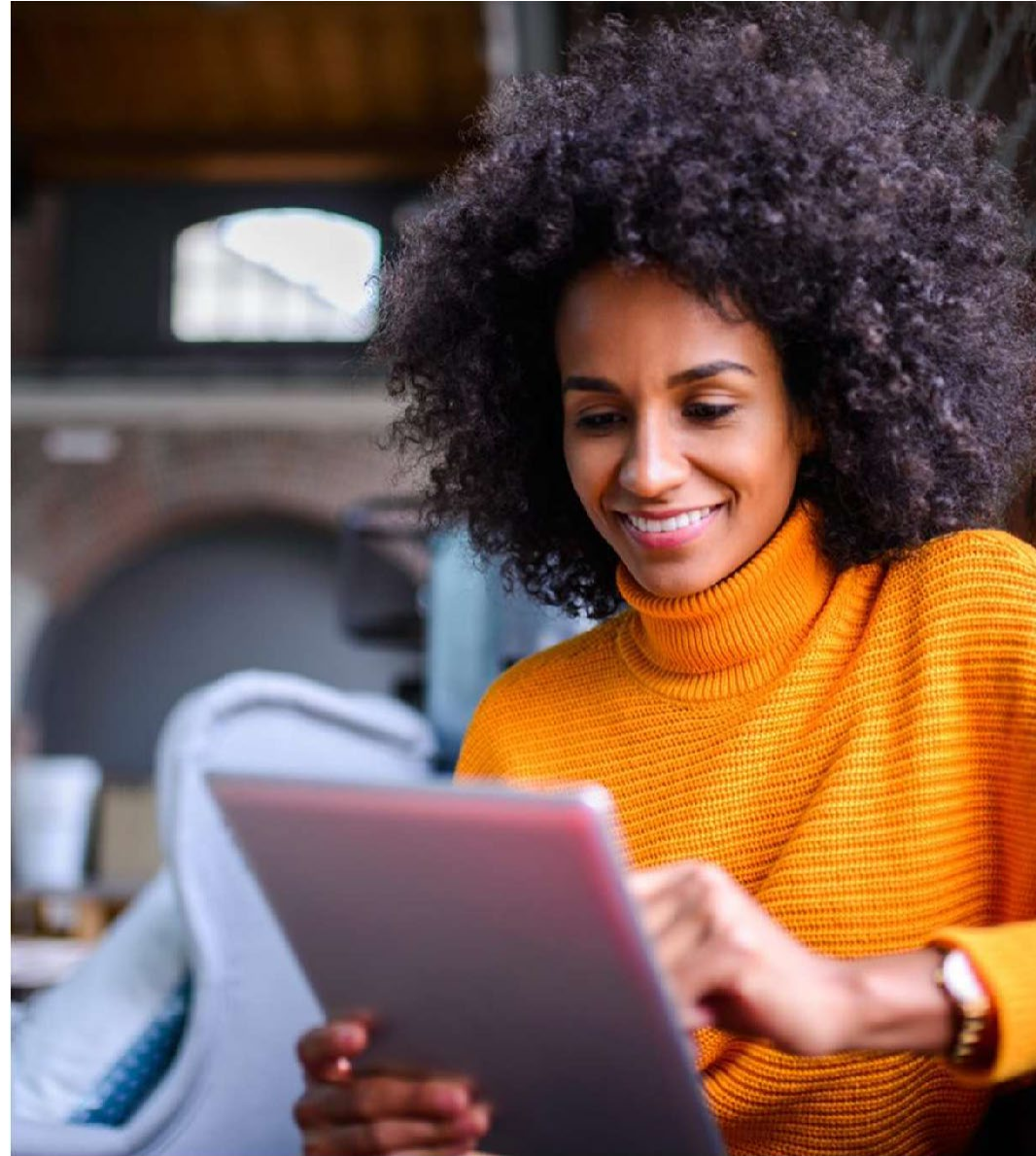


# Business Development Bank of Canada (BDC) and Community Futures

June 2024



# Agenda



1. About BDC
2. Top 5 ways to unlock BDC support
3. About CFDCs
4. Opportunities to Collaborate

# Who we are

We are BDC, the Business Development Bank of Canada and the financial institution devoted to Canadian entrepreneurs.



**100,000+**  
entrepreneurs

**110+**  
BDC business centres

**2,900**  
BDC employees

**BDC plays a countercyclical and complementary role, taking on more risk**

- **Our offerings complement those of regular financial institutions (FIs)**
- **We take greater credit risk than regular FIs and price accordingly**
- **We partner with FIs on joint transactions to reduce the risk**



# What we do



We help create and develop strong Canadian businesses through:

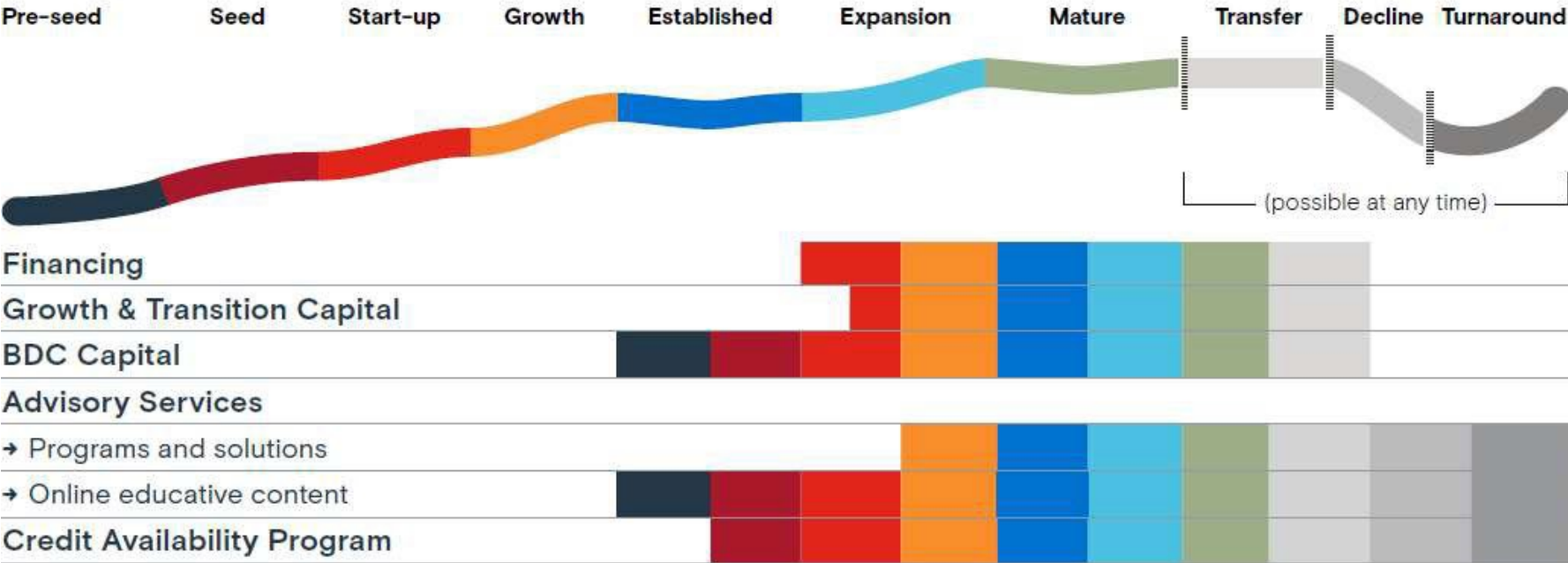
Financing	Advisory Services	Capital
<ul style="list-style-type: none"><li>• Small Business Loan</li><li>• Commercial Real Estate Financing</li><li>• Business Purchase or Transfer Financing</li><li>• Working Capital Financing</li><li>• Equipment Purchase Financing</li><li>• Purchase Order Financing</li><li>• Technology Financing</li><li>• Financing for Tech Companies</li></ul>	<ul style="list-style-type: none"><li>• Leadership and Management</li><li>• Business Strategy</li><li>• Sales and Marketing</li><li>• Financial Management</li><li>• Operational Efficiency</li><li>• Human Resources</li><li>• E-commerce</li><li>• Digital Technology</li><li>• Certifications</li></ul>	<ul style="list-style-type: none"><li>• Venture Capital</li><li>• Growth &amp; Transition Capital</li><li>• Growth Equity Partners</li><li>• IP-Backed Financing</li></ul>

# BDC Business Lines



## BDC business lines

We support entrepreneurs through their businesses' life cycle with offerings from our different business lines.



# Ontario

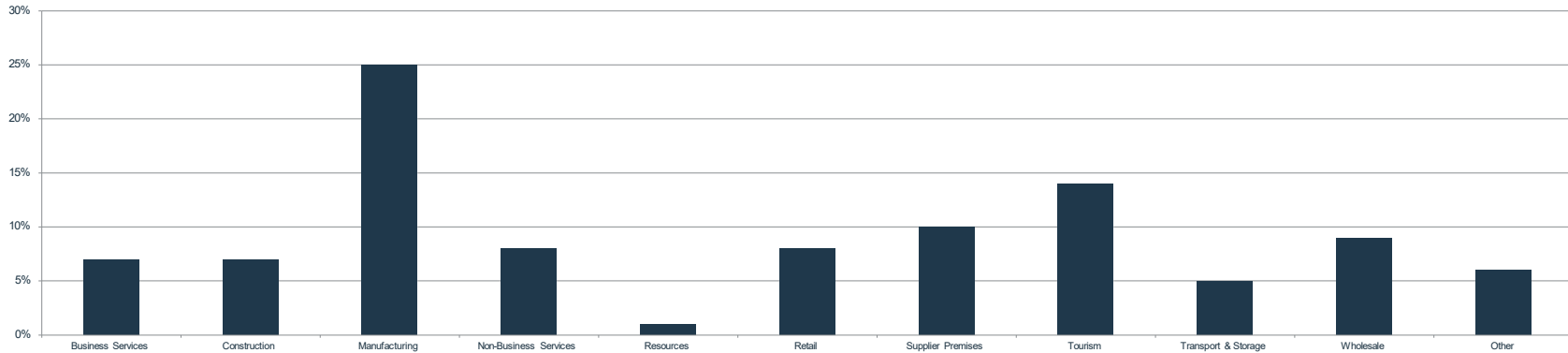
## At a glance



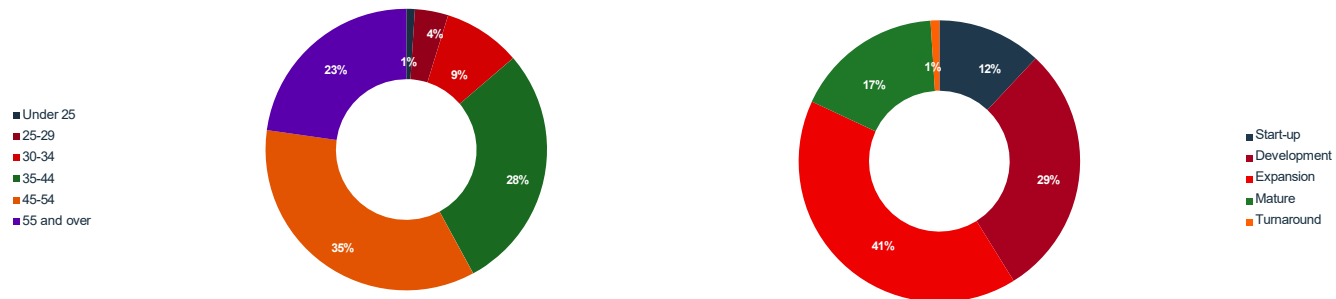
- **38 Business Centers in 5 Areas – GTA Central & East, GTA North, GTA West, SWO, ENO**
- **Portfolio as at February 2024 of 21,916 Entrepreneurs**
- **Portfolio as at February 2024 of \$11.9 B in Financing**
- **Portfolio of 6,423+ Women Entrepreneurs in F24**
- **Portfolio of 223+ Indigenous Entrepreneurs in F24**
- **765+ Advisory Service Mandates in F24**

# BDC Support in Ontario by Industry

(% of \$ committed)



# BDC Clients in Ontario by Age and by Stage



Source: BDC Portfolio Composition Dashboard, July 26, 2021





# Ontario's Priorities

- Reaching diverse and underrepresented entrepreneurs including rural markets
- Food & Beverage
- Manufacturing (incl. Robotics & Automation)
- Business Transition
- Automotive

# What makes us different

## BDC offers entrepreneurs:

- Longer repayment periods
- Repayment schedules matched to your cash flow cycle
- Higher risk tolerance
- Terms and conditions that don't change without due cause

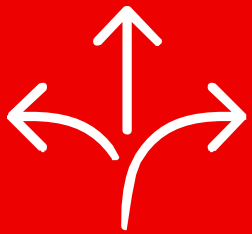


**BDC is a patient,  
flexible lender**

# A Complimentary Lender



## Benefits for you and your clients



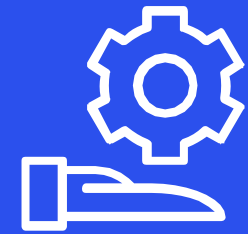
Gives you the flexibility to provide **more options** to your clients



Gives your clients access to **additional financing**



Improves **client retention** and satisfaction



Allows you to **fully customize** the lending structure

# Workshop – Collaboration Opportunities

## Top 5 ways to unlock BDC support to help your client

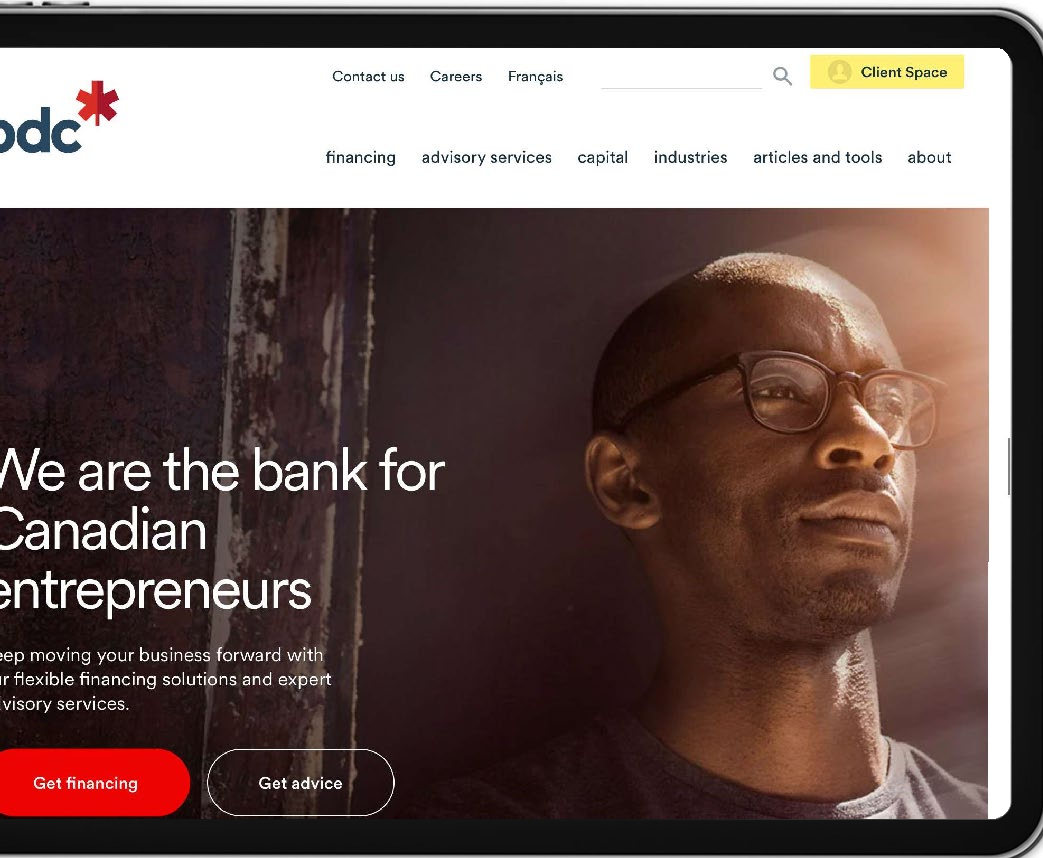


1. Business Transition Advice and Financing
2. BDC Entrepreneur Toolkit
3. BDC Advisory Services
4. Improving Productivity
5. Leverage BDC financing to double down on support for growth

## Top 5 ways to unlock BDC support to help your client



### #1 BDC Entrepreneur Toolkit



Over 13M visits on bdc.ca

1,800+

free articles, blogs, videos, courses, tools, templates and eBooks on a variety of business topics

<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit>



## #2 BDC offers business transition financing and expertise

Growth &  
transition  
financing advice

**Experience:**  
182 transition  
deals and \$275M  
of capital  
deployed in the  
last 3 years

**Expertise:**  
52 directors  
coast to coast  
including CPAs,  
CMAs, CBVs  
and CFAs

## Top 5 ways to unlock BDC support to help your client

### #3 Advisory Services



#### Our goal:

Provide top-notch advice to help your clients overcome challenges and run a stronger business

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1. Accelerate growth

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2. Improve efficiency

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3. Build digital capabilities

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4. Manage your business

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5. Find new markets

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6. Increase sales

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## Top 5 ways to unlock BDC support to help your client

### #4 Improving Productivity

<https://www.bdc.ca/en/articles-tools/business-strategy-planning/manage-business/3-strategies-improving-business-productivity>



Scan the QR code to download your **free Automation and Robotics Guide**





## #5 Flexible financing

### Online application process

- Up to \$100,000
- In 5 business days or less
- No application fees
- Convenient, easy, fast
- Buy equipment
- Attend a tradeshow
- Purchase extra software or hardware
- Apply for a patent or trademark

<https://www.bdc.ca/en/financing/small-business-loan>



Community Futures  
and BDC work  
together to help  
business owners

# Ontario

## At a glance



- 60 Community Futures Organizations in 4 Regions – Northwest (9), Northeast (15), West (21), East (15) located in rural communities
- Portfolio as at March 2023 of 3,768 Entrepreneurs
- Portfolio as at March 2023 of \$293,933,061 in Financing
- Jobs influenced by financing in Fiscal 22/23 is 4,891
- Counselling activity in Fiscal 22/23 is 5,414 clients
- Community Economic Development Projects in Fiscal 22/23 is 536

# Deal Structure – Drilling Business



Project		Financing	
Purchase Asset	\$550,000	BDC Loan	\$300,000
Change of Ownership		HCDC Loan	\$150,000
		Shareholder Investment	\$100,000
Total	\$550,000	Total	\$550,000

## Project Summary:

- Change of Ownership - Asset Purchase (Drilling Truck)
- Vendors wanted to retire
- Two new shareholders to take over the business
- Shareholders had money to put towards the purchase - \$100,000

## Client Benefit:

- Diversified lending with different repayment options – This was important to the client
  - o HCDC fully open
  - o BDC 15% penalty free annually
- Principal postponement from both BDC and HCDC to allow for smooth transition
- Patient lenders with flexibility

# Deal Structure – Purchase of Restaurant / Inn



Project		Financing	
Change of Ownership	\$1,125,000	BDC Loan	\$580,000
Working Capital	\$60,000	KLCFDC Loan	\$150,000
		Shareholder Investment	\$280,000
		Vendor Take Back	\$175,000
<b>Total</b>	<b>\$1,185,000</b>	<b>Total</b>	<b>\$1,185,000</b>

## Project Summary:

- Change of Ownership – Restaurant and Inn
- Vendors wanted to retire
- New shareholder has restaurant experience in Toronto
- Shareholders had money to put towards the purchase - \$280,000

## Client Benefit:

- Diversified lending with different repayment options – This was important to the client
  - o HCDC fully open
  - o BDC 15% penalty free annually
- Principal postponement from both BDC and HCDC to allow for smooth transition

## Benefits to the **client** to bring in...



- More \$ for their project
  - Higher credit appetite
- Less equity contribution needed
- Different expertise on Community Futures and BDC side
  - Larger network
- More flexibility and product diversity

# Benefits to **us** to bring in... (internal)



## CFDC

- Industry expertise
- Appraisal expertise
- Rural/non-urban expertise
- Larger capacity (200M)

## MUTUAL

- Share risk
- Structure
- Mandate/client relationship
  - Sharing info
- More \$\$ and better terms
- BDC/Community Futures relationship

## BDC

- “Faster”
- Portfolio strength / diversity
  - Advisory services
  - Mezzanine

Potential Challenges to overcome (Its all about trust)





# Thank you



BDC



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BDC



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