<https://www.wd-deo.gc.ca/eng/19762.asp>

Business Scale-up and Productivity in Western Canada

* + [Up-to-date content for Alberta, Saskatchewan and Manitoba is available from PrairiesCan here.](https://www.canada.ca/en/prairies-economic-development/services/funding/business-scale-up-productivity.html)
  + [Up-to-date content for British Columbia is available from PacifiCan here.](https://www.canada.ca/en/pacific-economic-development/services/funding/business-scale-up-productivity.html)

Please note that the Business Scale-up and Productivity program expression of interest intake closed on April 14, 2021, 2:00 pm MDT.

For information on other available business support, please visit [Innovation Canada](https://www.ic.gc.ca/eic/site/080.nsf/eng/home).

Western Economic Diversification Canada (WD) makes strategic investments in key economic sectors and also supports the development of leading industry geographic clusters through its Business Scale-up and Productivity (BSP) program.

BSP supports high-growth\* businesses that are scaling up and producing innovative goods, services or technologies. It offers interest free repayable funding to incorporated businesses.

\*Definition of a “high-growth business”

A high growth business can be defined as any for-profit company that has notable and/or consistent revenue increases year over year. Typically, this means an increase of at least 20% year over year. Businesses that are negatively impacted by the current pandemic would be eligible if they met this definition prior to March 31, 2020.

Here are examples of a high-growth business:

**Example 1:**

ABC is an innovative Canadian medical devices firm. ABC is a relatively young company operating in North America and would like to expand its product into new markets like Europe and Asia. ABC has generated significant sales growth (i.e. 26% year over year). ABC has profitable reinvestment opportunities and, rather than paying dividends to shareholders, decides to reinvest earnings back into the firm to capitalize on its investment opportunities in order to maintain this high sales growth.

**Example 2:**

XYZ is an innovative Canadian digital software developer. XYZ is a young company operating in Canada and the USA but would like to introduce its new software, which is in the late stage of development, in order to grow and diversify existing Canadian and American markets. XYZ has generated significant sales growth (i.e. 22% year over year). XYZ has recently received a round of investments that will assist with its growth.

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Eligibility

The BSP program is open to incorporated high-growth businesses that have been operating in Western Canada for a minimum of 2 years. Preference may be given to small and medium-sized enterprises (SMEs) with less than 500 full-time employees (FTEs).

Businesses must meet the following mandatory criteria:

* high-growth business that is scaling up and producing innovative goods, services or technologies
* incorporated to do business in Canada
* have been in business for at least 2 years in Canada
* have staffed operating facilities in Western Canada (defined as British Columbia, Alberta, Saskatchewan or Manitoba)
* have confirmed, at the time of expression of interest submission, funding from all other sources, including government and non-government (non-government funding must represent at least 50% of the proposed project costs)
* be a high-growth business looking to support or accelerate growth through the following activities:
  + **Productivity Improvement:** includes acquiring, adapting,and adopting new technologies and processes; process re-engineering; improving manufacturing capacity
  + **Business Scale-up:** includes market development or expansion, adopting best management practices, processes and systems; business opportunity development
  + **Technology Commercialization:** includes late stage product development to grow and diversify markets, as well as technology showcasing and technology demonstration ([Technology Readiness Levels 7-9](https://www.ic.gc.ca/eic/site/080.nsf/eng/00002.html) as defined by Innovation, Science and Economic Development Canada)
* maximum project duration of 3 years focused on 1 or more of the following areas:
  + **Advanced Manufacturing** is defined by the development and adoption of innovative technologies to create new products, enhance processes and establish more efficient and cost-effective ways of working.
  + **Clean Resources** refers to transitioning from the old resource economy into a new resource economy. It is where innovation drives economic and environmental competitiveness in the energy, mining and forestry sectors, and leverages Canada's natural resources advantage to transition to a low-carbon economy.
  + **Clean Technology** refers to any process, product or service that reduces environmental impacts in order to better control costs, meet new regulatory requirements, improve global competitiveness and reduce impacts on climate, water, land and air.
  + **Digital Industries** includes a combination of information and communication technology (ICT), digital and interactive media, and content industries, as well as manufacturers and service companies that creatively capture, transmit and display information electronically in innovative ways.
  + **Health/Bio-sciences** encompasses a wide range of companies, from the developers and manufacturers of pharmaceuticals, medical devices and biomedical innovations, to producers of digital health solutions and disruptive technologies, such as artificial intelligence (AI), big data analytics, 3-D printing, robotics and nanotechnologies.
  + **Natural Resources Value-added Processing** includes the processing of natural resources in the energy, mineral or forestry sectors that adds value to primary products/raw materials.
  + **Value-added Agriculture** is a complex and interdependent sector that includes agriculture, fisheries and aquaculture, and food and beverage processing.

Note that preference will be given to proposals with a demonstrated focus on:

* **Clean Technology** (as defined above)
* **Food and Ingredients Processing** includes businesses using plant-based food and ingredients (i.e. food and ingredient manufacturers).
* **Health Analytics and Diagnostics** refers to the systemic analysis of aggregated health and clinical data to improve patient care, improve health system management or reduce healthcare costs. Health diagnostics involves an instrument or technique used in medical diagnosis to identify or describe a health disease or condition.
* **Zero Emission Heavy Equipment Vehicles** includes manufacturers of urban and intercity buses, fire trucks, motorhomes, recreational vehicles, trailers, mobile agricultural, construction and mining equipment, and their associated suppliers. Related technologies include battery electric and hydrogen fuel cell drives, electrification of ancillary systems, material light weighting and others.

Eligible costs

Up to 50% of eligible project costs:

* minimum $200K; maximum $5M/project
* maximum $10M to any one organization
* minimum 50% of total project funding required from confirmed non-government sources
* all non-WD sources must be confirmed - at time of application and after project approval

Incremental costs essential to the project. For example:

* capital costs (equipment, machinery)
* labour (wages, benefits)
* marketing
* costs related to intellectual property
* technology development and commercial demonstrations
* professional, advisory, technical services

Ineligible costs

Costs deemed unreasonable, non-incremental and/or not directly related to project activities, for example:

* basic and applied R&D ([Technology Readiness Level 1-6](https://www.ic.gc.ca/eic/site/080.nsf/eng/00002.html))
* land and buildings
* salary bonuses and dividend payments
* entertainment expenses
* refinancing of existing debts
* amortization or depreciation of assets
* lobbying activities

Donations, dues and membership fees are ineligible.

Expected results

WD is looking to support projects that have a viable plan to **produce strong economic outcomes.**

Applicants must quantify, substantiate and later report on the following expected results:

* number of high-quality personnel (HQP) jobs created in Canada
* number of non-HQP jobs created in Canada
* revenue growth ($)
* export sales growth ($)
* business sales growth resulting from commercialization ($) – where applicable

WD is working to improve the economic participation of **Indigenous persons**, **women** and **youth.**

Applicants are encouraged to report on efforts to support inclusiveness. Refer to the Government of Canada’s [Inclusive Innovation Agenda](https://www.ic.gc.ca/eic/site/062.nsf/eng/h_00009.html)

When to submit an expression of interest

WD’s latest intake closed on April 14, 2021 at 2:00 pm (MDT). The next intake period will be announced at a later date.

Within 30 calendar days of the close of the intake, WD will invite selected companies to submit a full application for funding consideration. If you have not been contacted, your project will not be considered further.

WD will accept only one expression of interest (EOI) per business for each intake. In addition, businesses will be limited to one successful application per year. EOIs that have not been invited to submit an application, will not be automatically considered in subsequent intakes. Re-submission of your EOI in a future intake will be required.

How to submit an expression of interest

1. Go through the [BSP EOI help guide](https://www.wd-deo.gc.ca/eng/20155.asp) before submitting. We strongly recommend that you download or bookmark the guide now for reference while completing the EOI form.
2. Prepare the following documents to submit along with your EOI:
   * financial statements for the past 2 years, as well as interim financial statements for at least the last 6-month period
   * other supporting information (e.g. business plan, pitch deck) detailing your organization, how it meets the high-growth definition, and details about the proposed project
   * confirmation of other funding sources (e.g. bank statements, unused portion of lines of credit, official letters of intent, funding agreements, signed term sheets):
     + funding provided by applicant:
       - current bank statements detailing existing cash balances or the unused portion of lines of credit
     + funding provided by third-party sources:
       - official letters of confirmed/conditional funding
       - funding agreements
       - signed term sheets

Note that we will not accept the following as confirmed funding:

* forecasted revenues from future activities
* accounts receivables
* commitments to raise equity or to obtain future bank financing
* Scientific Research & Experimental Development (SR&ED) credit receivables

After submitting an expression of interest

Invitation to apply

* EOIs with the strongest merit and alignment with program objectives, priority areas and significant economic benefit, will be invited to complete a full application and undergo detailed assessment.
* Only businesses that are invited to apply will be contacted within 30 calendar days of the close of the EOI intake.

Funding decisions

* within approximately 90 business days of receiving a complete funding application
* one successful BSP project per organization per calendar year

Note: EOI application volumes and completeness may impact timelines.

Assessment process

Applications will be evaluated on their ability to achieve the BSP objectives and on their relative strengths in the following areas:

* market potential
* management capability
* financial capacity
* economic benefits
* technology readiness (technology commercialization projects only)
* departmental/regional priorities
* If undergoing a detailed assessment, WD will request:
  + business plan (if not already submitted)
  + forecasted income statements and cashflow for the duration of the project
  + detailed breakdown of project costs
  + disclosure of pre-existing disbursements to 3rd parties or senior executives

Although WD may engage companies directly on outstanding questions or issues, applicants are advised to submit a complete and thorough application.

Not all applications undergoing a detailed assessment will receive an offer of funding.

A technical assessment may be conducted by National Research Council’s Industrial Research Assistance Program (NRC-IRAP) for projects using novel technology.

Sustainable Development Technologies Canada and Clean Growth Hub will be consulted on projects related to clean technology and clean resources.

Elements of a strong project

* comprehensive and well-written business plan
* independent market assessment and/or evidence of unmet market demand
* clearly defined market size and opportunity
* direct competitors identified and assessed
* detailed description of both the applicant organization and project management team
* credible financial statements accompanied by logical and reasonable financial projections
* demonstrated financial capacity to execute the project and the ability to repay
* clear alignment with at least one priority area
* significant economic benefits/outcomes supported by reasonable assumptions and rationale
* well-defined IP strategy (if applicable)
* clear explanation as to how the productivity or efficiency savings will enable the company to grow and expand (if applicable)

Funding disbursement

WD provides funding based on submitted claims.

WD will reimburse based on approved portion (i.e. 50%) of eligible project costs that have been incurred and paid.

Other funding considerations

* Consult your accountant and/or Canada Revenue Agency to determine the full implications of receiving BSP funding (e.g. taxable income, Scientific Research and Experimental Development Tax Incentive Program (SR&ED) tax credits)
* SR&ED credits or other similar federal or provincial tax credits expected to be received within the project scope/timeline for project activities will be considered to be other government assistance. This may require WD to reduce its funding to maintain the level of government assistance at 50%.
* Where possible, exclude SR&ED eligible costs from your application.

Repayment terms

* After project completion, there is a 1 year grace period, followed by equal monthly payments over 5 years.
* Interest free; no security/collateral will be taken.
* There is no penalty for early repayment.