

Futurpreneur – is it for you?

Elliot Schiller

How to access a \$15,000 federal loan

Futurpreneur Canada is the only national, non-profit organization that provides financing, mentoring and support tools to aspiring business owners aged 18-39. So if you're launching, mentoring or becoming a partner in a start-up, you could access a loan of \$15,000 to start or buy a business. To be eligible, you'll need to first create a solid business plan for a business that'll employ you full-time, and second, work with a mentor for two years. If you qualify, you can also apply for an extra \$30,000 through the Futurpreneur Canada-BDC Start-Up Program.

You'll need to first create a solid business plan.

General eligibility criteria

- Demonstrate some training/experience related to your business idea.
- Create full-time sustainable employment for the applicant(s).
- Agree to work with a mentor for up to two years (4-5 hours per month).
- Produce a complete and viable business plan by the end of the application process.
- Have a business that's been fully operating for fewer than 12 months.
- Assure that the business is not in the research and development stage.
- Assure that financing proceeds may not be used for refinancing existing debt.

A complete list of eligibility criteria can be found on the Futurpreneur website at futurpreneur.ca

Futurpreneur has three distinct areas of assistance – financing, mentoring and partnering.

Financing. Futurepreneur partnering with the Business Development Bank of Canada (BDC) offers collateral-free loans at what it advertises as “better interest rates than most banks.” Specifically, the repayment terms and fees for the Futurpreneur portion of the loan are:

- Up to \$15,000 with a term over five years.
- Interest is charged at CIBC's prime rate + 4%.
- Interest-only payments for the first year.
- Principal repayments are made in equal monthly installments together with interest, over the next four years.
- No penalty for early repayment.
- A \$15 program fee charged monthly for the duration of the loan, added to the monthly repayment installments.
- A \$50 fee at the time of disbursement.

Amounts over \$15,000 are covered by the BDC. BDC's repayment terms and fees are:

- Interest-only repayment in the first year.
- The interest charged is the BDC Floating Base Rate + 5%.
- Repayment of outstanding BDC principal by monthly repayment schedule similar to your Futurpreneur Canada loan. You may prepay all or any part of the outstanding principal, however, BDC must receive the interest owing to the time of repayment, together with an indemnity equal to three months' interest on the principal pre-paid.
- Once a year (non-cumulative) on the anniversary date of the loan authorization date, you may repay 15% of the principal outstanding without indemnity.
- BDC charges a \$50 processing fee, which is deducted from the initial loan disbursement.
- Applications are subject to BDC approval and eligibility criteria. Some restrictions may apply.

Mentoring. Futurpreneur offers expertise, resources and skill-building opportunities to take you and your business to the next level. Advantages of the mentoring program include:

- Gaining insight and perspective by having someone to bounce your ideas off of.
- Identifying opportunities and risks by learning from someone experienced.
- Enabling you to focus on and strategically work towards your business vision.
- Enabling you to grow your own business network and enhance your business acumen.
- Shortening your learning curve. Building your confidence knowing you have someone in your corner.

Partnering. You and your business can become a partner to Futurpreneur. You can join the impressive list of businesses that donate funding to Futurpreneur, or you can volunteer to be a part of the program, and, you can also donate in-kind support to the program. Strategic partners include universities, industry partners, and industry associations.

How to apply. The first thing you need is a business plan. Futurpreneur provides sample business plans on its website. In this column in the July 2014 issue, we discussed how to build an effective business plan. You can find business plan development templates and guidelines on our website at teegerschiller.com/WhatWeDoFS_Business_Plan.htm. You'll also need to provide your business registration, license or incorporation documents, partnership or shareholder agreements, etc. A detailed list, along with an online application can be found at futurpreneur.ca.



Elliot Schiller is a Director at Toronto's Teeger Schiller Inc., a firm specializing in government funding and systems selection/implementation. His clients receive over \$5 million annually to support ongoing business innovation. E-mail eschiller@teegerschiller.com, visit www.FundingHelp.ca or phone 1-888-816-0222 Ext. 102

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David Teeger

Director

David Teeger C.A., C.A. (S.A.) graduated as a Chartered Accountant in South Africa, and upon arrival in Canada he obtained his Canadian C.A. designation and joined Richter & Associates, a management consulting firm, where he concentrated his practice on various business sectors including household goods, fashion, automotive parts, public associations, and retail chains. He performed many roles in his 15 years at Richter, including managing the professional services organization in North America and all business operations throughout Europe.

David's professional capabilities include computer audits, feasibility studies, system analyses and assistance in the selection, negotiation and implementation of computerized solutions.

As a founding partner of Teeger Schiller Inc., he has focused his practice on consulting to management. His team of professionals has helped businesses select and successfully install a variety of ERP business solutions and add-on systems including business intelligence solutions to give new life to existing computer systems. David's clients not only rely on him to successfully manage the implementation of their new systems, but to manage the change that occurs in their organizations as a result of the use of these new tools.



Elliot Schiller

Director

Elliot Schiller, Ph.D., C.M.C. began his career as a Chemical Engineer working for Grumman Aircraft, in Long Island, New York. He obtained his Ph.D. at the University of Pittsburgh with funding from the U.S. Atomic Energy Commission, and, after being awarded a Presidential Fellowship, he went on to perform research and development activities at Brookhaven National Laboratory.

Since coming to Canada, he has primarily assisted consumer products and retail organizations in a variety of strategic management initiatives, traveling around the globe on behalf of his clients. In 1987, Elliot joined Richter & Associates, and it is here that he first met David Teeger.

As a founding partner of Teeger Schiller Inc., he has focused the SR&ED / Grant Division on obtaining grants and tax incentives for over 100 companies in the small to medium sized business sector. His team has provided services to the discrete / processing manufacturing, material development, textiles, apparel, automotive and computer sciences sectors. Annually, Teeger Schiller Inc. secures more than \$5 million in government funding to assist its clients in having their business initiatives supported by government funding.



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