

# SIDIT EVALUATION

Subsection:  
**CLIENT FEEDBACK ON SIDIT PROGRAMMING**



Submitted to:  
Ms. Luby Pow, Chief Executive Officer,  
**Southern Interior Development Initiative Trust**  
#204-3131 29<sup>th</sup> Street  
Vernon, BC V1T 5A8

Submitted by:  
**Lochaven Management Consultants**  
3105-33 Street, Vernon BC V1T 9P7  
(250) 545 4445

**JUNE 2011**



## TABLE OF CONTENTS

	1.0 PROJECT DEFINITION .....	3
	1.1 Context.....	3
	1.2 Approach and Methodology ..	4
	2.0 ON-LINE SURVEYS OF LOAN/EQUITY AND GRANT APPLICANTS.....	5
	2.1 Background .....	5
	2.2 How Did Applicants Become Aware of SIDIT? .....	5
	2.3 Loan and Equity Applicants .....	6
	2.4 Grant Applicants .....	10
	2.5 Satisfaction With SIDIT Services .....	13
	2.6 Discussions With Education Award Coordinators .....	14
	2.7 Discussions With Centres of Influence .....	15
	3.0 CONCLUDING REMARKS AND OBSERVATIONS .....	17
	Appendix .....	19

# 1.0 PROJECT DEFINITION

## 1.1 Context

*"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skilful execution"*

**William A. Foster**

So why do organizations need to assess their operational performance in the first place? Certainly it would be easier to simply allow that an acceptable level of performance is achieved if there seems to be some general consensus amongst staff and key stakeholders that organizational efforts are yielding identifiable and generally positive outcomes and impacts. As in: "things seem to be working" with the usual corollary: "so why not leave well enough alone" or "don't fix it if it ain't broke".

Arguably over the first five years one could say that, in the case of the Southern Interior Development Initiative Trust (SIDIT) program, implementation is yielding real, tangible benefits. Indeed, if we took the straightforward opinions of a majority of stakeholders we would be well assured that SIDIT is providing significant measurable outcomes for businesses, organizations and communities within the Interior British Columbia region. And that should be the end of the story.

But the question arises: are these the maximum impacts that could/should be achieved given the resources allocated; and more significantly, are these fully the types of impacts most desired?

It is possible that without regular review of performance and subsequent reworking or even moderate "tweaking" of programming, that an organization may be perpetually operating at its most efficient and most effective. But it is unlikely. The truth of the matter is that regardless of the organization, how committed the staff, and how well its programs are designed and implemented, experience shows that in the absence of regular program assessments established systems eventually lose effectiveness and the impacts of program efforts lose focus and intensity. Where serious questioning does not happen on a regular and formalized basis, there is a very real possibility that original mandates and expectations will start to get a little fuzzy in terms of intent, understanding and relevance; some wandering of efforts and activities away from original mandates will occur; and overall programming, while it might very well be yielding some benefit, will not be achieving its full potential nor fully accomplishing its desired impacts.

On the other hand, when organizations undertake to regularly analyze performance they increase their ability to improve results. They achieve this by taking what they learn into their planning and decision making. Under this framework they regularly adjust their resource allocation and

operations to meet current realities and circumstances, and in doing so position the organization and its programs to achieve better and more focused results.

Successful organizations, especially those engaged in developmental programming, are characterized by their efforts to constantly evaluate and improve on their performance because they understand that success is not about a single event at a fixed point in time; success is not about just achieving something but rather achieving the right thing; and success does not occur as a consequence of happenstance but as a result of a commitment to evaluation and improvement of overall organizational effectiveness and efficiency.

In January 2011 the Southern Interior Development Initiative Trust awarded Lochaven Management Consultants Ltd a contract to undertake an evaluation of its program. In late April 2011 Lochaven Management Consultants Ltd. completed the first step in the process: A Legislative Review. Subsequently an Economic Impact Analysis was completed in May to identify and assesses the impacts accruing from SIDITs efforts by focusing on key measurable results (outputs, outcomes and impacts). This third and final step in the overall evaluation exercise supplements these efforts with a broad investigation and assessment of client feedback of SIDIT operational effectiveness.

## **1.2 Approach and Methodology**

In an effort to obtain feedback on the effectiveness of SIDIT's programming and service delivery, Lochaven Management Consultants undertook on-line surveys of former loan and grant applicants as well as discussions with coordinators involved in SIDIT's education award program at Okanagan College, Selkirk College, Thompson Rivers University, College of the Rockies, and the BC Innovation Council. In addition, a select number of individuals, while not directly involved in SIDIT programming, were also contacted for their views of SIDIT, as they were deemed to be knowledgeable economic development and/or financial stakeholders in the region covered by the Southern Interior Development Initiative Trust.

## 2.0 ON-LINE SURVEYS OF LOAN/EQUITY AND GRANT APPLICANTS

### 2.1 Background

Special online questionnaires were designed to query businesses and institutions<sup>1</sup> that had applied for SIDIT funding in the past (see appendix at the end of this report for copies of these questionnaires). In total 85 questionnaires were distributed in 3 waves during the period June 3<sup>rd</sup> through 17<sup>th</sup>, and an excellent overall response rate of 73% was achieved. The following table highlights the response rate for the various categories of respondents.

Category	Questionnaires Distributed	Responses	Response Rate
Successful Grants	35	31	89%
Successful Loan/Equity Investments	27	18	67%
Unsuccessful Grants	6	5	83%
Unsuccessful Loans/Equity Investments	17	8	47%
<b>TOTAL</b>	<b>85</b>	<b>62</b>	<b>73%</b>

### 2.2 How Did Applicants Become Aware of SIDIT?

Before getting into a specific analysis of the responses to the loan/equity and grant questionnaires it is interesting to review how applicants first became aware of SIDIT.

From the table on the following page it is evident that referrals to the Southern Interior Development Initiative Trust played an important role in creating awareness, as fully 53% of all loan/equity and grant applicants stated they became aware of SIDIT through referrals from financial institutions (10%), business associates or accountants (20%) or from RAC members or SIDIT Directors (23%). Other sources indicated were the media at 12%, SIDIT itself at 7% and "other" including friends, seminars/conferences and so on at about 33% of respondents.

<sup>1</sup> Municipalities, Regional Districts, First Nations, Non-Profit Societies, Institutions, and Industry Associations.

Source of Awareness	Loan/Equity Applicants	Grant Applicants	Total Applicants
Media	4%	16%	12%
Referral from financial institutions	22%	3%	10%
Referral from business associate or accountant	35%	11%	20%
Referral from RAC or SIDIT Director	9%	32%	23%
Directly from SIDIT	0%	11%	7%
Other	30%	27%	28%

It should also be noted that loan/equity applicants relied more heavily on referrals from financial institutions and from their business associates or accountants. On the other hand, grant applicants more frequently relied on referrals from the RAC and Board of Directors, as well as the media and SIDIT.

### 2.3 Loan and Equity Applicants

An analysis of the responses to the questions posed to loan/equity applicants follows:

#### 1. Was the funding you applied for a loan or an equity investment?

Clearly loans were the most popular form of financing sought by applicants, as 64% of business applicants stated they had applied for this type of financing. The remaining 36% sought equity funding, including preferred share and convertible debt.

#### 2. How long had your business been in operation at the time you applied for SIDIT financing?

The extent to which SIDIT assists relatively new or start-up businesses is revealed by the fact that almost half of the applicants for loans or equity were start-up operations (22%) or had been in business for only 1 to 3 years (26%). This highlights the degree to which new and start-up businesses perceive SIDIT as a source of funding. Obviously, SIDIT is helping to serve a segment of the market that normally finds it difficult to source outside funding. Undoubtedly these firms found SIDIT an especially helpful alternative during a period when markets were suffering through financial turmoil and an economic recession.

### **3. What economic sector (industry) best describes your business?**

Almost a third (30%) of the business applicants for SIDIT financing were in the manufacturing sector with another 26% coming from technology related firms. Other sectors individually comprised much smaller segments and primarily included agriculture, energy, forestry, health care and cultural industries.

As further clarification, applicants were also requested to classify themselves into several predefined activities. While individuals could provide multiple answers here, by far the most frequently mentioned was small business at 87% and economic development at 30%. Other activities included pine beetle recovery at 9% and Olympic opportunities at 4%.

From the above it is evident that much of SIDIT business financing is likely to have concentrated in the manufacturing, technology and small business areas. And since about 55% of applicants were in the manufacturing and technology areas, one can say that SIDIT assistance has been helpful in supporting value added activity beyond the primary industries. On the other hand, economic development is probably a “catch all” category that refers to respondents seeing their businesses as being beneficial to their communities and the region as a whole, rather than a prime activity per se.

### **4. Were you successful in receiving the financing you applied for from SIDIT?**

Just over 60% (61%) of business applicants said they received the entire financing they applied for from SIDIT, with another 9% stating they received partial funding. The remaining 30% indicated they were not successful whatsoever.

Applicants who did not receive the financing they requested, either in its entirety or partially, were also asked if SIDIT had provided reasons for not providing the financing sought. Perhaps not surprisingly, just over 70% of those who did not receive any financing whatsoever indicated they were provided with an explanation while an even greater 100% of those who received some, albeit partial funding, stated that SIDIT had done so. Obviously these high proportions indicate that SIDIT is doing a good to excellent job of explaining the reasons for declining specific applications, although they might want to review how they inform businesses that are refused any financing whatsoever.

Furthermore, those who did not receive any or just partial financing were asked if they were able to source financing from other sources after they approached SIDIT. About a third (29%) of those who had not received any financing from SIDIT were able to do so. On the other hand, all the applicants who had received partial funding were able to access other funds elsewhere to augment the SIDIT funds they had already received. Here the success of this last group is probably at least partially due to agreed joint financing arrangements

entered into between SIDIT and other sources (e.g. Business Development Bank of Canada, commercial bank, Community Futures, etc.), which made it possible for the applicant to obtain the total funds required.

**5. What was the total dollar amount of your loan/equity investment from SIDIT?**

Amount of Loan/Equity Investment	Percentage of Respondents*
Up to \$100,000	6%
\$100,001 to \$250,000	25%
\$250,001 to \$500,000	19%
\$500,001 to \$1,000,000	31%
\$1,000,001+	19%

An examination of the table above reveals that there was an even distribution of loans/equity investments under and over \$500,000. That is, SIDIT seems to have achieved a relatively even distribution in the number of loans/equity investments it made, as they provided an equal number under and above \$500,000. Arguably, one might suggest that SIDIT could have achieved a even more appropriate distribution by increasing the number of loans under \$100,000; however, the relatively smaller number of these loans is likely more a function of market demand than of any overt policy.

**6. What specifically was the loan/equity investment for?**

The following table highlights the purposes for which the funding from SIDIT was used:

Purpose of Loan/Equity Investment	Percentage of Respondents*
Acquisition of capital equipment	38%
Acquisition of land or existing building	6%
Renovation/expansion of existing structure	13%
Research and development	31%
Working capital or operations	68%
Other	6%

\* Respondents could indicate multiple purposes for the financing received

A review of the data above reveals respondents used loans/equity investments from SIDIT for a variety of purposes. Most frequently mentioned was for “working capital and operations;” however “acquisition of capital equipment” and “research and development” were also important reasons why businesses applied for SIDIT financing.

It is also interesting to note that 27% of respondents indicated that their project would not have proceeded without financing from SIDIT, while a further 67% stated the project might have proceeded, but not as originally planned. This highlights the important role that SIDIT plays in supporting new projects, expansions, research and sustainability of operations.



**7. How did the SIDIT financing help your business?**

<b>How SIDIT Financing Helped</b>	<b>Percentage of Respondents*</b>
Increased sales	47%
Increased productivity/efficiencies	47%
Research and innovation	53%
Trained & enhanced skills of management & workforce	33%
Expand markets	53%
Other	27%

\* Respondents could indicate multiple responses

From the above table it is evident that respondents felt the funding from SIDIT assisted their business in multiple ways. Increased sales, productivity, research and innovation, as well as expanded markets each were cited by about 50% of the respondents. As well, those respondents who indicated that their sales had increased estimated that they had typically done so by 20 to 40 percent.

**8. From the time of receiving SIDIT support, has the number of staff your business employs increased as a result of SIDIT financing?**

86% of respondents stated that their staffing levels increased as a result of SIDIT financing. Indeed, these respondents reported an overall average increase of 3.5 full time and 3 part time positions, and typically suggested that 50 to 100 percent of these jobs were skilled jobs. Perhaps of greater importance, and as affirmed by the previous economic analysis undertaken for SIDIT, is that fully three quarters (75%) of these respondents reported that SIDIT had also helped sustain existing employee positions.

**9. In your opinion, did the financing you received from SIDIT help your business survive when it might not have otherwise?**

The important role the Southern Interior Development Initiative Trust is playing within the southern interior region of British Columbia is amply demonstrated by the responses to this question, as just over 85% of respondents perceived that SIDIT financing had helped their businesses survive. Whether their business would have survived or not, this high percentage nevertheless indicates that respondents felt SIDIT financing was helpful during a particularly difficult period when financial markets were in meltdown and world-wide recessionary conditions persisted.

**10. What about before you applied for SIDIT financing, did you approach other sources of financing for part or all of your project?**

Just over 80% (82%) of loan/equity applicants stated that they approached other sources prior to applying to SIDIT. Of these 56% indicated that they were able to obtain financing from these other sources but had decided to approach SIDIT because the funds advanced did not cover the entire cost of their project or because the terms of the loan were deemed to be too onerous.

Insofar as the 18% of respondents that had not approach other sources prior to approaching SIDIT are concerned, the most frequently cited reason for not doing so was that they had heard that SIDIT would be the best approach and so they decided to go directly to them.

**2.4 Grant Applicants**

An analysis of the responses to the questions posed to grant applicants follows:

**1. What was the primary area of investment of your grant application?**

Almost 40% (39%) of the applications for grants were for projects in the area of economic development. Small business and tourism comprised a further 17% and 15% respectively, while about 7% of applications were for training. All other projects each comprised between 2% to 5% of all applications, and involved investments in agriculture, mining, pine beetle recovery, research and development, forestry, Olympic opportunities, and health services.

**2. What was the total dollar amount of your grant from SIDIT?**

<b>Amount of Grant</b>	<b>Percentage of Successful Grant Applicants</b>
Up to \$25,000	4%
\$25,001 to \$50,000	60%
\$50,001 to \$100,000	24%
\$100,000 +	12%

As is evident from the above table, 60% of successful applicants stated that their SIDIT grant fell between \$25,001 and \$50,000. The next most frequent range was funding between \$50,001 and \$100,000, which was mentioned by almost a quarter of the respondents. In total, grants ranging from about \$25,000 to \$100,000 comprised almost 85% of all the grants reported.

As with loan and equity investments for businesses, those applicants that were unsuccessful with their grant applications were asked if the Southern Interior Development Initiative Trust

had provided them with the reasons their applications were refused. Here, all respondents stated that they had been so informed, indicating that SIDIT is doing an excellent job of explaining why grant applications are refused funding.

The unsuccessful grant applicants were also asked if they were able to source funding elsewhere after their grant applications to SIDIT were refused, and 50% stated that they had been able to do so partially. Furthermore, all were asked whether not getting the funding required (either partially or in its entirety) had caused them to abandon their project altogether. Surprisingly, a large percentage (75%) stated that it had not, and that they had gone ahead with their project anyway. Undoubtedly the fact that 50% of the these applicants were able to subsequently find at least partial funding meant that they found ways to proceed with their project<sup>2</sup>.

### 3. What were the proceeds from the grant used for?

The following table highlights the purposes for which the grant funding from SIDIT was used:

Purpose of Grant	Percentage of Respondents*
Acquisition of capital equipment e.g., specialized machinery, equipment, computers, intellectual property	27%
New building construction	19%
Renovation/expansion of existing structure	23%
Research and Development	19%
Working capital or operations (e.g., marketing)	19%
Other	35%

\* Respondents could indicate multiple purposes for the grant received

Again, as with loan and equity investments for businesses, a review of the data above reveals respondents used the grants from SIDIT for a variety of purposes. Most frequently mentioned were for “acquisition of capital equipment” and “renovation/expansion of existing structures”. It should be noted that the “other” category encompassed a variety of purposes including community development, small business training, a RV Park, programs to build women leadership and regional partnership capacity, as well as the construction of a pedestrian bridge and a regional technology venture.

### 4. If you had not received the above grant, how likely would you say your project would have proceeded?

Almost 30% (29%) of the applicants who received funding said it was very unlikely their project would have proceeded if they had not received a SIDIT grant. In addition, another 67% felt that

<sup>2</sup> It could also have been that some of these applicants were referred by SIDIT to other sources that were likely to fund the type of project being applied for, thus accounting for the relatively high proportion of declined projects that went ahead anyway.

while their project might have gone ahead, it would not have done so as originally planned. SIDIT support was therefore instrumental in getting many worthwhile projects “off the ground” that would never have occurred otherwise, or if they had gone ahead would have done so in an altered, perhaps diminished form.

**5. How specifically did the SIDIT grant for you project help your community/region?**

How SIDIT Grant Helped	Percentage of Respondents*
Generated revenue	28%
Created jobs	44%
Preserved jobs	28%
Enhanced jobs e.g., training	36%
Contributed to economic diversification	64%
Provided economic sustainability	36%
Provided research and development leading to commercialization	20%
Funded arts and culture projects that offered economic benefits	12%
Filled a funding gap	44%
Other	28%

\* Respondents offered multiple responses

By far the most frequently indicated benefit of the grants was that they contributed to economic diversification. Specifically, 64% of the respondents indicated their grant had contributed to the economic diversification of their community and/or region.

Job related benefits were also very evident, as 44% stated that the funding created jobs, 28% felt it had preserved jobs, while 36% indicated the funding had enhanced jobs through training efforts.

Other significant benefits were contributions to economic sustainability (36%), filling funding gaps (40%), revenue gains (28%) and research and development leading to commercialization (20%).

**6. How many full time and part-time jobs do you estimate were created as a result of SIDIT funding?**

89% of respondents reported employment increases as a result of SIDIT grant funding. These respondents indicated an average overall increase of just over 3.5 full time and almost 4 part time positions, and typically suggested that 25 to 60 percent of these jobs were skilled jobs. Moreover, over 50% (52%) of respondents reported that SIDIT funding had also helped to save or sustain existing positions.

**7. What about before you applied to SIDIT for a grant, did you approach other sources for money to fund either part or all of your project?**

86% of grant applicants stated that they approached other sources of funding for either part or all of their project prior to approaching SIDIT. Many of these respondents indicated that they were able to obtain financing from these sources, but virtually all of them had subsequently decided to approach SIDIT because the funds approved did not cover the entire cost of their project. Only one respondent offered another reason, that being that the terms of the funding from the other source(s) were too onerous.

Insofar as the 16% of respondents that had not approached other sources prior to approaching SIDIT are concerned, the only cited reason for not doing so was that they had tried other sources in the past and weren't successful.

**2.5 Satisfaction With SIDIT Services**

Applicants for SIDIT grants were asked for feedback relative to their levels of satisfaction and knowledge with the Southern Interior Development Initiative Trust. For this purpose Likert scales were designed to measure applicant levels of satisfaction with, or knowledge of, the services provided by the organization. These scales ran from 1 to 5, where 1 indicated a great deal of dissatisfaction or no knowledge of SIDIT, to 5 which indicated very high levels of satisfaction or knowledge. The following table summarizes the average ratings offered on each question/factor by loan/equity investment and grant applicants.

Question/Factor	Average Rating	
	Loan/Equity Applicants	Grant Applicants
How aware were you of SIDIT and the services it provides prior to approaching them?	2.36	3.42
How clear were SIDIT rules, guidelines, application and decision making procedures?	3.36	3.82
How helpful was SIDIT staff in assisting you in the application process?	3.59	4.6
How timely was the decision made on your application?	3.91	4.1
How clear were the conditions of the loan-equity/grant set out once funding was approved?	3.91	4.39
How aware are you "now" of SIDIT's purpose to support sustainable economic development, how it operates and the programs and services it offers?	3.83	4.30

At first glance it is obvious that SIDIT is achieving relatively high levels of awareness and satisfaction with the services it offers, and that grant applicants generally provided higher ratings than loan/equity applicants. In fact, with one exception the data reveal that loan/equity and grant applicants rated all the factors measured higher than an average score of 3, usually by quite healthy margins. The exception of course is the rating of 2.36 by loan/equity applicants for their awareness of SIDIT prior to approaching the organization<sup>3</sup>. This relatively low initial score is indicative that SIDIT might benefit from efforts to improve its awareness among its target business segment. Doing so would serve to widen their market of potential clients, and result in a wider group of good projects from which to choose.

Successful applicants were also queried as to whether they felt SIDIT funding for their projects was provided in a timely manner after their application was approved. Their responses point to a high degree of satisfaction here, as all loan/equity and 91% of grant applicants agreed that the funding was provided in a timely fashion.

Finally, applicants were asked if they had any suggestions for how SIDIT might improve. Only a few responded to this question with the only suggestions being to lower the interest rates charged and encouragement for SIDIT to more actively promote its services.

## **2.6 Discussions With Education Award Coordinators**

Students from communities across the southern interior of British Columbia entering a wide range of trades and technology programs at the College of the Rockies, Okanagan College, Selkirk College and Thompson Rivers University can qualify for student awards from funding provided through SIDIT. Called the “education awards program,” this investment in education is intended to attract students into programs that are key to the economic success of the southern B.C. interior. Importantly as well, the program provides support for research, innovation and entrepreneurship through matched funding with the BC Innovation Council (BCIC) that assists students, faculty, post-secondary institutions, industry organizations and companies involved in technology, innovation, research, and development and commercialization.

Discussions with representatives of the participating educational institutions and BCIC reflected a very positive view of this program, along with some disappointment that the trades/technology component is being cut back. In fact, they all reported that the education awards, by increasing the number of bursaries available for the trades, had stimulated a greater number of students to enter formal training<sup>4</sup> and had very much served to empower a segment

---

<sup>3</sup> However loan/equity applicants were able to offer high rates of awareness “now” that they had applied to SIDIT for funding.

<sup>4</sup> Coordinators typically estimated that students in the trades had increased by 10 - 15% per annum.

in need of support for further education. In addition, the program elevated the prestige of trades training by putting it on a more equal footing with academic programs, which had traditionally been provided the bulk of awards.

As far as the program component involving joint funding with the BC Innovation Council is concerned, the feeling is that it is too early to point to “concrete” business results as research and development generally requires a longer lead time than the length of time the program has operated. However, the sense is that the program is an investment in the future and a key ingredient that will determine the prosperity of the southern interior region of British Columbia.

## 2.7 Discussions With Centres of Influence

As mentioned previously Lochaven Management Consultants contacted several “centres of influence” to obtain their perspectives on the Southern Interior Development Initiative Trust and the role it plays in encouraging economic/business development and diversification within the region. These individuals are either professional practitioners in community and regional economic development or in providing financial and counselling support to businesses, and are therefore able to add knowledgeable insight on the effectiveness of SIDIT operations.

From the discussions held with these practitioners it is evident that the Southern Interior Development Initiative Trust is held in high regard and is seen as a positive force for the development of businesses and communities within the region covered by SIDIT’s mandate. Indeed, in all cases the individuals contacted felt that SIDIT is playing a very useful and necessary role. Many of them, for instance, have been involved in joint ventures with SIDIT and believe it is filling important market gaps, particularly as it relates to supporting relatively young businesses and new initiatives. Ultimately as well, the feeling is that SIDIT was helping to lever funding with other financial institutions, which is resulting in more worthwhile projects going forward.

The only negative comments that came out of these discussions were that some felt that SIDIT should be promoting itself more aggressively. Here the view was that after a slow start-up period more people and organizations have become aware of SIDIT; however, many in the business community still do not know it exists.

Some specific comments made during these discussions that support the above observations are offered below:

*“SIDIT is an important part of our toolkit in promoting and encouraging community economic and business development.”*

*“They (SIDIT) should blow their horn more ... although they are getting better and people*

*in the region are becoming more aware of them with the passage of time”*

*“SIDIT often acts as a central hub by leveraging others to get involved in funding business opportunities.”*

*“SIDIT is good at funding new businesses, which commercial sources are reluctant to fund ... as well as encouraging new ventures.”*

*“SIDIT is aggressive in seeking new opportunities and is effective in bringing key players together.”*

*“SIDIT is well known within the credit union system in the region ... if a business doesn't have much in the way of a track record many of our managers will refer clients to SIDIT.”*

*“I feel that SIDIT has a superior program (compared to other development agencies) because they will consider equity financing.”*

*“... SIDIT should do more community involvement to gain better exposure; for example, attending special events ... making presentations to organizations such as Chamber of Commerce meetings ... more press releases.”*



### 3.0 CONCLUDING REMARKS AND OBSERVATIONS

A number of significant conclusions and observations can be offered relative to the effectiveness of SIDIT in achieving its mandate and goals. These conclusions and observations, drawn from the surveys and discussions undertaken, are summarized below and generally highlight the effectiveness of SIDIT in achieving desired outcomes and results.

1. The Southern Interior Development Initiative Trust is successful in targeting start-up and relatively new businesses that normally find it especially difficult to source financing. Indeed the survey undertaken revealed that almost 50% of SIDIT's business applications are coming from start-ups or businesses with a limited track record of only 1 to 3 years of operations. Obviously, this important market niche is finding SIDIT an open and accessible source of potential financing.
2. SIDIT is helping to ensure worthwhile projects are undertaken that often would not occur without SIDIT financing. Fully 27% of successful business applicants revealed that their projects would not have proceeded without financing from SIDIT. Moreover, a further 67% stated their projects "might" have proceeded, but not as originally planned.
3. The Southern Interior Development Initiative Trust is allowing businesses to finance a variety of useful objectives. Indeed the survey undertaken revealed SIDIT funding has allowed firms to finance research and development; working capital; the acquisition of capital equipment, land or existing buildings; as well as the expansion and/or renovation of existing structures.
4. Ultimately this assistance is helping businesses in the region to increase sales, expand markets, enhance productivity/efficiency, as well as undertake research and innovation and workforce enhancement. These are significant benefits not only for the businesses themselves, but also for communities, families and individuals in the region to the extent the funding is resulting in increased levels of employment, income and skills.
5. SIDIT is playing an important role in ensuring the survival of firms in the region. This is highlighted by the fact the survey revealed that fully 85% of successful applicants perceived SIDIT funding had helped their business' survive. Whether or not these businesses would or would not survived without SIDIT assistance, this high percentage is nevertheless indicative that SIDIT is playing a critical role in ensuring the sustainability of businesses in the region.
6. Southern Interior Development Initiative Trust business financing activities are stimulating employment growth within the region. 86% of the businesses that were supported by SIDIT indicated their staffing levels had increased by an average of 3.5 full time and 3.0 part time positions as a result of the funding they received. They also typically suggested that 50 to 100% of these jobs were skilled jobs.
7. SIDIT grants are allowing institutions such as municipalities, regional districts, first nations, non-profit societies and so on to undertake a variety of initiatives. These initiatives in the past have included: operations and marketing; the acquisition of capital equipment; building construction,

renovation or expansion; research and development; community development; small business training; and programs to build capacity.

8. SIDIT grants are instrumental in getting many worthwhile projects “off the ground” that would not likely proceed without funding, or if they were to proceed would not do so as planned. Almost 30% of the grant applicants who received SIDIT funding said it was very unlikely their projects would have proceeded if they had not received funding. In addition, another 67% felt that while their projects might have gone ahead, they would not have done so as originally planned.
9. Grants by the Southern Interior Development Initiative Trust are providing a range of benefits to communities and regions within the southern interior of British Columbia, chief of which are economic diversification/sustainability and job related benefits. Other benefits include revenue gains, research and development leading to commercialization, and filling of funding gaps.
10. The extent of employment benefits that SIDIT grants provide is revealed by the fact that almost 90% of successful grant applicants reported employment increases that averaged just over 3.5 full time and almost 4 part time positions. Respondents typically suggested that 25 to 60% of these were skilled jobs and over 50% (52%) reported that SIDIT funding had also helped to save or sustain existing positions.
11. Applicants for SIDIT assistance rate the services provided by SIDIT highly. Service delivery, staff, rules and guidelines as well as the timeliness of decisions and the conditions of approved loan-equity/grant funding were all rated highly by former applicants
12. While grant applicants were typically aware of SIDIT before approaching the organization, applicants for loans/equity investments were not so well informed. This finding was confirmed in discussions with “centres of influence,” and indicates the SIDIT might want to increase its efforts to promote/publicize its services and successes to businesses through special events, meetings, press releases and so on.
13. SIDIT’s education awards program is positively viewed as increasing the number of students entering the trades and with empowering a segment of the population in need of support. The program is also perceived as elevating the prestige of trades training in the region.
14. As far as SIDIT’s program involving joint funding with the BC Innovation Council to support research, innovation and entrepreneurship is concerned, the feeling is that it is too early to point to “concrete” business results as research and development generally requires a longer lead period than the length of time the program has been in operation. However, the sense is that the program is an investment in the future and a key ingredient that will determine the prosperity of the southern interior region of British Columbia.

## Appendix: SURVEY QUESTIONNAIRES

**EVALUATION OF SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST (SIDIT)  
SUPPORT TO THE BUSINESS COMMUNITY - LOAN AND EQUITY INVESTMENTS**

**SECTION A: RESPONDENT IDENTIFICATION:**

Name: \_\_\_\_\_

Business/Organization Name: \_\_\_\_\_

Location (Community & RD): \_\_\_\_\_

Telephone No.: \_\_\_\_\_

**SECTION B: INFORMATION ON SIDIT APPLICATION**

1. How did you become aware of SIDIT?

- Media
- Referral from a financial institution [including BDO and CFDC]
- Referral from an accountant or business associate
- Referral from a RAC member or SIDIT Director
- Approached directly by SIDIT
- Other (specify) \_\_\_\_\_

2. What year did you apply for funding from SIDIT? \_\_\_\_\_

3. Was the funding you applied for a loan or an equity investment?

- Loan
- Equity Investment (equity, preferred share, convertible debt)

**SECTION C: INFORMATION ON BUSINESS**

1. How long had your business been in operation at the time you applied for funding from SIDIT?

- Start-up
- 1 to 3 years
- Over 3 years

2. What economic sector (industry) best describes your business?

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Retail & Wholesale Trade
<input type="checkbox"/> Energy	<input type="checkbox"/> Tourism
<input type="checkbox"/> Mining	<input type="checkbox"/> Transportation
<input type="checkbox"/> Forestry	<input type="checkbox"/> Technology
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Other (specify) _____

3. As a further identification would you classify your business into any of these additional activities? [check as many as apply]

- Small business
- Pine beetle recovery
- Olympic opportunities
- Economic development
- None of above

#### SECTION D: INFORMATION ON SIDIT LOAN/EQUITY INVESTMENT

1. Were you successful in receiving the financing you applied for from SIDIT?

- Yes [go to question 8 below]
- No
- Partially [go to question 5 below]

2. Were reasons given to you as to why you did not receive the funding requested?

- Yes
- No

3. Were you able to source the financing elsewhere “**after**” your application for funding was declined by SIDIT?

- Yes, for the entire amount required [go to section F, question 1]
- Yes, but only partially
- No

4. In hindsight did not getting the funds required for your project adversely affect your business’ viability or sustainability? [then go to section F, question 1]

- Yes
- No

5. Were reasons given to you as to why you did not receive the entire funding requested?

- Yes
- No

6. Were you able to source the additional financing required elsewhere?

- Yes, for the entire additional amount required [go to question 8]
- Yes, but only partially
- No

7. In hindsight did not getting all the funds required for your project adversely affect your business' viability or sustainability?

- Yes
- No

If "yes", explain \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. What was the total dollar amount of your loan/equity investment from SIDIT?

<input type="checkbox"/> Up to \$100,000	<input type="checkbox"/> \$500,001 to \$1,000,000
<input type="checkbox"/> \$100,001 to \$250,000	<input type="checkbox"/> \$500,001 to \$1,500,000
<input type="checkbox"/> \$250,001 to \$500,000	<input type="checkbox"/> \$1,500,000 +

9. What specifically was the loan/equity investment for (check as many as apply)?

- Acquisition of capital equipment e.g., specialized machinery, equipment, computers, intellectual property.
- Acquisition of land or existing building
- New building construction
- Renovation/expansion of existing structure
- Research and development
- Working capital or operations [e.g., marketing]
- Other [specify] \_\_\_\_\_

**SECTION E: OUTCOMES/RESULTS OF SIDIT LOAN/EQUITY INVESTMENT**

1. If you had not received financing from SIDIT, how likely would you say you project would have proceeded? Would you say:

- Very unlikely
- Possibly, but not as originally planned
- Very unlikely

2. How did the SIDIT loan/equity investment help your business? (probe if necessary and check as many as apply)

- Increase sales, by how much: \_\_\_\_\_%
- Increase productivity/efficiencies e.g., increased net income, higher employee productivity, increased profitability
- Research and innovation
- Trained and enhanced the skills of management and workforce
- Expand markets
- Other [specify] \_\_\_\_\_

No discernable results

Additional Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. From the time of receiving SIDIT support, has the number of staff your business employs increased as a result of SIDIT financing, or has it stayed the same or been reduced?

- Increased
- Stayed the same [go to question 5 below]
- Reduced

4. How many full time and part-time jobs do you estimate were created/reduced as a result of the SIDIT funding?

<u>Created</u>	<u>Reduced</u>
Full time _____	Full time _____
Part time _____	Part time _____
FTE _____	FTE _____

4a. What percentage of the new positions do you estimate were high skilled as opposed to low skilled jobs? \_\_\_\_\_ %

4b. Did the financing received from SIDIT also help sustain any existing employee positions?

- Yes
- No

5. In your opinion, did the financing you received from SIDIT help your business survive when it might not have otherwise?

- Yes
- No, business would have survived anyway

## SECTION F: PRIOR TO APPLYING FOR SIDIT FUNDING

*What about before you applied for SIDIT financing?*

1. Did you approach other sources of financing for part or all of your project “before” approaching SIDIT?

- Yes
- No [check appropriate box(es) below and then go to section G, question 1]

1a. If no, why not?

- I had tried other lenders/investors in the past and wasn't successful
- I am not aware of any other lenders/investors in the region that would support the project
- I heard that SIDIT would be the best approach and so I decided to go directly to them
- Other (specify) \_\_\_\_\_

2. Were you able to obtain any financing for your project from this/these other source(s)?

- Yes
- No [go to question 4 below]

3. Then why did you approach SIDIT for financing? [then go to section G, question 1]

- Funds advanced did not cover entire cost of project
- Terms of loan too onerous e.g., interest rate, collateral, length of contract
- Other [specify] \_\_\_\_\_



4. Why were you not able to obtain the required financing from this/these other source(s)?
- Terms of financing too onerous e.g., interest rate, collateral, length of contract
  - Project deemed as too risky
  - Type of financing required did not fit the mandate/authority of the financial institution
  - Other [specify] \_\_\_\_\_

**SECTION G: SATISFACTION WITH SERVICE AND SUGGESTIONS FOR IMPROVEMENT**

1. On a scale of 1 to 5, with 1 being not at all aware, 3 being somewhat aware, and 5 being very aware, how aware were you of SIDIT and the services it provides prior to approaching them?

1      2      3      4      5

2. On a scale of 1 to 5, with 1 being very unclear, 3 being adequately clear, and 5 being very clear, how clear were the rules, guidelines, application and decision making procedures required for SIDIT financing?

1      2      3      4      5

If below 3, why in your opinion was the information unclear?

---

---

3. On a scale of 1 to 5, with 1 being very unhelpful, 3 being helpful, and 5 being very helpful, how helpful was SIDIT staff in assisting you in the applications process?

1      2      3      4      5

4. On a scale of 1 to 5, with 1 being highly insufficient, 3 being adequate, and 5 being very timely, how timely was the decision made on your application?

1      2      3      4      5

**ONLY ASK FOLLOWING QUESTIONS OF RESPONDENTS THAT RECEIVED SIDIT FUNDS**

5. Was SIDIT funding for your project provided in a timely manner after your application was approved?

- Yes
- No

6. On a scale of 1 to 5, with 1 being very unclear, 3 being clear, and 5 being very clear, how clear and understandable were the conditions of the loan/equity investment set out once the funding was approved?

1      2      3      4      5

7. On a scale of 1 to 5, with 1 being very unaware, 3 being aware, and 5 being very aware, how aware are you **“now”** of SIDIT’s purpose to support sustainable economic development within the region, how it operates and the programs and services it offers?

1      2      3      4      5

8. Do you have any suggestions how SIDIT might improve its services?

**EVALUATION OF SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST (SIDIT)  
SUPPORT TO MUNICIPALITIES, REGIONAL DISTRICTS, FIRST NATIONS, NON-PROFIT  
SOCIETIES, INSTITUTIONS, AND INDUSTRY ASSOCIATIONS  
(SUCCESSFUL GRANT APPLICANTS)**

**SECTION A: RESPONDENT IDENTIFICATION:**

Name: \_\_\_\_\_

Organization Name: \_\_\_\_\_

Location (Community): \_\_\_\_\_

**SECTION B: INFORMATION ON SIDIT APPLICATION AND PROJECT**

1. How did you become aware of SIDIT? (check as many as apply)

- Media
- Referral from a financial institution
- Referral from an accountant or business associate
- Referral from a Regional Advisory Committee member or SIDIT Director
- Approached directly by SIDIT
- Other [specify] \_\_\_\_\_

2. In what year did you apply for funding from SIDIT?

- 2007
- 2008
- 2009
- 2010
- 2011

3. Did you apply for SIDIT funding for only one or several projects?

- Only applied for funding for one project
- Applied for funding for several projects [go to question 5 below]

4. What was the primary area of investment of this project? (check only one of the following)

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Economic Development
<input type="checkbox"/> Energy	<input type="checkbox"/> Forestry
<input type="checkbox"/> Mining	<input type="checkbox"/> Olympic Opportunities
<input type="checkbox"/> Pine Beetle Recovery	<input type="checkbox"/> Small Business
<input type="checkbox"/> Tourism	<input type="checkbox"/> Transportation
<input type="checkbox"/> Research and Development	<input type="checkbox"/> Other [specify] _____

5. Of the projects you sought funding for from SIDIT, what was the primary area of investment for the first project? (check only one of the following)

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Economic Development
<input type="checkbox"/> Energy	<input type="checkbox"/> Forestry
<input type="checkbox"/> Mining	<input type="checkbox"/> Olympic Opportunities
<input type="checkbox"/> Pine Beetle Recovery	<input type="checkbox"/> Small Business
<input type="checkbox"/> Tourism	<input type="checkbox"/> Transportation
<input type="checkbox"/> Research and Development	<input type="checkbox"/> Other [specify] _____

**SECTION C: INFORMATION ON SIDIT GRANT**

1. What was the total dollar amount of your grant from SIDIT for this project?

- Up to \$25,000
- \$25,001 to \$50,000
- \$50,001 to \$100,000
- \$100,000 +

2. What specifically were the proceeds from the grant used for? (check as many as apply)

- Acquisition of capital equipment e.g., specialized machinery, equipment, computers, intellectual property.
- Acquisition of land or existing building
- New building construction
- Renovation/expansion of existing structure
- Research and Development
- Working capital or operations (e.g., marketing)
- Other (specify) \_\_\_\_\_

**SECTION D: OUTCOMES/RESULTS OF SIDIT GRANT**

1. If you had not received the above support from SIDIT, how likely would you say your project would have proceeded? Would you say:

- Very unlikely
- Possibly, but not as originally planned
- Very likely

2. How specifically did the SIDIT grant for your project help your community/region? (check as many as apply)

- It generated revenue, please provide best estimate of how much \$ \_\_\_\_\_
- It created jobs
- It helped to preserve jobs
- It enhanced jobs e.g., training, enhancement of workforce
- It contributed to economic diversification
- It provided for economic sustainability
- It provided research and development leading to commercialization
- It funded an arts and culture project that offered economic benefit/impact
- It filled a funding gap
- No discernable benefit/impact
- Other (specify) \_\_\_\_\_

3. How many full time and part-time jobs do you estimate were created as a result of SIDIT funding?

Created

Full time \_\_\_\_\_

Part time \_\_\_\_\_

Equivalent full time jobs \_\_\_\_\_

3a. What percentage of the new positions do you estimate were high skilled as opposed to low skilled jobs? \_\_\_\_\_ %

3b. Did the funding received also sustain any existing positions?

- Yes
- No

## SECTION E: PRIOR TO APPLYING FOR A SIDIT GRANT

1. "Prior" to approaching SIDIT for funding, did you approach other sources for money to fund either part or all of your project?

- Yes
- No (check appropriate box below)

1a. If no, why not? [then go to section G, question 1]

- We had tried other sources in the past and weren't successful
- We are not aware of any other sources in the region that would support the project
- We heard that SIDIT would be the best approach and so we decided to go directly to them
- Other (specify) \_\_\_\_\_  
\_\_\_\_\_

2. Were you able to obtain any funding for your project from this/these other source(s) prior to approaching SIDIT for funding?

- Yes
- No [go to question 4 below]

3. Then why did you approach SIDIT for funding? [then go to section G, question 1]

- Funds approved from other source(s) did not cover entire funding sought for the project
- Terms of funding from other source(s) were too onerous
- Other (specify) \_\_\_\_\_

4. Why were you not able to obtain the required funding from this/these other source(s)?

- Our project did not fit the mandate/authority of the funding source
- Other (specify) \_\_\_\_\_

## SECTION F: SATISFACTION WITH SERVICE AND SUGGESTIONS FOR IMPROVEMENT

1. On a scale of 1 to 5, with 1 being not at all aware, 3 being somewhat aware, and 5 being very aware, how aware were you of SIDIT and the services it provides prior to approaching them?

1      2      3      4      5

2. On a scale of 1 to 5, with 1 being very unclear, 3 being adequately clear, and 5 being very clear, how clear were the rules, guidelines, application and decision making procedures required for SIDIT financing?

1      2      3      4      5

If below 3, why in your opinion was the information unclear?

---

---

3. On a scale of 1 to 5, with 1 being very unhelpful, 3 being helpful, and 5 being very helpful, how helpful was SIDIT staff in assisting you in the applications process?

1      2      3      4      5

4. On a scale of 1 to 5, with 1 being highly insufficient, 3 being adequate, and 5 being very timely, how timely was the decision made on your application?

1      2      3      4      5

5. Was SIDIT funding for your project provided in a timely manner after your application was approved?

- Yes  
 No

6. On a scale of 1 to 5, with 1 being very unclear, 3 being clear, and 5 being very clear, how clear and understandable were the conditions of the grant set out once the funding was approved?

1      2      3      4      5

7. On a scale of 1 to 5, with 1 being very unaware, 3 being aware, and 5 being very aware, how aware are you "now" of SIDIT's purpose to support sustainable economic development within the region, how it operates and the programs and services it offers?

1      2      3      4      5

8. Do you have any suggestions how SIDIT might improve its services?

**EVALUATION OF SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST (SIDIT)  
(UNSUCCESSFUL GRANT APPLICANTS)**

**SECTION A: RESPONDENT IDENTIFICATION:**

Name: \_\_\_\_\_

Organization Name: \_\_\_\_\_

Location (Community): \_\_\_\_\_

**SECTION B: INFORMATION ON SIDIT APPLICATION AND PROJECT**

1. How did you become aware of SIDIT? (check as many as apply)

- Media
- Referral from a financial institution
- Referral from an accountant or business associate
- Referral from a Regional Advisory Committee member or SIDIT Director
- Approached directly by SIDIT
- Other [specify] \_\_\_\_\_

2. In what year did you apply for funding from SIDIT?

- 2007
- 2008
- 2009
- 2010
- 2011

3. Did you apply for SIDIT funding for only one or several projects?

- Only applied for funding for one project
- Applied for funding for several projects [go to question 5 below]

4. What was the primary area of investment of this project? (check only one of the following)

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Economic Development
<input type="checkbox"/> Energy	<input type="checkbox"/> Forestry
<input type="checkbox"/> Mining	<input type="checkbox"/> Olympic Opportunities
<input type="checkbox"/> Pine Beetle Recovery	<input type="checkbox"/> Small Business
<input type="checkbox"/> Tourism	<input type="checkbox"/> Transportation
<input type="checkbox"/> Research and Development	<input type="checkbox"/> Other [specify] _____



5. Of the projects you sought funding for from SIDIT, what was the primary area of investment for the first project? (check only one of the following)

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Economic Development
<input type="checkbox"/> Energy	<input type="checkbox"/> Forestry
<input type="checkbox"/> Mining	<input type="checkbox"/> Olympic Opportunities
<input type="checkbox"/> Pine Beetle Recovery	<input type="checkbox"/> Small Business
<input type="checkbox"/> Tourism	<input type="checkbox"/> Transportation
<input type="checkbox"/> Research and Development	<input type="checkbox"/> Other [specify] _____
	_____

**SECTION C: INFORMATION ON YOUR SIDIT APPLICATION**

1. Did SIDIT provide you with the reasons why they declined funding for your project?
- Yes  
 No
2. Were you able to source the funding elsewhere “**after**” your grant application was declined by SIDIT?
- Yes, for the entire amount required [go to section D, question 1]  
 Yes, but only partially  
 No
3. In hindsight did not getting the funding required for your project cause you to abandon the project?
- Yes  
 No, went ahead with the project anyway

**SECTION D: PRIOR TO APPLYING FOR A SIDIT GRANT**

1. “**Prior**” to approaching SIDIT for funding, did you approach other sources for money to fund either part or all of your project?
- Yes  
 No (check appropriate box below)

1a. If no, why not? [then go to section E, question 1]

- We had tried other sources in the past and weren't successful
  - We are not aware of any other sources in the region that would support the project
  - We heard that SIDIT would be the best approach and so we decided to go directly to them
  - Other (specify) \_\_\_\_\_
- 

2. Were you able to obtain any funding for your project from this/these other source(s) prior to approaching SIDIT for funding?

- Yes
- No [go to question 4 below]

3. Then why did you approach SIDIT for funding? [then go to section E, question 1]

- Funds approved from other source(s) did not cover entire funding sought for the project
- Terms of funding from other source(s) were too onerous
- Other (specify) \_\_\_\_\_

4. Why were you not able to obtain the required funding from this/these other source(s)?

- Our project did not fit the mandate/authority of the funding source
- Other (specify) \_\_\_\_\_

**SECTION E: SATISFACTION WITH SERVICE AND SUGGESTIONS FOR IMPROVEMENT**

1. On a scale of 1 to 5, with 1 being not at all aware, 3 being somewhat aware, and 5 being very aware, how aware were you of SIDIT and the services it provides prior to approaching them?

1      2      3      4      5

2. On a scale of 1 to 5, with 1 being very unclear, 3 being adequately clear, and 5 being very clear, how clear were the rules, guidelines, application and decision making procedures required for SIDIT financing?

1      2      3      4      5

If below 3, why in your opinion was the information unclear?

---

---

3. On a scale of 1 to 5, with 1 being very unhelpful, 3 being helpful, and 5 being very helpful, how helpful was SIDIT staff in assisting you in the applications process?

1      2      3      4      5

4. On a scale of 1 to 5, with 1 being highly insufficient, 3 being adequate, and 5 being very timely, how timely was the decision made on your application?

1      2      3      4      5