

Self-Employment Program

An External Guide for Individuals

2022-23

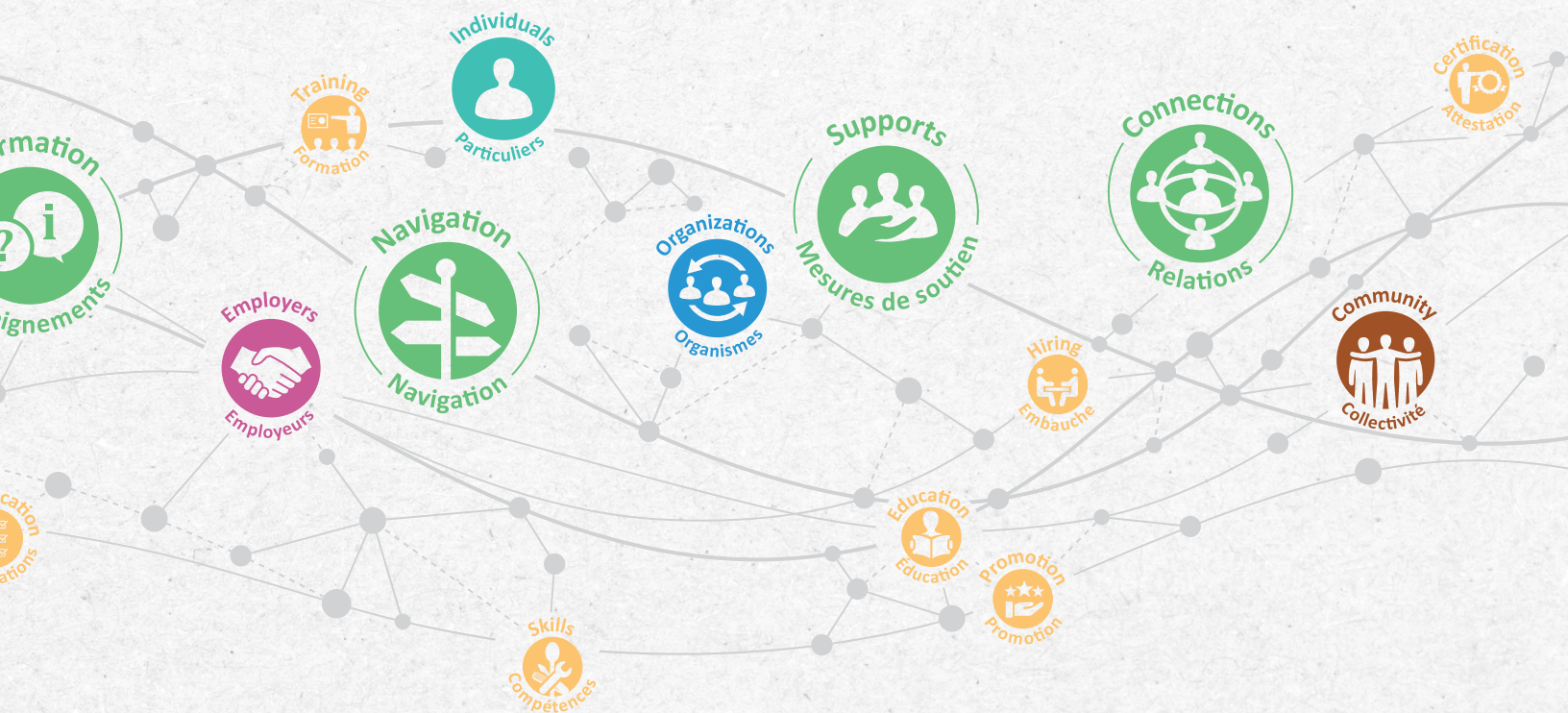




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1.0 Background

The Department of Education, Culture and Employment (ECE), through its Skills 4 Success (S4S) initiative, maintains the vision that: *“NWT residents have the skills, knowledge and attitudes for employment success.”*

[The Skills 4 Success 10-Year Strategic Framework](#) sets out a 10-year path for ongoing partnership, engagement, action planning and implementation to ensure that the NWT education and training system keeps pace with the changing dynamics of the labour market.

[The Northwest Territories Labour Market Forecast and Needs Assessment \(LMFNA\)](#) presents an overview of the socio-economic profile and labour market forecasts for the NWT up to the year 2030. Between 28,500 and 36,700 job openings are forecasted with approximately 78% of those jobs requiring post-secondary education.

The employment rate in the Northwest Territories (NWT) is lowest in small, remote communities. In some small communities, the overall employment rate can be as low as 33.3%, compared to a range of 60% to 78% in larger regional centres (Census, 2016). Similarly, unemployment rates are higher in small communities when compared to larger regional centres.

Youth in communities are particularly affected by unemployment as their education levels are typically lower and fewer employment opportunities are available to them. The employment rate in the NWT for youth aged 15 to 24 is significantly lower than the employment rate for residents aged 25-54 (Census, 2016).

In response, ECE delivers a number of territorial and federally-funded programs to support labour market development in the NWT, including in small communities.

These programs support the goals of ECE and the 19th Legislative Assembly’s priority of increasing employment in small communities, making strategic investments in workforce development and expanding opportunities for post-secondary education, trades-oriented and northern educational institutions.

2.0 Program Description and Objectives

The Self-Employment Program (SEP) provides support to eligible individuals with the opportunity to start a small business. This program provides supports for individuals in assessing their business idea, their personal suitability, financial risks, and the resources available or required to be successful.

The objectives of the SEP are to:

- Provide support for NWT residents to develop small businesses;
- Encourage business development as a means to create future local employment opportunities; and
- Grow the NWT workforce through partnerships.

3.0 Eligibility

To be eligible for the SEP, an individual must:

- Reside in the NWT;
- Be a Canadian citizen, permanent resident; or a protected person, as defined by the *Immigration and Refugee Protection Act*, who is entitled to work in Canada;
- Be of school leaving age (16 years or older);
- Not have held a business licence for more than three months;
- Have no previous participation in self-employment assistance activity within the past five (5) years;
- Be starting a new business or taking over an existing business in which one has had no prior ownership;
- Need to own at least 50% of the business; and
- Agree to work full-time (30 hours or more weekly) on the business while receiving financial assistance.

4.0 Program Funding

Assistance provided under the SEP will not exceed a total value of \$26,000 for 52 weeks. The maximum value includes all eligible benefits.

The maximum value **does not** include the Business Expert fees nor does it include EI Part 1 benefits (if applicable).

Although the goal is to establish and implement an effective business plan and receive the necessary coaching and support within 52 weeks, difficulties may arise after the first year of operation of one's business. When an individual completes the program, they may still be eligible to receive a reasonable amount of advice, guidance and support from the Business Expert and the Career Development Officer.

5.0 Application Process

The SEP is administered through Regional ECE Service Centres.

To access funding, an individual must first complete and submit an Application for Service form to the Career Development Officer (CDO). Following the initial application, the CDO will work with the individual by providing an overview of the SEP and assessing their readiness for self-employment activities. This involves the completion of a Career Action Plan.

The CDO will provide an overview of the role and responsibilities of the Business Expert and how the Business Expert plays a vital support position while pursuing Self-Employment activities.

If the CDO determines that an individual is a suitable candidate for self-employment, the individual will be referred to a local Business Expert for a self-employment orientation session and the initial assessment. These steps will help the individual decide whether to proceed with self-employment.

ORIENTATION SESSION

When an individual receives a referral, the Business Expert conducts an orientation session. The purpose is to give them an overview of what is involved in becoming self-employed and to discuss possibilities. Information provided and discussed at this session will help an individual to decide whether self-employment is a viable option. It will also allow an individual to assess whether or not available services will address and/or suit their needs.

Further steps included in the process with the Business Expert are:

- Self-Assessment;
- Needs Analysis;
- Equity Statement; and
- Business Appraisal.

SELF ASSESSMENT TEMPLATE (FROM BUSINESS EXPERT)

A self-Assessment template is used by the Business Expert to assist an individual with assessing their own situation and determining whether they believe that self-employment is a viable option for them. A large portion of self-assessment should occur before being approved for the SEP.

The process of making the decision to become self-employed is proactive. Throughout the process, one identifies their own needs and challenges. Once they decide to go ahead, they will be prepared for the responsibilities and risks involved.

NEEDS ANALYSIS (FROM BUSINESS EXPERT)

The purpose of a needs analysis is to develop consensus between an individual, the Business Expert and the CDO regarding the pursuit of the SEP. This includes an assessment of the individual's business idea, personal needs and family support. The Business Expert must make a realistic appraisal of the individual's strengths, challenges, opportunities, and liabilities. This analysis must be balanced between their economic options, applicable skills, employment history, and motivation.

EQUITY STATEMENT (FROM BUSINESS EXPERT)

The Business Expert helps the individual fill out the Equity Statement. This is a statement of their personal contribution, which will assist in determining the viability of pursuing self-employment.

The Business Expert will then work with the individual to assess the business idea, the risks, and opportunities of self-employment and their personal suitability. This will include an:

- Assessment of existing skills that can be applied to self-employment;
- Assessment of the viability of the business;
- Understanding of the demands and benefits of starting and operating a business; and
- Assessment of personal requirements including family support, health, and finances.

RECOMMENDATION TO THE SEP

The Business Expert must advise ECE whether an individual has a viable business idea and the potential to execute it. An individual may also be referred by the Business Expert to a local Business Development Officer (or local Economic Development Officer) with the Department of Industry, Tourism and Investment (ITI) for advice and for access to capital and start-up resources.

Even if the Business Expert recommends an individual's business idea, there may be other factors that affect their eligibility for the SEP. Final approval for the program is made by the CDO.

SELF-EMPLOYMENT APPROVAL LETTER

Once an individual has been recommended and approved for the program, they will be required to review and sign the Self-Employment Approval Letter. The GNWT is under no obligation until both parties sign the letter.

The CDO will discuss with the individual that all official documents must be completed before they are considered approved for the SEP.

ONGOING CLIENT CARE (FROM BUSINESS EXPERT)

During the client assessment of skills and experience, areas that require skills enhancement or training are identified.

Once an individual's needs have been discussed and agreed upon with the Business Expert, an action plan will be created. This will ensure that any identified skills requirements will be met, increasing the likelihood that they will become a successful small business operator. The Business Expert and the CDO will work with the individual to determine what coaching and/or short term training may be approved to support them in establishing a successful business.

DEVELOPMENT OF A BUSINESS PLAN (FROM BUSINESS EXPERT)

The Business Expert will assist the individual in the development of the business plan. This is typically completed after they are accepted into the program.

The time it takes to develop a plan will vary for each individual. Although an individual is allowed to spend up to three months preparing the plan, in most cases it will take less time.

The development of a sound business plan is an essential step in setting up a small business. It has two key functions:

- To show, or map out for the individual how to get to where they want to go; and
- For use by financial institutions when considering lending to a business.

INDIVIDUAL AFTER-CARE

Although the goal is to establish and implement an effective business plan and receive the necessary coaching and support within 52 weeks, difficulties may arise after the first year of operation of one's business.

When an individual completes the program, they may still be eligible to receive a reasonable amount of advice, guidance and support from the Business Expert and the Career Development Officer.

6.0 Financial Administration

The Business Expert shall inform the Regional ECE Service Centre when an individual has completed the program. As part of the completion process, they must complete a 12-week follow-up survey, which is conducted by the CDO.

An individual is required to contact the CDO if they do not fulfill their obligations or decide to exit the program.

7.0 Monitoring and Reporting

Regular monitoring, reporting and evaluation is required in order to ensure that programs are responsive to individual needs and that program objectives are being met.

The Application for Service is the foundation upon which solid analysis is built. The GNWT requires that this form be fully completed to determine eligibility. The information collected on this form also assists in determining which programs and interventions have the best results for NWT residents.

The Business Expert conducts monitoring to ensure continued eligibility for the program (i.e. working full-time, etc.) and to determine the progress of the business. This may include telephone and email contact and in-person visits. It is important to ensure that appropriate systems are in place to adequately monitor the business and to ensure that an individual is aware of their obligations. The Business Expert will provide a monthly progress report to the CDO regarding the individual and their progress.

The individual must fully complete the 12-week follow-up survey with the CDO to determine employment status and if further career services are needed.

Should individuals not complete the 12-week follow-up survey, the program may be considered incomplete and may result in recovery of funds.

8.0 Roles and Responsibilities

An individual will:

- Complete an Application for Service form;
- Make an informed choice and commit to self-employment;
- Complete a Career Action Plan with the CDO;
- Complete a Self-Assessment form with the Business Expert;
- Possess the specific skills and abilities for the proposed business;
- Attend a self-employment orientation session and complete self-assessment tools with the Business Expert;
- Complete an Application for Financial Assistance form with the CDO;
- Sign a Self-Employment Approval letter, if and when approved;
- Work with a Business Expert to develop a business plan;
- Ensure that the Regional ECE Service Centre has all required documentation;
- Actively work to establish a viable business;
- Report to the Business Expert monthly or as agreed to with the Business Expert;
- Seek counselling and support, as required; and
- Participate in the 12-week follow-up survey with the CDO.

9.0 Required Documents Checklist

- ☐ Application for Service form;
- ☐ Career Action Plan;
- ☐ Copy of Resume;
- ☐ Application for Financial Assistance;
- ☐ Individual's Self-Assessment;
- ☐ Individual's Equity Statement;
- ☐ Individual's Business Appraisal;
- ☐ ECE Approval Letter (signed);
- ☐ Copies of Payments;
- ☐ Business Plan Confirmation Form from the Business Expert;
- ☐ Individual 12-week Follow-up Survey.

Regional ECE Service Centres

Beaufort Delta ECE Service Centre Location

Mailing Address:

Beaufort Delta ECE Service Centre
Department of Education, Culture and Employment
BAG SERVICE #1 | INUVIK NT X0E 0T0

Building Address:

Kigiaq Centre
106 Veterans Way

Phone: 1-867-777-7365 | **Toll Free:** 1-855-283-9311

Fax: 1-867-777-7218

Sahtu ECE Service Centre Location

Mailing Address:

Sahtu ECE Service Centre
Department of Education, Culture and Employment
BOX 147 | NORMAN WELLS, NT X0E 0V0

Building Address:

Office #106 | Edward G. Hodgson Building
1A Raven Road

Phone: 1-867-587-7157

Toll Free: 1-866-814-9840

Fax: 1-867-587-2612

Deh Cho ECE Service Centre Location

Mailing Address:

Deh Cho ECE Service Centre
Department of Education, Culture and Employment
BOX 740 | FORT SIMPSON NT X0E 0N0

Building Address:

Chief Baptiste Cazon building
9802 – 98th Ave

Phone: 1-867-695-7338 *collect calls accepted

Fax: 1-867-695-7351

South Slave ECE Service Centre Locations

Fort Smith Mailing Address:

South Slave ECE Service Centre
Department of Education, Culture and Employment
BOX 1406 | FORT SMITH, NT X0E 0P0

Fort Smith Building Address:

McDougal Square
195 McDougal Road

Phone: 1-867-872-7425 *collect calls accepted

Fax: 1-867-872-4507

North Slave ECE Service Centre Location

Mailing Address:

North Slave ECE Service Centre
Department of Education, Culture and Employment
BOX 1320 | YELLOWKNIFE NT X1A 2L9

Building Address:

Main Floor, Nova Plaza
5019 – 52nd Street

Phone: 1-867-767-9356 | **Toll Free:** 1-866-768-8145

Fax: 1-867-873-0423

Hay River

Mailing Address:

South Slave ECE Service Centre
Hay River ECE Service Centre
8 Capital Drive | HAY RIVER NT X0E 1G2

Building Address:

Courthouse Building

Phone: (867) 874-5050 *collect calls accepted

Fax: (867) 874-5062