
PROGRAM GUIDE: Export Readiness Micro Voucher PROGRAM

PROGRAM OVERVIEW

Background

The Export Readiness Micro Voucher Program (ERMV) (the “**Program**”) is part of the Alberta Export Expansion Package (AEEP) developed by Alberta Economic Development, Trade and Tourism, administered by Alberta Innovates to help prepare Alberta Small-Medium Enterprises (“**SMEs**”) for export in new international markets.

Exports and imports are important for the development and growth of economies. Accessing global markets opportunities allows Alberta SMEs to grow and increase their competitiveness, supports Alberta jobs, and helps grow Alberta’s economy.

Alberta SMEs frequently explore new export markets to expand revenue growth. There are many reasons SMEs should look to export markets such as: increasing sales and profits, economies of scale, diversifying markets or fulfil a demand from international customers. All too often SMEs try to enter an international market without having an Export Plan or the right information to succeed in that market. To increase success in new markets, SMEs should to ask some basic questions, for example: What country? What is my competitive advantage in that country? How do I set up my distribution channels? What is my pricing model? How do I avoid risks? What is the trade, tariffs and even regulatory requirements? What is the cost to entering global market?

The ERMV Program was developed for Alberta SMEs to help answer those questions and to develop an export strategy to be better prepared to expand into international markets.

There are other resources available to help Alberta SMEs with exports such as Alberta’s Trade Officers, Export Development Canada (EDC), and Federal Trade Commissioners.

PROGRAM DETAILS

The ERMV Program supports Alberta SMEs by providing financial support to hire a Service Provider to assist in developing an Export plan or Market Entry Strategy. A Service Provider provides professional support to pull together the necessary elements to be better prepared for export.

The Alberta SMEs (Applicant) may be eligible for a program up to \$20,000 which is paid directly to one Service Provider named in the Application. The Applicant works directly with a Service Provider to define the scope of work to expand export activities. The focus of the program is to hire a qualified Service Provider to assist with the development of an **Export plan or Market Entry Strategy**. That plan can include export related activities such as:

- Market Entry Strategy or Export Plan;
- International Marketing Plan;
- Export Pricing strategy;
- Research on export Markets for product;
- Distribution and Logistic;
- Help to find a Broker or Distributor, including international distribution channels;
- Business Services and Advice
 - i) Accountancy (taxes, receivables etc.)
 - ii) Legal (contract support, patent protection)
- Tariff, Certification Requirements, Regulations and Insurance Advice;
- E-Business or online strategy (may include online international plan, sales or online security advice);
- Translation support (translate user manuals, product guides, labelling etc.).

The Applicant can apply for funding in multiple countries however is limited to two investment awards. The Applicant must contribute 25% of eligible Project Costs. The Applicant must have a minimum of \$20,000 in revenue.

This program is specifically designed for export strategy activities to prepare the Applicant for international markets. If the Applicant is looking for travel support to explore export markets, please contact Alberta Economic Development Trade and Tourism, and refer to the Alberta Export Expansion Program <https://www.alberta.ca/alberta-export-expansion-program.aspx>.

Growing and building on Alberta's strengths, supporting Alberta's entrepreneurial spirit to enhance market access, and encourage exports, increased Alberta's economy and advances technology that attracts investment.

HOW THE PROGRAM WORKS

An Applicant may apply at any time, as this Program has continuous intake. Applications may be accessed through our [Applicant Portal](#) and Applicants can expect to receive the results within three weeks after a complete Application is received. We strongly encourage you to speak to an Alberta Innovates' Global Partnerships Advisor, [Technology Development Advisor](#) (TDA), or an Alberta Government Trade and Investment Officer before applying for the Program. We also suggest working

with your Service Provider the develop a clear scope of work that builds your **Export plan or Market Entry Strategy** to maximizes your export activities.

Eligibility

(a) Applicant Eligibility Criteria - To qualify as an Applicant, an SME is required to satisfy the following criteria:

- be a for-profit Alberta SME; with a minimum of \$20,000 of revenue (sales) in the current or previous fiscal year;
- demonstrate the relationship between the Applicant and Service Provider does not create a conflict of interest;
- have a physical presence in Alberta;
- meet the following definition of an SME: a company with fewer than 500 Full Time employees, and less than \$50,000,000 annual gross revenue;
- be a legal entity:
 - incorporated in Alberta; or
 - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta;
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies; and
- have had no more than one previous ERMV.

(b) Service Provider Eligibility Criteria - To qualify as a Service Provider, the following criteria must be met:

- be Arm's Length from the Applicant (cannot have any legal relationship with the Applicant);
- provide the service(s) and/or product(s) at reasonable market rates;
- provide a detailed Statement of Work;
- be a legal entity:
 - incorporated in Alberta; or
 - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta;
- be legally permitted to enter, remain in, and perform the services in Canada during the Project Term; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

(c) Project Eligibility Criteria

To qualify for funding all Projects must:

- demonstrate clear activities that lead to export and market expansion;
- expand research for export to new jurisdiction;
- be completed by March 17, 2021;
- be approved by both Alberta Innovates and Alberta Economic Development Trade and Tourism;
- submit to other criteria that Alberta Innovates may develop from time to time.

Program Objectives and Performance Measurement

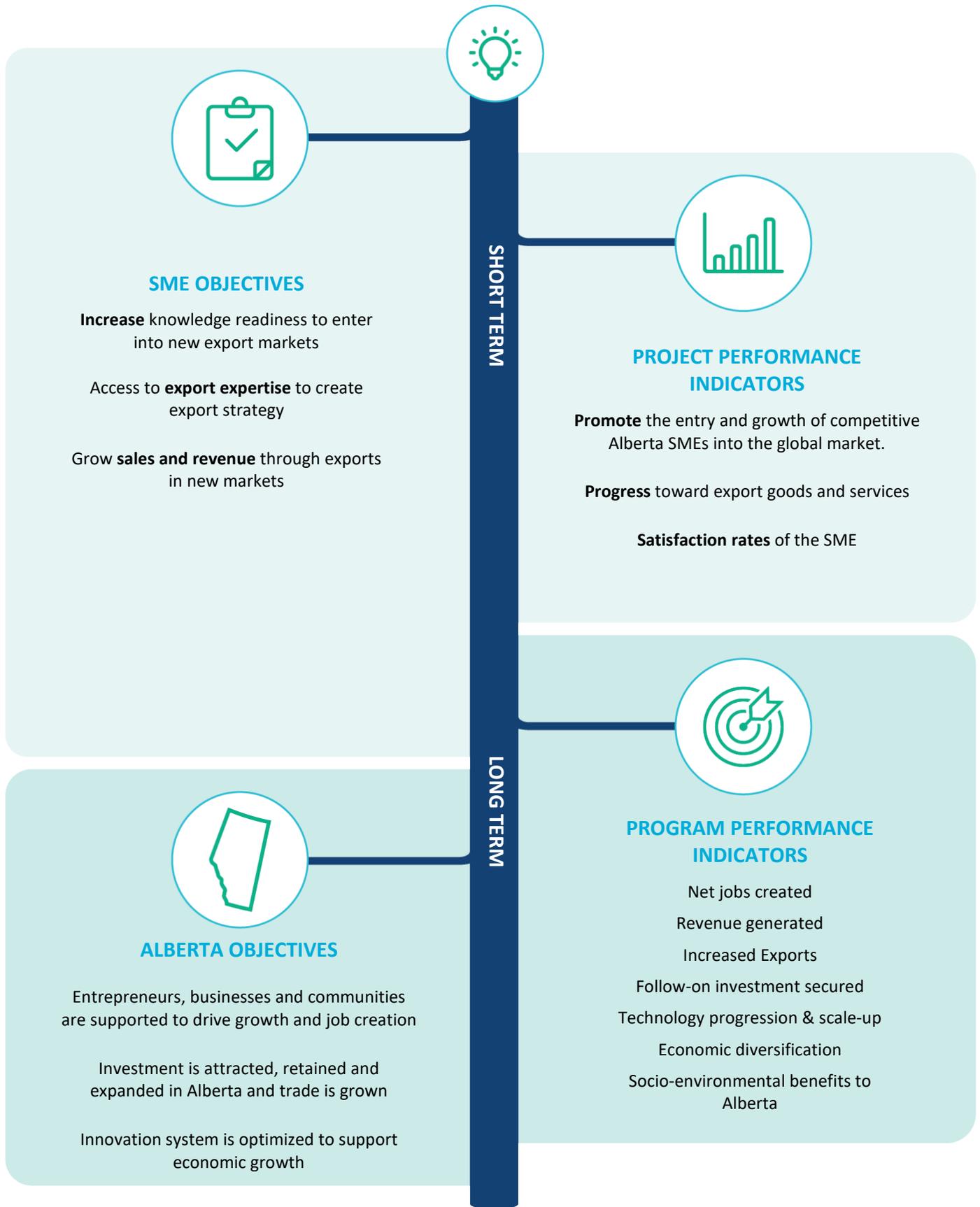
The Program is designed to deliver meaningful return on investment to the Province by serving as a catalyst to assist Alberta SMEs as they look to export into new markets, help them forge partnerships and connect them with experts in international business to enhance their export readiness and success.

Over the life of a Project, Alberta Innovates employs an active project management philosophy, monitoring performance and supporting the Applicant to reach their objectives. Funding is tied to outcomes and achievement of results.

Once Projects are completed, Alberta Innovates continues to monitor performance to accurately evaluate the economic, social and environmental benefits realized for the province. Through our annual client survey Alberta Innovates continues to measure outcomes for five (5) years subsequent to the completion of the Project.

Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregate Program. These are highlighted on the next page.

Objectives and Performance Metrics



How Funding Works

(a) Project Funding

Alberta Innovates' Investment to a successful Applicant is up to \$20,000, which is paid directly to the Service Provider named in the Application. The Applicant pays a minimum 25% cash contribution (the "Contribution") of the total eligible Project Costs at the Project Start Date. If the Service Provider agrees, the Contribution may be divided in half; one at the beginning of the Project and the final half at the end of the Project. The funds are provided to cover Eligible Expenses only.

Alberta Innovates' Investment is dispersed upon receipt and approval of the Final Report. The Project must be complete on or before with the **Final Report submitted by March 31, 2021**.

Alberta Innovates encourages co-funding of Projects with other funding agencies but employs a stacking limit to ensure there is sufficient financial commitment from the Applicant. The stacking limit is employed as follows: the maximum level of total government assistance, whether from federal, provincial/territorial, or municipal sources, cannot exceed 75% of the eligible Project Costs.

(b) Eligible and ineligible expenses

Alberta Innovates only funds reasonable costs incurred subsequent to a signed Investment Agreement between Alberta Innovates, the Applicant and the Service Provider. Any costs incurred prior to the signing of the Investment Agreement, or costs greater than market prices are deemed ineligible. Please refer to our standard form [Investment Agreement](#) found on our website to get an in-depth understanding of eligible and ineligible costs. The chart below provides a high-level summary of eligible and ineligible expenses.

Summary of Eligible and Ineligible Expenses

Category	Eligible Expenses	Ineligible Expenses
Labour	<ul style="list-style-type: none"> ✓ Labour costs for those individuals specifically identified as performing the service for the service provider 	<ul style="list-style-type: none"> ✗ Overhead costs charged to employee labour rates ✗ Costs to hire an International Service Provider, Broker or Agent
Materials	<ul style="list-style-type: none"> ✓ Costs of materials which can be specifically identified for use in the Project; ✓ Printing cost related to translation materials 	<ul style="list-style-type: none"> ✗ General Sales and marketing collateral
Capital Assets & Software	<ul style="list-style-type: none"> ✓ Costs to support international point of sale system development as part of the Project 	<ul style="list-style-type: none"> ✗ Software critical to the Project ✗ Acquisitions of land, buildings or capital assets ✗ The undepreciated value of eligible capital costs which extends beyond the Project timeframe ✗ Capital Improvements ✗ Capital Equipment
Travel and Relocation		<ul style="list-style-type: none"> ✗ Costs for Service Provider to travel ✗ Costs relating to travel (including mileage and accommodation), meals, entertainment, hospitality and gifts ✗ Passport or immigration fees ✗ Commuting costs between place of residence and place of employment
Other	<ul style="list-style-type: none"> ✓ Costs which Alberta Innovates pre-approves in writing as an eligible expense 	<ul style="list-style-type: none"> ✗ Cost associated with applying for government grants and programs ✗ Provisions for contingencies ✗ Technical or professional journals ✗ Routine testing and maintenance ✗ Advertising Costs ✗ Collection charges, allowance for interest on debt, fines and penalties ✗ Federal and provincial income taxes, goods and services taxes ✗ Expenses for Projects or activities outside the approved Project ✗ Costs Alberta Innovates deems ineligible at its sole discretion

HOW TO APPLY



STEP 1

Project Scoping

The Applicant first determines the scope of work for an Export Plan, or Market Entry Strategy and defines the Project based on the program criteria.

An Applicant meets with at least two qualified Service Providers and obtains quotes to complete the Project.

Alberta Innovates TDAs, Global Partnership Advisors or Alberta Trade and Investment officers are available to provide coaching, advising and networking during this phase.



STEP 2

Application & Evaluation

Alberta-based SMEs can submit their Application online at any time. [Applicant Portal](#)

Applications outline the Project, the participation of a Service Provider, the benefits, the Applicant's export readiness, and the Project finances.

Once the Application is received, Alberta Innovates' and EDT Trade and Investment Officers review the application with a focus on the export plan or market entry strategy, the opportunity, and the overall success and size of the return to Alberta against the Performance Indicators listed on page 4.



STEP 3

Project Management and Follow-Up

For approved Applications, the Applicant and the Service Provider will execute an Investment Agreement with Alberta Innovates to proceed with the activities of the Project.

Upon approval of a Final Report, the payment will be forwarded to the Service Provider.

An Alberta Innovates TDA, Global Partnership Advisor or Alberta Trade and Investment officer will be assigned to the Project if one is not already engaged.

Alberta Innovates continues to require information from the Applicant for five (5) years following the completion of the Project in order to measure long-term benefits.

EVALUATION PROCESS

Alberta Innovates leverages internal staff and consults with the Government of Alberta Investment and Trade Officers to evaluate Applications submitted by SMEs. Alberta Innovates evaluates the details provided in the Application; the Service Providers qualification, scope of work, and market opportunities to the program criteria and objectives. The Applicant must demonstrate activities that contribute to the development of an export plan or market entry strategy.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its reviewers to ensure their objectivity and impartiality. All parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

An Applicant whose Application is declined by Alberta Innovates may, on a one-time basis, re-apply to Alberta Innovates to address and correct any deficiencies or issues. Where a shareholder of an Applicant owns 51% of any other Applicant, as indicated by the corporate search, the Applicants will be considered one in the case of a re-application where the Project or technology is the same.

TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested SMEs with a roadmap of what to expect over the lifecycle of a Project, from the Application stage, during the Project, and post-completion. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the Program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the Application form as the one authorized to speak for the Applicant.

Once we have evaluated and approved the Application for funding, Alberta Innovates will require the Applicant and the Service Provider to sign a standard form Investment Agreement. A copy of the Investment Agreement is available on the Alberta Innovates website's [Export Readiness Micro-Voucher Program webpage](#). The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

CONTACT INFORMATION

Should you have any questions about this guide or the Export Readiness Micro-Voucher Program in general, please contact Alberta Innovates at inbox_grants@albertainnovates.ca or please visit our website at <https://connectwithus.albertainnovates.ca>

To reach the Alberta Innovates Advisors intake@albertainnovates.ca or Alberta Trade and Investment Officers by email at edt.aEEP@gov.ab.ca.