

GENERAL CRITERIA

**CRAFT INDUSTRY DEVELOPMENT
PROGRAM
(2007-2008)**

- **Professional Skills Development**
- **Design and Product Development**
- **Market Development**
- **Cooperative Projects**
- **Sector Development Initiatives**

November 2007

CRAFT INDUSTRY DEVELOPMENT PROGRAM 2007/2008

GENERAL CRITERIA

PURPOSE AND OBJECTIVES

- To provide development support to new and existing clients in the craft, gift, and apparel sectors who are interested in creating or expanding their business opportunities
- To further increase the value of the craft industry to the provincial economy
- To increase craft business opportunities, especially in rural areas of the province
- To promote long-term strategic planning in human resources, production, and marketing in the craft, gift, and apparel sectors
- To increase the incomes of individuals involved in the craft, gift, and apparel sectors
- To increase production capability and capacity in the craft, gift, and apparel sectors
- To diversify the range of products made by local producers
- To diversify the markets of the province's craft, gift, and apparel producers

ELIGIBLE APPLICANTS

1. **Craft, gift, and apparel producers:** Newfoundland and Labrador-based enterprises, production groups, sole proprietorships, partnerships, cooperatives, corporations, or any trustee or legal representatives thereof, whose principal activity is in the craft, gift, or apparel sectors of the craft industry.
2. **Newfoundland and Labrador representatives and distributors** who represent craft, gift, and apparel producers. Products they represent or distribute must be eligible individually for Craft Industry Development (CIDP) support.
3. **Craft retailers** who have been in business for at least one year and support a significant number of products from Newfoundland and Labrador. Support will be limited to the Market Development component. See "Retailer/Studio Store Fronts," p. 9.
4. **Economic development organizations** and their sub-committees, non-profit organizations and industry partners who work in support of the programs and objectives of the CIDP (i.e., guilds, Womens' Institutes, arts councils, historic associations, related industry co-operatives).

ELIGIBLE PRODUCTS

1. To be eligible, products must fit the definitions of “craft,” “gift,” and “apparel” used by CIDP. See separate document.
2. Product eligibility will be determined by a Product Review Committee.
3. First-time applicants to CIDP must normally submit product samples to Product Review before a funding application will be considered by the Management Committee. Exceptions to this will only be considered upon a joint recommendation to the Management Committee by the Economic Development Officer and the Sector Specialist. Craft Council Standards reports cannot be used as a substitute for Product Review. See separate forms for Product Review.
4. Applications should include a copy of the Product Review report.
5. Approval may depend on implementation of Product Review recommendations.

GENERAL TERMS AND CONDITIONS

1. Projects must be consistent with the purpose and objectives of the CIDP.
2. The applicant must demonstrate that the projects will contribute to the long-term viability of the applicant’s business or organization.
3. The projects must have potential economic benefits for the province and a positive impact within the craft, gift, and apparel sectors.
4. The applicant must demonstrate that the proposed project would not proceed without the assistance of the program.
5. Applications must be completed on official forms and submitted to the Economic Development Officer (EDO) in the applicant’s zone a **minimum of four weeks prior to project commencement.**
6. Incomplete applications will not be reviewed by the CIDP Management Committee and will be returned to the Economic Development Officer.
7. Applying annually is strongly recommended. Annual applications should include all projects and activities eligible for funding under CIDP. In special circumstances, additional project proposals may be considered.
8. Costs incurred prior to the date of receipt of an application by the EDO are not eligible for reimbursement.
9. “Professional fees” **do not include** the salary costs of the applicant or her or his employees.

10. Meal costs will be reimbursed at Provincial Government rates. All other eligible costs are reimbursed based on actual costs incurred.
11. Funds will be provided for **one** representative only from the applicant organization to conduct marketing activities unless the retail or trade show is **more than** 5 days in length
12. Projects must comply with all applicable federal and provincial legislation.
13. HST is not eligible for reimbursement.
14. Each application must include either the applicant's most recent financial statements (prepared by an accountant), or a Statement of Business or Professional Activities (#T2125) and a copy of the Notice of Assessment from Canada Revenue Agency.

PROGRAM CRITERIA

PROFESSIONAL SKILLS DEVELOPMENT

The purpose of this program component is to enhance the viability of craft enterprises by encouraging new and existing producers to develop their design, production, and business skills.

SHORT-TERM TRAINING

Eligible Projects:

Short-term training is generally considered to be less than six weeks in duration. Training may be obtained through individual or group participation in workshops, courses, and seminars. Other training projects and one-on-one training may be eligible, as deemed appropriate. Special emphasis will be given to existing producers who require skills improvement. Group training projects should involve participants who are commercial producers or intend to become commercial producers.

Eligible Costs:

Course/workshop fees, professional fees, travel, equipment and facility rental, resource materials, and other costs as deemed appropriate.

Maximum Financial Assistance:

- For individuals and for-profit enterprises: contributions up to 75% of eligible costs. Maximum contribution: \$5,000 annually.
- For non-profit organizations: contributions up to 100% of eligible costs. Maximum contribution: \$10,000 annually.

Note: Applications for group training projects should indicate the collection of registration fees as project revenue.

MENTORSHIP

A mentorship is a one-on-one learning relationship about a specific topic or discipline, which takes place over an extended period of time between a student and an expert. The mentor supports and guides the student to develop in the area of interest.

Eligible Projects:

The purpose of this program component is to provide a contribution that supports a mentor/student relationship that enables the transfer of specialized skills (through hands-on experiences) that are not generally available through formal education programs, workshops, or seminars. Projects are intended to include both the development of technical and business skills and include a commitment of time that is long enough to ensure the transfer of skills.

Eligible Costs:

Mentor's fee that acknowledges the mentor's time commitment to the project, a contribution toward student expenses such as travel and accommodations, materials cost, and equipment rental as deemed appropriate.

Applicants will be expected to:

- submit a joint application by the mentor and student indicating the goals and objectives of the learning relationship, expected learning outcomes, roles and responsibilities of mentor and student, plus a detailed schedule of activities and time commitment
- include a formal agreement between mentor and student
- provide CV or biography for both the mentor and the student
- keep detailed journals of skills acquired and submit with interim and final reports

Maximum Financial Assistance:

100% of mentor's fee and up to 75% of all other eligible expenses, to a maximum of \$5,000 annually.

DESIGN AND PRODUCT DEVELOPMENT

This program component will increase the competitiveness of products by enabling producers to incorporate enhanced product design and innovative approaches in the development of new products. Support is intended to strengthen design and product development in three areas:

1. Enabling emerging craftspeople and craft groups to strengthen design skills in order to develop marketable products.
2. Helping practising craftspeople to help respond to changing market trends and demands.
3. Encouraging collaborative efforts between craft producers and sites with cultural, historic, and environmental themes to research and develop new products relevant to and intended for those sites.

Eligible Projects:

Design consultations, research, prototype development, attending events and shows to source new materials, equipment, and technologies.

Eligible Costs:

Designer fees, travel, equipment rental, material cost, other costs as deemed appropriate.

Maximum Financial Assistance:

For individuals and for-profit enterprises: contributions up to 100% for contracted designer fees and 75% of other eligible costs, to a maximum contribution of \$6,000 per year. **Note:** Neither applicants nor their employees can be considered the contracted designer.

For non-profit organizations: contributions up to 100% of all eligible costs. Total maximum contribution of \$6,000 per year.

For producers who are developing product for out-of-province production: support will be limited to initial stages of product design and material sourcing.

MARKET DEVELOPMENT

The purpose of this program component is to assist businesses in the craft, gift, and apparel sectors to enhance their business image and to expand their markets. All market development projects should be consistent with the applicant's Marketing Plan.

DOMESTIC AND INTERNATIONAL MARKETING

Eligible Projects:

Domestic/International Wholesale/Retail Events: Participation in retail or wholesale shows, exhibitions, and trade missions.

For international events, eligible projects also include translation services, legal requirements for labeling and packaging for international markets, copyright/trademark expenses, and other projects as deemed appropriate for export development.

Note:

Support for in-province shows will be primarily for juried shows such as the Provincial Craft Trade Show and the Craft Council of Newfoundland and Labrador shows. Non-juried in-province shows will be considered based on the merit of the show and the rationale provided by the applicant.

Domestic/International Market Intelligence: Investigation of new market opportunities/events within Canada or internationally through in-market visits by the applicant. This can include reconnaissance visits to specific shows, visits to prospective buyers or sales representatives, wholesale distributors, or galleries in the markets of interest.

Eligible Costs:

Travel, meals (at per diem rates), accommodations, booth fees, booth and equipment rentals, shipping, pre-show promotion activities. When participating in shows that are open more than five days, the cost of additional sales assistance in the booth is eligible.

For international marketing, additional eligible costs include: professional fees, intellectual property expenses, and other costs as deemed appropriate for export development.

Maximum Financial Assistance – Domestic and International Marketing:

Contributions of up to 50% of eligible project costs, to a maximum of \$15,000 annually under this component.

Notes:

- The funding contribution will be based on the merits of the individual project. Applicants will be expected to provide a rationale for choosing the specific market activity, define

goals for the project, describe the activities to be undertaken in preparation for the project, identify pre- and post-event activities (i.e., research, promotion, follow-up), identify professional development opportunities to be undertaken during the project, and identify sales projections for shows in which the applicant participates.

- It is understood that consistent presence at shows is necessary to success. Therefore, applications to return to shows previously supported by CIDP will be considered, though support may be limited after five years. Continued support will be based on the applicant's report of past results, which should include actual results compared to stated goals and sales projections, results of pre- and post-event activities, professional development that has occurred through participation in the event, an analysis of sales from the last show (new accounts, repeat business, etc.), specific plans to increase success at the upcoming event, and identification of new product development for the upcoming event.
- When products are made out-of-province, marketing support can only be provided to the craftsperson/designer for participation in marketing activities.

MARKETING TOOLS

Eligible Projects:

Image Development: Working with a creative agency/marketing consultant to help develop the business image and brand/logo for the applicant's business.

Identification/Promotion Materials: Materials that identify and promote the products and the people who make them. Eligible materials include brochures, catalogues, illustrated price lists, producer profile cards, postcards, business cards, letterhead, envelopes and invoices, labels, and hangtags.

Point of Purchase Displays: Display units used to enhance the merchandising of the applicant's product in a retail setting.

Packaging: Product packaging that is professionally printed and an integral part of the product presentation.

Booth Display: Booth structure, lighting, display units, and props for use in a show booth.

Advertising: Design and placement of new print or web-based advertising that is targeted to reach an applicant's niche markets. Ongoing, untargeted advertising in mass media is not eligible for support. Applications for advertising should be supported by a Marketing Plan.

Website Development: Design and production of an applicant's first website and website maintenance training, re-design of an outdated website, upgrade of an existing site with new features such as e-commerce capability.

Internet Marketing: Search-engine optimization, Internet marketing research, and other marketing projects that will increase traffic to an applicant's website.

Eligible Costs:

Image Development: Professional fees.

Identification/Promotion Materials: Professional fees for design and related photography, creative writing, initial printing costs of materials. **No repeat approvals** for minor changes or reprinting of existing materials.

Point-of-purchase Displays: Professional fees for design, construction costs. **No repeat approvals** for construction costs.

Packaging: Professional fees for design, initial printing costs of packaging. **No repeat approvals** for minor changes or reprinting of existing packaging design.

Booth Display: Professional fees for design, purchase or construction costs for booth structure, purchase costs for lighting, display units, and props for booth. **No repeat approvals** within a four-year period, unless there are major product changes requiring changes in the booth display.

Advertising: Professional fees for ad design, placement costs in specific publications or on the web, printing costs for direct-mail pieces.

Website Development: Professional fees for design and maintenance training, professional fees for related photography to be used on the website. Approvals for revisions to the site will be based on major design changes.

Internet Marketing: Professional fees. **No repeat approvals** for annual fees associated with projects.

Maximum Financial Assistance:

Contributions of up to 50% of eligible costs to a maximum of \$5,000 annually for Marketing Tools.

Note:

Applications under Marketing Tools must be accompanied by detailed mock-ups and quotes for all proposed projects. Promotional projects must be consistent with the applicant's Marketing Plan.

RETAILER/STUDIO STORE FRONTS

The purpose of this program component is to enhance merchandising and create attractive displays of Newfoundland and Labrador craft products in retail settings. This component is available only to those craft retailers who have been in business for at least one year and sell a significant number of products from Newfoundland and Labrador.

Eligible Projects:

In-store Merchandising: Shelving, in-store display fixtures, lighting. Applications should include a shop lay-out showing how/where the shelving, display units, and/or lighting fit, detailed drawings of all proposed units, and quotes for all items.

On-site Signage: Signage at the retail location to identify the retail shop/studio. Applications should include a description of where on-site signage will be placed, mock-ups of and quotes for proposed signage. Highway signage is not eligible.

Point-of-purchase Materials: Promotional cards to be used in the retail shop/studio. Applications should include mock-ups and quotes.

Merchandising Consultation: Services of a merchandising consultant to create effective merchandising within the retail location. Applications should include a full description of the consultant services to be provided and quotes.

Eligible Costs:

Design fees, construction materials, and labour costs for custom-built in-store merchandising units, purchase cost of non-custom merchandising units and lighting, design fees and production or printing costs associated with on-site signage and point-of-purchase materials, professional fees for merchandising consultation.

Maximum Financial Assistance:

Contribution of up to 50% of eligible costs to a maximum of \$5,000. **One-time support only.**

COOPERATIVE PROJECTS

The purpose of this program component is to provide flexible support to practising craft producers who demonstrate the desire to network or partner with others on short- or long-term projects that benefit their collective and individual business goals. At least three applicants would have to be involved and would have to be eligible individually for CIDP support. Applicants who have exhausted their funding under other program components may not use this component as a substitute.

Eligible Projects:

New initiatives such as new trade or retail shows, research missions to investigate new markets, products, or raw-material suppliers, participation in a festival or cultural event. Applicants should demonstrate the need for a cooperative effort in order for the project to be viable. Eligibility will be based on individual project assessment.

Eligible Costs:

Travel, accommodations, meals, booth rental, shipping, registration/participation fees, professional fees.

Maximum Financial Assistance:

75%, to a maximum project contribution of \$15,000. One of the applicants must be designated as being responsible for the administration of the project.

SECTOR DEVELOPMENT INITIATIVES

The purpose of this program component is to provide support to organizations that wish to initiate sector-development activities that support the overall purpose and objectives identified in the Craft Industry Development Program. Projects should be pan-provincial or regional initiatives that benefit the industry as a whole. Applications should describe how the project will have benefits beyond the applicant organization.

Eligible applicants are limited to economic development organizations and their sub-committees, non-profit organizations and industry partners in support of the purpose and objectives of the CIDP. Examples include: guilds, Womens' Institutes, regional arts councils, historic associations, craft councils, museum associations, tourism boards.

Eligible Projects:

Organizing events and conferences, undertaking sector promotional activities, providing educational and training opportunities, facilitating professional exchanges with other jurisdictions, conducting industry research, conducting niche market research, developing sector strategies, commissioning critical writing to promote craft and craft exhibitions in respected craft publications, designing new sector-wide marketing initiatives, and other initiatives that provide widespread benefits and growth in the industry and are in keeping with the objectives of CIDP.

Eligible Costs:

Delivery costs for training activities, events, and conference costs, professional fees, travel, production costs, facility rental, event management fees, other costs as deemed eligible by the CIDP Management Committee.

Maximum Financial Assistance:

Up to a maximum of 100% of eligible costs. Where other funding programs are available, the applicant is also expected to seek funds from these sources.