

# Scoring an assist:

## MASC and Manitoba's rural entrepreneurs

**Driving along** the main street of any rural Manitoba community, you clearly see an economy based in agriculture. Whether reflected by a farmer's slow-moving flashers or by the local dealership he's soon to visit, the underpinnings of agriculture are everywhere.

Less evident, however, is how it all began. The transformation of Manitoba's rural landscape was a monumental feat of individual efforts, with settlers, farmers, shopkeepers and more, all coming together to build new communities and live their dreams. They were among our first entrepreneurs, and their enormous efforts have brought generations of prosperity to rural Manitoba.

Today we hear only whispered echoes of that frontier spirit, but Manitobans retain a talent for entrepreneurial success. While many choose to start businesses that support their local agriculture, others are using technology to bring new business to Manitoba from all around the world.

The Manitoba Government and the Manitoba Agricultural Services Corporation (MASC) recognize the important contributions of rural entrepreneurs, and offer the Rural Entrepreneur Assistance (REA) and the Operating Credit Guarantee for Rural Small Businesses (RSB) programs to support their efforts.

One of the REA program's accepted applicants was Airport Technologies, the vision of **Barry Smith, Larry Furston, and Garry Wright**. Using facilities at the former CFB Portage la Prairie (Southport), the trio realized they could build a business refitting the enormous equipment used to clear snow on airport runways. In fact, the company they then worked for had done similar refitting jobs, but wished

to divest itself of its Southport facilities. Sensing opportunity, the new entrepreneurs were a committed group, and began drawing up a business plan. They had expert knowledge and a great idea, and the perfect opportunities existed in their back yards. Only one piece of the puzzle was missing – financing.

The inherent risks of entrepreneurial investment are often enough to drive away traditional lenders, especially in the present economic circumstances. To assure against these risks, the REA program provides a guarantee for up to 80% of a loan from a participating lender. Eligible REA loans of \$10,000 to \$200,000 are limited to terms of up to 10 years and an interest rate of prime-plus-one percent (or a negotiated fixed rate).

For the upstart Airport Technologies, the REA program was a perfect fit. "The application wasn't too cumbersome," Wright explains, but what really appealed to the fledgling entrepreneurs was the program's forthright and straightforward presentation. "We read through the program material," Smith remembers, "And the program really was the program material."

The rest, as they say, is history. Airport Technologies opened its doors in 2001, and has since grown from only refitting equipment to designing and manufacturing its own line of snow removal behemoths. Along the way, REA program specialist **Ross Bingham** was never too far, offering suggestions and assistance when asked, and checking how things were progressing.

Airport Technologies achieved one of REA's unwritten goals – the startup company succeeded beyond the scope of REA, with yearly sales now well in excess of the

program's \$2-million cap. With a bright future on the horizon, the trio remains mindful of how they began. "We wouldn't be here," Wright explains, "This business wouldn't have got started without REA."

But as Ross Bingham says, "The REA program is more than just helping new businesses. We also help existing businesses in rural Manitoba take advantage of opportunities."

Interior Images, based in Brandon, is an example of how REA assists existing businesses to expand their operations. Sitting with owner **Colleen Sigurdson** in the roomy company showroom, she tells of the beginnings of the company's relationship with the REA program. "We started with REA in 2004," Sigurdson remembers, "The window [of opportunity] was correct for us."

When the opportunity to expand came along, the REA program was the right fit for Interior Images. "We were attracted to REA's low rate," Sigurdson says. "It was a relatively easy application."

That loan, guaranteed by the Province of Manitoba via the REA program, allowed Interior Images to expand its business into custom fabrication and manufacturing, serving clients all over North America, and breaking new ground with online sales. As Sigurdson relates, REA was "helpful when starting out," and today Interior Images is another MASC client that has succeeded beyond REA's limitations.

The REA program focuses on new business starts and expansion or purchase of existing businesses, and since its inception in 1993 the program has guaranteed \$38.4-million in loans for 587 rural Manitoban entrepreneurs.

Once a business has established, the new RSB program from MASC can help

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ease some of the difficulties in finding financing for day-to-day business expenses. Unveiled in 2009, the RSB program guarantees loans from participating lending institutions that cover purchases of inventory, financing of receivables, the current year's principal and interest on business loans, and other general operating expenses. With no minimum line of credit to be guaranteed, MASC will guarantee loans of up to \$200,000 at an interest rate not exceeding commercial prime-plus-two percent.

"It seems like a good program," Sigurdson said on hearing of the RSB program, "Good for businesses that are just getting started." Looking around the Interior Images showroom, with displays from around Canada and the world, the costs of doing business are evident. "You need money to make money and succeed," Sigurdson says, "And [the RSB program] sounds like it does exactly that."

The real success of entrepreneurs in Manitoba perhaps can't be measured by the successes of Airport Technologies, Interior Images, and other businesses assisted by the REA or RSB programs. There are also the successes of associated businesses that supply these entrepreneurs with products and services. With the addition of entrepreneurs and the strengthening of existing businesses, the web of local commerce has grown and been made stronger, and so with it have Manitoba's rural communities.

For more information about the Rural Entrepreneur Assistance and Rural Small Business Operating Credit Guarantee programs, contact the program specialist at (204) 945-2180 or (204) 746-7509 or visit [www.MASC.mb.ca](http://www.MASC.mb.ca). 

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