



*Added by the
Minister of Service NL
2017-04-11*
Government of Newfoundland and Labrador
Service NL *Barnes*

April 11, 2017

Ms. Sandra Barnes
Clerk of the House of Assembly

Dear Ms. Barnes:

I am pleased to submit information in response to an inquiry by the member from St. John's East – Quidi Vidi.

On April 5, 2017, the member provided the following response to a Ministerial Statement on BizPaL:

I also would have liked to have heard from the Minister more data regarding BizPaL and its benefits. The Minister says BizPaL has saved entrepreneurs time and money, give us data on that.

What savings has BizPaL been able to afford participating organizations? Does government have a number? How much money has this government cost both levels of federal and provincial?

This submission contains information in response to these questions.

Ten copies of these documents are enclosed.

Sincerely,

PERRY TRIMPER, MHA
District of Lake Melville
Minister of Service NL

Enclosures

Details on BizPaL – April 2017

Background

- The partnership operates under a shared governance and costing model with collaborative decision making.
- Each jurisdiction is responsible for adding and maintaining its own information in BizPaL.
- The Federal Department of Innovation, Science and Economic Development Canada manages the expansion and evolution of the BizPaL service.
- This online system is free for business communities and municipalities.

Contributions

- The Province contributes \$25,541 annually and the Federal Government contributes \$127,700 annually. A full breakdown is provided in the chart below.
- Contribution amounts have remained static since the Province joined the partnership in 2009.
- The most recent assessment of BizPaL was completed in 2015 by the Federal Government. This report is included as an appendix to this submission.

Partners' Annual Contributions to the Specified Purpose Account

Funding Members	Shares	Contribution
Innovation, Science and Economic Development Canada	10	\$127,703
Ontario	8	\$102,163
Quebec	7	\$89,392
Alberta	6	\$76,622
British Columbia	6	\$76,622
Manitoba	3	\$38,311
Nova Scotia	3	\$38,311
Saskatchewan	3	\$38,311
New Brunswick	2	\$25,541
Newfoundland & Labrador	2	\$25,541
Northwest Territories	1	\$12,770
Nunavut	1	\$12,770
PEI	1	\$12,770
Yukon	1	\$12,770
TOTALS	54	\$689,597

Source: https://www.ic.gc.ca/eic/site/ae-ve.nsf/eng/h_03810.html#s1_2

Cost-savings

- An external evaluation quantified how businesses save time and money when using BizPaL.
- Calculation for the return on investment was made in terms of the business dollars saved for every government dollar invested using the following approach.
- This is a calculation based on national usage. It comes from the Government of Ontario's 2016 Burden Reduction Report.
 - 175,300 annual transactions
 - 20 hours is the difference in the amount of time it takes to get a list of permits and licences on BizPaL verses going to the individual websites and/or offices.
 - \$34.00 is the average or hourly wage for management, business, finance and administrative positions.
 - \$119,400,000 is the total estimated business dollars saved.
 - Average business dollars saved per transaction is \$681.00
 - Total Business Dollar Saved is based on total business dollars saved divided by total partner contributions.
 - ($\$119,400,000 / \$686,000 = \$174.00$) per Government Dollar Invested is \$174.00

It is estimated that for every \$1 dollar invested in BizPaL, the savings equates to \$174 to the business community. For Newfoundland and Labrador, this equates to an estimated \$4,444,134 per year ($\$25,541 \times \174).



Government
of Canada

Gouvernement
du Canada

Evaluation of Innovation, Science and Economic Development Canada's BizPaL Service

Final Report

November 2015

Presented to the Departmental Evaluation Committee on November 20, 2015
Approved by the Deputy Minister on January 28, 2016

Canada

This publication is also available online at:

To obtain a copy of this publication or an alternate format (Braille, large print, etc.), please fill out the Publication Request Form at www.ic.gc.ca/Publication-Request or contact the:

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Cat. No. Iu4-189/2016E-PDF
ISBN 978-0-660-04470-5

Aussi offert en français sous le titre *Évaluation du service PerLE d'Innovation, science and développement économique Canada*.

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Acronyms, Abbreviations and Definitions used in this Report

Abbreviation	Meaning
AEB	Audit and Evaluation Branch
API	Application Programming Interface
BC	British Columbia
CBN	Canada Business Network
CFIB	The Canadian Federation of Independent Business
CMS	Content Management System
EE	ExpressionEngine
FTE	Full-time Equivalent
IC	Industry Canada
ISED	Innovation, Science and Economic Development Canada
ILA	Intergovernmental Letter of Agreement
IQM	Information Quality Management
IT	Information Technology
NBO	National BizPaL Office
NS	Nova Scotia
ON	Ontario
QC	Quebec
P/T	Provinces and territories
SC	Steering Committee
SMEs	Small and medium sized enterprises
SPA	Specified Purpose Account
SWAG	Strategic Working Advisory Group

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EXECUTIVE SUMMARY

Program Overview

In Canada, federal, provincial/territorial and municipal governments are involved in regulating business activities, making small and medium sized enterprises (SMEs) subject to permit and licence requirements from all three levels of government. BizPaL, launched in 2006, aggregates licence and permit information from across levels of government, and gives businesses and third-party business service providers the ability to navigate this information through an online service. Through BizPaL, clients can receive a customized list of the permits and licences needed to conduct their business based on their locations, industry sector and business activities. As a result of BizPaL, business clients and governments are expected to benefit from¹:

- A reduction on the burden of businesses resulting from identifying and complying with the regulatory requirements of all orders of government;
- Improved service delivery for business clients; and
- Opportunities from working collaboratively and providing whole-of-government solutions for businesses.

Evaluation Purpose and Methodology

In accordance with the *Policy on Evaluation* and the *Directive on the Evaluation Function*, the purpose of this evaluation was to assess the core issues of relevance and performance of Innovation, Science and Economic Development Canada (ISED) BizPaL Service. The evaluation findings and conclusions are based on the analysis of multiple lines of evidence. The data collection methods included a document review, literature review, interviews, web analytics and financial data analysis.

The evaluation encountered data limitations with regards to feedback from municipalities and business clients. The National BizPaL Office (NBO) has direct contact with members of the Steering Committee (which includes representatives of provincial or territorial governments and two municipalities). According to the Intergovernmental Letters of Agreement, Steering Committee members appointed by the provincial and territorial governments have direct contact with the local governments who in turn have contact with business clients. As such, the evaluators did not have direct contact with municipalities or business clients.

Findings

Relevance

Small businesses are an important part of the Canadian economy and BizPaL responds to SMEs' need for assistance in navigating government complexity. Services such as BizPaL can help reduce the time, effort and costs for small businesses to start-up and grow. Many interviewees also noted that the service must continue to improve and evolve in order to remain relevant. An

¹ BizPaL Service. 2013-2018 Amended and Restated Intergovernmental Letter of Agreement, p.4.

effective mechanism for client feedback for BizPaL would be useful for validating the ongoing need for the program and to determine if enhancements could be made to better serve clients. The objectives of the BizPaL Service are consistent with federal priorities related to supporting small business and the reduction of red tape, and are in line with Innovation, Science and Economic Development Canada's priorities related to assisting Canadian businesses to be competitive.

The program's objectives align with the roles and responsibilities of the federal government to provide coordinated support for small and medium sized businesses, as stated in the *Department of Industry Act* of 1995. There is some overlap between the services offered by BizPaL and those of provincial governments; however, BizPaL has a unique role in offering information about permits and licences from all three levels of government in a single application.

Performance

Overall, while BizPaL provides access to permit and licence information from the three levels of government, its governance model makes it challenging to ensure information is up-to-date. Further, BizPaL does not currently link permit and licence information to regulatory requirements, although work is underway in this area.

The 2010 evaluation found that there were opportunities to increase awareness of BizPaL. A brief ad campaign in 2011 demonstrated positive results; however, subsequent efforts to increase awareness of BizPaL have been limited and, among program stakeholders, awareness is still thought to be low. A decline in the number visits to BizPaL over the evaluation period, may be due to a multitude of factors, beyond strictly low awareness. Other factors, including user satisfaction, access to alternative search tools, economic conditions and business cycles can impact the visits to the BizPaL Service.

The NBO consistently provides partners with the technical and operational support they require. Partnership satisfaction with all aspects of service provided to the partnership by NBO is high.

BizPaL provides information about permits and licences, however, only a very small percentage can be electronically submitted. Although most interviewees indicated that BizPaL saves businesses time in finding information about permits and licences, without access to end-users, the evaluation was unable to definitively confirm this view or to quantify the time savings.

BizPaL demonstrates efficiency and economy. The maturity of the business model has allowed BizPaL to significantly reduce the resources needed to meet operational requirements. However, maturity should not signal the end of ongoing innovation.

Recommendations

Overall BizPaL remains relevant and is providing information to help clients navigate government complexity. There may be a risk that BizPaL is not addressing modern business needs such as having the ability to do routine business online and providing business clients with the most up-to-date and relevant information possible. As such, it is recommended that the National BizPaL Office work with the BizPaL partnership to:

1. Ensure that BizPaL content is reviewed and validated, as agreed to in the Intergovernmental Letters of Agreement.

2. Address performance monitoring barriers and continue to pursue client feedback on the BizPaL Service to ensure that modern business needs are met.

1.0 INTRODUCTION

This report presents the results of an evaluation of Innovation, Science and Economic Development Canada's BizPaL Service.

The purpose of the evaluation was to assess the relevance and performance of BizPaL. The report is organized into four sections:

- Section 1 provides the program context and profile of BizPaL;
- Section 2 presents the evaluation methodology along with a discussion of data limitations;
- Section 3 presents the findings pertaining to the evaluation issues of relevance and performance; and
- Section 4 summarizes the study's conclusions and provides recommendations.

1.1 Program Context

Small and medium sized businesses (SMEs) account for 98% of all businesses in Canada, employ approximately 10 million Canadians and contribute to about 40% of Canada's gross domestic product. In 2011, about 90% of Canadian exporters were small businesses. SMEs encourage the expansion and prosperity of the Canadian economy and have helped secure a more stable position for Canada during the economic recession.²

Among the barriers hindering the success of small businesses is the cost of compliance. The Canadian Federation of Independent Business (CFIB) estimates that the expenses associated with complying with regulations cost small business \$37 billion each year.³ Moreover, small businesses are disproportionately affected by compliance burden, with firms with fewer than 5 employees⁴ spending more than five times as much time on compliance activities per employee than firms with 100 or more employees.⁵

All three levels of government in Canada (federal, provincial/territorial and municipal) are involved in regulating business activity. As a result, SMEs are often subject to business permit and licence requirements from three jurisdictions. Through BizPaL, the three levels of government work collaboratively to help these businesses comply with government requirements.

1.2 Program Description

BizPaL is an online service that aggregates and provides licence and permit information from multiple jurisdictions to businesses and third-party business service providers. Clients respond

² Key Small Business Statistics, August 2013. http://www.ic.gc.ca/eic/site/061.nsf/eng/h_02800.html

³ Canada's Red Tape Report (2015). p.7. <http://www.cfib-fcei.ca/cfib-documents/rr3344.pdf>

⁴ The majority of businesses have fewer than five employees.

⁵ Canada's Red Tape Report with U.S. Comparisons, 3rd edition. <http://www.cfib-fcei.ca/cfib-documents/rr3282.pdf>

to a few questions regarding their location and planned business activities and then receive a customized list of the permits and licences needed from all three levels of government in order to conduct their business. From this list, clients can add items to their “briefcase” for later viewing (much like a shopping cart found on many websites), or they can follow links to the permit or licence for more information (e.g., general purpose of the permit or licence, information on the application process, and contact information).

BizPaL was initially developed over a two-year period starting in 2004. A pilot program was completed in March 2006 with the participation of the provinces of Ontario and British Columbia, the Yukon Territory, the cities of Kamloops and Whitehorse and the Region of Halton. As part of Advantage Canada⁶, ISED received federal funding of \$3 million per year for four years (2007-08 to 2010-11) to expand and roll-out BizPaL. Budget 2011 provided \$3 million per year to make BizPaL permanent and allow the program to upgrade its technology infrastructure.

Over the years BizPaL has been enhanced. The program is available across Canada and contains information specific to over 750 municipalities.⁷ It provides comprehensive information and facilitates self-service to potential entrepreneurs, start-up businesses and established businesses looking to expand, which also allows governments to more efficiently utilize the resources they dedicate to client service.

Today, BizPaL information is delivered from a central database through the web sites of all provinces and territories (excluding Nunavut), as well as the national BizPaL website (BizPaL.ca). These web sites receive information from the BizPaL database and software application and present this information in a format that complies with the requirements of the BizPaL system. There are two distinct technological platforms through which partners deliver this service to clients, a 'brokered model' and an application programming interface (API). In either case, clients get the same results.

Eleven provinces and territories provide the BizPaL Service through the brokered model; whereas three provinces (ON, NS, and QC) provide BizPaL through an API model (ON uses both the broker model and the API through One-Source).

The Brokered Model

The brokered model is a single, central server application. In other words, it is the BizPaL website, with different “skins” (i.e. participating jurisdictions can brand the service to reflect their organization while ensuring consistent content and user experience), for different provinces or territories (P/T). The brokered model is managed, or 'brokered', by the National BizPaL Office (NBO), which saves time and money for the partners who provide the service in this manner.

⁶ <http://www.fin.gc.ca/ec2006/pdf/plane.pdf>

⁷ Overall, municipal level information is available from approximately 64% of municipalities across Canada. In provinces with larger populations (AB, BC, ON) municipal level information is available from approximately 80% of municipalities.

The functionality of the brokered model is determined by the decisions of the BizPaL Steering Committee (SC).

The API Model

The API model allows partners to incorporate the basic process of the BizPaL Service - querying the permit and licence information stored in the client application - into separate websites that they manage themselves (i.e. outside the authority of the SC). In other words, the API provides partners access to BizPaL content (e.g. without the “skin” or the functionalities of the step by step or briefcase process). The model is appealing to organizations that have their own system and would like to integrate BizPaL content into their user experience. By using the API, the participating organizations can ensure a more seamless familiar experience to their clients with the added permit and licences information. However, implementing and maintaining the API requires a strong information technology (IT) team on the part of the provinces to maintain the service.

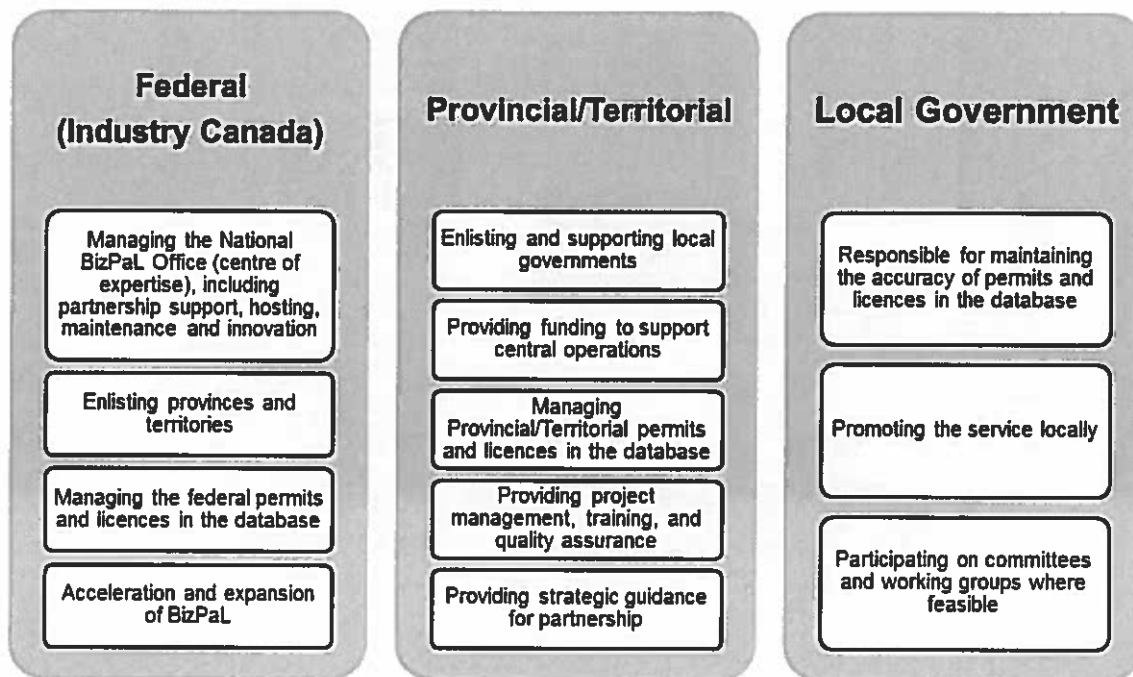
1.3 Program Design and Delivery

As a multi-jurisdictional initiative, BizPaL relies heavily on active participation from the federal, P/T governments and local governments. Intergovernmental Letters of Agreement (ILAs) are between Innovation, Science and Economic Development Canada and the provincial and territorial governments, who then appoint representatives from their respective provinces and territories to be members of the SC on behalf of their governments. Innovation, Science and Economic Development Canada with the provincial and territorial governments⁸ defines objectives, contributions, governance structure, and operations and management responsibilities with regards to BizPaL. Within Innovation, Science and Economic Development Canada, BizPaL is managed by Small Business, Tourism and Marketplace Services. Figure 1 below illustrates partnership roles and responsibilities.⁹

⁸ The BizPaL Steering Committee consists of representatives of provincial and territorial governments and two municipalities (Toronto and Saskatoon).

⁹ Local governments manage their own websites and subscribe to the BizPaL central database.

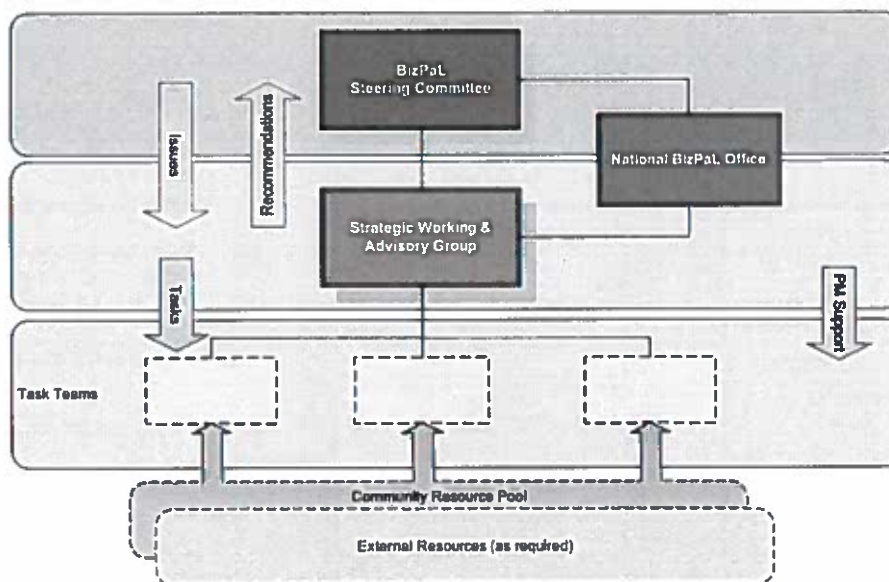
Figure 1: Partnership Roles and Responsibilities



The funding members (i.e., federal and provincial/territorial partners) and the participating local governments of the SC collaboratively developed a governance structure related to decision making and the on-going delivery of the program. This governance structure (refer to Figure 2) includes all orders of government to ensure representation and a whole-of-government approach to BizPaL.

The current governance structure is made up of the SC and a Strategic Working and Advisory Group (SWAG). When required, the SC can request the creation of task teams to accomplish specific tasks. The governance structure is supported by the NBO.

Figure 2: BizPaL Governance Model – 2013-18¹⁰



National BizPaL Office

The NBO is the coordinating body housed at Innovation, Science and Economic Development Canada that is responsible for providing centralized program management support functions, both technical and operational, to any governmental entity or third party that is involved in implementing the service.¹¹

Steering Committee

The SC is the main governing body responsible for decision making, providing strategic direction and ensuring that business objectives and jurisdictional initiatives align. The SC develops policies, procedures, guidelines and other documentation it deems necessary for the successful operation of BizPaL.

SC members represent their respective jurisdictional views and provide a broader national perspective to guide the governance of BizPaL in horizontal issues to support effective and seamless service delivery. The SC is comprised of members from each level of government, including one member from each province and territory and a maximum of four members from local governments. Each funding member is entitled to one seat on the SC.

¹⁰ BizPaL Service. 2013-2018 Amended and Restated Intergovernmental Letter of Agreement, p.18. PM Support (arrow within the figure) means Project Manager Support.

¹¹ BizPaL Service. 2013-2018 Amended and Restated Intergovernmental Letter of Agreement. p. 3

Strategic Working and Advisory Group

The SWAG is made up of members from all orders of government involved in BizPaL. The SWAG supports the day-to-day operations and delivery of BizPaL by identifying strategic and innovative activities and by identifying and coordinating new business opportunities through research and analysis studies. In addition, it identifies issues and makes recommendations for decisions to the SC. There is currently no limitation on the number of participants on the SWAG.

Task Teams

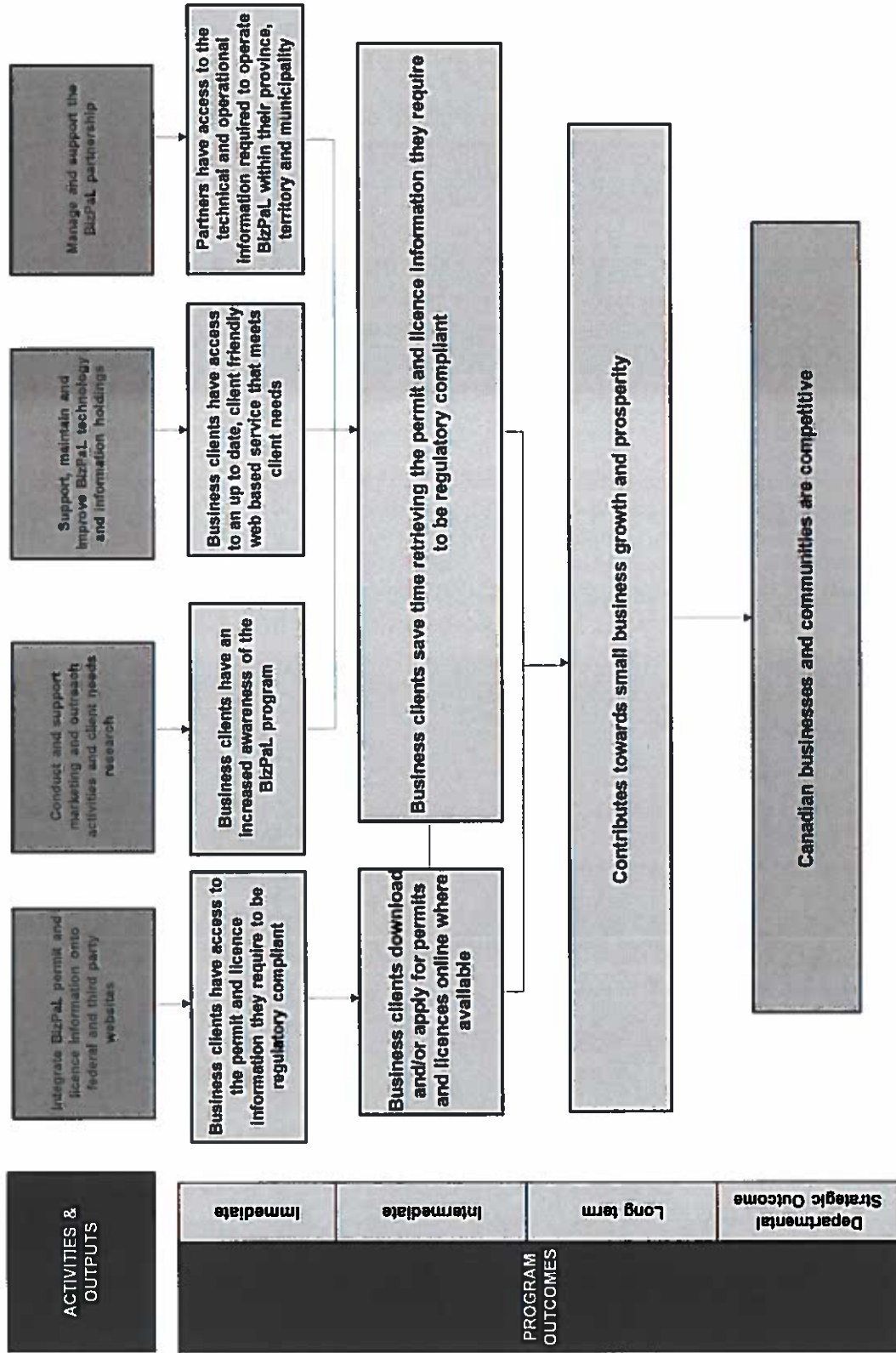
Task teams are groups of experts created by the SC to accomplish a specific task. Their objectives are clearly defined by the SC. The NBO, SC and SWAG provide project management (PM) support to the task teams. The community resource pool (i.e., via the Specified Purpose Account, explained in Section 3.2.5) provides funding, where necessary, to accomplish tasks.

1.4 Logic Model

The logic model presented depicts the program theory for BizPaL. It shows how the program's activities are expected to lead to certain outputs and various levels of outcomes, and ultimately, to one of Innovation, Science and Economic Development Canada's strategic outcomes.

A logic model for the program was developed in 2012 as part of BizPaL's Performance Measurement Strategy. The current logic model is presented in Figure 3.

Figure 3
BizPaL: Logic Model



2.0 METHODOLOGY

This section provides information on the evaluation approach, objective and scope, the specific evaluation issues and questions that were addressed, the data collection methods, and data limitations for the evaluation.

2.1 Evaluation Approach

This evaluation was based on the expected outcomes of BizPaL as stated in the program's logic model. The program was reviewed in 2006 and 2008 and was previously evaluated in 2010-11 with generally positive findings. The program also has relatively low materiality. For these reasons, this evaluation took a calibrated approach by focusing on immediate and intermediate outcomes and relied as much as possible on secondary data and interviews. The initial evaluation methodology was further modified in response to data limitations uncovered during the assessment.

The evaluators measured the immediate and intermediate outcomes using a variety of research methods, including document review, literature review, interviews, and an analysis of web analytics and financial data collected by the program.

The evaluation study was conducted by Innovation, Science and Economic Development Canada's Audit and Evaluation Branch.

2.2 Objective and Scope

An evaluation of BizPaL is required in accordance with the Treasury Board *Policy on Evaluation* and *Directive on the Evaluation Function*; the purpose of this evaluation was to assess the core evaluation issues of relevance and performance.

The evaluation study covered the five-year period of 2010 to 2015.

2.3 Evaluation Issues and Questions

Based on the program's Performance Measurement Strategy, and subsequent consultations with the program, the evaluation addressed the following questions:

Relevance

1. Is there a continued need for BizPaL?
2. To what extent are BizPaL objectives aligned with the priorities of government and the strategic outcomes of Innovation, Science and Economic Development Canada?
3. To what extent does BizPaL align with the roles and responsibilities of the federal government? Does BizPaL complement, duplicate or overlap other government programs or private services?

Performance

Immediate Outcomes

4. Do business clients have access to a web based service that:
 - is up-to-date;
 - is client friendly; and
 - gives them access to the permit and licence information they require to be regulatory compliant?
5. Do business clients have an increased awareness of BizPaL?
6. Do partners have access to the technical and operational information and support required to operate BizPaL within their provinces/territories/municipalities?

Intermediate Outcomes

7. Can business clients download and/or apply for permits and licences online that they need to be regulatory compliant? And, does this save businesses time?

Efficiency and Economy

8. To what extent does the program demonstrate efficiency and economy?

2.4 Data Collection Methods

Multiple lines of evidence were used to address all evaluation questions. The data collection methods included a document review, literature review, interviews, web analytics and financial data analysis.

Document Review

The document review was conducted to gain an understanding of the program and insight into its performance. Examples of key documents reviewed are listed below:

1. Program foundational documents
2. Performance Measurement Strategy 2012
3. Program evaluation 2011
4. Quarterly performance reports
5. Usability testing results

Literature Review

The review of academic literature focussed on the core evaluation issue of relevance, but also covered some performance issues. Specifically, it examined the continued need for providing services to SMEs in Canada and the role of federal funding in supporting these services. The

literature review also looked at best practices with respect to providing online services to business, as well as researched the preferences of business clients with respect to online service delivery.

Interviews

The objective of the interviews was to gather in-depth information for evaluation purposes, including views, explanations and factual information that addressed the evaluation questions. The interviews were semi-structured in nature and were designed to obtain qualitative feedback from a range of respondents. The interviews were conducted by telephone except in Ottawa, where they were conducted in person.

Interviews were conducted with a total of 22 participants and include the following types of respondents:

- NBO management and staff (4)
- BizPaL SC (partners) – partners include representatives of provincial or territorial governments and two municipalities (Toronto and Saskatoon) (13)
- Municipal representatives (not associated with the SC) (2)
- Subject Matter Experts (3)

Web Analytics

Web metrics can provide valuable insight into online client behavior and the effectiveness of an application. NBO uses Google Analytics in its quarterly performance reports to generate statistics about website traffic and traffic sources, as well as to measure conversions and popular referral sites. This data was analyzed to measure awareness of and access to BizPaL by SMEs across Canada. It should be noted that BizPaL consists of a wide variety of websites and that summary data relating to all users was not available.

Financial Data Analysis

A high level financial analysis of BizPaL was conducted to address the evaluation issues of efficiency and economy. The allocation and utilization of resources were reviewed. Consideration was given to BizPaL's funding structure.

2.5 Data Limitations

The following were the data limitations:

Contact Barriers

Visitors to BizPaL are not required to sign into the service and therefore no contact information is gathered through the BizPaL website. Although the BizPaL websites offer a feedback link on the home page, response rates were found to be very low and are no longer measured (although issues raised by users are resolved by NBO, where feasible). Thus, the evaluation was limited in

its ability to assess the impact BizPaL is having on its business clients (i.e., SMEs) and was unable to gather their perceptions on the service.

The NBO has direct contact with members of the SC (which includes representatives of provincial and territorial governments and two municipalities). According to the IL As, provincial and territorial SC members appointed by these governments have direct contact with the local governments who in turn have contact with business clients. As such, the evaluators did not have direct contact with municipalities or business clients.

A web-based survey to assess municipalities' perceptions on the effectiveness of BizPaL activities was considered, but ultimately was not possible. SC partners were able to provide contact information for 12 municipalities (not including the two municipalities that are part of the SC), an insufficient number to warrant a survey. In the absence of a survey of municipalities, evaluators attempted to contact all 12 municipal representatives for an interview. The two municipal representatives that agreed to an interview (not including the two municipalities that are part of the SC), cannot be considered representative of all municipalities within the BizPaL Service.

Limitations of Web Analytics

The BizPaL partnership model presents significant difficulties for the collection of complete web analytics data. Specifically, three provincial partners (ON, NS, QC) participate in the BizPaL Service by incorporating the BizPaL API into their own websites. In addition to the broker model, Ontario added the API model to their One-Source Website in 2011, Nova Scotia in 2012, and Quebec became a partner in 2013; this effectively means that visits and conversions in these provinces' websites are not accounted for in the performance reports. Web analytics data represents visits and conversions (i.e., client reaches the results page) on the 'brokered model' only.

Therefore, the web analytics data presented in this report can be used to assess the general trend in website visits, but should not be interpreted as a precise reflection of total visits to the BizPaL Service.

3.0 FINDINGS

3.1 Relevance

3.1.1 Is there a continued need for BizPaL?

Key Finding: Small businesses are an important part of the Canadian economy and BizPaL responds to SMEs' need for assistance in navigating government complexity. Services such as BizPaL can help reduce the time, effort and costs for small businesses to start-up and grow. Many interviewees also noted that the service must continue to improve and evolve in order to remain relevant. An effective mechanism for client feedback for BizPaL would be useful for validating the ongoing need for the program and to determine if enhancements could be made to better serve clients.

The Rationale for the Program Remains Valid

In November 2006, the Government of Canada released Advantage Canada¹², its long-term economic plan, in which it identified ways to give Canada an entrepreneurial advantage and reduce the paperwork burden by 20%. Key among the initiatives identified was the expansion and roll-out of BizPaL.

The 2010 evaluation identified an ongoing need for BizPaL as it provides an accessible source of information on permits and licences to businesses. The services it provides are also linked to government initiatives to help businesses become more competitive.

Since then, the rationale and justification for the program have been reiterated a number of times by government policy papers and reviews. The 2011 Red Tape Reduction Commission¹³ report found that red tape, including the time, effort and costs associated with navigating government complexity, is restricting economic growth as businesses spend inordinate amounts of time and money on compliance. This was found to be disproportionately true for small businesses. Similar findings have been presented by the Paperwork Burden Reduction Initiative¹⁴, and Statistic Canada's Survey of Regulatory Compliance Costs.¹⁵ In addition, analysis conducted by Innovation, Science and Economic Development Canada in conjunction with the implementation of new initiatives to reduce obstacles to internal trade, found that BizPaL helps to alleviate some internal trade barriers (e.g., by allowing business clients looking to expand to learn about permit and licence requirements in other provinces).

¹² <http://www.fin.gc.ca/ec2006/pdf/plane.pdf>

¹³ <http://www.reducedtape.gc.ca/heard-entendu/doc/wwhr-rlcr/wwhr-rlcrtb-eng.asp>

¹⁴ http://www.reducingpaperburden.gc.ca/eic/site/pbri-iafp.nsf/eng/h_sx00028.html

¹⁵ <http://www.statcan.gc.ca/eng/survey/business/5093>

The Importance of Small and Medium Sized Business to the Economy

With the small and medium sized business population making up the vast majority of Canadian businesses, BizPaL's target audience is a vital contributor to the economy. As of 2013, there were 1,107,540 employer businesses in Canada, over a million of which were small businesses with fewer than 100 full-time employees, and more than half of these were microbusinesses with less than 5 employees.¹⁶ In total, SMEs represent 98% of all businesses with employees, and generate about 40% of Canada's Gross Domestic Product.¹⁷ Small businesses make up about 90% of Canadian exporters and, in 2011, were responsible for \$68 billion (or 25%) of the total value of exports.¹⁸

Small businesses also represent a growing share of Canadian employment. Between 2002 and 2012, small businesses created almost 91,000 jobs every year on average, and almost 78% of all private sector jobs created,¹⁹ while medium-sized businesses and large businesses contributed 12.5% and 9.8% of all net new jobs respectively. In 2012, small businesses employed over 7.7 million Canadians, which represented about 70% of the total labour force in the private sector.²⁰

While small businesses are an important part of the economy, they also have low survival rates. About 80% of enterprises that entered the marketplace in 2008 survived for one full year and 72% of enterprises that entered the marketplace in 2007 survived for two years.²¹

In general, micro-businesses (1 to 4 employees) have the lowest survival rates relative to other small enterprises. Each year, approximately 139,000 new small businesses are created, although only half will survive the first three years and only 25% are still operating after nine years. A high failure rate by the five year mark is common given the large number of challenges new businesses face during the first years of operation.²²

Efficient delivery of government programs and services is one factor that can contribute to small business growth and success. Over 75% of respondents to a pan-Canadian survey²³ agreed/strongly agreed that they would like to be able to access all routine services online. Assisting small businesses in obtaining information, with services such as BizPaL, is thus a legitimate concern for government programs.

Interviewees agreed that there is still a continued need for BizPaL because it provides information from three levels of government in a single, self-serve, online location. Many interviewees also noted that the service must continue to improve and evolve in order to remain relevant. Suggestions provided by interviewees are discussed in section 3.2.5.

¹⁶ Key Small Business Statistics, August 2013. http://www.ic.gc.ca/eic/site/061.nsf/eng/h_02800.html

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ IC. Key Small Business Statistics, July 2012.

²⁰ Key Small Business Statistics, August 2013.

²¹ Ibid.

²² IC. The State of Entrepreneurship in Canada, February 2010.

²³ Institute for Citizen-Centred Service. Taking Care of Business 4, December 2013. p.7.

The absence of client feedback for BizPaL made it difficult to validate the continued need for BizPaL with end users. NBO is piloting a client feedback option on the Canada Business Network (CBN) website with the intention of presenting results to the SC for consideration on BizPaL. Questions, found at the bottom of results pages, ask the user about the relevancy, accuracy and usefulness of the information provided.

3.1.2 To what extent are BizPaL objectives aligned with the priorities of government and the strategic outcomes of Innovation, Science and Economic Development Canada?

Key Finding: The objectives of the BizPaL Service are consistent with federal government priorities related to supporting small business and the reduction of red tape. The objectives and activities of BizPaL are also in line with Innovation, Science and Economic Development Canada's strategic outcome related to assisting Canadian businesses to be competitive.

Since the 2010 BizPaL evaluation, five consecutive federal budgets have identified job creation, economic growth, supporting small business and the reduction of red tape as government priorities^{24 25 26 27 28}. Throne speeches^{29 30} and commission reports³¹ have echoed these priorities. Additionally, four of the last five federal budgets have explicitly referenced the BizPaL Service. Budget 2015 identifies BizPaL as “an online service that helps small businesses cut through red tape by creating a tailored list of permits and licences from all levels of government necessary to operate their specific businesses.”³²

The Minister of ISED recently committed to reducing barriers to internal trade.³³ Consequently, the Departmental 2015-16 Report on Plans and Priorities indicates that Innovation, Science and Economic Development Canada will “develop a pilot project linking federal, provincial and territorial information about permits and licenses currently housed within BizPaL to regulations pertaining to the Agreement on Internal Trade.”³⁴ Accordingly, BizPaL's foundational documents commit to exploring the integration of regulatory information into BizPaL.

In addition, BizPaL aligns with Innovation, Science and Economic Development Canada's priorities under the Small Business Research, Financing and Services Program Activity of Innovation, Science and Economic Development Canada's Program Alignment Architecture which seeks to enhance the growth and competitiveness of small business and encourages

²⁴ <http://www.budget.gc.ca/2011/plan/Budget2011-eng.pdf>, p. 75-82.

²⁵ <http://www.budget.gc.ca/2012/plan/pdf/Plan2012-eng.pdf>, p. 86; 121; 219.

²⁶ <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>, p. 124-125; 265.

²⁷ <http://www.budget.gc.ca/2014/docs/plan/pdf/budget2014-eng.pdf>, p. 2-3; 93; 111-112.

²⁸ <http://www.budget.gc.ca/2015/docs/plan/toc-tdm-eng.html>, p. 15.

²⁹ <http://www.loppar.gc.ca/ParlInfo/Documents/ThroneSpeech/41-1-e.html>

³⁰ <http://www.loppar.gc.ca/ParlInfo/Documents/ThroneSpeech/41-2-e.html>

³¹ <http://www.reducedredtape.gc.ca/heard-entendu/doc/wwhr-rlcr/wwhr-rlcr-eng.pdf>

³² <http://www.budget.gc.ca/2015/docs/plan/toc-tdm-eng.html>, p. 118.

³³ [https://www.ic.gc.ca/eic/site/081.nsf/vwapj/AIT-eng.pdf/\\$FILE/AIT-eng.pdf](https://www.ic.gc.ca/eic/site/081.nsf/vwapj/AIT-eng.pdf/$FILE/AIT-eng.pdf)

³⁴ <http://www.ic.gc.ca/eic/site/017.nsf/eng/07520.html>

entrepreneurship.³⁵ This Program Activity contributes to the Strategic Outcome: Canadian Businesses and Communities are Competitive.

Interviews with BizPaL program staff and stakeholders agreed that BizPaL aligns with the priorities of the federal government and ISED, specifically because the program's objective is to support small businesses and reduce the red tape burden, thereby contributing to economic growth.

3.1.3 To what extent does BizPaL align with the roles and responsibilities of the federal government? Does BizPaL complement, duplicate or overlap other government programs or private services?

Key Finding: The program's objectives align with the roles and responsibilities of the federal government to provide coordinated support for small and medium sized businesses, as stated in the *Department of Industry Act* of 1995. There is some overlap between the services offered by BizPaL and those of provincial governments; however, BizPaL has a unique role in offering information about permits and licences from the three levels of government in a single application.

Evaluators found that the objectives of BizPaL align with the roles and responsibilities of the federal government under the *Department of Industry Act* of 1995. According to this legislation, the powers, duties and functions of the Minister of ISED extend to matters relating to "small business", and the Minister may exercise those powers to "initiate, recommend, coordinate, direct, promote and implement national policies and programs" to strengthen the national economy.³⁶ While support for small business falls within federal responsibilities, the Minister may also involve all levels of government (federal, provincial and territorial) in providing coordinated support for small businesses.

Innovation, Science and Economic Development Canada NBO plays a leading role in coordinating the BizPaL Service, in partnership with P/T and municipalities. Interviewees described the NBO as an experienced coordinating body that manages the partnership, provides service consistency and oversees the technology infrastructure. Most interviewees indicated that the continued involvement of the federal government is important.

Several provincial governments are also providing service to business (e.g. Service BC, Ontario's One Source, Services Quebec, and Service Nova Scotia), but all focus on their own provincial jurisdictions. Interviewees remarked that BizPaL is unique among government programs and private services in Canada designed to support small business growth by integrating permit and licence information from the three levels of government in a single, self-serve, online location.

³⁵ Departmental 2015-16 Estimates – Report on Plans and Priorities.

³⁶ *Department of Industry Act*, 1995, Section 4 (n), 5a, and 6a.

CBN is another Innovation, Science and Economic Development Canada program that provides business information to clients. CBN has integrated BizPaL into its national website to provide clients with information on licences and permits. CBN does not duplicate the information offered through BizPaL.

3.2 Performance

3.2.1 Do business clients have access to a web based service that is up-to-date, client friendly and gives them access to the permit and licence information they require to be regulatory compliant?

Key Finding: Overall, BizPaL gives business clients access to permit and licence information from the three levels of government. The governance model of the program makes it challenging to ensure information is up-to-date. BizPaL does not currently link permit and licence information to regulatory requirements, although work is underway in this area.

To assess the quality of the BizPaL Service, the evaluators reviewed content management (the review, verification and updating of content in the BizPaL database) and quality reporting as well as the number and nature of enhancements made to the website based on client needs research and usability testing findings. Opinions gathered through interviews with all stakeholder groups helped to determine access to permit and licence information, as well as the extent to which the site is up-to-date and client friendly.

Content Management and Quality

Content management was identified as one of the biggest challenges faced by the program, because P/T and municipal partners are responsible for updating their own content and because of the sheer quantity of information. There are approximately 13,000 permits and licences in the BizPaL database and of these, approximately 76% are from local governments. According to interviewees, municipalities often lack the resources (people and time) necessary to consistently monitor the quality of their information.

In order to address the issue of content management, the NBO developed an Information Quality Management (IQM) Framework in 2012, which includes biennial content validation reports, annual content quality reports, and a bi-weekly broken links report. The purpose of this framework is to identify content quality issues in order to improve the BizPaL Service and thus provide clients with accessible, findable, accurate, complete and concise information to make informed decisions. To date, there have been two annual IQM Performance Reports (2013 and 2014) and content management is an ongoing priority.

Content validation reports

Content validation reports require partners to review and validate that all BizPaL content is up-to-date, at least once every two years. Program documentation indicates that as of February 2015, all federal content was current (including information from the 26 federal departments identified as having permits and licences); however, 73% of P/T permits and licences and 81% of municipal permits and licences had not been validated within the two-year timeframe. At a recent NBO organized meeting, the SC agreed to a date stamp indicating when information was last approved/reviewed. Date stamping is expected to be a visual reminder to update content on a regular basis; however, this is still in the early stages of implementation.

Since much of the content at the P/T and municipal levels has not been validated within the service standard agreed to by partners, the program has been unable to assess whether the permits and licences are still reflective of current business requirements. The program intends to hire a data administrator to assist P/Ts and municipalities in validating their information. The 2014 IQM report indicates that the content validation exercise is a work-in-progress that depends heavily on participation of the partners.

Annual content quality reports and broken links reports

Both annual content quality reports (which identify spelling errors and wrong text fields³⁷) and bi-monthly broken-link reports are sent to partners to be addressed. The 2014 IQM report showed that all 1,440 spelling errors were addressed and that 852 of 1,028 (83%) of wrong fields had been resolved. The report also revealed a drop from 700 broken links in January 2014 to approximately 400 by December 2014 and most were fixed within 30 days.

The IQM has been in place for over two years and concrete efforts have been made to improve content management and quality. Nonetheless, due to the jurisdictional roles and responsibilities surrounding content management, challenges remain with the quality and the degree to which the information has been validated.

Usability Testing

The NBO undertakes annual usability testing whereby usability experts observe and record a small number of business clients³⁸ (10-12) as they attempt tasks and discuss their experiences while providing feedback for improvement. A number of site enhancements (e.g., simplifying the search process, graphic design improvements) have been made, by the NBO, based on the findings from the usability testing and client friendliness has been confirmed.

³⁷ Definition of wrong field: If information is found in a field it was not designed for (i.e. English text is found in the French field or vice versa).

³⁸ All usability testing participants were recruited through an invitation on the Innovation, Science and Economic Development Canada website. Selected participants were small business owners. They owned a variety of businesses in different provinces across the country.

However, the NBO is unable to implement many of the usability testing recommendations as they fall within the jurisdictional authority of a partner (e.g., recommendations to improve descriptions of permits and licences that fall under the P/T or municipal jurisdiction). As such, all usability testing reports are shared with partners so that they may address the recommendations. Changes made by partners in response to usability testing findings are tracked by the NBO as part of the IQM process. Partners are requested to inform the NBO once recommendations have been addressed. Of the 24 usability testing recommendations that arose during the timeframe of the evaluation, 75% have been addressed by the partners. The remaining 25% have been communicated to the partners; however they involve external websites that are outside of the BizPaL Service.

Interviews with government staff, SC members, subject matter experts and two municipalities indicated that BizPaL gives clients access to the permit and licence information they need to be compliant, especially for common business models (e.g., coffee shops and fast food restaurants). A few interviewees indicated that BizPaL generates more information than may be necessary, however, among these interviewees there was no consensus if more was better than less.

In addition, the evaluators found the use of the term “regulatory compliant” to be confusing as BizPaL provides licences and permits. Since inception, it has been an objective of the program to provide links to business regulations. However, to date, the program is not linking licences and permits to regulatory requirements. As indicated in foundational documents, the service will explore regulatory simplification that would develop solutions to address overlapping, duplicative and inconsistent regulation, standards and practices regarding business operations, and as a result make it easier to do business across the country. Program staff explained that work is currently underway to provide links to business regulations.

In summary, despite the recognition by NBO and the partners that quality of the content in the BizPaL database is critical, challenges exist because of roles and procedures for the maintenance of the service.

3.2.2 Do business clients have an increased awareness of BizPaL?

Key Finding: The 2010 evaluation found that there were opportunities to increase awareness of the BizPaL Service. A brief ad campaign in 2011 demonstrated positive results. However, beyond occasional launches and providing brochures at tradeshow, efforts to increase awareness of BizPaL have been limited and among program stakeholders, awareness is still thought to be low. A decline in the number of visits to BizPaL over the evaluation period may be due to a multitude of factors beyond strictly low awareness. Other factors, including user satisfaction, access to alternative search tools, economic conditions and business cycles can impact the visits to the BizPaL Service.

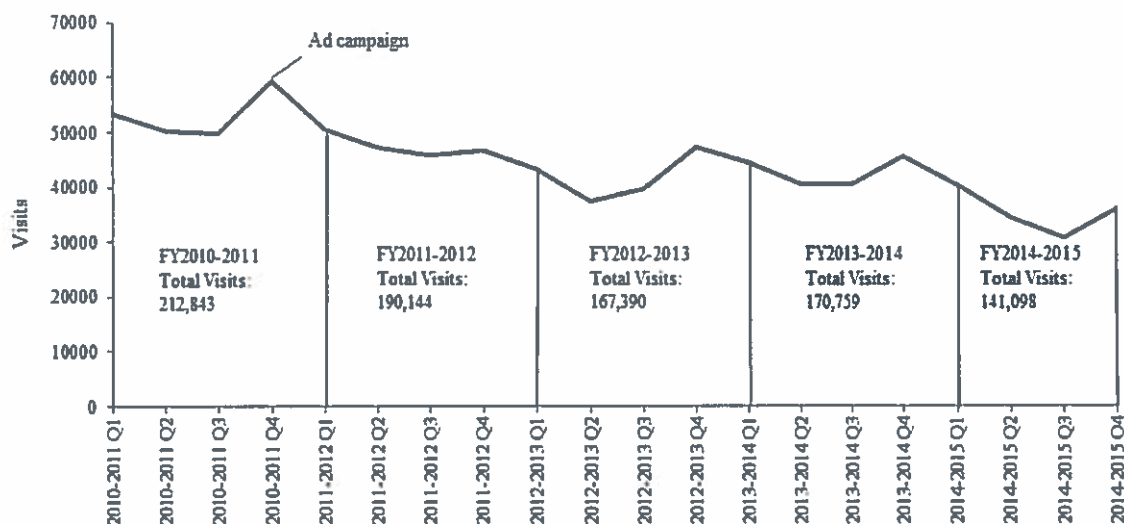
The evaluators reviewed the findings from the 2010 evaluation, the results of a national marketing campaign, as well as trends in web traffic to assess awareness of BizPaL. In addition, stakeholder perceptions on business clients’ awareness were gathered through interviews.

Findings from the 2010 Evaluation and the National Marketing Campaign

The 2010 evaluation found there were opportunities to increase awareness of the BizPaL Service to key target groups and stakeholders. At the conclusion of the 2010 evaluation the Communications and Marketing Branch of ISED ran a national marketing campaign with the specific objective to increase the overall usage of the BizPaL.ca website (i.e., the national BizPaL website) by improving client awareness and to increase BizPaL recognition through cohesive and consistent marketing communication, activities and messaging. The marketing campaign ran from March 1- 28, 2011; it included Banner ads³⁹ and Adwords⁴⁰ which were made available on various search engines.

Results from the campaign were positive but short-lived. The final campaign report indicates there were 6,328 visits to BizPaL.ca (4,552 from the Banner ad; 1,776 from the Adwords). This made up approximately 60% of all visits to BizPaL.ca during the month. Figure 4 shows that visits during the advertising campaign spiked. Despite this increase, there have been no subsequent advertising campaigns.

Figure 4: Quarterly Web Traffic 2010-2015 (not including ON, NS, and QC)



³⁹ A banner ad is an advertisement displayed full-width at the top or bottom of a webpage

⁴⁰ Adwords is an online advertising service that enables advertisers to compete to display brief advertising copy to web users.

Other Opportunities to Promote BizPaL

In the early days of the program, frequent launches of new municipalities joining BizPaL presented ideal opportunities to promote the service through media coverage and ribbon-cutting events by local, P/T and federal politicians. The 2010 evaluation indicated there were approximately 450 municipalities on BizPaL and approximately 135 municipalities in progress, suggesting that the service was frequently in the spotlight. In the timeframe of the 2015 evaluation, there have been approximately 180 launches⁴¹ of BizPaL. The introduction of new municipalities to BizPaL appears to have reached a plateau, thus decreasing the number of occasions to publicize the service.

Many interviewees indicated that awareness of BizPaL needs to be improved. Beyond the occasional launches and providing brochures at tradeshows, interviewees suggested approaching 3rd party organizations to promote BizPaL, including banks, accountants, lawyers and Chambers of Commerce.

Visits to the BizPaL Service

During the time period of the 2015 evaluation, there have been approximately one million visits to BizPaL (excluding visits to ON, NS, and QC on the API model⁴²). As seen in Figure 4, there were 71,745 fewer visits in 2014-15 than in 2010-11⁴³. While promotional activities such as the advertising campaign and launches may partially explain the higher visits in the early years of the evaluation period, it cannot be concluded that low awareness was the only factor contributing to declining visits during the evaluation period. Other factors, including user satisfaction, access to alternative search tools, economic conditions and business cycles can impact the visits to the BizPaL Service.

3.2.3 Do partners have access to the technical and operational information and support required to operate BizPaL within their provinces/territories/municipalities?

Key Finding: The NBO consistently provides partners with the technical and operational support they require. Partnership satisfaction with all aspects of service provided to the partnership by NBO is high.

⁴¹ During Q1 2010 - Q4 2014, provinces using the API model accounted for 12% of new municipalities offering BizPaL.

⁴² Visits to ON, NS, and QC that originate from bizpal.ca are included in the number of visits to BizPaL. Visits to ON, NS, and QC that originate from the provinces' API model of BizPaL are not included.

⁴³ There was a national marketing campaign that slightly boosted the number of visitors in March 2011.

The NBO is responsible for providing centralized program management support functions, both technical and operational, to any federal, provincial, territorial governments that are involved in implementing the service.⁴⁴ The evaluators found that NBO undertakes a wide range of activities to ensure partners have access to what they require to operate BizPaL in their jurisdictions.

Technical Support

Through the BizPaL support team, the NBO provides partners with a direct, single point of contact for technical support (support@bizpal.ca). Partner enquiries and follow-up correspondence are tracked and managed using a software system which is managed by a designated NBO partner support administrator. Service standard reports show that the support team responds to approximately 95% of partner enquiries within published service level standards.⁴⁵

As previously mentioned, managing the quality of permit and licence information online is challenging. Permit and licence information is subject to change as governments add, remove and/or alter permit and licence requirements. NBO technical support manages information quality through the BizPaL IQM framework (previously discussed) which focuses on assessing and measuring the overall quality of information in the BizPaL system.

Operational Support

The NBO delivers operational (i.e. non-technical) support to partners by:

- Performing day-to-day operation and administration (budgetary management, communication);
- Preparing policies and procedures (strategic plans, ILAs, management response action plans);
- Managing and supporting the governance of the partnership (coordinating SC teleconference meetings monthly, and coordinating an annual in-person meeting); and
- Carrying out or contracting research on topics approved by the SC (recently researched topics include an ongoing investigation of municipal engagement, leveraging BizPaL as a tool for red tape reduction, developing the 2013-2018 Amended and Restated Intergovernmental Letter of Agreement, industry bundling, and transactional services).⁴⁶

⁴⁴ BizPaL Service. 2013-2018 Amended and Restated Intergovernmental Letter of Agreement. p. 3

⁴⁵ Enquiries are categorized as T1, T2 or T3 type enquiries according to their level of complexity and the nature of the request. Service levels standards are related to enquiry types; complex enquiries allow more time for the support team to respond. However, the majority of enquiries are responded to within 24 hours or less.

⁴⁶ BizPaL SC Meeting Minutes 2010-2015.

Respondents to the 2015 Partner Satisfaction Survey (i.e., members of the SC) were satisfied or very satisfied with all aspects of service provided to the partnership by NBO, with the exception of the usefulness of the BizPaL self-help information on the Wiki.⁴⁷ In addition, interviewees unanimously agreed that NBO support was excellent and the NBO support team was commended for their knowledge, professionalism, and quick responses.

3.2.4 Can business clients download and/or apply for permits and licences online that they need to be regulatory compliant? And, does this save businesses time?

Key Finding: BizPaL provides information about permits and licences, however, only a very small percentage can be electronically submitted. Although most interviewees indicated that BizPaL saves businesses time in finding information about permits and licences, without access to end-users, the evaluation was unable to definitively confirm this view or to quantify the time savings.

Of the approximately 13,000 active permits and licences in the BizPaL database, only 3% can be downloaded, filled out electronically, and submitted online. In addition, 41% of permits and licences in the database include a link to a downloadable form⁴⁸ which must be printed, filled out manually, and submitted, either in person or through the mail. Approximately 56% of permits and licences in the BizPaL database do not include a link to a downloadable application form. In these cases, the client must make an in-person visit to obtain and complete an application.

Approximately 76% of the active permits and licences in BizPaL are at the municipal level. As mentioned, municipalities have limited financial and human resource capacity, and in some cases, a limited need to put forms online (e.g., forms in small municipalities with few businesses, forms that are rarely used or forms that change more frequently than others – thus frequent updates would be necessary). Due to the governance structure of BizPaL, the NBO is unable to reach out to municipalities to encourage them to increase online access of forms.

Most interviewees believe that business clients save time by using BizPaL. This view however could not be substantiated given the lack of data from clients and municipalities. Ontario and British Columbia conducted studies, in 2004 and 2007 respectively, with the purpose of assessing whether BizPaL saves time for business owners. Study designs were quasi-experimental in nature, where participants were asked to gather the same permit and licence information twice, either using BizPaL or not using BizPaL. According to interviewees, both studies showed that BizPaL saves time⁴⁹; however, there are no recent studies to support this finding. The program would profit from updating these studies as the online world has changed significantly since these studies were conducted.

⁴⁷ The NBO provides technical support to the partners by posting self-help information on both a Wiki and a partner website. Through the 2015 Partner Satisfaction Survey, some partners expressed dissatisfaction with quality and accessibility of information on the Wiki. The NBO has indicated that these two sites may be consolidated in the future.

⁴⁸ Currently 166 out of 173 (96%) federal permits have downloadable forms.

⁴⁹ Ontario identified the difference as a matter of minutes vs. days.

3.2.5 To what extent does the program demonstrate efficiency and economy?

Key Finding: BizPaL demonstrates efficiency and economy. The maturity of the business model has allowed BizPaL to significantly reduce the resources needed to meet operational requirements. However, maturity should not signal the end of ongoing innovation.

This question examines the cost effectiveness of the BizPaL Service and presents the funding and costing profile of the program, as well as the measures the program has taken to improve economy and efficiency. In addition, some of the alternative approaches that could be considered are outlined.

Comparison of Overall Planned versus Actual Costs

Budget 2011 provided \$3 million per year to make BizPaL permanent and allow for continued expansion and improvements (\$15 million over five years). The comparison of planned and actual costs, shown in Table 1, shows that the cumulative costs of BizPaL over five years is almost \$2.5M less than planned.

Table 1: Comparison of Planned and Actual BizPaL Costs (2010-11 to 2014-15)

Planned BizPaL Costs	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Total
Operations & Maintenance	\$1,123,755	\$369,164	\$646,000	\$437,297	\$240,000	\$2,816,216
Salary	\$715,900	\$1,728,706	\$580,028	\$554,604	\$537,215	\$4,116,453
Total	\$1,839,655	\$2,097,870	\$1,226,028	\$991,901	\$777,215	\$6,932,669
Actual BizPaL Costs	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Total
Operations & Maintenance	\$514,818	\$271,449	\$301,262	\$308,052	\$371,618	\$1,767,199
Salary	\$444,943	\$611,302	\$626,964	\$549,626	\$498,863	\$2,731,698
Total	\$959,761	\$882,751	\$928,226	\$857,678	\$870,481	\$4,498,897
<i>Total Variance</i>	<i>\$879,894</i>	<i>\$1,215,119</i>	<i>\$297,802</i>	<i>\$134,223</i>	<i>-\$93,266</i>	<i>\$2,433,772</i>

Evidence of Efficiencies

The evaluation found evidence that the program has worked to realize efficiencies, many achieved since the 2010 evaluation. Areas include a data transformation project, consolidating the governance structure, renewing partner contributions through updated ILAs and decreasing the administrative costs of the program, including cost per visitor to the brokered model.

Data Transformation Project

BizPaL's Data Transformation Project, which ran from May 2010 to May 2011, involved migrating from a costly custom content management system (CMS) to an inexpensive and much more feature-rich open source solution, ExpressionEngine (EE). According to program documents, the original system was meeting 50% of BizPaL's mandate because it was only capable of serving start-ups, not growing businesses.

BizPaL leveraged investments made by CBN to transform CanadaBusiness.ca, and tapped into their research and analysis of CMS options including the rationale behind adopting EE. One of the objectives of moving to EE was to offer a consistent client experience as well as to reinforce users' expectations of BizPaL. In addition, the move to EE eliminated the need for costly manual changes; instead data issues can be addressed through more efficient batch fixes. Program documentation shows that the move to EE led to a savings of almost \$300,000 per year (see Table 2 below).

Table 2: BizPaL Savings with Move to ExpressionEngine

Costs	BizPaL (old)	BizPaL (new as of May 2011)	Savings per year	Savings over 5 years
Hosting (per year)	\$248,000	\$73,000	\$175,000	\$875,000
Yearly maintenance costs	\$150,000	\$30,000	\$120,000	\$600,000
	TOTALS:		\$295,000	\$1,475,000

Streamlined Governance Structure

In response to a recommendation from the 2010 evaluation, the BizPaL governance structure was adapted and streamlined. The NBO, in collaboration with the SC, reviewed and modified the governance structure to adapt to rapid growth, increased complexity and multi-layered stakeholders.

The new governance structure, presented in Figure 2, is made up of the SC and the SWAG. This new structure reduced the number of advisory bodies (task forces and working groups) found in the previous governance structure from two task forces and two working groups to task teams that are created on an as-needed basis to accomplish specific projects. Clearly defined Terms of Reference for each committee/task team, focusing on the size, membership and the decision making process, have also been introduced.

The streamlined governance structure reduces the overlap between committees that existed with the previous model. Program staff reported that the new governance structure has decreased the number of meetings with various committees, many that included the same SC members, and has led to more focused discussions within the SC. It was reported that the increased focus allows the SC to work more strategically and has decreased the amount of time needed for decision-making.

Despite these improvements, the governance structure remains challenging. As was noted in previous sections, the division of roles and responsibilities on jurisdictional lines, along with the two models of service delivery, makes it difficult to manage online content and measure BizPaL's performance.

Partner Contributions

Agreements with P/T partners, renewed in 2013, include partner contributions to the Specified Purpose Account (SPA). The ILA sets out financial considerations, a cost-sharing model and cost allocations. The level of contribution is calculated based on population and is intended to

cover the costs of system hosting, maintenance and activities related to the centralized functions of BizPaL such as but not limited to, marketing, usability testing and client needs research. The annual contributions of partners are shown below. On an annual basis, partners contribute \$561,894 (total - ISED's contribution to the SPA). Annually, partners contribute 4.4 times more than Innovation, Science and Economic Development Canada 's contribution to the SPA (i.e. for every ISED dollar contribution to the SPA, P/Ts are contributing \$4.40). With approximately \$900,000 sitting in the SPA account, SC members took a "SPA holiday" (i.e., did not contribute to the fund) in 2014-15. Payments to the fund resumed in 2015-16. With the savings in hosting and maintaining BizPaL, since the transition to EE, the program should review the level of contribution for funding members.

Table 3: Partners' Annual Contributions to the Specified Purpose Account

Funding Members	Shares	Contribution
Innovation, Science and Economic Development Canada	10	\$127,703 ⁵⁰
Ontario	8	\$102,163
Quebec	7	\$89,392
Alberta	6	\$76,622
British Columbia	6	\$76,622
Manitoba	3	\$38,311
Nova Scotia	3	\$38,311
Saskatchewan	3	\$38,311
New Brunswick	2	\$25,541
Newfoundland & Labrador	2	\$25,541
Northwest Territories	1	\$12,770
Nunavut	1	\$12,770
PEI	1	\$12,770
Yukon	1	\$12,770
TOTALS	54	\$689, 597

In addition to the SPA contributions, and in accordance with the ILA, SC partners invest their own financial and human resources in reviewing and keeping their data up to date. Most partners reported a decrease in resources required to maintain BizPaL as implementation is complete and they are, as reported by a few interviewees, "in care and feeding mode."

⁵⁰ Included in BizPaL's annual O&M.

Cost Per Visitor and Administration of the Program

The 2010 evaluation reported the average cost per visit at \$15.33. Current calculations indicate that the cost per visitor is now closer to \$4.60.⁵¹ The maturity of the BizPaL model, which reduces development costs, as well as the decrease in hosting and maintenance costs with the transition to EE, account for much of this drop in cost per visit to the brokered model of the BizPaL Service. These cost savings show a significant improvement in efficiency and were achieved through the initiative of the program.

Interviewees reported that BizPaL is operating efficiently. A team of six staff in the NBO administer the day-to-day aspects of the program, technical administration of the program is shared with CBN and costs of hosting and maintaining the service are shared, via the SPA, with partners. In the words of one interviewee and echoed by others, “it’s pretty bare bones, quite efficient...I can’t really recommend anything [to improve efficiency].”

Alternate Approaches for Innovation

Responding to Increased Popularity of Handheld Devices

With the increasing use of handheld devices (both mobile and tablet) by all segments of the population, governments need to meet this demand with more mobile and tablet friendly services.⁵² In addition, Google recently announced plans to overhaul its mobile-search algorithm to demote sites that are not deemed “mobile friendly” (e.g., text too small to read on a smartphone screen).⁵³

BizPaL web analytics show a significant increase in the number of clients accessing the service by way of handheld devices. In 2011, the first year for which such data is available, the percentage of visits involving handheld devices was 2.32% compared to 23% of visitors in the first six months of 2015. With the growing popularity of both mobile phones and personal tablets, the BizPaL Service must ensure responsive web design, with the goal of “building web pages that detect the visitor’s screen size and orientation and change the layout accordingly.”⁵⁴ Program representatives indicated that there is a small percentage of the administrative pages that are non-responsive (e.g., About Us, FAQ, Partners), however, the user experience of clients using a mobile device will not be negatively impacted as the actual BizPaL Service is responsive.

⁵¹ At the time of the 2010 evaluation, all visits to the ON and NS sites were still included in the number of visitors to BizPaL, which would increase the denominator in the calculation of cost per visitor (program costs/# of visitors). With the move of both provinces to the API model, the # of visitors in the current calculation does not include API measures for these two provinces. If included, the cost per visitor, in the current calculation, would be less.

⁵² Kernaghan, K. (2012). Anytime, Anywhere, Any Device: Innovations in Public Sector Self-Service Delivery.

⁵³ The Economist. Retrieved April 23, 2015 from: <http://www.economist.com/news/business-and-finance/21648947-worlds-biggest-search-engine-shakes-up-its-algorithms-mobilegeddon>

⁵⁴ Jain, N. (2014). Review of Different Responsive CSS Front-end Frameworks. *Journal of Global Research in Computer Science*. 5(11). 5-10.

Suggestions from Interviewees

Interviewees suggested a number of alternative approaches that could be considered as BizPaL continues to mature and looks to further innovate. However, the evaluation found that the current program governance design stands in the way of most potential innovations.

Measures to innovate that were suggested by some interviewees include making the service transactional (i.e., able to pay fees online) and having forms pre-populated (i.e., once a client has filled out one form, the data would pre-populate tombstone information in subsequent forms). The benefits of online transactions are numerous for businesses, including a reduction in time and cost to comply, ability of applying for permits and licences outside of regular business hours and facilitating automated businesses processes such as renewals. However, numerous obstacles hinder the move to an online payment model.

As per a foundational document commitment, NBO continues to research the possibility of moving to a transactional model. Research includes an analysis of different technology options for transactional services and a draft inventory of forms in BizPaL. With approximately 76% of forms at the municipal level, it is challenging to move forward with online transactions since, as previously mentioned, it is beyond the NBO's jurisdiction to request municipalities to make online forms available.⁵⁵ NBO research indicates there is need for a sufficient volume of transactions to make an online solution viable, which is only possible with an increase in online forms. With fewer than half of the permits in the BizPaL database having any type of form (online or printable) there is an insufficient volume of online forms, at this point in time, to make a transactional model viable. Finally, consensus among the SC partners would be necessary to proceed with a transactional model, yet not all interviewees indicated support for moving towards such a model.

Another suggestion to improve the BizPaL Service involves industry sector bundling of forms (e.g., all forms necessary for opening a restaurant are bundled together for the business client). The NBO is currently investigating the development of industry sector bundles. In the meantime, a few jurisdictions already offer some options (e.g., How to Start a Restaurant in BC, City of Ottawa's Business Ambassador Service, Nova Scotia's Restaurant and Accommodations Bundle).

Finally, a few interviewees proposed sequencing of forms. In the words of one interviewee, "when you consider the complexity of permits...you really need to know which one to do first as one can expire while you're waiting for another one, and then you have to go and get the first one a second time." In addition to sequencing of forms, the NBO is also investigating the challenges of starting a business in the highly regulated restaurant sector. Proposed activities to add to the BizPaL site include:

- Capturing time elements in days (waiting time, inspection time, renewal time, etc.);
- Capturing cost by identifying the minimum and maximum cost;

⁵⁵ Beyond a few examples (e.g., Calgary, Edmonton, Wood Buffalo, Windsor), the vast majority of municipalities in Canada are not using any type of online transaction system for business.

- Capturing the sequencing of events to help clients make decisions to continue or abandon the process as well as be better organized; and
- Capturing the outputs from a permit/licencing activity such as a list of inspections and permits/licences required at different stages of the process

4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

The evaluation encountered data limitations with regards to feedback from municipalities and business clients. The National BizPaL Office has direct contact with members of the Steering Committee (which includes representatives of provincial or territorial governments and two municipalities). According to the Intergovernmental Letters of Agreement, the provinces and territories are responsible for managing the relationships with their local governments who in turn have contact with business clients. As such, the evaluators did not have direct unrestricted contact with municipalities or business clients.

Regarding the relevance and performance of the program, the following conclusions have been reached.

Relevance:

- Small businesses are an important part of the Canadian economy and BizPaL responds to SMEs' need for assistance in navigating government complexity. Services such as BizPaL can help reduce the time, effort and costs for small businesses to start-up and grow. An effective mechanism for client feedback for BizPaL would be useful for validating the ongoing need for the program and determine if enhancements could be made to better serve clients.
- The objectives of the BizPaL Service are consistent with federal government priorities related to supporting small business and the reduction of red tape. The objectives and activities of BizPaL are also in line with Innovation, Science and Economic Development Canada's strategic outcome related to assisting Canadian businesses to be competitive.
- The program's objectives align with the roles and responsibilities of the federal government to provide coordinated support for small and medium sized businesses. There is some overlap between the services offered by BizPaL and those of provincial governments; however, BizPaL has a unique role in offering information about permits and licences from the three levels of government in a single application.

Performance:

- Overall, BizPaL gives business clients access to permit and licence information from the three levels of government. The governance model of the program makes it challenging to ensure information is up-to-date. BizPaL does not currently link permit and licence information to regulatory requirements, although work is underway in this area.

- The 2010 evaluation found that there were opportunities to increase awareness of the BizPaL Service. A brief ad campaign in 2011 demonstrated positive results. However, subsequent efforts to increase awareness of BizPaL have been limited and among program stakeholders, awareness is still thought to be low. A decline in the number visits to BizPaL over the evaluation period may be due to a multitude of factors beyond strictly low awareness. Other factors, including user satisfaction, access to alternative search tools, economic conditions and business cycles can impact the visits to the BizPaL Service.
- The NBO consistently provides partners with the technical and operational support they require. Partnership satisfaction with all aspects of service provided to the partnership by NBO is high.
- BizPaL provides information about permits and licences, however, only a very small percentage can be electronically submitted. Although most interviewees indicated that BizPaL saves businesses time in finding information about permits and licences, without access to end-users, the evaluation was unable to definitively confirm this view or to quantify the time savings. With the current limited online accessibility, there is room for improvement.
- BizPaL demonstrates efficiency and economy. The maturity of the business model has allowed BizPaL to significantly reduce the resources needed to meet operational requirements. However, maturity should not signal the end of ongoing innovation.

4.2 Recommendations

Overall BizPaL serves a relevant purpose and is providing information to help clients navigate government complexity. BizPaL may not be addressing modern user needs such as having the ability to do routine business online and providing business clients with the most up-to-date and relevant information possible. As such, it is recommended that the National BizPaL Office work with the BizPaL partnership to:

1. Ensure that BizPaL content is reviewed and validated, as agreed to in the Intergovernmental Letters of Agreement.
2. Address performance monitoring barriers and continue to pursue client feedback on the BizPaL Service to ensure that modern business needs are met.

