business planning made simple

$E=MC^2$

Business Planning Made Simple

Have a great idea and want to start your own business?

Found a need within the marketplace that you want to fill?

Already taken the first steps and now you are looking for help?

Then this is the guide for you!

Owning a business is a dream for many; however, for many their dream never becomes a reality. A carefully thought out plan is the primary means of turning your fantasy into a bright and viable future. Plans help business owners to avoid pitfalls, anticipate problems and achieve overall goals.

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Building a Solid Business Foundation

Do you have?

- Perseverance
- Initiative
- Competitiveness
- Self-reliance
- A strong need to achieve
- Self confidence
- Good physical health
- A willingness to take risks
- High level of energy
- Ability to get along with employees
- Versatility
- A desire to create
- Innovation

Should I Be Working For Myself?

Going into business is believed to require unique personality traits. There are many physical, emotional and financial strains that an entrepreneur has to face on a daily basis. Do you have the drive and passion to achieve what it takes to make your business successful? Let’s find out!

Answer each question with a Yes or a No:

1. *Are you a leader?* ____
2. *Do you work harder than most people you know?* ____
3. *Do you like to make your own decisions?* ____
4. *Are you confident in your ability to influence others?* ____
5. *Do you have a clear picture of your future?* ____
6. *Do others often turn to you to help make decisions?* ____
7. *Do you like people?* ____
8. *Are the steps to success obvious to you?* ____
9. *Do you see yourself as controlling your own destiny?* ____
10. *Do you have will power and self discipline?* ____
11. *Are you able to handle high levels of stress?* ____
12. *Do you enjoy competition?* ____

If you answered yes to the majority of these questions, then you already know you are on the right track!

Great! So Where Do I Start?

First things first: Identify a need or a "gap" in the marketplace. Don't limit yourself by your current surroundings think BIG – even global! Try to think of something that has changed in the market and think of ways you can benefit from these changes. Every change produces an opportunity; for example, increasingly demanding schedules may leave little time for people to grow personal gardens which could produce the need for a new garden market. Or, an influx in the amount of manufacturing in the area may trigger a need for an increased number of lodging facilities.

You also need to ask yourself: ***"What am I good at? What do I LOVE doing?"*** The best way to choose your new business opportunity is to look at your experience and educational background. Do what you know best. Furthermore, you really need to enjoy the business field you enter in order to have the desire and confidence to push through the hard times.

Once you have identified your opportunity, it's now time to define your business. Here are two questions you need to ask yourself:

1. **What exactly am I selling?**
2. **Who is going to buy my product?**

Your likely response is, "*I am selling shoes to anybody who wants to buy them*." Unfortunately for you, this is the wrong answer. If a construction union rep. walked into your store and demanded 11,000 pairs of the same shoe by Friday would you be able to supply them? Unlikely. Defining the scale of your business helps you to identify who your potential customers will be; who is able and likely to buy your product.

THINK BIG DREAM BIG

Ways of Getting Started

Start New – starting from scratch gives you the freedom to run your business your way. It takes a considerable amount of planning, and you may find it more difficult to obtain financing.

Buy Existing – buying a business that is already in place allows you to acquire an already established product/service. The suppliers are in place and so is the customer base but it is important to find out the real reason the business is being sold.

Buy Ceased – you can buy the assets of a business that is no longer running. This will mean you will have to re-establish a customer base. It is important to find out the real reason the business failed.

Franchise - you sign an agreement between yourself and a franchisor giving you the right to sell and market products under their name. You are buying a proven concept, and a recognized brand. Fees can be high and you may have less control over business decisions.

Do I Need a Partner?

There are several justifiable reasons for finding a partner.

- Shared risk
- Lack of expertise
- Available financing
- Shared assets
- Personality traits

Going into a partnership because you and your friend decided it would be a good idea over dinner or because your cousin Jimbo has been bugging you for months are not good enough reasons on their own. The question now becomes what personality traits and skills does your partner need to have to complement your own. Preferably your weaknesses should be their strengths and vice versa.

Starting a new business can be very straining emotionally. It is quite likely that you and your partner are going to butt heads over many different issues. While partnership conflict is frustrating it is also inevitable and sometimes productive.

PARTNERSHIP AGREEMENT

- Describe the partners and their investments
- Describe the firm's trade name and style of identity
- Describe the nature and scope of business activity
- Identify the official business office address, and phone number
- Establish a date to review the agreement

How Do I Avoid Major Conflicts?

Easy Answer: Make a Partnership Agreement

Just as half of all marriages fail, should we believe that a business partnership's success be any different? It is always a wise decision to sign a partnership agreement even if you have already been together in business for a while. Just as in marriage, misunderstandings occur, and as your mother always said, ***"It's always better to be safe than sorry"***.

Here are some basic questions that should be answered in a partnership agreement:

- Who puts in how much of the capital?
- What are the responsibilities of each partner? *Who is responsible for sales, inventory, housekeeping, etc?*
- What is the limit to each partner's authority? *What requires joint authority? Who has the final say? Who can sign cheques, hire, fire?*
- How do you want to divide the pie? *How are you splitting profits? Better yet, how do you divide a loss?*
- How can disputes among partners be settled?
- How can a partnership be changed? *What if you want to add a partner? What happens to your share?*
- How can the partnership be ended? *What method is used to calculate the buyout price?*

If you can't work out these issues in the beginning when everyone is excited and optimistic, how are you supposed to figure things out when faced with major problems or tough times?

Now don't be scared away from partnerships just because of a few potential problems. There are many successfully businesses in Canada that were started as partnerships. Simply take caution when choosing a partner.

Confused By The Legal Types of Business?

One of the first decisions you need to make when starting a business is selecting a legal form. Your decision should be based on factors such as:

- Your financial condition
- The field of business
- Number of employees
- Level of risk
- Your current tax situation

PARTNERSHIP AGREEMENT

CONTINUED...

- Detail each equity contribution and include the terms of each shareholder loan
- Establish all banking resolutions and signing authorities
- Establish the limits for personal guarantee bonds and postponements before negotiating any bank financing
- Establish a dividend policy
- Establish compensation, bonuses, salaries and drawings for the term of the agreement
- Establish provisions for shareholders:
  - Wishing to retire
  - Withdrawing equity
  - Settling an estate
  - In dispute
  - Expelling a partner
  - Selling to an outsider
- Establish provisions to evaluate the share of a retiring or deceased partner's interest
- Establish rights for the surviving or remaining partners to purchase the interest
- Establish the terms for restrictive covenants, conflict of interest, and non competition agreements for partners leaving the firm

What Are The Different Types of Business?

Let's take a look…

Sole Proprietorship - a legal form of business where only one person owns and has the legal right to operate the company. The sole proprietor has unlimited liability for the company's debts

Assets - things that are owned and have monetary value

Debts - money owed to others for funds borrowed or things purchased

Unlimited Liability - total personal responsibility for the debts of a business

Sole Proprietorship

A business that is **owned and operated by one individual** can be classified as a Sole Proprietorship**.** *Can you have staff?* Absolutely, you are simply the sole – owner.

NOTE: If you choose a sole proprietorship, you and your business are one being as far as the law and the government is concerned; your business is simply an extension of yourself.

i.e. Any loans the business takes out are identical to the personal loans of the individual. On that same note, any **assets** (cash, chair, computer, building, etc.) your business has, you personally own. The same can be said for all business **debts** (loans, money to contractors, taxes payable).

As an owner of a sole proprietorship ***you are personally responsible for all factors of the business.*** This explains the expression "**unlimited liability".** If a sole proprietorship is forced to close down because of extensive debt, the owner is still responsible for all money owing; therefore, you need to use your own personal assets to pay for them.

A sole proprietorship does not have to file or pay income tax. All money earned or lost by the business is considered to be the income/losses of the **owner** and must be filed under his/her **personal** income tax file.

Advantages:

- Easy & inexpensive to form
- Relatively low cost to start
- Lowest amount of regulatory burden
- Direct control of decisions
- Minimal capital required for start up
- Tax advantages if your business isn't doing well
- All profits go to you directly

Disadvantages:

- Unlimited liability
- Income is taxable at your personal rate and if your business does well then you will be placed in a higher tax bracket
- No help if you need to be absent
- Difficulty raising capital on your own

General Partnership

General Partnerships are similar to sole proprietorships but they apply to businesses that have <u>two or more owners</u>. They are inexpensive to register and often offer significant tax advantages at startup. Each of the owners has the right to make decisions (in accordance with your partnership agreement) and ***each has unlimited liability.***

NOTE: Unlimited liability in this case means that <u>EACH</u> partner has 100% responsibility for all debts of the business regardless of his/her current share. You could be personally responsible for the mistakes that your partners make. You must have considerable trust in your partners.

A partnership does not have to file or pay income tax. All money earned or lost is considered to be the income/losses of the **owners** and <u>must be filed under their **personal** income tax file</u> in accordance with their share of the company.

Advantages:

- Easy to start up
- Start-up costs would be shared equally with you and your partner
- Equal share in the management, profits and assets
- Tax advantage, if income from the partnership is low or a loss occurs

Disadvantages:

- There is no legal difference between you and your business
- Unlimited liability
- Hard to find a suitable partner
- You are financially responsible for business decisions made by your partner

General Partnership - a business where two or more people own and have the right to manage the company. Each owner in a general partnership has unlimited liability for all the debts of the company.

Corporation - a legal form of business that exists separately from the owners (shareholders) who have limited liability for the company's debts

Shareholders - the owners of a corporation. Shareholders have limited liability

Dividend - a portion of the profits that the company decides to distribute to its shareholders

Limited Liability - a situation in which company owners do not have any personal responsibility for the debts of their company. The personal assets of the owners are protected

Corporation

Many people have the misconception that in order to be incorporated you need to be a "big" company. In reality, size has absolutely nothing to do with the legal form of a company: a business with only one person can be a corporation. The owners of a corporate company are now referred to as **shareholders**. Ownership of a company is divided up according to percentage of shares owned. i.e. owning a 51% share or more would likely give you the right to decide who should run the company. It also reflects the percentage of any **dividend** (portion of profits that the company decides to distribute to shareholders) that shareholders (owners) will receive.

The major difference with becoming incorporated is that unlike the other two forms of businesses mentioned, individual owners do not personally own any of the assets and as such are not responsible for any incurred debts. This is what is meant by the term **limited liability** - owners are not personally responsible for any of the debts of the company but rather only stand to lose their initial investment. No personal assets are at risk.

A corporation **does** have to file and pay income tax separate from the owners of the company. The only income that owners need claim is that which was paid out in the form of a dividend.

Advantages:

- Limited liability
- Ownership is transferable
- Continuous existence
- Separate legal entity
- Easier to raise capital
- Possible tax advantage as taxes may be lower for a corporation

Disadvantages:

- Corporation is closely regulated
- More expensive to incorporate
- Extensive corporate records required including meetings and documentation to be filed with Gov.
- Possible conflict between shareholders and directors

Do I Need To Hire A Lawyer?

You don't necessarily need to have a lawyer ready at your "beck and call"; however, it is a really good idea to hire a lawyer when you are in the startup stage of any business. A lawyer can advise you on such things as

- Drafting contracts
- Reviewing your lease
- Determining a good business structure
- Drafting a strong partnership agreement
- Becoming incorporated.

A lawyer will know what you are trying to do and help structure your business in a way most beneficial to you. Your lawyer will also help to ensure that your partnership agreement will hold up in court should that be necessary.

Lawyer - one whose profession is to give legal advice and assistance to clients and represent them in court or in other legal matters

Do I Need To Hire An Accountant?

Accountants do much more than simply file taxes. The services of a good accountant can be extremely helpful to your new business. He or she can simplify the jumble of tax laws and provide financial advice to manage and grow your new business. An accountant can:

- Advise you on what records to keep
- Teach you basic bookkeeping
- Help with tax planning
- Advise you on a good business structure
- Help to fill out all necessary forms
- Find tax advantages
- Administer payroll

Accountant - a person holding one of several professional designations who oversees, reports on, and makes recommendations on financial decisions

Bookkeeping - the clerical or mechanical elements of accounting

Accounting - the recording, classifying, analyzing, and reporting of financial information

Your time is best spent doing what you are good at; let an accountant help you in this area if you are unsure. Now this is not to say that you should never take the time to look at the books. It is also very important that as a business owner you have a clear understanding of what is happening financially with your business.

How Do I Decide On a "Catchy" Business Name?

A business name should answer the question: **"What can I expect?"**

Picking a business name sounds like an easy task; in reality however, this isn't likely to be the case. ***You want a name that can grow with your business***. When you are in the process of starting a business you are thinking about many decisions that need to be made for the business "today". A major recommendation when choosing a name on the other hand is to think about "tomorrow". If your business is successful, that name will be with you for a long time. i.e. A business owner in the 70's names his coffee shop "The Retro Cafe" – now imagine this coffee shop still existing today. Only now the owner has now decided to keep with the times and has remodeled the building with a contemporary feel. Does the name still fit? Not really.

Things to keep in mind:

- Will your business name grow with the business?
- Will it work if you decide to turn your business into a franchise?
- Will you be able to transfer ownership and keep the same name?
- Is there an easy to remember web address available?
- Are there other businesses with a similar name? Could your customers be easily confused?

Another thought, ***is your name Franchise- able?*** If your business is doing really well (let's hope it does) and someone wants to copy your name and idea and put up other identical businesses across the country, does your name fit?

What if you want to sell out and the buyer wants to take over exactly where you left off? (Turn Key) If you named your gas station Johnson's Convenience ***does the name transfer?*** No.

Is your name available as a web domain? As the popularity of the internet is increasing daily it is important that you have a good ".com" name. It is easy to find what names are available. You can simply type your name i.e. www.yourname.com. Don't worry if you are having difficulties finding a .com domain, you can also look at other options such as .ca or .net. or you can try this link: www.checkdomain.com.

Do I Need To Register My Business?

In most cases: Yes. Almost all businesses in Saskatchewan must register their business names with the exception of sole proprietorships that only use the owner's legal name with no additions. i.e. If a Mr. Harvey Chase wanted to name his sole proprietorship (one owner) Harvey Chase he wouldn't have to register his name. However Harvey wouldn't be able to add anything to his name such as "Inc." or "Co." or "& Partners". He also wouldn't be able to describe his business though his name such as Harvey Chase Fencing without registering. In general it is recommended that all businesses register their business names.

OK, So How Do I Register?

You can register provincially either through mailing in your completed registration forms and payment, or by filing online.

All completed forms can be sent to:

Corporations Branch
200 1871 Smith Street Or
Regina, Saskatchewan
S4P 2W5
Fax: (306) 787 – 8999
Phone: (306) 787 - 2962

Go To:
www.corporations.justice.gov.sk.ca
To Register Online

To see if a web address is available go to:
www.checkdomain.com

Saskatchewan Justice Corporations Branch
Corporate Registry site:
www.corporations.justice.gov.sk.ca

GST Registration:
www.cra-arc.gc.ca

For online information regarding registering your business, log onto www.cbsc.org. Click on "*Starting A Business*", then choose the "*Start Up Assistant*", click "*Registering a Business*" and then choose your province.

Workers Compensation Board is a no-fault system that protects employers and workers against the result of work injuries. It is important to register with WCB as soon as you begin making plans for your business. All businesses under SASK. Legislation who employ workers on a regular, casual or contractual basis must register.
WCB provides financial protection, medical treatment and rehabilitation services to workers and their dependants in cases of injury or death arising out of employment.

If you do NOT you will be:

- Fined
- Required to pay the total costs of the injury &
- Required to pay all retroactive WCB premiums

Check out www.wcbsask.com

All documents are normally processed within 10 working days. If you need them to be processed sooner, you can; however, you will be charged an additional fee.

Do I Need To Register for A GST Number?

Registering for a Federal Business Number (GST number) and thus collecting the Goods and Service Tax (GST) may also be necessary if you project that your business will make over $30,000 within four consecutive quarters. While you are not required to register for GST until you achieve the $30,000 threshold, it is generally recommended that businesses register as soon as possible.

Registering your business name is only the beginning. There are many different permits and licenses that your business may need. Check with your local municipal office regarding regulations within your community.

Provincial Requirements:

- Business Name
- Business Legal Form
- Vendors License (PST)
- Sask. Workers Comp. Board
- Sask. Advanced Education Employment & Labor

Federal Requirements:

- Federal Business Number
- Employer Registration Number
- Goods & Service Tax (GST)
- Import/Export Account
- Federal Incorporations

BizPaL - is an online service that simplifies the business permit, license and other compliance regulation processes for entrepreneurs, governments, and third party business service providers. Easy and convenient, BizPaL provides Canadian businesses with one-stop access to permit and license information for all levels of government.

Canada-Saskatchewan Business Service Center - is a government initiative that provides entrepreneurs with a comprehensive set of tools and information to navigate the business environment.

How Do I Know My Idea Will Work?

You never really know for sure if your business is feasible until you actually try it. That doesn't mean diving in, head first. Even the most experienced entrepreneurs take calculated risks. If you require additional funding, lenders will want some kind of evidence that the business will work before they give you any money. The only way to prove to lenders that your business is feasible is through the presentation of a business plan.

What Is A Business Plan?

A business plan is a written description of your business's future. Essentially it is a document that lays out what you are going to do and how you are going to do it. This plan provides a solid foundation for your business and it helps you to plan for future decisions. It will outline such key points as:

- Who you are
- What you plan to achieve
- Where your business will be located
- When you expect to get started
- What kind of risks are involved
- How you expect to overcome these risks
- What kind of funding is needed

You'll never know until you try….

You will want to ensure:

- *The business is in the right place*
- *There is enough trade to make it worthwhile*
- *You have analyzed your competition*
- *You can achieve a particular level of sales*
- *There are ways you can protect your business*

Call your local Chamber of Commerce or Municipal Office they will be able to advise you on the population base as well as the makeup of the industry in the area.

"Nobody plans to fail, they just fail to plan"

Benefits of a plan:

- Makes you think about your ideas, research options, recognize opportunities and risks, and test some of your expectations
- Helps you to determine the cash needs of your business
- Equips you to seek financing from banks and investors
- Provides a benchmark to compare the progress and performance of your business

Do I Need a Business Plan?

One Word: YES!

A reasonable person wouldn't go about building a house, a car or a bridge without a plan so why would someone attempt to build a business without one?

Business planning is not simply about writing a report. The process of writing thoughts down is just as important as the final product. It allows you to think long term, look at your business from all angles, and presents a clear picture to others (investors/lenders) as to what is going on inside your head.

It is important to note that a business plan must be something you create, not the work of a high-priced consultant. **If the plan isn't made up of your ideas, it's unlikely you will follow it.** If you feel you need an outside opinion then go ahead and seek one, but only after you have taken the time to sit down and work things out yourself. Plans are meant to be changed, but remember this is your idea.

One of the biggest problems people seem to encounter when writing a business plan is procrastination. People become too busy looking for buildings and shopping for office supplies. The business plan is the most important part of creating a business – *so… Don't Procrastinate; Let's Get Started!*

NOTE: A working Business Plan is available on page 57 and online at www.saskeast.com

Time to Put Pencil to Paper

There is no official business plan format. You can be as creative as you would like and you can write your report in any order you would like. Some important factors to consider:

- Know your audience – *is your plan for management purposes only or is it to be also formally viewed by lenders? A plan made for in-house purposes only is more likely to contain jargon and detailed system structures. Whereas, a financial plan will avoid jargon and will care more about the feasibility of the business.*
- Avoid jargon – *avoid "slang" and business "lingo" wherever possible.*
- Divide your plan into clear sections – *i.e. Marketing, Finances, Competition etc. (example to follow)*
- Choose quality vs. quantity – *don't try to fill this document full of "fluff" in an attempt to impress readers. Instead try to impress them with the quality of the idea and how it works.*
- Know your plan – *have a clear understanding of absolutely everything in your plan. Financial lenders will not take you seriously if you don't fully comprehend every facet of your plan.*

What Sections do I Include in My Plan?

The following is a general outline of the different topics that should be included in your business plan.

Executive Summary

The executive summary should be one of the **last** sections to complete; however, it will be the **first** page readers will see in your business plan. The executive summary needs to be completed last because it will essentially provide a summary of all of the information in your plan. More or less it is an introduction to your business, a first impression to readers. As such it should include:

- Major points from each section in your plan
- Company's mission – *A description of your company's purpose*
- Summary of its products or services
- Its customers
- Company's advantages/weaknesses when compared to competitors
- Future expectations - *Sales, expenses, overall profits*
- Tools required for startup – *Inventory, funds, property, equipment*
- If this plan is used to obtain financing then the amount of money you need should be indicated here as well as what kind of benefits investors will receive
- No more than a page and a half in length

In many cases, this is one of the only sections of your plan that is read by investors or financial institutions, so you have to make this section strong and emphasize all important points.

Summarize this section with a strong closing statement or a conclusion to tie the whole section together. Convince readers that your business is fully capable of succeeding and therefore worth their investment.

It is important to remember that the summary is the first thing that readers are going to see. If the summary is poorly written and presented sloppily it reflects terribly on your business and lenders will likely sway away from investing in your idea.

Background/Company History

Company background is all about explaining where your business or business idea came from. It should be a summary of your company's history. Typically this is under a page long.

- Include highlights from each of the other sections to explain the basics of your business
- Be interesting in order to motivate the reader to continue reading
- Be short and to the point
- Although this section is the first in the plan, it should be the last one you write

Lenders-financial institutions that give you money on loan to start a business. This money must be paid back, often with interest.

Investors- individuals that give you money to start your business. This money allows them to have an ownership position within the business. Their rights as an owner will be outlined in your partnership agreement.

Include a brief description of how you identified a need for the business and why you think it's a good idea.

- You should describe where the idea came from and describe the different steps you have taken to develop your idea – *This proves to investors/lenders that you have a plan and have worked out the details as opposed to a "fly-by-night" idea, and that there is a distinct need for your business.*
- Often lenders/investors are interested in your personal history
  - Your educational background
  - Work experience
  - Previous businesses you have started
  - A description of your skills
  - Knowledge of your industry

The background section should give readers a more comprehensive idea of who you are and where your business idea came from. Remember: **Quality not Quantity.**

Business Profile

A Business Profile provides the reader with important information about your business idea and allows them to see "the big picture". Here you will be asked to define and describe your business and exactly how you plan to create your vision. This section should include:

- An overall description of your company – *The "who, what when, where, how, and why" of your business*
- Company goals and strategies
- A description of the business structure, name, members of the business and their share in the partnership (if it applies)
- Location of the business – *Address and phone number*
- Legal business type – *Sole proprietorship, Partnership, Corporation*
- Achievements to date

The Big Picture!

- Current market opportunity and how you plan to take advantage of this opportunity
- Mission statement– *A mission statement should include what your business intends to offer that differs from other businesses; what sets your business apart and to whom you are offering it.*

Company Philosophy

Morals- a code of conduct that in specified conditions would be put forward by all rational persons

Company Philosophy is simply a means of describing a business's core values or morals. These values create the foundation from which your business will perform work and conduct itself on a daily basis. i.e.

- Commitment to customer needs
- Commitment to the environment
- Commitment to the community

It provides an explanation of the relationships the business will foster with the individuals and groups with whom it interacts. It sets the tone to define the business as a responsible member of the community.

External Environment

External Environment- conditions, events and factors surrounding an organization which influences its activities and choices, and determine its opportunities and risks

All businesses operate in a world that is continually changing. Your organization will be faced with external changes beyond your control that will ultimately have an effect on your business environment. When developing a business strategy you need to take into consideration all of these forces so you can recognize future opportunities and threats and take a proactive approach to use them to your benefit.

This section lists the top 3-4 trends in the environment about which you need to stay informed.

- Identify trends that could affect your business and how you will handle them? *i.e. Free trade, recession, taxation, downsizing, elections, changes in labor legislation, political environment*

Industry Profile

An Industry Profile contains an analysis of the industry and the economy in which you are operating. It presents an understanding of the current trends and industry characteristics.

When creating the industry profile it is best to divide this section into two parts:

1. An overview of the industry
2. A look at your business position within this industry

Industry Overview:

- What is the overall size of your industry?
- How many competitors are there? Who are they?
- Are there different sectors in the industry? If so what are they?
- Is there an estimate for the average sales for the year? If so what is it? Include past year's information if available.
- What does the long-term picture look like for the industry? What does the future look like?
- What were the industry trends over the past 5-10 years? How will these affect your business?

Industry Profile-the history, participants, characteristics, technology, and outlook of an industry

Get Help:

- For Statistics Canada publications, check out your local library or go to the StatsCan site: **www.statscan.gc.ca**
- For a broad range of government websites, start with the Strategis website from Industry Canada at www.strategis.ic.gc.ca or with the Services for Canadian Business site www.businessgateway.ca
- Excellent analysis of economic and industry trends can be found at www.canadianeconomy.gc.ca
- The website for the Canadian Chamber of Commerce www.chamber.ca offers a directory of its many local organizations
- Performance Plus www.sme.ic.gc.ca, is Industry Canada's small business database of financial and other information. You can also find financial ratios data classified by industry on various StatCan publications

Barriers to Entry-the things that make it difficult for a new company to compete against companies already established in the field. i.e. Patents, trademarks, copyrighted technology, and a dominant brand

Patent-exclusive rights to a useful invention, granted by a government for a specified period of time

Copyright-protection against anyone (other than the creator, or someone authorized by the creator) reproducing a creative work such as a drawing, piece of writing, audiovisual production, and so on

Trademark-a word, phrase, or visual symbol that identifies the products or services of a company

Industrial Design-registered rights to the original, visually aesthetic elements of a manufactured product

Franchise Rights-the particular set of rights that are sold by a company, allowing others to use its products, intellectual property, and style of doing business

Industry Position:

- What products and services are you selling and how will that affect the industry?
- What is unique about YOUR business? What makes you different from the competition?
- What are the complications that arise when attempting to enter into this industry? Is there anything in particular that will make it hard?
- What will you do to overcome these barriers?
- Who are your competitors?
- What is your share of this market? *If all of your competitors are trying to make money from the same group of people, what "piece of the pie" can you claim as yours?*
- Are there any patents, copyrights, trademarks, franchise rights that you have or plan to have?

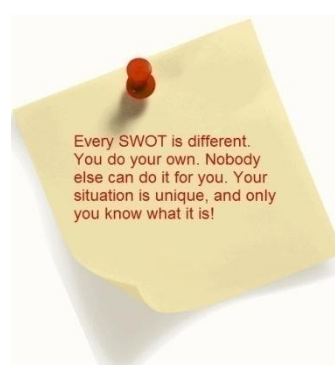
Strengths, Weaknesses, Opportunities and Threats (SWOT):

At this point in your business plan it might be a good idea to include a SWOT analysis. Basically a SWOT analysis is a look at the

Strengths, **W**eaknesses, **O**pportunities and **T**hreats of your company.

Strengths A business's strong resources and capabilities that can be used as an advantage over the competition. Consider:

- ✓ What do you do well?
- ✓ What resources do you have?
- ✓ What advantages do you have above and beyond the competition?



Strengths
Weaknesses
Opportunities
Threats

Weaknesses Sometimes the absence of certain strengths can be considered to be weaknesses. Consider:

- ✓ What expertise is lacking?
- ✓ Do you have any limited resources?
- ✓ Are you lacking competitive skills or technology?
- ✓ Does it cost you more to operate than your competitors?

Opportunities Attractive factors that exist in your external environment (industry/community) may reveal new opportunities for profit and growth. Consider:

- ✓ What areas of your industry are growing and how might you take advantage of these?
- ✓ What are people doing differently these days?
- ✓ What positive perspectives do people have of this industry and what can you do to profit from these?
- ✓ Is there an opportunity to offer a better value of products or services so that people will buy?

SWOT template: pg 61 and online at: www.saskeast.com

Threats Anything in your external environment that could be harmful to your business is considered a threat.

- ✓ Are your suppliers increasing their prices?
- ✓ Is the economy in a downturn?
- ✓ Has technology changed making your products obsolete?

Marketing Strategy

Just because you make a product doesn't mean anyone is going to want to buy it. The marketing section of your business plan explains what you are going to do to encourage your customers to buy your products and/or services.

Target Market-a specialized group of potential customers

Marketing-the process of selecting groups of potential customers, identifying their needs, and developing a strategy to satisfy those needs

First and foremost, **to whom are you selling to?** Not everyone is going to buy your products. Even the most successful businesses understand they will only be able to sell to a limited number of people. This limited number is referred to as your **target market**. Your task now is to identify as closely as possible exactly who these people are

- Age range
- Average income
- Gender
- Marital status
- Number of children
- Where they live
- Lifestyle
- Average dollar purchase
- Frequency of purchase
- Occupation

Knowing your target market assists you in your marketing strategy. If you have decided that your target market is women between the ages of 17 & 35 it wouldn't make much sense to promote you product in sports publications – unless of course you are in the business of selling sports equipment for women. Knowing your customers helps you to reach your customers more accurately rather than spending money in areas that have a low impact.

Now it's time to talk about **Marketing Mix**:
When developing a marketing strategy, professionals like to always remember the **4 P'S.** (Also called the marketing mix)

- **Product**
- **Price**
- **Place**
- **Promotion**

Get Help

- Talk to some prospective customers and conduct an informal survey
- Take a look at some market research. Go to www.statcan.gc.ca Click on publications and search "market research handbook"

Products/Services:

It is important to provide a detailed description of the products and services you offer and what makes your product unique. This section includes not only the products and services you offer but also the large variety of additives you provide that cost you money.

- Will you accept Visa or MasterCard?
- Will you give customers credit?
- Is there a warranty attached to your products?
- Do you provide shopping online?
- Do you supply bags?
- Will you offer free delivery, free shipping, free installation, etc?

Added services cost you money; however, they also add value for the customer. Consider all added services when developing your business.

Price:

There are really only 3 ways you can price your products:

1. Lower than the competition
2. The same as the competition
3. Higher than the competition

Pricing low Pricing your products lower than the competition often is chosen by new business owners. Frequently the main reason for customers to try your business is because you are offering the same (or better) products and services for less than they pay now. On the other hand remember that you are in business to make a profit. When setting prices for your business not only do you need to price above the cost of the product itself but also above the costs it takes to run your business. *(Rent, wages, electricity, etc.)*

Marketing Mix-the particular combination of marketing elements that a business uses to find and satisfy its customers; the marketing strategy, usually described in terms of its product/service, price, distribution, and promotion elements

Marketing Mix

- Product
- Price
- Place
- Promotion

Pricing the same When you price your products the same as your competition it is called competitive pricing. Often people assume competitive prices mean lower than the competition; however, this is not the case.

Pricing higher While it may be a myth that "you always get what you pay for" for some reason many people still believe in it. Individuals who are looking for "the best" are often willing to pay for it. Pricing higher than the competition is often called "skimming" – derived from skimming the cream off the top of milk. For the most part, you can price your products higher than the competition when you are offering a product that is considered to be superior or hard to get. An example of skimming: Rolex – are these watches worth hundreds of dollars more than your average watch? Not really, but the company doesn't seem to have a problem making the sale.

Place:

How are you going to get your product to your customer? Are they coming to you? Do you have a location? Are you delivering to them? Can you offer your service over the phone? Online? This section is referred to as your ***distribution channel***.

Your distribution channel has to suit the needs of your customers. For example, if you plan to work out of your home and are offering consulting services, is it more professional to go to their business location or for them to come to your house and trip over your kid's toys?

Location is important. Can people see you? Do they need to? Is there parking available? Why did you chose **this** location?

Pricing-setting prices lower than those of the competition

Competitive Pricing-setting prices at the same level as those of the competition

Price Skimming-setting prices higher than those of the competition

Get Help
Check out the competition. Go into their stores and get a strong handle on their prices and their displays. Consider why they do things the way they do.

Distribution-a company's strategy for getting services or products from the producer to the customer. Distribution is sometimes referred to as place, in the marketing mix

Distribution Channel-the legal or constructional elements of how a service or product gets from the producer to the customer

Promotion:

How are you going to inform customers that you exist? How do you convince them to buy your products/services? Promoting yourself and your business is not the same as bragging. ***When you go into business you want to scream your business name out-loud so everyone can hear!***

A new business must create awareness in order to generate the sale of its products. If no one knows you exist, how are you going to make money? There are many different ways of promoting yourself including:

- Magazines
- Radio
- Word of Mouth
- Signs
- Yellow Pages
- Press Release
- Trade Shows
- Television
- Sponsorships
- Internet
- Product Demonstration
- Newsletter
- Billboards
- Business Cards
- Side of Buses & Bus Stops
- Newspapers
- Contests
- Coupons
- Direct Mail
- Flyers
- Giveaways
- Free Samples
- Web Site

What do I need to include?

Costs – *Amount spent on each form of media*

Target Market Profile – *Who looks at these forms of media? Are they in your target?*

Coverage – *How many people look at this media?*

How often in a day will the target see your promotion?

Promotion Strategy-the approach in business uses to inform and persuade its customers, including techniques of advertising, publicity, personal selling, and sales promotion

Advertising-the attempt to persuade through mass communications media

Get Help

For great examples of advertizing campaigns, see the Canadian online magazine *Marketing* at www.marketingmag.ca

For information on postal tracks for direct mailings see the *Canada Post* website at www.canadapost.ca

Competition

It is absolutely necessary in business to have a good understanding of your competition. Every competitor has a different set of strengths and weaknesses. It is up to you to put yourself in their shoes and analyze these areas to determine why they do things the way they do. Competitors keep you alert and on target. They force you to be continually improving your products and standards. The **stronger** your **competition**, **the more important it is for you to keep an "*eye on them*".** Attaining information about your competitors helps to create a competitive edge.

- What are your competitive advantages and disadvantages?
- What are the advantages/disadvantages of your competition?
- How will you react to new businesses entering your market, thus increasing competition?
- How will you stay informed about your competition?
- What strategies will you put in place to stay ahead of your competition?

Here are some questions you can ask to get to know your competitors:

- *Does your competition offer different services than you? What are they?*
- *Are your employees as well qualified as your competitors?*
- *How do they treat their customers?*
- *Is their service prompt and efficient?*
- *Are you fully aware of your competitor's products?*
- *Do your competitors have better equipment than you?*
- *How is your image in comparison to your competitors?*
- *Do they keep better records than you?*
- *Do you send a thank you letter when a sale is made? Do they?*
- *How do their product displays compare to yours?*
- *Do they have a larger variety of products and services?*
- *How many times in the last few months was your competitors names in the papers?*
- *How fast do their products seem to be moving? How soon before they are put on sale?*
- *What are their prices in comparison to yours? Do you offer the same brands?*
- *How much do they advertise in comparison to you? How do they advertise?*

Operational Strategy

The purpose of the operations section of the plan is to describe the "*where's*" and "*how's*" of your business. You will be required to indicate where you will be located along with any other physical necessities, what you will produce and how you will produce it, the number of employees you need and what their positions will be. Essentially you are describing to the reader exactly how you will run your business on a daily basis.

Operations-a business process of tasks and activities conducted by both people and equipment, that will lead to accomplishing organizational goals

This section can be rather lengthy and as such it is best to divide it into sections:

Organizational Structure:

- Determine what type of business form will you take and why?
  Sole proprietor, Partnership, Corporation
- Determine how will your business be organized and why?

Human Resources Strategy:

- Start by outlining your personal management responsibilities/ capabilities and those of your partners (if you have any)
- Include management biographies & resumes of the key personnel including background in the industry
- Provide a job description of each proposed position, identifying the responsibilities and duties involved as well as what skill level is needed. Include any additional training that may be required

Human Resources-is the function within an organization that focuses on recruitment of, management of, and provision of a direction for the people who work in the organization

Get Help

- For information regarding the management of staff go to www.canadabusiness.ca and then click on "*managing staff*".
- Check out Sask. Labour standards www.labour.gov.sk.ca
- For effective hiring and HR advice check out www.canadaone.com click on "*business tools*" and take a look at the HR guide for Canadian employees

- Determine the associated costs to hire staff
- Set the salary schedules
- Clarify any training that you will provide
- List any benefits attached to the positions. If so what are they? What do they cost the business?
- Define your hours of operation and scheduling for employees
- Describe your hiring/firing policy and training programs

Production Process:

- Detail your production process – *Be specific*
  - Describe how your product or service will be made from start to finish
  - Identify problems that may occur with your process
- Identify all the laws and regulations within your industry and explain the steps you have already taken to comply with these laws
- Provide the names of all of your suppliers, the arrangements you have with them, and a description of…
  - Prices, terms, conditions
  - Don't forget to include a list of back up suppliers – *If applicable*
- Describe the layout of your facility (diagrams help)
- Examine the size of your location
  - How much is it worth?
- Specify the equipment you need and why
  - Include a list of equipment already owned and that which needs to be bought
- Make a list of your assets – Land, building, inventory, furniture, vehicles, etc. Describe the worth of each asset
- Determine the levels of inventory you need and why?
  - How will you keep track of inventory?
  - How long does it take to get the inventory you need?

- Clarify what quality control standards have been developed
  What are you going to do to ensure that your product meets your quality standards EVERY TIME?
- Consider what are some of your business's potential "Risks." How are you going to do to prevent them?
- Determine how long it takes to produce your product or service
- Consider whether or not you need to do any price testing, product testing, or prototyping. *This is where it is explained.*

Research and Development (R&D):

- Describe the type of R&D plan you have in place
- Detail how you will ensure new product development, product selection and product elimination

Professional Support:

- Insurance
- Professional Advisors – *Banker, Lawyer, Accountant, Industry Consultant, etc.*
  - What is your agreement with them?
  - How often do you expect to use them?
  - What are their associated costs?

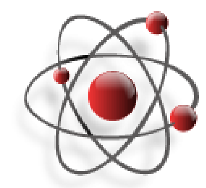
Technology Strategy:

- Clarify what type of technology is required by your company
- Detail how you will keep it updated
- List any organizations that will help you with support or training if it is required - *Tech Support*

While this section might appear to be grueling, it is extremely beneficial to you as an owner. It allows you to think through absolutely everything and it provides a list of what needs to be done next to make your business a reality.

Inventory-a company's merchandise, raw materials, and finished and unfinished products which have not yet been sold

Prototype-a single working sample of a product



Get Help

- Check out www.canadabusiness.gc.ca
- The Canadian Federation of Independent Business is a major source of information about issues affecting entrepreneurs; see www.cfib.ca

Risk Management

What is your "worst-case scenario" and what plans do you have in place to deal with it?

- Identify major risks;
- Identify how you plan to minimize those risks.

Finances-the money that an organization has, and the way they manage it

Accountant-a person holding one of several professional designations who oversees, reports on, and makes recommendations on financial decisions

Financial Strategy

While this section might sound scary you will discover that much of the research you have already done will help you to develop your financial planning. You don't need to be fluent in accounting to run your own business. In fact, the more advice you get from your accountant the better.

While the financial section is located at the end of the business plan, it is important to keep this section in mind and "plug in" numbers throughout the duration of creating your plan. It is absolutely essential that you present solid financial statements in order to convince lenders and investors to put money into your business.

What Financial Statements Do I Need to Include?

- Income Statement
- Balance Sheet
- Cash-Flow Statement

Before you can start working on these three statements you will need to gather some general information regarding your start up and operating expenses.

Note: *Don't forget about your personal obligations outside of your business. How will you cover these items if your business is not profitable enough? Personal obligations are not included in your start up costs but it's important to keep them in mind.*

Start up Expenses:

It is important to keep track of all of the costs associated with the initial start up of your business.

Start-up Costs	
Business Registration Fees	$
Business Licensing and Permits	$
Stationary	$
Insurance	$
Rent Deposits	$
Computer	$
Utility Set-up Fees	$
Remodelling	$
Signage and Initial Marketing	$
Website Design	$
Company Logo Design	$
Cash Required	$
Start-up Inventory	$
Property Down Payment	$
Building Down Payment	$
Equipment Down Payment	$
Other	$
Total	$

Starting a business requires a clear estimate of the money you will need to get started.

NOTE: Full active charts available at www.saskeast.com

Answer the Following Questions:

- Do you need any new equipment or tools?
- What supplies and materials are needed?
- Do you need a vehicle for deliveries or to visit your customers?
- Do you need to do repairs to your business location or vehicle?
- Do you need a logo, letterhead, packaging, and printing?
- What are all of your licensing fees, membership fees, name registration costs and business registration expenses?
- Will there be any professional fees for start up? – Lawyers, accountants, etc.
- How much initial cash will you need?
- Are you building a website?

Keep In Mind:

- Location Expenses – *Whether it is your house, a building you own or a rental property, there will be some location expenses associated with your business. What are they?*
- Equipment Expenses – *What is the cost of the equipment needed to open your doors? What all do you need?*
    - *Stapler*
    - *Computer*
    - *Fax Machine*
    - *Phones*
    - *Copier*
    - *Saw*
    - *Specialized Equipment*
    - *Etc.*

- Account for All Forms of Initial Advertising Expenses – *People don't know who you are. How much initial money are you going to have to spend to change this?*
- Pick a Company Logo – Y*ou will want to create a logo unique to your business. Unless you are an extremely talented artist it is likely you will contract this out to a graphic design firm. How much will this cost? There are forms of software available on the market that can help you to create a logo as well. If you choose the software option include the cost of the software in your start up costs.*
- Website Cost – *Nearly all businesses are online these days. Skipping this option could be a major hindrance to your business. What are the initial costs to setting up the site?*
- Cash – *All businesses need cash to start. Don't sell yourself short.*

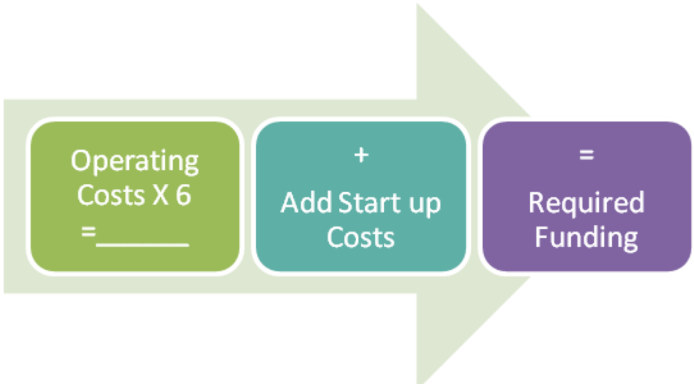
Operating Expenses:

Operating expenses include all of the costs associated with keeping your business running. These costs you will have to pay each month.

Operating Costs	
Salaries/Wages	$
Rent or Mortgage Payment	$
Telephone	$
Internet	$
Utilities	$
Raw Materials	$
Storage	$
Distribution	$
Promotion (Advertising)	$
Loan Payments	$
Office Supplies	$
Maintenance	$
Inventory Replenishment	$
Insurance	$
Travel	$
Taxes	$
Other	$
Total	$

This is just a partial list. Once you start writing down your costs you will be able to add as many as you wish.

To be safe, you are going to want to estimate the amount of money your business will need for the next 6 months:



The previous formula gives you a "ballpark" figure of how much money is required to start your business.

At this point it is important to determine how much money you personally will be able to contribute to your business without "leaving yourself short" – *How much money will you be able to contribute and how much money will you have to search out?*

Now it's time to take a look at the financial statements.

Income Statement:

A written record of all the money made (Revenues) and spent (Expenses) for a given time frame, usually 1 quarter (3 months) or 1 year (12 months) is referred to an Income Statement. Essentially – how much money you made or lost over a period of time.

The income statement provides you with a snapshot of whether or not your business will be profitable during a specified period of time. Investors and lenders want to see that your business has a profitable future. They are looking to review profit margins, profit trends and determine your ability to pay back debt, ***this is how you show them!***

"What if I already own a bunch of this stuff?"
Not everything your business needs will have to be purchased. It is likely that you will already own a portion of the assets your business needs to operate. These items are not included in your valuation of start up costs, but rather are considered an investment as an owner. Calculate an estimated value for these assets and include them in your investment contribution section of your balance sheet and cash flow statement.

Profit Margin- a measurement of how much of every dollar of sales a company actually keeps in earnings. It is expressed as a percentage. The higher your percentage, the more profitable the company

Net Income ÷ Sales
=Profit Margin

Break Even-the point at which a company starts to make a profit. The point where sales are sufficient to cover all of the costs and expenses of a company

Revenue-all of the money earned by a business in a given time frame – revenue can be either allotted to the different departments within your business or you can record it as a lump sum

Expenses-the money spent in order to keep your business running over a given period of time – not major purchases of equipment or buildings but rather money spent on monthly expenses (Operating Expenses)

Net Income-the amount of money earned/lost by the business over a given period of time

What Happens if I show a loss?
Just because your business didn't make money in a year doesn't mean you need to shut your doors. Here is where your cash flow becomes important. If you have enough cash to cover all of your costs in a year you will be OK. Don't be too discouraged by a loss. It takes some businesses a while to turn a profit. In the end, the point is to make money so take a look at why your business showed a loss and make changes to fit it.

Income Statement (Projected) First Year		
Revenue/Sales		
Service Revenue		$
Product Revenue		$
Total Revenue/Sales		$
Expenses		
Rent	$	
Telephone	$	
Internet	$	
Utilities	$	
Wages/Salaries	$	
Interest Paid	$	
Insurance	$	
Depreciation	$	+
Maintenance	$	
Professional Fees	$	
Promotion *(Advertising)*	$	
Supplies *(That are used up)*	$	
Delivery	$	
Travel	$	
Storage	$	
Distribution Costs	$	
Other:	$	
Total Expenses		$
Net Income/Loss *(Revenue – Expenses)*		$

Balance Sheet:

The balance sheet paints a clear picture of the worth of your business. It takes into account all of your assets (machinery, vehicles, buildings), liabilities (money owed to others), and the amount of capital invested in the company.

Balance Sheet Example		Today's Date
Assets		
Cash in Bank	$	
Cash in the Business *(Petty cash)*	$	
Inventory	$	
Accounts Receivable *($ owed to business)*	$	
Prepaid Insurance	$	
Vehicles	$	+
Fixtures	$	
Land	$	
Buildings *(Less depreciation)*	$	
Equipment *(Less depreciation)*	$	
Other:	$	
Total Assets:	⇨	$
Liabilities	$	
Accounts Payable *($ owed to others)*	$	
Vacation Payable	$	
Taxes Payable	$	
GST Owing	$	
Loans Payable	$	+
Mortgage Payable	$	
Owners Equity		
Capital Investment	$	
Retained Earnings	$	
Total Liabilities & Owners Equity	⇨	$

Assets = Liabilities + Owners Equity

Accounts Receivable-assets in the form of money that is owed to a company by its customers

Depreciation-an asset's loss in value over a given period of time

Accounts Payable-a list of the bills a business owes that will have to be paid in the near future

Get Help
There are many different options on how to depreciate an asset, and your accountant is your best answer. Commonly however, small businesses use the standard "capital cost allowance" rates allowed by Canada Revenue Agency. These rates are listed in the **Business and Professional Income Guide** on the CRA site www.cra-arc.gc.ca

Definitions Here are some Definitions to help clarify this process:

Assets — *Anything that your business physically owns including cash, machinery, insurance, buildings, vehicles, etc. is considered to be an asset*

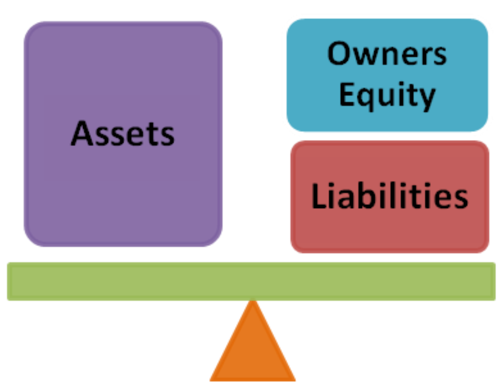
Liabilities — *Liabilities include anything that a company owes to other people or businesses such as loans, mortgages, and accounts payables.*

Owners Equity — *Owners Equity is also known as capital and is essentially any money owned by business owners – the amount of money/assets they have put into the business and left in the business*

Retained Earnings — *When a company turns a profit it has two options:*

1. *Pay profits out to the owners*
2. *Keep the money in the business – also known as Retained Earnings*

Keep in mind*: The value of an asset tends to reduce over time also known as depreciation.* ***i.e. A car's initial value is not the same value it has after 3 years of ownership.*** *It is important that we don't over value the assets section of the balance sheet.* ***Your job is to record the REAL value of the asset as opposed to the PURCHASE value.***



Cash Flow Statement:

The Cash Flow Statement provides an explanation of how you expect cash to flow in and out of your business. The cash flow statement allows investors to understand how a company is running, where its money is coming from, and how the money is being spent.

Important NOTE ! – The cash flow statement shows how money flows through your business. Therefore if you did a service or sold a product and your customer hasn't paid for it yet, then this is not to be included in cash sales. The same can be said for purchases made by your company. If you have purchased something and haven't paid for it yet, then it isn't to be recorded here. If you paid a portion of the money you owe, or if someone paid you a portion of the money they owe you, you record it here.

> *Money/Cash Sales & Purchases - all forms of money – Cash, Cheque, Debit Card, Credit Card, etc.*
>
> *Closing Cash Balance* – provides you with a solid idea of where your cash balance will be sitting in the months to follow. Remember that this month's closing cash balance will be next month's opening balance. *i.e. Feb Closing Cash Balance = $100.00 March Opening balance = $100.00*

NOTE: **<u>Your cash balance should never be a negative number</u>**. *If you are experiencing negative numbers then your statement is indicating that you as a business owner should be making changes. i.e. Spending less money or starting with a larger initial cash balance. The cash flow should be a strong indicator as to how much money you will need from investors and lenders or how much initial investment you will have to put into the company.*

Keep in Mind

It is unlikely that your business will make the exact same amount of money each month. As a business owner you need to consider seasonal fluctuations when recording a cash flow statement.
i.e. A retail store is likely to make almost 50% of its total yearly profits within the Christmas season alone.

Cash Flow Statement

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Total Sales	$	$	$	$	$	$	$	$	$	$	$	$
Cash In												
Cash Sales	$	$	$	$	$	$	$	$	$	$	$	$
Payments Received	$	$	$	$	$	$	$	$	$	$	$	$
Personal Investment	$	$	$	$	$	$	$	$	$	$	$	$
Grants	$	$	$	$	$	$	$	$	$	$	$	$
Borrowed Money (Loan)												
Interest Earned	$	$	$	$	$	$	$	$	$	$	$	$
Other	$	$	$	$	$	$	$	$	$	$	$	$
Total Cash In (a)	$	$	$	$	$	$	$	$	$	$	$	$
Cash Out												
Equipment Purchased	$	$	$	$	$	$	$	$	$	$	$	$
Inventory Purchased	$	$	$	$	$	$	$	$	$	$	$	$
Rent Paid	$	$	$	$	$	$	$	$	$	$	$	$
Utilities Paid	$	$	$	$	$	$	$	$	$	$	$	$
Accounting and Legal Fees	$	$	$	$	$	$	$	$	$	$	$	$
Advertizing	$	$	$	$	$	$	$	$	$	$	$	$
Vehicle/travel expense	$	$	$	$	$	$	$	$	$	$	$	$
Business tax/fees/licence	$	$	$	$	$	$	$	$	$	$	$	$
Property taxes	$	$	$	$	$	$	$	$	$	$	$	$
Management Salaries	$	$	$	$	$	$	$	$	$	$	$	$
Employee wages	$	$	$	$	$	$	$	$	$	$	$	$
Employee Benefits	$	$	$	$	$	$	$	$	$	$	$	$
Insurance	$	$	$	$	$	$	$	$	$	$	$	$
Interest & Bank Charges	$	$	$	$	$	$	$	$	$	$	$	$
Payment on loans/mortgage	$	$	$	$	$	$	$	$	$	$	$	$
Maintenance & Repairs	$	$	$	$	$	$	$	$	$	$	$	$
Freight	$	$	$	$	$	$	$	$	$	$	$	$
Telephone	$	$	$	$	$	$	$	$	$	$	$	$
Office expenses, postage	$	$	$	$	$	$	$	$	$	$	$	$
Income tax payments	$	$	$	$	$	$	$	$	$	$	$	$
Other:	$	$	$	$	$	$	$	$	$	$	$	$
Total Cash Out (c)	$	$	$	$	$	$	$	$	$	$	$	$
Opening Cash Balance	$	$	$	$	$	$	$	$	$	$	$	$
Closing Cash Balance (b)	$	$	$	$	$	$	$	$	$	$	$	$

So now that we have taken a look at the financial statements it's time for you to take into consideration:

The Good the Bad & the Ugly!

When starting a business people are excited and optimistic – many think that they are going to become rich quickly. Unfortunately for most business owners this isn't the case; achieving success takes time. When preparing your financial statements <u>it's important to focus on reality instead of optimism.</u> It is recommended that you prepare three individual sets of financial statements for your business. The first set is based upon a "good" year, which likely in reality is what you might consider to be a "below-average" year. The second set will be made considering a "bad year" in which you bring in low sales. The third and final set will be based on a "worst case scenario".

It's important to prepare 3 sets of financial statements so you have an all around picture of what might happen to your business within the next year.

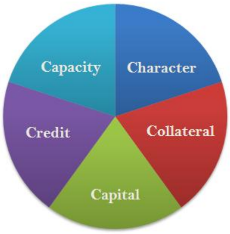
Some financial institutions might also expect you to prepare financials for 3-5 consecutive years so they can get a good idea of how you expect your company to grow.

Taking the time to break your financial statements down in such a fashion allows you to see the various paths your business can take. It also allows you to plan for slumps in revenue – *In the case of a downturn, where are you going to get the money, how much money do you need, what can you do to change your situation, etc?*

Where Do I Get The Money?

Borrowing money from institutions is only possible if you own a sufficient amount of cash, inventory, equipment and capital to qualify for the loan. Lenders and investors determine whether or not they will provide you with funding based on what you own in comparison to what you owe – also known as the "debt-to-equity ratio".

5 C's of Credit



Lenders likely won't approve a loan if it exceeds **40%** of your total income.

You must demonstrate that you are personally willing to invest a large portion of the cost of your business. *If you're not willing to risk your funds on this project, the financial institutions aren't either.*

Most investors/lenders determine whether or not they will lend you money based on the **5 C's.**

Character

Character is the general impression you make on the potential lender. This will include your personal characteristics, such as work history, letters of reference, educational background, management skills and lengths of employment.

Collateral

The extra security the lender has to cover the loan is referred to as collateral. This provides a means of at least partial recovery if a loan defaults.

Capital

Capital is the money you personally have invested in the purchase, otherwise known as your down payment. The more of your own money you invest as a down payment, the more likely that you will do all you can to maintain to pay back your loan.

Credit

Lenders are going to want to know exactly how you intend to repay the loan. Credit is your reputation as a borrower. A lender will likely not approve you for a loan should your debt exceed 40% of your total income.

Capacity

Capacity is the information about your credit history and it indicates how well you paid your bills over the last 6 years as this information is a strong indicator of your future payment performance. If you have a credit problem bring it up anyway when talking to financial lenders/investors because they will find out sooner or later. It is better to be honest upfront.

Sources of Financing

"Love Money":

It is very common for entrepreneurs to find funding from within their families. However, it is very important that you treat this loan as if the money had come from a bank or a formal investor. Prepare a written agreement detailing the loan and repayment process. Keep this loan as business like as possible. Don't let the business destroy a friendship or a family.

Grants:

While it is often said there are large pools of "free money" for small business owners this isn't necessarily the case. Most often this money is available for staff training, technical research, tourism development, or export market development.

Human Resources and Social Development Canada (HRSDC):

HRSDC offers a Self-Employment Benefit Program, one of the most extensive grant programs for new entrepreneurs. It can include personal income support for up to a year as well as training and other support. HRSDC finances many other programs especially those involved with employee training and counselling.

For Aboriginal entrepreneurs there are several federal initiatives that offer training and financial support. Further, some of the Canadian Aboriginal Bands will offer financial assistance to their own members who become entrepreneurs.

In reality grants are "few and far between" and most are very hard to find. On the internet there are companies that are trying to sell you lists of grants for a price. Beware! Many of these companies "take" more than they "give" back. Now there are programs that might assist you, take a look... it's always worth your time to find "free" money.

Love Money-money that is borrowed from relatives and/or friends for a business venture

HRSDC-Human Resources and Social Development Canada, the department of the federal government concerned with training and employment. It has various programs that support entrepreneurship and provide training assistance to small businesses
www.hrsdc.gc.ca

Get Help

Export Development Canada offers various forms of financial assistance to firms that will be exporting products and services from Canada
www.edc.ca

New Ideas? See the National Research Council website at www.nrc.ca

Get Help

Look at the Aboriginal Business Canada website. Start with www.ainc-inac.gc.ca , click on Economic Development and then Aboriginal Business

www.canadabusiness.ca

Get Help

If you would like a copy of your credit report call Equifax Canada at 1-800-465-7166 or visit their site www.equifax.ca

Banks/Credit Unions:

If you think you might be borrowing money from a financial institution understand that writing a business plan isn't optional - it's a must have. Credit Unions and Banks are leery about lending to new businesses because there is no track record – *they have no proof that the business has a viable future and therefore it appears as a major lending risk.*

Essentially banks lend out funds to entrepreneurs in one of two ways:

1. **Term Loan** Loans given with a fixed repayment period with a fixed interest rate are called term loans. These loans are generally given for the purpose of purchasing assets such as fixtures, vehicles and equipment.
2. **Line of Credit** A line of credit is a form of a loan that allows the borrower to "overdraft" (go into the red) with a chequing account up to a predetermined amount. On average borrowers are required to pay back a portion of the money each month at a variable interest rate.

Lending decisions are based on the strength of your business plan, a good credit rating, and sufficient collateral to secure the loan. It is normally difficult for new ventures to get bank financing. But just because one bank says "No" doesn't mean you should give up. Banks are in competition with one another; try them all!

Leasing:

Instead of spending a large amount of money on new equipment and vehicles, consider leasing. This is an easy way to start up a business and it often requires little or no down payment. Buying a building for a new business is often viewed as a bad idea even if you can afford it. Owning the building can often be too confining for a new business. Business owners who also own the building have a tendency to limit their business around the size, shape, and mishaps of their building, i.e. *If you are in a leasing position; however, you are more willing to move to a different location if your business outgrows the current one as well as make demands of the landlord to meet the changes within the market.*

Every lease will come with a leasehold agreement. Lease agreements are often negotiable. Don't sign anything until you are satisfied. Areas that are negotiable:

Basic Rent	*The going market value of basic rent is usually based on location and square footage.*
Percentage of Sales	*Some landlords may want a percentage of your retail sales on top of the basic rent. By offering them a percentage of your sales you can significantly lower the amount you pay in rent each month.*
Maintenance and Other Expenses	*You must determine who pays for basic utilities. You will also want to determine such areas as garbage and snow removal, or the amount of money spent on contractors to do repairs to the building. Who is responsible?*
Length of the Lease	*How long do you have to stay in this location and what are the stipulations if you choose to leave?*
Lease Renewal	*What areas of the lease can be renegotiated when the lease term ends?*
Leasehold Improvements	*Many landlords will argue that any leasehold improvements such as renovations, modifications and improvements are to the benefit of the business and should be paid by the business owner. If you can prove that they also improve the building itself you might be able to convince the owner to share in the costs.*

Lease-a contract renting land, buildings, etc. to another person for a specified period of time typically one year

Basic Rent- the minimum rent charged by a landlord for commercial space on top of which may be charged a percentage of sales, maintenance fees and other expenses

Lease Hold Improvements-the modifications to the structure or décor of a commercial property that will remain the property of the landlord, even though the changes may have been paid by the lessee

Trade Credit-a time allowance for paying for inventory or purchases. A company might offer you 30 days to pay your bill

Investor-someone who provides your business with money or assets in hopes of achieving financial return in the future

Angels-wealthy individuals who invest in independent small businesses and who are not related to the business owners

Trade Credit:

Many suppliers will give you a month or two to pay for their goods and services. Often you will have to demonstrate ability to pay for a set period of time in order to establish a good standing with the company.

Credit Card:

Often businesses only need a credit card to help them through the periods of slow business or to help with inventory purchases. However, heed this warning: Keep business spending separate from your personal purchases and don't let the purchases pile up. A credit card company's intent is to make money based on their interest rates; so be careful.

Investors:

When people invest money in your business it means that they have an equity position; the investors own a portion of the business. However, just because they own a portion of the business doesn't mean that they have to act as active partners (have a say) within your business. These are things that need to be outlined in your partnership agreement.

If you are opting to incorporate your business, specifying that you will retain a 51% share in the business (or higher) will allow you to maintain control while still allowing you to obtain funding. Often in a corporation you will find informal investors called **Angels**. These relatively wealthy individuals are often senior or retired professionals who enjoy taking on risk by investing in small businesses, especially if it allows them to provide advice to the business owner.

Government Programs:

The Business Development Bank of Canada (BDC) The BDC is a financial institution owned by the federal government. For small ventures and young entrepreneurs it offers micro-loans (usually up to $25,000) and for established businesses it has loan programs that offer funding up to $5 million.

BDC-The Business Development Bank of Canada - a federal government agency charged with lending money to small and medium-sized enterprises under reasonable terms

www.bdc.ca.

The Canada Small Business Financing Program (CSBF) CSBF lends money for the purchase of fixed assets. These loans are negotiated through a regular bank, but are similar to a student loan in the sense that repayment is mostly guaranteed by the federal government. You can borrow up to 90% of the value of the asset at reasonable interest rates.

Get Help

You can get information on CSBF loans from the branches of most banks, or use the search feature of the Strategis website www.strategis.ic.gc.ca

Community Futures Saskatchewan (CFS) CFS consists of 13 individual Community Futures Development Corporations throughout Saskatchewan. They provide a variety of community economic development initiatives and entrepreneurial programs, including: business counselling, loan programs and business information to communities. There are two Communities Futures in our region:

Yorkton	*Community Futures Ventures*
Broadview	*Community Futures East Central*

Community Futures Saskatchewan website www.cfsask.ca

Small Business Loan Associations (SBLA) In our region over 30 SBLA's exist through a number of local administrators. The SBLA program offers loans of up to $15,000 with repayment terms of up to 5 years. Interest rates are comparable to financial institutions and vary from association to association. A complete list of the SBLA's in this region can be found on page 74.

What Are the 10 Reasons Businesses Fail?

Top 10 Reasons Businesses Fail:

1. Lack of funds &review
2. Sloppy or ineffective marketing
3. Ignoring the competition
4. Poor staff training
5. Uncontrolled growth
6. Inadequate planning
7. Poor location
8. Not enough flexibility
9. Too much spending
10. Ignoring the extra mile

1. *Lack of Funds & Review:*

Far too often, business owners fail to properly estimate how much money they are going to need to be fully functional as a business. When determining how much money a new venture needs to start, take into consideration both the costs of starting up and running the business as well as those funds needed to sustain the struggles that may be experienced should things not go as planned. It is essential to have access to regular management information and hold regular meetings to keep your finances in check.

2. *Sloppy or Ineffective Marketing*:

Contrary to popular belief, very few products actually "sell themselves". The development of a strong marketing strategy is essential. Marketing keeps customers interested in your products and money flowing into your business. It is essential that you do this well so that your target market would rather spend their money with you instead of the competition.

3. *Ignoring the Competition:*

Customer loyalty is fading quickly. Customers go where they Want, when they want, forgetting about business relationships. Monitor your competition, and don't be ashamed to copy your favorite ideas. Importantly, stay on top of things, follow the trends, and don't let your ideas get stale.

4. *Failing to Adequately Train and Develop Employees:*

When hiring employees, make sure that they are sufficiently trained, fairly compensated and able to complete all tasks that are expected of them. Try to create a work environment that keeps your staff happy and motivated. Remember: *Happy employees will work harder for you!*

5. *Uncontrolled Growth:* ***What goes up…***

While business growth is considered an indication of success, uncontrolled growth can kill companies for two main reasons:

a. Businesses need systems and infrastructure to scale properly. Unfortunately few entrepreneurs take the time and effort to lay out a strong plan for growth when in the planning stage of their business.

b. In order to grow, you generally have to spend. As demand increases so should your production capabilities. Businesses are forced to invest money in assets and employees. Many businesses don't have the cash to fund their expansionary needs.

6. *Inadequate Planning:* ***Prepare a detailed business plan.***

It is important to think through all areas of your business to anticipate future failures and successes. Start with realistic yet precise goals for your company and set deadlines.

7. *Poor Location:*

Even the strongest businesses will have a tough go if they are situated in the wrong place. When choosing your location, consider traffic, convenience, parking, and signage, etc.

8. *Inadequate Flexibility:*

Being flexible is an asset which helps you to stay ahead of the competition. If a product or service isn't selling in accordance with projections don't be scared to make changes. Make sure to go into business with an open mind. Don't be surprised if many of your assumptions and ideas turn out to be wrong. Look for people to give you advice. *It is important to continuously learn about your market and adapt to the changes as they occur.*

Customer Retention - maintaining the loyalty of existing customers for repeat sales

9. *Spent Too Much Too Quickly: Maybe you should have waited to buy that new sports car…*

Too often entrepreneurs grossly underestimate the amount of time, and capital that is necessary for their businesses cash flow to break even. It is important to plan fluctuations within your market by keeping enough cash on hand to help you through the tough times. And remember, *"you must keep your personal spending separate from your business spending".*

10. Ignoring the Extra Mile:

Once you attract customers, you will have to work hard to keep them. Customer service should be a key aspect of your business. If you don't follow through with your customers, they will find someone who will.

How Important is Customer Retention?

In today's changing economy, retaining your customers is critical to the success of your business. If you don't give your customers a good reason to stay, your competitors will give them a reason to leave. Customer retention and satisfaction drive profits. Did you know that on average 80% of business sales come from only 20% of customers and clients? **It is very important to keep that 20% happy.**

Is Losing Just One Customer a Big Deal?

You bet!

Regaining one "lost" customer is much more difficult and costly than simply keeping the person happy and loyal in the first place. Here are some statistics that might change your mind:

- For every customer who bothers to complain, there are 26 others who remain silent
- The average "wronged" customer will tell 8 -16 people
- Each of these 8 -16 people will tell 5 more people *(That's 40 to 80 people from one complaint!)*
- 91% of unhappy customers will NEVER purchase from you again
- It costs 5 times more to attract a new customer than to keep a current one
- Each one of your customers has a circle of influence of 250 potential customers who could hear bad things about you!

If you make an effort to remedy customer complaints, 82 - 95 % of them will stay with you.

How Do I Create a Positive Image?

- **Always make the customer your first priority** – your business exists because of your customers, and they should be your main priority.
- **Make the job look easy** – ensure that all of your staff is well trained and capable of completing all required tasks.
- **Don't complain or show lack of confidence** – a cheery and "will-do" attitude keeps customers happy and confident in your ability.
- **Use the creativity and experience of your staff** – management can be a heavy job, the biggest hurdle is letting go. Now is the time to delegate, encourage and empower your staff. Employees will be more productive and more willing to follow through with things if they helped to create them.

- **Listen to requests, and accept constructive criticism** – the theory "it's my way or the highway" doesn't always work when trying to establish a solid business foundation.
- **Emphasize quality** – in order for customers to gain confidence in your brand, you need to be able to produce the same level of quality products and services in all areas of your business.
- **Provide adequate information to your customers** – make sure that your customers know the full range of products your business has to offer. This may include shipping, warranty, installation and all of the other value-added services.
- **Ensure work is done in a timely and efficient manner** – set deadlines for accomplishing tasks as a standard.
- **Get involved in your community** – charity and volunteering goes a long way to assisting your company. Helping within the community not only creates a positive image within your market area but it also provides an opportunity for your business to gain recognition as many of these events are covered by the media.

Business Plan Outline

This section is designed to adapt to the user. Use what you need, discard what you don't. Keep in mind however, the more you plan, the stronger your businesses foundation will be. Include numbers wherever possible. Good luck!

Company Description

History

Is your business currently in operation?

☐ Yes ☐ No

If Yes, when was your business started?

If Yes, what is the status of the business? *Expansion, Takeover?*

If No, when were you planning on opening your doors?

How did you identify the need for this business and why do you think it's a good idea? Why is **now** a good time to start/develop this business?

What steps have you taken so far to develop your idea or current business?
What are your achievements to date?

Ownership

Form of Business:

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Corporation

If your business is a partnership, attach your partnership agreement.
If your business is a corporation, attach a list of shareholders and their ownership %.

What is your logic behind your legal form of ownership?

Name and give a brief background on each of the owners, and what strengths each brings to the business. Attach a resume for each owner as an appendix.

Provide a list of business advisors and their contact information: Lawyers, Accountants, and Economic Development Officers, etc.

Profile

What business are you in? Provide an overall description of your company *(The who, what, when, where, and why of your business).*

What are your hours of operation? *What hours of the day and days of the week are you open? Is your business seasonal?*

What is your Mission Statement? *A mission statement should include what your business intends to offer that differs from other businesses; what sets your business apart and who you are?*

What are your overall goals and strategies for this company? *What would you like to see happen? When? - Take the time to set realistic goals and dates so that you can measure how well your business is doing in the short term.*

Location

Where will your business be located? *Explain the general area where your business will be located, describe the surrounding population and potential customers – provide numbers. Is there room for growth in your location? In your number of customers?*

Why you chose this location? *(Visibility, high traffic area, accessibility, proximity to transportation, suppliers, or relevant services, consider zoning). Why is this location relevant to what you are selling?*

.

What Facilities do you have? Are there any improvements that need to be made? What are the associated costs? *Describe the site of your business, including relevant details such as size, parking, expenses, equipment, and lease arrangements (if applicable).*

SWOT Analysis Template

Do you consider your team strong? Why? What do you offer that makes you stand out? Do you have any specific marketing expertise? Do you have a broad customer base? What are your competitive advantages? Do you offer good prices, value or qualities? Patents/Trademarks.etc	**Strengths**	**Weaknesses**	What can be improved? In what areas are your competitors better? What necessary expertise/manpower do you currently lack? Do you have cash flow problems? Are you relying too much on select customers? Do you have problems with staffing and distribution?
What trends do you see in your industry? What trends might impact your industry? What changes exist that present opportunity? Are there any new businesses and product developments that might help you? Positive seasonal, economic, weather influences?	**Opportunities**	**Threats**	What obstacles do you face? What is the competition doing that you're not Are external economic forces affecting your bottom line? Are the requirements for your industry changing? Has demand for your product dropped? Are there threats to your company's success?

Industry Overview

What is the overall size of your industry?

How many competitors are there? Who are they? Who are your major competitors?

Are there different sectors in the industry? If so what are they?

Is there information regarding industry average sales for the year? If so what is it? Include past years information if available. Provide numbers.

What is the long-term picture look like for the industry? *What does the future look like?*

What are the industry trends that have occurred over the last 5-10 years?

What trends could affect your business and how will you handle each one? *i.e. Free trade, recession, taxation, downsizing, elections, changes in labor legislation, political environment.*

Are there any barriers to entry that exist within your market which makes it hard to start a business? How will you overcome each one?

What is your projected share of this market? How do you expect this market to increase?

Are there any patents, copyrights, trademarks, or franchise rights that you have or plan to have?

Marketing Strategy

Target Market

To whom are you selling?

Who is your target market? *Age, income, gender, marital status, number of children, occupation, location, lifestyle, etc.*

How often will customers purchase your products/services? *Why will they keep coming back?*

How do seasonal fluctuations play a role in the sale of your products/services?

What image will your company project?

What business name will you use? How this name is appropriate?

Products and Services

Provide a detailed explanation of the products and services you will offer & what are their key features? *Compare your range of products to your major competitors - why are you different? Provide diagrams if available.*

Determine why customers would buy your products/services instead of your competitors? *What makes your products different? What extra value do they offer the consumer?*

Describe any plans you have to update existing products, or offer new products and services in the next 3-5 years? Provide a brief description of what you plan to do.

Explain any "added value" services you offer and why they are appropriate.
Bags, customer service, credit terms, delivery, online shopping, etc.

Price

Outline the pricing strategy that you will be using. *Do you have a standard % mark-up? What is it?*

Prepare a price list showing the specific products and services you will offer and the prices you will charge. *Indicate if there are any discounts for any specific customer groups, and/or volume discounts.*

Place/Distribution

Explain how your service or product will physically reach your customers. If customers are coming to you, describe your location in detail. *What are the associated costs?*

Promotion

Identify how you will advertise, what form(s) you will use, and the regularity of advertising. *Any free publicity? How will you get this?*

Describe any personal selling you will do. *How will you approach your customers, what techniques will you use, are there any risks involved?*

Explain how you will measure the effectiveness of your promotional strategy.

Competition

List your competition. *Where are they located? What is their market share?*

Provide a detailed picture of the competition. *Hours of operation, years in business, products and service, customer profile, pricing, marketing/advertising, etc.*

Detail your competitor's strengths and weaknesses. *Why do customers buy from them? How do these factors affect you?*

Operations

Human Resources

Start by outlining your personal management responsibilities/capabilities and those of your partners. *(If you have any)*

Provide a job description for each proposed position within your company. Identify the responsibilities and duties involved as well as what skill level is needed. *Include any additional training that may be required.*

List the costs associated with hiring each or all of the employees. How much will each employee be paid? Will you pay for training?

Detail any "benefit packages" included in the wage costs. What are they? What do they cost the business?

Define your hours of operation and the schedule for employees.

Describe your hiring/firing policy and training programs.

Production Process

Describe how your product or service will be made from start to finish. Diagrams help. *What is your production process? – Be Specific*

Identify problems that may occur with your process.

Identify all the laws and regulations within your industry and explain the steps you have already taken to comply with these laws.

Provide the names of all of your suppliers, a brief description of their business, and the arrangements you have with them. *Prices, terms, conditions. Don't forget to include a list of back up suppliers – if applicable.*

Describe the layout of your facility *(diagrams help).*

Describe the size of your location.

Include a list of equipment already owned and that which needs to be bought. *What equipment do you need and why?*

Make a list of your business's assets – *Land, building, inventory, furniture, vehicles, etc. Describe the worth of each asset.*

Detail the levels of inventory you need and why. *How will you keep track of inventory? How long does it take to get the inventory you need?*

Explain the quality control standards you developed. *What are you going to do to ensure that your product meets your quality standards EVERY TIME?*

Identify potential "Business Risks" and explain what you are going to do to prevent them.

Explain How long it takes to produce your product or service.

If you have done any price testing, product testing, or prototyping, this is where it is explained.

Research and Development (R&D)

What type of R&D plan do you have in place?

How will you ensure new product development, product selection and product elimination?

Professional Support

List the professionals who will support your business – *Insurance or Professional Advisors, Bankers, Lawyers, Accountants, Industry Consultants, etc.*
Specify your agreement with them. *How often do you expect to use them? What are their associated costs?*

Technology Strategy

What type of technology is required by your company?

How will you keep it updated?

What organizations will offer you support or training if required? *- Tech Support*

Financials

> ***Fill in financial tables throughout the book. Working tables are also available online at www.saskeast.com***

Owners Investment

Briefly explain how much you, your partners and any other investors *(angels, venture capitalists, etc.)* will be contributing in order to start the business. *Do not include any borrowed money.* Don't forget to include the value of the things you already own that you will be contributing *(desk, lamp, car, etc).* Include any expenses you have already paid.

Borrowed Money

Indicate any money that your business will have to borrow. Identify the lenders, interest rates and repayment terms.

Regional Resources

Economic Development Offices in SEER Region		
Company	**Phone**	**Email Address**
Community Futures Ventures	782-0255	info@cfventures.net
Canora Community Development	563-5574	cdo.canora@sasktel.net
Community Futures East Central	696-2443	ecdc@sasktel.net
Kahkewistahaw Economic Management Corp.	696-3291	ecdev@kahkewistahaw.com
Cowessess First Nation Economic Development	696-3324	lionel.sparvier@cowessessfn.com
Esterhazy Economic Development	745-5405	esterhazy.ed@sasktel.net
Grenfell Recreation & Economic Development	697-2873	gredm@sasktel.net
Ituna Economic Development	795-3303	itunaedc@sasktel.net
Kamsack Economic Development	542-3806	edo.kamsack@sasktel.net
Langenburg Economic Development	743-5177	edo@yellowheadreda.com
Moose Mountain Central RDC	736-8399	moose.mtn.centralrdc@sasktel.net
Melville Economic Development	728-6878	-
Yorkton Economic Development	786-1747	fanwar@yorkton.ca
Foam Lake Economic Development	272-3359	foamlaketown@sasktel.net
Rocanville Economic Development	645-2164	roc.cap@sasktel.net
The Marieval Enterprise Center Inc.	794-2051	cherylynn@marieval.com
Ochapowace Economic Development	696-3210	steve.dorma@live.ca
Yorkton Tribal Council Economic Development	782-3644	daled@yorktontribalcouncil.com
Cote Economic Development	542-8556	marcouxshingoose@hotmail.com
Sakimay Economic Development	697-2831	sakimay.band@sasktel.net

Small Business Loan Associations

Company	Phone	Address
Broadview & District Small Business Loans Co-operative Ltd.	696-2654	Box 312 Broadview SK, SOG OKO
East Central Development Corporation	696-2443	Box 727 Broadview SK, S0G OKO
Buchanan Development Loans Co-operative Ltd.	592-2214	Box 318 Buchanan SK, S0A 0J0
Canora Economic Development Co-operative Ltd.	563-5753	Box 717 Canora SK, S0A 0L0
Canora Economic Development Co-operative II Ltd.	563-5753	Box 717 Canora SK, S0A 0L0
Churchbridge E.D.C. Inc.	896-2228	Box 139 Churchbridge SK, S0A 0M0
Esterhazy Economic Development Co-operative Ltd.	745-5405	Box 490 Esterhazy SK, S0A 0X0
Polar Star Loans Co-operative	745-3942	Box 490 Esterhazy SK, S0A 0X0
Foam Lake Economic Development Corporation	272-3359	Box 57 Foam Lake SK, S0A 1A0
Grenfell Business Incentive Co-operative Ltd.	697-2764	Box 160 Grenfell SK, S0G 2B0
Ituna Economic Development Co-operative Ltd.	795-3303	Box 580 Ituna SK, S0A 1N0
Duck Mountain Loans Inc.	542-3806	Box 729 Kamsack SK, S0A 1S0
Kamsack First Co-operative Loans Association Ltd.	542-2560	Box 327 Kamsack SK, S0A 1S0
Langenburg Business Loans Co-operative	743-5177	Box 159 Langenburg SK, S0A 2A0
Yellowhead Regional Economic Development Authority Inc.	743-5177	Box 159 Langenburg SK, S0A 2A0
Lemberg & District Economic Development Co-operative Ltd.	335-2244	Box 399 Lemberg SK, S0A 2B0
R.M. of Stanley Economic Development Co-operative	728-6855	Box 2289 Melville SK, S0A 2P0

Small Business Loan Associations continued…

Company	Phone	Address
South Parkland Regional Economic Development Authority Corp.	728-6855	Box 2289 Melville SK, S0A 2P0
Montmartre Community Development Corporation	696-7900	Box 146 Montmartre SK,S0G 3M0
Gateway Regional Economic Development Authority Inc.	435-3177	Box 1617 Moosomin SK, S0G 3N0
R.M. of Moosomin Co-operative Loans Ltd.	435-3177	Box 1617 Moosomin SK, S0G 3N0
Neudorf Economic Development Co-operative Ltd.	748-2878	Box 187 Neudorf SK, S0A 2T0
Rocanville Co-operative Loans Ltd.	645-2164	Box 576 Rocanville SK, S0A 3L0
Springside Loans Association Co-operative	792-2022	Box 414 Springside SK, S0A 3V0
Whitewood Economic Development Corporation	735-2380	Box 126 Whitewood SK, S0G 5C0
Windthorst Business Loans Co-operative Ltd.	224-4499	Box 236 Windthorst SK, S0G 5G0
Good Spirit Regional Economic Development Authority Inc.	783-7332	23D Smith Street West Yorkton SK, S3N 0H9
Ventures Community Futures Development Corporation	782-0255	Box 1180 Yorkton SK, S3N 2X3
Yorkton Chamber of Commerce SBLA	783-4368	Box 1051 Yorkton SK , S3N 2X3
Yorkton Economic Development Commission Inc.	786-1747	Box 400 Yorkton SK, S3N 2W3
South Parkland Regional Economic Development Authority Corp.	728-6855	Box 2289 Melville SK, S0A 2P0

Helpful Resources

Saskatchewan East Enterprise Region (SEER) – Visit our website! The site is very informative including comprehensive information on our region and tools to assist you in building your business. www.saskeast.com

BizPal - BizPal is an online service that simplifies the business permit and license process for entrepreneurs, governments, and third party business service providers. www.bizpal.ca

Saskbiz - This site provides comprehensive economic and quality of life information for communities and regions in Saskatchewan. www.saskbiz.ca

Canada-Saskatchewan Business Service Centre – The Canada Saskatchewan Business Infocentre is a government initiative that provides entrepreneurs with a comprehensive set of tools and information to navigate the business environment. www.canadabusiness.ca/sask

Canadian Youth Business Foundation - CYBF is a national charity that invests in young people 18-34 who want to start their own businesses. www.myfutureishere.ca

Entrepreneurial Foundation of Saskatchewan - EFS supports small to medium sized businesses seeking commercial investment capital. www.efsk.ca

SYPE – Saskatchewan Young Professionals & Entrepreneurs – Sype is a learning and networking site for young professionals and entrepreneurs in Saskatchewan. www.sype.ca

Communities Futures (CFS) - CFS provides a variety of community economic development initiatives and entrepreneurial programs, including: business counselling, loan programs and business information to communities. There are two Communities Futures in our region:

- Yorkton: www.communityfuturesventures.com
- Broadview: www.eastcentral.sk.ca

My Future is Here (MyFiH) - MyFiH is an initiative to connect young people with opportunity in Saskatchewan. Its vision is for a successful Saskatchewan future built by youth. The program provides a link to the many resources available in Saskatchewan that help young people build a successful future in and for our province.
www.myfutureishere.ca

Women Entrepreneurs of Saskatchewan - If you're a woman looking for help starting or operating a business, WE offers a wide range of programs and services and is also a great place to network with other women in business. www.womenentrepreneurs.sk.ca

Saskatchewan Economic Development Association - SEDA – SEDA is a non-profit association for those engaged in community economic development throughout Saskatchewan. www.seda.sk.ca

Check Domain.com – The Check Domain .com site allows users to check the availability of a domain name for almost every country in the world from any location in the world. www.checkdomain.com

Government of Saskatchewan Corporations Branch – For forms to register your business go to: www.corporations.justice.gov.sk.ca

Canada Business Service Center – CBSC. org is a government information service for businesses and start-up entrepreneurs in Canada. www.cbsc.org

Workers Compensation Board – The WBC site is a no-fault system that protects employers and workers against the result of work injuries. www.wcbsask.com

Statistics Canada – Statscan produces statistics that help Canadians better understand their country—its population, resources, economy, society and culture. www.statscan.gc.ca

Industry Canada – The Industry Canada site provides information on all areas of industry throughout Canada. www.stratigis.ic.gc.ca

The Canadian Economy Online – For a one-stop guide to the national economy: statistics and federal government information including economic concepts and events go to: www.canadianeconomy.gc.ca.

The Canadian Chamber of Commerce – The Chamber of Commerce is the largest Canadian business association which offers a directory of many local organizations. www.chamber.ca

Marketing Magazine – Check out the Marketing Magazine for great examples of advertizing campaigns and ideas currently being used to market your products www.marketingmag.ca

Canada Post – For information on postal tracks for direct mailings, check out: www.canadapost.ca .

Advanced Education Employment and Labour – For a one-stop shop for information regarding the labour market and its standards in Saskatchewan, check out: www.labour.gov.sk.ca.

Canada One – Canada One is an online business magazine focusing on Canadian businesses and the tools needed to succeed. www.canadaone.com

CFIB – Canadian Federation of Independent Business – The CFIB lobbies for small- and medium-sized businesses at the federal, provincial and local levels of government. This site is a major source of information about issues effecting entrepreneurs. www.cfib.ca

Canada Revenue Agency – For an information resource on managing business funds and those that need to be remitted to the government of Canada, go to: www.cra-arc.gc.ca .

Human Resources and Skills Development Canada – The Human Resources department is concerned with training and employment. It has various programs that support entrepreneurship and provide training assistance to small businesses. www.hrsdc.gc.ca

EDC – Export Development Canada - Export Development Canada (EDC) is Canada's export credit agency, offering innovative financing, insurance and risk management solutions to help Canadian exporters and investors expand their international business. www.edc.ca

NRC – National Research Council Canada - NRC is the Government of Canada's leading resource for research, development and technology-based innovation. Got a new idea? www.nrc.ca

Indian and Northern Affairs Canada* –** The ***INAC is one of the federal government departments responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis. Check out Aboriginal Business under the Economic Development section. www.ainc-inac.gc.ca

Equifax – Equifax is used for consumer and business credit intelligence, portfolio management, fraud detection, deciding technology, marketing tools, and much more. It empowers individual consumers to manage their personal credit information, protect their identity, and maximize their financial well-being. Want a copy of your credit report? www.equifax.ca

BDC – The Business Development Bank of Canada - The BDC provides Canadian businesses with flexible financing, affordable consulting services and venture capital. They work with entrepreneurs in all industries, with a focus on small and medium-sized enterprises (SMEs), through all economic cycles and help businesses in their development projects, both local and global. www.bdc.ca

Enterprise Saskatchewan - Enterprise Saskatchewan will be the focal point for establishing broad partnerships involving all levels of government, industry, labour, Aboriginal people, post-secondary institutions and other stakeholders dedicated to the goal of sustained economic growth. www.enterprisesaskatchewan.ca

Parkland Regional College – For information regarding course listings and opportunities in the area, go to: www.parklandcollege.sk.ca .

Saskatchewan Trade & Export Partnership (STEP) - Operating as a government/industry partnership, STEP champions the province's export industry and assists provincial businesses in realizing global marketing opportunities while finding custom solutions for Saskatchewan exporters. www.saskexports.com

Your Voice – Saskatchewan Regulations - Your Voice is an initiative supported by the Enterprise Saskatchewan to make it easier for the citizens of Saskatchewan to interact with government by providing a communication line so we can work together to create a more inclusive regulatory proposal. www.yourvoice.gov.sk.ca

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