

PREPARE FOR SUCCESS

STARTING A SMALL BUSINESS IN ALBERTA

STARTING A SMALL BUSINESS IN ALBERTA

SMALL BUSINESS SUCCESS SERIES
DEVELOPED BY:

Alberta

THE BUSINESSLINK
Business Service Centre

Table of Contents

Foreword	4
Introduction	5
STEP 1: Start With You	6
Personal Qualities	6
Business Management Preparation	7
Family Support	7
STEP 2: Decide - Will My Idea Work?	9
Predict Future Demand For Your Product Or Service	9
STEP 3: Determine Who Your Customers Are	13
Use Market Segmentation	13
Assess Your Competition	15
STEP 4: Consider Key Start-Up Issues	16
A. Build or Buy a Business?	16
B. Decide Your Location	19
B1. The Home-based Option	20
C. Consider E-Business	20
D. Lease or Buy Facilities?	22
STEP 5: Develop Your Business Plan	23
Why Develop a Business Plan?	23
Key Elements of Your Business Plan	23
Presenting Your Business Plan	32
Find Help to Complete Your Business Plan	32
Personally Submit Your Business Plan	33
Use Your Business Plan to Assess Your Results	33
STEP 6: Developing Your Marketing Plan	34
Select Promotions Approach	35

STARTING A SMALL BUSINESS

STEP 7: Fulfill Legal Requirements	37
Decide Your Business Structure	37
Select and Register Your Business Name	39
Protect Your Ideas, Designs and Products	40
Obtain Licences and Permits	40
Provide Required Employer Programs	41
Manage Taxes and Recordkeeping	43
Insure Your Business	45
STEP 8: Prepare to Manage Your Business	47
Enhance Your Management Skills	47
Manage Your Time	47
Ask for Help	48
STEP 9: Get Started	49
Complete Start-up Checklist	49
APPENDIX	51
Municipal Government Agencies	51
Provincial Government Agencies	51
Federal Government Agencies	57
Privately Managed Agencies	60

STARTING A SMALL BUSINESS

Foreword

Thinking about owning your own business? You may need some help getting started or want reassurance that you are on the right track. This guide is designed to answer your basic questions and direct you to additional sources of help as you decide whether investing in your own business is a good choice for you.

Prepare for Success, Starting a Small Business in Alberta is part of a series of guides and bulletins published by **The Business Link** to address issues facing new businesspeople in Alberta. The other guides available in this series are:

- [Promote for Success, Marketing Your Small Business in Alberta](#)
- [Manage for Success, Operating Your Alberta Business in its First Years](#)

These guides address challenges faced by businesses in all sectors including: retail, wholesale, manufacturing, service and home-based. The concepts discussed in these guides apply to business-to-business and business-to-consumer operations.

Bulletins that complement the guides are:

- [Understanding Your E-business Options](#)
- [Developing Your Financial Forecasts](#)
- [Financing Your Business](#)
- [Managing Your Assets](#)

These guides and bulletins can be found at www.cbasc.org/alberta/successseriesguides.cfm

Tips are highlighted throughout this guide. Look for this icon for additional information:



Introduction

Launching a successful small business requires solid preparation. This guide gives you a step-by-step approach. You can, of course, access the information in the order that meets your needs.

The guide presents nine steps as follows:

Step 1 Start With You talks about you and the qualities and skills that will help you succeed in business.

Step 2 Decide — Will My Idea Work? gives you several techniques to assess whether your business idea has good potential.

Step 3 Determine Who Your Customers Are provides strategies to identify potential customers so you can target your business efforts for optimal results.

Step 4 Make Key Start-up Decisions helps you address important early decisions for your business: Should I build a business from scratch or buy one? Where should I establish my business? Should I lease or buy a business facility?

Step 5 Develop Your Business Plan provides a complete framework to write down your plan for your business. This format enables you to present the details of your vision for your business to prospective investors and lenders including predicting the results of your hard work.

Step 6 Develop Your Marketing Plan introduces aspects of marketing your business.

Step 7 Fulfill Legal Requirements highlights legal and administrative issues you will want to attend to early in the life of your business.

Step 8 Prepare to Manage Your Business highlights several management issues and suggests ways to enhance your ability to succeed in business.

Step 9 Get Started provides a checklist of key issues from steps 1-8 to help you summarize your readiness to start your own business.

Finally, the [Appendix](#) provides a wealth of additional sources of help including contact information.

Read on!



Business Tip:

Only one out of three business start-ups exist five years later. Consider all the issues presented in this guide to help your venture become a business success story.

STEP 1: START WITH YOU

As someone seriously considering getting into business, you are likely already asking: “Am I suited to run a business?” As the originator of your business idea and the driving force behind your business, your personal qualities and business skills will play a great role in the success of your business venture. What attributes and skills might help you to succeed as a businessperson?

Personal Qualities

Although not an exhaustive list, consider the following useful qualities:

1. **Confidence; optimism**

You must believe in the potential for your business idea and believe that you can overcome a slow beginning or early setbacks. This confidence then combines with your commitment to help you to pursue business success over the longer term.

2. **Commitment**

Referred to as drive, determination, energy and perseverance, this quality is critical to business success. Especially early in your business enterprise, you must be willing to work long hours and believe in your business as you face challenges.

3. **Ability to make decisions; comfort with risk**

Running a business is all about making decisions, sometimes quickly. If you make important and small decisions in your life easily and with confidence, you will find running a business less stressful than someone who worries excessively, flip-flops or needs lots of time to think before making decisions. Successful businesspeople learn how to minimize risk but accept that risk is part of business.

4. **People skills**

Fundamental to successful business is relating effectively to others: customers, staff, suppliers, and consultants. Successful businesspeople invest in developing their communication and interpersonal skills.

5. **Creativity; innovation**

Many businesses have succeeded by creating new products and services. But most businesses thrive by improving on existing products and services. If you like changing practices to make them better or more efficient, this quality might help you succeed in business.



Business Tip

Take stock: Which of my personal attributes will help me succeed in business? Are there areas where I might need help? If I love talking with people but avoid making decisions, who can I turn to?

Business Management Preparation

There are many ways to prepare to run your own business. Here are two possibilities:

1. Experience in business; exposure to business

People who have run a business and have learned how to succeed (and avoid mistakes) or who have lived in a family that succeeded in business have an added advantage when making business decisions.

2. Business training

Most post-secondary institutions and many other organizations in Alberta, including **The Business Link**, offer courses and programs designed to help prepare Albertans to succeed in running a business. Check with your local colleges and chamber of commerce, or contact **The Business Link** for information about training opportunities.



Business Tip

First-time businessperson?

Consider getting help from someone who has business experience to avoid costly mistakes.

Business Tip

Want to start your business but feel a need for additional training?

You can take ongoing business training while you launch your business.

Family Support

The support of your family can play an important role in the success of your business. Family members can actively participate in the business, contributing their time when you may not be able to pay staff early in the life of the business. They might do many

STARTING A SMALL BUSINESS

tasks that you might otherwise not have time to do from running errands to doing your books. At home, your family might do additional household chores you normally do, giving you more energy for the business. Finally, your family can support and encourage you as you face business challenges. If you do not have this support, additional stress could interfere with your ability to manage your business effectively.

Consider your family before you start in business:

- a) **Time** — You will likely need to invest considerable time in your business and have less time for your family. Can your family live with this? Who will do family chores you usually take care of? Plan now to protect time for your family while you work hard to ensure the success of your business.

- b) **Relationships** — Does your family support your business? Open discussion may be required to overcome reluctance. How will you maintain positive relationships at home? What arrangements do you need to make to ensure the quality of your family life does not suffer while you focus on the success of your business?

STEP 2: DECIDE— WILL MY IDEA WORK?

Starting a business requires considerable time and money. Before you invest this effort and your financial resources, ask yourself: “Is my product or service really needed or wanted in the marketplace? Will the demand for my product or service generate enough sales to make my planned business profitable?” Investing time now to assess the market potential of your idea will pay great dividends in several ways:

- a. confirm that your business idea is realistic and a good investment
- b. provide valuable data to use to attract investors
- c. prevent you from investing in a business initiative that might not later succeed

Predict Future Demand For Your Product or Service

You may want to get on with starting a business but, we strongly recommend that you take the time to carefully collect information, using a combination of the strategies that follow:

1. Access existing information

Use data from the Internet, libraries, magazines and other sources. In Alberta, **The Business Link** can direct you to sources for information you need.

2. Consult with people who know your potential customers

These include suppliers, manufacturers, industry representatives, association representatives and in some cases competitors.

3. Talk to potential customers.

More information about each strategy is presented in the following.

1. Access Existing Information

One cost-effective technique is to use information that is readily available.

Information Source	No Cost	Low Cost	High Cost
a) Search reliable websites like Statistics Canada, industry associations and The Business Link	√	√	
b) Read government publications and websites	√	√	
c) Read library materials	√	√	
d) Read newspapers and magazines	√	√	
e) Read competitors’ annual reports and other literature	√	√	
f) Read trade magazines and journals relevant to your business	√	√	
g) Read what industry experts have written	√		

STARTING A SMALL BUSINESS



Business Tip

The Business Link's library has excellent research resources available to help you, including directories, industry trends and demographic information.

2. Consult People Who Know Your Potential Customers

This approach can help you get current information about your market including the current state of the industry.

Information Source	No Cost	Low Cost	High Cost
a) Find appropriate industry associations and use their resources	√	√	
b) Observe/speak to potential competitors	√	√	
c) Consult Chamber of Commerce members	√	√	
d) Consult distributors, retailers, agents, brokers, suppliers	√	√	
e) Consult manufacturers of similar products	√	√	
f) Attend trade shows		√	√
g) Talk to industry experts	√		
h) Engage professional consultants		√	√



Business Tip

Good information is invaluable — Industry experts and consultants can provide valuable information about your market. Establish at the outset whether there are costs for this information. Be prepared to allocate a portion of your total investment in vital research.

3. Talk to Your Potential Customers

Talking to enough potential customers to generate reliable data can be costly and very time consuming. To control your costs while you collect useful information, get organized and know what information you want. Consider these options:

Information Source	No Cost	Low Cost	High Cost
a) Observe consumers	√	√	
b) Conduct telephone, Internet and personal interviews with potential customers	√	√	√
c) Mail out questionnaires to potential customers		√	√
d) Conduct focus group interviews		√	√
e) Conduct test marketing (including developing prototypes)		√	√



Business Tip

Hire skills you don't have — If you are not comfortable doing this kind of research, hire a professional who has experience in survey design, delivery and analysis.

Draw Conclusions from Your Research

Validate your research by comparing the results of several of the techniques just highlighted. If the results are consistent, then you can be reasonably confident that your research conclusions are accurate. If they are not consistent, check your sources again.

Possible Research Outcomes

A. Business Potential

What have you learned about the business potential of your idea?

1. **Data supports proceeding** — Congratulations! There appears to be a market for your product or service.

2. **Data does NOT support proceeding** — Congratulations! Your research indicates your time and financial investment would NOT pay off for you. Move on to other ideas.

B. Implications for Me

While you were gathering information to make a good business decision, you may have learned something about yourself as a potential businessperson.

1. **I still like the idea of me getting into business** — I am excited about my ability to build a successful business.
2. **Maybe I should do something else** — Although my idea may have potential, I have learned things about myself that suggest running a business is NOT a good idea for me.

Clearly, in order to proceed, you want to conclude that your business idea has good potential (A1) and you will be happy and comfortable building a business (B1).

STEP 3: DETERMINE WHO YOUR CUSTOMERS ARE

Because a business cannot be all things to all people, understanding who your customers are is vital to your success. Once you understand who your best potential customers are, you can match your product or service to their wants and needs, enabling you to find your market niche. Market segmentation is the term for dividing the market into groups of customers with similar needs.

Use Market Segmentation

Use one or a combination of the following methods to help you to divide (segment) the market to identify your potential customers.

1. Customer Benefits and Behaviour

This approach divides the market according to benefits the customer is looking for. Ask yourself these questions. Who is going to buy my product or service? Why? That is, what will my customers get from my product or service? Is high quality most important to them or are they more concerned with service or price? Are they primarily concerned with convenience, easy access, or fast delivery?

Here are examples of benefits that customers seek:

- **Product quality:** product features, brand name, warranties, durability, ease of use, image and prestige
- **Service quality:** reliability, responsiveness, employee friendliness, and empathy
- **Customer experience:** retail atmosphere/décor, in-store promotion, advertising and publicity



Business Tip:

Use technology:

Many businesses serve a larger region by using technology such as web-based marketing.

2. Geographic Variables

In this approach, you identify the market based on where the customer lives or works. Within your overall market area, you can divide the market using several geographic variables such as:

- Area size: define the region, city or neighbourhoods that you want to serve
- Market density
- Urban, suburban, or rural
- Climate and terrain

3. Demographics

Using this strategy, you select consumer markets based on population characteristics such as age, gender, education, income, occupation, marital status, number and age of children etc.

4. Psychographics (how the customer thinks and feels)

Finally, you can use psychological attributes, lifestyles and attitudes to determine the behaviour profiles of different customers. Divide the market into segments based on the following:

- Lifestyle (for example: conservative, exciting, trendy, economical)
- Opinion (for example: followers or leaders; easily led or opinionated)
- Activities and interests (for example: sports, physical fitness, shopping, books)
- Attitudes and beliefs (for example: environmentalists, security conscious)

Choose your target market(s) carefully. You may wish to pursue several target markets at the same time. But remember:

- a) If you choose too narrow a group of segments, you may fail to reach the volume of sales and profits needed to operate.
- b) If you select too broad a group of segments, it may spread your marketing efforts so thin they are ineffective.

Market segmentation can also increase the effectiveness of your marketing efforts. With this information, you can direct all your marketing efforts, including product/service

design, pricing, delivery and advertising and promotion toward your identified target market. Target marketing enables you to reach the right people with the right message. See Step 6, *Develop Your Marketing Plan* for more information.

Assess Your Competition

While you gather data about potential customers, you should also identify and assess your competitors. Every business has competition. Most new businesses enter markets that are dominated by competitors who have worked hard to develop customer loyalty and who will not easily give up their market share. Your choice is to:

- a) Compete with established competitors (offer better service or price) or
- b) Find a new niche not yet being served.

In order to make this decision, you need to take the time required to understand your competitors:

- a) Where are they located in my market?
- b) How many customers do they now have (per cent of market share)?
- c) Why do customers buy from them?
- d) What would it take to attract customers away from my competitors?
- e) How can I offer a better product or service?

STEP 4: CONSIDER KEY START-UP ISSUES

Once you know what you're offering and who your customers are going to be, many people want to jump right in and get started. There are a few things though that you should seriously evaluate first. You'll need to consider whether to buy or start your business from scratch and where to locate the business. Another factor often overlooked is the possible benefits "e-business" can bring to your venture. So we present information about start-up issues here for you **to think about**. We strongly recommend you complete your business plan before making any of these decisions.

A. Build or Buy a Business?

There are three ways to get into business: start from scratch, buy an existing business or buy a franchise. Here we provide a brief overview of these three options.

1. Start from Scratch

You have an idea for a unique, new business. You want to do things your own way. For you, starting from scratch is the option of choice. There are advantages to starting from scratch:

- a) **Independence and control** — You get to decide everything. By starting from scratch, you are in control. You can use your creativity in everything including logos, location, colors, ads, the works. You can also change your product or marketing, for example, to adapt to changes in the marketplace.
- b) **Fresh start** — By starting fresh, you do not inherit the baggage from mistakes made by those before you.
- c) **Sense of Accomplishment** — If you do this right, you will have the satisfaction that comes from creating a successful business the way you want it to be.

Things to consider:

- a) **Risk** — Although some people believe this method of getting into business is the riskiest, the data is not clear. At the least, if you are developing a new product or service, you will have less data to help you predict sales and profits. If you are invading a market with similar services, it can be difficult to capture enough market share to be profitable.
- b) **Work** — You will have no precedents, so you need to invent everything and make a lot of decisions. The amount of energy, time and patience required may be very demanding. Research and planning are essential. You must be in for the long haul.

If you decide to start your business from scratch, don't be afraid to ask for help. Use resources available to you such as accountants, lawyers, and bankers. Use **The Business Link** and other business resource centres in your area. This approach can help increase your chances of success.

2. Buy an Existing Business

Some new businesspeople prefer to skip the uncertainty and work associated with starting from scratch and choose to buy an existing business that is already running. There are several benefits to this option:

- a) **Quick Start** — Most of the hard work, including developing a customer base, is already done. You get immediate access to cash flow and can focus your energy on growing the business.
- b) **Minimize risk** — You will normally have access to information from existing operations to decide if this business is a good investment.
- c) **Capital** — If financing is required, banks may be more receptive to financing a business with a positive track record. Note that banks will not usually finance the goodwill portion of the purchase (the value of intangibles such as location, reputation, customer lists, experienced staff, etc.).

Things to consider:

- a) **Risk from earlier mistakes** — If the previous operator has made mistakes in product quality, marketing or service, it may be hard for you to overcome them. Dissatisfied customers may not return to the business just because you are the new operator.

Before buying a business, fully investigate it. Review its history, operations, financial records and potential for growth. A fair price will be based on the value of assets, the earning potential of the business and its goodwill. Determining the value of a business requires specific skills. Unless you have expertise in this area, use a professional to help do this.



Business Tip

For further information: **The Business Link** publishes *How to Buy a Business Checklist*, outlining many items that you should consider when buying a business. This can be found on-line at www.cbcs.org/alberta

3. Buy a Franchise

If you buy a franchise, you, as franchisee, are buying the right to sell specific products or services in a specific location or region for a specific time period. Franchise agreements typically give you the right to use a recognized trademark and marketing system. Sometimes you also buy the franchisor's complete system — buildings, equipment, bookkeeping, training, etc. Your franchise fee will vary with the package of services.

Franchises do have certain advantages:

- a) **Systems/Production/Quality** — You are buying into a refined approach using equipment and production techniques and controls developed by the franchisor. As franchisee, you don't need to reinvent production processes or standards.
- b) **Management expertise** — The franchisor wants you to succeed so will normally help you with management issues, especially in the beginning. Franchise fees normally include training, covering topics from hiring and training employees to record-keeping.
- c) **Marketing/brand recognition** — The franchisor provides broad marketing and promotions. You can use the franchisor's image and reputation to build your own customer base.
- d) **Financing** — In many cases, franchisors will make financing options available.



Business Tip:

For more information: Read *Buying a Franchise in Alberta* and *Tips on Buying a Franchise in The Business Link's* library. For information about home-based franchises, see the *Franchise Annual*.

Business Tip:

Ask the franchisor if they have any franchises operating in similar markets or if it has been tested in Alberta, what were the results.

Things to consider:

- a) **Costs** — Franchises may be expensive to purchase and there are usually ongoing payments to the franchisor based on sales (royalties). Be aware of other costs such as a requirement to participate in a promotion fund or fines imposed if you don't comply with certain franchisor's rules.
- b) **Loss of independence** — As a franchisee, you lose independence. You manage the day to day aspects of your business but you have to adhere to guidelines set out by your franchisor. Also, if the franchisor encounters problems, you are tied to it by concept and product, so franchisor problems become your problem too.

Before buying a franchise, research is critical. Investigate the franchisor to determine their success elsewhere, costs and other contractual requirements. Talk to other franchisees. Obtain disclosure documents and review these carefully with a lawyer or accountant. The Canadian Franchise Association (1-800-665-4232 or www.cfa.ca) is also good resource for you.

B. Decide Your Location

Whether you operate a retail, wholesale, manufacturing or service business, you need to decide where to locate. Issues to consider include:

1. Convenience

Is the location convenient, accessible and visible to clients, staff and suppliers? Is there ample parking?

2. Efficiency

Does the location serve the needs of your business? Does it provide you with enough room to conduct your business and allow for future growth? Does the location suit the nature of your business and the image you want to create? Does it provide a comfortable working environment that meets your personal needs?

3. Legal

Does the location meet all zoning regulations?

4. Landlord relations

Is the landlord flexible and cooperative?

5. Other factors

These considerations include police and fire protection and local tax and utility rates.

STARTING A SMALL BUSINESS

Take time selecting a location for your business. You don't want to move often. Talk to property managers of potential site locations to get information about rent, insurance, operating costs (utilities, taxes, etc.) and renovation costs. Compare the strengths and weaknesses of several sites before deciding which one is right for you.



Business Tip

Locate in haste, repent in leisure. A few month's delay is only a minor setback compared to often-fatal problems that occur from operating a business in a poor location.

Source: *The Business Link – Store Location: Little Things Mean a Lot*

Business Tip

By using the Internet, you can have a “virtual” location.

The Home-based Option

Many types of businesses can be operated from the home. Advantages include no rental fees and ability to write off part of your home expenses for income tax purposes. Depending on the type of business, starting from home can be the most cost-effective option. Check whether your community's zoning will allow home-based businesses and if there are any special permits required.



Business Tip

Home-based business and taxes: To use home costs as business expenses for tax purposes, Canada Revenue Agency requires that you have dedicated office space. Arrange an office in your home for taxation purposes as well as for privacy.

C. Consider E-Business

In this section, you'll learn a quick overview of some e-business practices you should consider. E-business encompasses all business transactions from marketing, accounting, and operations to procurement and supply chain management (while e-commerce is about on-line sales only). Using e-business strategies can help you increase the effectiveness of your business processes and stay competitive. Consider the following ways you might use e-business in your company:

1. Extend your customer base

E-business enables you to market your product or service outside your own immediate geographic market. You can now reach customers anywhere on the globe. A carefully planned web site and a targeted marketing strategy can help you to develop new niche markets, become a potential exporter, and provide information 24 hours per day, 7 days per week.

2. Respond to changing customer demands

Increasing numbers of customers prefer the convenience, lower costs, wider selection, customization and easy communication that e-business offers. To avoid erosion of your market share, consider using e-business to compete effectively.

3. Enhance your productivity

E-business can increase productivity by reducing duplication, improving communication, and streamlining processes. E-mail, which is very inexpensive to set up, can facilitate efficient communications with clients, staff, and suppliers. Consider setting up a web site to answer frequently asked questions (FAQ), save money on printing and paper handling costs, and coordinate your supply chain.

4. Lower procurement and inventory costs

E-business allows you to research supplier catalogues on-line and compare product features and prices. Electronic marketplaces are a great tool to help you conduct this type of research. Many government tenders are now posted only electronically (electronic procurement tendering) and businesses need to subscribe to these web sites to compete. E-business tools can also help you forecast and monitor inventory levels.

5. Improve your customer service

Many people prefer to look up product information, download software updates, pay bills, and check warranty information on-line, all of which are examples of customer service. You can use your web site to gather customer feedback that will help you tailor your products and services to your customers' needs.

Are there changes to e-business? Sure. You need to research the tools and be prepared to invest in technology. This requires careful planning and integration with other elements of your business plan.

D. Lease or Buy Facilities?

After deciding where you want to locate your business, decide whether to lease or buy required facilities. Leasing may free up cash and allow flexibility to move to a more desirable location if needed. Buying gives you ownership of the asset. If you decide a lease is the best option, before signing a lease, consider:

1. Costs

- a) **Affordability** — Can you afford it? Is monthly rent a fixed rate or connected to your sales or both?
- b) **Changes** — Who pays for alterations, utilities, maintenance (including plumbing, electrical, air conditioning repairs), insurance (including liability insurance), supplies?
- c) **Common area charges** — Are there common area (i.e. areas shared with others) charges?
- d) **Extra fees** — Are there any tenant association fees or mandatory advertising and promotional costs?
- e) **Penalties** — What are the penalties for defaulting on the lease?

2. Benefit

- a) **Traffic/access** — Does the site provide adequate traffic flow? Is there good access and parking for customers, delivery and service vehicles?
- b) **Zoning** — Does zoning accommodate your intended use of the facility?
- c) **Future growth** — Is there room for expansion?
- d) **Future changes** — Are any major renovations or construction planned for the facility or adjacent roadways?

3. Legal

- a) **Lease terms** — How long is the lease? Can you get out of it if necessary? Can it be renewed and on what terms?
- b) **Hours of service** — Are there restrictions on when your facilities must be open or closed?
- c) **Subletting** — Can you sublet all or part of the premises?
- d) **Guarantees** — Must you provide a personal guarantee?
- e) **Leasehold improvements** — Can built-in fixtures be installed and removed?

Before you sign any lease, have your lawyer or real estate agent check your lease agreement. Also, if you are borrowing money from a lending institution, the loan officer may want to check the lease.



Business Tip

Protect yourself:

Don't sign a lease until you have secured the necessary financing.

STEP 5: DEVELOP YOUR BUSINESS PLAN

Your business plan provides a blueprint for your venture. It should be as comprehensive as possible without being so long that no one will read it. Expect to write 20-30 pages with financial projections covering three years of business operations.

Why Develop a Business Plan?

Although developing a comprehensive written business plan involves research and thought, the benefits to you and your new business are well worth the effort. Writing down and refining your ideas about how the business should go provides an invaluable reference as you establish and grow your business. Your business plan provides the following:

1. Framework

Your business plan establishes realistic goals and financial projections. It presents strategies for start-up that will guide you in the early stage of your business and help you evaluate early results.

2. Decision making

Your business plan will help you to evaluate your idea objectively to decide if you should proceed. It will also guide everyday business operations and provide a quick method of evaluating whether you are accomplishing your business goals.

3. Finance

This is critical — it will help you to decide whether to invest your money in this venture. Further, if you require financing, your business plan is a key tool to use with lenders and investors who will use it to assess the viability of your proposed venture.

4. Communication/Image

A well-done business plan can be shown to potential employees, suppliers and others who are important to your business to demonstrate your vision for the company.

Key Elements of Your Business Plan

Although there are a number of ways to format a business plan, the following outline presents key elements to consider in developing your business plan. Not all elements of this business plan format apply to all businesses.

Executive Summary

The executive summary is designed to attract the interest of the reader by highlighting your plan in summary form. It needs to be well written to encourage busy investors and bankers to read the rest of your business plan. In no more than two pages, describe and sell your business to readers. Include a summary of revenues, operating expenses, expected profit, start-up costs, your investment and additional funding requirements.

A. Company Information

In this section, describe the current status of your business. Include:

1. Who are you?

Highlight how your background has prepared you to succeed as a business owner.

2. Mission/Goals

Present your mission statement if you have one. Highlight company goals and basic strategies for achieving these goals.

3. Legal

Indicate the intended structure of the company (sole proprietorship, partnership or corporation). Provide the date of incorporation if applicable. See Step 7, ***Decide Your Business Structure*** for more information on this topic.

4. Owners

Identify names and addresses of the owners and what percentage of the company they own.

5. Current Status

At what stage is the business? Will it launch soon (provide date) or is it already running (state when it started)?



Business Tip:

Suggestion: Write your executive summary last, after you completely understand your business concept.

B. Products and Services

This is a key part of your business plan, particularly for potential investors and lenders. Describe in detail the products and services you plan to sell. Include:

1. Your product or service

Provide a thorough description of your product or service and an assessment of its strengths and weaknesses in relation to competitors (if weaknesses identified, present remedial plan). Are prototypes, working models or finished products available?

2. Unique strengths

List any patents, trademarks, copyrights, industrial designs, trade secrets and other licenses you might hold or plan to secure.

3. The Industry

Describe major characteristics and the size of the industry. Where will your business and the industry be in five years? In ten years? Outline industry rules, regulations and restrictions under which you must operate your business. Are there any major changes to these expected? If so, when and with what implications for your business?

4. Timetable

Provide a timeline for introduction of your product or service.

C. Market Analysis Plan

Describe the market for your product or service, how you fit into that market and your plans for achieving your share of the market. Include:

1. The market

Identify the total market and your target market.

2. Competition

Provide names, market share, and your assessment of your competitors.

3. Your anticipated market share

Identify your projected market share. Highlight your marketing advantages relative to your competitors. List some of your customers or potential customers.

4. Price & distribution

Highlight your pricing policy, including how you determine the cost of your products and services. Describe your selling policy, including product price and credit terms available to buyers. How will you distribute your product or service?

D. Promotions Plan

Outline your advertising and promotion plan including your marketing budget. See [Step 6, *Select Promotions Approach*](#) for more information on this topic. Identify the size of your sales force and how they will be paid (salary or commission). Describe your planned customer service program including how you will handle service problems and warranties.

E. Operations Plan

Land, Buildings and Equipment

Present the physical requirements and details of your business operation. Include:

1. Location

Describe the site you've chosen and your reasons for choosing it. If you plan a business that serves the public, this decision will have significance for your ability to attract customers. See [Step 4B, *Decide Your Location*](#). Highlight any required renovations and associated costs.

2. Machinery and equipment

Provide a list of all machinery and equipment with associated costs. This section is important to your debt management plan.

3. Lease vs. buy decision

Are you planning to lease or buy land and equipment? Provide adequate information to support your plan.

Operations

Describe your day-to-day business operations and how your product or service will be produced. Include:

1. Production plan

How you will produce your product or deliver a service, including what quality control measures you will use.

2. Inventory control

What inventory control methods you will use.

3. Suppliers

Outline the availability, cost and credit terms of supplies and materials.

4. Production schedule

Present your projected start-up and production schedules.

Human Resources Plan

Describe your human resources plan, including job descriptions, staffing schedules and rates of pay. Also give consideration to staff training and development, health and safety and an employee policy manual.

F. Management

Even if you are a one-person operation, a key ingredient of your potential business success is the strength of your management skills. Include:

1. Organization

How will you structure your venture? Provide an organization chart if you will have more than one employee. Describe the work to be done by key management personnel. Demonstrate that you have considered various management needs.

2. Experience/Expertise

Provide short biographies of key management personnel, including related business experience and how they fit into the team.

3. Compensation

Outline management salaries and other compensation.

4. Expertise needs

Acknowledge any missing skills in your management team and describe how you will address this issue. Include your accountant, bookkeeper, banker, lawyer, consultant, insurance agent and other experts that you will use as members of your team.

G. Implementation Schedule

Present key dates from now to business launch. Include a chart that highlights key steps and time to achieve.

H. Financial Plan

This section of your business plan is critical. The credibility of your projections is critical to establish the likelihood of success or failure for your business. Investors and lenders will use the information in this section to evaluate the financial prospects of your business. Be sure to check how many years of financial projections your lender requires (three years is the norm).

Include in this section:

1. Start-up costs

Include all costs and provide adequate detail so lenders understand that you have a realistic plan.

2. Income statements and balance sheets

Provide these if you have an existing business for as long as the company has been in operation. It establishes your business track record.

3. Financial projections

Use a spreadsheet to present at least three years, including projected cash flows, income statements and balance sheets. Include break-even charts, if applicable. Also, provide a worst- and best-case scenario for your projections. Your lender will want to see that you have considered all the options.



Business Tip:

For help: There are many software templates to help you prepare your financial statements.

Business Tip:

For more information: Refer to **The Business Link's** bulletin *Developing Your Financial Forecasts*.

4. Sources of funds

List all sources of funds including your own investment and funds from friends, relatives, other private investors, lending institutions, credit from suppliers, government programs.



Business Tip:

For more information: Refer to **The Business Link's** bulletin *Financing Your Business*.

I. Environment (Green) Plan

If your prospective business has potential environmental impact, acknowledge this and demonstrate that you have a plan to protect the environment. Components of your environment plan include:

1. Risk from previous use

Highlight historical use of the site, including any potential polluting chemicals and hazardous materials.

2. Operational risk

Describe your intended use of chemicals and other dangerous products and how you will minimize the risk of environmental pollution.

3. Your Green Plan

Outline your recycling policies and program.

In some situations, before you request a loan from your financial institution, you may have to develop and present an environment plan. Your lender may have specific forms to fill in, so you can copy required information from your written plan.

THINK CAREFULLY ABOUT YOUR PLAN TO USE MONEY

Most business owners require financing to get their business started and a majority of businesses require ongoing loans or lines of credit to manage the capital and cash flow requirements of the business. If you lack expertise or comfort in this area, look for assistance early.

Consider the following issues:

1. Investment dollars

How much money do you need to start your business? How will you use investment funds (capital assets or operations)? Remember that banks are reluctant to finance soft costs such as payroll. When will you need loan funds?

2. Debt management

How will you pay loans back? Once you have a loan for your business, you must make payments on time.

3. Capital investment

Consider purchasing assets in phases, as your cash flow improves.

Although it is tempting to ask for minimal financial assistance so your monthly payments are lower, remember, a majority of business failures were underfinanced.

J. Summary of Risks and Assumptions

In this section, list the assumptions you made when formulating your business plan such as trends, market share, etc. Also, identify major risks to the success of your business and indicate what steps you will take to avoid or minimize these risks. For example, you may not currently have a dedicated marketing person but will hire one in a year.

Your research should support your assumptions. This will strengthen your position when seeking resources such as business loans, partnerships or key personnel.

K. Appendix

This should contain any important information that has not been included in the body of the report. Appropriate items include:

1. Biography

- Your resume and the resume of others on your team
- Personal net worth statement

2. Finance

- Supporting financial documentation
- Names of existing investors and/or lenders (if applicable)

3. Marketing

- The summary of any marketing studies, surveys or consultants reports
- Signed contracts that you have with customers
- Press clippings

4. Technical

- Any drawings or diagrams that describe your product
- Supporting technical or statistical data
- Copies of legal documents

Presenting Your Business Plan

Your written business plan should be neat and easy to follow with no spelling errors or other mistakes. Make sure you double check your numbers to ensure they are correct. Use computer tools to make your business plan visually appealing or hire someone with expertise in this area.

Be prepared to share your business plan with parties that need to have a copy. Number and record who has a copy of your business plan.

You can add other elements to your business plan in order to enhance its presentation:

1. Introductory letter

Write this specifically to the person and company you are sending it to. Include your reasons for presenting it to the reader. Highlight the major features of the plan that may be of particular interest to the reader.

2. Title page

List the name, address and phone numbers for both you and your company, as well as the date the business plan was completed.

3. Table of contents

List the headings and subheadings contained in the Business Plan, with page numbers.

About lender requirements — Don't be surprised if your lender requires you to complete additional forms. Your business plan will provide all the required information which you can simply transfer to your lender's forms.

Find Help to Complete Your Business Plan

Researching and writing your business plan is not easy. It may take you several months or more to research and write a complete plan. There are resources that can help you.

1. Expert Consultants

For the legal and technical aspects of your business plan, use the services of business consultants, accountants, lawyers, bankers and other professionals. Many consultants will assist you through the process on an hourly payment basis.

2. Technical support

The Business Link can help you find data, industry averages and other information that you need to prepare your business plan.

3. Business plan templates

The Business Link library and other libraries have information on how to write a business plan. There is an Interactive Business Planner on the web at www.cbasc.org/ibp. Most business sections of libraries and bookstores have examples of completed business plans. Banks also have business plan templates in electronic (website, CD) and written format.

Personally Submit Your Business Plan

Don't rely on others (lenders in particular) to decide the merits of your business plan based on reading your written document alone. You have the vision for your venture and you are its best spokesperson. Before turning over your written plan to a lender, for example, take advantage of the opportunity for a personal presentation to convey your:

- confidence in the business idea
- knowledge of the product or service
- firm commitment to make your business succeed

Use Your Business Plan to Assess Your Results

Once your business plan is implemented, review it regularly to evaluate what you have accomplished. How do your actual results compare to your projections? What parts of your business plan do you need to change to reflect reality? A business plan is a living document that needs to be evaluated and updated regularly.



Business Tip:

Although you may decide to use consultants to help do your business plan, we strongly recommend that you do most of the business plan yourself. It is your business and you need to know the data supports proceeding!

Business Tip:

The Business Link Library has sample business plans for many industries.

STEP 6: DEVELOP YOUR MARKETING PLAN

Here we provide a marketing primer. Detailed information about marketing your new business is provided in *Promote For Success, Marketing Your Small Business in Alberta*. Steps in developing your marketing plan include the following.

1. Establish your marketing objectives

Once you have identified your target market, you can develop strategies to get your message to this group of customers. To do this effectively, you need to have a clear marketing objective. What is it that you want to accomplish with your marketing? At first you might simply want your market to know you are open for business. Later objectives include: increase sales, differentiate yourself from your competition, increase customer loyalty and boost your reputation in the marketplace. Make sure your objective is clear, realistic and measurable.

2. Develop your message

Think about what message you want to get across to your target market. What do you offer in relation to your market's needs? What do you want from your market (your objective)? Develop a marketing slogan. For example, a slogan for a payroll outsourcing company might be: "Your Payroll done in 4 hours. Guaranteed." This clear and concise message addresses a perceived need of the market.

3. Select promotional tools

Your marketing strategy also involves your marketing mix. This is the breakdown of the different promotional tools you will use to convey your message. Each varies in cost and effectiveness in relation to your objectives. Calculate which will give you the best value for your dollar. When selecting promotion approaches, consider how each medium will be influenced by your budget, your business cycle and your company's image. Remember, your promotions program is the way you communicate with your customers.

4. Consider getting help

Some businesses hire professional marketers or advertising agents to coordinate and plan promotional and advertising activities. Advertising representatives from radio, newspapers, and other media might also be of assistance.

Select Promotions Approach

You can choose from several promotions strategies to help you reach your customers. They include the following.

1. Personal Selling

This original promotional tool may be the most important one available to you. Prime opportunities for personal selling include retail, wholesale, industrial, door-to-door, telemarketing, and representing a manufacturer. This approach uses your personal communication and relationship building skills to connect directly with your customer.

Effective sales techniques include:

- Acknowledge and greet the customer
- Ask questions and determine needs
- Negotiate and close the sale
- Handle objections and complaints

2. Advertising

The purpose of paid advertising is to communicate the following information to potential customers (your target market):

- Products or services offered
- Benefits of your product or service
- Location — where to find the business
- Price of products and services
- Positive image of your company

Depending on your goals and budget, you can choose from a wide variety of media, including newspapers, magazines, local and national television, radio, Internet,



Business Tip

Relationships matter:

Despite the increase in technology, most successful businesses rely on building relationships with their customers through personal selling.

telephone directories, billboards, and your local community cable channel. Direct mail advertising, including e-mail, letters, newsletters, postcards, brochures and flyers, communicates directly with potential customers.

3. Publicity and Public Relations

Publicity is free promotion. Newspapers, magazines, trade journals, radio and television are always looking for newsworthy public interest stories. Think about company activities that might be newsworthy and also improve your public relations. Publicity can include awarding or receiving a prize, marketing a unique product or service, opening a new store or factory therefore increasing employment, offering unique employee performance incentives, doing valuable community work.

4. Sales Promotions and Specialty Advertising

Sales promotions are short-term promotional offers, such as reduced prices or bulk purchase pricing. Sales promotions are used to get a quick response from consumers, promote impulse buying and increase awareness of your company and its products and services.

STEP 7: FULFILL LEGAL REQUIREMENTS

As a business owner you are obliged to understand and comply with government laws and regulations that apply to your business to protect you, your customer and any employees.

Decide Your Business Structure

There are three main types of business structures recognized in Canadian law: sole proprietorship, partnership and corporation (limited company). There are advantages and disadvantages of each type of business structure. The structure you choose will depend on the needs of your business and will have a fundamental affect on how you do business.

Regardless of the structure chosen, you may have the following challenges:

- a) **personal guarantee requirement** — Lenders may require a new business owner to provide a personal guarantee to get loans.
- b) **raising capital** — Lenders are neither impressed or dismayed by any structure; they look for assets (collateral) and business potential.

1. Sole Proprietorship

A sole proprietorship is a business owned and operated by one person. It is the simplest form of business organization.

ADVANTAGES	CHALLENGES
<ul style="list-style-type: none">• Low start-up costs• Greatest freedom from regulation• Owner in direct control of decision making• Tax advantages to owner• All profits go to the owner	<ul style="list-style-type: none">• Unlimited liability• Lack of continuity in business organization if owner away• Profits taxed at personal rates

STARTING A SMALL BUSINESS

2. Partnership

A partnership is an agreement between two or more persons to combine their resources in a business. To protect the partners, a partnership agreement should be drawn up with the assistance of a lawyer. The biggest concern in forming a partnership is ensuring that the relationship is correctly defined and understood by the partners.

ADVANTAGES	CHALLENGES
<ul style="list-style-type: none">• Ease of formation• Low start-up costs• Additional sources of investment capital• Possible tax advantages• Limited regulation• Broader management base	<ul style="list-style-type: none">• Unlimited liability• Loss of a partner has significant negative impact• Finding compatible partners (shared goals; willingness to share control)• Potential conflict between partners (partners are equal; no single leader)

3. Corporation (Limited Company)

A corporation is a legal entity that is separate from its owners, who become shareholders. Liability is limited to the assets of the corporation and the shareholders are not personally liable for any debts unless allowed by law. The directors of a corporation may be held personally liable under certain circumstances, such as unpaid contributions under the Income Tax Act. You may incorporate either provincially or federally depending upon your requirements.

ADVANTAGES	CHALLENGES
<ul style="list-style-type: none">• Limited liability to owners*• Specialized management• Ownership is transferable• Continuous existence• Separate legal entity• Possible tax advantages• Easier to raise capital	<ul style="list-style-type: none">• Extra legal and taxation requirements• Owner now accountable for another entity apart from yourself• Most expensive form to organize• Extensive record keeping necessary• Dividends are paid from after tax profits• Personal guarantees may be required

**There is a note of caution here: directors can be held liable for actions that harm the company or its creditors and may not be immune from creditors pursuing private assets in the event of business failure.*

STARTING A SMALL BUSINESS

Because corporations have their own unique benefits and obligations, please seek advice from your lawyer. Although it is possible to incorporate on your own, we recommend you use legal counsel.



Business Tip

Changing business structure: You can change the legal form of your company at any time, including starting as a sole proprietor or partnership and converting to a corporation when required. For guidance, check with your lawyer and accountant.

Select and Register Your Business Name

An important early decision, requiring some thought, is selecting a name for your business. An effective business name relates to your product or service and is easy to pronounce, spell and remember. You will want a unique name that creates a mental image of the attributes and benefits of the product or service.

In Alberta, you need to register a business name (trade name) if it is anything other than your own personal name. You can incorporate as a numbered company yet operate using a business name.



Business Tip

To register your business name (trade name): See an Alberta Registry Agent. To find an agent go to: www.gov.ab.ca/gs/information/registries/ran.cfm

Protect Your Ideas, Designs and Products

Anything unique that you invent, design or create in your business is known as **intellectual property**. Your intellectual property can be protected from competitors for a limited period of time. Some categories of protection under Canadian law include patents, trademarks, copyright and industrial design.

1. Patent

A patent is a legal document that protects unique methodology or apparatus.

2. Trademark

A trademark is a distinguishing word, mark, symbol, logo or other design used to identify your product or service. It is yours to use exclusively.

3. Copyright

Everyone automatically has exclusive rights to reproduce or copy their own written, dramatic, musical or artistic works. Copyright ensures that others cannot copy these without permission.

4. Industrial Design

The original or unique shape, pattern or ornamentation of an article can be protected for five years, with one possible five-year extension.

Obtain Licences and Permits

Business regulations exist at all three levels of government. You must register your business with appropriate agencies. To assist you, contact information is provided in the *Appendix*.



Business Tip

For further information on licences, permits and regulatory agencies see *Guide for New Alberta Business* at: www.cbsc.org/alberta/content/guidefornewabbusinesses.pdf



Business Tip

For more information on intellectual property: Go to *Appendix* or the web site of the Canadian Intellectual Property Office www.cipo.gc.ca

STARTING A SMALL BUSINESS

Municipal Business Requirements

In Alberta, municipalities have the authority to licence, control and tax businesses. Regulations vary throughout the province. Ask your municipal office if you need a business licence.

Provincial Licences and Regulations



Business Tip

For home-based businesses: Some municipalities require home-based businesses to apply for a business licence or permit.

Very few businesses require a provincial licence. But government regulations apply to many businesses. There is plenty of assistance available to help you decide which regulations apply to your business. See *Appendix* for a list of the most common areas and resource contacts.

Federal Licences and Regulations

The federal government has wide licensing powers in the areas of agriculture, manufacturing, fishing, importing or exporting, communications, and interprovincial or international transportation. Contact the appropriate federal department for more information about regulations that affect your business and required licences or go to their website at www.canada.gc.ca.

Provide Required Employer Programs

If your business employs at least one person other than you, contact Alberta Human Resources and Employment to obtain a package of relevant information. Know your rights and your employee's rights. You will need to understand employment standards, health care insurance, workers' compensation and payroll deductions for your employees.

STARTING A SMALL BUSINESS

Employment Standards

Alberta Human Resources and Employment, Client Services Division, administers the Employment Standards Code. This Code sets out requirements for minimum wage, overtime, hours of rest, vacation pay, statutory holiday pay, notice of termination, maternity and adoption leave, continuous employment, farm labourers and domestics, wage rate changes, statement of earnings and deductions and other issues.



Business Tip

For contact information on your obligations and responsibilities as an employer, see *Appendix, Employment Standards*.

Health Care Insurance

All employers with five or more employees, including owners and partners, must establish a group health plan. For contact information, see *Appendix, Alberta Health Care*.

Workers' Compensation

Most industries in Alberta are covered by the Workers' Compensation Act. Under the Act, workers are compensated when they are injured at work. The majority of employers are required by law to have workers' compensation insurance for all their workers and must notify the Workers' Compensation Board (WCB) within 15 days of hiring their first employee.

For contact information regarding your responsibilities as an employer under the Act, see *Appendix, Workers' Compensation Board*.



Business Tip

One-person companies: You have a unique situation regarding WCB coverage. Contact WCB at 1-866-922-9221 or **The Business Link** for information.

Payroll Deductions

All employers must set up an account with the Canada Revenue Agency (CRA) to make regular deductions from your employees' paycheques. You are responsible for deducting income tax, Canada Pension Plan and Employment Insurance premiums. See CRA to set up your account and for a table of deductions.

Manage Taxes and Recordkeeping

The three levels of government in Canada (federal, provincial, and municipal) have distinct responsibilities and taxing authority. Because sorting through tax regulations that routinely change can be confusing and time consuming, you may wish to consult a professional accountant. Your accountant can assist you by contributing the following:

- Ensuring that your business is set up to meet all tax regulations and requirements
- Ensuring you are claiming all eligible tax deductions and expenses
- Helping you set up a simple, effective record keeping system for tax purposes
- Serving as your agent in negotiations with Canada Revenue Agency
- Preparing your financial statements
- Saving you time, so that you can focus on the income-generating aspects of your business

Business Taxation

Only corporations and some partnerships must request a business number to file business tax returns. For all others, business income must be filed on personal tax returns. Regardless of whether your business is a proprietorship, partnership or corporation you should be aware of Goods and Services Tax (GST) and employee source deductions.



Business Tip

Refer to *Appendix, Canada Revenue Agency*, for contact information.

STARTING A SMALL BUSINESS

Canada Revenue Agency

The Canada Revenue Agency issues business numbers to track GST, import/export, source deductions and income tax for businesses.

Refer to *Appendix, Canada Revenue Agency*, for contact information.



Business Tip

For help: Contact *The Business Link* for the forms to apply for a Business Number or register online at www.businessregistration.gc.ca



Business Tip

Must I charge GST? GST must be charged if your total taxable revenue exceeds \$30,000 in the last four consecutive calendar quarters and in a single calendar quarter.

Alberta Revenue

Corporations need to apply for an Alberta Corporate Account Number. For contact information see Alberta Revenue, Tax and Revenue Administration Division in *Appendix*.

Municipal Taxes

Business owners pay property taxes at the municipal level. Your municipality may also collect a local business tax. For more information, contact your municipal authority or council where your business is located.

Keep Business Records

As a business owner, you are responsible for keeping accurate, current records of your transactions. This is a time-consuming task but one that must be completed accurately and regularly. Consider hiring a bookkeeper on contract or as an employee.

Some of the things bookkeepers do:

- Enter your daily transactions usually into a software program
- Check and balance your accounts
- Maintain general ledgers
- Prepare draft financial statements

One of the benefits of using a bookkeeper is that they free your time to run your business.

The Canada Revenue Agency requires that you keep business records related to your income and expenses. Keep all receipts, invoices, vouchers, cancelled cheques, and records of money paid out for salaries, operating expenses and charitable donations. These records must be kept for a minimum of 6 years from the last year you used them, not the year the transaction occurred. For more information, contact CRA. See *Appendix, Canada Revenue Agency*.

If you incorporate, other records such as your minute book, share records and special contracts or agreements should be kept indefinitely. Seek legal advice about this.



Business Tip

Learn from your business records: In addition to satisfying regulatory requirements, current business records enable you to monitor how your business is performing.

Insure Your Business

Your business may have many assets, including vehicles, inventory, office materials and equipment, staff, partners and you. It is very important that you establish insurance coverage to cover losses that could destroy your business. Talk to an insurance broker about coverage for your business and its operations. You might consider joining an association to take advantage of group insurances rates.

Business insurance includes the following:

Human protection insurance for owners, partners and key employees including:

- Life insurance
- Disability insurance
- Critical illness insurance
- Partnership insurance
- Key person insurance
- Professional liability insurance

Business property and liability insurance includes:

- Vehicle insurance
- Product or service liability insurance
- General liability
- Business premises and contents insurance
- Business interruption insurance

In order to receive contracts with governments and institutions such as health care and educational facilities, you will be required to carry certain types of insurance.



Business Tip

Home-based business insurance: Insurance coverage for a home-based business is recommended and available through many insurance brokers.

STEP 8: PREPARE TO MANAGE YOUR BUSINESS

As the leader and visionary of your business, it is critical that you effectively direct and control your business. This means being competent in a number of management areas. To manage your business to success, you will want to combine reliable information, sound approaches and good business instincts with your experience. The result will be satisfied customers and employees because all aspects of the business will function well.

Enhance Your Management Skills

Candidly assess your management skills. Ask an experienced manager you trust to provide good feedback to help you evaluate your skills. Consider taking management development training. Encourage your staff to take classes that will help develop their management skills and enhance their ability to contribute to your business.

Manage Your Time

Given that you are responsible for all business activities, learning to effectively manage your time will be an ongoing challenge. Effective time management is critical to your long-term satisfaction running a business.

Learn to treat time as a valuable resource. As you review your time demands in your business, ask yourself:

- a) **Must do?**
Is this task required? Is it the best use of my time now?
- b) **Must I do?**
Must I complete this task? Can I delegate it or subcontract it?
- c) **Better way?**
Is there a more efficient way of completing this task?



Business Tip

Stay current: Take courses; sign up for discussion and networking groups; get involved with your community.

STARTING A SMALL BUSINESS

Delegating responsibility also helps prepare others to take over key management tasks, when necessary. Develop a plan for how the business will be managed if you are unable to be there due to illness or injury.

The rewards for effective time management are considerable including increased productivity, an increased sense of accomplishment, and reduced stress and pressure. For further information, there are many materials and courses related to time management available.

Ask for Help

Getting sound advice before you start your business can save you a lot of time and energy and help you avoid many of the pitfalls and mistakes caused by inexperience. Rules and regulations change and are hard to understand unless you work with them every day. Take advantage of the many resources that are available and ensure a healthy start for your new business.

If you are a sole proprietor with no employees, consider your banker, lawyer, accountant, bookkeeper, insurance agent and marketing consultant as part of your team, there to help your business succeed. These experts bring a wealth of information, expertise and experience to your business. Ask them questions. Keep them current about your progress and any challenges.



Business Tip

The Business Link

can help: It has many resources that can help you start your business including the library, web site and business officers.

STEP 9: GET STARTED

You have done your homework. Now is the time to believe in the numbers your business plan has helped you generate. Now is also the time to believe in who you are and in your ability to deliver a successful business. If you are confident that your business plan will succeed, you are now ready to move forward with your new business.

We wish you every success in your business venture! And remember, help is available if you have questions.

As a last activity, complete the start-up checklist that follows to confirm you have considered all aspects of running a business.

Complete Start-up Checklist

You are ready to start your business if you can say YES to the following.

STEP TO BUSINESS START-UP	YES?
Business Plan a) Customers identified b) Budget and projections completed c) Break-even point established	
Investment a) My investment confirmed b) Financing options investigated c) Additional required investment confirmed d) Debt retirement plan established	
Marketing a) Strategies to effectively connect with my customers identified; plan completed b) Plan to deal with competition done c) Marketing budget established	

Con't next page...

STARTING A SMALL BUSINESS

STEP TO BUSINESS START-UP (con't)	YES?
<p>Legal</p> <ul style="list-style-type: none"> a) Name search completed and business name registered b) Business form established (sole proprietorship, partnership or corporation) c) Appropriate licenses and permits obtained d) Applied with Canada Revenue Agency for a business number for: GST, import/export, source deductions and income tax, if applicable e) Registered with Workers' Compensation, Alberta Health and Wellness and Alberta Human Resources and Employment for employees f) Intellectual property protected g) Lease agreement completed (lawyer reviewed before I signed) 	
<p>Management</p> <ul style="list-style-type: none"> a) My strengths and weaknesses identified and an action plan to address in place 	
<p>Networking/Support</p> <ul style="list-style-type: none"> a) Appropriate networks in place b) Family supports proceeding 	



Business Tip

What's next: Once you complete the start-up phase of your business, check **The Business Link's** guide *Manage for Success, Operating your Alberta Business in its First Years* and *Promote for Success, Marketing Your Small Business in Alberta*.

Appendix

In this appendix you will find a directory of various agencies and government departments that you may need to contact for licenses, permits and approvals.

Municipal Government

For Business Licenses and Zoning, contact your local municipal office. If you are located in Edmonton or Calgary, contacts are as follows:

Edmonton:

Edmonton Planning and Development
5th Floor, 10250-101 Street
Edmonton, AB
T5J 3P4
(780) 496-3100
www.edmonton.ca

Calgary:

License Division
3rd Floor, 800 MacLeod Tr. SE
Calgary, AB
T2P 2M5
403) 268-5521
Planning and Building Department
(403) 268-5351
www.calgary.ca

Provincial Government

www.gov.ab.ca

**All Edmonton telephone numbers can be reached toll free
by first dialing 310-0000.**

Alberta Boiler Safety

Permits related to boiler and pressure vessels and personnel

#200, 4208-97 Street
Edmonton, AB
T6E 5Z9
(780) 437-9100
fax : (780) 437-7787
www.albertaboilers.com

STARTING A SMALL BUSINESS

Alberta Elevating Devices and Amusement Rides Safety Association

For permits related to elevators and fixed conveyances

Edmonton:

#207, 8616-51 Avenue
Edmonton, AB
T6E 5Z9
(780) 448-0184
fax : (780) 448-0237

Calgary:

#710, 727-7 Avenue SW
Calgary, AB
T2P 0Z5
(403) 216-5750
fax : (403) 216-5755

www.aedarsa.com

Alberta Health Care

To form an employee group insurance plan

Box 1360
10025 Jasper Avenue
Edmonton, AB
T5J 2N3
(780) 422-1212
fax : (780) 422-0102
1-800-272-8864

www.health.gov.ab.ca

Alberta Securities Commission

For Broker Certificates, filing prospectus before publicly offering shares

Edmonton:

20th Floor, Telus Tower
10025 Jasper Avenue
Edmonton, AB
T5J 3Z5
(780) 427-5201
fax : (780) 422-0777

Calgary:

4th Floor, Alberta Stock Exchange Bldg.
3200-5 Avenue SW
Calgary, AB
T2P 3C4
(403) 297-6454
fax : (403) 297-6156

www.albertasecurities.com

Alberta Solicitor General

Licenses for private investigators, security agencies and guards or locksmiths

10th Floor, J.E. Brownlee Bldg.
10365- 97 Street, North Side
Edmonton, AB
T5J 3W7
(780) 427-3457
www.justice.gov.ab.ca

Apprenticeship and Industry Training

For Trade certificates

Edmonton:

7th Floor South Tower
Seventh Street Plaza
T5J 4X7
(780) 457-9517
fax : (780) 3734

Calgary:

6712 Fisher Street SE
Suite 100, Fisher Park 2
Calgary, AB
T2H 2A7
(403) 297-3100
fax : (403) 297-3799

www.tradesecrets.org

Children's Services:

For licensing of day care centres and child homes

Edmonton
(780) 427-0444

Calgary
(403) 297-6100

or find your local office on the website

www.child.gov.ab.ca

Employment Standards

Regulations regarding wages, holidays, terminations, overtime, etc.

Edmonton
(780) 427-3731

www.gov.ab.ca/hre/employmentstandards/index.html

Environmental Sciences Division For waste emissions and water usage

4th Floor, Oxbridge Place
9820-106 Street
Edmonton, AB
T5J 3Z5
(780) 427-5883

www.gov.ab.ca/env

Fisheries and Wildlife

Licenses for guides, outfitters, dog trainers, taxidermists, tanners, furriers, fishing, fish marketing, or game and bird farms

Main Floor, South Tower
9945-108 Street
Edmonton, AB
T5K 2G6
(780) 944-0313

www3.gov.ab.ca/env/info/infocentre/faqs.cfm

Gaming and Liquor Commission

For liquor and lottery licenses

50 Corriveau Avenue
St. Albert, AB
T8N 3T5
(780) 447-8600

fax : (780) 447-8911

www.aglc.gov.ab.ca

Government Services - Consumer and Corporate Services

Licensing for auction sales, automotive sales and service, collection agencies, charitable organizations, direct sales, fuel oil wholesale and retail, pre-arranged funeral services and sales persons, mortgage brokers, retail home sales

Edmonton:

13th Floor Commerce Place
10255-102 Street
Edmonton, AB
T5J 4L4
(780) 427-4088

Calgary

301 Centre 70
7015 MacLeod Trail S
Calgary, AB
T2H 2K6
(403) 297-5700

www3.gov.ab.ca/gs

Land and Forest Division

Permits for sawmills, timber cutting

7th Floor, Great West Life Bldg.
9920-108 Street
Edmonton, AB
T5K 2M4
(780) 427-8474

Municipal Affairs Safety Services

For permits related to building, fire, electrical, plumbing and gas

Edmonton
(780) 427-8265
or find local contact on web site
www.gov.ab.ca/ma/ss

Policy & Economic Analysis

Alberta Economic Development

4th floor, Commerce Place
10155 - 102 Street
Edmonton AB Canada T5J 4L6
(780) 427-6787
fax: (780) 422-0061
www.alberta-canada.com

Private Colleges Accreditation Board

For private vocational schools, adult education, ESL and academic upgrading

909, 9942-108 Street
Edmonton, AB
T5K 2J5
(780) 427-8921
fax: (780) 427-0423
www.pcab.gov.ab.ca

Regional Health Authority

Permits to make, sell, or store food and drink, or for public swimming pools

Alberta Health and Wellness
www.health.gov.ab.ca/regions

Tax and Revenue Administration

Information about provincial corporate taxation

9811-109 Street
Edmonton, AB
T5K 2L5
(780) 427-0712
fax: (780) 427-0348
1-800-363-6296
www.finance.gov.ab.ca

Transportation Safety and Carrier Services

Commercial trucking and bus operations and oversized loads and dangerous goods

Twin Atria Building
4999-98 Avenue
Edmonton, AB
T6B 2X3
(780) 427-2731
fax : (780) 466-3166
www.tu.gov.ab.ca

Workers' Compensation Board

Edmonton:
9912-107 Street
Box 2415
Edmonton, AB
T5J 2S5
(780) 498-3999
1-866-922-9221

Calgary:
300-6 Avenue SE
Calgary, AB
T2G 0G5
(403) 517-6200

www.wcb.ab.ca

Federal Government

www.canada.gc.ca

Agriculture and Agri-Food Canada

For research, markets and trade information and financing

Room 725
9700 Jasper Avenue
Edmonton, AB
T5J 4G5
(780) 495-4141
fax : (780) 495-3324
www.agr.gc.ca

STARTING A SMALL BUSINESS

Canada Revenue Agency

GST, payroll deductions, income tax, import and export

Edmonton:

Room 10, 9700 Jasper Avenue
Edmonton, AB
T5J 4C8
1-800-959-5525

Calgary:

220-4 Avenue SE
Calgary, AB
T2G 0L1

www.cra.gc.ca

Canadian Food Inspection Agency

For labelling and inspection of raw or manufactured food producers or importers

Edmonton:

205, J.G. O'Donoghue Bldg.
7000-113 Street
Edmonton, AB
T6H 5T6
(780) 495-3333
fax : (780) 495-3359

Calgary:

102, 3650-36 Street NW
Calgary, AB
T2L 2L1
(403) 299-7660
fax : (403) 221-3296

www.inspection.gc.ca

Canadian Intellectual Property Office

Patents, trademarks, industrial designs, copyrights and circuit topography

Place du Portage I
50 Victoria Street
2nd Floor, Room C227
Hull, QC
K1A 0C9
(819) 997-1936
fax: (819) 953-7620
1-900-565-6742
www.cipo.gc.ca

STARTING A SMALL BUSINESS

Competition Bureau Fair Business Practices Branch

Labelling of non-food products, investigation of misleading advertising
or deceptive marketing

725, 9700 Jasper Avenue
Edmonton, AB
T5J 4C3
(780) 495-2484
Fax : (780) 495-2466
1-800-348-5358
www.cb-bc.gc.ca

Corporations Directorate

Information on federal incorporation

Ottawa:

9th Floor
Jean Edmonds Towers, South
365 Laurier Avenue West
Ottawa, ON
K1A 0C8
(613) 941-9042
fax: (613) 941-0601

Vancouver:

Room 200
300 West Georgia Street
Vancouver, BC
V6B 6E1
(604) 666-9875
fax: (604) 666-7981

www.strategis.ic.gc.ca/corporations

Health Canada

Safety standards for consumer products, drugs, cosmetics or medical devices

Edmonton:

840, 9700 Jasper Avenue
Edmonton, AB
T5J 4C3
(780) 495-5042
fax : (780) 495-2624

Calgary:

282, 220-4th Avenue
Calgary, AB
T2G 4X3
(403) 292-5613
fax : (403) 292-4644

www.hc-sc.gc.ca

Privately Managed Agencies

Alberta Energy and Utilities Board

Permits related to coal, oil sands mines, drilling, pipeline construction, power lines, sub stations and utility rates

640-5th Avenue SW
Calgary, AB
T2P 3G4
(403) 297-8311
fax: (403) 297-7336
www.eub.gov.ab.ca

Alberta Funeral Services Regulatory Board

Licenses for funeral directors and funeral services

11810 Kingsway Avenue
Edmonton, AB
T5G 0X5
(780) 452-6130
1-800-563-4652
www.afsrb.ab.ca

Alberta Insurance Council

Licenses for insurance agents and adjusters

901 TD Tower
Edmonton Centre
Edmonton, AB
T5J 2Z1
(780) 421-4148
fax : (780) 425-5745
1-800-461-3367
www.abccouncil.ab.ca

Alberta Motor Vehicle Industry Council

Licenses all automotive businesses including vehicle sales, body shops, etc.

Edmonton:

Suite 303, 9945-50 Street
Edmonton, AB
T6A 0L4
(780) 466-1140
1-877-979-8100

Calgary:

205 Southland Tower
10655 Southport Rd SW
Calgary, AB
T2W 4Y1
(403) 301-2740

Alberta Real Estate Association

Licenses for real estate agents, salespersons, and property managers

340, 2424-4 Street SW
Calgary, AB
T2S 2T4
(403) 228-2954
1-888-425-2754
www.reca.ab.ca

STARTING A SMALL BUSINESS

Disclaimer

The information presented here is intended as a guide only without warranty of any kind. **The Business Link**, its employees, its directors and members, its agents or contractors will not be liable for any damages, direct or indirect, or lost profits arising out of your use of information provided here, or information provided within **The Business Link's** web sites.

The material may be used, reproduced, stored or transmitted for non-commercial purposes. However, **The Business Link's** copyright is to be acknowledged. You may not use, reproduce, store or transmit this material for commercial purposes without prior written consent from **The Business Link**.

©2005 *The Business Link*

For more details on this information and related topics, contact:

The Business Link Business Service Centre

100-10237 104 Street NW
Edmonton, Alberta T5J 1B1

Business Information Line:

1-800-272-9675 toll free or 780-422-7722 in Edmonton
Library: 780-422-7780
Fax: 780-422-0055

E-mail: buslink@cbsc.ic.gc.ca
Web site: www.cbsc.org/alberta



The Business Link is a not-for-profit organization proudly supported by the Government of Canada and the Government of Alberta, and is a member of the Canada Business Service Centre Network.

Canada

Alberta