



HOW TO START A BUSINESS

Booklet 4

HOW TO START A BUSINESS

INSTRUCTION BOOKLET

By
GEDC Business Centre

www.gedc.ca

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Introduction

GEDC Business Centre is your first point of contact for all your business needs. Our mission is to foster and encourage the start-up and operation of successful enterprise in all economic sectors within our catchment area.

We are your local CFDC (Community Futures Development Corporation), a not-for-profit organization governed by a volunteer board of directors located in Geraldton in the Municipality of Greenstone. With financial assistance from the Government of Canada through FedNor, we offer a variety of bilingual products and services at no cost to promote small business growth, and community economic development.

The GEDC Business Centre has resources and professionals that can assist with business planning, start-up, maintenance and expansion. We also have a 3-Tier Lending Program designed to help finance businesses based on their needs.

Micro Loans: \$500 - \$10,000

Starting as low as \$500, these loans are ideal for smaller businesses looking for help with start-up and other costs. We have created a simplified application and approval process to help get your business started.

General Loans: \$10,001 - \$150,000

Ranging from \$10,001 to \$150,000, GEDC's general loans can help Greenstone businesses of all sizes reach their maximum potential.

Pool Loans: \$150,001 - \$500,000

These loans are available through the CFDC's Northwestern Ontario Investment Pool. Visit our website www.gedc.ca to learn more.



The primary objective of GEDC financing is to invest in sound businesses that create and maintain sustainable employment in all economic sectors.

Disclaimer:

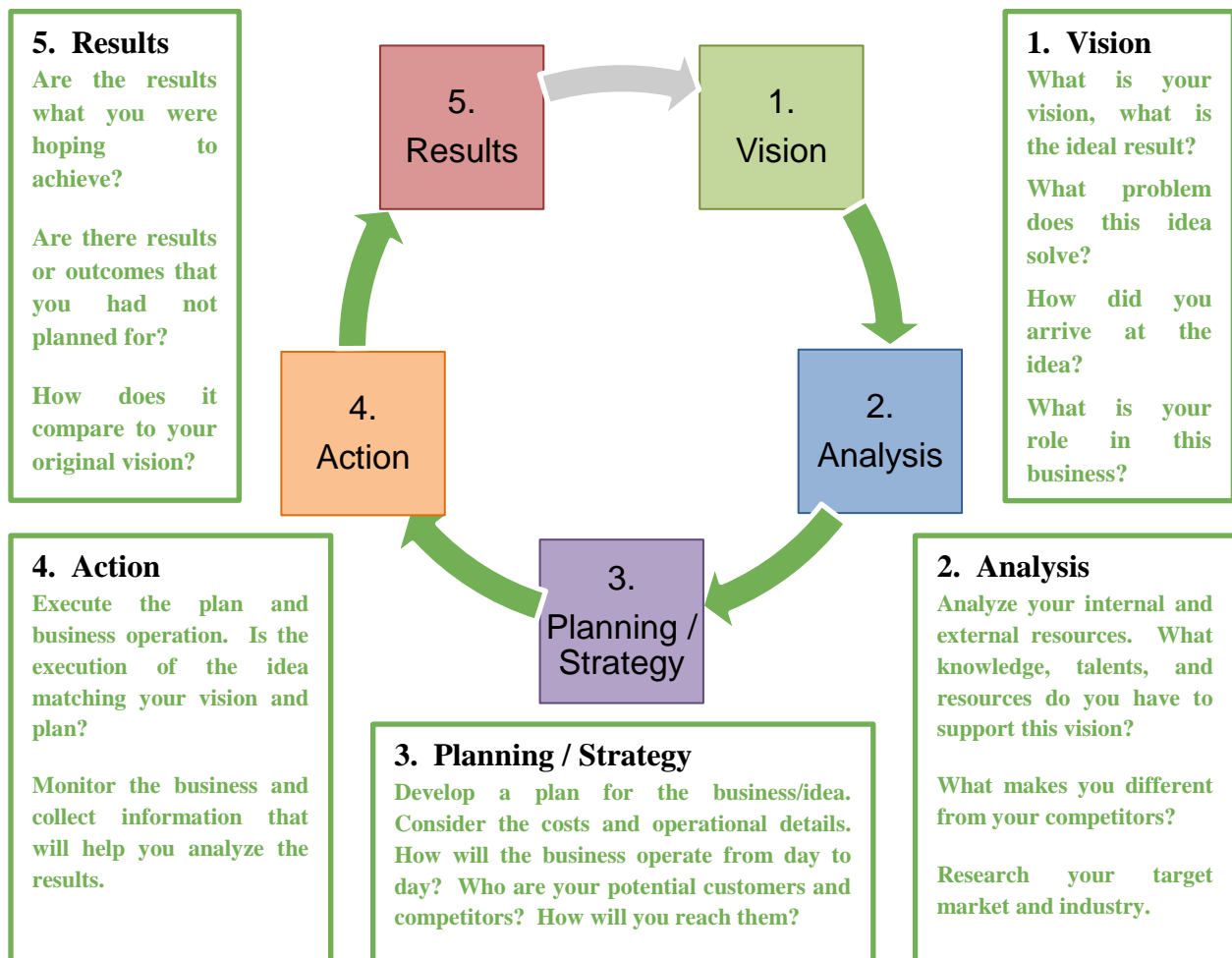
This booklet is designed to serve as a guide to assist entrepreneurs with planning and opening a business. Depending on your industry there may be other strategies, regulations / requirements not listed. GEDC strongly recommends that entrepreneurs seek professional advice before financing / starting a business.

Developing the Idea

Analyzing the idea is the first step to building a business. Try to visualize the big picture of what you want the business to be, and evaluate the connection the business has to your personal vision.

The Decision Making Cycle

The Decision-making Cycle is a methodology that illustrates the process of getting from the Vision to Results. This model can be used in new or existing businesses. Consider each part of the cycle, and how one section can impact the other.



It is important to track and analyze the results. If the results are not what you intended, go through the cycle again and determine what changes or improvements can be made in the cycle to create better results.

Some Questions to Consider

What motivates you?

What are your strengths?

What problem does the business solve?

How did you arrive at the idea?

Is this the right idea for you?

Some key characteristics of entrepreneurs include:

- Problem-solver
- Determined
- Hard-working
- Perseverant
- Passionate

What are your best characteristics?

The Vision

This is step 1 of the Decision Making Cycle on page 2.

Entrepreneurs need to take an objective view of their personal and business vision to make sure they understand what the end result is, and what steps need to be taken to get there.

What is the vision for the business?

What is the end goal?

What is your role in the business?

How can you use your strengths and skills to be a positive influence on your business?

Analysis (Resources)

Analyze your idea to research your needs and determine solutions to personal/business problems.

This is step 2 of the Decision Making Cycle on page 2.

Internal Resources

Discovering what skills and strengths you can bring to the business will greatly assist your business planning, and it will also help you discover what skills and strengths might be lacking. This will help you plan to face challenges, and overcome barriers.

What skills / assets can you contribute to the business?

External Resources

What resources can you draw upon to assist with your venture? Do you have any personal connections, friends, or family members that have knowledge or experience that would be beneficial to you? Perhaps there are other businesses that you can develop a working partnership with or entrepreneurs that could provide advice or mentoring. Remember; a GEDC business advisor can help you with business planning and development.

Planning / Strategy (Market Research)

The planning/strategy step is to present information regarding the market in which you are going to be operating in. The objective is to know your market and determine if it is large enough to build a sustainable business for your services / products.

This is step 3 of the Decision Making Cycle on page 2.

Market Research

Market research is a key factor in determining the potential sales for your product or service. Research and understand your product and target market. Look for ways to test your concept, define what is unique about your product / service, collect information and gather feedback.

Entrepreneurs need to understand what influences the customers buying decision. Generally speaking, most consumers base their decision on the following factors:

- **Quality**
 - It is the brand name you trust.
- **Cost**
 - Choosing a product / service based on the best / lowest price. The customer saves money, or gets more value for their money.
- **Convenience**
 - Products are easier to find and purchase.
- **Service**
 - Service that customers know and can count on, such as: friendly / knowledgeable staff, better product support, guaranteed service, and strong customer relationships.
- **Shop Local**
 - Buying local supports your community.

TIP:

Before you build anything...figure out what people want, and are willing to pay for it.

How will your business compete with other businesses in your area?

What is your competitive advantage?

Can you use any of the factors above to set yourself apart from your competition?

Action

This is step 4 of the Decision Making Cycle on page 2.

Planning for Success

A well-developed business plan is essential for starting or expanding a business. Developing a proper business plan will not only prepare you for what is required to operate the business, it is also essential if you are seeking financial assistance. Most lenders and investors need to analyze your business plan and financial projections to assess your business to make an informed lending decision.

GEDC has a business plan guide with information on all components of a standard business plan and staff are available to assist.

Business Structure

The type of business structure chosen will impact how the business is planned and executed.

Sole Proprietorship

A sole proprietorship is a single-owner where the business and the owner are one and the same person for tax and legal purposes. A sole proprietorship is usually quick and easy to set up. The owner of a sole proprietorship is fully responsible for all the debts and liabilities incurred by the business.

Partnership

Partnerships consist of two or more owners that have agreed to combine their resources and share the business ownership, profits, losses, and management duties. In a general partnership, all the partners are jointly liable for all debts and liabilities incurred by the business.

Corporation

A Corporation is registered with the government (provincial or federal) and recognized as a separate entity for legal and tax purposes. Corporations are subject to strict regulated reporting requirements. Corporations can have multiple shareholders / owners with limited liability for debts, obligations, or acts of the corporation.

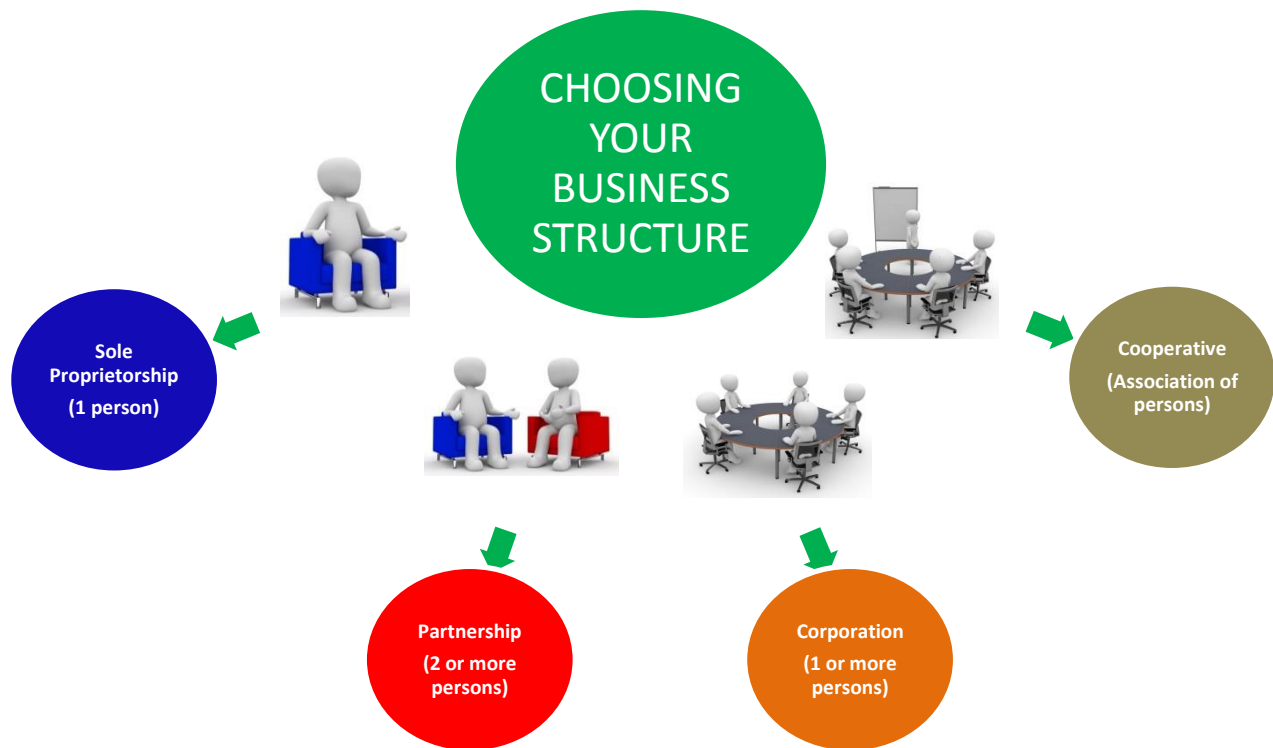
Not-for-Profit

Not-for-profit (or non-profit) businesses are generally businesses that are dedicated to activities that improve or benefit their community. Not-for-profits may earn revenue, but that revenue must go back into the organization to benefit its future goals and projects. The revenue made by a not-for-profit is not for the personal gain of its directors, members, or officers.

Co-operative

A Co-operative is a corporation controlled and owned by a group of members. Co-operatives can be for profit or not-for-profit. Co-operative members all have the right to an equal vote in the decisions made by the organization, regardless of their role in the business or level of contribution.

****Partnerships, Not-for-profits, Co-operatives and Incorporated business structures may have different requirements, regulations and planning strategies than what is listed in this guide. GEDC recommends consulting with a business advisor, accountant, and / or a lawyer before deciding on the business structure.***



General Guidelines for a Business Plan

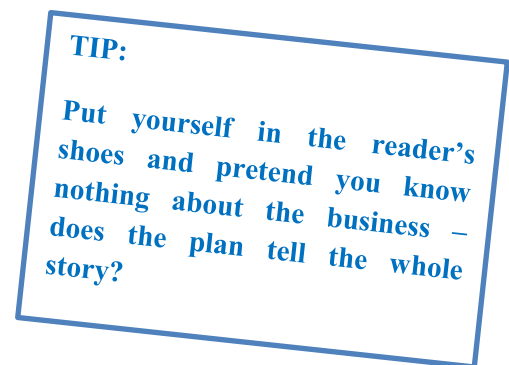
Below are some points to consider when preparing a Business Plan:

- Write the business plan in the 3rd person – Avoid using ‘I’ or ‘we’.
- Be concise, but thorough – include all the necessary details, but try not to fill the plan with irrelevant information.
- Write the plan as if the reader knows little or nothing about your business or industry.
- Get feedback – have a business advisor review the plan objectively to provide you with constructive feedback.
- The Business Model Canvas is a recommended exercise for business planning. It is a chart that features many of the essential elements of a business plan all on one page. See **Appendix A** for a sample Business Model Canvas.

Components of a Business Plan

Cover Page / Table of Contents

A cover page and table of contents gives your business plan a clean, professional look. On the cover page, include details such as the business name, logo, owner name(s), address, and date.



Executive Summary

The executive summary is a ‘snapshot’ of the business plan. It is usually only 1-2 pages in length and it should concisely summarize all the sections of the plan. Although this section appears first, it should be completed last. This should entice the reader to read the complete plan.

Business Profile

The business profile includes details such as, the owners name, type of ownership / structure, business location / type, hours of operation, short term and long term goals, mission / vision statement, business history and any other specific details about the business and the industry it operates within.

Market Research / Marketing Plan

The marketing plan details your strategy for pricing, promotion, and location / distribution of your product / service. A list of your competitor’s strengths, weaknesses, opportunities, and threats (SWOT analysis) is a commonly used tool to outline who your competitors are, and what your competitive advantage is. A sample SWOT analysis can be found in **Appendix B**.

A profile of your target market / target customers should be included. How are you going to attract customers and what makes your business unique?

Detailing the “Four P’s” of marketing (Product, Price, Place, Promotion) will help to fill in the marketing profile.

- Product: What are your product / service features, details, and guarantees?
- Price: How much will you sell it for? What is your pricing strategy?
- Place: Where will the product be available for sale and how can the customer find it?
- Promotion: How do you plan to advertise? How will you reach your customers?

Operational Plan

The operational plan should detail all the information that is relevant to operating a business on a day-to-day basis.

This should include:

- List of employee job titles / descriptions and number of employees
- Wage / salary information, inventory and equipment needed to operate
- List of suppliers and contract terms, details on how your product / service are provided or produced for the customer
- Details on professionals utilized by the business (lawyers, bookkeepers, accountants, mentors, advisors, etc.)
- Any other information that will inform the reader on how the business operates

Financial Plan

The financial plan will detail all relevant financial information including: start-up costs and details, current assets including owners contributions, sources of financing and repayment terms as well as supporting financial spreadsheets (projected cash flow / income statement for up to 3 years), which can be attached as appendices. More details on financing for small business available on pages 10-14.

Appendices

The appendices are all the supporting documents for the plan, such as pictures, marketing materials, diagrams, financial statements, etc. Typically these would be attached at the back of the plan for the reader to review.

Things to Avoid when Planning a Business

Overspending or Underspending

You want to be well stocked and prepared for your new venture, but overspending can be burdensome to your cash flow management and create unnecessary debt. Similarly, underspending may leave you unprepared to serve your customers and create a poor first impression of your business through slow service or lack of products.

Not Considering all Expenses

Failure to fully consider all the expenses involved (fixed and variable) can affect your profit margins and overall cash flow. Be certain of all the costs required to directly produce your goods or services, as well as all the recurring costs (overhead) that the business must pay, regardless of the amount of sales.

Going too Big, too Fast

Similar to overspending; trying to go too big too fast can lead to cash flow or debt problems and create operational difficulties.

Overestimating Sales Forecast

You want to have a positive outlook for the potential of your business, but exercise caution when predicting sales. Overestimation of sales can be another cause of unnecessary spending. Set a reasonable sales target, and focus on what it will take to meet it.

Fixed Costs examples; insurance, rent, management salaries, and utilities
Variable Costs examples; hourly wages, materials, and other costs associated with the production / sale of the goods / services

Unorganized (or lack of) Bookkeeping

Having orderly bookkeeping / records is essential to planning, execution, and evaluation of your business. Hire a professional, or purchase an accounting program to effectively manage your financial records. If you cannot afford to do this right away, then develop a tracking system that works for you. Taking time to develop an organized system can save time and money in the future.

Financing for Small Business

Financing Options

Depending on the lender, there are many ways to finance a business. It is advisable to explore all options available to find the best solution for your new venture.

Examples of sources of financing are:

- Community Futures Development Corporation (e.g. GEDC Business Centre)
- Financial Institution (e.g. bank, credit union)
- Bank for Entrepreneurs (BDC)
- Investor / Venture Capitalist
- Angel Investors
- Grants
- Crowd Funding
- Private Lender
- Self-Financing

What Lenders Want to Know

Most lenders will evaluate an entrepreneur and the business based on factors such as:

- Business profitability, liquidity, solvency
- The viability of the business and business plan
- The client's ability to repay
- How the loan or financing will be secured
- Credit history of the applicants / guarantors
- Job creation and business creation (considered by CFDC's)

What Lenders Look For

When approaching a lender / investor, it is advisable to have a clear plan and financial projections ready. Lenders will want to see proof that the proposed business is viable and that their financial risk can be minimized. Cash flow projections, income statements, balance sheets, credit history, proof of investment, business plan details, and a list of proposed collateral, are documents that you can provide to the lender to show that your business is worth the risk.

TIP:

Lenders want to see proof that you have put equity in the business.

If you are not taking a risk, why should they?

Key Financial Statements

Income Statement

The Income Statement shows actual (or projected) revenues and expenses for a business, also known as a profit / loss statement. This statement is set over a period of time (e.g. monthly, yearly) and indicates whether there was a profit or a loss for the business over that period.

Balance Sheet

The balance sheet details the assets, liabilities, and owner's equity of a business at a given point in time (e.g. 'balance sheet as of Dec. 31st').

Cash Flow Projection / Statement of Cash Flow

The cash flow records cash and cash equivalents entering and leaving the business. Whether these statements are projected or actual, they provide key information about the business and are a valuable tool in business planning and analysis. A sample Cash Flow template can be found in **Appendix C**.

Projecting Expenses and Revenues

Projecting revenues (sales) and expenses are important for many reasons. As part of the business planning process, you need a clear plan in place for the mark-ups and sales of your products and an understanding of the expenses that will be incurred by the business.

TIP:

Do not project your sales based on the 'best-case' scenario. Be optimistic, but also realistic.

Projecting Expenses

Determine Start-up Costs

Start-up costs are typically one-time purchases, or costs incurred for the purpose of the business start-up that are not regular monthly expenses. A sample chart can be found in **Appendix D**. Some things to consider when calculating start-up costs include:

- Cost of building / property purchase (legal fees, down payment, environmental assessment), required renovations or improvements
- Equipment, machinery
- Vehicles
- Start-up inventory or raw materials required
- Supplies / Office – general supplies, computer, printer, furniture
- Start-up Capital – amount of capital invested (or required) by owners/investors at start-up
- Business licence / Incorporation costs

Determine Operating Expenses

Operating expenses (overhead) are regular recurring expenses paid by the business.

Examples of operating expenses include:

- Monthly mortgage / rent / lease cost
- Employee costs (hourly wages, employer remittances, WSIB premiums)
- Loan payments / interest charges
- Property taxes / hydro / water bills
- Insurance expense
- Advertising expense
- Repair and maintenance costs
- Phone and internet expense
- Professional fees (e.g. bookkeeping, accounting, etc.)
- Supplies

Projecting Revenues

Gross Profit / Profit Margins

Gross profit is the difference between the revenue earned for the product sold minus the cost to produce it. Sales and expenses cannot be properly projected without thorough knowledge of the profit margins for the business's products / services.

The profit margin, usually listed as a percentage is the ratio of profitability that a business makes. This percentage is a key indicator of the amount of profits made on items sold and can be used when developing a pricing / marketing strategy.

Cost of Goods Sold (COGS)

This is the direct cost attributable to the production of goods or services. COGS typically include the cost of materials and direct labour (hourly wages) required to produce the goods or services. For example, you buy several different materials used to produce an item for sale – the costs of all those materials are included in the COGS. Regular operating expenses such as rent and management salaries are usually not included in determining COGS because they do not directly contribute to the production of the good or service.

Margin Example 1:

The 'ABC Company' sells an item that cost \$4 to produce (COGS), and they sell it for \$12 (revenue)

Revenue – Cost of Goods Sold = Gross Profit

$$\$12 - \$4 = \$8 \text{ gross profit}$$

Gross Profit Margin (%) = (Revenue – Cost) ÷ Revenue

$$(\$12 - \$4) \div \$12 = 8 \div 12 = 0.67 \text{ or } \underline{67\% \text{ Gross Margin}}$$

TIP:

The higher the margins, the better potential for overall profits.

Margin Example 2:

The 'ABC Company' sells several different items and has \$10,000 in total revenues for the month, and the COGS for all items is \$4,000.

$$\$10,000 - \$4,000 = \$6,000 \text{ gross profit}$$

$$(10,000 - 4,000) \div 10,000 = 6,000 \div 10,000 = 0.6 \text{ or } \underline{60\% \text{ gross margin}}$$

What does this tell us? In example #1, the 'ABC Company' can look at each item separately to see what their margins are per item. In example #2, the 'ABC Company' combined all their revenues and COGS from their items and they can look at their overall margins over a period of time.

Net Profit

Net profit for a business is the revenues minus all expenses and net profit margin is the ratio of profitability (%) that a business has after all expenses have been paid.

Net Profit Example:

The ABC Company has \$10,000 in total revenues for the month and the COGS was \$4,000. The operating expenses (rent, utilities, insurance, etc.) for the same month were \$3,500.

Gross Profit – Expenses = Net Profit

Revenue	\$10,000	Gross Profit	\$6,000
COGS	<u>-\$4,000</u>	Expenses	<u>-\$3,500</u>
Gross Profit	= \$6,000	Net Profit	= \$2,500

Net Profit Margin (%) = (Revenue – All Expenses) ÷ Revenue

$$(\$10,000 - \$7,500) \div \$10,000 = 2,500 \div 10,000 = 0.25 \text{ or } \underline{25\% \text{ Net Margin}}$$

What does this tell us? In the net profit example, The ‘ABC Company’ has \$2,500 in net profits after all the expenses for the business have been paid.

Why you need both Net and Gross Profit Calculations

When you know your gross profit margins you will be able to analyze whether your prices are too low, or your direct costs are too high. With the net profit calculation you will get an overview of all your expenses compared to your revenue. This will allow you to see if there are expenses you need to reduce or revenue you can increase. (<https://www.gilroygannon.com>)

Gross Profit may not be your “real” profit, but you need to calculate it to track how your business is doing. First, because the way you arrive at net profit is by deducting these additional fixed expenses from gross profit. But, importantly, gross profit gives you valuable information about how well your business is moving forward. (<https://smallbusiness.chron.com>)

Break-Even Point

The break-even point is the amount of sales / units sold required to cover the total fixed expenses of the business. Essentially, how much does the business have to sell to break even? Any sales above the break-even point will be profits, and sales below the break-even point will create a loss. Determining the break-even point is important for projecting profitability, developing a sales target / pricing strategy, or analyzing costs.

Break-Even Example:

A business has \$1,000 in fixed costs (expenses) every month. They sell items with a gross profit margin of \$5 per item.

Total fixed expenses ÷ Gross Profit per unit = Break Even Point (in units)

$\$1,000 \div \$5 = \underline{200 \text{ units}}$ – Therefore this business will have to sell 200 items to break even every month.

Ready – Set – GO!

Before you open for business, you need to ensure that you have done your due diligence. GEDC's booklet, *Entrepreneur's Responsibilities* details many of the requirements that business owners must adhere to when operating a business. This booklet is available at the GEDC office or on our website www.gedc.ca.

**Partnerships, Not-for-Profits, Co-operatives and Incorporated business structures may have different requirements, regulations and planning strategies than what is listed in this guide. GEDC recommends consulting with a business advisor, accountant, and/or a lawyer before deciding on the business structure.*

Business Registration

There are requirements for business registration at the Municipal, Provincial and Federal level. It is the responsibility of the entrepreneur to ensure they comply with all levels of Government when registering a business.

Municipal Business Licence

The Municipality of Greenstone has by-laws that require some businesses operating in Greenstone to have a Municipal business licence.

The Municipality should be contacted for the following:

- Municipal license requirement
- Zoning for commercial properties / buildings
- Fire Code / Building Code inspections
- Building permits / accessibility requirements

Entrepreneurs also need to inquire if there are any additional inspections or certifications required for the business to operate.

Master Business Licence (MBL) (Ontario)

A sole proprietorship or partnership business in Ontario that operates under a name that is not the entrepreneur's legal name must register for a Master Business Licence at Ontario.ca. Before making a decision on a business name you can do a name search to determine whether another Ontario business is using your selected name and where it is located. There is a cost to register a business name and it **must be renewed every five years**.

Business Number (BN) (Canada)

A business number (BN) is a unique 9 digit number that you would need to register for your CRA program account through Government of Canada / Canada.ca.

With a business number you can open various program accounts including:

- HST account
- Payroll account
- Import / Export account
- Corporate Income Tax account



Businesses can register for a CRA Business Account to have quick access to any of their CRA documentation.

Insurance

Commercial Liability Insurance

Whether your business will operate from a commercial location, or out of your home, it is essential to have proper insurance to ensure your business is protected.

Insurance for a home-based business versus a business with a commercial location may have different regulations and guidelines. It is important to contact your insurance broker for more information, as policies vary from company to company.

Workers Compensation Insurance

The Workplace Safety and Insurance Board (WSIB) provides worker's compensation and no-fault insurance for employers in Ontario. WSIB is mandatory for many types of businesses that employ workers. WSIB coverage must be registered within 10 days of hiring an employee. Optional coverage is available for business owners. Talk to a business advisor or a WSIB representative to determine if your business requires coverage.

Business Bank Account

It is recommended that all registered businesses open a business bank account. Even as a sole proprietor, it is essential to run all business transactions through your business accounts / credit cards / lines of credit. You should not accept or make business purchases from your personal accounts as this can create bookkeeping problems and may cause complications with income tax reporting. Talk to a bank representative for options that best suit your business.

Health and Safety

There are health and safety requirements that businesses must comply with. The required postings, training and / or resources a business needs can vary depending on the type of industry, or number of employees.

Business owners are responsible for ensuring that their business is compliant with all relevant health and safety legislation including but not limited to:

- Mandatory postings
- Health and Safety Awareness Training for workers and supervisors
- The Occupational Health and Safety Act
- WHMIS (Workplace Hazardous Materials Information System)
- First-Aid requirements and training
- Required PPE (Personal Protective Equipment)
- Accessibility for Ontarians with Disabilities Act (AODA)

Some Mandatory Postings Include:

- **Employment Standards Act Poster**
- **Health and Safety at Work Poster**
- **WSIB – In Case of Injury at Work Poster**

Human Resources

There are numerous laws and regulations that govern the treatment / management of employees within your business. As a business owner / manager, it is essential that you are familiar with existing legislation, such as:

- Employment Standards Act (the minimum standard for most workplaces in Ontario, e.g. wages, parental leave, hours of work)
- Ontario Human Rights Code (the laws ensuring equal rights and opportunities without discrimination)
- Occupational Health and Safety Act
- Bill C-148 – Fair workplaces, better jobs act (a new bill of law that has recently changed some employment standards in Ontario)
- Violence and Harassment policy (legislated as part of the Occupational Health and Safety Act)

Conclusion

An Entrepreneur is a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so. It can be a very rewarding experience but also can be an arduous lifestyle. GEDC's booklet series and advisors aim to make this entrepreneurship / business journey easier for you, by providing additional resources for success.

As discussed in our *Entrepreneur's Responsibilities* booklet, there are numerous duties and requirements that businesses must meet; which unfortunately if not fulfilled can be detrimental to the life of the business.

Our booklets are guides and provide general overviews for entrepreneurs and business owners. Ultimately it is the responsibility of each individual business owner to become knowledgeable about starting and operating a business to ensure all legal and reporting requirements are met.

Stop by the GEDC office or visit our website www.gedc.ca to check out the rest of GEDC's Booklet Series:

1. Starting a Not-For-Profit Organization
2. Business Resource Guide
3. Entrepreneur's Responsibilities
4. How to Start a Business

Other agencies that can assist your business include:

- MTW Employment Services
- Municipality of Greenstone
- Canada Revenue Agency / Government of Canada
- Service Ontario / Service Canada
- Canada Business Network
- Public Services Health and Safety Association (PSHSA)



Appendices

Appendix A: Business Model Canvas

Business Model Canvas		Business: _____		Date: _____
Key Partners Who are our key partners? Who are our key suppliers? What are our partners bringing to the table?	Key Activities What activities do we need as a company: distribution channels, relationships, revenue streams? What do we have?	Value Propositions What value do we deliver to the customer? What is the problem we help solve? Which customer needs are we satisfying?	Customer Relationships What relationships do we need to build and establish? Which ones do we have? How costly are they? How much do they matter to our business model?	Customer Segments For whom are we creating the most value? Who are our most important customers?
	Key Resources What resources do we need: human, financial, IP*, etc.? What do we have?		Customer Channels How are you going to reach your customers? How are you reaching them now? How does this integrate into the rest of the company?	
Cost Structure What costs your business the most money? Which costs are inherent in your revenue model? Which resources and activities are the most expensive?		Revenue Streams What are our customers willing to pay? What are they paying of the same job right now? How much does each revenue stream contribute to overall revenue for the business?		

Adapted from: Northwestern Ontario Innovation Centre

**IP (Intellectual Property) Dictionary definition: work or invention that is the result of creativity, such as a manuscript or a design, to which one has rights and for which one may apply for a patent, copyright, trademark, etc.*

Appendix B: S.W.O.T. Analysis

Do a SWOT Analysis for Each Competitor & Your Business

Competition Name:
Description:

Strengths	Weaknesses
Opportunities	Threats

Appendix C: Cash Flow Forecasting

CASH FLOW FORECASTING

REVENUE	Month Before Open	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12
Sales													
HST													
TOTAL REVENUE													
EXPENSES													
Rent													
Utilities													
Maintenance													
Phone/Internet													
Office Supplies													
Advertising													
Insurance													
Licenses/permits													
Wages													
Business Taxes													
WSIB													
Supplies													
Professional Fees													
Payroll Deductions													
HST													
Loan Payment													
TOTAL EXPENSES													
<i>(+) Net Income Carry Over</i>													
<i>(+) Revenue</i>													
<i>(-) Expenses</i>													
NET INCOME													

- *The above is a sample to give a general concept of what a Cash Flow would include; the orientation is usually “landscape” to allow for more room to work in.*
- *“Net Income Carry Over” is the “Net Income” number from the previous month of operations. Not applicable for the “Month Before Open” column.*

Appendix D: Start-up Costs

START UP COSTS

Equipment	
Equipment	
Equipment	
Equipment	
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Equipment	
Equipment	
Equipment	
Equipment	
Equipment	
Equipment	
Supplies Total	
Inventory Total	
Business Licenses	
Business Permits	
WSIB	
Insurance (Property/Content/Vehicle...) (3 months)	
Taxes (3 Months)	
Phone, Internet (3Months)	
Advertising (3 Months)	
Office Material (3 Months)	
Utilities (3 Months)	
Opening Order Supplies	
Cash Flow	
Total	

- *Equipment generally itemized separately as more significant components.*
- *(3 Months) It is recommended to have a minimum of 3 months' worth of funds in the bank account for cashflow purposes.*

