

BUSINESS
comox Wildly
Sophisticated.
Economically
Unconventional. **valley**

Business Resource Centre

Starting a Business in the Comox Valley



businesscomoxvalley.com

BUSINESS

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Steps to Starting a Business



The Invest Comox Valley Business Information Centre is the first stop for those interested in starting or expanding a business or development in the Comox Valley.

The centre is a resource for developers, business, investors & entrepreneurs that acts as a catalyst for economic growth in the Comox Valley.



BUSINESS EXPANSION

- Importing/Exporting Info Guides
- Set up Import/Export Account
- Franchising Information
- Becoming a Franchisee Self Test
- Buying a Business
- Incorporate your Company

BUSINESS IDEA

- Using your Skills & Interests, Develop a Business Idea
- Take Entrepreneurial Self Assessment Test
- Buying a Business
- Feasibility Analysis

BUSINESS PLANNING

- Attend CVEDS Business Planning Workshop
- Write a Business Plan
- Choose Location
- Check Zoning Laws
- Get Business Plan Reviewed by CVEDS
- Apply for Financing

CVEDS BUSINESS INFO CENTRE SERVICES

- One Stop Business Registration Services
- Resource Library for both Business & Industry Research & Information
- Monthly Workshops and Seminars
- Confidential Small Business Plan Review & Counseling
- Public Internet Access Terminals for Business Research and Registration
- Community Business and Government Contact Information
- Meeting Facilities and Equipment Rentals
- Office Rental Space

BUSINESS REGISTRATION

- Choose a Business Name
- Get your Name Approved
- Register Business Name
- Register with Government Agencies
- Get a Municipal Business License
- Open a Bank Account
- Check for Domain Name

BUSINESS START-UP

- Have Business Cards & Stationary Printed
- Purchase Equipment & Supplies
- Order Inventory, Signage, Fixtures
- Begin Advertising Campaign
- Start Business Operations

CVEDS Business Info Centre 1.250.334.2427
Corporate Registries 1.250.356.2893
OneStop Help Desk 1.877.822.6727

Worksafe 1.888.922.2768
Consumer Taxation Branch 1.877.388.4440
Canada Revenue Agency 1.800.959.5525

Starting a New Business Checklist

1. Choose a business based on your skills and interests
2. Register for the Invest Comox Valley Business Planning Workshops
3. Research your Business idea
4. Write a [business plan](#) and [marketing plan](#)
5. Choose a business name and get it approved
6. See if the business name is available as a domain name
7. Register the business name as a Proprietorship/Partnership, Incorporation or as a Non Profit
8. Register for GST/PST/WCB/Payroll Accounts/Import Export Accounts/Business Number etc.
9. Register the domain name and email address
10. Choose a location for the business or make space in the house for it
11. Check zoning laws
12. Get any required business licenses or permits
13. Have business phone or extra residential phone lines installed
14. Check into business insurance needs
15. Call Department of Labor to determine labor laws if you have employees.
16. Open a bank account for the business
17. Have business cards and stationery printed
18. Set up record keeping system
19. Acquire office space and purchase equipment or supplies
20. Order inventory, signage and fixtures
21. Find a web hosting company and get your web site set up
22. Have sales literature prepared
23. Call for information about Yellow Pages [advertising](#).
24. Place advertising in various paid advertising vehicles
25. Build Relationship's with professionals in your industry
26. Call everyone you know and let them know you are in business

Components of the Business Plan

1. **Executive Summary** - One Page summary of the key points covered in your plan (Completed last)
2. **Table of Contents** - Section titles & page numbers
3. **Description of Company**
 - a. **Mission & Vision statement**
 - b. **State your Goals** - Main goals, short, term Goals, long term goals
 - c. **Management** - Duties, responsibilities & relevant skills of management both entrepreneurial & industry
 - d. **Company size & location** - Location relative to your market & size of facilities
4. **Description of your Product/Service** - Describe the key features & benefits of your Product/service
5. **Market Analysis** (Industry, Target Market & Competitive Analysis)
 - a. **Industry Analysis** - Identify past, current & future trends relating to your industry
 - Total industry size (revenue generated, number of companies, etc.)
 - Growth potential & factors influencing the industry growth
 - Standards & regulations affecting the industry
 - Common costs & profit margins
 - Industry trends, including opportunities & threats
 - b. **Target Market**- Identify & define your typical customer segments
 - Characterize each segment by location, age, gender, income, lifestyle, family status, interests, hobbies
 - Discuss the buying criteria of your target market - i.e. what motivates this group to make the purchases
 - c. **Competitive Analysis** - Detailed description of main competitors, incl. size, location, products/services,

6. Marketing Plan

- a. **Pricing** - Describe your pricing relative to your costs & compared to those of your competition
- b. **Promotion & Advertising** - Detailed description of the types of advertising & promotion you will use
- c. **Sales strategy** - what are your sales goals (in units) per day/month/year, include any anticipated seasonality
 - Outline your company's service, credit & collection policies, guarantees, warranties, etc.

7. Operations

- Describe the process by which your product is made or the service will be performed

- a. **Production** - Size, capacity & manufacturing time/delivery time
- b. **Facilities** - Including size & type of space needed
- c. **Suppliers** - Location, delivery times & method of shipment

8. Human Resources

- Number & type of staff required

- a. Qualifications, labour availability, wages, benefits, training, personnel policies & workers compensation
 - Target the employees you wish to hire (age, personality, life cycle, experience, skills, etc.)

9. Other

- Hours of operation, licences/permits required, regulatory issues, business insurance required, etc.

10. Financial Plan

- Historic & 3 year projected financial statements

11. Risk analysis & contingency planning

(list internal/external risks & create contingency plans)

- a. **External risk** - (economy, weather, competition, suppliers, technology, politics, demand & shifts, etc.)
- b. **Internal risks** - (sales projections not realized, cost overruns, key personnel turnover, legal issues, etc.)

12. Supporting materials

- Photographs or samples of your product, bios of owners, letters of intent or support, copies of required licenses/permits, appraisals for property & equipment, marketing material, news articles, sample surveys, etc.

- *Did you Know... only 36% of all businesses in Canada surpass their 5th year. That is a 64% chance of failure rate.*

Acquiring a Business Name

- *Did you know... you are not obligated to register your business until you use a business name. You are entitled to use your name and profession (Ex. Joe Smith Landscaper) without registering with Corporate Registries. However, if the business name changes to Joe Smith Landscaping it must be registered with Corporate Registries because the “ing” at the end of landscape makes it a business name.*

Step 1: Review Proprietorship/Partnership vs. Incorporation

(www.investcomoxvalley.com/pdfs/Website_PDF/Types_of_businesses/proprietorPartnershipvsIncorporation.PDF)

Step 2: Choose business model:

- Proprietorship
- Partnership
- Incorporation
- Society

Step 3: Review Name Approval Request Instructions

(<http://www.fin.gov.bc.ca/registries/corppg/forms/0708BFILL.pdf>)

Step 4: Choose Business Name

- *Did you know... you are not legally allowed to use a business name before you register the name with Corporate Registries.*

Step 5: Get Name Approved (\$32)

- *Did you Know... you do not protect your name if you register your name as a proprietorship/partnership. You only protect your name when you incorporate it*

Note... Your business name needs both a descriptive and a distinctive element to it.

Proprietorship/Partnership VS. Incorporation

Advantages of Proprietorship/Partnership

- Lower Start Up Costs
- Greater Freedom from Regulations
- Possible Tax Advantages
- Ease of formation

Disadvantages of Sole Proprietorship

- Unlimited Liability
- Lack of Continuity in Absence of Owner
- Difficulty in Raising Capital
- No Name Protection
- Divided Authority (Partnership)

Advantages of Incorporation

- No other Company may use your Business Name
- Limited Liability
- You can Sell Your Business
- If a Partner Leaves or Dies your Business Continues
- You can Choose either Debt or Equity Financing

Disadvantages of Incorporation

- Closely Regulated
- Most Expensive Form of Business to Organize
- Extensive Record Keeping Necessary
- Personal Guarantees Undermine Limited Liability

Register your Business Name

Proprietorship/Partnership

- 1) Register through OneStop by choosing option 4**
(www.bcbusinessregistry.ca) \$40

➤ *Did you Know... as a sole proprietor you are fully responsible for all debts and obligations related to your business.*

Incorporation

www.investcomoxvalley.com/Incorporating.html

- 1. Print out Incorporation Application Overview**
- 2. Review Incorporation Fees**
- 3. Print Incorporation Agreement**
(If you need more information please contact a commercial lawyer)
- 4. Choose a share Structure**
(If you need more information please contact an accountant)
- 5. Review BC Incorporations Act**
- 6. Register through OneStop by choosing option 4**
www.bcbusinessregistry.ca (\$351.51)

- *Did you Know... You can file your annual report using Corporate Online for a cost of \$45.*
- *Did you Know... Visiting a tax specialist before incorporating may save you hundreds of dollars.*
- *Did you Know... A corporation, also known as a limited company, is a legal entity that is separate and distinct from its members. The act of incorporation gives life to a legal entity known as the corporation, commonly referred to as a company. A company can acquire assets, go into debt, enter into contracts and sue or be sued.*

Non Profit (Society)

www.investcomoxvalley.com/NonProfitOrganization.html

1. **Review Non Profit Self Evaluation**
2. **Review the Society Act**
3. **Review Table of Fees**
4. **File Society Incorporation Application using the Information for Incorporation of a BC Society (\$100.00)**

➤ *Did you Know... You need at least 3 directors to start a Non Profit Organization*

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Consumer Taxation Branch	1.877.388.4440
Canada Revenue Agency	1.800.959.5525

Register with Government Agencies

Canada Revenue Agency

1. **Choose which of the following you wish to register for:**
 - **Business Number** (Generated automatically when you incorporate your business or apply for one of the following)
 - **GST Account** (Mandatory once you collect \$30,000 in revenue; however you may register voluntarily)
 - **Payroll Account** (Mandatory if you have employees or are incorporated)
 - **Import/Export Account** (Mandatory if you plan to import or export any products or services)
2. **If you need further assistance please visit**
(www.investcomoxvalley.com/Taxes.html) or call 1-800-959-5525
3. **Register through OneStop by choosing option 5**
(www.bcbusinessregistry.ca) (no cost)

➤ *Did you Know... you are not required to register for GST until you collect over \$30,000 in revenue*

Advantages of Registering for GST

- Input Tax Credits
- Image
- Use funds as Working Capital

Disadvantages of Registering for GST

- Additional Paper Work
- Must Collect 6% on all Products and Services except essential foods

Consumer Taxation Branch

1. **Ensure you require to register for PST**
Mandatory if you sell tangible products
2. **If you need further assistance please visit**
www.investcomoxvalley.com/Taxes.html or call 1-877-388-4440
3. **Register through OneStop by choosing option 5**
www.bcbusinessregistry.ca (no cost)

Work Safe BC

1. **Choose whether you are required or wish to register voluntarily for:**
 - **Employee Coverage**
Mandatory once you hire employees or your company is incorporated
 - **Personal Protection Option**
Optional protection for the self employed (Proprietorship/Partnership)
2. **If you need further assistance please visit**
www.investcomoxvalley.com/Taxes.html or call 1-888-922-2768
3. **Register through OneStop by choosing option 5**
www.bcbusinessregistry.ca (no cost)
 - *Did you Know... you are required to register for WCB once you incorporate your company.*
 - *Did you Know...you are required to get a business licence in each community in which you perform your service.*

Municipal Business Licence

1. **Choose municipal jurisdiction in which your company will do business**
2. **Register through OneStop by choosing option 5**
www.bcbusinessregistry.ca (\$75-\$1,500 depending on type of business)

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Top 10 Reasons Small Businesses Fail

About half of all small businesses fail within the first four years -- a statistic that generates a shudder of fear in even the most dauntless entrepreneur. Most of these failures, however, resemble one another in crucial ways. And once you identify these harbingers of failure, you can increase your own chance of success.

1. **Procrastination.** When you own a small business, you will find that tasks and paperwork pile up like snowdrifts on your desk. Putting them off is like piling up debt; eventually they could overwhelm you.
2. **Ignoring the competition.** Consumer loyalty has declined sharply in recent years. Today, customers go where they can find the best products and services, even if that means breaking off long-term business relationships. Monitor your competitors, and don't be ashamed to copy their best ideas (assuming that doesn't mean violating patent law). Better yet, devote some time each week or month to devising new methods, products or services for your firm.
3. **Sloppy or ineffective marketing.** Contrary to the popular cliché, few products or services "sell themselves". If you don't have time to market your product effectively, hire an experienced person to do it for you. Marketing keeps your products selling and money flowing into your business. It's crucial that you do it well.
4. **Ignoring customers' needs.** Once you attract customers, you'll have to work hard to keep them. Customer service should be a key aspect of your business. If you don't follow through with your customers, they'll find someone who will.
5. **Incompetent employees.** Hire only workers who are essential to your operation. When you do hire employees, make sure they're well trained and able to complete the tasks expected of them. And remember that happy employees make good workers — try to create a work environment that keeps your staff happy and motivated.

6. **Lack of versatility.** You may be great at making hats or painting houses or fixing computers, but that's not enough to make your millinery shop or house painting business or computer consultancy successful. Successful business owners tend to be adept at a number of tasks, from accounting to marketing to hiring.
7. **Poor location.** Even the best restaurant or retail store will fail if it's in the wrong place. When you're scouting a location for your firm, consider factors such as traffic (how many potential customers pass your firm during the course of an afternoon or evening?) and convenience (how hard is it for your regular customers to get to your location on a regular basis?).
8. **Cash flow problems.** You need to know how to track the money coming into and out of your business -- even a profitable venture will flounder if it runs short of cash. In addition, you must learn to make cash flow projections that will help you decide how much money you can afford to spend and warn you of impending trouble.
9. **A closed mind.** Everyone goes into business with some preconceptions — don't be surprised if you find that many of yours are wrong. Look for mentors who can give you advice and run your ideas by them before you make important financial commitments. Read books and magazines about small business; visit business-related websites and network with your peers in the business community.
10. **Inadequate planning.** Start with realistic but precise goals for your firm, including deadlines. For example, don't just say that you want to increase sales; instead, decide that you want sales to reach \$100,000 by next holiday season. Then write down the steps you can take to meet those goals on time, and set deadlines for completing those steps. Consult your goal list every day, and make sure you are doing what you need to do to meet your objectives.