STARTING A TRADES BUSINESS HANDBOOK
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INTRODUCTION

The Starting a Trades Business Handbook is a self-help guide that is designed to provide those interested in starting their own business with an overview of the information they require and the issues that need to be considered. It also includes helpful information for those in the early stages of growing their businesses.

Presented in a logical and sequential way, The Starting a Trades Business Handbook is a practical reference guide to be used by entrepreneurs as they encounter the various issues and challenges involved in establishing and running a business. As a “working tool” the Handbook is filled with resources, checklists, facts, and tips from leading entrepreneurs.

The Starting a Trades Business handbook covers a range of topics designed to increase the entrepreneur's understanding of what it takes to succeed in an independent business. Starting with a description of the personality and character traits of an entrepreneur, the handbook discusses how to develop business ideas, assess various business options, prepare a business plan, and arrange financing.

The Starting a Trades Business Handbook is one of the many resources offered by Invest Ottawa. For more information on the organizations’ full suite of services, contact Invest Ottawa at 613-828-6274 (fax: 613-726-3440) or visit us at 80 Aberdeen St, Suite 100, Ottawa, Ontario, K1S 5R5. You can find us on the web at www.investottawa.ca.

Supported by
THE 10 MOST FREQUENTLY ASKED QUESTIONS

1. How do I start a business?

There is no single answer to this question. There are a number of factors that should be investigated when starting a business. Have you considered...

Start-Up Check List (a sample)

- Do you have a business idea?
- Who will your customer be?
- Have you started your business plan?
- Is this going to be a full time or part time venture?
- Do you need a business licence(s)?
- Have you started market research?
- Are you going to charge HST?
- What business structure have you decided on?

This list is just a sampling of some of the questions you will be faced with when considering going into business. You are on the right track if you have started to ask yourself similar questions.

Did you know? ...The average person spends more time planning a one month holiday than planning the start-up of a new business!!!

2. What loans are available for business start-ups?

In addition to funding provided through the chartered banks and other financial institutions there are also some loans provided through partial guarantees by provincial and federal government departments. The programs are generally geared towards both existing and start up businesses with varying degrees of criteria and eligibility requirements. Specialized programs are also in place aimed at assisting young entrepreneurs seeking funding, encouraging region-specific initiatives, or facilitating growth in certain industry sectors.
50% of new businesses are financed through loans provided by friends and family...so be sure to have them share in your plans and excitement. They are often your most important “partners” and supporters.

3. Are there grants available for business start-ups?

While there has been a great reduction in the number of grants available to general business start-ups over the past 10 years, there is money available. Most of these programs are federally funded and are targeted strictly to specific industries, geographical areas or particular groups of entrepreneurs.

4. Are there any loans available for existing businesses?

The Canada Small Business Financing Program is governed by the Small Business Loans Act and is a loan guarantee from the federal government. The loan is available for the purchase of land or premises, equipment and/or renovation required within a premise. Working capital requirements are not eligible. The loan is administered by the chartered banks and covers capital expenditures up to $250,000.

5. Where should I start looking for a good business opportunity?

Identifying a good business opportunity is an ongoing process and requires considerable thought and research. Business opportunities can be identified through a number of sources including your workplace, magazines and newspapers, trade shows and the Internet. A sound understanding of consumer trends and lifestyles may also lead to innovative business ideas.

6. What are the different business structures?

The three most common business structures are: sole proprietorship, partnership and corporation. The three structures are outlined in the following chart format for ease of comparison.
**SOLE PROPRIETORSHIP**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Ease of formation</td>
<td>∙ Unlimited liability</td>
</tr>
<tr>
<td>✓ Low start-up cost</td>
<td>∙ Lack of continuity</td>
</tr>
<tr>
<td>✓ Greatest freedom from regulation</td>
<td>∙ Less status and credibility</td>
</tr>
<tr>
<td>✓ Owner in direct control</td>
<td>∙ Difficulty raising capital</td>
</tr>
<tr>
<td>✓ All profit/loss to owner</td>
<td></td>
</tr>
</tbody>
</table>

**PARTNERSHIP**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Ease of formation</td>
<td>∙ Unlimited liability</td>
</tr>
<tr>
<td>✓ Low start-up cost</td>
<td>∙ Lack of continuity</td>
</tr>
<tr>
<td>✓ Limited regulations</td>
<td>∙ Divided authority</td>
</tr>
<tr>
<td>✓ Broader management base</td>
<td>∙ Difficulty raising capital</td>
</tr>
<tr>
<td>✓ Possible tax advantages</td>
<td>∙ Partner conflicts</td>
</tr>
<tr>
<td>✓ Increased source of investment base</td>
<td>∙ Responsibility for partners’ business obligations</td>
</tr>
</tbody>
</table>

If you are establishing a partnership, be sure to seek legal advice to prepare a proper partnership agreement. This could help avoid disagreements and considerable legal costs later.

**CORPORATION**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Limited liability</td>
<td>∙ Closely regulated</td>
</tr>
<tr>
<td>✓ Transferable ownership</td>
<td>∙ Higher start-up cost</td>
</tr>
<tr>
<td>✓ Continuous existence</td>
<td>∙ Possible charter restrictions</td>
</tr>
<tr>
<td>✓ Separate legal entity</td>
<td>∙ Yearly reporting</td>
</tr>
<tr>
<td>✓ Possible tax advantages</td>
<td>∙ Extensive record keeping required</td>
</tr>
<tr>
<td>✓ Ease of raising capital</td>
<td>∙ Losses remain within the business</td>
</tr>
</tbody>
</table>
Tax and legal implications vary depending upon the business structure, so don't forget to get legal and professional advice before you make your decision.

7. What is the difference between a provincial corporation and a federal corporation?

<table>
<thead>
<tr>
<th></th>
<th><strong>Provincial</strong></th>
<th><strong>Federal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application Fee</strong></td>
<td>On paper $360</td>
<td>On paper $250,</td>
</tr>
<tr>
<td></td>
<td>Online Statutory Fee $300</td>
<td>Online $200</td>
</tr>
<tr>
<td><strong>Office Established</strong></td>
<td>Ontario only</td>
<td>Any Province</td>
</tr>
<tr>
<td><strong>NUANS Search Required</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(for name search)</td>
<td></td>
</tr>
<tr>
<td><strong>National Selling Restrictions</strong></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>International Selling Restrictions</strong></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Required Extra-Provincial License</strong></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Other Business Requirements</strong></td>
<td>Varies depending the province</td>
<td>Varies depending the province</td>
</tr>
<tr>
<td><strong>Corporate Filings</strong></td>
<td>Yearly fee – none</td>
<td>Yearly fee – $40</td>
</tr>
<tr>
<td></td>
<td>Online $20</td>
<td></td>
</tr>
<tr>
<td><strong>Where to Register</strong></td>
<td>Service Ontario</td>
<td>Corporations Directorate</td>
</tr>
<tr>
<td></td>
<td>Land Registry Office</td>
<td>365 Laurier Avenue W,</td>
</tr>
<tr>
<td></td>
<td>110 Laurier Ave West,</td>
<td>9th Floor,</td>
</tr>
<tr>
<td></td>
<td>Ground Floor,</td>
<td>Ottawa, Ontario, K1A 0C8</td>
</tr>
<tr>
<td></td>
<td>Ottawa, Ontario, K1P 1J1</td>
<td>Tel: (613) 941-9042</td>
</tr>
<tr>
<td></td>
<td>Tel: (613) 239-1230</td>
<td>Online Filing Centre</td>
</tr>
<tr>
<td></td>
<td>Corporations Canada</td>
<td><a href="http://www.corporationscanada.ic.gc.ca">www.corporationscanada.ic.gc.ca</a></td>
</tr>
<tr>
<td></td>
<td>Or Online Registration at:</td>
<td></td>
</tr>
<tr>
<td></td>
<td><a href="http://www.cyberbahn.ca">http://www.cyberbahn.ca</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>or <a href="http://www.oncorp.co">http://www.oncorp.co</a></td>
<td></td>
</tr>
</tbody>
</table>
8. Is it mandatory to register for HST?

If your gross revenues over a 12 month period do not exceed $30,000, HST registration is optional. However, once you surpass $30,000 in gross revenues you must register and collect HST. The decision to register for HST should not be based solely on revenues. Your customers may require that you have an HST number to do business. If you are not registered to collect HST, you may not take advantage of the HST Input Tax Credit.

“Long range planning does not deal with future decisions but with the future of present decisions.”

Peter Drucker

By not being registered for HST your customers may know your revenues are less than $30,000. This may make it more difficult to secure business with larger Corporations who may be concerned about the stability of a smaller company.

9. I have heard so much about the business plan – what is it?

The business plan is simply a document that contains information about your business. The information should be current and accurate – supported by facts. It should be easy to read and use. If used properly, it will be an important tool in guiding your business.

A business plan will provide you with a road map or path to follow so you have direction and focus. It will be used as a tool on which to base your business decisions.

A business plan can help you determine whether the venture will be viable or not. The plan forces you to look at each aspect of the business under a magnifying glass to ensure you have researched all areas before starting your business.

Whether you are selling your idea to the bank or to your family, you need a business plan. If you are negotiating with investors, partners, or financial institutions, a business plan is essential to assist financiers to evaluate the investment opportunity.

10. Where do I start?

The key to writing a business plan is to first identify what you already know and devise a plan to gather the information necessary to fill the gaps.
**Put it in Writing**
Get an outline (table of contents) of a business plan. At the top of separate pages write the titles of the various sections. Next, spend 2-3 hours writing – point form only – the information you already know about each section.

**Check to See What You Don't Know**
Gather information on what should be included in the various sections and identify what you are missing. This information can be obtained through publications and courses on this subject and/or seeking the advice of a consultant or professional.

**Start Your Research**
There are numerous sources of information available for today's entrepreneur. The Entrepreneurship Centre is an excellent place to start as it provides one-stop access to these sources.

**Time Line the Plan**
It is critical that the development of the business plan be time lined – if not entrepreneurs may become bogged down with researching and time may fly by without the entrepreneur taking the final step to implementation.
STARTING A BUSINESS

The 10 steps to starting a business

The following 10 steps are provided to help you familiarize yourself with the process that you are about to begin. Don't be intimidated by the number of steps that must be taken before starting your business. The more you can plan and prepare yourself before you start, the better your chances of success once you open.

1. Develop an idea you would like to investigate.

2. Research your business idea. Conduct a feasibility study to determine whether or not this idea could turn into a viable business. Is there a need for your idea? Will people pay for your product or service? Are there enough customers to sustain a business over time? How do you expect your competition to respond?

3. Find out if there are any regulations that could prevent you from starting this business or that will hamper your success in this business.

4. Do a skills and lifestyle audit. Is this the right time to start the business, or do you need to upgrade some of your skills before you get going?

5. Write a business plan. Talk to a lawyer and accountant about protecting yourself and your assets.

6. If you decide to go into business, decide on the most appropriate structure. Register your name if necessary.

7. Identify a business location. Open your business bank account and arrange financing.

8. Organize your office, accounting, filing and client contact systems.

9. Develop promotional tools to set yourself up for effective selling.

10. Enjoy the experience.

You may find that the steps you take to start your business follow a different order. That is the interesting part of starting a business; each entrepreneur has a different experience. The key is to make sure that you are properly organized before you begin so you can concentrate on developing your products and establishing a customer base rather than wasting time wrapping up last minute details.
Preparing your business plan

Developing a sound business plan is one of the most important steps an entrepreneur can take to improve their chances of business success. The business plan is the guide or road map for your business. It provides the big picture helping to guide you through day-to-day decision making and planning.

Why Write a Business Plan?

A business plan presents many challenges and opportunities for an entrepreneur. This is your chance to test your idea on paper. You will learn how to manage your company more effectively while you become an expert on your business.

The following list outlines the key reasons why a plan plays an integral part in the success and future of your business.

A business plan acts as a detailed feasibility study

If you want to assess whether your idea could turn into your dream business, a business plan is a good start. It provides a detailed checklist for the internal evaluation of your business. Some of the questions it answers include:

- Is there a need for your product or service?
- Will people pay for this product or service?
- Are there any barriers to your success? This could include regulations or education issues.
- Can you make enough money to satisfy your business and personal needs?
- Do you need outside financing to make this business successful?

If you believe that your idea would make a successful business, the business plan will provide an organized way to conduct your investigation.

A business plan helps you to become a better decision-maker

The information you gather will turn you into an expert on your business idea and will lead to more informed decisions.
A business plan prepares you

Researching your plan helps you to anticipate problems so you can develop possible solutions before a crisis actually occurs.

A business plan provides an organized implementation plan

The business plan provides a timetable for accomplishing your stated objectives. It helps keep you focused and on track to set up your business by your chosen start date.

A business plan expands business options

Knowledge is power. The more you find out about your industry, competition, and opportunity, the more choices you have to solve problems.

A business plan can help determine contingency plans

The business plan can help you work out “worst case” and “best case” cash flow scenarios BEFORE they really occur. This gives you the opportunity to plan strategies to ensure your business is capable of withstanding the pressures of unexpected external changes in the economy, your competition, or your customer.

A business plan can be used as a selling tool to attract resources and support

If you need to secure financing from friends or family, you should show them a business plan so they understand what you are doing and that you are serious about doing it. If you intend to approach investors or the bank for financing, you may be required to submit a detailed business plan for consideration for funding.

A business plan plots a course (1-3-5 years)

Your business plan can help you think long term and keep you focused on the big picture. You must plan beyond starting a business to make sure you stay in business.

Where to Begin

- Put it in writing. Develop an outline.
- Write down everything you know and research the parts that are missing.
• Talk to people who can help advise you on areas you need to learn more about.
• Develop a time frame for completing your plan.

**Format**

• Make sure your business plan is easy to read.
• All sections must be clearly identified.
• Be creative. Your business plan is a selling tool.
• Know your business plan.

**Major Components**

These are the major components in any business plan:

• Introduction to Your Business
• Marketing Plan
• Operational Plan
• Financial Plan

**Business Plan Basics**

Writing your business plan will take time, discipline, and a lot of research. The following section highlights the key elements of a business plan. It is concluded with a check list to help you get started, and to keep you thinking along the way.

As an entrepreneur, you will be spending your time on three critical areas while you are running your business:

1) Marketing: What are you going to do?
2) Operations: How are you going to do it?
3) Finances: What will you accomplish?

“Of the primary functions of management, planning is the most important. Plan your work and work your plan. Old... but it holds.”

*Grant Hooker, BeaverTails Canada Inc.*
It is only logical, therefore, that your business plan focuses on the same areas. After all, you are writing this plan to help you to learn how to run your business in the most efficient and profitable manner possible. This is your opportunity to take advantage of the best planning you may ever do for yourself.
Developing your marketing strategy

Marketing is a complex subject but one of the most important contributing factors to the success of your business. Without customers there are no sales and therefore no profits. This section is simply intended to give you some pointers and things to think about when designing your marketing program.

If you feel you are weak in this area, seek training/assistance to develop your skills. Recruit a partner or employee who is strong or seek professional help.

This section includes practical tips we've collected from both entrepreneurs and professional marketers to help you develop a winning marketing strategy.

Marketing is not rocket science. It's grounded in common sense. If you combine this with a strong customer focus you can design a marketing strategy that works.

An effective marketing strategy will be the cornerstone of your success as an entrepreneur. The classic elements included in a marketing strategy revolve around what is known as the 4 “Ps”: Product, Price, Promotion and Place. However, before addressing these elements, you must start by clearly defining the need you wish to fulfill with the product or service you are offering, the target market you are going to reach and your marketing objectives. Finding the market need and developing a service or product to fill a gap in the marketplace will be key to your overall strategy.

Finding the Need - Starting with Market Research

You must do your homework to find the need or market opportunity upon which you want to base your business. Although the process may begin with assumptions you are making about the market, you need to support your idea with data through market research. Research will help confirm or challenge your idea of who your best customers are and what they are seeking in a product or service. There are two types of information you can gather:

Primary Data – Information that you collect yourself including interviewing potential customers about their needs and willingness to purchase the type of product or service you would like to offer - and at what price.
You may wish to survey potential customers over the telephone, in face-to-face meetings or through a mail survey. However you conduct the research, begin by writing out all the questions you need answered and testing your questionnaire on a few potential customers before you start your research.

**Secondary Data** – This is information that is relevant to your market but has been gathered or compiled through other organizations. For example, Statistics Canada is an excellent source for information on various markets and market trends. Other sources of secondary data include industry magazines and industry associations.

> “Let research define your products and write your ads, brochures, and web site. It's the best investment you'll make.”
> 
> *Don Hewson, Hewson Bridge and Smith Ltd.*

You can't know enough about the market you are entering. Make sure you are up on all trends and projected shifts in market demand by subscribing to relevant trade publications and becoming active in industry associations. You also need to follow the general economy and the cultural and social environment to ensure that you are aware of major external forces that can affect your business. It is a good idea to subscribe to general business publications and to be well informed about overall trends in society.

The next step is to take a close look at your competition.

**Competitive Analysis**

This is a very important step in the process of defining your marketing strategy. You need to know what you are up against in terms of competition. The factors you need to examine include:

- Who can you expect to compete with?
- What market need do they fulfill?
- What are the specific attributes of the product or service they fulfill?
- At what price do they offer their product or service?
What has been the key to their success in the marketplace?
You need to examine each of these factors in order to be able to clearly differentiate your product or service in the market.

Once you have gathered all the information you require regarding your market and the competitive and general business environment, you must determine whether you feel you have a viable business idea. If you do, then the next step is to define all the elements of your marketing strategy -beginning with the target market.

An excellent way to find out about the competition is to contact them or visit their location to get to know their business. For example, if they are a restaurant - go there as a customer. If it is a retail operation, visit the store and get a feel for the service.

**Target Market**

A target market is defined as a relatively homogeneous group of potential customers. Your business can target either consumers or other businesses. Regardless, you are trying to reach individuals who are either making a buying decision on their own behalf or on the behalf of the organization for which they work. It is very important to know who these individuals are and how they are motivated to make buying decisions. To define your target market you should consider the following variables:

- **Demographics:** age, gender, income, occupation, education
- **Geographic:** where they live or are located
- **Psychographics:** lifestyle characteristics including activities, interests and opinions

It's a good idea to pull together lists of who your target market is -either by sourcing mailing lists or identifying where they live through postal walks provided by Canada Post Corporation. For example, if you are targeting Restaurant Managers with a new product for this sector, then you can build a mailing list through the Yellow Pages or through the local restaurant association. As another example, if you are offering a landscaping service and you are targeting specific neighbourhoods and a certain income level, Canada Post Corporation can provide you with a list of the postal walks that meet your criteria. You could then use these for a direct mail campaign. Once you have defined your target market, you must clearly define the product or service you will be offering to
them. This is where we get into our 4 “Ps” of marketing but not without first setting some objectives for your marketing program.

Marketing objectives

In order to ensure that your business is on track, you must set out objectives for your efforts. At their most basic, these objectives should include a forecast for your sales for your first year in business and projected growth for the years thereafter. These forecasts will be based on the results of your research into market demand and on your capacity as a business to fulfill the demand.

“You can't know enough about your target market. You must keep them top of mind in everything you do - the customer is the focus for all your efforts. Knowing who you are trying to reach, where they are located and what makes them “tick” will be important to consider when you are developing your promotional strategy.”

Christine Kincaid, Mediaplus Advertising

The Four “Ps” Product

Clearly define the product or service you are providing including a description of the market need you are satisfying. List the specific attributes and benefits of your product or service and focus on what is unique about it in the marketplace. By focussing on your unique selling proposition, you will be able to clearly differentiate your product or service.
① Price

Once your product is defined you must set a competitive price for it. A number of factors come into play when setting your price. You must look at the competitive environment and what your competition is charging. As well, you must consider the price your market can bear by referring back to the market research you undertook. You must also make sure that the price you will charge is one that is profitable for you. To do this you must refer back to your sales projections to ensure that the price you are charging covers both your overhead and cost of sales.

② Place

Place refers to your distribution strategy which includes your business location and how you will distribute your product or service. Distribution options include:

- **Personal selling:** usually most appropriate when you are reaching other businesses – See the following section called “The Art of Selling” for practical tips on personal selling
- **Wholesalers:** who will in turn sell the product to retailers who reach end customers
- **Mail order:** fulfilled either by you in your place of business or through a mail order house you retain
- **Retail stores:** where you contact retailers directly rather than going through a wholesaler
- **Sales agents:** where you hire someone to sell your product and you pay them a commission

Regardless of which option is appropriate for your business, the key is to ensure that your end customers can easily access your product or service.

③ Promotion

This is the element of your marketing strategy where you communicate to your target market to make them aware of the product or service you are offering. As with marketing objectives, it is important to set objectives for your promotional program. For example, you may wish to generate overall awareness leading to increased traffic to your location. You may wish to generate leads for sales follow-up or your objective may be to generate sales by having customers buy or order directly through the promotion you implement. Remember, to know whether your efforts are successful, it is important to start with clear objectives.
There are a number of ways or tactics to reach your market including: advertising through various media including television, radio, newspaper, magazine and outdoor (billboards, busboards and transit shelters); direct mail; personal selling; telemarketing; publicity; and point of purchase advertising.

Most promotional strategies include a combination of these tactics depending on who you are trying to reach and the budget you have set for marketing. For example, if you are targeting other businesses as opposed to consumers, your promotional strategy will focus more around personal selling instead of advertising. However, you may wish to employ direct mail in combination with personal selling.

To develop a promotional strategy you must start by selecting the tactic that is best suited to cost effectively reach your target market and achieve your objectives. For example, there is no point using television advertising which reaches a broad consumer audience if you are launching a business which targets only a small percentage of the market. To find the best tactic you must go back to your research on defining your target market. What magazines or newspapers do they read? Do they take the bus; if so, is busboard or transit shelter advertising the answer? Where are they located and are there community newspapers that reach that area? Can you access mailing lists that reach your target market? If so, you may wish to use direct mail to introduce your product or service. Rely on good research and common sense to decide how to best reach your target market.

Once you have selected the media or tactic that is best suited to reach your target market, the next step is to define your message. If you have selected an advertising medium such as radio, television, outdoor and even print, you can get assistance in putting together the creative through that medium. For example, newspapers will design your ad and television and radio stations can produce your spots. Or, you may wish to use the services of an advertising agency to assist you with production. Direct mail houses can help you to put together the most effective direct mail piece. It is important to know that you don't have to do it all on your own. There are resources in the community you can access. If personal selling is the main focus of your promotional program and you feel that you may be weak in this area, then investigate groups such a Dale Carnegie or Toastmasters to enhance your communication and interpersonal skills.

No matter what anyone tries to tell you remember that word of mouth is still one of the most effective promotional tools. The referral network is powerful and can lead to numerous new customers without spending a penny on promotions.
The Art of Selling

Here is a brief review of the selling process that you should be going through with your customers. The more diligently you follow the process, develop your own style and techniques, the faster your sales will increase.

**Prospecting:** Looking for potential customers
- Cold calling
- Direct mail
- Telemarketing
- Trade shows

**Developing a Rapport:** Gaining common interest with your client
- Asking general questions to establish a profile
- Identifying a need
- Giving a one minute verbal presentation

**Qualifying your Customer:**
- Matching a client need to a product or service
- Giving a five minute verbal presentation

**Your Sales Presentation:**
- Focus on benefits, benefits, benefits.
- Provide a written copy of your presentation.
- Suggestive selling
- Make a decision on the possibility of a sale now or schedule the next appointment. You must have a valid reason to meet the client again.
- Focus on the client's specific area of interest.

**Closing the Sale:**
- Overcoming objections

**Follow-Up:**
- It is important to devote time to design an effective selling strategy. The following three areas are critical to developing and executing a successful sales program.
- You must have a system set up to keep track of your clients and what stage of the buying process they are at: should you call them back in a week, a month, never? If you don't keep track of this, you will lose opportunities and waste valuable time.
- Close the sale.
Organization

Networking
Some businesses invest in a client contact computer program, but a database system, whether on a computer or organized through files, will also work.

Time Management
You must divide your time between activities that generate revenue, such as selling your product or service, and activities that prepare you for generating revenue, which include prospecting, cold calling, marketing, and networking.

Communication

1. Have a one minute verbal presentation of your product or service to use when you are meeting someone informally. You should introduce yourself, your company, and your product.

2. Have a five minute verbal presentation prepared for a “sit-down” encounter, such as a networking event, where you include the topics listed above, and add information on the strengths and benefits of your product or service.

3. Prepare a longer formal presentation, that is polished, practiced, and interesting. Have written material to give to the client.

Marketing

1. Know your competition. You must be aware of the prices, services, and promises your competition is making to their customers. The more information you have, the better negotiating position you are in.

2. Know your business. Be current on trends and changes in your industry.

3. Update your sales information to keep it dynamic and fresh.

4. Package yourself: Take a look at the market perception of your business. Make sure you are a reflection of that image.

5. Make sure you are minimizing your spending and maximizing your personal selling.
 Networking is vital to the success of your business. Get out to business events, join relevant associations, and establish a support group with whom you can share your experiences with other entrepreneurs. Being visible in the community is key to building your name, reputation and customer base.”

Laura Murchison, Friends and Folklore

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**Selling Tips**

- Every day there are new opportunities for new customers.

- Everyone in your organization contributes to the sales process, either directly or indirectly.

- Listening is the most important compliment you can pay to your customer. Listen for subtle clues from your customer. Listen to their complaints and comments. Listen and learn. Step into your customers shoes. What kind of salesperson and sales style would you be responsive to? You must adjust your selling style to your own personality, the industry norm, and your customers' preference.

- Develop a rapport with your customer.

- Pay attention to what they say and their body language. These give you clues about your customers' readiness to buy.

- Show interest in what your customer says.

- Take action and schedule a next step, whether it is scheduling another meeting or closing the sale.

- Unless you ask for the sale, you will never know if you have one!
Developing your operational strategy

This section of your business plan outlines information on your suppliers, your manufacturing plans, relevant regulations, and your human resources: all of the details that are necessary for you to efficiently run your business.

For your suppliers, include a list of who will provide the necessary materials and products to run your business. Information on your key suppliers should include their address, products, services and their terms of payment. This is how you find out what it is going to cost to produce your product or supply your business with key products. Information from this section ties into your cash flow projection and helps form your pricing strategy. You need to find out if you have to pay cash for a certain amount of time before you are allowed credit terms.

If you are manufacturing a product, include information on the production method. An evaluation of where your product is in the development cycle, and what resources are necessary to ready it for sale. If you are manufacturing a product you need to establish a plan to move the product from the research stage into the production stage. This exercise forces you to step back and look at where you are going. Include information on the following topics, that are relevant to your business.

- Research and Development (time invested, future requirements)
- Cost Analysis (direct and indirect overhead)
- Production Methodology
- Equipment and Plant Requirements
- Time Requirements
- Sub-Contracting Arrangements
- Prototype Development
- Commercialization Strategy

The operating regulations that apply to your business should be explained. Discuss any extra compliance your company may be offering to your customers, such as ISO Certification or bonding.

- Federal Regulations
- Provincial Regulations
• Municipal Regulations
• Insurance and/or Bonding
• Professional Accreditation Requirements
• Business Registration Requirements

A description of the people who will provide the expertise required to run the business is called your human resources. This section of the plan forces you to do a skills inventory of yourself and develop a plan to “fill in the gaps” with the expertise of staff or contractors. This enables you to accept larger jobs or contracts than you could do alone! Remember, you only have a limited amount of time in the day – use it to focus on what you do well and hire people to do the rest! If you are going to hire employees or contractors, you have to factor this into your pricing and cash flow projections.

• Organizational Structure
• Service & Employee Contracts
• Job Descriptions & Responsibilities
• Staffing Plan
• Details of Advisors and Associates
• Future Human Resource Plans

**Business licensing**

You may require a municipal business licence if you are planning to operate a business in Ottawa.

Typically, business licensing by-laws (e.g., restaurants, sellers, taxis, public garages) are enacted to protect public health and safety in matters related to the business operation. Licensing fees are established to offset the cost of the related enforcement and inspection programs.

Your licence application may require an inspection and approval by staff of zoning, buildings, police, and health, fire and property standards. The business licensing office will coordinate this process and advise you of your status.

To apply for a business licence:
Developing your financial strategy

Completing a thorough financial analysis of your business will help you determine whether or not this business is viable. Can you make enough money in this business for your personal needs, to run the business and to make a profit? Knowing your monthly sales and expenses helps you make good decisions such as when to purchase equipment, hire staff or use your line of credit!

There are six key elements to consider in this section of the plan.

1. First, compile a list of all of your start-up costs. Include all the money you will spend getting the business set up for opening day.

2. Your cash flow projections are shown on a chart that outlines the revenue you expect to earn each month and the money you must spend each month (expenses). This lets you know if you can pay your bills each month. You must be prepared to justify your sales projections and expenses.

3. A projected income statement shows the projected profit/loss for your business for a given year and shows the “health” of the business. It is an estimate of all sales revenues, direct, indirect and administrative expenses (including depreciation, interest expenses and taxes payable) and subsequent profit or losses for the first five years.

4. Your opening balance sheet is a “snapshot” of what the business owes and owns at a particular moment in time. It consists of a projected statement of assets, liabilities, and equity, for the first five years. Assets include cash, inventory, accounts receivable, buildings and equipment. Liabilities include short term debt, accounts payable, taxes payable, and long term debt.

5. If you require money to start your business, detail your financing requirements: the amount of money required, what the money is for, and your repayment plan. Owner's Equity or Shareholder's Capital is the total investment by the owners or shareholder's of the business.
6. Risk Analysis can be shown using scenarios based on best case/worst case occurrences. Often, three different cash flow statements are included in a plan. You can do an optimistic, pessimistic, and realistic cash flow to show how your company would adjust to different market scenarios. Be sure to include information, or the assumptions, you made for each scenario.
BARRIERS FACED BY IMMIGRANTS – BUSINESS START-UP

Immigrants wishing to start a business venture in Ottawa, or in any Canadian city for that matter, face numerous hurdles to cross many of which are the same as the Canadian-born population. Aside from financing, family commitments and support and the daily struggles of getting a business off the ground (marketing, staffing, cash flow etc.), additional barriers are more specific to newcomers.

A lack of knowledge in the local business culture in Ottawa, the language of business if you will can hinder progress in a business start-up. Rules and regulations from a government perspective are normally quite different from a newcomer's home country and thus can take time to comprehend and to implement. Services such as the Entrepreneurship Centre already mentioned are excellent sources for newcomers to talk freely and obtain an understanding of these issues.

A lack of social networks, and specifically business networks is a large barrier when a new entrant to the country and more so to try and start a business venture. Local chambers of commerce, Ottawa Chamber of Commerce, the Orleans Chamber of Commerce, the Kanata Chamber of Commerce, the Nepean Chamber of Commerce, and the Francophone Chamber of Commerce RGA -Le Regroupement des gens d'affaires de la Capitale nationale are excellent sources to begin to create a social and business network. We suggest newcomers tap into these chambers as a way to engage, understand the local Ottawa markets and to create business contacts to help foster their business success.

Language barriers are also a common hindrance to business start-up by immigrants. Language may consist of many variables including the use of 'business language' technical and legal understanding of vocabulary. Without an understanding of the language of business in Ottawa, many immigrant entrepreneurs may have a difficult time expanding beyond their ethic comfort zones thus limiting expansion of networks and growth of a business.

Nonverbal communication skills and nuances are important to understand when working in business in Ottawa and in general in the Canadian context. Newcomer entrepreneurs must learn and understand the way of business and expectations by clients and consumers; expectations by Ottawans are often quite different then from an entrepreneur's home country. There are numerous resources available to newcomers to help understand these issues. These resources have been highlighted throughout this manual.

In terms of financing – an issue across all sectors, backgrounds, newcomers and born Canadians alike immigrant entrepreneurs face challenges. Often, the lack of a credit history within Canada will equate to a difficult situation securing traditional bank financing by any of the large commercial banking institutions in the country. In Ottawa, the Ottawa Community Loan Fund (www.oclf.org) helps newcomers with micro loans regardless of their credit history. It is an
excellent place to start at the local level. Further, the Canadian Small Business Financing Program (CSBF) backed by the federal government and administered and managed by the major commercial banks is another source for immigrant entrepreneurs to begin their business venture. Family members are a strong source to secure some financing as many immigrants will come to Canada with some funding for various business initiatives. As mentioned, many of the trades highlighted can be started with a minimum amount of capital costs - leg work, perseverance and time is where the effort should be spent to get a business off the ground.
STARTING YOUR TRADES BUSINESS

As in any trade vocation you may choose, it is imperative to distinguish your market and how you will be targeting that market and thus gaining clients and sales. Remember that general business guidelines apply – regardless of the nature of the business. Do some homework in understanding the economic development that is occurring within the City of Ottawa. We have provided various examples and sources throughout this manual to research and gain information-use them! The Ottawa Public Library is a perfect place to start when looking for market research data. They are the experts in local market research and are always helpful to answer your questions. But they are YOUR questions – the personnel at the library are not mind readers! You must provide them with some basic guidelines as to what you are looking for so….you must plan!

These next five sections will help guide you through the steps of starting trades businesses in: carpentry, electrical, masonry, plumbing and construction.

The biggest challenge you will face as a newcomer into the City of Ottawa is to understand the 'lay of the land'. That is, what is occurring in the overall Trades industry, and where is the growth potential for your skills. As we have looked at the various services offered by the City of Ottawa in terms of registering your business and any associated licenses through various trades associations, we will now look at the thrust of what will make your business tick or not….marketing!
How to Start and Market a Carpentry Business

Marketing Your Carpentry Business

Basic marketing principles have changed over the years certainly due to the immediacy of Internet applications and social media. But in general regardless of the type of trades sector you wish to enter and start your business, the principles are applicable across any type of business from knowledge based technology companies, to manufacturing, to the trades.

In order to properly position yourself and your business in the right market you should first look at the type of carpentry services you will be offering. The home improvement sector has been growing in recent years with many big box stores selling products and services for the 'do it-yourself' (D.I.Y.) homeowner. A carpentry business is appealing (provided you have the skills of course!) since overhead is generally low and there appears to be no shortage of work certainly in the growing Ottawa region.

Carpentry businesses are usually segmented into two areas: rough (or structural) and finish (or detail). Rough work entails framing, roofing, and work related to constructing the skeleton of the building. Finished carpentry will take in account the details pertaining to trim, cabinets…the finishing touches. The skill set is not naturally overlapping; many carpenters have a stronger preference to one or the other. Only your skills set can determine how you position yourself and the business.

∏ Product/Service:

As discussed previously only you can determine, based on your skill set whether you wish to enter the marketplace offering rough or detailed carpentry services. Your training and skill set will determine this. Once you have a service offering you should be looking at teaming up or partnering, in a loose sense, not formally, with a complementary carpentry service that offers what you do not. This way you begin to develop a larger network of job opportunities and gain your name in the sector. Will you work in renovation market? New construction as a sub-contractor? Where do you position yourself? Either direction you will have to use your skills as a negotiator and salesperson to enter and sustain your market.

∏ Price:

Pricing is based on typically two areas: your time in an hourly fashion or, per job as a whole project. You will have to research the local industry in order to determine where you skill set fits. As with many services, least expensive is not always a good model to try and gain clients. Often a price that is low is regarded in this market as
being inferior in quality and service. You must know the type of client you are working for! Again, this is research on your part.

**Promotion:**
A web site is generally a given. People are using Google to seek renovation, carpentry help in their home projects; if you are looking at starting a business as a framer (roughing) then a web site may not be as important as is your ability to get known through the local Ottawa associations for construction trades (Algonquin College, La Cite Collegiale are great starting points to get information and network).

Developing a basic web site is not as expensive as you may think. Look at [Wordpress](https://wordpress.com) as an easy way to get online. This is one of your best methods of promoting the work you do- and remember “pictures say a thousand words” – have pictures of the great work you have accomplished. This is a wonderful way to begin to engage with your clients.

**Place:**
As a start, consider working the neighborhood in which you live. This offers a friendly face to your clients and provides you with a contact/network list from which referrals can be driven. Referrals offer a huge market potential to you; the quickest and simplest way to get this developed is to engage with people in your area.

**Tasks and Skills Needed:**
Whether you are planning to do all the tasks yourself or to hire or subcontract for them, here's a list of tasks that need to be attended to when it comes to the business side of running a carpentry business:

- Bookkeeping
- Advertising/marketing
- Scheduling
- Computer literacy
- Answering machine/fax/cell phone
- Basic analytical and mathematical skills
- Organizational skills
- Ability to work well with others
Industry Specific Tasks:

Generally the same as the above. If you plan to do everything yourself or get help, here are some of the tasks necessary to operate a carpentry business in Ottawa:

- Knowledge of remodelling trades and residential construction techniques, procedures, tools, equipment, safety, and materials
- Proficiency in trim work, drilling and setting hardware for doors and windows, setting windows, stair layouts.
- Ability to read blueprints
- Ability to give and receive verbal and written instruction
- Ability to manage paperwork such as employee time sheets
- Ability to envision all necessary steps to complete the task at hand
- Ability to perform physically demanding tasks such as crawling for long distances and climbing extended ladders

To summarize:

Step 1
Choose your niche and use your forte to make money. If you specialize in finish carpentry, then play up that aspect. If you prefer inside work over outside work, then target that market. If you're a generalist, there is a lot of competition out there, so you'll have to think outside the box and look for the sweet spot. You can base your strategy on price, your availability outside of traditional business hours or even on your solid reputation.

Step 2
Do your homework. Check with the City of Ottawa zoning plan (call 3-1-1 for help) to see what (if any) local ordinances there are for running a business in a residential zone. If you are operating a business out of your home (cheapest) remember to check with your home owner's insurance company to see if your current policy covers a home-based business. You may wish to purchase an umbrella liability insurance since you'll most likely be working at other people's houses and will need protection in case something goes terribly wrong. You will be registering your business with the Province of Ontario; this can be done online at Service Ontario or by visiting the client service centre at Ottawa City Hall.

Step 3
Set up your workshop. It can be in a garage, a barn or a basement. As long as it has ample space to work, the proper electrical requirements, and enough light and provides easy access to the outside world, you're good. Of course, you can always build your own!
Step 4
Outfit your vehicle with every tool and supply you'll possibly need for onsite jobs. The biggest time killer in a contractor's day is the time spent having to travel to pick up tools or supplies, so keep things on hand and save a few hours of your time weekly.

Step 5
Brand your business by creating a professional brochure, website and have plenty of business cards! Get a cell phone to be available when on the run and have references available at a moment's notice. Put your logo, phone number and website on your service vehicle, carry business cards with you at all times and if local zoning laws allow it (and your clients have cleared it), post a sign outside your work sites. And return calls promptly! Clients do not like to wait! They are your business – sell sell sell!

Step 6
Advertise, advertise, and advertise. Get the word out that you're a viable option in the field. Use all available avenues to promote your business, including advertising in the local papers, advertising with a direct mail coupon company and trying to get press in the local paper-either through a new business piece, or even as a home repair Q&A columnist (blog on your web site).
How to Start and Market an Electrical Business

Marketing Your Electrical Business

As with a carpentry business, your ability to do things and sell yourself as a professional performing quality work is a solid manner in which to start and grow your business. The industry often works by word-of-mouth, so the better your people skills, and job performance, the more likely you will be referred from one client to another. As an electrician trying to market your services, it may be worth your while to associate yourself with carpenters who are not qualified to do electrical work and must therefore rely on your services. A loosely held ‘team approach’ and referrals from one carpenter to another is a common manner in this business field.

In order to properly position yourself and your business in the right market you should first look at the type of electrical services you will be offering. The home improvement sector has been growing in recent years with many big box stores selling products and services for the ‘do it-yourself’ (D.I.Y.) homeowner. Much like carpentry, an electrical business is appealing (provided you have the license which is a requirement as discussed in previous sections) since overhead is generally low and there appears to be no shortage of work certainly in the growing Ottawa region.

Electrical businesses are usually segmented into two areas: the installation/service sector and/or products (wholesale/retail). Service is the most common work in the electrical field found in Ottawa. It may be as a small business directly servicing the home owner in their renovation projects (which the home owner is not qualified to do for insurance purposes), or as a sub-contractor to one of the many larger developers in Ottawa. BOMA the Building Owners and Managers Association

Product/Service:

As discussed previously only you can determine, based on your skill set whether you wish to enter the marketplace offering electrical services, wholesale or retail. Servicing is the easiest to enter, once you have been licensed by the Province of Ontario (http://www.ecao.org/Faq.asp?categoryId=6). Wholesale and retail encompass a much larger startup cost base as you will require inventory, storage, a sales channel and different level of expertise. This guide is looking more at the servicing sector for trades. Will you work in renovation market? New construction as a sub-contractor? Residential? Commercial? You should determine this first as an entry point into the marketplace as a more focused approach will lead to better success and the ability to secure your name in the local marketplace. As always, you will have to use your skills as a negotiator and salesperson to enter and sustain your market.
Price:
As with most contracting services, pricing is based on typically two areas: your time in an hourly fashion or, per job as a whole project. You will have to research the local electrical contractors industry in order to determine where you skill set fits (see: http://www.ecaottawa.org/pdf/may_2012.pdf). As with many services, union rates may apply and the least expensive is not always a good model to try and gain clients. Often a price that is low is regarded in this market as being inferior in quality and service.

Promotion:
A web site is generally a given. People are using Google to seek electrical help in Ottawa and specifically in their neighbourhood to help in their home projects; if you are looking at starting a business as a sub-contractor then a web site may not be as important as is your ability to get known through the local Ottawa associations for construction trades (Algonquin College, La Cite Collegiale are great starting points to get information and network) as is the above web site for local electrical contractors association in Ottawa.

Place:
As an independent electrical contractor start consider working the neighborhood in which you live. Like most start-ups in the trades we are discussing, this offers a friendly face to your clients and provides you with a contact/network list from which referrals can be driven Referrals are a lifeline that cannot be underestimated.

To summarize:

Step 1
If you are looking at entering as a sub-contractor for example, gain as much experience in the construction industry as you can. It's a complex industry. Knowing how the bidding and building processes work gives you an advantage over competing businesses. The local chapter for electrical contractors noted previously can help you.

Step 2
Get licensed. Electrical contractors must have a provincial electrician's license. The local association in Ottawa can help with this.

Step 3
Purchase equipment. You'll need service vans or trucks as well as job site lock boxes for your tools. The tools you'll need will vary depending on what type of services you'd like to provide. In general, you will need drills, wire snips, standard wiring, receptacles, switches, and connectors.
Much of your supplies will be purchased on a job-by-job basis. Don't worry about investing a lot of money upfront. If you can, search out used, second hand tools as a way of reducing your start up costs.

**Step 4**
Draft a business plan. This is a great way to get all your ideas on paper, and it will also help you see any areas of your plan that may need more planning or research. Because of all the dangers involved in the electrical business, you'll want to focus largely on how you'll train your staff to safely perform their work. As even a single oversight in this industry can be life-threatening, you'll need to layout training, safety equipment, installation procedures, and how you'll respond to accidents. As with all businesses, you will also need to detail daily operational plans, company policies and marketing. **The Entrepreneurship Centre** can help with this.

**Step 5**
Approach banks to apply for business loans. You will need to present a completed business plan and business financial data. You will be required to include personal tax and financial data as well. Securing a loan can help with start-up expenses such as buying tools, service vans and supplies. Loans can also tide you over until checks start coming in. Plan to borrow enough to cover all upfront expenses, 3 to 6 months of payroll, rent, supplies, and enough to pay your own bills for the first six months. As a newcomer to Canada, banks may at times prove to be a challenge as you may not have a long credit history to help back up any loans. The Ottawa based, **Ottawa Community Loan Fund** helps newcomers secure micro financing in order to start a small business.

**Step 6**
Contact general contractors. Let them know about your business. Ask for an opportunity to bid on jobs with them. They will likely give you chance to start with smaller projects so they can evaluate the quality of your work. If you'd prefer to do residential work, advertise in your local phone book and ask friends and neighbors to spread the word.
How to Start and Market a Plumbing Service Business

Marketing Your Plumbing Business

In much of the same manner as electricians and carpenters, your ability to start and market your services as a plumbing professional rests on your ability to not only provide excellent work and customer service but to link yourself with an association, a network of trades people and of course the contrition industry in general, and more specifically the residential or commercial marketplace.

Let's start with your target market. Is it the residential market? The D.I.Y as discussed earlier? The do-it–yourself homeowner who needs plumbing services? If this is a niche you wish to follow and target, then your ability to sell your services, again as suggested in previous sections, try and look at your local neighborhood/market. If you live in Barrhaven, Orleans, or Kanata, of thereabouts, these are the fastest currently growing areas within the National Capital Region. Why not begin to let homeowners know you exist? Don't think because there are many new homes, that your plumbing services will not be needed. Often homeowners require additional help for work in basements, pools, extensions. Always believe and see the potential!

How you may ask do I get my name out? Well business cards a web site, lettering on your truck or vehicle are quick and inexpensive ways to get going ...and noticed! Your business success is dependent on how well you do your job (clients will seek and refer your services) and how well you advertise your trade. As a business owner, you know that your services will not have a running start unless people know that you are a plumber, and that your services are available. Plumbing business cards, a web site (see previous for suggestions), and vehicle lettering are essential. If you can't afford these as of yet, putting up flyers and home-made posters can do most of the advertising for you. But nothing beats word-of-mouth advertising. So tell your friends and family members that you are starting a plumbing business and ask them to help refer you to potential clients. You will be surprised at how effective this means of promotion is within the plumbing, or trades business in general.

Remember as with other trades mentioned in this guide, as a micro-entrepreneur, you can start this business from home; you don't even need a complicated business set up as long as you've got the skills and tools to do the job. A successful business of this sort still needs to be registered through the Province of Ontario (serviceontario.ca); La Cite Collegiale and Algonquin College in Ottawa are excellent sources of training and certification in all matters of the trade industry. Check these resources before you even register a business.
Product/Service:
As discussed only you can determine, based on your skill set whether you wish to enter the marketplace in the residential or commercial sector. Commercial business is a different game in that most plumbing contractors as sub-contractors, as independent businesses still, but working on contract for larger developers. You will have less control over your costs, rates, expenses as you would in the residential sector, for the most part. For the purposes of this guide we are looking at plumbing services and not the wholesale/retail business of plumbing supplies.

Price:
As with most contracting services, pricing is based on typically two areas: your time in an hourly fashion or, per job as a whole project. One of the best and easiest methods to develop a range of rates is to simply call a number of different plumbers for a quote. It's not anything more complicated than setting a range for various services and developing a list of pricing to offer your clients. This is the best method to secure local Ottawa based rates as they may differ from city to city. Again, as with many services, union rates may apply and the least expensive is not always a good model to try and gain clients.

Promotion:
A web site is generally a given. People are using Google to seek plumbing help in Ottawa and specifically in their neighborhood to help in their home projects; if you are looking at starting a business as a sub-contractor then a web site may not be as important as is your ability to get known through the local Ottawa associations for construction trades. Algonquin College, La Cite Collegiale are great starting points to get information and network.

Place:
As a plumbing entrepreneur, try working the neighborhood in which you live. Like most start-ups in the trades we are discussing, this offers an immediate response to a plumbing problem (and that may be late at night or early morning- make yourself available by cell phone- don't turn it off! You need the business- anytime of the day!) Yes this is repeated over and over but in the trades industry referrals are a lifeline that cannot be underestimated.

To summarize:
The six steps mentioned previously for electrical services generally apply here too. Check your local associations for plumbing and pipefitters which are unions with various chapters. They can be of some help and a resource for you.
How to Start and Market a Masonry Business

Market Your Masonry Business

Specifically masons smooth and finish freshly poured concrete, apply curing or surface treatments and restore and repair or replace hardened concrete structures. Cement Mason Finishers are employed by construction companies, cement and concrete contractors and manufacturers of pre-cast concrete products or they may be self-employed. As a business owner of a masonry business you can as with other trades mentioned, sub contract out to larger projects and companies/developers who require your expertise. Ottawa, with its many heritage buildings requires specialized services in masonry working with older structures; this is a niche which can prove to be very lucrative for the individual who has been trained and apprenticed as a stone mason.

The industry and demand for stone masons with specialization in heritage structures is held within a small circle; entering this market may be through the local masons chapter which is an old and effective association of free and stone masons.

Training:
Qualities you should possess are willingness to travel, some artistic ability and attention to detail. Cement Mason Finishers are exposed to water, noises, vibrations and situations requiring attention to safety.

An apprentice is someone who learns a trade by working under the guidance of a Journeyperson. It is 90% on-the-job and 10% classroom training. Typically you earn an income while you learn and are paid by the hour while working on the job site. Apprentice's wages start at approximately 40% of the journeyperson's hourly rate of pay with periodic increases until you reach the full journeyperson rate. For more details, download the Introduction To Trades Manual.

Marketing:
As with other trades it is to your advantage to build a network of electricians, plumbers, carpenters and general construction workers, from within your own community and at large within the City of Ottawa. A close group of 'associates' in other trades with complementary skill sets will only help all of you secure contracts and jobs. Working with developers, as a masonry service business is also an option but here again, as a newcomer to Ottawa, you wish to get known and get your name out as a mason expert. Think about starting in your own neighborhood simply with flyers, web site, talking to people – develop a network. Many homeowners are looking for trades professionals- but they won't know you if you don't tell them! You need to start somewhere!
A web site showcasing any work you have done from here or aboard is an excellent manner to get going. Visuals are a great way to get started and to direct potential clients towards. The usual business cards and word of mouth will apply if you are looking at the residential market to get going. This is often the simplest and least complicated route to take to get your business off the ground and to have pictures to showcase your excellent work!
How to Start and Market a Construction Business

Marketing Your Construction Business

The construction industry in Ottawa is a dynamic, competitive sector that can offer both opportunities and challenges to entrepreneurs choosing to start their own construction business. From general contracting to highly specialized restoration, there are many different kinds of construction businesses. Before starting your business, think about the types of construction services your company will provide. Based on your services, there are several steps you will need to take in order to start your business including registering with the City of Ottawa and Province of Ontario. BizPal (www.bizpal.ca) is an excellent source for all permit/license requirements regardless of the type of sector you may wish to enter.

In marketing a construction business, you will require a network of all the trades previously mentioned. So, if you are a people person who likes to meet and sell your services - this will suit you well. You will typically act as a general contractor who employs the trades mentioned on a contractual basis. It is suggested you have written contracts drawn by a lawyer in order to ensure you receive services rendered.

As a general contractor you wear two hats. One is ensuring you have a strong supply of excellent professional trades who you can call in order to do the work. But then you need to find the work. You need to sell. If a house contractor- and more specifically in the renovation market (to follow a theme in this manual) then your marketing skills will not be unlike those for other trades mentioned. Start in your neighborhood to get your name out that you do home renovations; a web site again is an excellent source as homeowners will use Google to find local contractors. You need testimonial from work you have done (positive feedback from clients – even from your home country!) to help bring a positive flavour to your business.

Work with the other trades people you will get to know- you all win- if you help each other. It is a good way to share resources and ensures a healthy eco-system of trades people working towards a common goal of starting and succeeding in their own business venture.

Construction and skilled trades are highly regulated. Some common regulations and helpful links that can apply to your business are included in Appendix C.
Managing your Trades Business

Starting a trades business is much like starting any small business. (Check out the resources at the Entrepreneurship Centre) However, there may be specific City of Ottawa, Province of Ontario and professional guidelines, certifications and licenses that are required in the trade you are seeking to enter. These sorts of businesses can consist of one individual who works independently or it can be a contracting or service business that employs many plumbers, electricians, carpenters, mason general journeymen and support personnel.

The success of any business starts by setting goals and managing the ups and downs of daily operations. Here are some key factors to consider when starting a trades business.

💰 Taxation

Depending on your location and the type of products or services being offered, federal, provincial and/or municipal business taxes may apply.

Read Online: Taxation Info-Guide
If you sell goods and services in Ontario, you may need a business number to charge and remit the Harmonized Sales Tax (HST). Speak with the Canada Revenue Agency (CRA) for more information.

Contact Canada Revenue Agency by phone 1-800-959-5525 or online http://www.cra-arc.gc.ca/menu-eng.html

💰 Financing

There are many different ways to finance your business. Canada Business can help you find government financing that is available for starting a business.

Search Online:
Find Government Grants, Loans and Financing:
http://www.canadabusiness.ca/eng/program/search/

Contact the Business Info Line: 1-888-745-8888

💰 Marketing/Advertising

Marketing can help you determine the value of your product or service and communicate that information to customers. Depending on your market and its size, you can consider using flyers,
business cards, brochures, newspapers, radio, TV, the phone book or the Internet. Keep in mind, a satisfied customer or a positive referral is often the best form of advertising.

Read Online:
Developing a Marketing Plan:  http://www.canadabusiness.ca/eng/page/2690/
Marketing and Sales:  http://www.canadabusiness.ca/eng/page/2863/

When preparing your marketing and/or advertising material, there are regulations to follow. When you promote a product or service, your customers need to have enough information to make informed choices. You can get more information on advertising requirements from the Competition Bureau.

Contact the Competition Bureau:  1-800-348-5358

Setting the Right Price

Setting the right price is important in ensuring the success of your business. Here are a few questions you may want to consider:

- What is the current price for your range of services in the industry?
- What is your competition charging?
- What is the total cost of running your business?
- What is the minimum acceptable profit you need to generate from your business?

When determining your fees, make sure you include the cost of your labour, the overhead, and the expenses that will be incurred.

In the end, the right price for the service is the price that the consumer is willing to pay. Correct pricing decisions are often key to successful business management.

Read Online: Pricing:  http://www.canadabusiness.ca/eng/page/2624/

Negotiations

Negotiating is part of doing business. You negotiate with suppliers, distributors and customers. Good negotiations can lead to prosperity, while bad negotiations can damage your business profitability. Before you start your business you may want to learn about negotiating.

Read Online: Negotiations:  http://www.canadabusiness.ca/eng/blog/entry/3574/


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**Professional Services**

The use of business support services can be essential to the success of a small business. Professionals can provide knowledge and expertise to ensure your business is operating efficiently.

As an entrepreneur, there are several types of professional business services you can consult:

- Lawyers
- Real estate agents
- Insurance brokers
- Bookkeepers
- Accountants

**Insurance**

Having the correct business insurance can provide peace of mind. Contact an insurance agent to discuss your business insurance options, or to develop a plan that is right for your business.

You may also wish to contact your local chamber of commerce or industry association, as some organizations offer members lower rates on their business insurance.

The following list is included to remind you not to overlook the complex areas of business insurance. It is best, however, to discuss your specific requirements with your insurance agent.

Basic insurance:

- Fire insurance (extended coverage on buildings and contents)
- Liability insurance
- Burglary protection (theft coverage)
- Dishonesty insurance (covers thefts by employees)

Read Online: Insurance for Your Small Business: [http://www.canadabusiness.ca/eng/page/2684/](http://www.canadabusiness.ca/eng/page/2684/)

**ASSOCIATIONS**

There are many associations that may be of interest to a construction business. It is not necessary to join an association, but some of the advantages include:

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• Promoting and exchanging marketing and promotional ideas among members
• Establishing and encouraging high standards of quality and professionalism

Examples of associations for a construction business include:

• **Canadian Construction Association (CCA)**
  If you choose to specialize in non-residential construction and would like to access shared information and resources, you may be interested in CCA membership. CCA aims to be the national voice for the Canadian construction industry.

  Contact CCA: **1-613-236-9455**

• **The Canadian Home Builders Association**
  If you are building new homes, you may choose to become a member of the Canadian Home Builders Association, an organization that aims to represent and serve the interests of the home construction industry throughout Canada.

  Contact the Canadian Home Builders Association: **1-613-230-3060**
  Canadian Home Builders Association: [http://www.chba.ca/](http://www.chba.ca/)

• **Health and Safety Ontario (HSO)**
  HSO can help you with training, consultation, information, problem solving and research related to safety for you and your employees.

  Contact HSO: **1-800-781-2726**
  Health and Safety Ontario: [http://healthandsafetyontario.ca/HSO/Home.aspx](http://healthandsafetyontario.ca/HSO/Home.aspx)

• **Infrastructure Health and Safety Association (IHSA)**
  You and your workers may consider working with the IHSA to eliminate occupational injury and illness in the construction, electrical, natural gas, ready-mix concrete, transportation, and utilities industries.

  Contact IHSA: **1-800-263-5024**
  Infrastructure Health and Safety Association: [http://www.ihsa.ca/home.cfm](http://www.ihsa.ca/home.cfm)

• **Ontario Construction Secretariat (OCS)**
  If you will be working with unionized workers, you may wish to look into the OCS. The OCS promotes and represents Ontario's unionized industrial, commercial, and institutional construction industry.

  Contact OCS: 1-888-878-8868
Ontario Construction Secretariat: http://www.iciconstruction.com/home.cfm

- **Ontario General Contractors Association (OGCA)**
  If you are looking for webinars, networking opportunities, education opportunities, advocacy and representation within the construction industry, you may be interested in joining the OGCA.

  Contact the OGCA: **905-671-3969**
  Ontario General Contractors Association: http://ogca.ca/

**NEXT STEPS**

For other information that relates to starting your business, you can read the following guides:

- Business Planning
- Market Research and Statistics
- Starting Your Business
- Grants and Financing
- Taxation Guide
- Employment Regulations Guide

Additional resources that may be of interest to construction business owners include:

- NRC Institute for Research in Construction (NRC-IRC)
- Canadian Centre for Housing Technology

You can also find books, magazines and other relevant print material at business service organizations in your community. To locate a Canada Business Ontario (CBO) community partner, contact us through the Business Info Line at **1-888-745-8888**.
ARRANGING YOUR FINANCING $$

Arranging for financing for a new business is no easy task. New businesses do not have sales or a track record. Hence they are considered much higher risk than financing an established business. New business entrepreneurs also find it difficult to estimate the amount of money they'll need to get a business up and running. More often than not entrepreneurs significantly underestimate the amount of funds they require. They leave no room for unexpected obstacles or opportunities.

More than 80% of new business start-ups are financed through the entrepreneur’s own savings.

Financing your new business

Entrepreneurs often report that getting financing is the most challenging aspect of starting a business. There are both government and private sector sources of financing that you can tap into to get your business off the ground.

Government financing

The government provides financing to help entrepreneurs like you start a business. Some of this financing is targeted to specific demographic groups or industry sectors and some is more widely available. The financing includes grants and contributions (which usually don't have to be repaid) and loans and loan guarantees (which generally do have to be repaid).

**CYBF Newcomer Program:**
If you are a recent immigrant to Canada and are between the ages of 18 and 34 years old, you can apply for money to start a business.

**CYBF Start-Up Program:**
Are you between 18 and 34 years old? If you are a Canadian resident with a good business idea, you could get $15,000 or more to start or run a business full-time.

**Aboriginal Business Canada:**
Apply for financing to start or expand your Aboriginal business.

**BDC Financing:**
You could get money to help you start or grow your business.
BDC Growth Capital for Aboriginal Business:
Find out how you could get money to help start or grow your Aboriginal business.

Buying a business:
Find out how you may get financing to buy an existing business.

Canada Small Business Financing Program:
Access funds for your small business with the help of this loan guarantee program.

Financing for starting a business:
Learn how you could get money to start or buy a business or to buy property or equipment to set up your business.

Opportunities Fund:
If you are a person with disabilities who wants to start a business or an employer who would like to hire someone with a disability, you could qualify for funds.

Summer Company
If you are a student between 15 and 29 years of age, you may be eligible for up to $3,000 to help you start and run a summer business.

**Budgeting and forecasting**

Effectively managing your business' finances is critical to your long term success. Good budgeting and financial forecasting skills can help you control your business' financial health.

**What is a budget?**
A budget is a detailed statement of expected revenues and expenses. Your income will include revenues from sales, interest, accounts receivable, and any other revenue sources. Your expenses will include costs such as your payroll, inventory costs, and insurance.

Budgets are often based on an organization's fiscal year and then broken down by month. Reviewing your budget on a regular basis, and adjusting it as needed, will help you keep an accurate picture of your business' finances.

**Why create a budget?**
Developing good budgeting skills can help you:
□ Forecast future revenues and expenses
□ Identify opportunities for cost cutting
□ Ensure you have enough cash on hand to cover upcoming expenses
□ Determine a break-even point
□ Find opportunities to be more efficient and productive

To be effective, your budget needs to be based on realistic figures and assumptions. Developing a sales forecast can help you build a comprehensive budget.

**What is forecasting and why is it important?**

Accurately forecasting future sales is a key part of creating a strong budget. Forecasting is not an exact science, but basing your figures on past sales and well-researched assumptions can help you realistically predict future performance.

When you are developing your forecast, you may want to look at:

□ Past sales figures broken down by month
□ New sales contracts and contracts that will not be renewed
□ Predictions for changes in the size of your market or in the economy as a whole

If you are a new business, you will need to conduct market research and analyze the sales of similar businesses in your area.

Forecasting can help you:

□ Make strategic decisions such as when to introduce a new product
□ Identify the best time of year for you or your employees to take a vacation
□ Calculate how profitable the boom time must be for the business to survive a slump

Financing is important to starting or growing a business. A solid budget tells investors or lenders that you have a well thought out strategy and plan. A reasonable forecast tells them that you have researched your business strategies and are aware of the pitfalls and how to deal with them.

If you want your business to be successful, you will need to develop good budgeting and forecasting skills, or work with someone who has those skills.

**Benchmarking tools and ratio calculators**

Use these tools to calculate your performance in areas such as asset utilization, liquidity, leverage, inventory turnover, sales, and net profits.
SME Benchmarking Tool
Find out how your firm measures up to comparable small businesses within your industry.

Market research and statistics
Learn more about market research, how to conduct it and where to find free information and statistics to support your market research project.

Forecasting sales
Get information about forecasting online sales.

Forecasting sales of new products
A look at building a forecast to determine sales of a new product.

Estimating your marketing budget
What should you consider when working out your marketing budget?

Forecasting production for seasonal manufacturing
A look at building a forecast for seasonal manufacturing.

Budgeting and business planning
Learn how establishing a budget can help you manage your financial position more efficiently and ensure the feasibility of your projects.

7 tips for building your cash flow
When business conditions are tough, it's essential to stay on top of your company's finances and boost your cash generation.

Here are seven ways to find more cash in your business:
1. Develop a cash-flow planner and track cash throughout the month
   Using a software tool or a spreadsheet, record your month-opening bank account balance and all anticipated cash inflows and outflows. This kind of budget allows you to assess your situation, examine risks and plan for problems, such as the loss of a key customer. Then, track your cash as it comes in and goes out throughout the month. That will help you stay on top of problems and make adjustments, such as delaying discretionary payments.

2. Closely monitor financial statements
   Examine monthly financial statements line by line to look for red flags. Keep a close eye on key indicators of your business's health, such as changes in the gross margin and inventory turnover.
3. **Look to relationships with your customers and suppliers**
   Good customer and supplier relationships can help you wring more cash out of your business. For example, you can turn sales into dollars faster by offering discounts to customers who pay early. Suppliers can help by extending payment terms. However, it takes two to tango. Work on improving customer service and make sure to pay suppliers consistently.

4. **Get tough with deadbeats**
   This is no time to play Mr. or Ms. Nice Guy when it comes to collections. Entrepreneurs need to be conscientious in pursuing late bills. Customers have to pay or else you're just financing their business.

5. **Focus on inventory management and product offerings**
   If sales are down and inventory turnover is slowing, you have to be aggressive in clearing out stock. While you're at it, analyze your product lines to see what's selling and what's just taking up space. Look to your sales force to help you reduce inventory and weed out unprofitable product lines.

6. **Use debt to protect your working capital**
   It's important to avoid paying up front for long-term investments, such as equipment purchases or a building expansion; that will just tie up working capital. You're better off using debt to finance these projects. Also, consider refinancing fixed assets to free up capital.

7. **Cut waste and streamline operations**
   Boost your company's productivity and profitability by eliminating bottlenecks, overproduction, inefficient equipment and other sources of waste. Employees are your best source of ideas, so get them involved.

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**Sources of Funds**

The primary sources of funds for small business start-ups are personal funds, friends and relatives, angels or private investors, banks, government agencies and programs, and venture capital.

**Personal Funds**

The most accessible and unconditional source of funds for your new venture is often in your own pocket. It is also the first source you should tap because most people will not invest in your business unless you can demonstrate some financial commitment yourself. After all, why should someone else invest in your business if you are not prepared to put
your own finances on the line? This may mean looking in your savings accounts or other investments, tapping into a life insurance policy, selling some real estate or postponing some other expenditure.

**Friends/Relatives**

Once you've assessed your own savings and found that there is still a shortfall, it may be time to look to raising money from friends and relatives. This is often known as “love money” and is used by many entrepreneurs for at least part of their start-up financing. The biggest risk with this source of capital is that it can create a considerable strain on these relationships if your business does not work out. It is therefore important that you treat their investment the same as you would a bank or other external source of capital. Develop a formal agreement, lay out the terms and conditions including a repayment schedule plan, and keep them abreast of developments in your business. Depending on the nature of your business this type of financing may be sufficient to supplement your own funds.

**Angels/Private Investors**

Private investors often known as “angels” are becoming more and more active in early stage financings. Angels are normally high net worth individuals including successful entrepreneurs, senior executives, and professionals. They represent the single largest source of external start-up capital for entrepreneurs. In addition to providing capital, private investors can also provide experience and managerial expertise, factors critical to the growth and success of young, fledgling companies. They represent a critical component of the private equity capital markets.

Finding private investors is not a simple task. They are mainly private individuals who usually keep their investment activities confidential and prefer to learn about investment opportunities from respected sources. The investment process can be quite lengthy and can range anywhere from a few weeks to several months. Private investors can be found through professionals such as accountants, lawyers, and investment advisors since they typically have clients who may be active private investors.

Private investors can provide capital of anywhere between $10,000 and $500,000. The vast majority have preference to co-invest with other investors. This investment most often takes the form of equity in a business, mainly to compensate for the lack of securable assets and the high degree of risk involved. Due to the risk, investors who make direct investments in private companies normally seek returns higher than other more conventional investments. Hence business opportunities suitable for this type of investment are those which demonstrate high growth potential.
Before embarking on the search for “angel” financing, entrepreneurs must have a good understanding of the characteristics of this type of investor and be thoroughly prepared. Bad first impressions are most often the last. To help entrepreneurs better understand the specific characteristics, investment preferences and expectations of private investors, this subject is addressed in greater detail at the end of this section.

**Banks**

Banks are one of the most widely used external sources for funding new businesses. The primary consideration for banks in assessing a loan applicant is their confidence in the person's ability to pay back the loan. This confidence is a function of a number of factors: 1) the person's previous track record and credit history, 2) adequate cash flow in the business to meet the payment schedule, 3) sufficient equity or assets. Banks do not take large risks. They have a responsibility to ensure the safety of their depositor's money and obtain a reasonable return. Unfortunately many entrepreneurs do not understand this. Hence it is common for an unprepared entrepreneur to walk into a bank, ask for a loan, and if they are refused, blame the bank for not caring for the “little guy”. Informed entrepreneurs go into the bank with all the information the banker may need at their fingertips including their financial history, credit history, current financial circumstances, business plan, and résumé.

If you qualify, the types of financing you can get from your bank include:

*Short-term loans* - Usually repaid within 30 to 180 days, short-term loans are used to purchase extraordinary inventory, finance cash flow shortages, and access supplier discounts for early payment. Some form of personal guarantee, outside security or company assets is usually required to secure these loans.

*Operating loans* - Banks will usually lend about 65 to 80% of the value of approved receivables and maximum 50% on inventory on a short term basis. Not all receivables qualify; it is usually targeted to those that are considered good credit risks and are no more than 90 days old while only raw materials and finished products (readily saleable) inventory are accepted. It is usually based on a line of credit allowing you to access money up to a pre-established limit and repay the money with interest. It can be compared to a preauthorized loan. Small lines of credit are issued on an unsecured basis depending on the entrepreneur’s financial statements and track record.
**Fixed Asset Loans** - These are usually long term loans provided for a year or more to cover the costs of fixed assets such as machinery/equipment, vehicles, commercial buildings, and real estate. They are normally term loans linked to the lifespan of the asset. These loans usually cover about 60 to 80 percent of the cost of equipment and about 75% of the market value of property. Entrepreneurs should be aware that most business bank loans, both operation and term loans are demand loans so that regardless of the term the bank can demand that they be paid back if they think the company is running into trouble. Hence, the importance of open communication between the banker and the entrepreneur cannot be overemphasized.

“Considerable effort should be made when choosing your banker. Remember your banker is much like a financial advisor or partner. Treat your initial meeting as an interview and be sure they can satisfy the following:

1) **Do they have experience lending to small business?**
2) **Does their job include the mandate to secure new small business loans?**
3) **Do they appear interested and comfortable with what you are presenting?**
4) **Do they have the time to give you a fair hearing?**
5) **Do they have the decision making authority?**”

*Bob Morais, Strata KBD Inc.*

An experienced and interested banker can be one of a small business’ best assets. When this is combined with effective and ongoing communication (both positive and negative), a comfort level will develop which will serve the small business in the future.

"Your bank should not be looked upon as simply a provider of capital for your business. Look to the bank for more, including advice on: services the bank can provide to minimize the time you spend on banking related activities; recommendations on other sources of information and tools to help your business be successful; advice on how to customize your credit to match your business needs: and, fulfillment of your personal financial and investment objectives.

For many businesses, the majority of capital will come from sources other then the bank. Understand all the products and services that are available including capital and financial advice.”

*Ken Locklin, RBC Royal Bank*
Community and similar loan funds

It has been recognised that banks and other commercial lending institutions may not always be able to provide funds to start and grow businesses profitably. This normally reflects the cost of the due diligence required for some potential loans against low returns from lending out more modest sums.

At the same time the desirability of encouraging entrepreneurship at all levels has been recognised by municipal, provincial and federal governments and diverse independent non profit organisations have been established to cover the types of loans which would not be of commercial interest to banks.

Typical customers who traditionally face more challenges in obtaining start up and expansion funding include new Canadians and young people who have not yet had the chance to build up sufficient assets to act as a deposit or security and/or who have not yet been able to develop a sufficient credit history to satisfy commercial lenders' requirements. They are, however, part of a far broader range of people who may have a viable business idea and the passion and determination to make it succeed who may not qualify for bank funding. The non profit lending organisations have been established to support that range of people.

The loans provided are typically limited compared to what a bank might offer and the application and due diligence process is also typically more demanding, reflecting the nature of the clients that the non profit organisations serve. In all other ways, however, the same disciplines are applied to the lending process as the commercial lenders: the loans are expected to be paid back with interest, a viable and profitable use for the funds has to be explained clearly and convincingly and the applicants' credit histories will be taken into account in deciding whether to consider them for a loan and how much might be offered. On the last point the non profit organisations are typically less demanding than commercial lenders but they still have their own minimum requirements as to potential borrowers' creditworthiness. The non profit organisations will also typically provide support in the development of applicants' business plans and sometimes a business mentor to support the applicants through the first years of the term of their loan.

In Ottawa the Ottawa Community Loan Fund is the main non profit organisation lending to start and expand businesses. The Canadian Youth Business Foundation, a national charity, also provides start up funding for businesses owned by young entrepreneurs up to the age of 35.
**Government**

Governments at all levels have developed a number of financial assistance programs for small business. They are not, however, nearly as abundant as they were in the late 80s and 90s and most of these are in the form of loans. Key sources include the Business Improvement Loan, the Business Development Bank of Canada, IRAP, and for young entrepreneurs, My Company and Summer Company programs. Information on these loans is provided in more detail in a chart at the end of this section.

**Venture Capital**

Venture capitalists provide equity investments for start-up or expanding businesses. These investors are generally looking for investment situations in well established firms seeking $1,000,000 or more and on which they can earn 40 to 50 percent annual returns. Hence few business opportunities have sufficient growth potential to attract these types of investments. In fact, venture capital firms only invest in 4-5% of the opportunities that they review. Venture capital investment is therefore most suitable for firms with proprietary products, international export markets and high growth potential.

**Other Sources of Financing**

- Internal financing
- Shareholders Loan
- Employee Share payment
- Supplier’s Discounts/Financing
- Real estate/remortgaging
- Factoring against accounts receivables
- Retained Earnings
- Leasing vs. Buying
- Advance payments from customers
AN OVERVIEW OF FINANCING PROGRAMS

Remember to always do your own search for other loan and grant programs, since the offering of programs is constantly changing.

Canada Small Business Financing Program

Purpose: Small businesses or start-ups operating for profit in Canada, with gross annual revenues of $5 million or less.

Loan Amount: up to $500,000

Program Criteria: Purchase or lease of land and/or premises; purchase of equipment;

Terms: Up to 90% financing; 10 years; lender's prime lending rate plus 3% (variable); lender's single family residential mortgage rate plus 3% (fixed); registration fee of 2% of the total amount loaned under the program must also be paid.

Applications Available: Chartered Banks, Credit Unions, information available at http://strategis.ic.gc.ca/csbfa

Summer Company

Purpose: Start-up financing

Award Amount: Up to $3,000 Program

Criteria: Must be a full-time student between 15-29 years old;


Program subject to renewal each year

Co-Vision Loan

Purpose: Start-up financing

Loan Amount: Up to $100,000 for new businesses
Program Criteria: Start-up phase; demonstrate realistic market and sales potential; possess experience or expertise in their chosen field, demonstrate key personal characteristics of a successful entrepreneur.


Subordinate Financing

Purpose: To continue growth in the business.

Loan Amount: From $250,000 to $10 million

Program Criteria: strong management team, profitable business, excellent financial controls, competitive advantage.

Terms: 4 to 7 years. Payments: balloon and/or cash flow sweeps and/or regular monthly payments tailored to the client's needs.


Equipment Financing

Purpose: Financing for an equipment purchase. To help the business grow

Loan Amount: BDC can finance up to 100% of the cost to help you purchase new or used equipment including: production line machinery and equipment, specialized technology, commercial vehicles to transport goods

Program Criteria: strong management team, profitable business, excellent financial controls, competitive advantage.

Terms: Repayment period up to 12 years and the possibility of additional financing to cover transportation, installation and training. An option to defer payments on principal up to 24 months.


Industrial Research Assistance Program (IRAP)

Purpose: Cost-shared projects. Research and Technology development activities.

Loan Amount: $5,000 up to a maximum of $500,000 depending on complexity of project

Program Criteria: Be a small and medium-sized enterprise in Canada incorporated and profit-oriented; Have 500 or less full-time equivalent employees; Have the objective to grow and generate profits through development and commercialization of innovative, technology-driven new or improved products, services, or processes in Canada
Terms: IRAP may fund up to 50% of certain project research and development costs
Applications Available: Call 1-877-994-4727

Ottawa Community Loan Fund

Purpose: OCLF arranges loans to start or expand a business

Loan Amount: Current maximum of $5,000

Program Criteria: Be 18 years or older, live in the City of Ottawa, have the business located in or around Ottawa, be or will be legally registered, use the funds to start or expand business operations, not be using the funds to consolidate debt

Terms: Interest rates on the loans are usually 6% above the current bank prime rate; Loan repayment terms range from 12 to 36 months

Applications Available: Online at http://www.oclf.org

Canadian Youth Business Foundation

Purpose: To provide start up business financing for Canadians under the age of 35

Loan amount: Up to $15,000 without a contribution from the applicant: up to $45,000, in collaboration with the Business Development Bank (BDC), is the applicant can find up to 10% of the funds required from other sources

Program criteria: Loan proceeds may be used to invest in any business in which the applicant has worked full time for less than one year.

Terms: Program offers interest rates any funds provided by the CYBF at 2% above the current prime in the first year, 1% above prime in the second year and prime in the third year and throughout the rest of the term of the loan. Principal repayments start at the beginning of the second year. Any funds provided by BDC to match funds provided by the CYBF will typically be offered at 6.5% above prime and loans are interest only with the repayment of principal in full at the end of the term of the loan. The CYBF and BDC each charge a one time administration fee of $50 when borrowers accept funds from them under the programme and the CYBF charges a $15 monthly administration fee for the term of the loan.

Applications available: online at www.cybf.ca but applicants will need to work through the local CYBF Community Partner, as of 2012 the Ottawa Community Loan Fund in Ottawa.

Ontario Self-Employment Benefit Program

Purpose: It provides aspiring entrepreneurs with income and entrepreneurial support for up to 42 weeks while they develop and start their business.
*Loan Amount:* Participants receive agreed-upon financial assistance while working to implement their business. Financial support is provided for up to 42 weeks.

*Terms:* Job seekers who are unemployed can apply to participate in OSEB if they meet one of the following conditions:

- They established a claim for Employment Insurance benefits or their Employment Insurance benefit period ended within the past three years.

- They established a claim for Employment Insurance maternity or paternity benefits and were paid benefits within the past five years, and are re-entering the labour force after having left it to care for newborn or newly adopted children.

*Applications Available:* Online at [oseb.ca](http://oseb.ca) or call the toll-free hotline 1-800-387-5656

> “Focus is key in the early years of a growing company. Generally, it is best to focus on only a few products and market segments in the first year or two. Broaden the focus in later years.”

David McCarthy, BCE Capital
STREET WISE ADVICE

The following includes various tips that have been provided by experienced entrepreneurs. They are provided as “food for thought” to assist you when making key business decisions.

1. Using a “best” or highest quality approach to your marketing is generally not the best marketing tactic. Everyone claims their products are the best. Instead, develop a strategy that stresses what specifically you are offering that provides a significant advantage over your competitor's offerings. Set yourself apart from the competition.

2. As your business grows, you won't be able to spend as much time personally checking over details as you did initially. You will need to set up systems and procedures to ensure that management and staff are continually making checks in the same manner you would have. The more control you establish in your day-to-day operations, the more growth you will be able to achieve.

3. Most entrepreneurs when looking for their first office space, will be tempted to spend more money than they budgeted. Resist! You will need that extra cash to get you through the growing pains of your first critical year in business.

4. Entrepreneurs have a responsibility to create an environment in which those who work in it are learning and are enjoying that experience. By making work fun, exciting and challenging for your employees, you'll find you have less turnover, happier people, and more productivity.

5. Be sure to give the hiring effort the time it deserves. The caliber of people who work for your company is one of the single greatest factors in the success of your company.

6. It is critical that entrepreneurs make the distinction between which tasks are most urgent and those tasks which have the most impact on the success of the company. More often than not, the urgent tasks are not the most important. To grow your business, you need to set aside plenty of time for important work, even if it is at the expense of more urgent work.

7. Entrepreneurs must be on top of their cash flow situation at all times. Do everything you can to hold off on unnecessary purchases. Cash flow can change quickly and negatively. You must be sure you can weather any unexpected surprises.

8. Set your ethical code before you start your business. Never let the lure of money in a business deal sway you or lead you to a deal you don't feel proud of. Always be fair to your customers, your employees, your family, and yourself.
9. Never sign a contract you don't understand. Seek legal advice to ensure you clearly understand all terms and passages. Remember, every business transaction has implications for your company.

The most important advice for reaching a goal is the single word - “start”. Work harder, work smarter, work longer than the competition and you will win.

Strive always for the positive, for no other reason than the fact that there is nowhere to go from a negative judgement. Attitude is one of the single most important determinants of entrepreneurial success.

It is not only important for the entrepreneur to have a clear vision for the business opportunity, but also equally important that the employees share this vision. Don't keep your strategy a secret! Be absolutely sure that all your employees feel part of it and clearly understand how they contribute to it.

Other “Words of Wisdom”

✔ Lead by example and inspire others.
✔ Trust your instincts.
✔ Always listen to your customers.
✔ Whatever you think it will cost, plan for it to cost more.
✔ Never lose sight of your primary mission.
✔ Know your limits.
✔ Never underestimate your competition.
✔ Set your sights high. You can reach the stars.
✔ Always have an alternate solution.
✔ Under promise and over deliver.
✔ Be consistent and positive when dealing with people.
APPENDIX A: BUSINESS PLAN CHECKLIST

Use this checklist as a guide to help you develop your business plan. It will help you keep track of information you need to collect and topics you need to investigate. Check off each step as you complete them to monitor your progress and ensure that you are “on track”.

Introduction to Your Company

Executive Summary

Is your executive summary short and concise?
- □ Yes, my executive summary is one to two pages in length.
- □ My executive summary is more than two pages because I am sending it out prior to my business plan as an introduction to my business.
- □ My executive summary reflects the length that is expected in my particular industry.

Does it reflect the highlights from the following key sections in your business plan?
- □ Introduction to your business and opportunity
- □ Product/service differentiation
- □ Target market analysis
- □ Competitive analysis
- □ Key marketing strategies
- □ Critical legal issues
- □ Management team
- □ Financing requirements

Did you write your executive summary after your entire business plan was finished?
- □ Yes, I used the information from my plan to write this summary.
- □ No, I did not realize that the executive summary should be written last. I will rewrite it when my plan is completed.

Company Profile

Does your company profile include the following information?
- □ Name of company
- □ Start date
- □ Form of business:
  - □ Sole proprietorship
  - □ Corporation
  - □ Partnership (% of ownership) (shareholders)
- □ Address, phone number, fax number, website
- □ Business advisors
Staffing for Success

Use the following checklist to ensure that your staffing plan is complete and ready to use when you need to use it. If you are initially going to use sub-contractors on projects, most of the issues still apply to them. Even if you are presently a one person operation, you should be prepared and knowledgeable about the topic.

*I have developed a thorough job description of each position in my company. This description includes:*  
- [ ] Job functions and duties  
- [ ] Hours of employment  
- [ ] Salary range  
- [ ] Supervisors, reporting structure

*I have established and clearly communicated human resource policies and procedures:*  
- [ ] Sick Leave  
- [ ] Maternity Leave  
- [ ] Discipline Policy  
- [ ] Benefits  
- [ ] Extended Leave  
- [ ] Complaints  
- [ ] Vacation Time  
- [ ] Harassment Policy

*I have developed a new employee training and orientation program. I know how to attract good employees, by offering:*  
- [ ] A competitive compensation package  
- [ ] Good benefits  
- [ ] An opportunity for growth  
- [ ] Opportunities for education  
- [ ] Sound management  
- [ ] A detailed job description

*I have investigated employee regulations through the appropriate government offices:*  
- [ ] Workplace Safety and Insurance Board  
- [ ] Ministry of Labour  
- [ ] Canadian Centre for Health and Safety  
- [ ] Human Resources and Skills Development Canada  
- [ ] Canada Revenue Agency

*I understand the legal responsibilities of hiring employees:*  
- [ ] Taxes and deductions (CPP, EI, Income Tax, Workplace Safety and Insurance Board)  
- [ ] Payroll records  
- [ ] Employment standards
Marketing

Industry and Market Analysis

Did you include information on the following?

☐ Major customer groups and current/future trends that are affecting these customers.
☐ The number of competitors in this industry.
☐ Is your product/service part of a trend?
☐ Have you identified a particular need or gap in this industry?
☐ Is demand for your product/service growing, shrinking or staying the same?
☐ What are the key success factors in this industry?
☐ What are the barriers to entry in this industry?
☐ Business or consumer trends

Opportunities as a result of:

☐ Social change
☐ Economic change
☐ Demographics
☐ Political change

☐ Statistics reflecting the size of the industry you are entering:

☐ Industry-sales ($)
☐ Industry volume (# of units sold)

☐ The growth of the industry

☐ Past sales volume
☐ Present sales volume
☐ Future sales volumes

Check off which stage you are at in investigating your opportunity:

☐ I have identified and understand the key trends affecting my industry.
☐ I have analyzed their impact on my industry.
☐ I have identified new opportunities and developments in my industry.
☐ I am prepared to seize this opportunity.
☐ I have talked to real customers to validate the identified gap/need.
☐ I understand how to satisfy this need in the marketplace.

Product or Service Description

Do you know what you are selling?

☐ I am selling a product.
□ I am selling a service.
□ I am selling both.

Have you included the following information about your product or service in your business plan?
□ Value-added features of your product or service
□ Benefits (advantages) of these features to your customer
□ Your unique selling proposition (competitive-edge)

What is unique about your product or service?
□ Superior quality product or service
□ Delivery
□ Reputation
□ Hours of operation

How is your product or service positioned against the competition?
□ My product or service is less expensive.
□ My product or service is more expensive.
□ My product or service is the same price.
□ My product or service is of better quality.
□ My product or service is new to the market. I am positioning it against substitutes.

_target Market_

Have you considered the following items when selecting and confirming your target market?
I am selling my product or service:
□ Business to Business
□ Business to Consumer

If you are selling to end consumers, check off which of the following information you have already located:

*Demographic information*
□ Age Range
□ Gender
□ Number of children
□ Average purchase
□ Rent/own
□ Cultural/ethnic background

*Psychographic Information*
□ Frequency of purchase

□ Income Range
□ Location of household
□ Occupation
□ Education
□ Size of market
□ Marital status
□ Attitudes
If you are selling to businesses, check off the information you have already located:

### Demographic Information
- Number of businesses
- Age of business
- Location of business
- Sales volume

### Psychographic Information
- What influences the purchasing decision?
- What need does your product or service fill?
- Key decision maker
- Day/month of purchase
- Frequency of purchase

Have you investigated which of the following factors are most important to your customers when they are making their decision to buy?
- Price
- Quality
- Appearance
- Packaging
- Size
- Service
- Durability
- Ease of Use
- Location
- Reputation
- Credit terms
- Advertising and promotion

Have you segmented your target market into your:
- Primary market
- Secondary market
- Tertiary market

Do you have a plan to penetrate those markets?
- Yes, I have developed an extensive marketing strategy to penetrate all of these markets. It is outlined in the marketing section of my plan.
- No, I am still researching this topic.
Marketing Research

Did you acquire your marketing research information from some of the following sources:

- Secondary Data: Information that already exists, such as statistical and demographic information on the target market.
- Primary Data: Any direct information researched by the business, even informal discussions with potential clients.

Did you complete the following steps when conducting your marketing research?

- Set your budget.
- Determine what information you needed.
- Set a timeline for your research.
- Analyze the secondary research material you located.
- Locate, read and learned what information already existing about the target market, industry, competition, and product/service.
- Find facts.
- Organize a lot of critical information that was missing.
- Conduct primary research.
- Design research tools, who you would talk to and what you would ask them.
- Analyze the results of the primary research and secondary research data.
- Integrate this information into the business plan by adjusting the marketing strategy (pricing, advertising, product/service alterations) to give credibility to your sales projections.

Did you use any of the following tools to conduct your primary research?

- Telephone surveys
- Interviews
- Mailed questionnaires
- Contest entry forms
- Focus groups
- Other

Did you use any of the following tools in your secondary research?

- Census information
- Chamber of Commerce
- Libraries
- Local magazines/newspapers
- Trade associations
- Market profiles
- Lifestyles profiles
- Other

Did you find out the answers to any of these questions from your primary market research?

- Is there a need for your product?
What price will your customers pay?
How often do they buy a product or service like yours?
How do they buy it now?
What makes them want to buy it?
What company do they usually buy it from?
What do they like about the product or service?
What don’t they like about it?

Competitive Analysis

Did you include the following information on your competitors?

- A list of all key competitors
- Location
- Years in business
- Product/service sold
- A description of their marketing strategies
- Size of company
- Marketing/promotional strategy
- Your observations
- An analysis of their strengths and weaknesses
- A strategy on how you will deal with these competitors

Where did you get the information on your competitors?

- I hit the pavement and visited my competition personally, and I observed their set-up, customers, staff, and professionalism.
- I collected any material I could find from them.
- I asked their customers (primary research).
- I used secondary sources such as the yellow pages, trade associations and newspapers to gather information.
- I looked at their website.

What steps did you take to conduct a strategic competitive analysis?

Did you:

- I hit the pavement and visited my competition personally, and I observed their set-up, customers, staff, and professionalism.
- I collected any material I could find from them.
- I asked their customers (primary research).
I used secondary sources such as the yellow pages, trade associations and newspapers to gather information.

I looked at their website.

**What steps did you take to conduct a strategic competitive analysis?**

*Did you:*

- Develop a thorough list of all the competition you will face in the industry.
- Search for direct competitors who offer products or services that are essentially the same as yours.
- Search for indirect competitors who are businesses that offer products or services that can be substituted for yours.
- Identify each competitor’s strengths.
- Identify each competitor’s weaknesses.
- Identify your top 3 competitive advantages.
- Identify your top 3 weaknesses.
- Develop a strategy for dealing with competitors.
- Work out some best case/worst case scenarios on paper.
- Make sure your pricing, positioning, and marketing strategies are flexible enough to deal with these situations.

“Know your competition inside out, and try to beat them at every turn.”

-Ron Connelly, Connelly Group of Companies

**Promotional Strategy**

*How did you investigate which advertising medium you would use?*

- Identify what market you are targeting (who will be reading your message).
- Identify your message. (create awareness, educate, persuade, problem solve).
- Investigate and collected the advertising and promotional material from your competitors. Learned from their mistakes and successes.
- Call advertising agencies, radio stations, newspapers, direct mail services (Canada Post), and asked them to send their rate cards and background material on their target audience.
Pricing Strategy

How did you arrive at your pricing policy?

Did you:
- □ Determine the costs involved,
- □ Set prices for selling and profit,
- □ Fit pricing into sales forecast for cash flow projections,
- □ Consider clients’ perception of value, and
- □ Consider internal marketing strategies (the image you wish to project).

Did you include the following factors into your pricing policy?
- □ Costs (Material + Labour + Overhead)
- □ Competition
  - □ Their pricing strategies
  - □ Ceiling prices
- □ Customers’ buying behaviour
- □ Your anticipated return on investment (profit margin)

Did you factor in any of the following overhead expenses into your pricing?
- □ Fixed expenses:
  - □ Rent
  - □ Vehicle
  - □ Bank charges
  - □ Insurance
  - □ Lease
  - □ Utilities
  - □ Salaries
  - □ Others
- □ Variable expenses:
  - □ Inventory
  - □ Commissions
  - □ Vehicle Costs
  - □ Professional fees
  - □ Materials
  - □ Other

If you are selling a service, did you factor these components into your pricing?
- □ Labour
- □ Overhead
- □ Profit margin

If you are selling a product, did you factor these components into your pricing?
- □ Labour
- □ Materials
- □ Overhead
- □ Profit margin
Did you do a break-even analysis using the following formula?

- Units Break-Even = \[\frac{\text{Annual Fixed Costs}}{\text{Unit Selling Price} - \text{Unit Variable Costs}}\]
- Sales Break-Even = \# \text{Units to Break} - \text{Even} \times \text{Selling price/unit}

Location/Distribution

Did you consider the following issues when choosing your location?

- Location
  - Where is it? What are the costs involved?
  - What is the marketing importance of the location to your business?
  - Consider residential verses commercial location.
  - Consider strip mall verses indoor mall.
  - What are the traffic flows of the potential location selected?

- Distribution – How will you distribute your product?
  - Personal selling
  - Retail stores
  - Wholesalers
  - Direct sales agents
  - Mail order
  - Independent sales agents
  - Strategic alliances

You should investigate the following factors before you sign your lease:

- What are the traffic counts?
- What is the mall traffic?
- Talk to a lawyer before you sign the lease.
- Ask your banker what type of lease rates their clients are negotiating.
- Your market research should reveal your customers preference for location.
Operational Plan

Suppliers

Did you include the following information on your suppliers in your business plan?

- Name of supplier
- Address
- Telephone
- Fax
- Contact person
- Price
- References
- Terms and conditions
- Product line
- Trade volume discounts
- Shipping restrictions
- Exclusive rights to the product
- Alternative suppliers

Did you look for suppliers in any of the following places?

- Yellow pages
- Supplier directories
- Advertisements in trade papers or magazines
- Trade show

Manufacturing Plans

Did you include any of the following information relating to your manufacturing plans?

- Production methodology
- Research and development (time invested, future requirements)
- Cost analysis (direct and indirect overhead)
- Time requirements
- Equipment and plant requirements
- Sub-contracting arrangements
- Prototype development
- Commercialization strategy
- Municipal zoning and bylaws
- Intellectual property

Operating Procedures

Did you include information on any of the following relevant topics?

- Retail/service/wholesale
- Facilities description
Leasehold improvements
Furniture, fixtures, equipment
Store layout, design & specifications
Warehousing requirements
Operating hours & procedures

Operating Regulations

Federal Regulations
- Harmonized Sales Tax (HST)
- Employee source deductions
- Personal/Corporate Income Tax
- Income tax deductions and tax installments
- Export/Import
- Packaging & labelling
- Intellectual property
- Trademarks
- Personal Information Protection & Electronic Documents Act (PIPEDA)

Provincial Regulations
- Employer Health Tax
- Workplace Health and Safety

Municipal Regulations
- Zoning & by-laws
- Signage

Insurance and/or Bonding Requirements
- Errors and omissions insurance
- Business interruption insurance
- Disability insurance
- Home-based business insurance

Business Registration Requirements
- Business name registration
- Incorporation

Professional Accreditation
**Human Resources**

*Did you include information on the following issues?*

- Organizational structure
- Salaries/wages
- Job descriptions, roles and responsibilities
- Service and employee contracts
- Details of advisors and associates
- Full-time verses part-time
- Future human resource plans
- Employee benefits

*Did you investigate the following sources for human resource information?*

- Canada Revenue Agency
- Employee vs Contractor
- Employee Source Deductions
- Ontario Ministry of Labour (labour regulations)
- Workplace Safety and Insurance Board
- Human Resources and Skills Development Canada (employment insurance)
- Ontario Ministry of Finance (Ontario Health Premium & Employer Health Tax)
- Contact potential contractors to find out their rates
Financial Plan

Cash Flow Forecast

Cash flow forecasting is simply taking the words of the Business Plan and translating them into numbers.

Did you use any of the following steps to determine your cash flow projections?

☐ Disbursement section (Disbursements = Expenses)
  ☐ Include all start-up costs + projected monthly expenses.

☐ Revenue projections
  ☐ This is a projection of the amount of money you will bring into the business each month – this is not a guess!
  ☐ Analyze the factors that affect your revenue collection.

☐ Cash flow assumptions
  ☐ Justification of your expense projections
  ☐ Justification of your sales projections
  ☐ Provide quotes

☐ Second opinion

Did you include all of your start-up costs in your disbursements?

☐ Advertising
☐ Insurance
☐ Purchase of inventory
☐ Permits
☐ Training
☐ Legal fees
☐ Equipment
☐ Drawings
☐ Office supplies
☐ Telephone
☐ Rent
☐ Licenses and fees
☐ Accounting fees
☐ Bank fees
☐ Utilities
☐ Hook up fees and deposits
☐ Leasehold improvements
☐ Payroll expenses
☐ Signage
☐ Vehicle expenses
☐ Association fees
Do you have all of the following financial statements in your financial plan?

- Cash Flow Projections
- Balance Sheet
- Income Statement

Have you included different scenarios in your cash flow statement?

- Worst case scenario
- Best case scenario

Did you research the different sources of financing for your business?

- Bank Loan
- Venture Capital Investment
- Government Loan or Grant Program
- Friends and Family
- Personal Investment
- Angel Investors

Did you consult any of the following professionals to discuss your financial situation prior to opening your business?

- Lawyer
- Banker
- Business Consultant
- Accountant
- Mentor
Table of Contents

Use this checklist as a final guide to make sure you have included all of the necessary information in your business plan.

- Executive Summary
- Company Profile (Introduction)
- Market & Industry Analysis (Opportunity Identification)
  - Industry Trends
  - Target Market Identification
  - Competitive Analysis
- Marketing Strategy (Tactics and Tools)
  - Promotion Strategy
  - Distribution or Location Strategy
- Operational Plan (Resource Requirements)
  - Suppliers
  - Manufacturing Plans/Operating Requirements
  - Operating Regulations
  - Human Resources
- Financial Information
  - Startup Costs
  - Cash-Flow Forecasts
  - Financing Requirements
  - Opening Balance Sheet
- Future Plans
- Appendices
## APPENDIX B: USEFUL BUSINESS WEB SITES

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<td>Canadian Innovation Centre (CIC)</td>
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<td>Yellow Pages</td>
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APPENDIX C: USEFUL TRADES WEB SITES

Industry Regulations and Safety

□ Certifications and Specialized Trades
In order to legally work in certain skilled trades in Ontario, you must have a Certificate of Qualification, which certifies that you have completed the necessary apprenticeship and/or on-site training requirements for your trade.
Contact the Ministry of Training Colleges and Universities: 1-800-387-5514
Trade Certification: http://www.tcu.gov.on.ca/eng

□ Electrical Safety
When working with electricity, consult the Electrical Safety Authority (ESA), a not-for-profit organization responsible for public electrical safety in Ontario. The ESA provides continuous safety services and advice, equipment/product approval inspections, wiring inspections, general inspections, and information on the Ontario Electrical Safety Code.
Contact ESA: 1-877-372-7233
Electrical Safety Authority: http://www.esasafe.com/Corporate/abt_001.php?s=0

□ Technical Standards and Safety
Your construction work must comply with the regulations and standards set out by the Technical Standards and Safety Authority (TSSA). Contact TSSA if you are an operating engineer, or if your construction project will include amusement devices; boilers and pressure vessels; elevating devices; natural gas, petroleum, propane fuels and equipment; or upholstered and stuffed articles.
Contact TSSA: 1-877-682-8772
Technical Standards & Safety Authority: http://www.tssa.org/home/default.asp?loc1=home

□ Building and Fire Codes
  ○ Model National Energy Codes for Buildings and Houses
    If you are involved in the construction of new buildings, you will have to ensure that they meet Canada's energy efficiency requirements.
    Read Online:
    Model National Energy Codes for Buildings and Houses:
  ○ Ontario Building Code
    Your new construction project and your workers are required to meet the regulations and standards outlined by The Ontario Building Code. Your business will need to meet
standards such as safety, environmental, and technical standards for any construction in Ontario.
Contact the Building and Development Branch of the Ministry of Municipal Affairs and Housing: **416-585-6666**

**Warranty and Energy Efficiency Programs**
- **New Home Warranties**
  If your business will be involved in the construction or sale of new homes or condominiums, you must be registered with the Tarion Warranty Corporation.
  Contact the Tarion Warranty Corporation: **1-800-668-0124**

- **EnerGuide for Houses Program**
  You may choose to take part in the EnerGuide program which encourages the retrofitting of existing houses that have the potential to become more energy efficient. Qualified contractors deliver the program while Natural Resources Canada partially subsidizes the cost of the evaluation and quality assures the service.
  Contact the Office of Energy Efficiency: **1-800-387-2000**

- **R-2000 Home Program**
  If you want to build energy-efficient houses that are environmentally friendly, you may be interested in the R2000 Home Program. The program is a voluntary standard administered by Natural Resources Canada that encourages you to use cost-effective energy-efficient building practices and technologies.

**Labour Regulations and Workplace Safety**
- **Independent Contractors**
  If you hire an independent contractor to work with your business, you must make sure that they have been issued a Clearance Certificate from the Workplace Safety and Insurance Board (WSIB). The certificate is issued free of charge and proves that the contractor is registered with the WSIB and has an account in good standing. The certificate also clears you of financial responsibility for WSIB payments.
  Contact WSIB: **1-800-387-0750**
  WSIB Clearance Certificates: [http://www.wsib.on.ca/en/community/WSIB/230/ArticleDetail/24338?vgnextoid=d3c8e35c819d7210VgnVCM100000449c710aRCRD](http://www.wsib.on.ca/en/community/WSIB/230/ArticleDetail/24338?vgnextoid=d3c8e35c819d7210VgnVCM100000449c710aRCRD)
- **Occupational Health and Safety**
  You and your employees have the right to safe working conditions. Learn about the health and safety rules and regulations that will apply to your business by contacting the Ontario Ministry of Labour.
  
  Contact the Ministry of Labour: **1-800-268-8013**
  Health and Safety: [http://healthandsafety.on.ca/HSO/Home.aspx](http://healthandsafety.on.ca/HSO/Home.aspx)

- **Contracting with Quebec Contractors**
  If you plan to hire contractors or workers from Quebec, you will need to ensure that they are registered with the Ontario Ministry of Labour's Jobs Protection Office. Quebec contractors and construction workers are required to register with the Jobs Protection Office and provide proof of competency and fiscal responsibility before they are able to work in Ontario.
  
  Contact the Jobs Protection Office: **1-888-998-9959**

If you have legal questions, contact a lawyer who deals with business regulations. The Law Society of Upper Canada's Lawyer Referral Service may be able to assist you in finding a lawyer, based on your needs.

Contact the Law Society of Upper Canada: **1-800-268-8326**
ABOUT THE PUBLICATION

The Starting a Trades Business Handbook has been developed by Invest Ottawa in co-operation with various local business leaders. The information contained represents a wealth of knowledge gained through our experiences, those of the clients we serve, and those of the professionals and leading entrepreneurs from the Ottawa business community. We would like to thank the following volunteers who have contributed to the development of this publication:

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To those starting their business, congratulations for having the courage to follow your dreams. You are the people who are changing the face of the Ottawa region – creating jobs and wealth, and building an entrepreneurial spirit that is unsurpassed by other communities. Good luck with your business venture.

Michael Burnatowski  
Manager, Entrepreneurship  
Invest Ottawa

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