

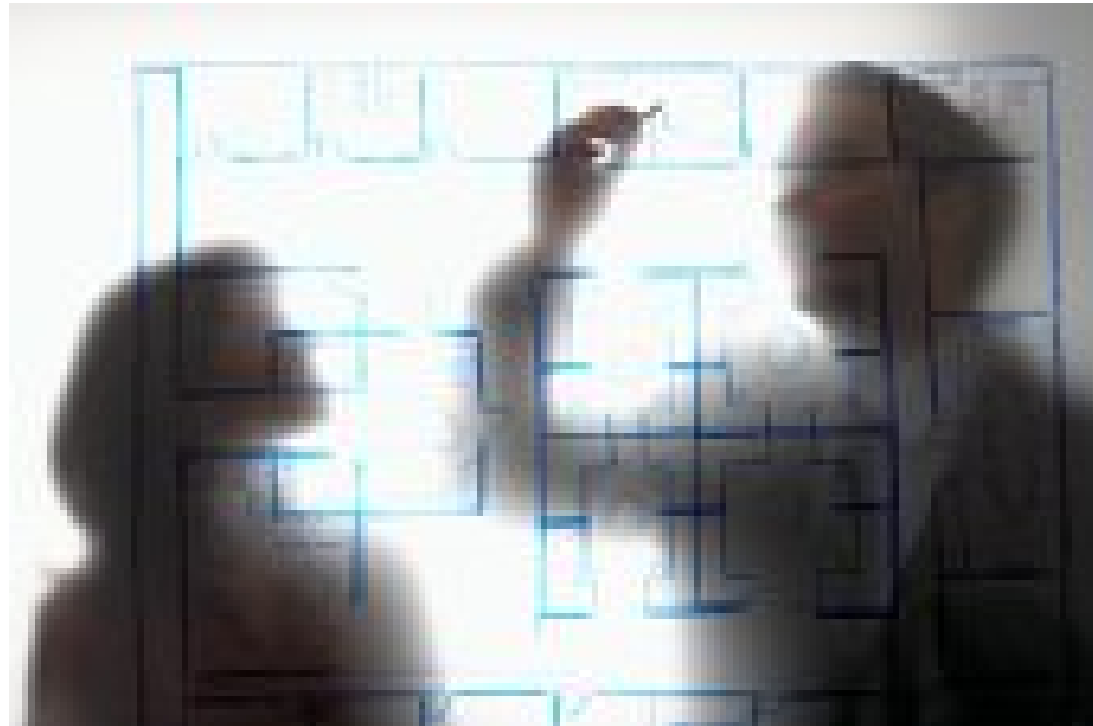
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**Ledgers
Canada**

"The Numbers Look Good"

So, You're an Entrepreneur, Now What?



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Your Speaker

- Gordon M. Haslam
 - President & CEO of the Ledgers Group
 - Ledgers Canada
 - Ledgers USA Inc.
 - Ledgers Educational Services Inc.
 - Ledgers Financial Services Inc.
 - More than 20 years in the Accounting Industry



Overview

- This seminar is not intended to frighten you; it is designed to make you think, in depth, about the venture you are considering.
 - Whether a franchise or idea of your own accord, the same rules apply.



Where to Begin?

- Everyone dreams of 'being their own boss', unfortunately it may not be as easy as it appears.
 - Just because you have a talent, skill or trade, does not make you a business person.
- However...



Planning is #1

- If you begin with a solid plan, your chances of success improve greatly.
 - 80% of new businesses fail within the first few years.
 - Not because the owner does not know their craft, they do not know how to operate a business.



Business Plan

- One of the most important components of preparing your business
 - If you fail to plan, you plan to fail
 - Will be required by your bank or other lending institutions
 - Will give you a guide with objectives, goals and operational assistance



Business Plan

- Includes:
 - Executive Summary
 - What are your objectives, goals and reasons for preparing the plan
 - Management / Organization
 - Who will operate the business, what are the strengths and weaknesses & roles in the business



Business Plan

– Products & Services

- What will you offer to customers/clients
- What will your pricing look like
- What benefits do your products / services offer as opposed to your competition

– Market Analysis

- What are the demographics of your customers, who buys your products
- Is your business location driven?



Business Plan

– Marketing Plan

- How will you get customers?
- Where will you advertise?
- How will you create awareness / brand recognition?
- What other methods will you use to promote your business?
 - Your marketing plan is one of the most important pieces of the business plan, readers want to know you have done proper research

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Business Plan

- Manufacturing (if applicable)
- Strategic Alliance
- Organization Plan
 - Staffing Levels
 - Include estimated wages, taxes and benefits





Business Plan (Personal Expenses)

- Have you considered how you will pay your personal living expenses while your business develops?
 - Mortgage
 - Groceries
 - Vehicles
- How long do you think it will take to replace your current income?



Financial Plan

- This is the most important component of your business plan
 - Sources of Capital
 - Budget
 - 3 – 5 years
 - Cash Flow
 - Fixed Asset Additions
 - Projected Financial Statements
 - Ratio Analysis



Business Plan

- Summation
 - Have an independent person review
 - Seek professional assistance
 - Be clear, concise and detailed
 - Remember, a third party reading your plan may not understand your business as well as you. Your plan needs to explain all of your assumptions etc.



Structure?

- Corporation, Proprietorship or Partnership?
 - The structure you choose for your business can have serious personal, tax and financial consequences.
 - This is a decision that should not be taken lightly.
 - There are 'Pros' and 'Cons' to each structure



Federal Government

- The Canada Revenue Agency has a number of registrations and regulations you MUST comply with when starting a business
 - Business Number (BIN)
 - GST, Payroll Deductions, Import/Export, Corporate Tax, Excise Tax



Provincial Governments

- Most Provincial Governments have their own registration requirements
 - Sales Taxes
 - Operating Names
 - Specific Licensing
 - Liquor / Tobacco
 - Entertainment



Municipal Governments

- Some Municipal Governments require you to register with them
 - Operating permits
 - Building permits
 - Sign permits





Sales Taxes

- If your business provides taxable goods or services, you will have to register for the applicable taxes
 - GST/HST
 - If you have taxable sales of more than \$30k per annum
 - Registering for GST is almost always advantageous for the business



Sales Taxes

- Provincial Sales Tax
 - Many provinces have Retail Sales Tax
 - ON, BC, MB, SK, QC
 - Others have HST
 - NS, NB, NL, PEI
 - If you sell any taxable sales in RST Provinces, you must register



Employment Standards

- If you will have employees, you need to be extremely aware of the Employment Standards Legislation in your Province
 - Hours of work & overtime
 - Minimum wages & ages
 - Holidays, Vacations & Pay
 - Maternity, sick and other leaves
 - Terminations



Sales & Marketing

- You can have the best products or services available, however, if you cannot get customers, your business will fail!!
 - If you are not confident with the sales process...
 - Seek professional training
 - Hire someone to sell for you



Books & Records

- If you carry on a business, you must keep PROPER books and records
 - CRA is clamping down on business owners that have incomplete or missing records
 - Penalties can be quite significant
 - There is no leniency



Books & Records

- You must have:
 - Copies of sales invoices
 - Copies of Purchase invoices
 - Payroll Registers, T4's, Summaries
 - Bank Statements / Cancelled Cheques
 - Sales Tax remittance forms



“Books”

- Your ‘Books’ are comprised of (at minimum):
 - A General Ledger
 - Accounts Receivable Ledger
 - Cash receipts journal
 - Accounts Payable Ledger
 - Cash disbursements journal



Financial Statements & Year - End

- Regardless of the type of business structure, you need:
 - Financial Statements
 - Tax Returns
 - The type of structure will determine what type of tax returns you are required to file, however, your financial statements do not change.

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Financial Statements & Year-End

- Your statements will be required by:
 - CRA (Province)
 - Lending institutions
 - Creditors
 - Franchisors



Franchise or Independent??

- There are definite advantages to investing in a franchise...
 - Brand recognition
 - Proven systems
 - Marketing assistance
 - Training and support
 - ‘Team’ atmosphere
- However...



Franchise or Independent??

- There are also disadvantages
 - Loss of 'control'
 - Investment in 'goodwill'
 - Royalties and other payments
 - Inflexible contracts and other obligations
 - Long term commitment
 - Price controls



Accounting / Bookkeeping

- This is an area where you should seriously evaluate your options:
 - Do it yourself
 - Requires time, skills and diligence
 - Hire a ‘bookkeeper’
 - Be careful to check qualifications
 - Outsource to a Professional
 - May ‘cost’ more, but generally worth the investment



Plan Your Personal Life

- This is an area most business owners overlook completely:
 - PAY YOURSELF FIRST
 - Have a plan to extract money from the business
 - RRSP's / Spousal RRSP's
 - Salary / Dividends
 - Life Insurance Products
 - RESP's



Your Personal Life

- Family Time
 - Vacations & Personal Time
- Involve your family in the business
 - Employees?
 - Planning?





Exit Strategy

- Again, usually overlooked by business owners
 - Will you sell the business
 - Transfer to a family member
 - Take a less active role / retirement



Summation

- As illustrated, there is a great deal of information to consider before you make the journey into self-employment
 - With proper planning, guidance, advice and assistance, your chances of success improve greatly.



Summation

- Whatever decision you make in your career path, we wish the best.
 - At our Booth
 - Reference Materials
 - Information Guides
 - Copies of this Presentation
 - Advice, Assistance, Guidance and answers to your questions.



FREE Guides & Reference Materials

- Payroll & Employment Standards
- Guide to Incorporation
- Employee or Self Employed?
- Taxable Benefits
- Records Retention
- Home Based Business Benefits
- Financial Ratios and Bank Financing
- Income Tax for the Self-employed