



STO:LO COMMUNITY FUTURES OUTLINE OF A BUSINESS STRATEGY/PLAN

Starting and managing a business takes motivation, desire and talent. It also takes research and planning.

Like a chess game, success in small business starts with decisive and correct opening moves. And, although initial mistakes are not fatal, it takes skill, discipline and hard work to regain the advantage.

To increase your chance for success, take the time up front to explore and evaluate your business and personal goals. Then use this information to build a comprehensive and well thought out business strategy that will help you reach these goals.

The process of developing a business strategy will help you think through some important issues that you may not have considered yet. Your strategy will become a valuable tool and a living document as you set out to raise money for your business. It should also provide a foundation for benchmarking milestones, and help make decisions along the way, gauging your success.

GETTING STARTED

Before starting out, list your reasons for wanting to go into business. Some of the most common reasons for starting a business are:

- ✓ You want to be your own boss.
- ✓ You want financial independence.
- ✓ You want creative freedom.
- ✓ You want to fully use your skills and knowledge.

Next you need to determine what business is "right for you." Ask yourself these questions:

- ✓ What do I like to do with my time?
- ✓ What technical skills have I learned or developed?
- ✓ What do others say I am good at?
- ✓ How much time do I have to run a successful business?

- ✓ Do I have any hobbies or interests that are marketable?

Then you should identify the niche your business will fill. Conduct the necessary research to answer these questions:

- ✓ Is my idea practical and will it fill a need?
- ✓ What is my competition?
- ✓ What is my business advantage over existing firms?
- ✓ Can I deliver a better-quality service?
- ✓ Can I create a demand for your business?

The final step before developing your strategy is the pre-business checklist. You should answer these questions:

- ✓ What business am I interested in starting?
- ✓ What services or products will I sell?
- ✓ Where will I be located?
- ✓ What skills and experience do I bring to the business?
- ✓ What will be my legal structure? (see overview below)
- ✓ What will I name my business?
- ✓ What equipment or supplies will I need?
- ✓ What insurance coverage will be needed?
- ✓ What financing will I need?
- ✓ What are my resources?
- ✓ How will I compensate myself?

The chart attached is broken down into sections of a business type planning, questions to ask yourself as you start to create the structure of your business.

1) BUSINESS STRUCTURES	Things to think about when developing your business
Type of Business for Legal Structures	<input type="checkbox"/> Are you a Sole Proprietor for your business? <input type="checkbox"/> Are you creating a Partnership with someone or another business? <input type="checkbox"/> Are you a Corporation that you are a shareholder in? <input type="checkbox"/> Or is there another type of business structure that you need to do more research on before deciding?
Taxation (on or off reserve)	As an Indigenous entrepreneur, you need to research what areas of taxation you may need to pay into depending on the structure of the business you have chosen. In some cases, consulting an Accountant and/or Lawyer would be most beneficial to you and your business, ensuring you do not get any penalties from the Government towards your business.
Insurance	<input type="checkbox"/> Does your business plan identify the various insurance policies you will need to have in place? <input type="checkbox"/> Will you have the coverage you need for your business?
Organization Structure	<input type="checkbox"/> Have you developed an organization chart for your business? <input type="checkbox"/> Have you identified the areas in your business that will need support staff?
Risks	<input type="checkbox"/> Does your plan identify the effects/changes in external factors (such as changes in technology, new competition, strikes, supplier problems etc.) could have on your business? <input type="checkbox"/> Does you plan identify the safety precautions for a pandemic
Management Team	From the Organization Chart, <input type="checkbox"/> Have you identified the major roles for the business? <input type="checkbox"/> Have you looked at the types of Job Descriptions for the business' needs? - i.e. sales, marketing, production and finances? <input type="checkbox"/> Have you looked at the types of jobs that will be contracted out for the business? – i.e. accountants, training for your team, etc.

2) MANAGEMENT	Things to think about when developing your business
Business Skills & Experience	<p>Do you and your management team have strong;</p> <ul style="list-style-type: none"> <input type="checkbox"/> Listening skills <input type="checkbox"/> Public Speaking <input type="checkbox"/> Presentation Skills <input type="checkbox"/> Nonverbal Communication <input type="checkbox"/> Written Communications <input type="checkbox"/> Stress Management <input type="checkbox"/> Conflict Resolution <input type="checkbox"/> Interpersonal Skills <input type="checkbox"/> Teamwork Skills
Training & Certification	<ul style="list-style-type: none"> <input type="checkbox"/> Do you have, or plan to get before startup the full range of management skills you need to run the business? (<i>through education, training, recruitment or outside help</i>) <input type="checkbox"/> Do you (<i>or your team members</i>) have the right technical skills to run the business? <input type="checkbox"/> Do you and your team have the required qualifications/certification (<i>if any</i>) to run the business? <input type="checkbox"/> Do you have plans for your future employees to take training in specific areas of your business?

3) THE BUSINESS	Things to think about when developing your business
Industry Outlook & Growth Potential	<input type="checkbox"/> Have you looked at what the competitions are in the industry you are taking on? <input type="checkbox"/> How easy would it be for a competitor to copy your product/service? <input type="checkbox"/> Have you set specific targets for the business to achieve during the first year of operations?
S W O T Analysis <i>Additional documents to assist you</i>	<input type="checkbox"/> Have you assessed and taken into account the trends, new products, developments, and risks of that industry? <input type="checkbox"/> S trength of the business <input type="checkbox"/> W eakness of the business <input type="checkbox"/> O pportunities for the business <input type="checkbox"/> T hreats for the business
Product or Service	<input type="checkbox"/> Have you clearly and fully described your products/service and business concept? <input type="checkbox"/> Have you identified any more work that needs to be done to get the product/service ready to sell? <input type="checkbox"/> Have you identified issues (<i>such as patent, copyright, trademark, franchise rights, etc.</i>) that may hurt or help your business?
Business location & size	<input type="checkbox"/> How does your business location help to reach you to your target market? <input type="checkbox"/> How does your location compare with locations of your major competitors? <input type="checkbox"/> Will you have enough space for a reasonable period? <input type="checkbox"/> Do you have enough space for your staff to work?
Equipment	<input type="checkbox"/> Have you realistically estimated your equipment needs? (for your targeted sales) <input type="checkbox"/> Do you need specialized equipment to start the business? <input type="checkbox"/> Have you looked at options to Lease or Purchase your equipment?

4) MARKETING	Things to think about when developing your business
<p>Marketing & Promotions Planning</p>	<ul style="list-style-type: none"> <input type="checkbox"/> How well have you researched, described the target customer, market segment, needs and wants, location, buying patterns etc or your client base? <input type="checkbox"/> Have you researched the market needs and trends for your product(s)/service(s)? <input type="checkbox"/> Does your product(s)/service(s) have a competitive edge that will draw in more clients to your business? <input type="checkbox"/> Does your product(s)/service(s) have a realist price to keep in line with your competition? <input type="checkbox"/> Does the price of your product/service cover the cost to produce it? <input type="checkbox"/> Will your product/service need to be distributed and how? <input type="checkbox"/> Does your business need a website or just a social media page? <input type="checkbox"/> And does your budget complement all the areas of Marketing and Promotions you need to do for your business? <input type="checkbox"/> Do you have letters of interest or contracts in place for your product/service?

5) OPERATIONS	Things to think about when developing your business
Materials & Inventory Planning	<ul style="list-style-type: none"> <input type="checkbox"/> Have you defined the source, cost, quality and availability of all materials you need? <input type="checkbox"/> Will the business be dependent on one or several sources of supplies? <input type="checkbox"/> Is your plan clear about the amount of materials needed for your product/service? <input type="checkbox"/> Is your product effected by seasonal demands? <input type="checkbox"/> Have you taken into account seasonal demand shifts, cost of stock, time to replenish, perishability of stock etc? <input type="checkbox"/> Will you be keeping track of your inventory on a weekly, monthly or yearly basis? And is this important for you to keep track of? <input type="checkbox"/> Does your product/service have a branding or specific process to be produced?
Goals – Benchmarks & Milestones	<ul style="list-style-type: none"> <input type="checkbox"/> Have you listed all the activities and goals that need to be undertaken to achieve your first year of operations? <input type="checkbox"/> Do you have a detailed plan on all the needs to successfully open for business? <input type="checkbox"/> Will your business need to open in different phases during its operations? <input type="checkbox"/> Do you have all the permits and licenses in place prior to opening your business?

6) FINANCIAL INFORMATION	Things to think about when developing your business.
Business Financials	<ul style="list-style-type: none"> <input type="checkbox"/> How financially strong are you and any guarantor based on your Financial Statements? <input type="checkbox"/> Will you be able to support yourself until the business is able to generate income? <input type="checkbox"/> If you plan to buy or expand an existing business, what is the financial strength/performance of the business? <ul style="list-style-type: none"> <input type="checkbox"/> Do you have audited statements for the business you are purchasing? <i>Minimum of three years</i> <input type="checkbox"/> Have you calculated your startup costs? <input type="checkbox"/> Do you have a detailed cash flow forecast for the first year showing clearly the working capital you will need? <input type="checkbox"/> Do you have a yearly-total cash flow forecast for years two and three? <input type="checkbox"/> Have you projected profit and loss statements? <input type="checkbox"/> Will the business become profitable within a reasonable period?
Business Funding & Repayments	<ul style="list-style-type: none"> <input type="checkbox"/> Does your plan show how you will get money to start and operate the business until it is profitable? <input type="checkbox"/> Will you/your business be able to repay the debt? <input type="checkbox"/> Does the security you are offering to obtain the loan protect their investment in your business?
Funding Sources	<ul style="list-style-type: none"> <input type="checkbox"/> Have you researched all areas you can apply for funding through? Here is a list of areas you can look into: <ul style="list-style-type: none"> <input type="checkbox"/> Grant funding <input type="checkbox"/> Angel investors <input type="checkbox"/> Government Funding programs <input type="checkbox"/> Community Support programs <input type="checkbox"/> Bank institutions <input type="checkbox"/> Credit institutions <input type="checkbox"/> Friends and family <input type="checkbox"/> Venture capital <input type="checkbox"/> Crowdfunding <input type="checkbox"/> Go fund me page

7) EXECUTIVE SUMMARY	Some things to think about when developing your business
Executive Summary	<p>Once you have taken a look at your business and thought about the structure and needs in order to start operations, you will be able to create your Executive Summary for your Business Plan / Strategy. An executive summary is a brief introduction and summary of your business plan. It should:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> describe your business, <input checked="" type="checkbox"/> describe the proposed product/service, <input checked="" type="checkbox"/> the problem that it solves, <input checked="" type="checkbox"/> your target market, and <input checked="" type="checkbox"/> how it will be marketed, <input checked="" type="checkbox"/> how the business will be organized and run, <input checked="" type="checkbox"/> why it will be a success? and <input checked="" type="checkbox"/> financial highlights. <input checked="" type="checkbox"/> Your personal resume, who you are as the business

Of all the choices you make when starting a business, one of the most important is the type of legal structure you select for your business. Not only will this decision have an impact on how much you pay in taxes, it will affect the amount of paperwork your business is required to do, the personal liability you face and your ability to raise money. It's not a decision to be entered into lightly, or one that should be made without sound business counseling.

THE THREE MOST COMMON BUSINESS STRUCTURES ARE:

Sole Proprietorship: With this type of business organization, you would be fully responsible for all debts and obligations related to your business and all profits would be yours alone to keep. As a sole owner of the business, a creditor can make a claim against your personal or business assets to pay off any debt.

Partnerships: A partnership would be a good business structure if you want to carry on a business with a partner and you do not wish to incorporate your business. With a partnership, you would combine your financial resources with your partner into the business. You can establish the terms of your business with your partner and protect yourself in case of a disagreement or dissolution by drawing up a specific business agreement. As a partner, you would share in the profits of your business according to the terms of your agreement.

Corporations: Another business structure is to incorporate your business. This can be done with the federal government if you are going to be doing business outside of the province, or with the provincial government. When you incorporate your business, it is considered to be a legal entity that is separate from the owners and shareholders. As a shareholder of a corporation, you will not be personally liable for the debts, obligations or acts of the corporation.

To learn about the differences between these options, you can visit:

<https://onestop.gov.bc.ca/>

When deciding which one is right for you, there are several issues to consider:

- tax
- liability
- duration
- ease and cost of set up

You should consult with an accountant and/or a lawyer to help you decide which issues are most important to you when deciding which business structure best meets your needs.