

The Orangeville & Area Small Business Enterprise Centre (SBEC)

87 Broadway, Orangeville ON L9W 1K1
519-941-0440 Ext. 2286 or 2291

sbec@orangeville.ca

www.orangevillebusiness.ca

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How Will You Operate?

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The planning phase for a new business must also take into account getting it ready for day-to-day business. Here is a checklist of things you'll need to consider.

Office and Location Where will your business be located? Where will you provide your product/service? Will you go to your customers or will they come to you? Some businesses rent or buy space in a building, some share with other businesses, while a growing number of others operate from home. Ultimately, a location will depend on the needs of your business, where your customers and competitors are, and such things as taxes, zoning restrictions, noise and the environment. For certain types of businesses, an appropriate location is critical.

Equipment, supplies and Materials No matter what business you're in, you'll need some or all of the following items: office furniture, telephones, a fax machine, computer, software, printer, modem, other office machines (e.g., photocopier), and stationery. For some businesses, you'll need to consider what raw materials will be required to produce your product or how much inventory you'll need.

Financial Management Good bookkeeping procedures are critical to a successful business, and they should be in place before you begin. Bookkeeping is the process of maintaining your accounts. Your accounts tell you how much money your business owes, how much it's owed by others and your earnings. In addition to helping you measure your progress, they enable you to comply with federal, provincial and local tax codes. Revenue Canada, for example, requires accurate records of your company's expenses and income. The provincial government requires accurate records of your corporate payroll and employee deductions. You may also have to tabulate Harmonized Sales Tax (HST), worker's compensation, Employment Insurance and Canada Pension.

Internally, accurate records help you plan for your company's growth and determine trends in your business. Which customers are contributing more to your company than others? Why does it cost more today than yesterday to generate the same amount of revenue? Why did revenues go up this month compared to the same month last year? Finally, with accurate financial records, you can tell if your business is meeting the objectives set out in your business plan.

There are many computer software programs available to help make bookkeeping and accounting easier.

- Just to recap, you'll need to:
- Keep track of day-to-day operations (financial statements)
- Track your statements to know how you're doing and if you should make adjustments (financial analysis)

Plan for the future (financial forecasting)

Employees You may need employees immediately or wait until the business is established before you hire people. In either case, employees present a number of issues – qualifications, compensation, training, salaries and benefits, payroll, taxes and accounting, and employment legislation. And getting the right people to work with is important – try to hire people to complement your skills.

Company Name and Identity You need to choose a name for your business, ensure that it is not already in use, and register it. You also need to consider the image you wish to project on your business cards, signage, invoices, envelopes and letterhead.

Legal Issues Do you need any licenses and permits to operate? What regulations must your business abide by? Legal issues vary by business, municipality and province. Governments and organizations such as chambers of commerce and boards of trade can provide general information, but you may need to consult with a lawyer.

Insurance What about insurance? Although it will vary depending on your business, you will typically need to purchase some type of insurance for liability, property or even business interruption.

Advisors Most business owners know they can't do everything. You'll probably need professional advisers in areas such as:

- Accounting and taxation
- Government regulations (e.g. labeling, import quotas, and health and safety standards)
- Banking and financial services
- Marketing and advertising
- Insurance brokerage
- The law (e.g. leases, patents, trademarks, copyright)
- Technology (e.g. installing and servicing computer systems and other technology)

Online Business Getting on the Internet can open up new market opportunities by expanding your customer base. Deciding whether or not to have a presence on the net depends on a company's goals and whether it makes business sense. Some businesses may want an online presence merely for exposure and to provide information, while others may want to engage in online selling. It's also a good idea to see what the competition is doing – if they have a web presence, your company might be wise to get online.

Source: Canadian Bankers Association, Getting Started in Small Business. Reprinted with permission.