



A GUIDE TO
STARTING AND EXPANDING
YOUR SMALL BUSINESS
IN HANTS COUNTY

APRIL 2006

INTRODUCTION

This “Guide to Starting & Expanding a Small Business in Hants County” is a resource book for local entrepreneurs. It details many of the typical opportunities and obstacles you may experience while operating a small business.

This guide was developed with the help of a panel of small business people from throughout the county, and it will be regularly improved thanks to feedback from readers.

Throughout these pages, we will suggest that you consult with professional lawyers, accountants, bankers, and municipal planners. We will also refer you to local business support agencies. While a document like this simply cannot fully address your unique business case, it outlines many of the resources available to small business people in Hants County.

We have attempted to provide an introduction to areas every entrepreneur should address. Lists of local contacts have been included at the back of the document so that you can quickly get the answers you need. You can find more contact information in our online business directory at <http://www.hantscounty.com/>.

This document will be updated annually to ensure its accuracy. To be certain you have the most recent edition, visit us online (<http://www.hantscounty.com/>) or at our offices in Windsor or Elmsdale.

Good luck as you embark on your business journey!

The Hants Regional Development Authority

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BUSINESS PLANNING

A formal business plan can be helpful to you in many ways, but sometimes thorough organization is all you need to run a small business. Many hobby-businesses (like part-time craft production) and professional services (like small law firms, doctor offices, and dental clinics) operate without formal “business plans”. However, written business plans are helpful in many ways.

A business plan:

- Organizes your ideas so you can communicate them to others,
- Forces you to think through your business idea,
- Assists you in obtaining financing (a plan is often required for financing),
- Helps you evaluate the risks involved,
- Provides a roadmap so you can progress logically and not fall off-track.
- Increases chances of business success once established,
- Helps you consider expansion options.

Business plans are prepared for different purposes and, therefore, different readers with different interests. If you are hoping to arrange financing with a certain lender, get information before you prepare your business plan about whether a particular business plan format or outline is preferred. This may save you the work of reorganizing your business information for presentation later.

The following organizations serve Hants County and can help with your planning (contact information is provided on pages 21 and 22):

AGENCY / ORG.	COUNSELLING	TEMPLATE / WORKBOOK	RESEARCH SUPPORT
Acadia Centre for Small Business and Entrepreneurship	✓		
Atlantic Canada Opportunities Agency		✓	
CBDC Hants- Kings	✓	✓	
FutureWorx Job Search Centre	✓		✓
Hants Regional Dev. Auth.	✓		✓
Job Resource Centre	✓		✓
Local Banks		✓	

You may also need to consult a lawyer and an accountant for support with particular elements of your planning process. Overall, however, you will be the one writing your own business plan with advice from a variety of sources.

REGISTRATION & REGULATIONS

Ownership and Name Registration

There are various ways to set up a business in Nova Scotia. The most common forms are sole proprietorship, partnership, limited company (corporation), and cooperative. Each business form has advantages and disadvantages.

A sole proprietorship is a business that is owned and operated by one person. As sole owner of the business, the proprietor is personally liable for business contracts and is responsible for any wrongs committed by her/his employees (in the course of their employment). A proprietorship can operate under the entrepreneur's name without registering a business name at the Nova Scotia Registry of Joint Stock Companies. But, if any change is made to the name (such as adding "and daughter/son" or "and associates") you must register it.

Formal or informal, a partnership is a legally binding business relationship in which each partner takes responsibility and becomes liable for the actions of the other partner(s). This includes actions that may be taken without a partner's knowledge. A partnership must legally register its name, and a formal partnership agreement is highly recommended. Each partner may wish to solicit independent legal advice.

Because of the expenses involved, most professionals advise small business people against incorporation if it is not necessary. Business status can always be changed: a rapidly growing small business may decide to incorporate as part of an expansion. A corporation is an independent entity controlled by shareholder investors. Shareholders are not personally liable for the debts of the company (although corporate directors and officers do have some risk exposure). The incorporation process requires the support of a lawyer.

A co-operative business is owned by members who make use of its services. Co-ops often market or purchase products for their members. The law treats co-op members like corporate shareholders. However, "profits" are returned to members through the cheaper products or services provided by the co-op. The Nova Scotia Cooperative Council (see pg 22) provides support to those considering the cooperative business model.

The Nova Scotia Registry of Joint Stock Companies (see pg 22) manages name registration in the province. The business name you select cannot already be in use by another company, nor may it be so close to the name of another company so as to cause confusion. The Government of Nova Scotia and the Canada Revenue Agency now provide all-in-one registration for a number of business registrations and permits through an online system located at <http://www.businessregistration.gc.ca>.

Industry-specific Regulations

There may be additional registrations and permits required for your specific type of business. Many businesses require additional permits, such as restaurants, video outlets and hairstylists.

The Government of Nova Scotia offers a “Permits Directory” containing information on 485 licenses, permits, registrations, certifications and related services administered by provincial departments and agencies. See <http://www.gov.ns.ca/snsmr/paal/>.

As well, guides to starting specific types of businesses are available through Canada-Nova Scotia Business Service Centres (see Job Resource Centre and FutureWorx Job Search Centre, pg. 21-22), 1-800-668-1010, or <http://www.cbcs.org/ns>.

Zoning

Municipal bylaws define land use zones to control where different types of residential buildings and business activities can be located. Land use bylaws list the types of businesses permitted in each zone. They also define the types of home-based businesses that are permitted in your municipality. Land use bylaws regulate the business activity in each zone with rules about the type of activity, size of building, proximity to the street, parking, number of employees, amount of traffic and size and type of outdoor sign(s). These regulations are intended to address issues of public

safety and compatibility with adjacent land uses. Consult your municipal development officer early in your business planning process to ensure that your proposed business is permitted in the zone. Contact your municipality to ensure that you have the proper information:

- Hantport: Jeff Lawrence (pg 21);
- Windsor: Doug MacInnis (pg 22);
- West Hants: Doug MacInnis (pg 22);
- East Hants: Ian Young (pg 21).

Asking for a zoning confirmation letter is highly recommended. This letter will outline the zone requirements for your business proposal. If your business activity is not permitted in your zone, rezoning or a development agreement may be possible. An application for rezoning or a development agreement can be made to your municipal council. The rezoning or development agreement process requires a public hearing and is subject to provincially-defined advertising timelines.

Building Permits and Other Approvals

- If you are constructing or renovating a building you will require a building permit. Contact your municipality.
- Your driveway may need to meet the Dept. of Transportation’s commercial requirements. Contact your municipality.
- If your property is not serviced by municipal water and sewer you should contact the Dept. of the Environment for well and septic approvals.

Business Occupancy Tax

Businesses operating in Nova Scotia must pay business occupancy tax to the town or municipality in which they are located. This tax is in addition to any commercial property taxes, so businesses that operate from rented premises must also pay business occupancy tax.

The occupancy tax you owe is calculated by multiplying the municipal commercial tax rate by the business occupancy value (25, 50, or 75% of the real property assessment) for your premises. Seasonal tourism operators are eligible to apply for a reduced rate (see <http://www.gov.ns.ca/snsmr/asmt/ps/business/>). The entire business occupancy tax will be eliminated by 2013, based on the following schedule:

Value	Businesses	Phase-out
25%	Hotels, motels, restaurants, campgrounds, service stations, and motor vehicle dealerships.	2006
75%	Financial institutions such as banks, trust companies, insurance companies, credit unions, loan or investment companies.	2013
50%	All other businesses (eg. Retail outlets, professional offices and services, manufacturing, home-based businesses, and spaces licensed under the Liquor Control Act).	Value Category 2005 – 50% 2006 – 40% 2007 – 30% 2008 – 20% 2009 – 10% 2010 – 0%

In order to be assessed for business occupancy tax, every person starting a business (even after temporary suspension) should advise their Regional Director of Assessment in writing within one week of beginning operations. This notification can be provided online at <https://www.gov.ns.ca/snsmr/secure/assessment/boform.asp>, by phone, or in person.

- The Western Region Assessment Office (Kentville) serves Hantsport, Windsor and West Hants (pg 22).
- The Northern Region Assessment Office (Truro) serves East Hants (pg 22).

You must notify the Regional Director of Assessment within 30 days of vacating a business premises to qualify for a rebate on your business occupancy tax.

Income Taxes and the Harmonized Sales Tax

A sole proprietorship pays taxes by reporting income (or loss) on the owner's personal income tax return (Form T1). The form "Statement of Business Activities" is completed and attached to your personal tax return. In a partnership, each partner includes a share of the partnership income (or loss) on her/his/its income tax return. Quarterly installments may be required. Otherwise, consider putting cash aside to cover income taxes each spring. Sole proprietors and partners do not pay into Employment Insurance, but do make Canada Pension Plan contributions. Corporations and cooperatives file their

own income tax returns (Form T2) within six months of the end of every corporate fiscal year. Corporate income tax is paid in monthly installments.

If you expect to have revenues of more than \$30,000 per twelve-month-period, you must collect the harmonized sales tax on all sales. You will remit the difference between the HST you collect on sales and the HST you pay on goods and services to run the business. If your revenues will be less than \$30,000 in 12 months, you might still decide to collect HST to appear more credible or to receive a “reimbursement”.

Regardless of your ownership type and level of income, an accountant is your best source for taxation information and advice. The Canada Revenue Agency also publishes useful online guides to taxation (see <http://www.cra-arc.gc.ca>).

For taxation purposes you need to register with the Canada Revenue Agency and be issued a business number (which also forms part of your HST number). This registration is covered at <http://www.businessregistration.gc.ca> (see Ownership and Name Registration, pg 5) or you can access the necessary paperwork directly from CRA (pg 21). Micro-enterprises (which do not have employees and whose sales will be under \$30,000 per year) are not required to register with CRA.

Protection of Privacy

Businesses of all sizes are required to protect personal information (particularly

customer information) under the federal *Personal Information Protection and Electronic Documents Act*. PIPEDA applies to all personal information that an organization collects, uses or discloses in the course of commercial activity. You will need to ensure that your business carefully protects personal privacy.

You must obtain an individual’s permission to collect her/his personal information. The individual has a right to access this information and to challenge its accuracy. The information can only be used for the purposes for which it was collected. If you plan to use it for another purpose you must obtain consent again. Individuals should also be assured that their information will be protected by specific safeguards, including measures such as locked cabinets, computer passwords or encryption.

The Office of the Privacy Commissioner of Canada provides a PIPEDA e-kit for business online at <http://www.privcom.gc.ca>.

Signage

Many entrepreneurs do not know that business signs are regulated under municipal land use bylaws (see Zoning, pg 6). A permit is required to erect, hang, or otherwise post a sign outside your place of business. A small permit fee may apply. Sign permits are not required in unplanned/unzoned areas of East Hants. Refer to the contacts provided under the Zoning section of this chapter.

HUMAN RESOURCES

Hiring vs. Contracting Out

Many small businesses successfully operate through the hard work of one person: the sole proprietor. Even those small businesses that have employees tend to be very small; most small businesses in Atlantic Canada have fewer than five employees. When the workload in a business becomes too large for one person, or when the owner's skills do not suit a particular task, extra expertise is required.

Many small businesses contract work out to other small businesses, known legally as "independent contractors" (such as bookkeeping, sales, computer service, and technical support). An independent contractor works outside of your business, has a certain degree of control over her/his work activities, has ownership of (or rents) the necessary tools, has a chance of making a profit, and is at risk of loss. An employee, on the other hand, takes direction from the employer, uses the employer's tools, and takes no substantial risk in terms of profit or loss.

Employer Duties

This distinction between employees and independent contractors is important because you have a number of legal duties toward your employees. These duties include:

- Keeping proper documentation (particularly regarding payroll and taxes)

- Adhering to human rights legislation
- Adhering to labour standards (wage rates, hours of work, time-off, etc.)
- Remitting payroll deductions
- Paying Workers' Compensation Board premiums
- Protecting employees' personal information

The Nova Scotia Department of Environment and Labour provides a "Guide to the Labour Standards Code" and a number of factsheets on employment rights at <http://www.gov.ns.ca/enla/employmentrights/>. The department also provides information on Occupational Health and Safety at <http://www.gov.ns.ca/enla/healthandsafety/>.

The Workers' Compensation Board is responsible for a provincially administered insurance program designed to protect companies against liability suits for workers' injuries and to provide fair compensation for those workers who become injured or disabled on the job. Premiums for this program are paid by the employer only, based on industry rates. For further information, call 1-800-870-3331 or visit <http://www.wcb.ns.ca/>.

The Sobey School of Business at St. Mary's University has also published an excellent resource on employer duties: "Building Better Business Through Your

Employees.” The document covers employers’ legal duties and provides tips and guidelines for staffing strategy, successful recruitment and hiring, job design, compensation, progressive discipline, and workplace safety. This guide is available online at <http://www.buildingbetterbusiness.ca/> or in hard copy from the Hants RDA (pg. 21).

Recruitment

The most popular way that small businesses recruit employees is through “word-of-mouth” and personal networks. To cast the net further afield, many small businesses will purchase employment advertising in local newspapers like the Hants Journal, the Weekly Press, or the Chronicle Herald. Others have tried online advertising. Advertising for an employee is like advertising your products or services: the challenge is to choose media that will reach your audience.

In addition to paid advertising there are many no-cost options to attract employees. Service Canada offers a free job bank located at <http://www.jobbank.gc.ca> that is popular with local job seekers. Many job seekers (and employers) access the job bank and other postings/services at the Job Resource Centre in Windsor and FutureWorx Job Search Centre in Elmsdale (pg. 21-22). Hants County Can (pg. 21) provides employment-related services to persons with disabilities and can also help with your recruitment activities. The Indian Brook Employment & Training Centre (pg. 22) provides

employment services to members of Indian Brook First Nation. The Kingstec campus of the Nova Scotia Community College (pg 22), along with other colleges and universities in the province, offers student placement and career services upon graduation as well as internship and co-operative work experience programs.

Training

Training your employees is fundamental to achieving their highest levels of productivity. Employee training can range from orientation sessions to external courses paid by the employer. Private sector training and formal college or university programs can be useful, but consider shopping around for low-cost training offered by government and not-for-profits. Many low-cost and free workshops are offered during Small Business Week each year (in October). The Nova Scotia Community College has a customized training division (pg 22) that can help you develop training programs for groups of new and existing employees. Sometimes this training can be cost-shared among a number of companies with similar needs (ie. WHMIS). You and/or your employees might also be interested in the NSCC’s online course offerings. The Job Resource Centre and FutureWorx Job Search Centre (pg 21-22) provide training to job seekers and could work with employers to fill specific needs.

Wage Support

A few wage-support programs are currently available to encourage the hiring of specific unemployed or underemployed groups. The following three programs are offered by Service Canada (pg 22):

Program	Purpose
Job Creation Partnership	To help employment insurance recipients gain meaningful work experience that increases their chances of successfully finding long-term employment.
Targeted Wage Subsidy	To enable employers to hire individuals (that they would not otherwise hire) who face barriers to employment by offering temporary wage subsidies.
Summer Career Placements	To provide wage subsidies to employers to create career-related summer jobs for secondary and post-secondary students, from 15 to 30 years of age.

The Indian Brook Employment & Training Centre (pg. 22) also has access to wage-subsidized youth employment programs funded by Indian and Northern Affairs Canada.

FINANCES

The money to start and operate your business will likely be patched together from a number of different sources. Many entrepreneurs take loans from banks and other lending institutions to get started or to expand. Some rely entirely on personal and family equity investments. Some common sources of debt and equity financing are included in the chart on the following page.

Here are some basic tips that could help in your search for financing:

- Develop a financing strategy as part of your business plan: including cash flow estimates, an analysis of your break-even point, and a plan for repayment of loans.
- Get advice: from accountants, bankers, and personal contacts.
- Remember that it is common for entrepreneurs to underestimate how much money is needed, especially for operating the business.
- Be prepared to walk away from a deal you don't like. If it's too expensive, too restrictive, or too unwieldy, the option may not make sense for your business.
- Do not be deterred from your idea if your first financing application is refused: shop around.

The way you finance your business has a profound effect on its long-term success. Be sure to re-examine your financing plan on a regular basis as your needs change.

Equity Financing

“Equity” is the financial contribution made by owners of a company. The most likely sources of equity financing are you and people you know. However, there may be other sources to explore.

Personal Funds

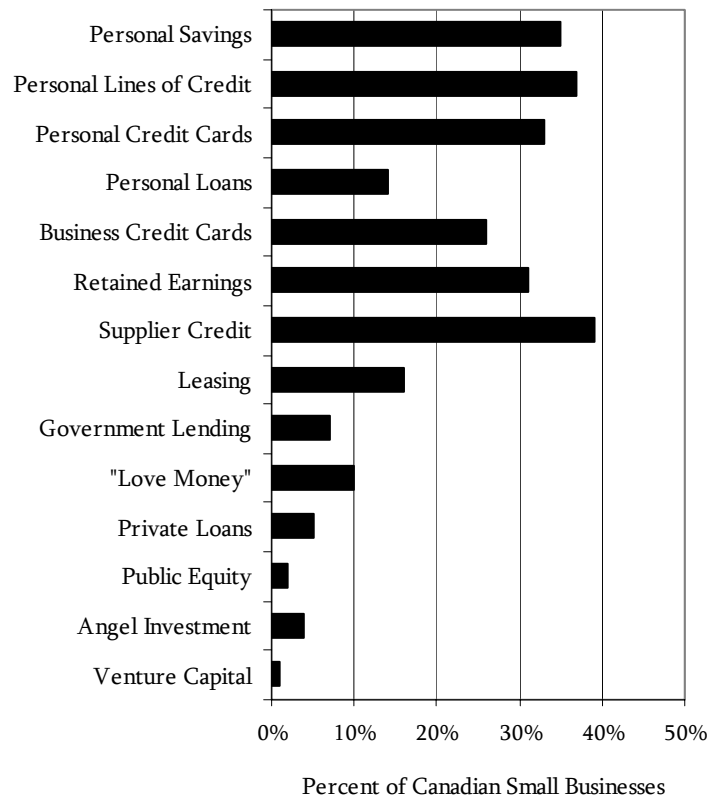
Most lenders require that a business person invest some personal assets into the business. That investment can come from:

- Selling personal assets
- Cutting current personal and business expenses in order to make money available
- Drawing on savings
- Using credit cards to get cash (a costly option)
- Borrowing against life insurance
- Selling holdings or investments
- Cashing in bonds or savings plans
- Increasing a house mortgage
- Keeping a job and using a portion of that salary for the business.

“Love Money”

Many entrepreneurs rely on friends and relatives for at least a portion of their financing, either on a debt or equity basis. Using “love money” can be a tricky proposition. You don’t want to end up losing both your business and your friends or the goodwill of a family member. You

Small Business Financing Sources



Source: *Statistics Canada, Survey of Financing of Small- and Medium-Sized Businesses, 2002.*

should treat these people similar to other sources of financing: help them understand your business, explain how you plan to use their money, and show them a written business plan if you have one. As a group, friends and family make up more than 50 per cent of the loans to home-based businesses. Always get agreements about investments or loans in writing to save later misunderstandings.

Partners

You may consider taking on a business partner to bring some extra equity into the company. You may be lucky and find a

silent partner who has little interest in the day-to-day operations of the business. However, having a partner that will become a true partial owner/manager of the business is more likely. This can bring new skills to the company in addition to an equity investment. Always sign a partnership agreement if your company will have more than one equity investor.

Venture Capitalists & Angel Investors

Sometimes seasoned and wealthy professionals are looking to put their money into promising businesses, hoping to earn a larger return on their investment than they could find in other investments.

Venture Capitalists are the more aggressive type of investor. They focus on rapid-growth businesses, and businesses that have the potential to “go-public” on the stock market or be bought-out by a bigger company. The GrowthWorks Atlantic Venture Fund (pg 21) is a new fund targeted at companies in Atlantic Canada.

Angels are seen as more patient investors. They typically invest in small companies as a way to minimize their taxes or satisfy personal interests. Many angels take an active role in the company’s management and strategic planning. Bankers, accountants, and lawyers may know of these types of investors in the local community. The First Angel Network (pg 21) aims to connect investors and entrepreneurs in Atlantic Canada.

Debt Financing

Debt financing is money you borrow to run your business. A lender takes the risk that you might not be able to repay the loan and charges a corresponding interest rate. Lenders typically evaluate four factors:

- *Character* – Are you the kind of person who pays your bills? Are you reliable? Can you run the business?
- *Credit* – Do you have a good credit rating?
- *Capacity* – Can the business generate enough to pay the bank back?
- *Collateral* – Do you have things of value which can be used to secure or guarantee a loan?

Local lenders include five banks (with many branches), the Hants-Kings Community Business Development Centre Limited, and the Atlantic Canada Opportunities Agency. These last two lenders add a fifth “C” to their evaluation. They consider benefits to the community (ie. job creation) as well as negative impacts on existing companies.

Bank Financing

Canada Small Business Financing (CSBF) Program

The Canada Small Business Financing Program seeks to increase the availability of loans and capital leases for establishing, expanding, modernizing and improving small businesses by encouraging financial institutions and leasing companies to make

their services available to small businesses. Under the program, a small business must apply for a loan or lease to the financial institution (bank or credit union) or the participating leasing company of its choice. If the application is granted, the federal government will guarantee 85 per cent of the lender's losses in the event of default. For more information, visit <http://strategis.gc.ca/csbfa>.

Contact a local branch of CIBC, Heritage Credit Union, Royal Bank, Scotiabank, or Victory Credit Union (see the business directory at HantsCounty.com for contact information).

Small Business Financing Program

Nova Scotia Credit Unions, in partnership with the Nova Scotia Office of Economic Development, provide loans of up to \$150,000 for small businesses. The province will guarantee up to 75 per cent of the loan, with the credit unions being responsible for the remaining 25 per cent. The program can cover loans for working capital or lines of credit. All types of business are eligible, except residential and commercial real estate, beverage rooms, and taverns. Visit a local credit union for additional information or to apply.

Contact a local branch of Heritage Credit Union or Victory Credit Union (see the business directory at HantsCounty.com for contact information).

Hants-Kings Community Business Development Centre Ltd.

Established in 1988, CBDC Hants-Kings is one of 41 Community Business Development Corporations (CBDCs) located throughout rural Atlantic Canada. Each CBDC is an autonomous, non-profit organization dedicated to the development of small business and job creation in its communities. CBDC Hants-Kings serves Hants County through offices in Windsor and Elmsdale. See page 21 for contact information.

CBDC Hants-Kings Term Loans

CBDC Hants-Kings provides term loans of up to \$150,000 at a minimum interest rate of 8 per cent for viable business projects. Contact CBDC Hants-Kings for more information on eligibility criteria.

SEED Term Loans

SEED loans of up to \$20,000 are available with an interest rate of two per cent (2%) above prime for anyone wishing to start a new business, as well as for youth under 35 years of age to modernize or expand their business (\$2000 in free training funds possible for successful applicants). Contact CBDC Hants-Kings for more information on eligibility criteria.

Women in Business Initiative (WBI) Term Loans

Female entrepreneurs are eligible for term loans of up to \$150,000 at a minimum interest rate of eight per cent (8%). Contact CBDC Hants-Kings for more information on eligibility criteria.

Self-Employment Benefits Program

The Self-Employment Benefits (SEB) program provides income, counselling, and training assistance to eligible residents interested in starting their own business. Applicants must be currently unemployed. They must have an active employment insurance (EI) claim, or have been on an EI claim in the past three years, or have been on maternity / paternity leave in the past five years.

Staff work with the client to assess their business proposal, develop a business plan, and provide ongoing professional development and counseling support, including a comprehensive business development program series, as they develop their business over the course of the program. The first step for interested individuals is to have their eligibility / needs determination completed by a representative from their local Service Canada Centre (formerly HRSDC/HRDC/Manpower, see pg. 22).

Students in Business Loans

The Students in Business program provides loans up to \$5,000 with no interest (and a chance at a possible rebate up to 25 per

cent) for "returning" students to start their own business. Contact CBDC Hants-Kings for more information on eligibility criteria.

Canada Youth Business Foundation Loans

CYBF lends up to \$15,000 for youth between the ages of 19 and 34. This program includes a mentorship component. Contact CBDC Hants-Kings for more information on eligibility criteria.

Women in Business - Business Management Training Allowance

The Business Management Training Allowance provides financial assistance to female business owners who wish to undertake business management training in a variety of specific areas. The BMTA will finance up to 75 per cent (to a maximum of \$2,000) of approved training costs. Contact CBDC Hants-Kings for more information on eligibility criteria.

Atlantic Canada Opportunities Agency

Business Development Program

The Business Development Program (BDP) is ACOA's principal program for providing direct financial assistance to Atlantic Canada's small and medium-sized enterprises (SMEs). It helps you to get started, expand, or modernize your business by offering access to capital in the form of interest-free, unsecured, repayable contributions. Most sectors are eligible, except retail/wholesale, real estate, government services, primary industries,

and services of a personal or social nature. Eligible expenses include business studies, capital investment, training, marketing, and quality assurance. Assistance is also available to help you bid for and acquire public and private procurement contracts or to develop an innovative product or service. ACOA is able to support 50 per cent of certain capital costs and 75 per cent of other eligible costs. For information, visit <http://www.acoa-apec.ca/e/financial/business.shtml> or contact Brenda Bradford or Brian Banks (pg. 21).

Banking

Meet with a banker early in the start-up process, even if you don't need a bank loan. Your relationship with your business banker will be important over the long term. At the very least you will want to setup a separate bank account for your business – to make deposits and write cheques. There are many other ancillary services provided by banks, including credit card merchant accounts, debit/Interac machines, and support with import/export transactions. Talk to your bank about the range of services it can offer. Consider shopping around for the best interest rates, account fees, service hours, and ancillary services. Also consider joining your local Chamber of Commerce or the Canadian Federation of Independent Business to receive discounted banking services (see Networking, pg. 20).

Accounting & Bookkeeping

Your bookkeeping system collects the information needed to prepare financial statements, submit tax returns, apply for loans, and make sound business decisions.

You should have no problem learning to maintain your bookkeeping system on a day-to-day basis. However, you might contact an accountant, bookkeeping company or experienced friend for assistance getting started. You can also look into taking a short course on bookkeeping. From time to time these are offered through the NSCC (locally and online), your chamber of commerce, the Job Resource Centre, FutureWorx Job Search Centre, or CBDC Hants-Kings (see contacts, pg 21-22). Female entrepreneurs can make use of the “Business Management Training Allowance” (pg 15) to access accounting training.

Many small businesses successfully use paper-based bookkeeping systems. Others now opt for computer software such as Simply Accounting, Inuit QuickBooks, or Microsoft Money. These programs make bookkeeping easy, even for entrepreneurs with little accounting knowledge.

If you keep your own financial records, the advice of an accountant can still be useful (particularly at tax time). See the business directory on HantsCounty.com to connect with local accountants and bookkeepers.

MARKETING

Many people use the terms “marketing” and “advertising” interchangeably. But marketing is a process of researching, strategizing, and planning your target market, product/service, price, distribution channels, and promotions (advertising). The decisions you make in each of these areas fit together and are based on market research. A marketing plan or strategy is a key element in any business plan.

Market Research

Research need not be an overwhelming chore. It is important because it helps objectively prove whether or not your business can succeed. The Canada-Nova Scotia Business Service Centre (at the Job Resource Centre and Futureworx Job Search Centre) and the Hants RDA are excellent sources for consumer spending data and other market statistics. Try to learn about market size, trends, and geography. To understand your competitors, collect some cheap competitive intelligence. (Don't forget indirect competitors that sell a different product/service but one that fills the same need). The Internet is a great resource of competitive intelligence. If you have the opportunity, you can also make a “secret shopper” visit. Try to understand your competitors' customers. Critique your competitors' products and services. Also, take note of their pricing, distribution, and promotion methods. Your market research will help you design a marketing plan that

reaches the right consumers while learning from your competitors' weaknesses.

Target Market

Understanding the demographics of your customers (eg. Dual income, no kids, aged 30-40) is not enough. You should also strive to understand their “psychographics” or, simply stated, “why they buy”. Consumers are rarely searching for the cheapest solution to their problem. Loyalty, prestige, perceived risks, emotions, personality, values, attitudes, and culture all play a role in the consumers' decisions. The purchase process (“how they buy”) should also be understood. A purchase can involve information gatherers, influencers, decision makers, purchasers and users. One person rarely assumes all five of these roles. A great marketer understands how to influence all elements of consumer behaviour.

Product / Service

Most entrepreneurs know their product or service better than anyone else. Some have even invented an entirely new product or service¹. But be sure to take the time to translate your product's many features into

¹ If this is your situation, consider contacting the Canada-NS Business Service Centre for information on intellectual property protection (see pg 21).

benefit statements. Speaking about “benefits” helps your customers quickly understand why your product/service is valuable to them and how it differs from your competitors’ offerings. Be careful when making claims about human health benefits, though, because these claims are regulated by the federal government.

Consider the design of your “extended product” or “extended service”, including: the packaging; customer service experience; and any warranty, return policy, or service guarantee.

Price

Consumers do not always choose the lowest price. For example, higher prices (“premium prices”) often reinforce the idea that a product or service is of high quality. Also, price-conscious consumers perceive odd-ending prices to be lower than even-ending ones (this is why many prices end in .99, .97 and .95 rather than .00, .10 and .90). There are three common approaches to setting a price. “Pricing to the market” involves determining directly from your customers (or by observing your competitors) what they are willing to pay. The “cost approach” involves calculating a per-unit cost (materials + labour + overhead per unit) and adding the desired profit. “Break-even pricing” divides total annual expenses by an estimate of your annual sales volume (in units of product or time). Try combining all three of these approaches to make your price decision.

Sales & Distribution

Your sales/distribution plan describes how the transaction between you and your customer will take place. If you sell directly to the customer, consider the location, layout, design, accessibility, and general “look and feel” of your retail space or facility. Alternatively you might sell directly to the customer via the Internet, direct mail, catalogue order, or other means. These methods require careful logistics planning and possibly coordination with a shipping company or Canada Post. You might also hire your own sales people or engage an independent sales agent, wholesalers, retailers and any number of other external organizations or individuals. Be careful to coordinate the supply chain so you meet or exceed the customer’s expectations.

As your business expands, your distribution channels may change and you may need to begin managing your capacity and customer demand. You might also start looking toward export markets. Nova Scotia Business Inc. (p 21) can provide consulting, trade missions, and financial assistance to help get your product/service into markets outside Atlantic Canada.

Promotion

Any money you spend on promotion should be aimed at your target market and should convert into sales. Sometimes a roadside sign is all you needs thanks to a great location (see pg 8 for information on

sign permits). Other times, customers are best reached through paid advertising in newspapers, magazines, radio, television, billboards, tradeshow, and other media. Websites are becoming an important medium for many businesses. Some small businesses opt for the cheapest advertising rather than the media to which their customers pay attention.

Free publicity can often be just as effective as paid promotion. Word of mouth referrals are the best form of promotion in a small community like ours. Think about how you can “WOW!” opinion leaders in your target market. Understand your customers expectations and exceed them to generate “hype”. Consider throwing a grand opening and other special events. Issue press releases to inform journalists about your company’s comings and goings: new products, services, employees, anniversaries, and other interesting news. And be sure to take advantage of free business listings: register your business at HantsCounty.com and submit your opening announcement to the Chronicle Herald’s weekly “Open for Business” column (business@herald.ca or fax 902-426-1158).

For a list of local media outlets, print shops, graphic designers, webpage designers and more, visit the business directory at HantsCounty.com.

Keep track of what works to get the best bang for your buck. Ask new customers how they heard about you and move your money and effort to the most effective promotional methods. And since it can be

so costly to attract a new customer, do what you can to encourage repeat business and customer loyalty. Be creative about rewarding loyalty and keeping in touch with your frequent customers.

Advice and Support

The following organizations provide marketing advice and support in Hants County (see pg 21-22 for contacts):

AGENCY / ORG.	ADVICE / COUNSELLING	FINANCIAL SUPPORT	RESEARCH / STATISTICS
Acadia Centre for Small Business and Entrepreneurship	✓		✓
Atlantic Canada Opportunities Agency		✓	
CBDC Hants- Kings	✓	✓	
FutureWorx Job Search Centre	✓		✓
Hants Regional Dev. Auth.	✓		✓
Job Resource Centre	✓		✓
Nova Scotia Business Inc. (Export Services)	✓	✓	

A marketing consultant could provide your business with comprehensive advice and support. Many are listed on HantsCounty.com under “consulting”, but consider getting a referral from a trusted business acquaintance. Finally, don’t forget your customers as a source of marketing advice. Collect feedback to continuously improve the elements of your marketing strategy.

NETWORKING

Networking is an important activity for any entrepreneur. Often your personal contacts and professional business advisors are the beginning of your “network”. With your permission, friends, family, bankers, lawyers, accountants and business counselors/consultants can spread the word about your business. But networking is more than generating word-of-mouth publicity. Your network can give you names of other helpful professionals, potential suppliers, customers, mentors, and peers. This is an opportunity to interact with other entrepreneurs who are experiencing similar business challenges and to learn from those who may have already been there. It is a reciprocal process – you help others expand their networks and they will help you expand yours.

Chambers of Commerce and Business Associations

Chambers of Commerce and Business Associations are the most valuable business networking organizations. Hants County is home to a number of these groups, including²:

- Hantsport and Area Business Association (HABA)
- East Hants Chamber of Commerce
- Business Breakfast Club: The Corridor
- West Hants Chamber of Commerce
- West Hants Women in Business Networking Group
- Windsor Business Enhancement Society

Many of these business associations plan regular networking events that are open to members and nonmembers. Membership in either of the chambers of commerce has benefits including discounts on group health benefits. HABA also offers various member discounts and promotions. From time to time these groups offer guest speakers on topics of interest to their members. Many of these groups also sponsor and undertake projects that benefit the community. Volunteering on the board of a business association or local not-for-profit organization is a great way to network and give back to the community.

² The most current contact information for these groups can be found under “Business Associations” on HantsCounty.com.

CONTACTS

Acadia Centre for Small Business and Entrepreneurship
Acadia University
Willett House, 38 Crowell Drive
Wolfville, NS B4P 2R6
(902) 585-1180
Executive Director: Chris Pelham
Manager of Business Development: Paul Richards

Atlantic Canada Opportunities Agency
Enterprise Centre of Hants County
80 Water Street
Windsor, NS B0N 2T0
(902) 798-6550
Account Manager: Brenda Bradford
Field Account Manager: Brian Banks

Canada-Nova Scotia Business Service Centre
1-800-668-1010
<http://www.cbcs.org/ns>
Local sites: Job Resource Centre and FutureWorx

Canada Revenue Agency
1-800-959-5525

CBDC Hants – Kings
Enterprise Centre of Hants County
80 Water Street, Box 2788
Windsor, NS B0N 2T0
(902) 798-5717
Executive Director: Ken Crichton
Economic Development Officer: Michael Campbell
BDC Administrative Assistant: Judy Newcomb
SEB Administrative Assistant: Bonnie Wilcox

CBDC Hants – Kings
East Hants Resource Centre
15 Commerce Court, Suite 200-2
Elmsdale, NS B2S 3K5
(902) 883-8879
Economic Development Officer: Karl Jackson

East Hants, Municipality of
2361 Hwy 2, P.O. Box 190
Shubenacadie, NS B0N 2H0
(902) 758-2299
Planning: (902) 758-2715
CAO: Ian Glasgow
Director of Economic and Business Development:
JD MacCulloch
Development Officer: Ian Young

First Angel Network Association
5162 Duke Street, Suite 402
Halifax, NS B3J 1N7
(902) 425-5162
Contacts: Brian Lowe and Ross Finlay

Futureworx Job Search Centre
East Hants Resource Centre
15 Commerce Court, Suite 110
Elmsdale, NS B2S 3K5
(902) 883-7010
Manager: Bonnie MacDermott

GrowthWorks Atlantic Venture Fund
Purdy's Wharf Tower 1
1959 Upper Water Street, Suite 1401
Halifax, NS B3J 3N2
1-800-251-5331

Hants County CAN (Community Access Network)
80 Water Street
Windsor, NS B0N 2T0
(902) 792-1802
New Elmsdale Office (902) 883-2778
Executive Director: Michael Little

Hantsport, Town of
Town Hall, 20 Main Street
Hantsport, NS B0P 1P0
(902) 684-3211
CAO: Jeff Lawrence
Director of Recreation & Community Dev.: Sandra Fraser

Hants Regional Development Authority
Enterprise Centre of Hants County
80 Water Street, Box 2313
Windsor, NS B0N 2T0
(902) 798-2284 or 1-877-284-2687
Executive Director: Amy Melmock
Development Officer: Ryan MacNeil

Hants Regional Development Authority
East Hants Resource Centre
15 Commerce Court, Suite 200-1
Elmsdale, NS B2S 3K5
(902) 883-3338 or 1-877-284-2687
Development Officer: Karen Kittilsen

Indian Brook Employment & Training Centre
Indian Brook First Nation
Hants County, NS B0N 1W0
(902) 758-3372
Contact: Sandy Maloney

Job Resource Centre
Enterprise Centre of Hants County
80 Water Street
Windsor, NS B0N 2T0
(902) 798-5627
Manager: Kathy McKee-Flaherty
Employment Consultant-Business: Rob Frost

Nova Scotia Business Inc.
Enterprise Centre of Hants County
80 Water Street, Box 488
Windsor, NS B0N 2T0
(902) 798-6961
Account Executive: Sean Cochrane

Nova Scotia Community College, Kingstec Campus
236 Belcher Street
Kentville, NS B4N 3X3
(902) 678-7341
Principal: Don Bureaux
Customized Training: Dwayne MacLeod

Nova Scotia Cooperative Council
90 Research Drive, Suite 1
Agritech Park, Bible Hill
Truro, NS B2N 6C7
(902) 893-8966

Nova Scotia Registry of Joint Stock Companies
9th Floor, Maritime Centre
1505 Barrington Street
Halifax, NS, B3J 3K5
1-800-225-8227

Service Canada
Windsor Office (Windsor, Hantsport, West Hants)
80 Water Street
Windsor, NS B0N 2T0
(902) 798-6518
Manager: Paul Innis

Service Canada
Bedford Office (Elmsdale, Enfield, Milford)
1597 Bedford Highway
Bedford, NS B4A 1E7
(902) 426-7698

Service Canada
Truro Office (Maitland, Shubenacadie)
60 Lorne Street, Suite 8
Truro, NS B2N 3K3
(902) 893-0016

Service Nova Scotia, Assessment Services
Northern Region Assessment Office
136 Esplanade St
Truro, NS B2N 2K3
(902) 893 5800 or 1-800-280-8963

Service Nova Scotia Assessment Services
Western Region Assessment Office
87 Cornwallis St
Kentville, NS B4N 2E5
(902) 679 6106 or 1-800-280-8979

West Hants, Municipality of the District of
76 Morison Drive, P.O. Box 3000
Windsor, NS, B0N 2T0
(902) 798-8391
CAO: Dwight Bennett

Windsor, Town of
Town Hall, King Street
Windsor, NS B0N 2T0
(902) 798-2275
Community and Economic Dev. Coord.: VanEssa Roberts

Windsor-West Hants Joint Planning Advisory Cmte.
76 Morison Drive,
Windsor, NS B0N 2T0
(902) 798-6900
Director of Planning: Lynn Davis
Development Officer: Doug MacInnis

Women in Business Initiative
Annapolis Valley Region
(Windsor, Hantsport and West Hants)
902-790-2766
Regional Facilitator: Gordia MacDonald

Women in Business Initiative
Eastern Region
(East Hants)
902-223-3715
Regional Facilitator: Karen Donnelly

Workers' Compensation Board of Nova Scotia
Assessment (Employer) Services
5595 Fenwick Street, Suite 109
Halifax, NS
1-877-211-9267 or 1-800-870-3331

HANTS REGIONAL DEVELOPMENT AUTHORITY

WHO WE ARE

The Hants RDA is a not-for-profit agency that is governed by a volunteer Board of Directors. Since 1997, we've worked with our government, community and business partners in the region to provide leadership in economic and community development.

WHAT WE DO

The Hants RDA works with business clients and community organizations large and small to find resources and provide planning support. We can help small businesses network, find financing, research and prepare business plans, access professional advice, address training and professional development issues, identify and respond to major challenges, find appropriate facilities, and plan for succession.

OUR PARTNERS

- Atlantic Canada Opportunities Agency
- NS Department of Community Services
- NS Office of Economic Development
- The Municipality of East Hants
- The Municipality of West Hants
- The Town of Hantsport
- The Town of Windsor

CONTINUOUS IMPROVEMENT

The Hants RDA is an ISO 9001:2000 Registered Organization. We strive for continuous improvement in all that we do. Your feedback will help us improve this document and our other small business services.

Written and designed by Ryan MacNeil.



1-877-284-2687
www.hantscounty.com