

# Planning a business

Starting a business can be a lot like the game of hockey. Success will be achieved if you set yourself up with talented teammates, the right equipment, a clever game plan and a winning attitude.

Like hockey, you can practice your business game plan before you launch in order to run through various scenarios and anticipate challenges.

So decide which game you're in and begin to learn as much as you can about playing to win.



## How is the game being played?

**7.7** Small businesses employ over 7.7 million people in Canada



Small businesses export \$150 billion of products & services (mostly to the United States & Europe)

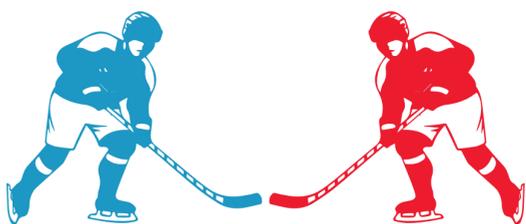
**50%** of small and medium-sized business owners are between 50 and 64 years old

(Source: Industry Canada)

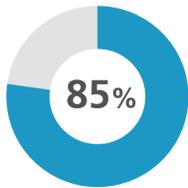
You're proof that entrepreneurship is Canada's hottest game. You'll be joining over 2.7 million\* entrepreneurs who are running small businesses across all types of industries – from healthcare services to light construction to boutique retail.

New business owners seek a better career path and a better life. Running your own business allows you to pursue a passion, apply your skills, earn your worth and make your own decisions.

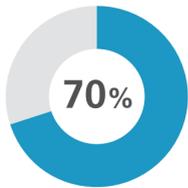
\*Source: Statistics Canada



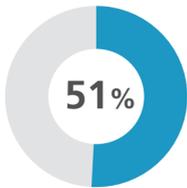
## Are Canadian small business owners winning the game?



85% of businesses survive one year



70% play for two years



51% stay in the game for five years



## Why play the game?

Just like hockey, there's something in entrepreneurship for everyone. People like the idea of being the boss, creating employment for others, rising up to meet a challenge, working the way they prefer, or making a positive impact on the world. Whatever your reason for starting a business, one thing is for sure: it's a game like no other you've played before.

# Scotiabank Guide to Winning the Game

### Game plan

- What's the trophy you want to capture?
- Which team strengths can you leverage?
- What's your strategy to win the game?

### Tips for a winning game plan

Huddle with your team, including expert advisors such as an accountant, lawyer, banker and business coach. Learn from experienced players such as other business owners. Read up on strategies used by successful companies in industries similar to yours. Anticipate moves from competing players. And put it all into a business plan.

### Price to win

- Have you included all costs in your pricing?
- Can you sell your product or service at a price customers are prepared to pay?
- Is there enough margin to turn a profit?

### Tips to price right

No one wins a tie game – you must score a larger number to triumph. So make sure your prices will exceed your business costs.

Carefully research and calculate your product and operating costs. Prepare a cash flow forecast and projected income statement to review with an accountant.

Download the free [Pricing calculator](#), [Cash flow template](#) and [Profit & Loss template](#). You may need to increase prices, reduce costs – or both.

### Scoring more sales

- Who are your best customers?
- How can you find more of them?
- Is there anything else you can sell?

### Tips to get sales

The hockey industry is really good at upselling fans. In addition to a game ticket, fans spend money on snacks, beverages, branded merchandise, souvenirs and more.

Give your fans plenty of options to spend their money with your business. Make it easy for them to try you out – like offering a free hockey ticket to children accompanied by an adult.

### Out skate the competition

- What does your competition do better than you?
- How does your offering differ?
- Have you created barriers against competitors, such as trade mark registration?

### Tips for winning moves

Become a customer of your key competitors to learn about their products and how they promote, price and communicate. Do things like sign up for their newsletter. While a superior quality product or service is one competitive advantage, you may find opportunities to win with customer service – like a pizza chain promising meal deliveries within 30 minutes or it's free.

And talk to your lawyer about creating a barrier for competitors by legally protecting your intellectual property, manufacturing process, trademark or product design.

### Recruit talented players

- Have you assembled a team to help you start and run the business?
- Will your team include expert advisors, including an accountant, lawyer and small business banker?
- Have you found a volunteer mentor with relevant business experience?

### Tips to build an all-star team

Think of the different areas of your business (sales, operations, human resources and finance) and list the roles you want filled under each one. While you may be doing many of these jobs at the beginning of your business, over time the goal is to hire employees or advisors to do that work for you.

Attend local business networking events to meet potential business mentors willing to share their successful business experience with you.

### Invest in equipment

- Will your business rely on specific equipment or technology to perform?
- How expensive is the game gear you need?
- Who will be responsible for maintaining the gear?

### Tips to get the right gear

It's difficult to score goals with a broken hockey stick. Review your operations to identify equipment to help you play to win: for example, a construction company needs dependable vehicles, a dentist needs imaging technology, and a consulting firm needs notebook computers. Obtain several supplier quotes for each item to get the best price. And include an annual budget to maintain or replace equipment.

### Paying to play

- Have you calculated your start-up costs?
- Have you completed a cash flow forecast?
- Where will you get the money?

### Tips to fund your game

Hockey parents know how expensive it can be to get everything their kids need to play the game.

Download the [Cash flow template](#) to help you calculate sales and expenses. Figure out your capital costs (initial gear) and working capital requirements (monthly operating costs) by working with your accountant. Then, explore sources of financing – popular choices include banks, investors, family and personal savings.

### Attract more fans

- Have you completed a marketing plan and budgeted funds to promote your business?
- Do you have a clear idea of your distribution channels to market?
- Do you know how to measure your marketing so you can repeat what works?

### Tips to fill your arena

Your customers need to know you're in the game.

Use the [Scotiabank Sales & Marketing tool](#) to build your marketing strategy. Think about how your customers will find you: through your website, strategic partners, distributors, direct selling or media advertising. Work with a marketing consultant to develop measurement tools so you can track your wins and losses.

### Organize your game

- Have you started a customer database?
- Do you have an accounting system?
- Have you created effective credit management and inventory control systems?

### Tips to track performance

There are affordable software (and cloud-based) solutions such as [QuickBooks](#) available to help your business manage key business information, including customer contacts, receivables, payables, payroll and inventory. Ask your accountant for recommendations.

### Choose a business entity

Most enterprises in Canada start as one-person sole proprietorships or two-person general partnerships, opting to incorporate when revenue and business complexity increases. If it makes sense for you to consider incorporation at the start of your business, explore your legal options on the [Canada Business Network](#).

## Game on!

You've completed these moves, congratulations! You're ready to hit the rink. Fine tune your game strategy by using the free [Scotia Plan Writer for business](#).

## Next play

Get extra support for your game by contacting a [Scotiabank Small Business Advisor](#) today. Your advisor can review your plan and recommending products and services to help you win again and again.