

Starting a business

Think of your new business as a doughnut shop.

You've spent lots of money and time to set up a location, install equipment, develop a brand and train staff. Sales are building and customers keep coming back. You like working alongside your team and talking with your doughnut-loving customers.

You want to give the doughnut shop every advantage for long term survival, so you turn your attention to improving profitability.

What types of small businesses are succeeding in Canada?*

-  Wholesale Trade & Retail
-  Construction
-  Professional, Scientific & Technical Services
-  Finance, Insurance, Real Estate & Leasing
-  Health Care

(*Based on number of employees. Source: Industry Canada)

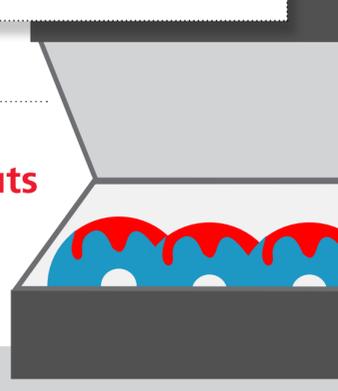
Top 5 characteristics of successful entrepreneurs

1. Passion
2. Perseverance
3. Resourcefulness
4. Open-mindedness
5. Curiosity

(Source: Entrepreneur.com)

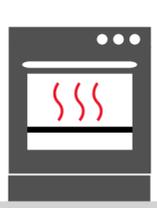
Scotiabank Guide to More Profitable Doughnuts

Eat your way through a box of doughnuts to discover opportunities to reduce costs, increase sales and boost productivity.



Bake a plan

- What can you do to grow your business?
- Is there a best practice from a similar industry you can adopt?
- Can you try something innovative?



Tips to spot opportunities

It's difficult to think about ways to grow your business while you're busy running it. Set aside some time to brainstorm ideas. Revisit your business plan for inspiration. Meet with your team of business advisors. See what non-doughnut businesses are doing.

Cut back on the sprinkles

- What can you do to reduce expenses?
- Will suppliers give you a better deal?
- Are employees working efficiently?



Tips to reduce costs

Go through expense items to identify costs to reduce. Ask suppliers to review your spending and make recommendations to save you money. Review employee work routines to see what can be sped up, eliminated or automated.

Doughnut diehards

- Can you identify your best customers?
- How can you reward them?
- What will make customers return more often?



Tips to keep customers happy

The last thing you want is your steady customers buying their doughnuts elsewhere. But that's exactly what can happen if good customers feel neglected. Keep them coming back with a customer loyalty program, product innovations (pumpkin doughnuts, anyone?) and exceptional service.

A unique doughnut experience

- Why do you think customers buy from your business?
- What can you do better than your direct competitors?
- Is there a way to 'wow' your customers?



Tips for beating competitors

You can sharpen your competitive advantage by studying your competitors and speaking with your best customers. You may be surprised to discover what customers want is something your competitors don't offer – like personalized doughnuts, or doughnut home delivery.

Doughnut with coffee

- What else can you sell?
- Where can you find more customers?
- Can you evangelize your business?



Tips to increase sales

Think of items to complement your existing product or service. Suggest purchase combinations at the time of order. Revisit your marketing strategy to identify potential sources of new customers (like that new hockey arena). Make it easy for believers to spread the word about your tasty doughnuts by always producing a quality product.

Doughnut shop science

- How can technology improve your output?
- How can technology boost sales?
- What systems work well for similar businesses?

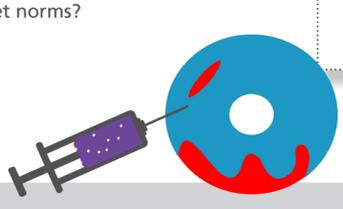


Tips to improve efficiencies

Speak with suppliers about the latest innovations in case you're missing out on something useful – like a faster bake oven. Explore techniques to improve service. Read industry publications and attend industry events to discover applications and tools to improve the way you make doughnuts, manage inventory or keep books.

Inject more doughnut jelly

- Have you recently checked your product costs?
- Is your current margin covering operating expenses?
- Are your prices in line with market norms?



Tips to increase margin

Meet with your accountant to crunch your numbers to make sure your margins are sufficient. Refresh your competitor research to see what price they're charging. You may discover a need to reduce input costs or raise prices – or both.

Keep more doughnuts

- Have you recently updated your cash flow forecast?
- Are you able to save some cash for expansion projects?
- Can you collect money sooner, and delay supplier payments without penalty?



Tips to improve cash flow

Use a cash flow weekly or monthly to monitor your cash flow template or daily because it constantly changes. Scrutinize expenditures for their contribution to productivity or sales – otherwise, don't do it. Take advantage of generous supplier terms. Set up a merchant account to accept debit and credit cards.

Secret doughnut recipe

- What risks does your business face?
- Is your intellectual property protected?
- Are your proprietary systems a barrier for competitors?



Tips to reduce your risk

Ask your accountant, lawyer and banker to help identify potential threats to your business survival. You may want to take steps to protect certain assets (like your secret 3-step inverted doughnut baking process) to keep secure your future revenue.

Hot, fresh & ready to eat!
Congratulations! You've got a recipe for success.
Celebrate with a baker's dozen.

Hungry for help?
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