

Back to Basics: So, you Decided to Start a Business in 2021

January 20, 2021 - 12:00pm

Find the Webinar Video [Here!](#)

WEBINAR NOTES – [Digital Force](#)

When you start a business there are several things to consider before you can sell your product or service. Most businesses in Ontario need to complete a minimum of three basic steps:

- Find out what licenses and regulations apply to your type of business
- Choose a business structure and register or incorporate your business
- Determine if you will need to collect and remit HST (Taxes)

But first let's breakdown some COSTS, so you can see how to fund your online business:

### Cost Breakdown

CMS							
HIGH	MID	LOW	BASIC	BUSINESS HIGH	BUSINESS MID	BUSINESS BASIC	
\$ 29.99	\$ 10.00	\$ 14.00	\$ 10.00	\$ 5.00	\$ 35.00	\$ 25.00	\$ 20.00
	\$ 10.00	\$ 5.00		\$ 59.00	\$ 33.00	\$ 10.00	WIKI
	\$ 18.00		\$ 12.00	\$ 40.00	\$ 26.00		WORDPRESS
	\$ 14.00	\$ 7.50	\$ 8.50	\$ 44.67	\$ 28.00	\$ 15.00	SQUARE SPACE
							AVERAGE

DOMAINS							
DOMAIN ONLY (Yearly)	DOMAIN + HOSTING   BASIC	DOMAIN + HOSTING   MID	DOMAIN + HOSTING   HIGH	DOMAIN + HOSTING + E-COMMERCE			
\$ 17.99	\$ 9.99	\$ 14.99	\$ 19.99	\$ 24.99	GO DADDY		
\$ 17.99	\$ 6.95	\$ 9.95	\$ 14.95		HOSTGATOR		
\$ 16.85	\$ 11.66	\$ 32.36	\$ 38.89		BLUEHOST		
\$ 17.61	\$ 9.53	\$ 19.10	\$ 24.61	\$ 24.99	AVERAGE		

GOOGLE MY BUSINESS * plans include Gmail, Drive, Meet, Calendar, Chat, Docs, Sheets, Slides, Keep, Sites, Forms, Currents				
BUSINESS STARTER	STANDARD	PLUS	ENTERPRISE	CONTACT
\$ 7.80	\$ 15.60	\$ 23.40		

monthly fee

Above is a snapshot of some of the costs you could be expecting for an online store or business. We broke it down for you from high, medium and low based on what you need, which web builder you use, or if you have a lot of products, or more storage or more add-ons. A content management system or CMS is how you can update, maintain and design your website.

A CMS can cost anywhere from \$0- approx. \$45 dollars a month.

A domain and hosting can be up to \$25 a month.

Or maybe you want a Google my business which is free to start but if you want to have add-ons or ads, you can be looking at an additional \$23 dollars a month. Yearly set aside Website hosting: \$195 and \$45 for Email hosting

Startup **Marketing Materials** can range from getting a Logo design: \$200, Business cards: \$100, Branding: \$100, Paid graphics: \$100

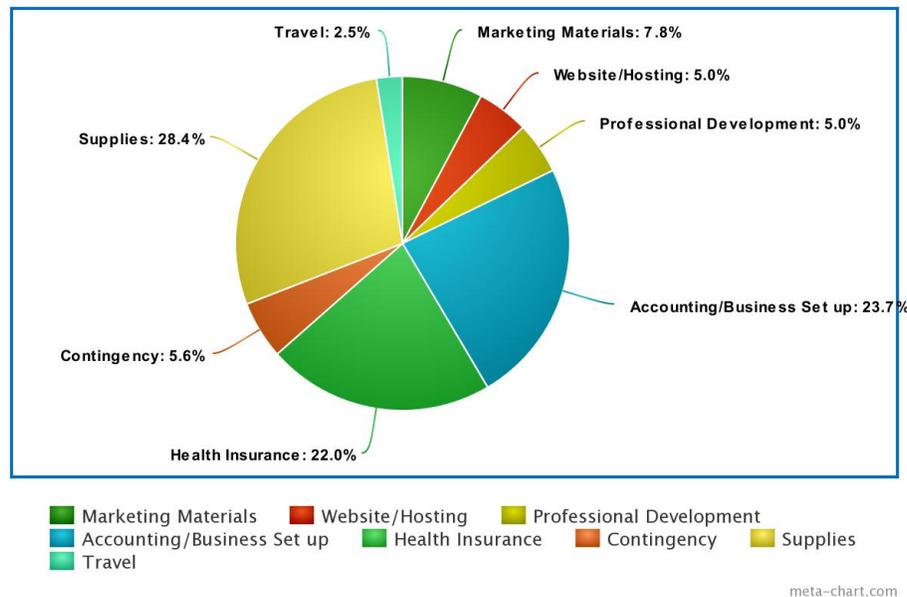
**Professional development** or networking costs could be up to \$500 a year on training, or having memberships associated with your industry.

**Accounting and Business set up** costs could range pending if you are hiring someone to do your accounting, and taxes for you. A business tax software alone can range from \$200 and it could run you up to \$1000 pending if you use a professional accountant to help you with your paperwork and filing your taxes.

Also consider that you will need to pay for your own health care plan now too. Pending on your plan, you could be looking at approx. \$2400 a year.

Even if you are a service and do not have any products to include into your costs, you still will need to consider **supplies** like a **new computer, or desk, printer** possibly and those costs could be up to \$2500. And we will add an additional \$500 dollars a year for that **contingency** of food, drinks, and maybe gifts.

Let's look at what your costs look like all together visually. You can see that a majority of your costs will revolve around your health, supplies and business set up.



Not to mention if you have a product and need to figure out the distribution's costs – such as mailing and shipping costs.

**Here's our Digital Force tip:** You can get discounts by signing up for a membership with Canada Post. They offer discounts of up to 34% on shipments within Canada and up to 57% internationally. They have online tools to enable you to conveniently print labels, request pickups, process returns and track packages. They even offer a way for your online store to get up and running in no time with their Shopify\* partnership. They also offer an all-in-one payment and shipping solution through PayPal\*\* to get your products to customers faster.

**Price list Canada post:** <https://www.canadapost.ca/tools/pg/prices/SBprices-e.pdf>

#### Where to get money?

- **Personal investment**—When starting a business, your first investor should be yourself with personal money and/or assets to secure a loan. Investors love to see that you are fully committed and ready to take a risk on yourself.
- **Love money**—This is money loaned or invested by family or friends.
- **Grants**—A grant is a sum of money conditionally given by government organizations. You don't have to repay it if you use it under the terms of the grant.
- **Angels**—Angels are generally wealthy individuals who invest directly in small firms. They typically make small investments and also offer their experience, network and knowledge to help you succeed.
  - ➔ The [Angel Network Program](#), administered by the Network of Angel Organizations – Ontario (NAO-O), connects high-potential entrepreneurs with angel investors.
- **Venture Capital**—Venture capitalists invest in the most promising start-ups in high-growth, technology-driven sectors. They take an ownership stake in companies to finance the high-risk early stages of development. They invest more than angels, typically more than \$1 million and they expect a healthy return.
  - ➔ If your company is bringing groundbreaking new technology to market, the [Investment Accelerator Fund](#) invests up to \$500,000 seed funding in companies that have the potential to become global leaders and provide sustainable economic benefits to Ontario. The funding helps these companies position themselves for further investment by angels and venture capitalists.

- ➔ Researchers at Ontario's universities, colleges and hospitals can get help turning their discoveries into marketable products and services through the [Market Readiness](#) program
- **Loans**—It is not easy to obtain traditional bank loans for start-ups, but it is possible. To help, there are some government programs to guarantee [business loans](#) from financial institutions. There are also organizations that specialize in lending to new ventures. For example, if you're a young entrepreneur check out Futurpreneur.
- ➔ Futurpreneur Canada offers [start-up loans](#) to eligible entrepreneurs aged 18 to 39.
- ➔ The [Summer Company](#) program provides grants of up to \$3,000 to students aged 15-29 to start their own business over the summer.
- ➔ Depending on your location, you might be eligible for funding through the [Southwestern Ontario Development Fund](#), the [Eastern Ontario Development Fund](#) or the [Northern Ontario Heritage Fund Corporation](#)

Access Community capital Fund: <https://accessccf.com/>

#### **Are you an Immigrant entrepreneur, maybe this may be of interest?**

<https://www.canada.ca/en/services/business/start/support-financing.html>

To qualify as a self-employed person, you must have two years of relevant experience and show that you intend to become self-employed in Canada.

#### **What are the best ways to convince someone to finance your new adventure?**

A good start is having a business plan. A business plan is essential for **Planning your business**. Writing a business plan can help you seek investment funding or secure a bank loan, as well as create a roadmap or strategic plan for your company or nonprofit.

- Develop your idea
- Dive deep into costs, and problem solving
- And clarifies what type of business is the right ownership: incorporation, partnership or sole proprietorship.

#### **Business Plan Template:**

<https://www.bplans.com/downloads/business-plan-template/>

<https://www.bplans.com/business-plan-template.pdf>

Writing a business plan can help you seek investment funding or secure a bank loan, as well as create a roadmap or strategic plan for your company or nonprofit.

Whatever your reasons are—writing a business plan is proven to help you grow your business faster.

In this video, you'll learn about each section of a business plan and what it should include. The sections of a business plan:

#### **Video on the elements needed for your Business Plan:**

[https://www.youtube.com/watch?v=FdDR3zzEdks&feature=emb\\_logo](https://www.youtube.com/watch?v=FdDR3zzEdks&feature=emb_logo)

1. **Executive Summary:** This is your business in a nutshell – first thing you see but we recommend writing it last – tiny pieces of all of parts of the plan
2. **Problem and Solution:** Solve a real problem that your clients have, and they need to pay for it. Tell a story here about a specific customer.
3. **Target Market and Competition:** Segment of population that is a perfect fit for product or service. Be specific. Customer Persona. Ideal customer. Use statistics to support. Talk about what makes you different and how you're going to gain advantage.

## NOW TALK ABOUT HOW YOU'RE GOING TO GET THERE!

4. **Marketing and Sales Plan:** Pricing promotion, advertising, social media. Ask yourself how am I going to reach my target audience
5. **Operations:** All about how you are going to deliver your product or service to your customer. What technology do you need to develop? How and where you are going to make your product if you have a product?
6. **Milestones and Metrics:** Major upcoming goals, metrics you are going to use for success. Any tractions that you currently have to make those goals achievable.
7. **Assumptions and Risks:** You have a plan to reduce your risks that threaten your business, but you are going to survive for the following reasons
8. **Team and Company Overview:** letting investors or lenders know that you have the right team together to get the job done
9. **Financial Plan:** realistic sales forecast, profit and loss, cash flow, balance sheet. Explain how you are going to use the funds you are asking for as well as exit strategy.

**Step-by-step instructions on How to Write a Business Plan:** <https://articles.bplans.com/how-to-wr...>

**Sample Business Plans:** [https://www.bplans.com/sample\\_business...](https://www.bplans.com/sample_business...)

**The Bplans Business Plan Guide:** <https://articles.bplans.com/writing-a...>

### Digital Force Tip for Coming up with a Company Name:

- Be sure it reflects the product or service you offer, or you may confuse prospective customers
- Think about how you want your business to be perceived
- Pick something that is easy to pronounce and remember
- Make it unique and distinctive to avoid confusion and legal issues

### How to Apply for Business Permits or Licenses

You may need Permits and licenses for your business from all three levels of government. I will put this link from service Ontario on the handout as well, it's great because all you have to do is put in your location, and your industry, hit search and find out which permits are required. <https://services.bizpal-perle.ca/?lang=en&b=01>

### TAXES

Depending on your location and the type of products or services being offered, federal, provincial and/or municipal business taxes may apply. I put a taxation guide link onto the handout. It has all the resources on there in the event that you need to call the CRA for questions, and if you are confused on if you should be adding tax or not to your service or product.

For example, if you sell goods and services in Ontario, you may need a business number to collect and remit the Harmonized Sales Tax (HST). Most businesses that make less than \$30,000 in any 12-month period are not required to charge HST; however, you can register voluntarily and claim [input tax credits](#). Speak with the Canada Revenue Agency (CRA) for more information. Contact CRA: **1-800-959-5525**  
[Canada Revenue Agency](#)

After you have registered for your business, you get a business number. Your Business Number is your single account number for dealing with the federal government regarding taxes, payroll, import/export and other activities. If you plan to hire employees, or if you will be importing and/or exporting products or services, you must register for a business number.

### KEEP YOUR RECORDS:

- Records can be digital or paper format, in original format for deductions
- Must be kept for 6 years
- They should be reliable and complete

- Note: CRA does not dictate which records should be kept. However, all documentation related to calculation or verification of income and deductions
- All revenue from all your business must be reported regardless of how you were paid including: Products sold, Services rendered, Subsidies, Rents, Tips

**Confused about taxes?** There are Liaison Officer Services In-person support and guidance to help you meet your tax obligations. This is a FREE service. Services can be reached via 1. In-person visit 2. Seminars at your local SBEC or another group. [Canada.ca/cra-liaison-officer](http://Canada.ca/cra-liaison-officer)

Here is a [link](#) to see what **expenses** you can write off:

**Some of those expenses we talked about like startup costs, you may be able to get some money back!**

Advertising • allowance on eligible capital property • bad debts • business start-up costs • business tax, fees, licenses and dues • business-use-of-home-expenses • capital cost allowance • delivery, freight, and express • fuel costs (except for motor vehicles) • insurance • interest and bank charges • fees, penalties, or bonuses paid for a loan • fees deductible over five years • fees deductible in the year incurred • interest deductible on property no longer used for business purposes • interest on loans made against insurance policies • capitalizing interest • interest related to work space in your home • maintenance and repairs • management and administration fees • meals and entertainment (allowable part only) • long-haul truck drivers • extra food and beverages consumed by self-employed • motor vehicle expenses • legal, accounting, and other professional fees • prepaid expenses • office expenses • other business expenses • property taxes • rent • salaries, wages, and benefits (including employer's contributions) • supplies • telephone and utilities • travel

#### **Legal requirements for e-business**

In general, all existing laws that apply to traditional commerce apply equally in an electronic environment. These include things like laws governing business incorporation, business name registration, taxation, consumer protection, deceptive advertising, importing/exporting, product safety, product standards, criminal code, inter-provincial trade treaties, intellectual property and liability.

**Your business, regardless of its size, must comply with the laws of any jurisdiction, both within and outside of Canada, where it is deemed to be conducting business.**

**LEGAL ADVICE** and with businesses also warrant the need for legal advice at times. If you need additional legal advice Pro Bono Ontario Get free legal advice Pro Bono Ontario provides free legal advice to small business owners over the phone. Have a legal question? Call toll-free within Ontario: 1-855-255-7256

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- [E-Business and Selling to Customers Outside of Ontario](#)  
Get information about the requirements for selling products over the Internet to customers outside of Ontario.
- [Conducting business on the Internet](#)  
Find out about tax rules, regulations and requirements when doing business online.
- [Contracts: best practices and types](#)  
Learn about the rules for Internet agreements when you sell products or services online in Ontario.
- [How to make websites accessible](#)  
Review the accessibility standards that apply to your website.