

- 5 What's Hot in Business
- 7 Inadequate Financing Stalls Growth
- 8 "Onboarding" Strategies



Fall 2008

# Let's Talk Business



2 Need Business Information?



4 Home-based Entrepreneurs



6 Sowing Inner-city Business Starts

## Free services assist new and established entrepreneurs

**VIRTUALLY ANYONE STARTING A BUSINESS OR LOOKING TO GROW AN EXISTING ONE CAN BENEFIT FROM A VISIT TO THE CANADA/MANITOBA BUSINESS SERVICE CENTRE—EITHER IN PERSON OR ON-LINE.** With a comprehensive suite of services geared to the new and established entrepreneur, the C/MBSC is a “one-stop shop” for business information.

“Knowledge is power,” says C/MBSC general manager Shannon Coughlin, “and we can provide the answer to most any business question, ranging from how to choose a business name when starting out...to how to crack export markets once you’re established.”

The range of services is broad and includes an extensive trade and reference library, a mentoring program that pairs new and established entrepreneurs, and resources specific to exporters.

But one of the Centre’s greatest resources is its staff. On-site experts provide assistance to clients who need help getting their business off the ground, while other specialists deliver funding programs.

“Were it not for staff at the centre, I am certain I would not be running my own successful business,” says Cathy Riehl, owner of For Keeps gift shop in Selkirk. “They have acted as a

mentor—challenging, encouraging, and helping me solve problems, which they always have the formula to fix. The C/MBSC has taught me everything I know about running a business.”

Also popular are business-learning seminars offered throughout the year. The seminar series is built from client feedback and covers a wide range of topics geared to all business cycles. While many of the seminars are held at the C/MBSC main office in downtown Winnipeg, 22 regional access sites across Manitoba can tap in to the curriculum via videoconference, bringing vital business learning to all corners of the province.

Perhaps surprising in this day and age, all the services of the C/MBSC are totally free of charge. That includes not only information sessions and counseling services, but even the opportunity for entrepreneurs to speak with lawyers, accountants and banking professionals who volunteer their time and share their expertise.

“Our business information and services cover the waterfront, and we are here to assist,” Coughlin says. “So whether you’re just thinking about self-employment, or have already cracked the local market and are looking for greater opportunities, we can help take your business to the next level.” ●



Call us for help in starting or growing your business!

# Win \$5,000 to Start Your Dream Business!

Aboriginal Business  
Service Network Hosts  
5th Annual Aboriginal  
Business Plan Competition

Each year, the Aboriginal Business Service Network sponsors an Aboriginal Business Plan Competition, evoking the spirit of entrepreneurship. Winners in each of the rural and urban (City of Winnipeg) categories receive \$5000 towards starting their business!

The deadline for the 2008 competition is **Friday, January 30, 2009**. People 18 years of age or older who plan to start a business by April 30, 2009 or have started a business after January 31, 2008 are encouraged to submit their business plan. For more information and contest details visit our website at: [www.absnmanitoba.ca](http://www.absnmanitoba.ca) or contact our Aboriginal Business Service Network Coordinator, Lindsay Dandeneau, at 984-1823 or 1-800-665-2019.

The Aboriginal Business Service Network (ABSN) in Manitoba offers business information to new and existing aboriginal entrepreneurs. The ABSN in Manitoba is operated in coordination with the Canada/Manitoba Business Service Centre and Community Futures Manitoba. ●



## Need business information?

Are you looking for:

- the address of all Manitoba companies with more than 50 employees?
- ideas on where to find non-traditional sources of financing?
- information on doing business in India?
- a directory of top computer executives?
- a list of every notable trade show world-wide?

Information on all these topics—and many, many more—can be found at the C/MBSC library. The library's complete catalogue is now searchable online! From our website [www.canadabusiness.ca/manitoba](http://www.canadabusiness.ca/manitoba) just click on the “Business and trade research” button in the left hand toolbar. ●

## Should you register a business? Or incorporate?

Anyone starting a business will be faced early on with the question of whether they should register the business or incorporate. Both business registration and incorporation have their own advantages and disadvantages, and whether you should incorporate depends on your own particular situation. Generally, though, here is a very brief overview of the pros and cons of the two main forms of business structure.

**Sole proprietorship**—A business registered as a sole proprietorship is owned by one person who is solely responsible for its management and capital. It is easy and inexpensive to start up, and operating losses in the early years can be deducted against personal income.

On the other hand, a sole proprietor is personally liable for all business debts. That means creditors may be able to seize your personal assets (e.g. home, car) to satisfy business debts. As well, any income you earn as a sole proprietor must be claimed as personal income in the year in which you earn it. If you have a very profitable year, you may take a big tax hit. A further consideration is that if you die as owner, the business becomes part of your estate, and there may be immediate tax consequences.

**Corporation**—If you choose to incorporate, you create a distinct legal entity, separate from its shareholder(s). One advantage to a corporation is that it limits the liability of a corporation's shareholders. The shareholders are generally not responsible for the corporation's debts and creditors cannot normally sue shareholders for liabilities incurred by the corporation.

The second advantage is potential tax savings. Because corporations are taxed separately from their owners, and the corporate tax rate is generally lower than the individual tax rate, your accountant may advise that incorporating will save you money.

On the down side, it is more expensive to incorporate and you will almost certainly incur legal fees. It is also more complex and expensive to operate. For example, the corporation must file annual returns with Corporations Canada or the Manitoba Companies Office (depending on whether the company is federally or provincially incorporated) and must file its own tax return separate and apart from its shareholders. ●

# Small Business Week is October 19-25.

We're celebrating with a wide variety of workshops and seminars across the province! For a complete list of what's planned, visit [www.smallbusinessweekmanitoba.ca](http://www.smallbusinessweekmanitoba.ca)



## Looking for success?

Your business plan is key!

FOR MANY INDIVIDUALS, COMING UP WITH AN IDEA FOR THEIR BUSINESS IS THE EASY – AND EXCITING – PART OF BECOMING AN ENTREPRENEUR. It's developing their business plan that keeps them up at night.

Many people look at a business plan solely as a means of obtaining financing. While true in the short run, a business plan is really your long-term roadmap for success. It helps get you started, plots where you want to be, and identifies how you're going to get there.

Here are some key elements virtually every business plan should include:

- Describe your business. What are the products and services you provide?
- Who are you going to provide these products and services to? The more specific you can be about your target markets, the better.
- A marketing strategy is important. How will you reach your target markets to tell them about your products and services?
- What are your financial projections? It's a good idea to be conservative with your revenue projections and generous with your expenses. Consider including a break-even analysis so you and potential investors know the minimal amount of business you require to stay at a break-even point.

Often missing from a business plan, according to Assiniboine Credit Union lender Stephanie Wiens, is adequate market research and a thorough and realistic risk analysis.

"We want to see what risks you've identified, whether you've built in contingencies for these risks, and how you plan to mitigate them," Wiens says. "We also try to assess whether your personal background has adequately prepared you for your new business venture."

Assiniboine Credit Union administers various loan programs on behalf of the federal and provincial governments. According to Wiens, the credit union approaches a loan request quite differently than most lenders.

"More conventionally minded financial institutions tend to rely more heavily on the individual's personal net worth and credit score," she says. "At ACU, we rely on the strength and viability of the business plan. Although other factors do come into play, most important is our confidence in the viability of the plan and the ability of management to pull it off."

Wiens estimates that 60-70% percent of community loan applicants are approved for financing, and that the average loan is around \$20,000.

Entrepreneurs can follow a step-by-step guide to developing a business plan by visiting the Interactive Business Planner at [www.cbasc.org/ibp](http://www.cbasc.org/ibp). For information on available loans, visit the C/MBSC website at [www.canadabusiness.ca/manitoba](http://www.canadabusiness.ca/manitoba) and type "loans and grants" in the search area. ●



**Pssst! Something cool is happening during Small Business Week. Check with us!**

A new City of Winnipeg by-law that went into effect March 1 now allows home-based businesses to have up to two employees in the dwelling. However, the business must apply for conditional use approval before employees are allowed in the home. (Prior to the by-law, employees who did not live in the dwelling were not allowed to work there.) For further information, phone Winnipeg's Zoning By-laws Branch at 986-5140.

# Compatible businesses enhance family life for home-based entrepreneurs



**THE DESIRE TO KEEP START-UP EXPENSES TO A MINIMUM IS OFTEN THE DRIVING FORCE BEHIND THE DECISION TO RUN A SMALL BUSINESS FROM HOME, AT LEAST TEMPORARILY.** The fact it works so well is usually behind the decision to make the arrangement permanent.

"I see a storefront as an unnecessary expense," says Karel Nemetchek, owner of Nemecek Custom Building. "Having a home office works well for both my business and my family."

Indeed the Nemetchek family has considerable experience with running home-based businesses. Wife Becky is owner of elements design.build—an architecturally-focused design company also run out of the family home in the Windsor Park area of Winnipeg, and 23-year-old son Daniel operates his renovation company from the same address.

They maintain separate office space within the home, but the fact they are under the same roof allows them to easily help each other out.

"For example, if I'm having difficulty coming up with a roof design for a project, we'll work on it together," says Becky. "I typically bring the creative side to a project while Karel supplies the practical."

Their complementary fields also allow them to bring work to each other. "I may be working on a renovation and find the clients are looking for a designer, so I'll refer them to Becky," says Karel. "We can then work on the project together and that's very satisfying."

The downside of having a home-based business is that it's often difficult to escape the work. "I try to keep regular office hours, along with lunch and coffee breaks, but it's not unusual for the three of us to be talking schedules and invoicing at midnight," says Becky. "At the same time, I can throw in a load of laundry during my lunch break, so that helps balance things out."

The Nemetcheks are part of a growing trend to operate home-based businesses. Making it easier and more economical is the fact the City of Winnipeg no longer requires an annual business license for home-based entrepreneurs, but rather requires only a home occupancy permit with a one time fee of \$149.

Fifty-eight-year-old Karel also fits neatly into the escalating trend of retirees starting their own business. After a satisfying 32-year career in teaching and school administration, he has turned his part-time hobby business into a full-time second vocation. Before making the transition, he visited a business information officer at the Canada/Manitoba Business Service Centre.

"I needed advice on administrative issues such as registering my business name, obtaining a PST and GST number, and finding out what licenses I needed. The business information officer put everything into a nutshell for me; he was extremely helpful, so I'll be back to access some courses on income tax."

Home-based entrepreneurs often have to wear many hats—everything from janitor to computer tech. However, recognizing that they would require the expertise of others, Becky and Daniel attended last year's Home-Based Business Conference (see page 6 for info on this year's conference). "I found us a bookkeeper at the conference, and Daniel found it so useful that after leaving the conference, he went out and registered his own business within days of the event," Becky says.

"Working in compatible businesses from our home has been very positive for us," says Karel. "As a family we've always got along well together, so this just makes a lot of sense for us." ●

Becky, Karel and Daniel Nemetchek run three businesses out of their Winnipeg home.



# What's Hot in Business!

ONE QUESTION WE ARE FREQUENTLY ASKED AT THE C/MBSC IS "I WANT TO START A NEW BUSINESS. What's the latest in business trends; what's hot?"

My answer is "time," as we all seem challenged daily to either save time or fight time.

Fighting time means battling aging. Due to longer life spans and lower birth rates, our population is aging so seniors are definitely a hot demographic to target. (Right behind the seniors is an even larger market of baby boomers with growing needs for products and services offering comfort and leisure, so also consider them in your business plans.)

There are a host of "anti-aging" business opportunities ranging from cosmetics and skin care products, to holistic and natural approaches with vitamins, food and health. There are day spas, yoga lessons and stress relieving candles, not to mention off shore plastic surgery vacations. Business opportunities to help make seniors lives more comfortable may also include seniors-only gyms, senior activity planning (from crafts and social events to travel tours), and senior services like adult day care or companion services, home care, and geriatric geared devices.

In terms of saving time, any service or product to help people keep up with the frenetic pace of life and still have

some leisure time at the end of the day has the potential to be successful. While we labour under the delusion that cell phones, PDA's, and 24/7 access to email and voicemail is making our lives better, there are business opportunities that really do help people save time.

Services such as home care/cleaning, lawn and garden care, gift baskets, personal organizers, clutter cleaners, and handymen for hire help us maintain home and hearth. Wedding consultants, caterers, event planners and home stagers help us with life's big events, entertaining, and selling our homes. The little things that shave seconds off our lives include everything from peel-off nail polish and eye shadow to pre-developed business check lists.

The operative word is simple. People want their homes and work lives simplified and now everyday names like IKEA, the multitude of *For Dummies* books, and recipe books for family dinners with five or fewer ingredients are the norm.

If you want to find out how you can turn time into a business opportunity, contact the C/MBSC to research your business idea or attend our seminar on *How to Find A Business Idea or Opportunity*. •



## Experienced entrepreneurs provide free marketing advice

ANY SMALL BUSINESS OWNER STRUGGLING TO GAIN VISIBILITY IN A CLUTTERED MARKETPLACE KNOWS IT'S NOT ALWAYS TRUE THAT "IF YOU BUILD IT, THEY WILL COME." Just because you've launched a business doesn't mean you can sit back and wait for customers to come your way. In fact that rarely happens without concerted marketing effort.

Unfortunately, many new entrepreneurs have little idea of how to effectively market their business. The good news is, they can gain free advice from experienced business people who have "been there, done that."

"It's very typical for inexperienced business people to waste money on advertising before they have even identified their target market," says Gord Kraemer, Executive Director of the Manitoba Marketing Network. "This is just one of the many mistakes that

our business leaders help new entrepreneurs identify and overcome."

The Manitoba Marketing Network is made up of 22 established Winnipeg executives who are all motivated to give back to the community by sharing their stories and expertise, and thus hopefully help other entrepreneurs avoid some of the mistakes they made along their own pathway to success.

Members of the network receive no remuneration for their services; their reward is a sense of helping others in a very individual and practical way. And while Network members will not provide advice on what you should make or sell, they will offer the benefit of their own knowledge and experience, and suggest improvements to your business and marketing plan.

To ensure advice is relevant, novice entrepreneurs with marketing questions are matched with network members in

a related or complementary business area. All dealings are confidential.

"The vast majority of our members are either current or past successful business owners," says Kraemer. "Their time is often valued at \$100 or more an hour. But through the Network you can get your questions answered from these experienced business people for no cost at all."

The network also offers useful seminars on marketing and other business topics. Workshops planned for November 4 at the Delta Winnipeg hotel will cover marketing and sales, advertising and promotion, financial management, and e-business. Cost is \$35.

To register for the workshop, or to request a marketing consultation with a network member, call Gord Kraemer at 945-1230 or visit [www.manitobamarketingnetwork.ca](http://www.manitobamarketingnetwork.ca) •



SEED Winnipeg assisted the start-up of the Natural Cycle worker cooperative in 1999, which operates Natural Cycle Courier and the Natural Cycle Bike Shop. The cooperative has 20 members—none of whom own a vehicle.



## Inner-city agency sows business starts

**THE DREAM OF ENTREPRENEURSHIP IS NOT LIMITED TO THOSE WITH FINANCIAL MEANS AND HIGHER EDUCATION.** SEED Winnipeg—a non-profit agency operating in Winnipeg’s inner city—fights poverty by helping people start small businesses. Many of their clients are immigrants, aboriginals, and school dropouts.

SEED helps people living on a low income acquire necessary business management skills through an eight-week training program. Developed with learning barriers in mind, it is comprehensible to those with a grade 8 education or level 4/5 for those with English as a second language.

Following completion of the training program, one-on-one business counseling is then provided over an additional six to eight months to help participants complete a business plan and acquire financing.

SEED works with not just single business owners and partnerships but also business cooperatives. Groups of three to 50 people who are interested in forming a cooperative to start or expand a business in Winnipeg can receive business training, skills assessment, and ongoing financial review and strategic planning.

One such group is the Enviro-Safe Cleaning worker cooperative. This group of refugees from the Democratic Republic of Congo developed their cooperative not only to advance their individual economic status but also to promote a healthy environment. All their cleaning solutions are non-toxic and members participate in research and education on environmentally friendly cleaning methods.

For further information on SEED Winnipeg programs, visit [www.seedwinnipeg.ca](http://www.seedwinnipeg.ca)

# There’s no place like home... to do business!

## Trade Show and Conference October 24

Approximately 100 delegates and 20 exhibitors are expected at this year’s “*There’s no place like home...to do business!*” trade show and conference, to be held October 24 at the Victoria Inn Hotel and Convention Centre, 1808 Wellington Ave. in Winnipeg.

Intended for both aspiring and existing home-based entrepreneurs, the day-long event will feature workshops, panels, question and answer sessions with successful “homepreneurs,” networking opportunities and exhibits.

The event is sponsored by the Manitoba Home Business Advisory Council. The \$25 registration fee includes a breakfast, buffet luncheon and refreshments throughout the day. To pre-register, phone 339-0075 or online at [www.homebusinessmanitoba.ca](http://www.homebusinessmanitoba.ca)

The MHBAC is now inviting applications for membership; further details will be provided at the trade show.



# Inadequate financing stymies growth, but no sour grapes for hobbyist turned vintner

TURNING A HOBBY INTO A BUSINESS MAY SOUND LIKE AN OBVIOUS OPPORTUNITY TO MAKE MONEY AND BE SELF EMPLOYED.

However, the road from hobby to money-making enterprise can be rocky and steep.

Just ask Denis d'Eschambault, who turned his love of making wine into Manitoba's largest winery. Co-owner and president of D.D. Leobard Winery, d'Eschambault has toiled since 2000 to build a business that has posted significant revenue gains each year, but is still struggling to establish a significant presence outside Manitoba.

D'Eschambault and his partner Leonard Streilein had each been making wine in their homes and experimenting with fruit wines. They collaborated to produce an off-dry strawberry wine that was so popular with family and friends they were encouraged to go into business and make it available to the public.

Fast forward eight years and d'Eschambault remains the company's only full-time employee, forcing him to wear the hats not only of wine vintner but also venture capitalist, web developer and marketing pro, among others. Routinely working 60 to 100 hours per week, d'Eschambault has

seen the company's annual production increase from 500 cases its first year to 3000 cases today, and the product line expand to 14 different varieties of fruit wine, including blueberry, saskatoon and pomegranate/strawberry. Nevertheless, he says the company is smaller than where he thought it would be at this point.

"We know there is strong growth potential for fruit wines, particularly in Asia," d'Eschambault says. "However, we got started with a very small budget and have remained under-capitalized ever since. Lack of capital is restricting our ability to increase production and expand marketing efforts across Canada and internationally."

D'Eschambault knows his company produces great wines and has the medals to prove it. Available at most Manitoba Liquor Marts, each of D.D. Leobald's three categories of wine—fruit on fruit, premium fruit and dessert—have won Canadian Wine Awards. But that doesn't impress money-lenders.

"Our funds are largely tied up in inventory, and the banks don't recognize inventory as collateral," d'Eschambault laments. "Even government loan programs have turned us down, saying we're too high a risk."

Indeed, start-up businesses that manufacture alcohol in Manitoba do not have a good track record. (Remember now-bankrupt Maple Leaf Distillers?) However, d'Eschambault is not easily discouraged and continues to research growth and export opportunities, often turning to the Canada/Manitoba Business Service Centre for assistance.

"The Business Service Centre is a great resource," he says. "I've found lots of information on government programs and recently participated in a series of seminars on export opportunities."

Next up for D.D. Leobard Winery is the planned opening of a retail store, a new web site ([ddleobardwinery.com](http://ddleobardwinery.com)), and a new label featuring Manitoba's iconic polar bear. While these are exciting opportunities, d'Eschambault knows they won't come to fruition without continuing hard work—in his words "the daily grind." He wryly adds an investor with deep pockets wouldn't hurt either.

"There's a saying in our industry that the only sure way for a winery to make a small fortune is to start with a large fortune," he laughs. "Nevertheless, we intend to keep growing and searching for the resources to help us do that."





# “Onboarding”

strategy aids employee recruitment and retention

WITH MANITOBA’S UNEMPLOYMENT RATE SITTING AT A LOW 4.1 PERCENT, MANY EMPLOYERS ARE AGGRESSIVELY COMPETING FOR WORKERS. While that may seemingly put smaller businesses at a disadvantage, at least one human resources expert says that’s not necessarily the case.

Wendy Phaneuf, founder and managing director of The Training Source, says while small businesses may not offer pensions and comprehensive benefits, they can find other ways to keep employees happy.

Phaneuf cites numerous studies showing that what employees value most are positive relationships with their immediate supervisors and a sense of feeling appreciated. She says these factors lead to greater employee retention and thus less time and hassle spent on recruitment.

One area where many businesses fall short, she says, is in providing early and on-going support to new employees—what she calls “onboarding.” Phaneuf explains that onboarding is not just orientation. Rather, it lasts much longer (at least three months) and is more comprehensive.

“I repeatedly see that there’s very little energy being put into supporting new employees. Companies tend to overwhelm employees with information the first couple of days, call that ‘orientation,’ and then leave them to figure things out.”

She says a planned onboarding approach, on the other hand, might see a new employee work side by side with another staff member; spend time learning about the company and their role in it; talk with a manager about expectations and where they fit in the organization; take on a gradually increasing workload; and receive appropriate skills training and ongoing feedback.

“If you consider how much effort we put into continually hiring, to sit down and map out an onboarding process makes a lot of sense,” Phaneuf insists. “Keep talking to your employees, build a relationship, and provide ongoing support.”

Most small businesses do not have formal HR departments, yet they may deal with similar HR issues as large corporations: finding qualified people; providing job orientation; making sure employees understand what is expected of them; monitoring job performance; providing training and performance reviews, etc.

Phaneuf says that, ideally, business owners should develop some expertise in HR basics but if that’s not possible, they should at least commit to hiring someone on a contract basis who can provide HR help. ●

## Licenses, permits, regulations...oh my!

Wondering if you need any licenses or permits before you start your business? The quickest way to find out is to visit BizPal—an online, one-stop service for entrepreneurs that simplifies the process of finding information on business permits and licenses from all levels of government.

BizPal asks a series of questions about your business, then provides you with a list of permits and licenses specific to your business activities, as well as basic information and links to more details where available.

All Manitobans can use BizPal for advice on federal and provincial requirements affecting their business. Municipal requirements are listed for entrepreneurs in Winnipeg, Brandon, Thompson, Morden, Winkler and the RM of Stanley. You’ll find BizPal at [www.canadabusiness.ca/manitoba](http://www.canadabusiness.ca/manitoba) ●

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