

How to Start a Business in the NWT



An informative guide
designed for the individual or
group starting up a business
in the Northwest Territories.

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A message from the Canada/NWT Business Service Centre

Small businesses provide important outlets for the talents and energies of enterprising, independent people. They supply jobs, and provide needed goods and services.

The Canadian and Territorial governments opened the Canada/NWT Business Service Centre in recognition of the significant contribution made by small businesses to the territorial economy. Our mandate is to support and assist northerners in the continued development of the small business sector.

This handbook is designed for the individual considering starting up a business for the first time. By following the steps outlined in this handbook, you should be able to overcome typical problems encountered by the new entrepreneur.

Chapter One offers a glimpse into the Canada/NWT Business Service Centre and the tools and services it provides, including interactive internet services.

Chapter Two will help you examine your motives for getting into business, and will guide you through the process of testing your business idea. At the end of this chapter, you should have a good idea of the personal risks and benefits of being in business, and what personal and financial resources you will need to succeed.

Chapter Three helps you take your business idea a step further. You learn about the various forms of business, and decide which is best for you.

Chapter Four will show you how to develop your business idea into a format that prospective lenders may require. The business plan will help you to explain your business idea to lenders and investors, and will provide you with an idea of how much it will cost you to get into business, and how much income you can expect.

Chapter Five talks about the types of financing available, and who to approach for loans and financial assistance.

Chapter Six outlines the next steps in starting your business, including how to register your business in the NWT and provides information about various regulatory and licensing agencies.

As you work through your business idea, you will want to continually test your idea to ensure your efforts and investment will pay off. To help you test your idea along the way, we have included a list of questions at the end of each chapter that you should answer before going any further. These questions will help you determine whether you're ready to move on to the next step of planning your business.

Appendix A provides additional sources of business information and advice.

Appendix B provides information on loan and contribution programs available through various organizations.

Appendix C provides contact addresses and phone numbers for organizations cited throughout this guide.

Appendix D provides definitions of some business terms.

This handbook is a good starting point for planning your business. However it cannot deal with every detail involved in establishing your business and because of this, we strongly recommend that you seek the professional assistance available from the public and private sectors. Their assistance will make it easier for you to start your business and increase your chances of success.

It is our sincere wish that you find the information in this handbook invaluable to launching a successful and rewarding business venture.

Chapter 1: The Canada/NWT Business Service Centre

Your source for business information

The Canada/NWT Business Service Centre provides a wide range of information on government services, programs and regulations.

The goal of the Canada/NWT Business Service Centre is to provide small business and start-up entrepreneurs with access to accurate, timely and relevant information and referrals. The Centre reduces the complexity of dealing with various levels of government, by serving as a central resource for Canadian and territorial business information.

Currently, there are thirteen Canada Business Service Centres – one in every territory and province. The Canada Business Service Centres also have a growing network of partners providing access to information in communities across Canada.

Products and services

Whether you contact the Canada/NWT Business Service Centre in person, by telephone, fax or through the Internet, you will have access to a variety of business products and services including:

- **Information Officers**, who are available to direct you to an extensive collection of printed and Internet information sources. Information Officers can also provide you with confidential advisory services.
- **Website**, which offers extensive information on small business and a database containing information on government programs, services and regulations. The website is located at <http://www.cbcs.org/nwt>
- **Referrals** to government, associations and private sector specialists.
- **Toll-free** business information line, ready to serve clients outside of Yellowknife: 1-800-661-0599.
- **Library reference and research materials**, available to assist you with your market research and business planning. Drop by during our business hours – 8:30 a.m. to 5:00 p.m. (closed from 12:00 to 1:00).
- **Public workstation**, equipped with computer, printer, internet connection and popular software programs.

The Canada/NWT Business Service Centre, located in Yellowknife, recognizes that there are business opportunities everywhere in the NWT. That is why we've teamed up with Community Futures Development Corporations and formed regional access sites throughout the NWT to assist you.

Sources: Contact information for the Canada/NWT Business Service Centre and regional access sites in Community Futures offices is listed in Appendix C.

Internet services

Business Start-up Assistant

The digital age has enabled the Canada/NWT Business Service Centre to provide new NWT businesses with a unique interactive service, called the Business Start-up Assistant. This unique service offers valuable information that can help you to develop your business, including:

- Market research;
- Business name and structure;
- Preparing a business plan;
- Financing;
- Taxation;
- Hiring employees;
- Doing business on the Internet;
- ... and more.

The Business Start-up Assistant can be accessed on the Internet at www.cbsc.org/bsa

Interactive Business Planner

Another unique source of information is the Interactive Business Planner. It is the first small business planning software designed specifically to operate on the world wide web. This interactive on-line tool will help you prepare a comprehensive business plan for your new or existing business.

This service is effective, easy-to-use and absolutely free. It can be an invaluable source, saving you time by:

- Providing on-line help with a simple click of your mouse;
- Saving your plan on the site's server, which you can retrieve using your own password; and
- Allowing you to download your plan, print it and use it to obtain financing.

Save yourself the time and effort of trying to do everything yourself. Check out the Interactive Business Planner at www.cbsc.org/ibp

Online Small Business Workshop

The Online Small Business Workshop (OSBW) is a web-based workshop designed to provide you with techniques for developing your business idea. It is organized in five sessions, each focussing on a different area of business.

- Session 1 – Starting with a Good Idea
- Session 2 – Marketing Basics
- Session 3 – Financing Your Business
- Session 4 – Planning Fundamentals
- Session 5 – Basic Regulations for Getting Started

The OSBW can be found at www.cbsc.org/osbw

Of course, if you have any questions, remember: an Information Officer is there to help during regular business hours. Any way you look at it, we've got you covered.

Chapter 2: Getting Started

So you want to be an entrepreneur...

You have made a very important decision, but have you really considered all the implications?

Many northerners have thought about the benefits of starting a business: the independence it would bring; the chance to be your own boss; and the opportunity to earn profits. All of these are good reasons for getting into business. But, are you really ready for the changes it will bring in your life? How much risk are you willing to take?

The decision to get into business is one that only you can make. The level of risk that you may feel completely comfortable with may be far too great for someone else. This handbook will not help you assess your personal tolerance for taking risks, but it will take you step by step through the major decisions you must make in bringing your business idea from vision to reality.

Sources: Help in evaluating your ideas is available from the Canada/NWT Business Service Centre and financial institutions. You can also get help from government agencies. Lists of other sources are included in Appendix C.

Why do you want to get into business?

To be an entrepreneur is to be a risk-taker. At the heart of every new business is an entrepreneur: someone not content to leave things as they are, but wanting to strike out on his or her own.

You, as an entrepreneur, bring two important ingredients to your new business: your confidence in your idea, and your willingness to accept the hard work and long hours necessary for success.

Before setting the wheels in motion it is important for you to evaluate your reasons for getting into business and your capabilities.

Assessing your personal strengths and weaknesses

Running a business requires skills in management, organization, accounting, marketing and economics. Few managers possess all of these skills. You must carefully review your own strengths and weaknesses and develop strategies for overcoming areas where you may be weak.

Assessing your personal risk tolerance

There is no such thing as a risk-free investment. Your challenge is to:

- Decide on the level of risk you are willing to assume; and
- Understand the consequences of that choice.

Being your own boss can offer great personal satisfaction, but with it comes the responsibility for making decisions and living with the consequences. The right decision offers profit and success. The wrong decision can cost you – and others who have helped you to get into business – money. Too many wrong decisions can put you out of business.

Your decision to enter into business will have implications for your lifestyle. When considering your decision ask yourself:

- Do I have enough experience in my choice of business and if not, how do I obtain it?
- Am I a risk-taker? Do I understand the implications of my decision?
- Should I maintain my current employment or will my business provide enough income to meet my needs?
- Is my family supportive and understanding?

Assessing your financial resources

Since you now know why you want to get into business, you must take stock of your financial resources. You must estimate:

- The amount of money you are willing to put at risk; and
- The minimum income needed to meet your current obligations and continue to live comfortably.

Step 1—Estimating the income needed to meet your living expenses

Your minimum monthly draw from the business must allow you to cover your living expenses. Include expense items such as:

- Monthly payments on loans and credit cards;
- Rent or mortgage payments;
- Food and clothing;
- Automobile expenses; and
- Taxes

Subtracted from:

- Income from other sources.

Step 2—Estimate your capital assets

Your next step will be to determine the capital (money, property and effort) you are willing to invest in your business. You may need to sell some of your personal assets to obtain the cash needed to start your business. In undertaking this assessment, you must determine your net assets — what you own less what you owe.

What you own:

- Cash;
- Investments;
- Real Estate;
- Automobiles and equipment; and
- Life insurance

Less what you owe:

- Loans;
- Charge accounts; and
- Mortgages.

Recognizing the risks

Businesses fail for a variety of reasons. Some common reasons for failure include:

- Lack of experience;
- The wrong product;
- Poor timing;
- Lack of money;
- Improper pricing (too high/too low);
- Inventory mismanagement;
- Spending too much on buildings and equipment;
- Poor credit granting practices;

- Excessive withdrawals by owners;
- Unplanned expansion;
- The wrong attitude;
- The wrong location; and
- Domestic (family) pressure.

Strategies for reducing risk

- Talk to people. Meet with potential clients to discuss your idea and what they, as customers, want.
- Look to the industry leader. If there are others in your business within your community or in other communities that are particularly successful, see what they are doing right. Don't be afraid to copy good ideas.
- Consider a pilot test or a customer needs survey.
- It may be possible to play it safer by doing your idea on a small scale.
- Educate yourself. Take courses in bookkeeping, marketing, people management, business management, accounting or computers.
- All businesses today are affected by some form of government regulation: taxes, fire, safety, transportation, and so on. Make sure you are up-to-date with any regulations that may affect you.
- Work for another business like the one you want to start.
- Start a home-based business on a part-time or full-time basis.

Are you ready for the next step? Use the checklist to find out if you're ready to move on to the next step in planning your business.	Considered this. Ready to move to the next step.	Need to think about/ research this some more.
Why do you really want to go into business?		
What is your risk tolerance? How does your planned business fit within that risk tolerance?		
What resources are you willing to put at risk to make your idea happen?		
Do you know how much money you need to live on? Do you have a plan to provide that minimum income until your business becomes successful?		
Do you know your personal strengths and weaknesses? Do you have a plan to get help in your weak areas?		

Chapter 3: Making Your Business Idea a Reality

You have taken the first steps towards getting into business. You are now ready to take the next steps before developing your business plan. Your next decisions are:

- Choosing how to get into business – starting up from scratch, buying an existing business, or buying a franchise.
- Choosing the form the business should take – proprietorship, partnership or a corporation.
- Choosing the financial structure – loans, personal investment, and so on.

Ways to get into business

There are three common ways to begin a business – starting from scratch; buying an existing business; or buying a franchise. A key factor in choosing what type of business you want to begin is risk, or your perception of risk. If you are an experienced businessperson you may want to start from scratch. If you are inexperienced or do not want to take risks you may want to buy an existing business or a franchise.

Starting from scratch

This is the route chosen by most first-time entrepreneurs. Risks tend to be highest in a new business, but so are the potential rewards. Starting a business often means long hours doing everything from waiting on customers to filing, bookkeeping and sweeping the floors.

During your start-up you will be doing things you never dreamed you would, yet the satisfaction you get from a successful start-up will make that effort worthwhile.

Starting from scratch

Advantages

- ▶ Potentially lower start-up costs and lower overhead.
- ▶ Freedom to make your own decisions (marketing, pricing, product selection).
- ▶ Flexibility to change quickly.

Disadvantages

- ▶ High risk.
- ▶ Increased planning and development time.
- ▶ Need to develop new clientele.
- ▶ Need to develop new systems and processes, supplier contacts, etc.

Buying an existing business

If you are a first time business owner, buying an existing business offers an excellent way to reduce risk. However, you must be very careful to pick the right business for the right reason at the right time.

Before purchasing a business you must answer the following questions:

- Why is the business for sale?
- Is the asking price justified?
- Are you paying for assets that you will not need?
- Do you have the skills needed to operate the business?

To make sure you make the right decision you should do the following:

- Have an accountant review the financial statements and to estimate what the business is worth;
- Get an appraisal of the assets and equipment;
- Check out the age and amount of the inventory;
- Find out if you are being asked to buy assets you will not need;

- Check out liens, leases and contracts that may be in place;
- Talk to suppliers and customers; and
- Seek legal advice.

Buying an existing business

Advantages

- ▶ Less risk than starting from scratch.
- ▶ Supply and service systems in place.
- ▶ Established clientele.
- ▶ Immediate cash flow.

Disadvantages

- ▶ Higher cost than starting from scratch.
- ▶ Less flexibility: existing contracts (union agreements) may limit future actions.
- ▶ Clients and suppliers may have predispositions (either favourable or negative).
- ▶ Established organizational culture may be difficult to change or slow to adapt to new ways of doing business.
- ▶ Liabilities may exist relating to warranties, government regulatory infractions or tax reassessments.

franchising

Franchising has become a very successful way for many entrepreneurs to get into business because most franchises are based on a winning formula. Franchises work because market assumptions have been proven. Supplier and distribution networks are normally in place, as are training and orientation programs.

The arrangement is covered by contract. The franchiser usually charges an initiation or start-up fee, plus royalties on sales. The package may include such items as:

- Established national/regional marketing campaigns;
- Leasing, employee training, use of trademarks;
- Redesigned buildings and layouts; and
- Management training programs.

The degree of control retained by the franchiser is not the same for all franchises. Before entering a franchise agreement you should make the same careful analysis that you would for any other type of business. You must bear in mind that although franchise owners are self-employed, they must conform to someone else's pattern of doing business. Franchising works because the formula or package has been tested in a variety of situations. There are no guarantees, but if the formula is followed, risks should be minimized.

This adherence to a formula may limit personal freedom and business experimentation. You should know in advance if your personality and motivation are consistent with such a structured form of doing business. The Association of Canadian Franchisers (most of Canada's leading franchisers are members) can provide valuable advice and assistance.

Sources: Contact information for The Association of Canadian Franchisers is listed in Appendix C.

franchising

Advantages

- ▶ Lower risk.
- ▶ Proven formula.
- ▶ Total business package.
- ▶ Brand recognition because of national or regional marketing campaigns.
- ▶ Market protection.
- ▶ Existing supplier/distribution networks in place.

Disadvantages

- ▶ High entry cost.
- ▶ Ongoing royalty payments.
- ▶ Standard products and processes.
- ▶ Little opportunity for experimentation.
- ▶ Your market size may not be large enough for the franchise to be considered.

Start? Buy? Franchise? Key considerations

In making your choice you should consider the risk/return trade-off (the higher the risk the greater the return) and your personal risk tolerance. A business start-up takes the most time and faces larger risks, but the returns may be higher. Be sure to assess the following when making your decision:

- Tolerance for risk;
- Knowledge of business;
- Time frame: it takes longer to start-up your own business;
- Understanding of the market environment: by buying out your competition you are gaining immediate market share;
- Amount of personal resources you have to invest in the venture: it costs more to buy an existing business or a franchise; and
- Desire to make your own decisions.

Forms of business organization

There are four basic types of business organization – sole proprietorship, partnership, corporation, and co-operative.

Sole proprietorship

A sole proprietorship is a business owned by a single person. It is the most basic business structure and is usually owner operated. It is the easiest and simplest form of business to set up, organize and manage, and is not subject to as many regulations as the more sophisticated business structures. A business license is required, which can be obtained from the city, town, hamlet, or village office, and in unincorporated communities, from Municipal and Community Affairs (MACA).

A sole proprietorship may be operated under the owner's name without registering the name with Legal Registries. If a business name is used or more than one owner is implied (i.e. 'and Company' or 'and Son') the name must be registered with the Registrar of Companies, Department of Justice, Yellowknife.

Sources: Wondering who you should contact to get a business license or register your company? See Appendix C for contact information for MACA, municipal/community governments, and the Department of Justice.

Sole proprietorship

Advantages

- ▶ Easy to set up.
- ▶ Owner has complete freedom of operation and control.
- ▶ All profits belong to the owner.
- ▶ Business expenses may be deductible from personal incomes for tax purposes.

Disadvantages

- ▶ If your personal assets are limited you may not always have the required capital to meet business needs. Lenders may be reluctant to help.
- ▶ In the case of business failure, the owner's personal assets, including home and properties are subject to claim by creditors. The owner assumes all risks, accepts all profits and losses, and pays all taxes.
- ▶ Legal life of the business terminates with death of the owner.
- ▶ Profits are taxed as personal income. If profits are high you may pay higher taxes than you would if you were incorporated.

Partnership

There are two forms of commercial partnership: general partnership and limited partnership.

General partnership

A general partnership is formed when two or more people pool their resources and abilities in a joint business venture. The following terms should be set out in a partnership agreement:

- Objectives of the partnership;
- Amount of investment to be contributed by each partner;
- How profit and losses are to be shared;
- Duties and participation of the partners;
- Provision in the event of death or retirement – a succession plan;
- Special conditions; and
- How the partnership will be dissolved.

In addition, the **Partnership Act** requires you to register the business name, address, type of business and partners of the firm with the Registrar of Companies, Department of Justice within sixty days of its formation.

Partnership

Advantages

- ▶ A partnership is easy and inexpensive to start and is also flexible.
- ▶ Provides additional sources of capital for the firm by combining the assets of two or more partners.
- ▶ Provides more resources and expertise to perform the functions of the company.

Disadvantages

- ▶ A partner can be held personally liable for all debts incurred by the business (unless limited partnership).
- ▶ Each partner is responsible for obligations placed on the business by other partners.
- ▶ Profits are taxed at personal tax rates.
- ▶ The company ends with the death of any of the partners.

Limited Partnership

This is a special arrangement where a person may contribute financially to the partnership but is not involved in managing the day-to-day affairs of the partnership. A limited partner is normally only liable to the firm or its creditors to the extent of the capital he or she has agreed to contribute towards the partnership. All limited partners must sign a declaration, which is then filed with the Registrar of Companies, Department of Justice. Limited partnerships are usually restricted to specialized areas such as resource development and motion picture production.

Corporation or limited company

A corporation is a business which is a legal entity separate from the owner or owners of the business. The act of incorporation gives life to that entity. The terms corporation, incorporated company, limited company all mean the same thing. A corporation has the same rights and obligations under Canadian law as a natural person. A corporation can acquire assets, go into debt, enter into contracts, sue or be sued, and even in some situations be found guilty of committing a crime.

The owners of the business are called shareholders and have no personal liability for the company's debt, unless they have signed a personal guarantee. However, if a shareholder is also a Director of the company, he or she may be liable. A company's money and other assets belong to the company and not the shareholders. The profits of the corporation may be retained for reinvestment or distributed to the shareholders in the form of dividends.

Corporation

Advantages

- ▶ A corporation has limited liability. The company is a distinct legal entity apart from the owners (shareholders). Generally, shareholders are not held personally liable for the debts, obligations or acts of the company except to the extent of his or her actual investment. Directors are the exception and may be liable.
- ▶ The life of the company does not end with the death of a shareholder.
- ▶ Ownership of a limited company can be transferred by the selling of shares without interfering with the operations of the business.
- ▶ Capital may be accumulated from the sale of common or preferred stock, loans or retaining profits from the business.
- ▶ Incorporated companies may be subject to beneficial tax rates.

Disadvantages

- ▶ The fees required to establish and maintain a corporation.
- ▶ Activities are limited to those specifically granted by the company's articles of incorporation.
- ▶ The corporation is subject to more regulations.
- ▶ The small corporation's limited liability may be negated by having to sign personal guarantees to banks and major creditors.

Co-operative

A co-operative is a special type of business that is owned and controlled by its members. Each member pays a membership fee or purchases a membership share and has one vote regardless of how much money they have invested in the co-op. Some co-operatives may pay out patronage dividends according to the amount of business done by the member.

The purpose of a co-operative is to unite those in similar circumstances and with common goals to gain the advantages of large-scale operations. The **NWT Co-operative Associations Act** stipulates that co-operatives must be incorporated and contains the words co-operative and limited in their name. Co-operatives are subject to income tax in the same manner as other corporations, although a deduction from income may be claimed for patronage dividends paid to members and customers.

Co-operative

Advantages

- ▶ Social and educational needs may be served by the pooled effort necessary to operate a co-operative.
- ▶ Community development in remote areas may be stimulated through the formation of co-operatives.
- ▶ Life of the co-operative does not end with the death of a member.
- ▶ Greater ability to respond to communities' needs.
- ▶ The collective buying power of co-operatives greatly exceeds that of the individuals who make up the co-operatives.

Disadvantages

- ▶ Members having the larger investment have the same voting privilege as the smaller contributors.
- ▶ Because of their democratic form and social and educational objectives, often business decisions may be made for reasons other than return on investment.

To incorporate or not? Key considerations

The various forms of business organizations described above offer different levels of protection for you, depending on your investment and personal net worth.

Some of the factors you should consider when choosing your form of business organization include:

- Ease of entry: cost, red tape involved;
- Degree of regulation and reporting;
- Need to protect non business assets and to limit personal liability; and
- Taxes.

You may wish to employ the services of an accountant or lawyer to help you evaluate the best option. Various branches and agencies of the federal and territorial government also make available services to aid you in choosing the right form of business organization.

Sources: See Appendix C for a list of organizations you can contact to help you determine the right form of organization for your business.

Are you ready for the next step? Use the checklist to find out if you're ready to move on to the next step in planning your business.	Considered this. Ready to move to the next step.	Need to think about/ research this some more.
What is your best option, given your tolerance for risk, need for autonomy, knowledge of the business, the market, and personal resources to invest?		
• Buy an existing business		
• Start from scratch		
• Obtain a franchise		
What is the best form for your business, considering costs, degree of regulation, need to limit personal liability, and tax issues?		
• Sole proprietorship		
• Partnership		
• Limited company		
• Co-operative		

Chapter 4: Developing a Business Plan

A business plan, if done thoroughly and honestly, will become an important guide or reference during the initial stage of setting up your business and for making strategic decisions later on. Depending on the nature of your business, your business plan need not be elaborate. Bankers, suppliers and other important contacts may want the assurance of a business plan before doing business with you. It is important to them because they are putting other people's money at risk with your idea. It is important to you because you are putting far more at risk: your financial stability, your reputation and your status in the community. It is far easier and less costly to correct your mistakes on paper before you are in business.

Your business plan

There are several ways to develop your business plan. If you wish to do your business plan on a computer, the Canada/NWT Business Service Centre's Interactive Business Planner is an easy-to-follow source. You can save your plan and retrieve it by using your own password, so you can work on it any time you like. Go to: www.cbsc.org/ibp for more details.

Your business plan will help make your business idea concrete. But as well, it is the document that lenders and other investors will look at to assess whether they are willing to invest in your business. There are many ways to organize a business plan. What follows is one way to organize the information you should include in your plan.

Contents of your business plan

- Executive summary;
- Mission statement;
- Company overview;
- Strategic business objectives;
- Business and market environment;
- Market plan; and
- Financial plan.

Executive summary

Although it appears at the beginning of your business plan, you should write your executive summary last. It provides a one to two page summary of the key points of your business plan. Think of it as a snapshot of what you envision your business to be, and how you plan to get there.

Mission statement

After completing the steps outlined in chapters two and three, you are now in a position to clearly state your new business' mission statement. Your mission statement is what you want to happen and where you want to be some time in the future. By writing it down, you will have a benchmark to check to see why you went into business and whether your objectives have been realized. The points to consider in writing your business' mission statement are:

- It should look to the future;
- It should clearly state your commitment to your customers (i.e. low price, quality or service); and
- It should clearly state your commitment to the shareholders and to your employees.

Here are some samples of mission and vision statements of other businesses:

Yellowknife Direct-charge Co-op mission:

To enhance the co-op experience while providing the best possible value to our members. The co-op experience includes:

- Sense of family
- Sense of control
- Good service and feeling of respect
- Awareness of social and environmental responsibility

Canadian North Airlines mission:

Our mission is to build Canadian North's presence by developing new routes and services to better meet the air travel and cargo needs of northerners.

Company overview

The company overview provides essential information to lenders and investors about the company. It should include:

- The legal name of the company;
- The legal form of the company – sole proprietorship, partnership, corporation or co-operative;
- The business location; and
- Background on key management personnel.

Strategic business objectives

You should also state how you intend to fulfill your mission. Your objectives or targets should be:

- Realistic;
- Measurable;
- Related to your mission statement; and
- Action oriented.

Targets should be set in the following areas:

Sales

You will need to set a sales target as a first step in developing your business plan.

Service

It will be important to state how you intend to satisfy your customers' needs. If you are in a manufacturing business it may be the quality and variety of products available. For a service business it might be turn around times, friendly service, the best price or attractive financing terms.

Profit or growth

You may be getting into business to increase your income, or you may be willing to sacrifice the amount of money taken out of the company to build a larger company. As an owner you may have to make a trade off between income and growth. You may want to sacrifice the money taken out in earnings for future growth. You may want to emphasize growth, to protect or strengthen your market share to reduce cost and to increase competitiveness.

Social objectives

As the owner of a small business you have a social responsibility to your customers, employees, suppliers, the government and to the community. For example, your participation in the community and contribution to charitable causes is a way of paying back your customers for their loyalty and support. It also provides an important message to your clients and your employees of your integrity and generosity.

Diversification

By diversifying your product or service, you can reduce the risks of changing market demand. This may be particularly important if you operate in a small market or your product experiences seasonal demand.

Business and market environment

Your business will operate within a complex business environment where your success will depend on your ability to anticipate and react to changes in:

- Your customers;
- Your competitors;
- Your suppliers; and
- Your bankers.

Knowing the marketplace will be the key to your success. Your business and marketing plan should address market trends at three different levels:

- Economic trends;
- Industry trends; and
- Community business trends.

Economic Trends

It is often said that good timing is sometimes more important than good judgment. Analysis of business trends shows a direct link between business failures and a general slow down or recession in the economy. Some industries, like real estate, recreation, luxury goods and high fashion are very sensitive to cyclical trends in the business cycle.

If you are in a cyclical type of business you should collect information on some of the following economic indicators and use them to anticipate changes in demand for your products or services:

- Private and government investment;
- Interest rates;
- Unemployment levels;
- Cost of living;
- Ease of credit;
- Consumer expenditures; and
- Bankruptcies.

Sources: Information on economic trends is available from the Government of the Northwest Territories (GNWT) Statistics Bureau, Canada/NWT Business Service Centre and from industry trade journals, municipal government, and Statistics Canada. See Appendix C for contact information for some of these organizations.

Industry trends

The industry within which your business will operate may be experiencing changes quite independent from the broader economy. Statistics are available on a wide range of industries that will provide useful background information. This information will be useful in determining break-even sales, gross margins and capital requirements. If you are able to answer the following questions you should gain confidence in your original assumptions:

- How many firms are there in the industry?
- Are they profitable?
- Do they vary in size or do they seem to be uniform in size and characteristics?
- Is there a relationship between size and profitability?
- Have you anticipated technological changes?
- If your company will rely on one or two major accounts, what are their long-term economic prospects and how strong is their industry?
- Will your company serve only the local market or are there opportunities to expand regionally or nationally?

Sources: Information on industry trends can be gathered by in-depth research and/or seeking the assistance of your Economic Development Officer or the Canada/NWT Business Service Centre. You can also gather information from industry associations, trade publications, interviews with business leaders and the NWT Chamber of Commerce. See Appendix C for information on how to contact some of these organizations.

Community business trends

Your final step will be to scan what is happening in your community. The size, nature and characteristics of the market, as well as your company's future possibilities may be determined by answering the following questions:

- Is the market large enough to sustain your business? Describe a profile of your typical client (i.e. business suits – male, professional, 35 years old). How many customers do you need to meet your sales targets?
- What is the size and distribution of income within the population?
- Is the sales volume for this kind of business growing, stable, or declining?
- What are the number and size of competitors?
- What is the success rate of competing businesses?
- Who are the main suppliers?
- What is the normal industry return on investment?

Sources: For information on community business trends, contact – GNWT Statistics Bureau or Statistics Canada (See Appendix C for contact information) or access market surveys – public information regarding leading companies in your chosen industry.

Market plan

Now that you understand the marketplace, you must position your company so that you can achieve your sales and market share targets. The main components of your market plan are:

- A sales strategy indicating how your product or services will be sold to your customers. Include such items as hours of operation, credit arrangements, customer discounts, specials, etc.
- A pricing strategy indicating how your product or service is priced relative to your competition. You should also list reasons why your customers would be willing to pay more or less for your product or services.
- A distribution strategy indicating how your product will be sold through wholesalers, customer direct, through brokers, and so on.
- An advertising and promotion strategy. Your promotions should build on a single theme or message. How is this message to be delivered – point of purchases, seasonal sales promotions, radio or TV advertisements, sponsoring events, etc.?

Financial plan

When establishing a new business it is extremely important that you prepare a financial forecast of the business for at least the first year of operation. The detail will depend on the amount of money and risks involved. If you will be completely dependent on income from the business, or if it involves taking bank loans against income being generated by the business, you must prepare more elaborate forecasts.

Sources: You can get help with the financial area of your business plan by consulting with an accounting firm. See Appendix C for more information.

Forecasting is simply projecting budgets to cover the first one to three years of your business operation. The following type of forecast will give you an overall financial picture of the business plus provide a detailed analysis of your expenditures, revenues and profits. Financial planning is necessary not only for ensuring the viability of your business, but also in presenting your proposal to a lender for financing. Most lenders will not consider your plan unless you have done your homework in this area. In preparing your financial plan you will need:

- Capital budgets;
- Operating budgets;
- Cash flow projections; and
- Historical and projected financial statements.

The capital budget

Your capital budget will detail the assets you will need to start-up your business. If you are buying an existing business, the cost of assets will be the cost of the business. If you are starting from scratch you will need to buy or lease the assets needed to get into business. Assets to be included in your capital budget may include:

- Building and equipment;
- Leasehold improvements;
- Vehicles;
- Working capital;
- Materials; and
- Inventory.

Table 1: Sample Capital Equipment Budget

Capital Equipment List for ABC Plumbing and Heating Inc.
for the period ending Month/Year

Item	Description	Qty	Unit Cost	Cost
Office equipment				
	Telephones	2	\$ 150	\$ 300
	Photocopier	1	500	500
	Computer	1	2,000	2,000
	Printer/fax	1	800	800
Furniture				
	Office desk	1	500	500
	Chairs	4	450	1,800
	Filing cabinet	2	300	600
Vehicles				
	Service truck	1	10,450	10,450

Financial projections

If you are starting a new business, or buying an existing business, you will need to project future operations. Generally, planning is done for one year by projecting monthly financial activity.

General rules to follow in projecting financial activity are:

- **Be conservative** – be realistic in your numbers.
- **Project your budget first** – start with your fixed operating expenses, (administration and overhead), such as rent, utilities, etc. Next you'll need to estimate your direct expenses, those that vary with the volume of business you attain.
- **Base your sales projections on your marketing plan.**
- **Consider several scenarios** – usually for a worst case, most probable case and a best case.

The following projection is a simplistic example of the cash provided and used by normal operations.

Table 2: Financial Projections

Projected Cash Flow Budget for ABC Plumbing and Heating Inc.
for the period ending Month/Year

	Apr	May	Jun	Jul	Aug	Sept
Receipts						
Cash sales and collection of previous month's sales	<u>\$500</u>	<u>\$1,500</u>	<u>\$2,700</u>	<u>\$4,000</u>	<u>\$3,000</u>	<u>\$4,500</u>
Payments						
Material purchased	345	575	1,200	1,800	1,300	2,000
Wages	960	960	960	960	960	960
Utilities	125	150	145	75	100	125
Repairs	45	45	55	90	50	60
Insurance	50	50	50	50	50	50
Rent	150	150	150	150	150	150
Interest	<u>120</u>	<u>120</u>	<u>75</u>	<u>55</u>	<u>70</u>	<u>55</u>
Total payments	1,795	2,050	2,635	3,180	2,680	3,400
Cash (deficiency) from operations	(1,295)	(550)	65	820	320	1,100
Owner withdrawals	0	0	0	(625)	(625)	(700)
Bank line of credit	500					
Cash at start	<u>1,500</u>	<u>705</u>	<u>155</u>	<u>220</u>	<u>415</u>	<u>110</u>
Ending cash	<u>\$705</u>	<u>\$155</u>	<u>\$220</u>	<u>\$415</u>	<u>\$110</u>	<u>\$510</u>

Financial statements

If you are taking over an existing company your lender may want you to provide financial statements for the last three years. The business should have prepared financial statements available to you, for each year it has been in business.

There are four main components of a financial statement:

- Balance sheet;
- Income statement;
- Statement of cash flow; and
- Notes to financial statements.

Balance sheet

The balance sheet is a picture of your financial position. It shows what you own (assets), and what you owe (liabilities), as well as what you are worth (shareholder's equity) at a given period of time. Current assets and current liabilities are components of your working capital position. Combined, they indicate whether a business has sufficient resources to meet current obligations (those due in less than one year). Capital assets are possessions, such as a machine, which can be used to make money and have a reasonably long life, usually several years. Long-term liabilities are debts that will not be paid off within one year.

Share Capital is the amount paid for shares in the company. Retained Earnings are the accumulated earnings after taxes. Together they represent Shareholders' Equity.

Table 3: Sample Balance Sheet**ABC Plumbing and Heating Inc.
at Month/Year**

Current Assets		
Cash		\$ 1,500
Accounts Receivable		<u>500</u>
Total Current Assets		2,000
Capital Assets		
Office Equipment	\$ 3,600	
Furniture	2,900	
Vehicle	10,450	
Less Amortization	<u>(3,000)</u>	
Total Capital Assets		<u>13,950</u>
Total Assets		<u><u>\$15,950</u></u>
Current Liabilities		
Income Taxes Payable		\$ 695
Bank Line of Credit		500
Accounts Payable		<u>565</u>
Total Current Liabilities		1,760
Long Term Debt		
Shareholder's Loan		<u>10,935</u>
Total Long Term Debt		<u>10,935</u>
Total Liabilities		\$12,695
Shareholders' Equity		
Share Capital		100
Retained Earnings		3,155
Shareholders' Equity		<u>3,255</u>
Total Liabilities & Shareholders' Equity		<u><u>\$ 15,950</u></u>

Income statement

The income statement (also called the profit-and-loss statement) shows how much money (revenues) came in and how much money (expenses) was paid out. Subtracting the expenses from the revenues, gives the net profit.

Typical items in your income statement include:

- **Revenues** – money received from sales, usually broken down by product category or service area;
- **Expenses** – there are two basic categories of expenses. Direct expenses represent cost directly associated to sales revenue such as material and wages and benefits. Administration and overhead are fixed expenses such as amortization, repair and upkeep that are expended to keep a business open;
- **Income before taxes** – income from operations less other income and expenses;
- **Income taxes;** and
- **Net income.**

Table 4: Sample Income Statement

Operating Forecast for ABC Plumbing and Heating Inc.
for the period ending Month/Year

Revenue		\$50,000
Direct Expenses		
Materials	\$ 12,500	
Wages and benefits	<u>25,000</u>	37,500
Administration and Overhead		
Advertising and promotion	600	
Amortization	3,000	
Communications (phone, fax, etc.)	800	
Insurance	1,200	
Repair and upkeep	750	
Utilities	<u>2,300</u>	
		<u>8,650</u>
Income before taxes		3,850
Income Taxes		<u>695</u>
Net Income		<u>\$ 3,155</u>

This is only a sample of what should appear on an income statement. Expense items will vary depending on your type of business. However, if the information used to obtain the figures for the income statement is accurate, the statement will provide answers to many of the problems that might occur in the early stages of the business. By preparing a financial plan beforehand you can avoid major risks that may cause the business to fail.

Statement of cash flow

This statement identifies the changes to the cash position of a company. It specifies cash generated from operations, cash applied to the working capital, acquisition of fixed assets, repayment of loans or payment of dividends, proceeds from loans or share capital issued.

Table 5: Sample Statement of Cash Flow

**ABC Plumbing and Heating Inc.
for the period ending Month/Year**

Cash Flow from Operating Activities	\$ 3,155
Add: Amortization	<u>3,000</u>
Cash Generated From Operations	6,155
Accounts Receivable	(500)
Accounts Payable	565
Income Taxes Payable	<u>695</u>
	<u>760</u>
Net Cash provided (used) by operating activities	<u>6,915</u>
 Cash Flows from Financing Activities	
Bank Line of Credit	500
Shareholders' Loan	10,935
Share Capital	<u>100</u>
	11,535
 Purchase of Capital Assets	(16,950)
Cash Generated (Used)	1,500
Opening Cash	<u>0</u>
Ending Cash	<u>\$ 1,500</u>

Notes to financial statements

These notes explain the accounting policies that were applied in determining the balances shown in the financial statement. It will also provide explanation of details related to valuation of assets, long-term obligation and details related to equity (ownership).

Analyzing financial statements

Banks and lenders look at specific performance ratios in making a loan, some of the most important ratios are:

- **Debt to equity** – banks may lend up to three times the amount of equity put into the business.
- **Debt servicing** – all lenders require that your income exceeds your debt servicing requirements.
- **Return on investment** – is the percentage return calculated by taking the net income and dividing it by the owner's investment.
- **Break-even analysis** – is a calculation to determine the level of sales needed to cover overhead expenses.

- **Current assets/current liabilities** – this is a measure of your current financial situation. It is calculated by taking the number of times current assets (cash, accounts receivable and inventory) exceed current liabilities (accounts payable, debt due in one year). (i.e. 2:1, 5:1).

These are only a few of the many ratios used by lenders and investors to make investment and lending decisions.

Are you ready for the next step? Use the checklist to find out if you're ready to move on to the next step in planning your business.	Considered this. Ready to move to the next step.	Need to think about/research this some more.
What is your commitment to your customers, shareholders and employees?		
What is the nature of your business? Where will it be located, and who will the key management people be?		
What are your strategic business objectives in terms of sales, service, profit/growth, social issues and diversification?		
Do you understand the business environment? Who are your customers? Who are your competitors? Who are your suppliers?		
What economic trends could affect your business? Interest rates; unemployment; cost of living; etc.		
What industry trends could affect you? Number of companies in the industry and their profitability; technological changes; pending changes in the size of the market; etc.		
What community business trends could affect you? Size of the local market; size and distribution of income within the population; number and size of competitors; etc.		
Do you have a marketing plan that considers: <ul style="list-style-type: none"> • Sales strategy • Pricing strategy • Distribution strategy • Advertising and promotion strategy? 		
How much money will you need for your first year of operation? Have you considered: <ul style="list-style-type: none"> • Capital costs • Operating costs • Cash flow? 		
Have you projected your financial statements for three years? Do these projections: <ul style="list-style-type: none"> • Use conservative estimates • Use information in your spending budgets • Incorporate your sales projections • Consider worst case, probable case, and best case scenarios? 		

Chapter 5: Financing Your Business

If you have followed the steps outlined in the previous chapters you should now have a good idea of the capital you will need for your business. However, you will also have to consider more than just the start-up costs. It will be necessary to look at long-term financial obligations such as debt servicing and contingency allowances.

The first step in your search for financing is to learn and understand the pros and cons of the various types of capital required in your business. Capital comes into your business in two ways: as equity capital or as debt capital.

- Equity capital, also called equity financing, is investment made by the owner(s) of the company.
- Debt capital, also called debt financing, is provided by outside lenders. It is borrowed for a set period of time and is paid back with interest.

There are many sources of financing available for a small business in the NWT. Which source you use will depend on the type of business, the amount of equity you have contributed to the business, and the lender's acceptance of your financing plan.

With your business plan in hand, you can approach the lenders to secure the capital required. This chapter provides you with the information needed to do that.

The main sources of financing are:

- Equity capital;
- Private sources of funding;
- Government financial assistance; and
- Commercial loans.

Equity capital

As the owner/operator of the business you will have to provide capital. If you cannot provide the entire amount required for your business, the balance will have to be borrowed. Lenders will be much more confident when they know that you have invested in the business. Your investment, also called 'equity capital' can take the form of money, other personal assets (i.e. land, buildings, equipment), or 'sweat equity' (contributed labour). More often, equity capital is a combination of all of these.

Private sources of funds

Private sources usually refer to friends, family or business associates who might invest in your business. It is important to provide these lenders with the same information that you would a commercial lender. A common form of private financing is to share ownership of your business. You need the assistance of your lawyer and accountant before entering into such an agreement. It is advisable to ensure that all parties in a private financing agreement are adequately protected from potential losses or obligations that may arise from the operation of the company.

Government financial assistance

There are many funding programs available through the territorial and federal governments, including:

- Start-up and expansion;
- Management development;
- Market and product development; and
- General research.

A variety of loan products are also available, including:

- Term loans;
- Contract security; and
- Loan guarantees.

Sources: Appendix B highlights several business programs offered by the GNWT and the Government of Canada. However, program criteria are subject to change from time to time. The Canada/NWT Business Service Centre can provide you with up-to-date information on programs for business.

Commercial loans

Businesses' first choice in obtaining financing should be to go to a banker. Banks generally offer a wide variety of loan programs with varying interest rates, dependent upon risk. In selecting a bank, you may wish to contact several and choose one that you feel will best meet your particular needs. You may also wish to discuss with others what their experience has been.

Before you approach any lending institution looking for money for your business, you should have a very clear idea of exactly what the money will be used for. If you have completed your business plan, you will have this information readily available.

Generally, loans fit into one of the following categories:

- **Short term** – Anything that can be repaid in one year is considered short term, i.e. financing inventory, accounts receivable, or general operating. Generally known as a 'line of credit', these short-term financing loans fluctuate with your need, and are generally available from banks at current interest rates.
- **Long term** – Debts that will not be paid off within one year, i.e. financing fixed assets. Financed through a lending institution, the loan (known as a 'term loan') will be at a fixed term with interest rates determined by your particular circumstances.

Collateral accepted by a lender

To protect their investment, lenders will require collateral – something you pledge to the lender, which can be liquidated to meet your repayment commitment should the need arise.

- Personal guarantees;
- Cash surrender value of life insurance;
- Accounts receivable;
- Property or chattel; and
- Other assets that could include bonds, term deposits.

Common restrictions imposed on borrowers

Lenders may also impose some restrictions or requirements on your business to further protect their investment in your company that may include the following:

Requirements:

- Stipulating minimum working capital levels;
- Providing financial statements at regular intervals;

Restrictions:

- Selling the company or any of its assets without consent;
- Incurring new debts except as agreed;
- Restrictions on guarantees by other persons involved;
- Restrictions on capital expenditures;
- Making loans or advances to others; and
- Restriction on drawings or payment of dividends to shareholders.

Other sources of funding

Organizations, such as the Business Development Bank of Canada, NWT Business Credit Corporation (BCC), Community Futures Organizations, and Aboriginal Business Canada (ABC), will provide funding to new businesses.

Sources: In Appendix C, you will find a listing of chartered banks in the NWT and contact information for the BDC, BCC, Community Futures and groups offering assistance to Aboriginal businesses.

A final word

Most lenders, whether they are banks, government organizations, or private investors, require the same kind of information in your financing proposal. In most cases the more information you provide, the better the chance that you will obtain financing quickly, which can be crucial in making the most of a business opportunity. If you have completed a business plan, you will be able to meet the requirements of most lenders.

When making your proposal to potential lenders consider the following tips:

- The lender should be given plenty of lead-time for decision-making. Banks often require consultation with regional supervisors before making loans. Loans from the NWT Business Credit Corporation can now be approved within the region. Your Economic Development Officer will be helpful in explaining the process and provide an indication of when an approval can be expected.
- When presenting your proposals for financing, briefly introduce yourself, your business, and the purpose of your presentation. Outline your financial requirements and how the financing will be used. From the proposal, the financier will ask questions and repeat facts for your confirmation.
- If the proposal is rejected, find out why. What were the weaknesses, what was lacking? This should provide you with valuable information for re-working the proposal before approaching another source.

Are you ready for the next step? Use the checklist to find out if you're ready to move on to the next step in planning your business.	Considered this. Ready to move to the next step.	Need to think about/research this some more.
How much equity capital will you contribute to the business?		
How much external funding will you require?		
Do you have access to private sources of funds (friends, family, business associates)?		
Do you qualify for government financial assistance programs?		
Do you have enough information to provide to a potential lender to assess whether to provide a commercial loan?		
What do you have to offer as collateral to obtain a commercial loan?		
Have you explored other sources of funding?		

Chapter 6: Regulatory and Licensing Agencies

In order to get into business, there are several required and optional registrations. This chapter identifies those registrations, and points you to the organizations you will need to contact.

Sources: Contact information for the agencies and organizations listed in this chapter can be found in Appendix C.

Workers' Compensation

To operate your business you must obtain a certificate of compliance from the Workers' Compensation Board (WCB). In order to acquire a business license you will need to be registered with WCB first. A WCB compliance certificate must be obtained within 10 days of beginning your business. The type of registration you require will depend on whether you are:

- **A standard employer** – has workers, may or may not be incorporated and officers may or may not want compensation coverage. An Employer's Payroll Statement must be submitted with an estimate of payroll for all employees for the next year.
- **Exempt** – an incorporated company with no workers in the Northwest Territories and officers not wanting compensation coverage. A copy of your incorporation certificate must accompany the Employers' Payroll Statement.
- **A self-employed operator** – without any employees, not incorporated, and not wanting compensation coverage. A declaration of self-employment application must be completed.

Separate coverage is offered for executive officers and owners. More details can be obtained by writing or phoning WCB's offices. Information is also available online.

Business License

Under the **Business Licensing Act**, MACA issues business licenses to:

- Businesses operating on an NWT-wide basis; and
- Businesses operating outside community boundaries.

Depending on the community in which you start your business, business licenses are available either from MACA or from the municipal government office. Check with your municipal government office for information.

To get a business license, you need to fill out an application, pay a fee and provide proof of Workers' Compensation Board coverage.

Business Registration

All businesses must be registered with Corporate Registries of the GNWT Department of Justice. You'll need to register whether you're operating a sole proprietorship, partnership, incorporated company, or extraterritorial company (company registered outside the NWT but carrying on business in the NWT). You need to register using the forms provided by Corporate Registries, which can be obtained by contacting the Department of Justice.

Business Number

Canada Customs and Revenue Agency (CCRA) now has a single business registry for GST, income tax, Canada Pension Plan and Employment Insurance contributions. You will be assigned a Business Number which you must quote when making remittances. You will need to provide CCRA with your corporate registry number and director's or owner's social insurance number to obtain a Business Number. Your registration can be completed by telephone and in addition, information packages and forms are available at the same number.

Goods and Services Tax (GST)

You must register for the GST (obtain a Business Number) if you are a person, business or organization operating in Canada with annual revenues over \$30,000.

The GST applies to all goods and services except:

- Groceries;
- Prescription drugs and medical devices;
- Farm produce;
- Fresh caught fish and seafood products;
- Any products or services that are exported;
- Rents paid for residential accommodation;
- Day-care services; and
- Most financial services.

Payroll Tax

The **Payroll Tax Act, 1993** was introduced by the Government of the Northwest Territories on July 1, 1993. It is a tax on employment income that must be collected by employers. Any business commencing operations in the Northwest Territories must register within 21 days of paying remuneration to an employee. Registration packages and additional information can be obtained by contacting the GNWT Department of Finance.

Labour Standards

The **Labour Standards Act** applies to all businesses in the NWT. The **Labour Standards Act** details employees' rights. Among the items covered under the **Act** are:

- Maximum hours of work;
- Minimum wage;
- Vacations and holidays;
- Maternity benefits; and
- Termination benefits.

Under the **Act**, employees may file complaints if they feel that the employer has violated any of the conditions of employment contained in the **Act**. The employee must first file a complaint with you, the employer, before a Labour Standards Officer undertakes an investigation.

The Labour Standards Officer's ruling may be appealed to the Labour Standards Board. For more information, the Department of Justice has published a booklet entitled 'A Guide to the Labour Standards Act'. To obtain a copy or to receive more information write or call the GNWT Department of Justice.

Business Incentive Policy

The Business Incentive Policy (BIP) is an economic policy of the Government of the Northwest Territories (GNWT) that applies to contracts to purchase goods or services by the GNWT.

The GNWT supports and encourages the creation and expansion of competitive Northwest Territories-based businesses as a foundation for the NWT economy. As part of that support, the GNWT may provide an incentive to NWT-based businesses when purchasing goods, services or construction.

Where applicable, the incentive provides a bid adjustment to approved BIP businesses.

To apply, please contact the appropriate Resources, Wildlife and Economic Development (RWED) Regional Office indicated in this publication.

Other considerations

There may be further permits and licenses required depending on the type of business being established.

For example, depending on the type of business there may be tax considerations such as property, fuel or tobacco taxes in the NWT and provincial sales tax if the business is operating outside the Northwest Territories.

If your business involves food products, childcare, or accommodations, health regulations may apply. More details can be obtained from the Department of Health and Social Services, Health Protection Unit. If you plan to sell tobacco products, you will require a permit from the Department of Finance, Taxation office. Businesses involved with wildlife, timber harvesting, resource-based industries, guiding, outfitting, and tourism may be required to obtain specialized licenses and permits. Contact the Department of Resources, Wildlife and Economic Development for information.

You may also have to deal with other regulatory and licensing requirements, including those related to the Fire Marshall, Liquor Commission, Land Titles, and Health and Safety Inspections.

Are you ready for the next step? Use the checklist to find out if you're ready to move on to the next step in planning your business.	Considered this. Ready to move to the next step.	Need to think about/research this some more.
Have you registered with the Workers' Compensation Board?		
Have you obtained your business license (from MACA or your local government office)		
Have you registered your business with Corporate Registries, GNWT Department of Justice?		
Have you obtained a business number from Canada Customs and Revenue Agency for collection and remittance of GST and payroll deductions?		
Have you registered to collect and remit payroll tax through the GNWT Department of Finance?		
Have you registered with the Business Incentive Office (RWED)?		
Have you determined if your business will need to adhere to regulations or obtain licensing associated with:		
<ul style="list-style-type: none"> • Fire safety 		
<ul style="list-style-type: none"> • Liquor licensing 		
<ul style="list-style-type: none"> • Land titles 		
<ul style="list-style-type: none"> • Health and safety inspections 		
<ul style="list-style-type: none"> • Property, fuel or tobacco taxes 		
<ul style="list-style-type: none"> • Health regulations (if you deal in food products, child care, accommodations, etc.) 		
<ul style="list-style-type: none"> • Wildlife, timber harvesting 		
<ul style="list-style-type: none"> • Resource extraction 		
<ul style="list-style-type: none"> • Environmental issues 		
<ul style="list-style-type: none"> • Guiding outfitting or tourism 		

Appendix A: Sources of Business Information and Advice

This chapter provides sources of information and advice required to establish your business in the NWT. The following sources can give you invaluable information required for the planning stages of your business. In most cases all it will cost you is the time and effort to approach the various sources and request the information you need.

Sources: Contact information on organizations listed in this chapter is detailed in Appendix C.

Public sources

Government of the Northwest Territories

Department of Resources, Wildlife and Economic Development (RWED)

Programs include lending, contributions, grants and information services. A listing is contained in Appendix B. Community Economic Development Officers or RWED Regional Offices will be able to answer questions about the programs available and what you need to meet the application requirements. Appendix C provides a complete listing of all Economic Development offices.

NWT Business Credit Corporation (BCC)

BCC's objective is to stimulate economic development and employment in the Northwest Territories by making loans to business enterprises, guaranteeing loans made by financial institutions to businesses, and contract security to resident business enterprises. It is responsible for making business development loans to northern businesses where conventional lending institutions are not prepared to participate. Its role, therefore, is a blend of being a last resort lender and a developmental agency to provide financial support for higher risk entrepreneurial ventures consistent with the needs and expectations of the northern business community.

NWT Development Corporation

The NWT Development Corporation was set up to provide jobs in the smaller NWT communities experiencing high unemployment. If you have an idea but do not have the minimum equity requirements, you could bring your idea to the NWT Development Corporation. The NWT Development Corporation can act as a joint venture partner.

Community Futures Organizations

RWED, which is responsible for the Community Futures Program, funds several fully operational Community Futures Development Corporations (CFDC) in the NWT. The Department views this program as a cornerstone of its economic development efforts. CFDCs are community-based non profit organizations dedicated to support small business development. They offer business financing through repayable loans, general business advice and training as well as monitoring and aftercare. The Community Futures Program has been well received by local residents and the business community.

Government of Canada

The Business Development Bank of Canada (BDC)

BDC offers a number of loan programs. It also has programs to assist businesses with non-monetary problems.

Industry Canada

Industry Canada provides support to business in a number of ways, such as providing loan guarantees (**Small Business Loans Act**). Contact the Canada/NWT Business Service Centre for more information.

Aboriginal Business Canada (ABC)

Aboriginal Business Canada (a division of Industry Canada) offers repayable and non-repayable contributions to business where the majority is owned by an aboriginal businessperson.

When dealing with any of these it is best to talk to your local area Economic Development Officer, as he/she will be aware of all the latest programs.

Private sources

Banks

The local bank of your choice or the nearest financial institution can provide you with a wide range of information and services useful in establishing a business. Financial assistance is their primary concern. They are constantly in touch with the local business scene and can provide information that is both accurate and up-to-date. The manager can evaluate your business plan expertly and objectively, pointing out areas that are both weak and strong. With their contacts throughout the business community, they may be able to recommend other possible sources of advice and information that relate specifically to your business. In addition, many of the chartered banks provide publications, brochures, and workbooks to assist with business planning.

Consultants

Consultants can provide you with expertise in many specific areas of business operation and market research, but they charge for this service. If you are planning a business that requires a great deal of technical research then consultants, despite the cost, could be the best source of information. Consulting services range from general business advice to specific areas of professional expertise such as engineering or industrial. Refer to the yellow pages of the NWT phone book and the NWT Business Directory, available from the Canada/NWT Business Service Centre.

Accounting firms

Accounting firms provide information related to business planning, and in particular, financial management of your business. Many accountants will provide an initial consultation free-of-charge (always check first), and many of the larger or national firms also have a wealth of printed materials available for the asking including business planning workbooks and manuals, tax manuals, and periodic newsletters containing business advice.

To identify accounting firms that may be able to provide assistance or publications, contact the Chartered Accounting, Certified General Accountants' or Certified Management Accounting Associations.

Law firms

Like accounting firms, law firms can offer a great deal to the potential business owner. Information available from law firms will deal with the legal roles and responsibilities of a business, and will be able to advise on the best form of business organization. Many law firms provide complimentary publications and brochures on these topics, and have periodic newsletters that you can request at no cost. To identify law firms consult your phone book, or contact the Law Society of the Northwest Territories.

Other sources

Private sources of advice, such as fellow businesspersons or friends with experience in the various aspects of your business, can provide valuable advice when planning your business. Although you may hesitate to confide in these people they should not be ignored as possible sources of information and advice. Most will give willingly of their time and knowledge as long as they are approached on a private, friendly basis.

Business organizations in the NWT

There are many business associations and groups that offer advice and seminars to members. Within the NWT, these groups include the Chambers of Commerce, Business and Professional Women of Yellowknife, Chamber of Mines, and Northern Manufacturers' Association, among others.

Publications

There are a variety of publications available that offer advice and information on establishing a business. Visit the Canada/NWT Business Service Centre, which has an extensive library. You can also contact your local Economic Development Office, chartered banks, accounting firms, law firms, or a BDC office for current publications. Your local library or bookstore will also offer a variety of books, which may be of help to you.

Appendix B: Programs for Business

The following table provides an overview of some programs that provide assistance to business. This list is not exhaustive. As well, programs are subject to change periodically. To obtain more information on these and other programs that may be available, contact the Canada/NWT Business Service Centre or the Program Administrator directly.

Table 1: Start-up and expansion programs

Contributions

Program	Description or Aim	Eligibility	Assistance
Aboriginal Business Canada (Federal) - Youth Entrepreneurship Innovation - Ecological or Cultural Tourism	To promote the growth of Aboriginal commerce by providing financial assistance, and support services.	Status and Non-Status Indians, Metis and Inuit. Partnerships, for-profit and not-profit groups and other entities that are majority owned or controlled by Aboriginal persons.	Non-repayable contributions to a maximum of \$75,000 or 60% of eligible costs. Minimum 10% cash equity is required. (Grants also available)
Business Development Fund - BDF (GNWT)	To provide funding to individual entrepreneurs and small businesses aimed at stimulating employment and economic development.	NWT entrepreneurs and small businesses.	30 to 70% of eligible costs, up to \$25,000. Generally, eligible costs limited to start-up working capital and items that can be capitalized on financial statements. Pilot and demonstration projects, as well as planning development costs, may qualify for assistance.
Grants to Small Business Program (GNWT)	To increase jobs and income by encouraging private business and community development.	NWT small businesses, licensed renewable resource harvesters, artists and craft producers.	Up to a maximum of \$5,000 over the lifetime of a business.

Table 1: Start-up and expansion programs (continued)**Loans**

Program	Description or Aim	Eligibility	Assistance
NWT Development Corporation (GNWT and others)	To create jobs and incomes by assisting in the creation or operation of businesses.	Firms or communities in the NWT.	Cost-shared financing for feasibility assessments, new project development or management. Joint ventures in return for preferred shares. Equity investment to obtain majority ownership.
Commercial banks	To provide a full range of commercial financial products.	All businesses.	Unlimited.
NWT Business Credit Corporation (GNWT)	Program for businesses unable to access commercial financing or reasonable terms and conditions.	All NWT businesses.	Loans, loan guarantees, contract security up to \$2,000,000.
Community Futures Development Corporations (GNWT)	To assist community-based regional boards to plan, develop and deliver programs and services in line with community economic needs, which build capacity and stimulate employment and economic growth.	All NWT businesses.	Loans, available up to \$75,000.
Northwest Territories Metis-Dene Development Fund Ltd.	To assist Metis-Dene businesses.	Individuals must be Aboriginal and reside in the NWT. Organizations or corporations must be majority owned by a Metis or Dene businessperson.	Loans up to \$250,000 with at least 10% cash equity recommended. Loan security is generally required.
Canada Small Business Financing Program (Federal)	To help businesses access funding from commercial lenders.	Any firm with less than \$5 million in fiscal year revenues.	Maximum loan guarantee is \$250,000, to be used for expansion or start-up capital costs (renovation, land purchase, equipment modernization etc.)
Industrial Research Assistance Program – IRAP (Federal)	To enable businesses to validate and develop innovative ideas.	Canadian small or medium-sized enterprises (500 employees or less)	Up to 50% of certain project research and development costs generally ranging from \$5,000 to a maximum of \$350,000.
Business Development Bank of Canada – BDC (Federal)	To deliver financial and consulting services to small business with a particular focus on the technology and export sectors.	All existing or expanding businesses.	Wide range of assistance including Term, Innovation, Productivity Plus and Subordinate Financing and Working Capital. Various limits to a maximum of \$5M. Flexible repayment terms and conditions.

Table 2: Management training and employment programs

Program	Description or Aim	Eligibility	Assistance
Canadian Executive Services Organization (Federal)	To provide volunteer consultants to assist enterprises.	All business.	Consultants assist with planning, training, computerization, accounting systems, and production techniques.
Business Skills Development – BDF (GNWT)	To help business upgrade professional skills or to hire short-term help.	Any NWT business, or person planning to start a business in the NWT.	30 to 70% of eligible costs up to \$20,000 per year or \$60,000 over the life of the business.
Education, Culture and Employment (GNWT) – Training on the Job	To help Northerners acquire workplace skills needed for employment.	NWT employers in business for a minimum of six months and licensed to operate in the NWT. Employee must be NWT resident, currently receiving Employment Insurance (EI) benefits or have had an EI claim which ended in the past 3-5 years.	Cost shared basis up to 80% of an employee’s wages to a maximum of \$300 per week or \$7.50 per hour. Training period will not exceed 52 weeks.
Education, Culture and Employment (GNWT) – Occupational Training on the Job	To assist the employer in training the employee in a designated occupation leading to certification in that occupation.	NWT businesses, corporations, aboriginal organizations, and municipal governments. Employee must be NWT resident, currently receiving EI benefits or have had an EI claim which ended in the past 3-5 years. Must also meet prerequisites for designated occupation.	Subsidies are negotiable with the employer. Maximum duration for occupational training on the job is 52 weeks.
Education, Culture and Employment (GNWT) – Graduate Transition Program	To assist post-secondary graduates find jobs related to their field of study and to assist employers to offset the costs of hiring a new employee.	Employer must be a NWT business. Graduates must have been residents of the NWT for at least 3 continuous years prior to graduating from a post-secondary institution.	A maximum of \$15,000. Employers will cover the remaining salary, CPP, EI and WCB. Salary is pro-rated at \$8.00 per hour.
Education, Culture and Employment (GNWT) – Self Employment Option (SEO) Program	To provide support to individuals who would like to start a small business.	NWT residents currently receiving EI or who have had a claim which ended in the past 3-5 years. Provide a business plan after being approved by the Option Program. Other criteria must be met.	Individuals will receive their entitlement of EI benefits. Earnings from the business are not deducted from EI benefits. May also receive support for tuition, transportation and dependent care.

Table 3: Market development programs

Program	Description or Aim	Eligibility	Assistance
Market Development & Product Promotion Contributions – BDF (GNWT)	To assist NWT businesses in developing new markets or products.	All NWT businesses.	Maximum assistance of \$10,000 per year to a maximum of \$30,000 over 3 years for any single project. Equity requirement ranges from 5 to 20% depending on location of business.
Program for Export Market Development – PEMD (Federal)	To increase export sales of Canadian goods and services by sharing the costs and risks of activities through repayable contributions.	Incorporated businesses, unincorporated professional firms, national trade or industry associations.	<p>Annual contributions for up to two years to a maximum of \$50,000 to support visits, trade fair participation and marketing support initiatives.</p> <p>Up to \$7,500 for either a market identification visit or to participate in an international trade fair.</p> <p>Up to \$100,000 to trade associations to promote the export of products and services.</p> <p>Up to \$50,000 to help manufacturing, engineering and other professional firms bid for major capital projects outside Canada.</p>
Export Development Canada – EDC (Federal)	To assist Canadian companies to export to existing or to penetrate new foreign markets.	All exporting Canadian companies.	Various products and services including: risk management, working capital, export receivables insurance, buyer financing, bonding and guarantees.

Appendix C: Contacts

The information provided in this appendix will help you identify who to call for information and how to contact them. Table 1 cross references organizations with the type of information you can access through each. Table 2 lists each organization alphabetically, and provides detailed contact information.

Table 1: Where to access information on...

	Business advice & referral to business advisors	Business planning	Economic and industry trends	Employment standards	Financing, financial planning	Forms of business	Funding programs & referral to programs	Publications and reference	Referral to other business advisors	Registration and licensing	Safety issues
Aboriginal Business Canada							●				
Bank of Montreal		●			●			●			
Bank of Nova Scotia		●			●			●			
Business Development Bank of Canada (BDC)	●	●			●			●			
Canada Customs and Revenue Agency										●	
Canada/NWT Business Service Centre	●	●	●	●	●	●	●	●	●	●	●
Canadian Franchise Association						●					
CGA Northwest Territories and Nunavut	●				●						
CIBC		●			●			●			
Community Futures Offices	●	●	●		●		●	●	●		
CMA Canada	●	●			●			●	●		
Department of Finance			●							●	
Department of Health and Social Services										●	●
Department of Justice				●						●	
Department of Municipal and Community Affairs										●	●
Department of Resources, Wildlife and Economic Development	●		●		●		●	●	●	●	
Institute of Chartered Accountants of the Northwest Territories		●			●			●	●		
Law Society of the Northwest Territories	●					●		●	●		
Metis Dene Development Fund					●		●				
NWT Business Credit Corporation					●		●				
NWT Chamber of Commerce			●								
NWT Development Corporation	●	●			●		●				
Royal Bank of Canada		●			●			●			
Statistics Canada			●								
TD Canada Trust		●			●			●			
Workers' Compensation Board										●	●

Table 2: Contact information

Organization	Department/ Other Locations	Web address/Email	Contact for...
Aboriginal Business Canada		Web: www.abc-eac.ic.gc.ca	<ul style="list-style-type: none"> • Repayable and non-repayable contributions to Aboriginal business owners
Bank of Montreal Centre Square Mall P.O. Box 1799 Yellowknife, NT X1A 2P4 Tel: (867) 873-2766 Fax: (867) 873-6621	Fort Smith Tel: (867) 872-2001	Web: www.bmo.com	<ul style="list-style-type: none"> • Information and publications on business planning and financing • Business loans
Bank of Nova Scotia #27, 5102 Franklin Avenue Yellowknife, NT X1A 3S8 Tel: (867) 669-6000 Fax: (867) 669-6049		Web: www.scotiabank.com	<ul style="list-style-type: none"> • Information and publications on business planning and financing • Business loans
Business Development Bank of Canada (BDC) 4912 – 49 Street Yellowknife, NT X1A 1P3 Tel: (867) 873-3565 Fax: (867) 873-3501		Web: www.bdc.ca	<ul style="list-style-type: none"> • Business financing – capital loans • Business advisory services
Canada Customs and Revenue Agency 2nd Floor, Joe Tobie Building 5020 – 48 Street Yellowknife, NT X1A 3A3 Tel: (867) 920-6650 Toll Free: 1-800-959-5525 Fax: (867) 920-6607		Web: www.ccr-aadrc.gc.ca	<ul style="list-style-type: none"> • GST registration • EI, CPP and Income Tax registration
Canada/NWT Business Service Centre 8th Floor, Scotia Centre 5102 – 50 Avenue Yellowknife, NT X1A 2L9 Tel: (867) 873-7958 Toll Free: 1-800-661-0599 Fax: (867) 873-0101	Canada/NWT Business Service Regional Access Sites: See listings under "Community Futures"	Web: www.cbosc.org/nwt Business Start-up Assistant: www.cbosc.org/bsa Interactive Business Planner: www.cbosc.org/ibp Online Small Business Workshop: www.cbosc.org/osbw Email: yel@cbosc.ic.gc.ca	<ul style="list-style-type: none"> • Referrals to government, association, and private sector specialists • Referrals to government programs • Advisory/diagnostic services • Toll free business information line • Publications and library research and reference materials • Business Start-up Assistant (Internet) • Interactive Business Planner (Internet) • Online Small Business Workshop (Internet)
Canadian Franchise Association 2585 Skymark Avenue, Ste 300 Mississauga, ON L4W 4L5 Tel: (905) 625-2896 Toll Free: 1-800-665-4232 Fax: (905) 625-9076		Web: www.cfa.ca Email: info@cfa.ca	<ul style="list-style-type: none"> • Information on franchising

Table 2: Contact information (continued)

Organization	Department/ Other Locations	Web address/Email	Contact for...
<p>Certified General Accountants of the Northwest Territories/Nunavut (CGA) 5016 – 50 Avenue Yellowknife, NT X1A 2N1 Tel: (867) 873-5620 Toll-free: 1-888-623-3221 Fax: (867) 873-4469</p>		<p>Web: www.cga-nwt.org Email: cganwt@internorth.com</p>	<ul style="list-style-type: none"> • Referral to sources of information on business financial planning and record-keeping
<p>CIBC 5001 – 50 Avenue Yellowknife, NT X1A 1E1 Tel: (867) 873-4452 Fax: (867) 873-4730</p>	<p>Fort Simpson Tel: (867) 695-2284</p> <p>Norman Wells Tel: (867) 587-2131</p> <p>Inuvik Tel: (867) 777-2848</p> <p>Hay River Tel: (867) 874-6746</p>	<p>Web: www.cibc.com</p>	<ul style="list-style-type: none"> • Information and publications on business planning and financing • Business loans
<p>Community Futures Development Corporations (Canada/NWT Business Service Centre Regional Access Sites)</p>	<p>Western Arctic Business Development Services (Inuvik) Tel: (867) 777-2836 Fax: (867) 777-3470</p> <p>Southwest Territorial Business Development Centre (Hay River) Tel: (867) 874-2510 Fax: (867) 874-3255</p> <p>Sahtu Business Development Centre (Norman Wells) Tel: (867) 587-2016 Fax: (867) 587-2407</p> <p>Akaiicho Business Development Corporation (Yellowknife) Tel: (867) 920-2502 Fax: (867) 920-0363</p> <p>Dogrib Area Community Futures (Rae) Tel: (867) 392-6875 Fax: (867) 392-6322</p> <p>Deh Cho Business Development Centre (Fort Simpson) Tel: (867) 695-2441 Fax: (867) 695-2052</p> <p>Thebacha Business Development Services (Fort Smith) Tel: (867) 872-2795 Fax: (867) 872-2824</p>	<p>Web: www.wabds.com Email: dpatrick@permafrost.com</p> <p>Email: xjeffgr@ssimicro.com</p> <p>Email: sbdc@nt.sympatico.ca</p> <p>Web: www.akaitchobdc.ca Email: rstarnau@ssimicro.com</p> <p>Email: dacf@arcticdata.ca</p> <p>Web: www.dehchobdc.ca Email: cjtodd@cancom.net</p> <p>Email: gnoble@gardtal.com</p>	<ul style="list-style-type: none"> • Business advice & referral to business advisors • Business planning • Economic and industry trends • Financing, financial planning • Funding programs & referral to programs • Publications and reference • Referral to other business advisors

Table 2: Contact information (continued)

Organization	Department/ Other Locations	Web address/Email	Contact for...
Certified Management Accountants of the Northwest Territories and Nunavut (CMA) P.O. Box 512 Yellowknife, NT X1A 2N4 Tel: (867) 873-2875 Fax: (867) 920-2503		Web: www.cma-canada.org	<ul style="list-style-type: none"> Referral to sources of information on business financial planning and record-keeping
Department of Finance, Government of the NWT P.O. Box 1320 Yellowknife, NT X1A 2L9	<p>Taxation Administration 3rd Floor, YK Centre P.O. Box 1320 Yellowknife, NT X1A 2L9 Tel: (867) 920-3495 or 920-3470/873-7526 Toll Free: 1-800-661-0820 Fax: (867) 873-0325</p> <p>Liquor Licensing Board Suite 210, 31 Capital Drive Hay River, NT X1A 0R2 Tel: (867) 874-2906 Toll Free: 1-800-351-7770 Fax: (867) 874-6011</p> <p>Bureau of Statistics 2nd Floor, YK Centre Tel: (867) 873-7147 Fax: (867) 873-0275</p>	Web: www.stats.gov.nt.ca/ Email: info@stats.gov.nt.ca	<ul style="list-style-type: none"> Payroll tax registration Tobacco taxes Investment tax credit program Liquor licensing Information on economic trends Information on industry trends Information on community business trends
Department of Health and Social Services 6th Floor, Centre Square Mall P.O. Box 1320 Yellowknife, NT X1A 2L9	Health Protection Unit Tel: (867) 920-3293 Fax: (867) 873-0442	Web: www.hltss.gov.nt.ca	<ul style="list-style-type: none"> Information for businesses involving food products, childcare and accommodation where health regulations apply
Department of Justice, Government of the NWT P.O. Box 1320 Yellowknife, NT X1A 2L9	<p>Corporate Registries 1st Floor, Stuart Hodgson Building 5009 – 49 Street P.O. Box 1320 Yellowknife, NT X1A 2L9 Tel: (867) 920-8987 or 873-7492 Toll Free: 1-877-743-3302 Fax: (867) 873-0243</p> <p>Labour Services Third Floor, Panda II Mall P.O. Box 1320 Yellowknife, NT X1A 2L9 Tel: (867) 873-7486 Toll Free: 1-888-700-5707 Fax: (867) 873-0483</p> <p>Labour Standards Board P.O. Box 2804 Yellowknife, NT X1A 2L9 Tel: (867) 873-7924 Fax: (867) 873-0587</p>	Web: www.justice.gov.nt.ca	<ul style="list-style-type: none"> Business registration Corporate registration Personal property registration Land titles registration Securities registry Information on labour and employment standards

Table 2: Contact information (continued)

Organization	Department/ Other Locations	Web address/Email	Contact for...
<p>Department of Municipal and Community Affairs, Government of the NWT 500, 5201 – 50 Avenue Yellowknife, NT X1A 3S9</p>	<p>Consumer Affairs Tel: (867) 873-7125 Fax: (867) 873-0152/ 920-6343</p> <p>Land Titles Community Planning and Lands Tel: (867) 873-7571 Fax: (867) 873-5885</p> <p>Emergency Services 6th Floor, Northwest Tower Tel: (867) 873-7469 Fax: (867) 873-0260</p>	<p>Web: www.maca.gov.nt.ca/forms/form.html</p> <p>Web: www.maca.gov.nt.ca</p>	<ul style="list-style-type: none"> • Business license (business licenses are available through your local government office. If you do not have a local government office, contact MACA to register your business) • Land titles • Fire safety requirements
<p>Department of Resources, Wildlife and Economic Development, Government of the NWT 4th Floor Scotia Centre 5102 – 50 Avenue P.O. Box 1320 Yellowknife, NT X1A 2L9 Tel: (867) 873-7361 Fax: (867) 873-0101</p>	<p>Inuvik Region: Inuvik Tel: (867) 777-7126 Fax: (867) 777-7321</p> <p>Fort McPherson Tel: (867) 952-2712 Fax: (867) 952-2221</p> <p>Aklavik Tel: (867) 978-2948 Fax: (867) 978-2031</p> <p>Paulatuk Tel: (867) 777-7288 Fax: (867) 777-7321</p> <p>South Slave Region: Fort Smith Tel: (867) 872-6401 Fax: (867) 872-4250</p> <p>Hay River Tel: (867) 874-6702 Fax: (867) 874-3853</p> <p>Fort Providence Tel: (867) 699-3045 Fax: (867) 699-3208</p> <p>Fort Resolution Tel: (867) 394-4340 Fax: (867) 394-5101</p> <p>Lutsel K'e Tel: (867) 370-3141 Fax: (867) 370-3008</p> <p>Sahtu Region: Norman Wells Tel: (867) 587-2025 Fax: (867) 587-2407</p> <p>Tulita Tel: (867) 588-3020 Fax: (867) 588-3907</p> <p>Deline Tel: (867) 589-4508 Fax: (867) 589-3031</p> <p>Fort Good Hope Tel: (867) 598-2321 Fax: (867) 598-2708</p>	<p>Web: www.rwed.gov.nt.ca</p>	<ul style="list-style-type: none"> • Business advice & referral to business advisors • Economic and industry trends • Financing, financial planning • Funding programs & referral to programs • Publications and reference • Referral to other business advisors • Registration and licensing

Table 2: Contact information (continued)

Organization	Department/ Other Locations	Web address/Email	Contact for...
	<p>North Slave Region: Yellowknife Tel: (867) 920-8967 Fax: (867) 873-6109</p> <p>Rae-Edzo Tel: (867) 392-6070 Fax: (867) 392-6339</p> <p>Detah and N'Dilo Tel: (867) 920-6119 Fax: (867) 873-5308</p> <p>Gameti Tel: (867) 997-3441 Fax: (867) 997-3004</p> <p>Wekweti Tel: (867) 713-2010 Fax: (867) 713-2030</p> <p>Wha Ti Tel: (867) 573-3244 Fax: (867) 573-3461</p> <p>Deh Cho Region: Fort Simpson Tel: (867) 695-2231 Fax: (867) 695-2442</p> <p>Fort Liard Tel: (867) 770-4300 Fax: (867) 770-4600</p> <p>Business Incentive Policy Monitoring Office Tel: (867) 873-7215 Fax: (867) 873-0181</p>		<ul style="list-style-type: none"> • Business Incentive Policy through regional RWED offices
<p>Law Society of the Northwest Territories 4918 – 50 Street P.O. Box 1298 Yellowknife, NT X1A 2N9 Tel: (867) 873-3828 Fax: (867) 873-6344</p>		E-mail: LSNT@theedge.ca	<ul style="list-style-type: none"> • Referral services to lawyers in the NWT • Information on law firms providing business publications
<p>Northwest Territories Metis Dene Development Fund 2nd Floor, 5125 – 50 Street P.O. Box 1805 Yellowknife, NT X1A 2P4 Tel: (867) 873-9341 Toll Free: 1-888-554-6333 Fax: (867) 873-3492</p>		Web: www.nwtmddf.com	<ul style="list-style-type: none"> • Funding and assistance programs for business
<p>NWT Business Credit Corporation 8th Floor, Scotia Centre 5102 – 50 Avenue Yellowknife, NT X1A 2L9 Tel: (867) 920-6455 Fax: (867) 873-0308</p>	Also contact your regional Resources, Wildlife and Economic Development office.	Web: www.gov.nt.ca/RWED/bcc	<ul style="list-style-type: none"> • Business financing

Table 2 (continued)

Organization	Department/ Other Locations	Web address/Email	Contact for...
<p>NWT Chamber of Commerce P.O. Box 2544, 8th Floor Northwest Tower 5201 – 50 Avenue Yellowknife, NT X1A 3S9 Tel: (867) 920-9505 Fax: (867) 873-4174</p>		<p>Web: www.ssimicro.com/~nwtcofc/</p>	<ul style="list-style-type: none"> • Information on industry trends • Business advice, networking, and seminars
<p>NWT Development Corporation Suite 701, 5201 – 50 Avenue Yellowknife, NT X1A 3S9 Tel: (867) 766-7700 Fax: (867) 766-7701</p>		<p>Web: www.ntdevcorp.com/</p>	<ul style="list-style-type: none"> • Business funding and assistance programs
<p>Royal Bank of Canada 1, 4920 – 52 Street Yellowknife, NT X1A 3A3 Tel: (867) 873-5961 Fax: (867) 873-5488</p>	<p>Hay River Tel: (867) 874-6547 Fax: (867) 874-2248</p>	<p>Web: www.rbc.com</p>	<ul style="list-style-type: none"> • Information and publications on business planning and financing • Business loans
<p>Statistics Canada Toll-free: 1-800-263-1136</p>		<p>Web: www.statcan.ca Email: johane.tremblay@statcan.ca</p>	<ul style="list-style-type: none"> • Information on economic, industry, and community business trends
<p>TD Canada Trust 4910 – 50 Avenue Yellowknife, NT X1A 3S5 Tel: (867) 873-5891 Fax: (867) 873-3687</p>		<p>Web: www.tdcanadatrust.com</p>	<ul style="list-style-type: none"> • Information and publications on business planning and financing • Business loans
<p>The Institute of Chartered Accountants of the Northwest Territories P.O. Box 2433 Yellowknife, NT X1A 2P8 Tel: (867) 873-3680 Fax: (867) 920-4135</p>		<p>Web: www.icanwt.nt.ca</p>	<ul style="list-style-type: none"> • Referral to sources of information on business financial planning and record-keeping
<p>Workers' Compensation Board 3rd Floor, Centre Square Mall 5014 – 49 Street P.O. Box 8888 Yellowknife, NT X1A 2R3</p>	<p>Employer Services Tel: (867) 920-3888 Toll Free: 1-800-661-0792 Fax: (867) 873-4596</p> <p>Health and Safety Inspection Tel: (867) 920-3888 Toll Free: 1-800-661-0792 24 hr. Emergency Reports Tel: (867) 873-7468 Fax: (867) 873-4596</p>	<p>Web: www.wcb.nt.ca/home.html Email: yellowknife@wcb.nt.ca</p>	<ul style="list-style-type: none"> • WCB registration, coverage and compliance certificate • Health and safety inspections

Appendix D: Glossary of Terms

Balance sheet

A financial statement listing the assets, liabilities and owners' equity of the company as of a specific date.

Board of Directors

Individuals elected by shareholders to establish corporate management policies.

Break-even analysis

A financial schedule listing sales, fixed costs and variable costs from which contribution margins, break-even volumes and the amounts above/below break-even are calculated.

Break-even point

The unit sales volumes or actual sales amounts that a company needs to meet its expenses.

Collateral

Assets pledged in return for loans.

Corporation

A business entity created through the **Companies Act**.

Cost of sales

The cost of the goods or services offered for sale, such as materials, labour, or merchandise for re-sale.

Debt

Amounts owing by individuals or corporations.

Equity

Money you personally invested in the company plus profits reinvested. Also defined as the value that is left after liabilities are subtracted from assets.

Fixed costs

Recurring overhead costs such as such as rent, some salaries or expenses.

Personal net worth

The net of the assets and debt.

Risk

The possibility of loss.

Working capital

Financial resources required to meet day-to-day obligations.

April, 2002



