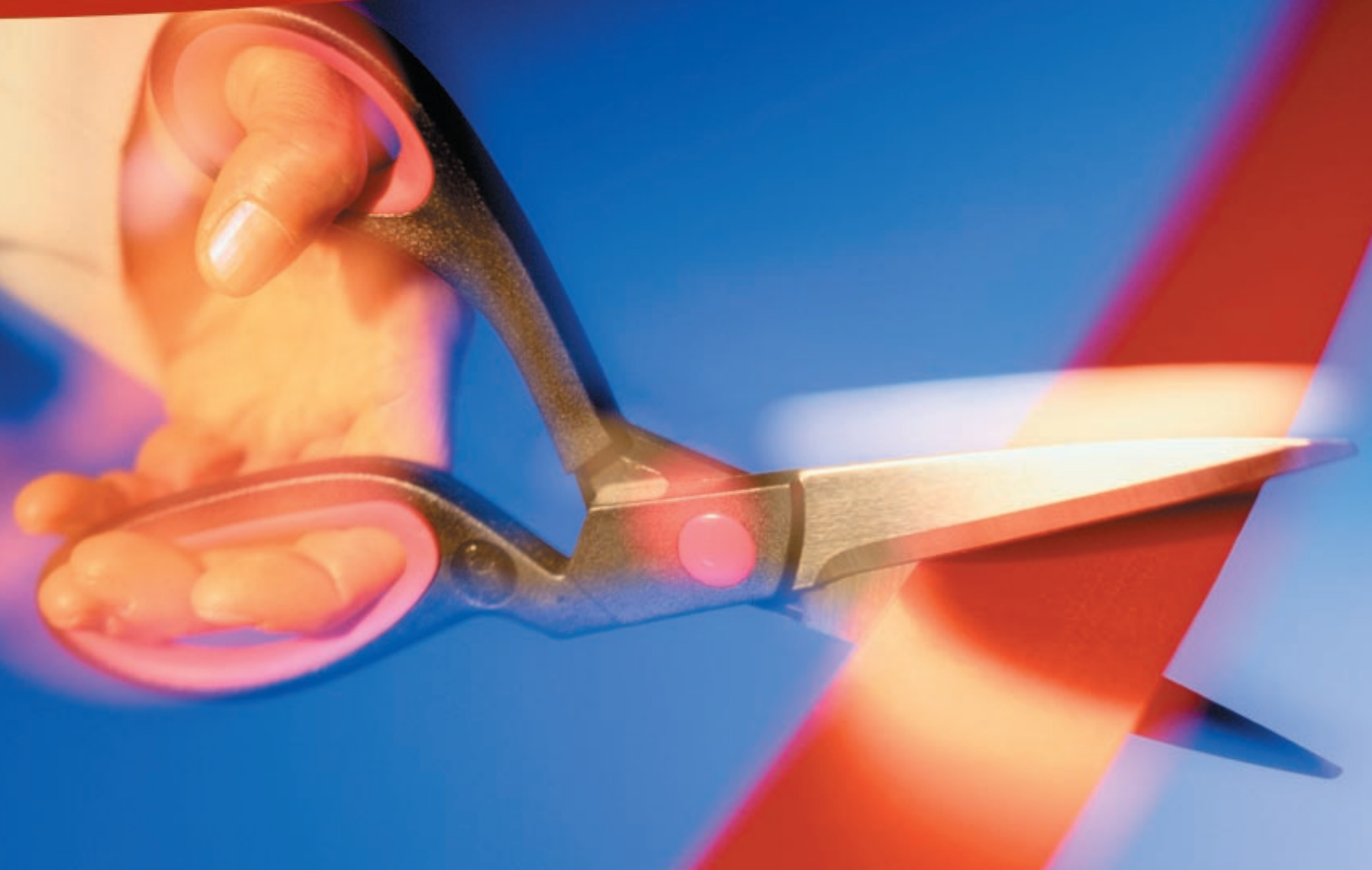


a guide  
to starting  
a new business



THE CORPORATION OF  
**Delta**  
BRITISH COLUMBIA



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## It's an exciting time to start a new business in Delta.

As our local economy continues growing, new markets and opportunities open up every day. At the same time, there have never been so many resources available to entrepreneurs to help get their prospective business up and running successfully.

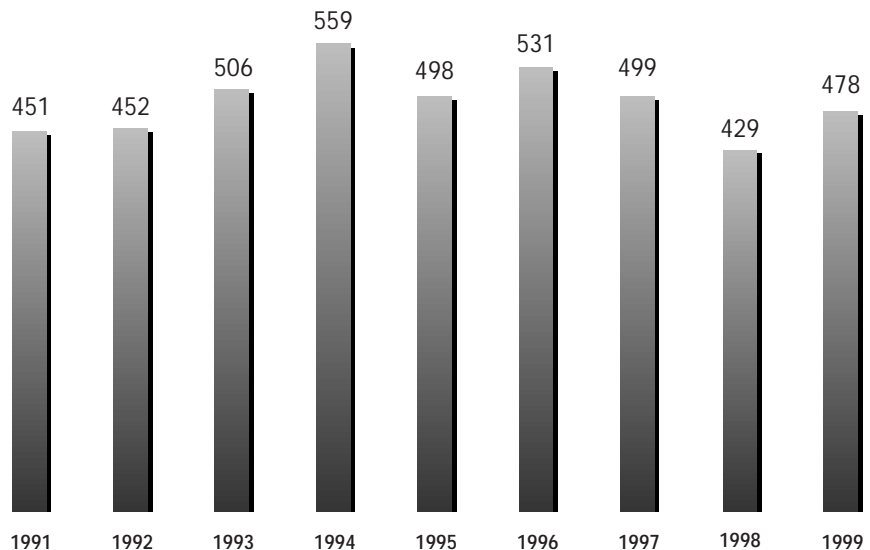
Everyone has a different reason for starting a new business. Whatever your circumstances, if you are planning to go into business it takes time, planning, discipline, money and perseverance. That's a lot to consider, and you need to understand what's involved in the planning and preparation stage.

This booklet, published by The Corporation of Delta, pulls together information from various sources to assist those individuals wishing to start a new business in the Municipality of Delta. **The information contained here is not all-inclusive and acts only as a guide in contacting the individual agencies required for you to start your new business.** Direct contact should be made with these agencies to obtain detailed information and advice.\*

Obviously, this booklet is not the final word on starting a new business. There are books, courses and Internet web sites devoted to this topic and these should be used as well.

We wish you good luck with your new business and hope we can assist you further in the future.

## Business Incorporations in Delta



*\* The information in this booklet was compiled as of May, 2001. However, the government agencies providing the information may change their policies without notice.*

Source: Planning and Statistics Division, B.C. Ministry of Finance & Corporate Relations

# What you need to succeed

There is no simple or standard formula for launching a successful business. However, there are practical steps to ensure you give the business a solid foundation from which to build. Before venturing into the business world, you'll need to do your homework.

This means researching your idea and potential market. The first three operating years of any business are the most critical. Survival is greatly increased by developing a thorough assessment before making the decision to start or expand your business. Before you even think about a Business Plan, consider your aim. Do you know the specific product(s) you wish to manufacture or market? Are there any factors that limit you in achieving your goals?

After you have looked at the big picture, you should have a good sense of whether your idea is feasible. Assuming that it is, you are now ready to start.

## **STOP!**

Before you dive into the Business Plan, financing, finding the right business location, etc., you need to assess your own capabilities, resources and characteristics. Doing so will help you focus on your strengths and identify the additional tools, resources and skills you'll need.

**You need to ask yourself the following questions and answer them honestly.**

- *Do you have the time and patience to nurture a business from the ground up?*
- *Are you prepared to work long hours and make sacrifices?*
- *Do you have the creativity to solve problems or know when to ask for help?*
- *Are you prepared to weather the business cycles of highs and lows?*
- *Do you understand the risks involved in starting a new business?*
- *Are you aware of the consequences of failure?*
- *Do you have the necessary knowledge and skills?*
- *Are you equally at ease in a leadership role as you are about paying the invoices and doing the filing?*
- *Do you have a passion for your business idea?*
- *Do both you and your family agree that this is exactly what you want to do and understand how much time, money, effort and personal sacrifice is required?*



Honest answers to these questions will help you assess whether running your own business is still feasible. If these answers have you thinking otherwise, it's better to know at this stage than after you've spent money. Whatever you decide, your research will not be wasted.

**Now that you know about yourself, it's time to know your market.**

# Planning your marketing strategy

## Research



It is important to understand and evaluate the market for your product or service. The information you gather at this point will become an essential part of your marketing strategy and overall Business Plan and will help you target your business. Ultimately, your research will give you a good sense of whether you can make a success of your business idea.

Take the time to learn about your potential customer base. Figure out how to develop their loyalty. Look at who your competitors would be and what they are doing. Consider the future trends for the industry you are about to enter. Talk to other entrepreneurs and even interview potential customers. Some of the best free sources of information for this portion of your research may include the Delta Chamber of Commerce, industry associations, trade journals, and government agencies and departments including Industry Canada, Statistics Canada and BC Stats. (See inside of back cover for useful Internet website links.)

## Strategy

It is up to you to find your niche and position your product/service as an alternative to your competitors. You need to consider product/service features, promotion, pricing and distribution. Specifically, you need to answer the following questions:

- *What are you selling and what are its unique features or attributes?*
- *How will your product/service be different to what your competitors are offering?*
- *Will you offer a warranty or guarantee?*
- *How extensive geographically is the market for your product/service?*
- *How much of the market can you realistically capture?*
- *Who are your customers?*
- *Can you define your customers by age, buying habits, or other criteria?*
- *How are your customers currently being served?*
- *How will your potential customers find out about your business?*
- *Will you actively promote your business or rely on word of mouth?*
- *How does the competition promote itself?*
- *What will be the price of your product/service?*
- *Do you want your price to indicate high-end, moderate or inexpensive?*
- *How will you distribute or deliver your product/service?*
- *Will your customers come to you or will you go to them?*
- *Will you sell directly to customers or sell through a distributor or retailer?*

### REMEMBER

- *Find a market niche.*
- *Know your customers.*
- *Customer service is key.*
- *Know your competitors.*
- *Price strategically.*
- *Promote your business.*

Customer service and price are the keys. Happy customers are your best advertising. The right price will attract customers, but you must remember your break-even point – the per unit cost of production against the price you need to charge to recover that cost.

# Which structure is for you?

## Sole Proprietorship:

An unincorporated business owned by one person, called a “proprietor”. The owner does not have separate legal status from the business (although the business itself may have to be registered) and pays personal income tax on the net taxable income generated by the business.

### ADVANTAGES

- Simplest and least expensive to set up, minimal registration requirements
- Inexpensive to maintain
- Proprietor owns the profits and runs the business
- Possible tax benefits: i.e., losses may be applied against other income of proprietor

### DISADVANTAGES

- You’re on your own
- You assume all the risk of the business, you are responsible for payment of all business debts; creditors can seize your personal assets
- Possible tax disadvantages: i.e., profits must be added to personal income

## Partnership:

An association or relationship between two or more individuals or corporations that join together to operate a trade or business for profit. Partners include their share of income or losses on personal or corporate income tax returns.

### ADVANTAGES

- Easy to set up and very flexible
- Partners provide additional capital and skills

### DISADVANTAGES

- If disagreements arise, business can suffer
- Partners assume personal liability for debts of the business

## Incorporation:

A separate legal entity that can enter into contracts and own property, separately and distinctly from its owners who are the shareholders. A corporation must pay tax on its net taxable income and file its own income tax return. A corporation can be federally or provincially incorporated.

### ADVANTAGES

- Limited liability of the owner(s) – liabilities generally limited to individual’s personal investment in the business
- Money for the business can be raised by selling shares (equity) or by issuing debt (a promise to pay)

### DISADVANTAGES

- Paperwork required to meet regulations can be onerous
- Tax rules can be complex
- More expensive and complicated to set up and maintain

# and finally.....The Business Plan

Proper planning for your business – financial, operational, marketing, managerial – is key to turning your idea into reality. To enhance your probability for success, it is very important to take the time to put your thoughts and intentions down on paper. The resulting Business Plan becomes a roadmap that explains your overall strategies and objectives in words and numbers.

The two main reasons for a Business Plan are:

- 1) *to provide support for a financial loan application; and,*
- 2) *to provide management with a written document that provides the framework for making appropriate and consistent business decisions.*

There are many resources available on exactly how to prepare a Business Plan. You should avail yourself of them at this point. You may want the assistance of an accountant, a lawyer or a financial advisor, but remember that the Business Plan must reflect your own thinking. This will ensure that the Business Plan is an important term of reference for you at the outset and on an ongoing basis in the future.

While the information to be included in your Business Plan can be as detailed or as informal as you like, it should cover the following broad categories:

- *Definition of the Business*
- *Market Analysis*
- *Operations/Production Plan*
- *Legal Factors*
- *Product/Service Description*
- *Marketing Plan*
- *Financial Plan*
- *Description of Management Team*



Your content in each of these categories should be concise, honest and in plain language, using tables, graphs and illustrations as necessary. The body of the document should tell the basic facts, while details such as financial statements and management biographies should be placed in appendices.

Remember that the Business Plan should be revisited regularly in order to monitor your company's progress and then should be revised accordingly.



# One-stop access to help new businesses

The Canada/British Columbia Business Service Centre is a joint venture between the Government of Canada (Western Economic Diversification) and the Province of British Columbia (B.C. Ministry of Small Business, Tourism and Culture). It is a resource centre where you can get information about starting a new business, entering new markets, accessing government programs and services, taxation, and regulations – all from a single, unified source.

The Centre is open for public visits to use the libraries, talk with Business Service Officers or meet with taxation and statistics specialists. You can visit the Centre between the hours 8:30 am and 4:30 pm, Monday to Friday, at:

**Canada/B.C. Business Service Centre, 601 West Cordova, Vancouver, B.C. V6B 1G1**

In addition to physically visiting the Centre, you can receive information and advice via the following channels:

**Telephone: (604) 775-5525 in Greater Vancouver**

**Telephone: 1-800-667-2272 toll free in B.C.**

**Fax: (604) 775-5520**

**Website: <http://www.sb.gov.bc.ca>**

**Infifax: (604) 775-5515 in Greater Vancouver**

**1-800-667-2272 toll free in B.C.**

*Infifax is a collection of concise overviews of business-related Federal and Provincial programs. By using your touch-tone phone, you can have these overviews sent to your fax machine 24 hours a day, 7 days a week.*

## One-stop business registration stations

Entrepreneurs in Delta starting a new business can complete five of the most commonly required applications from a single computer workstation in many locations throughout the Province. You will be able to complete at one time, in one location, in less than one hour, the following applications:

### **B.C. Corporate Registry**

*Business Name Registration (for General Partnership or Sole Proprietorship only)*

### **B.C. Consumer Taxation Branch**

*Provincial Retail Sales Tax Vendor Permit*

### **Workers' Compensation Board**

*Employer's Registration Application and Personal Optional Protection*

### **Canada Customs & Revenue Agency**

*Business Number accounts for GST, corporate income tax, payroll deductions, and import/export*

For a person looking to start a new business in Delta, these workstations provide a user-friendly computer program that:

- *Helps determine the forms that you need to complete for your business*
- *Eliminates travelling to different offices and locations*
- *Speeds completion and submission of single and multiple government forms*

To locate the closest **One-Stop Business Registration**

workstation, contact the Canada/B.C. Business Service Centre at:

**(604) 775-5525 in Greater Vancouver**

or

**1-800-667-2272 toll free in B.C.**

# Checklists

The following is a checklist of basic requirements for starting a business, followed by a checklist of factors you need to consider when deciding where to locate your new business.

## BASIC REQUIREMENTS:

- Develop a business plan.**

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- Register your business name** with the Provincial Corporate Registry. (tel: (604) 775-1044)

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- Special Regulatory Licences:** Many businesses including retail and service outlets, restaurants, manufacturing and processing operations may be subject to special regulatory licences. In these instances, obtaining a Municipal Business Licence (see "Municipal Requirements" below) may not be enough to legally operate your business. Check whether you need a special regulatory licence. (tel: (604) 946-3380)

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- Retail Sales Tax:** A 7% retail sales tax rate must be added to most purchases of goods in British Columbia. This tax is collected from the end consumer by the vendor. Vendors must collect and remit this tax, and therefore, must apply to receive a registration certificate. (tel: (604) 660-4524)

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- Goods and Services Tax:** The majority of goods and services sold or provided in Canada are subject to the 7% goods and services tax. Every business or organization engaged in a commercial activity with annual sales and revenues greater than \$30,000 must be registered with Canada Customs and Revenue Agency. (tel: 1-800-959-5525)

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- Excise Sales Tax:** If you manufacture certain goods (e.g., jewelry, automotive air conditioners, unleaded gas, tobacco) and your revenues from these goods exceed \$50,000 annually, you must operate under a manufacturer's Excise Tax licence. (tel: 1-800-959-8281)

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- Customs Duties:** If you are importing goods from outside Canada, you'll need to make yourself aware of federal customs duties which may be levied. Before commencing shipments from abroad, obtain a ruling on the classification, rate of duty and valuation. (tel: 1-800-461-9999)

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- Source Deductions:** Businesses are required to remit Canada Pension Plan contributions, Employment Insurance contributions and both federal and provincial Income Tax deductions from employees' pay cheques. You'll need a Business Number for remitting these mandatory deductions. (tel: 1-800-959-5525)

- Employees' Rights:** To ensure that all British Columbia workers receive at least a minimum standard of pay and working conditions, the provincial Employment Standards Act and the federal Canada Labour Code have been enacted. As an employer you need to be aware of these standards and rights. (tel: 1-800-663-3316)

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- Workers' Compensation Board:** This is a two-way protection system funded by employers. While employers receive immunity from lawsuits of workers with an occupational injury or disease, the system provides workers with rules and regulations to improve job health and safety and compensates for lost wages resulting from occupational injury or disease. To understand your obligations as an employer contact the Workers' Compensation Board. (tel: (604) 273-2266)

## MUNICIPAL REQUIREMENTS:

For information regarding any of the municipal issues listed below, you can call Delta's Community Planning and Development Department at (604) 946-3380.

### 1) Zoning:

Zoning of each property in Delta is determined by Delta's Zoning Bylaw. Before you purchase or lease a property for your new business, ask yourself the following:

- Does Delta's Zoning Bylaw allow for the type of business that you are contemplating to be on the chosen property?

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- Does Delta's existing Official Community Plan designate a different future land use for the property?

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- Does the property need to be rezoned to enable the anticipated business use to conform? If so, what time span is involved and what is the cost of such a rezoning?

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# Checklists (continued)

Depending on the type of business, do you need approval or commentary from any of the following:

- Greater Vancouver Regional District?
- Fraser River Estuary Management Program?
- South Fraser Health Region?
- Delta Fire Department?
- Delta Police Department?
- Delta Engineering Department?
- Delta Community Planning & Development Department?

## 2) Building Permit:

When setting up your new business, if your property undergoes construction, reconstruction, alterations, additions or change of use, you will need to obtain a building permit from the Municipality of Delta. A building permit ensures that the proposed new business location complies with the B.C. Building Code and all other municipal by-laws. Once an application is submitted and a building permit is issued, the construction may proceed, subject to inspection at various stages.

## 3) Business Licence:

Each business operating in Delta – even those located in private residences – must have obtained a municipal business licence. This licence must be renewed each year. The fee structure and types of licences required are determined by municipal bylaws. Applications are available from:

Delta Municipal Hall  
Building & Licences Division  
4500 Clarence Taylor Crescent  
Delta, B.C. V4K 3E2  
Telephone: 604-946-3380

## 4) Fees, Charges & Taxes:

Among others, the fees that may apply to your new business location include:

- Building permit fee
- Development permit fee
- Subdivision permit fee
- Servicing agreement fee
- Rezoning application fee
- Development cost charge
- Sewer hookup fee
- Water hookup fee



## OTHER INFORMATION SOURCES

|   |  |
|---|--|
| Aboriginal Business Canada                      | <a href="http://www.abc.gc.ca">www.abc.gc.ca</a>                           |
| BBB of Mainland British Columbia                | <a href="http://www.bbbvan.org">www.bbbvan.org</a>                         |
| British Columbia Chamber of Commerce            | <a href="http://www.bcchamber.org">www.bcchamber.org</a>                   |
| Business Development Bank of Canada             | <a href="http://www.bdc.ca">www.bdc.ca</a>                                 |
| Canada Customs & Revenue Agency                 | <a href="http://www.ccr-aadrc.gc.ca">www.ccr-aadrc.gc.ca</a>               |
| CanadaOne                                       | <a href="http://www.canadaone.com">www.canadaone.com</a>                   |
| Canadian Federation of Independent Business     | <a href="http://www.cfib.ca">www.cfib.ca</a>                               |
| Canadian Food Inspection Agency                 | <a href="http://www.cfia-acia.agr.ca">www.cfia-acia.agr.ca</a>             |
| Canadian Franchise Association                  | <a href="http://www.cfa.ca">www.cfa.ca</a>                                 |
| Canadian Venture Capital Association            | <a href="http://www.cvca.ca">www.cvca.ca</a>                               |
| Canadian Youth Business Foundation              | <a href="http://www.cybf.ca">www.cybf.ca</a>                               |
| Community Futures Development Corporations      | <a href="http://www.communityfutures.ca">www.communityfutures.ca</a>       |
| Environmental Assessment Office                 | <a href="http://www.eao.gov.bc.ca">www.eao.gov.bc.ca</a>                   |
| Export Development Corporation                  | <a href="http://www.edc-see.ca">www.edc-see.ca</a>                         |
| Farm Credit Canada                              | <a href="http://www.fcc-sca.ca">www.fcc-sca.ca</a>                         |
| Human Resources Development Canada              | <a href="http://www.bc.hrdc-drhc.gc.ca">www.bc.hrdc-drhc.gc.ca</a>         |
| Industry Canada                                 | <a href="http://www.strategis.ic.gc.ca">www.strategis.ic.gc.ca</a>         |
| Land Reserve Commission                         | <a href="http://www.icompasscanada.com/lrc">www.icompasscanada.com/lrc</a> |
| Ministry of Small Business, Tourism and Culture | <a href="http://www.gov.bc.ca/sbtc/">www.gov.bc.ca/sbtc/</a>               |
| National Research Council                       | <a href="http://www.nrc.ca">www.nrc.ca</a>                                 |
| Retail Council of Canada                        | <a href="http://www.retailcouncil.org">www.retailcouncil.org</a>           |
| Statistics Canada                               | <a href="http://www.statcan.ca">www.statcan.ca</a>                         |
| Western Economic Diversification Canada         | <a href="http://www.wd.gc.ca">www.wd.gc.ca</a>                             |
| Women's Enterprise Society of British Columbia  | <a href="http://www.wes.bc.ca">www.wes.bc.ca</a>                           |
| Workers' Compensation Board                     | <a href="http://www.worksafebc.com">www.worksafebc.com</a>                 |



For more information on starting  
a new business in Delta, contact:

The Corporation of Delta  
4500 Clarence Taylor Crescent  
Delta, British Columbia  
Canada V4K 3E2

Tel: (604) 946-4141

Fax: (604) 946-3390

[www.corp.delta.bc.ca](http://www.corp.delta.bc.ca)