



Guide
3

Be Successful:

Planning Your Business

Starting a business in New Brunswick:
3 Guides for Immigrant Entrepreneurs

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The recommendations contained in the tips were gathered from interviews with immigrant entrepreneurs and reflect their personal experience. They should not be construed as professional advice.

This guide features information from many sources, and should not be confused with official statements of policy and programming.

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Introduction

Welcome to New Brunswick! *Be Successful: Planning Your Business* is the third and final guidebook for immigrant entrepreneurs who will own a business in this province. In Guide 1, you learned about the business environment and the types of businesses in New Brunswick. Guide 2 helped you to develop business ideas and explained the legal types of businesses and business models. Now Guide 3 helps you to prepare and plan your business successfully so your ideas can become reality.

Good luck as you choose the business you will own in New Brunswick!

All 3 business guidebooks are important resources for immigrant entrepreneurs. Each guide is useful alone, but the best idea is to read all 3 guides in the following order:

• Guide 1

Be Prepared: Business Environment and Expectations informs you about the New Brunswick:

1. Government
2. Economy
3. Infrastructure
4. Business Culture
5. Business Relationships

• Guide 2

Be Creative: Business Ideas and Models informs you about:

1. Creating Good Business Ideas
2. Forms of Business
3. Business Models

• Guide 3

Be Successful: Planning Your Business informs you about:

1. Preparing for Success
2. Evaluating Your Business Idea
3. Staying in Business
4. Learning from Others

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CHAPTER 1 - PREPARING FOR SUCCESS

Successful business people understand the need to prepare and plan. They know that success and good luck are the direct results of good preparation and hard work. This section will help you to prepare for success by understanding:

1. New Brunswick Business Reality
2. Your Business Reality
3. The Need for a Business Plan

NEW BRUNSWICK BUSINESS REALITY

New Brunswick has a good economy for entrepreneurs. People start businesses in the province because they want to live here and believe it has profitable business opportunities.

Many businesses start in small areas with just one employee - the owner. Some stay small, selling products or services to local customers who are also their family and friends. Others grow to become regional enterprises or even larger. New Brunswick has many family businesses that started small and have grown into international success stories.

The majority of New Brunswick business owners choose to work in their own business as an actively involved employer. In 2008, New Brunswick had 42,866 businesses and more than 60% (25,987) were owned by the employer. Most employer-owned businesses are small with less than 5 employees as you can see in the following chart.

Employer Businesses by Firm Size (Number of Employees) in New Brunswick, June 2008

| | Number of Employees | Percentage of employer-owned businesses |
|---|---------------------|---|
| Total number of New Brunswick employer-owned businesses 25,987 | 1 - 4 | 55.3% |
| | 5 - 9 | 20.4% |
| | 10 - 19 | 12.1% |
| | 20 - 49 | 8.0% |
| | 50 - 99 | 2.4% |
| | 100 - 199 | 1.1% |

(Statistics Canada, Business Register, June 2008)

Another 16,000 New Brunswick businesses are not included in the total business number because they were too small to make Canada Revenue payroll deductions. They do not have full-time employees and might employ contract workers, family members as well as the owner. The cost of doing business in New Brunswick can be significantly lower than elsewhere because of the relatively low cost of real estate, labour and energy. Information on business expenses in New Brunswick can be found at www.gnb.ca/0398/investment/Business_Costs.

Another benefit for new entrepreneurs is New Brunswick's aging population. With many business owners reaching retirement age, good businesses will be offered for sale. Many owners do not have family members or employees who want to take over ownership of the business. Therefore, the businesses will be sold publicly creating good business purchase opportunities.

Financial Assistance for Businesses

Business New Brunswick offers financial assistance programs to help businesses establish, maintain, grow and improve their productivity and export efforts. When starting a new business, consult the following:

- 1) The Enterprise Network should be the first place to ask about financial assistance programs. There are 15 Enterprise agencies throughout New Brunswick. Their central website is www.enterprise-entreprise.ca.
- 2) Through Business New Brunswick's website you can obtain information on market research, labour and training resources and other useful business start up tools at www.gnb.ca/0398.

The province of New Brunswick offers a variety of financial assistance programs to help you grow your business. Some helpful programs are:

- **New Brunswick Growth Program** creates sustainable employment opportunities by funding small businesses to pursue opportunities within targeted sectors of the economy. This program also

stimulates capital investment for small business start-up, expansion, diversification, innovation and productivity improvement.

- **Financial Assistance to Industry Program** provides funding for capital expenditures and working capital to help eligible businesses start, expand or maintain.



- **Technology Adoption and Commercialization Program** helps manufacturers, processors and selected service firms with technological innovation and pre-commercial product development.
- **Trade Assistance Program (TAP)** introduces New Brunswick companies to exporting and helps them develop new export markets outside Atlantic Canada.

Training & Labour

- The **Department of Post-Secondary Education, Training and Labour** offers programs that assist employers. Some of these programs include:
 - 1) Work Force Expansion Program - wage subsidy
 - 2) SEED - Student Entrepreneurship
 - 3) Employment Assistance Services
 - 4) Summer Employment Placements
 - 5) Programs to help develop Human Resource strategies and training

Community Colleges in New Brunswick include the anglophone New Brunswick Community College (NBCC) with 6 main campuses, and the francophone Collège communautaire du Nouveau-Brunswick (CCNB) with 5 main campuses, as well as the New Brunswick College of Craft and Design (NBCCD), based in Fredericton. The Colleges

also deliver training services in a number of satellite locations, as required. They provide a very wide assortment of training programs through a mix of traditional and high-tech teaching methods.

Many of the programs offered by the network are co-operative in nature, meaning that periods of classroom time alternate with paid internships in the workplace.

The province of New Brunswick also provides the following labour-related services to assist in business growth:

- 1) NBJobs.ca - a New Brunswick Internet Recruitment Advertising Service. The website is www.nbjobs.ca
- 2) SolutionsNB - finding and hiring newcomers. The website is www.solutionsnb.ca
- 3) The Business New Brunswick website at www.gnb.ca/0398

Business Survival

There are many successful businesses in New Brunswick and many different reasons for their success. One of the best ways to measure success is how long the business operates or survives. The reasons for a business's survival can be divided into:

- internal factors, which the business owner can control.
- external factors, which the owner can recognize but not control.

Internal survival factors include:

- business type
- preparation
- location
- size
- management

External survival factors include:

- competition
- resource availability
- general economic conditions

Survival Rate

Not every business that starts in the province succeeds. One way of knowing how many businesses succeed is to examine the number of businesses that survive. The survival rate is the percentage (%) of new businesses that continues to operate after a specific number of years. For Canadian businesses with less than 100 employees, the average survival rate is:

1 year = 96%

3 years = 85%

5 years = 70%

Historical data collected over a long time period indicate that the first few years after start-up are the most dangerous for micro and small businesses.

Business Growth

An increase in the number of goods and services produced by a region is known as economic growth. Statistics Canada collects information about economic growth by measuring the percentage (%) increase in 'real Gross Domestic Product (GDP)'. This real GDP is the total amount of income in a year from the sale of goods and products. For the year 2008, the increase of New Brunswick's real GDP was 1.8%.

Exporting goods and services creates approximately 42% of New Brunswick's GDP. In 2007, 88% of the province's exports went to the United States. The strength of the Canadian dollar in relation to the US dollar also affects exports.

Growth Factors

The 3 main factors that affect growth are:

1. Rate of Investment
2. Population Growth
3. Technological Change

New Brunswick's government and business communities work hard to show positive results in each of these areas, as follows:

1. **Rate of Investment**

Statistics Canada estimates that capital investment in New Brunswick increased 1.9% in 2008. The investment reached almost \$6.1 billion, the highest amount ever. Employment in the province increased 2.1% in 2007. The increase created 7,400 new jobs and gave New Brunswick the strongest growth rate in Atlantic Canada. Today business investment is increasing with the new LNG terminal planned in Saint John. Another current project is refurbishment or improvements at the Point Lepreau Nuclear Generating station near Saint John.

2. **Population Growth**

Another part of business reality is population growth. As immigrant entrepreneurs know, population growth is an important priority for the New Brunswick government.

The Population Growth Division is working to increase population numbers with the following strategies:

- a) increasing and targeting immigration
- b) increasing settlement and promoting multiculturalism
- c) retaining youth and repatriating former New Brunswickers
- d) adopting family-friendly policies

3. **Technological Change**

New Brunswick is an international leader in technology. New Brunswick has the first province-wide fibre optic network in Canada. The province is also the first region in North America with a 100% digital switching network. As a result, New Brunswick residents have the best access to broadband coverage for communications technology in North America. As well the province's public service agency, Service NB, has won international awards for online delivery of government services.

Changing Markets

Business markets are always changing. Customer expectations, competition and products evolve faster today than ever in

the past. Smaller businesses have a big advantage in these markets because they can act much faster than large organizations. For fast, flexible New Brunswick businesses, market changes are opportunities to succeed.

PERSONAL REALITY

In a new country, one of your biggest resources is yourself. How well prepared are you to start your business? Immigrant entrepreneurs need to understand how their personal situation can affect owning a business. In Guide 2 you considered the ways that your previous experiences could lead to good business ideas. Now, you will want to evaluate your present situation to identify your personal skills and attitudes.

You may find that you need some help as you prepare to become a business owner in New Brunswick. Your local Multicultural Association is an extremely helpful place to find advice on everything from eating to education. Most communities also have local cultural associations. Other immigrants from your home country can help you to understand what to expect during your first years in New Brunswick.

A list of multicultural and cultural organizations is on the Internet at the SolutionsNB website: www.solutionsnb.ca. Or you can contact the New Brunswick Multicultural Council for information by telephone at **506-453-1091** and online at www.nb-mc.ca.

Tip
**The New Brunswick
 Multicultural Council has a lot
 of good information for you
 and your family.**

*This tip is given by immigrant
 entrepreneurs in New Brunswick.*

The following topics will help you recognize any personal preparation that will help you with your new business.

Health

Organizing a major move takes a lot of energy and can be very tiring. As well, you are probably adjusting to new eating, sleeping and home routines. You will need strength to stay positive and be productive while you are planning your business. Be realistic about the amount of work that you can do. If your workload is too large for one person, hire the help that you need to stay healthy.

Family

Most families are very excited about coming to Canada. At first, everything about the environment and culture will be different and fun. But as you settle in your New Brunswick home and start the process of daily life there will be challenges. Your family also has to be ready for you to be an entrepreneur as you will need to take time away from family to focus on your business. As your family starts school, makes friends and learns about the community, the culture shock will fade and gradually New Brunswick will feel like home.



Language

Your language skills in your home country are probably excellent. But in New Brunswick, you will be using English and/or French every day and these may not be your first languages. As a business owner you will

need to communicate with your customers, suppliers and employees. Citizenship and Immigration Canada provides free language skills assessment and basic courses for permanent residents through the Language Instruction for Newcomers to Canada (LINC) program. More advanced training is available at local colleges and universities.

Citizenship and Immigration Canada and New Brunswick's Department of Post-Secondary Education Training and Labour also offer special language training to help immigrants learn work-related English and/or French. The New Brunswick Enhanced Language Training program (NBELT) offers full-time advanced English training for 16 weeks. Students also learn about the Canadian labour market, practice employment skills and receive job search assistance. NBELT includes Prior Learning, Assessment and Recognition (PLAR) training to help immigrants work in their area of expertise. Contact the New Brunswick Multicultural Council at www.nb-mc.ca if you are interested in NBELT.

Tip

It is really important to learn the language. Formal English or French is different from local accents and slang.

This tip is given by immigrant entrepreneurs in New Brunswick.

Vision

In Guide 2, you identified your personal strengths to help you generate good business ideas.

Now, it is time to consider your strengths and weaknesses as part of your business plan. Think about the type of business that you are considering. Can you imagine yourself working in this business? Try to ensure that your business vision suits your personal reality.

Risk

Entrepreneurs like the challenge of operating a business even though they know it may have risks. As an entrepreneur, you probably understand your personal level of comfort with risk. You may need to review this comfort level as you plan your business in a new place. Do you know the real risks associated with your business idea? Are you comfortable with the level of risk you are facing? The planning information in this guide can help you successfully manage the personal and professional risks in your new business.



Time

In the near future, you expect to become the owner of a New Brunswick business. As you plan this business, you could also be finding a home, improving your language skills and learning how to live in a new culture. Good time management is essential for immigrant entrepreneurs. Ask yourself if your daily schedule is realistic and if your goals are achievable in the time that you have. Remember that time frames may be different here and work may be slower or faster than in your home country. Ask other business people how much time is required to complete tasks and try to manage your time realistically.

Readiness

In the Provincial Nominee Program (PNP), you first need to be nominated, meaning to have your application approved by the province of New Brunswick.

This usually takes a few weeks to several months. Then, you will need police, medical and security checks to receive federal approval, which takes 6-8 months to complete.

To ensure that you are ready to start your business, ask yourself the following 5 questions:

1. Are my family and I ready to stay permanently in Canada?
2. Do my family and I all have permanent status in Canada?
3. What do I still need to do to complete my Provincial Nominee Program (PNP) requirements?
4. Do I need any licenses or credentials to work in Canada?
5. Are my financial documents ready to show to a bank?

Mentoring

Consider finding a mentor to help as you start your business. A mentor is a person with expert knowledge in an area who helps a mentee who is starting in business. A mentor gives advice and shares experiences to help you to achieve your goals. In New Brunswick, the Population Growth Division (www.gnb.ca/population) has joined with the local Chamber of Commerce or other organizations in some communities to create mentorship programs for immigrant entrepreneurs. Contact the Population Growth Division for information about mentoring programs in your area.

PLANNING FOR SUCCESS

A complete and thoughtful plan is the key to success for any business. A good plan will help your business to succeed.

If you:

- **Start a new business**
A plan will help you to evaluate every part of the business and show how it will succeed.
- **Buy an existing business or a franchise**
Writing a plan will help you to identify the strengths and weaknesses of the business to decide if it can continue to succeed.
- **Borrow money or apply for grants**
Potential lenders and funders require a detailed business plan to determine your potential to succeed.

Your plan needs clear and logical organization so the reader will understand your business. Who will read your plan? Some of the people who need to see your business plan include:

- Lenders and funders who will loan you money
- Business advisory organisations who will help you
- Business mentors
- Friends, relatives and colleagues who will invest in your business
- Business managers who will use the plan every day

You will decide if your business can succeed based on the following steps:

Researching Your Plan
Writing Your Plan
Analysing Your Plan

Researching Your Plan

When you write a business plan, you must collect a large amount of information. For example you will need to research:

- Costs related to products and supplies
- Competition
- Markets
- Customer preferences
- Pricing
- Suppliers
- Hiring and paying employees

There are many good sources of information that relate to your business in your community. Sometimes you may have to use specialists to help you find information. Useful information may be obtained from:

- Lawyers
- Accountants
- Real Estate Brokers
- Economic Development Agencies
- Employees
- Bankers
- Marketing Consultants

Writing Your Plan (see Addendum 1)

A business plan presents reliable information in a way that is useful for decision makers. Business plans have different presentation formats.

Many government and private websites show you business plan templates that you can choose from to write your plan. Following are helpful websites for researching and writing a business plan:

- Service New Brunswick
www.snb.ca
- Business New Brunswick
www.gnb.ca/0398
- Canada Business – Government Services for Canadian Entrepreneurs
www.canadabusiness.ca/nb
- Enterprise Network
www.enterprise-entrepreneur.ca

Business plans should include the following 5 major content areas:

1. Background Information
2. Marketing Plan
3. Operations Plan
4. Financial Plan
5. Decision-making Criteria

The key points in the content areas are summarized in a one-page Executive Summary at the beginning of the plan.

Analysing Your Plan

You will probably work very hard to write a clear business plan. But you will also want to ask one or more outside specialists to review the plan. Business owners know their own ideas too well and can easily forget to add important information that others will need to understand the business ideas. You may not find mistakes or notice the missing information.

You can also hire accountants and business consultants to professionally assess your business plan. They will charge a fee, but their advice may be worth the expense. Bankers and experienced business people can also offer valuable help and do not usually charge for this service. Employees at economic development agencies have a lot of experience evaluating business plans. They can analyse each part and tell you what information is missing or needs to be changed.

Start by contacting your local Community Economic Development Agency (CEDA) office, also known as Enterprise Agencies, or your local Community Business Development Corporation (CBDC).

There are 15 regional Enterprise Agencies in New Brunswick. For more information on your local agency and the programs and services they offer, visit the Enterprise website at www.enterprise-entreprise.ca. In addition there are 10 local CBDC offices in New Brunswick that offer many services to help new entrepreneurs. You can find contact information for the CBDC in your area at the website www.cbdc.ca.

Chapter 2 - Evaluating Your Business Idea

In Guide 2, you thought about your abilities and New Brunswick resources to choose the best possible business idea. Then you thought about legal business forms and models to find the best type of business for you and your idea. Before you write a business plan, you need to research your business idea and ask yourself: Can my business idea succeed in New Brunswick? If the answer is yes, then you will use your research information to make a formal business plan. First, you need the following 3 smaller plans:

1. Marketing Plan
2. Operations Plan
3. Financial Plan



PREPARING A MARKETING PLAN

Every business needs a group of people who will buy the products or services. This group is known as the target market. Once you know the market for your business idea, you can consider the competition. Ideally your business will have a competitive advantage that will help you to win customers in your target market. You will also need to decide the best places, prices and promotions to sell your products or services. This is known as the positioning. Therefore, your marketing plan will be comprised of the following:

Market Research

Target Markets

Competitive Advantage

Positioning Your Product or Service

Market Research

Market research is the study of groups of people who might buy your products or services. You will need to collect lots of information about your business sector and your potential customers, as well as the products or services that the customers like to buy. Researching your target market can provide you with reliable, objective data.

Market research takes time but minimizes risk and improves your chance of success. Market research also helps you to decide the best marketing strategy for your business. Sometimes the market information that you need can be hard to find. To be useful, the research should be directly related to your business idea and also be from a credible or objective source. The 2 types of market research you can use are:

1. **Primary Research**
2. **Secondary Research**

1. Primary Research

Primary research is original first-hand information that you collect for your specific project. Primary research includes surveys, focus groups or personal observation to collect research information. Effective primary research is prepared objectively and presented clearly in your marketing plan. The results of the research should be easy to understand.

Advantages of primary research:

- you own the information
- you can choose the subjects (people)
- the information is exactly what you need

Disadvantages of primary research:

- it takes a lot of time
- it can be expensive
- it is difficult to be objective

Sources of primary research

Making a mistake in your market research can cost you money and hurt your chances of success. Because you need good information, you may want to hire professional research consultants to collect primary data. Ask several researchers or companies for price quotes before hiring. You will find business research consultants listed in the telephone book yellow pages for New Brunswick cities.

Sometimes you can ask a local university professor who teaches business marketing to assign your research as a class project. Contact the nearest university to ask if they work with local businesses to collect primary data. You may have to pay a small fee, but the cost will be lower than a professional research firm.

You can also conduct less formal primary research. Visit the businesses of potential competitors and take notes about the customers, markets and product positioning. Ask potential customers, suppliers and employees what they like to buy. Most entrepreneurs use some primary research but they also rely on secondary research.

2. Secondary Research

Secondary research uses existing data such as government statistics and market surveys. Other examples of secondary research include reports published by an industry association or a trade magazine. Because this information is general, you need to choose the specific data that relates to your business idea.

For example you may find information on all of New Brunswick but would prefer information related to only one specific city.

To start your secondary research think about who would buy your products or services. Guide 2 explains the demographic age groups in New Brunswick. You may also divide your target market by region or location. To determine who is interested in your product or service, check secondary sources such as:

- a) trade journals
- b) marketing magazines
- c) government reports
- d) Chamber of Commerce market profiles

Also look for information on purchasing trends that will help you to understand the buying habits of your target market.

Advantages of secondary research

- it saves time and money
- experts usually completed the work
- good research sources provide objective information
- it is easily available online and in publications
- you can do research at home

Disadvantages of secondary research

- it is collected by another person or organization
- you need to select useful information
- it needs to be re-organized for your use
- can be old or no longer useful
- you may need copyright permission to use the information

Sources of secondary research

Business websites:

- Statistics Canada Ottawa - www.statcan.gc.ca
- Industry Canada - www.ic.gc.ca
- Business New Brunswick - www.gnb.ca/0398

- Government of Canada - www.gc.ca
- Canada Business - www.canadabusiness.ca
- Atlantic Canada Opportunities Agency – www.acoa-apeco.gc.ca
- GD Sourcing Research & Retrieval - www.gdsourcing.com

Business Agencies:

- Chamber of Commerce
- Board of Trade
- City or Town Hall
- Community Business Development Corporations
- Enterprise Network
- Business New Brunswick

Using Secondary Research

When you find secondary information that you want to use you will need to check the research date. Old information may not be valid today. Then write down the exact research source information in case you need copyright permission to use it. Research sources are also included at the end of your marketing plan. You will need to know the publication date, the author(s), the research title, the publisher and the publication place (city and country), as well as the date when and location where you found the information. Good research sources make a business plan more successful.

After you have your primary and secondary data, analyse it to decide the specific groups you will target.

Target Markets

A target market is the group, or groups, of people who you hope will buy your products or services. The first step is to define your target market. Even if you plan to sell a service only in your new community, not everyone who lives there will buy. You need to know everything you can about the people who might be interested in buying your product or service. To find your market, begin by answering the following questions:

- What is their age range?
- Are they males or females or both?
- Are they married or single? Do they have children?
- How old are they?
- Where do they live?
- What is their income?
- What do they do for a living?
- What is their lifestyle like?
- How do they like to spend their spare time?
- What motivates them?
- What kind of lifestyle does your product relate to?
- Is the product for everyday use, or for specific times of the year or specific activities?

A good target market has the following four (4) characteristics. The population group has:

1. a particular need
2. money to purchase your products or services
3. decision-making power and the authority to buy your product
4. access to your products and services



Market Projections

The next step is to make informed guesses about your target market that are called projections. You need to be more specific about the amount of products your customers will buy. You also want to know which trends or popular fashions will affect their buying. You need research to find the answers to:

- What proportion of your target market has used a product similar to yours before?
- How much of your product or service might your target market buy? (Estimate this in gross sales and/or in units of product/service sold.)
- What proportion of your target market might be repeat customers?
- How might your target market be affected by demographic shifts?
- How might your target market be affected by economic events (e.g. a local mill closing or a big-box retailer opening locally)?
- How might your target market be affected by larger socioeconomic trends?
- How might your target market be affected by government policies (e.g. new bylaws or changes in taxes)?

Finding answers to these questions may require primary market research. But when you have this information, you will have a good idea of the size, characteristics and behaviours of your potential target market. Your next step in evaluating this business opportunity will be to prepare a competitive analysis.



Competitive Advantage

Knowing your target market is very useful information. Knowing about the other businesses that want to sell to your target market is equally important. You need to identify not only who your competition is but also how your product or service differs from theirs. This will give your business a competitive advantage in gaining a fair share of your target market.

First you need to determine which businesses are your competitors. The yellow pages website may assist you in finding your competitors. Once you have identified a list of your major competitors, you will need to analyse how their products or services compare to yours. The final step is to determine the best way to develop your competitive advantage.

Finding Your Competition

The two kinds of information you will need about your competitors are primary and secondary.

1. Primary information about your market is learned by asking or observing. In order to find out who your competitors are you might:
 - a) Ask your potential target market
 - b) Ask your potential suppliers

These groups know your market very well. They are often able to describe your competitor's products and services clearly. They will also be able to identify potential weaknesses in these businesses. You may ask them through focus groups, surveys or directly. You may want to hire professional marketing experts to help.

In addition you can:

- a) Ask business association members or employees.
- b) Ask local economic development officers.

Tip

It is hard for newcomers to think like local consumers. Ask the opinions of local people when possible.

This tip is given by immigrant entrepreneurs in New Brunswick.

If you want to know about your competition, visit their businesses. For example if you want to be in the restaurant business, eat at local restaurants that are similar in price range and clientele to your potential business. This will give you more details about your competition.

2. Secondary information about your competitors uses the same methods as the secondary research described earlier in this section. It can also be learned through reports and statistics produced by industry associations and by government agencies. Refer to the source websites and organizations that are listed under Secondary Research.

Analysing Your Competition

Once you have determined which businesses are your biggest competitors, you need to analyse their strengths and weaknesses. You will want to prepare profiles describing the background, finances, products, markets, facilities, personnel, and strategies of your major competitors. The profiles involve:

Background

- location of offices, plants, and online presences
- history - key personalities, dates, events, and trends
- ownership and organizational structure

Financials

- public information (for public companies only)

Products

- products offered
- brand loyalty and brand awareness
- patents and licenses
- quality

Marketing

- customer base, growth rate and customer loyalty
- promotional mix, promotional budgets, advertising themes, sales force
- distribution channels used, exclusivity arrangement and geographical coverage
- pricing, discounts, and allowances

Facilities

- plant information if manufacturing or processing
- locations of stores or outlets

Personnel

- number of employees
- strength of management
- compensation, benefits, and employee morale & retention rates

Once you have prepared this information you will be well positioned to describe your competitors' strengths and weaknesses. In the following section you will need to use your competitors' strengths and weaknesses to identify and develop your market advantage.



Positioning Your Product or Service

Positioning simply means deciding how your business fits in the marketplace in relation to your competition. You have learned about your customers, who they are and what they want. Now you need to identify the strengths and the weaknesses of your potential business as compared to your competition. Combining information about your competitors and customers will help you develop your business advantage.

Developing Your Advantage

You will find market opportunities by analysing the information you learn from researching your competitors. To evaluate your business share of the market you need to look for differences between what the customers want and what your competitors are offering. The best way to find these differences or gaps is to analyse the 4 Ps of your business:

1. Product: What you are selling?
2. Price: How much you will charge?
3. Place: Where will you sell your product?
4. Promotion: What special incentives you will use to get people to try your product?

The 4 Ps position your product or service in the minds of your customers. They will help you to identify how you can be better than your competitors at meeting the wants and desires of your customers.

Preparing a Marketing Strategy

You are now ready for the final phase of your marketing plan. This requires making a market strategy. Your market strategy should address such questions as:

1. What products will I sell? Where will I get them? What will they cost? How will they be different than my competitors?

2. How will my pricing compare to competitors? Will my customers be prepared to pay?
3. How does my location relate to my customer needs? Is my location more or less advantageous than my competitors'?
4. How can I contact my potential customers? What will it cost? What do they need to know about my business or products? How can I convince them to give me their business?

Marketing and competitive analyses are essential parts of your marketing plan and your business plan. Good research on your competitors and how the market has behaved in recent years may take time. But good marketing information leads to business success. A poorly organized marketing strategy can ruin even the best of products or services. Remember that your target customers cannot buy from your business unless they know that your business exists.

PREPARING AN OPERATIONS PLAN

Once you know your target market and have a marketing plan, it is time to plan for business operations. Operating requirements are the way that you will deliver goods or services to your target market. An operating plan evaluates and outlines how you will serve your clients and customers. It needs to show that you can sell goods to your market for a reasonable cost. Operations include where you will sell goods to customers, what equipment is required, who will sell the goods and how the business will serve a new need in the marketplace. The plan should give details about the following areas:

- Physical Requirements**
- Systems and Technology**
- Human Resources**
- Innovation**

Physical Requirements

Many entrepreneurs know the physical appearance of their businesses from the start. Sometimes the product or service decides the choice and design of the space.

For example, a restaurant must have a kitchen with cooking equipment, a seating area with tables and chairs, men's and women's bathrooms and cold storage facilities.

These facility requirements must be decided before you can calculate the financial costs of starting your business.

The Facility

To evaluate your business idea, you need to decide the facility requirements. Logically a manufacturing business needs more physical infrastructure than a laundromat. The volume of business is the first factor to consider because you must be able to serve the number of customers projected in your marketing plan. Too small a facility will mean a difficult work space with no room for growth. Too big a facility will raise expenses for heat, light, and property costs. Both can endanger your business success. In Addendum 2 you will find a list of industrial parks which may be of interest in determining the location of your business. For more information on commercial developers and property acquisition, visit www.gnb.ca/0398 and select "Real Estate", or call **1-800-665-1800**.

Tip

Hire a professional building inspector or a reliable contractor. They will tell you about some of the problems and the costs of repairs that are needed.

This tip is given by immigrant entrepreneurs in New Brunswick.

You will need to evaluate a list of available properties, a property inventory list, to compare and select good premises. A real estate broker can help with this process. You may want to choose one who specializes in commercial real estate.

The facility that you choose could be ready to use or may need changes. You may want to renovate, expand or even build to meet your business requirements. Some of the physical facility concerns are:

1. Size
 - a) What are the total dimensions of the building's useable space?
 - b) How many square metres of space does your business require?
 - c) How much of the space will be open to the public?
 - d) How much space is needed for storage or production?
 - e) Should the space have room for future growth?
2. Layout
 - a) How will the space be used by the staff and public?
 - b) How much space will the equipment require?
 - c) How can the space be organized to serve all of the functions of the business?
 - d) Does the business require warehousing facilities for raw materials, goods in process or finished goods?
3. Capacity
 - a) What is the average amount of production needed to make a profit?
 - b) What is the largest production required by the business in a given period? (For example, how many meals would be prepared in a restaurant in one hour.)
 - c) What are the key production concerns?
 - d) What size, layout and equipment do you need?
4. Location
 - a) Where do you want to locate the business? (location is discussed in the previous Marketing Plan information and in Guide 2)
 - b) Does the building need to have structural requirements for equipment or other use?

- c) What are the electrical, plumbing, heating and air requirements for your business?
- d) What exterior appearance does the building need to have?
- e) What maintenance or upgrading will the building need to meet business codes and other requirements?

The Equipment

As you evaluate your business idea you need to decide what type of equipment the business requires. Equipment requirements reflect the type of products and services the business will provide. A hairdressing salon with sinks, hair dryers and styling tools may need more equipment than a convenience store that simply requires shelves and a cash register. The intended volume of the business will determine the quantity and quality of the equipment that should be sourced.

Some types of equipment that a business may require include:

1. Production Equipment
2. Service Delivery Equipment
3. Warehousing Equipment
4. Shipping or Delivery Equipment
5. Cleaning and Maintenance Equipment

For your operating plan, you will need to know the availability and the cost of equipment. That means finding good sources for each type of equipment. Suppliers may be recommended by other business people or have references available from other businesses they supply. Be careful to compare prices so you pay a fair amount for equipment. Ask for written cost estimates from several suppliers for each major piece of equipment. In New Brunswick written estimates may or may not include the costs for delivery and installation, so be careful to ask what the estimate includes. Also ask about costs for warranties, guarantees and service contracts.

It is important to know how, where and by whom your equipment will be serviced. It is preferable to buy equipment that can be readily repaired locally. If you are bringing equipment from other countries you need to check whether the equipment will function properly in New Brunswick. Differences in electrical, safety, environmental standards and requirements can cause additional costs and delays.

The other main equipment concern is delivery time. You need to know how much time is needed for your business to start operating. You may be surprised at the length of time needed to purchase, receive and install all the equipment your business requires. Sometimes business ideas require specialized equipment that may not be easily available. Canada Business is a good source of help. You can contact the New Brunswick office through the website www.canadabusiness.ca.

The Raw Materials, Merchandise and Supplies

Your operating plan should identify reputable suppliers for the materials, merchandise and supplies the business needs. If you want to start a manufacturing or processing operation you will need to find the raw materials to produce the goods. A retail operation will need merchandise to sell to the customers. A service business will require an inventory of supplies to provide the service. Contact possible suppliers and ask about delivery frequency, size of minimum orders, suggested selling prices and return policies.

Most important of course is the delivered cost for your business. Raw material may sometimes be obtained at a lower cost through sources outside Atlantic Canada. If you are likely to source from other countries remember to consider delivery times. You may need to maintain a larger inventory of raw materials to compensate for longer delivery times.

Your plan should have more than one source for raw materials, merchandise or supplies to show that business operations can continue if a supplier is no longer available. Canada Business can also help you to find suppliers.



Systems and Technology

Most businesses in New Brunswick use computerized information and communication technology. You will need to consider the cost, availability and usefulness of various technologies for your business. Technology requirements are based on the type of product and services the business intends to provide. The projected volume of business also affects the choice of technology.

The technology to identify in your operating plan includes computer hardware and software purchase and installation.

There will probably be additional costs for training, maintenance and upgrades. Some examples of the technology commonly required in a business include:

1. Websites: internal and public
2. Security systems
3. Accounting systems (for example billing, inventory, payroll)
4. Point of sale hardware and software (for example cash registers)
5. Computerized manufacturing and processing systems
6. Communications systems

The operating plan needs to show reputable sources for your systems and technology

needs. Again, ask for several written estimates. The technology costs are usually much higher if your business has custom requirements. As with equipment, you will want to ask suppliers about delivery, installation, warranties, guarantees and service contracts.

Also estimate the time required to purchase, receive and install all the technology that your business requires.

Tip

You or your family should not do all of the work. Hire good employees so your family has time to rest.

This tip is given by immigrant entrepreneurs in New Brunswick.

Human Resources

Employees are a key part of your business profitability and growth. In your business plan, you will identify the number of employees you need and when they are needed. The New Brunswick government may be able to help you with workplace training programs that you and your employees can take.

Your business may also qualify for salary subsidies to help employ more people. You can contact the Department of Post-Secondary Education, Training and Labour (www.gnb.ca/0381) for more information.

The following steps can help you to find good employees and to enjoy positive relations with the people who work for you.

Recruiting Employees

- 1) Before you look for an employee, write a clear job description listing:
 - job title
 - detailed work duties and areas of responsibility
 - job location and resources (ex. store counter area, two uniforms)

- desired employee skills and qualifications
 - weekly work hours and work schedule
 - pay amount and pay period
 - starting date
- 2) Use the main points in the job description and examples from other job advertisements to make a job posting. Include what you want from candidates, such as a resume with references, and whether candidates should contact you by email or telephone. Post your job advertisement with:
 - newspapers (local and regional)
 - online job sites (ex. nbjobs.ca)
 - business association newsletters and online sites
 - job and career fairs
 - government employment centres
 - private employment agencies
 - your business network
 - student employment service office at universities and colleges
 - employment counselors at Immigrant Serving Agencies
 - 3) The best employees often are recommended by people you know. Ask for suggestions of suitable employees from your:
 - business contacts
 - cultural community
 - friends

Hiring Employees

- 1) Identify the absolutely essential abilities and characteristics the employee must have. These are your selection criteria.
- 2) Review the resume information from all the candidates for the job. Use your selection criteria to choose the candidates you want to interview.
- 3) Make an interview schedule with specific interview start and end times. Be realistic about the amount of time you will need to communicate clearly. Contact potential employees and schedule the interviews.
- 4) Plan the interviews. Write a list of questions based on the selection criteria and the candidate resumes. In Canada,

you cannot ask questions about age, family, religion, sexual orientation and any other area that might cause illegal discrimination. Check the Human Rights legislation to be sure that your questions are legal.

- 5) Choose a quiet place for the interviews where you will not be interrupted. To interview the candidates:
 - introduce yourself and your business
 - describe the position
 - ask your questions and write notes on the answers
 - ask if the candidate has questions
 - thank the candidate and give a date when the decision will be made
 - sit alone for a moment to review your notes and evaluate the candidate before interviewing the next person
- 6) Choose the best candidate and check the person's references. If the references are good, confirm that the person still wants the job and agrees to the pay amount and schedule. If not, contact your next choice.

Tip

Finding good employees can take time. Look for skilled employees through a job search agency.

This tip is given by immigrant entrepreneurs in New Brunswick.

Retaining and Managing Employees

Once you find good employees, you will want to keep them. New Brunswick employees are very loyal but they may have different workplace expectations than in your home country (see Guide 1, Business Culture).

The following steps can help you and your employees to understand each other and build positive long-term relationships.

- 1) Welcome new employees and explain the company culture. Some companies print a handout with the company philosophy and policies.

- 2) Make sure that employees understand what hours you expect them to work, as well as when and how they will be paid.
- 3) Show that you value employees by giving praise for good work, offering small incentives such as a restaurant coupon, or having a company party for employees and their families.
- 4) Offer opportunities to upgrade work skills or learn new skills. You may want to take a course together with an employee if you will both benefit from the knowledge.
- 5) Treat employees with respect as equals and they will treat you with respect in return.

Innovation

Innovation, in its simplest form, means doing something differently. To prepare your operating plan you will need to assess the importance of innovation to your business success. Innovation in your business may be developing new products, markets, production or processing techniques. It could also mean new ways to deliver a service. Innovation is a continuous process that requires:

- Investment in research and development
- Registering and protecting intellectual rights

Investment in Research and Development (R&D)

Your business may need to develop new products, manufacturing processes or sales methods. This can mean investing time and money to research ideas. You may also need to develop prototypes, or original models that have not been used before. Usually new products and processes also require testing that takes more time and money.

In most industry sectors, R&D is a continuing priority so that new ideas and markets are constantly being developed. Innovations are very valuable. In New Brunswick many businesses choose to coordinate their R&D efforts with those of the other businesses in their sector. Sometimes this R&D involves partnering with experts from the education sector.

The provincial government and the University of New Brunswick have major R&D facilities related to major industry sectors. The following government website has links with information about R&D facilities:

www.gnb.ca/0398/investment/. The site also lists R&D government programs that might be useful in developing your business idea.

Registering and Protecting Intellectual Property Rights

In North America, Intellectual Rights are legally protected. You have probably seen items marked with the Trademark symbol [™], the Copyright symbol © or the Registered symbol ®. These symbols show different types of legal protection that are very serious concerns in Canadian business. Your business will need to register intellectual rights to protect your new ideas and innovations.

Strategies to protecting your innovative technology and products include:

- Branding
- Trademarks
- Patents
- Copyrights

Protecting innovations usually requires the help of a lawyer who specializes in this area. If your business idea uses intellectual property developed by others then you need to receive written permission to use the property. This topic is discussed further in the Guide 1 section about Business Culture. For more information you can contact the Canada Intellectual Property Office at: www.cipo.ic.gc.ca

PREPARING A FINANCIAL PLAN

Once you have a marketing plan and an operations plan, you can start to calculate the costs of your new business. The financial plan begins with a clear understanding of your current finances. You will need to assess all the resources that you and any partners will contribute to the business. From this information, you will be able to see your funding needs or the amount of money that you will need to borrow.

Once you know your financial resources and needs, you can develop a funding plan. For this you will need to project realistic future income from your business. As well, you may need to identify sources for personal and business loans. Loans often come from banks so you need to develop a good working relationship with your bank. Banks want a logical detailed financial plan that shows how your business will succeed. Following is the information that should be in your financial plan.

Current Financing

Key investors or owners

1. You will want to prepare a list of key investors or owners showing the amount that each will invest into the business.
2. Describe the background of each of the investors and owners in a short biography.
3. You will want to note the personal financial situation of each investor and owner.

Tip

You must bring to New Brunswick your financial records and history for the past few years.

This tip is given by immigrant entrepreneurs in New Brunswick.

Existing loans and liabilities

1. If you are purchasing a business you need to obtain a complete list of the loans and liabilities of the business.
2. A lawyer may assist with the search for liabilities. This is called due diligence. Your lawyer may also prepare documents which help protect you from undisclosed liabilities.
3. If you are starting a business you will certainly need to evaluate your current debt load. A list of your loans and liabilities will be useful.

Funding Needs

Purchase Costs of an Existing Business

This is the amount that the vendor requires to transfer the business to you. You may also need additional amounts for:

1. Capital Costs – for example equipment, leasehold improvements or vehicles
2. Operating Capital – the amount of cash which is required to operate the business, for example to pay suppliers, employees and utilities
3. Fees - legal and accounting fees, licences and permits, and other costs related to registering ownership

Total Start-up Costs for a New Business

This is the amount that you will require to start up your business. This can include:

1. Capital Costs – for example building, equipment, leasehold improvements or vehicles
2. Operating Capital – the amount of cash which is required to operate the business, for example to pay suppliers, employees and utilities
3. Fees - for example legal and accounting fees, licences, permits and name search

Funding Plan

Loans - Financial Institutions

You have identified your current financing and your financing needs. The amount of money that you will need to borrow is the difference between these two. If you have less than you need then you will probably want to apply for loans from a financial institution.

Lending institutions such as banks and credit unions almost always require a written business plan including all the financial information that is discussed in this section.

Before visiting a financial institution it is important to be familiar with the information contained in your business plan. If you have used consultants to help prepare the plan they should also be able to assist you in preparing to meet with lenders.

Loans – Vendor Lending

Some funding could be met by the vendor. The vendor could provide a loan or assume a mortgage. This could help ensure that the vendor provides you with assistance in the transition of ownership.

Government Assistance

You may be eligible for financial assistance at the federal level, provincial level and local level.



At the federal level, see programs and services from Industry Canada (www.ic.gc.ca) and the Atlantic Canada Opportunities Agency (www.acoa-apeca.gc.ca).

At the provincial level, see programs and services under Business New Brunswick (www.gnb.ca/0398).

At the regional level, the Community Business Development Corporations (CBDCs) provide financial assistance to rural based businesses. To find the CBDC in your region, see their website at www.cbdc.ca.

Also at the regional level, visit your local Enterprise Agency. They are able to help you identify financial programs you may be eligible for and also assist you in completing applications for financing.

To find the Agency in your region go to www.enterprise-entreprise.ca.

Funds from Operations

You will want to assess how much funding can be expected from your business operations. Very few businesses generate excess cash immediately. You need to determine whether the business you are buying or starting will generate sufficient cash for operations and for growth.

Tip

Keep your credit cards from your home country until you establish credit in New Brunswick.

This tip is given by immigrant entrepreneurs in New Brunswick.

Reducing Funding Need to Meet Available Funding

New immigrants without a credit history may face difficulties in obtaining third party financing. It is important to establish Canadian credit history as soon as possible upon arrival. You can start by obtaining prepaid credit cards using your new Canadian address.

If obtaining credit for your business proves to be difficult you can consider starting a smaller business without third party financing. Over time as your business gets better you may expand.

Financial History

Existing Business - Financial Statements

The first step in evaluating the financial prospects of an existing business is to study the past financial statements. You will need to request the financial statements for the past 3 to 5 years. Before you spend time analysing the finances, you will need to know that the statements are reliable, good information. Reliability depends on who prepared the statements and whether a professional accountant reviewed them.

1. Financial statements that are prepared by someone outside of the business are more reliable than those prepared internally.
2. Financial statements that have been reviewed by a professional accountant are considered more reliable.
3. The most reliable financial statements have an audit report stating that they present fairly the result of the business's operations.

If the financial statements are reliable, you or a professional accountant will want to analyse the income statement and balance sheet. In the Income Statement you will be looking for positive trends related to:

1. Sales growth
2. Profitability ratio (Profit/Sales)
3. Gross margins (Sales – Cost of Goods Sold)
4. Operating costs

On the Balance Sheet you should examine:

1. Return on Investment (ROI)
2. Liquidity of the business or the amount of cash in the business (Current Assets/ Current Liabilities)

If you do not want to buy the whole business, then you will only analyse the part that you are buying. If you are buying the whole business, then you will need to carefully assess the true value of each of the assets. You will also need to examine the completeness of the liabilities list.

New Business – Personal Financials of Investors

When you are starting a new business, you need to evaluate the personal financial strength of the investors. A financial statement for each investor is normally required by banks and other lenders and is included in a business plan. You need to evaluate if your finances and the personal financial situation of your partners can support all of you in a start-up business.

Financial Forecasts

Pro Forma Statements

It is useful to prepare financial statements for the future when you evaluate a business. These statements are called Pro Forma Financial Statements. Pro Forma financial numbers are based on assumptions about areas such as the amount of capital investment, the volume of operations and their profitability. Pro Forma Statements are only estimates based on experience and knowledge.

No one can accurately predict the future of a business. You will need to rely on experts to help you make reasonable financial assumptions.

Pro Forma Balance Sheet

A Pro Forma Balance Sheet shows the business assets, the liabilities and the owner's equity at one specific point in the future. This balance sheet gives a picture of what the business will own, what it will owe and what the shareholders will own at one future date. This financial projection is used to help evaluate a business acquisition or a start-up plan and is based on probable financial results.

Pro Forma Income Statement

A Pro Forma Income Statement shows the expected income for a specific period of time in the future. For example annual statements may be prepared for the first 3 years of business operation. Each one of these statements is based on assumptions related to the sales growth, the cost of goods or services sold and the costs of operating the business.

Pro Forma Cash Flow Statement

When evaluating a business, you will usually want to look at cash flow statements for a future period of 3 years or more. Lenders will want to see loan repayments in the cash flow statements.

You will want to see if your business can generate enough cash to continue operating. You may find that more capital may be required in the first few years than you had expected. Pro Forma Cash Flow Statements are based on forecasts. Forecasts are future projections showing how and especially when the business will receive cash and disburse or pay out cash. They show the expected cash inflow each month and the expected cash outflow each month.

Banking Relationships

Most business owners like to develop a good relationship with their bank. A banker will want to see your credit history to understand your past business experience and ensure that you are a good risk for a loan.

Bankers:

- Know many people
 - Have lots of financial experience
 - Ask helpful questions
 - Know about business opportunities
- but*
- Bankers must follow the policies and procedures of their business. They are not entrepreneurs.

Developing a good relationship with your banker requires that you:

- choose someone you can communicate with comfortably
- help the banker to understand your vision and plans
- meet with your banker regularly
- keep your banker informed about your business situation

It is very important to maintain a good relationship with your bank. Some ways to do this include:

1. Be polite and respectful in personal and written communication.
2. Make payments on time or a few days early and inform your banker if you will be late paying.
3. Tell your banker if your payment schedule is too hard and try to negotiate a more realistic schedule and amount.

This section, *Evaluating Your Business Idea*, has prepared you to write the marketing, operations and financial parts of your business plan. If these 3 plans show that your business can succeed, you can finish making your complete business plan. You are ready now to finalize business negotiations and decisions about your business operations, marketing and financing. Then it will be time to put your plan into action and enter business in New Brunswick. This next section will help understand what you will need to do to stay in business.

Chapter 3 - Staying in Business

You learned at the beginning of this Guide that not all new small businesses are successful. The first 3 years are particularly difficult and many businesses close. In this section we would like to discuss four important business habits which can help new entrepreneurs stay in business and succeed. They are:

Following the Business Plan

Planning the Work

Learning as You Work

Adapting the Plan

FOLLOWING THE BUSINESS PLAN

You have put a lot of time and effort into researching and writing your business plan. As you start your business you will probably need to make some decisions and choices that are different than anticipated in your plan.

This is almost always the case because a plan isn't a signed contract; it is the direction you are taking. For instance you may have in your plan to purchase your technology from one supplier and you may choose another supplier instead. That is normal. This does not make your plan wrong or useless. Some business owners make the mistake of putting away their plan if they see that they need to make changes.

Business Habit #1: Keep your plan near you and review it to see how well you are succeeding at meeting the plan.

PLANNING THE WORK

A business plan is a very large document. In it you describe many goals some are related to marketing, some to operations and others to finances. These goals are the direction you want to take.

Many of the goals or projects described in your business plan take several months or even a few years to achieve. To succeed in achieving your business plan you need to plan your work. Your plan sets your direction but planning the work sets out the roadmap with all of the stops along the way. You need to set objectives for each of your marketing, operations and financial goals. These objectives should be divided into what you will achieve in a year, month and even each week or day.



Business Habit #2: Identify the actions you will take to achieve each of your goals. Make sure to set the dates when you expect to have completed each action.

Tip

You need to work hard and not give up. Success will come.

This tip is given by immigrant entrepreneurs in New Brunswick.

LEARNING AS YOU WORK

If you have planned your work then you have lots of it to do! There are new things happening every day. You are hiring staff or now have employees. You are working with suppliers and meeting new customers every day. As you work your plan you are also learning a lot about your business, yourself and your new community. Use every opportunity that you have to learn from others.

You may learn from neighbouring business owners, from other immigrant business owners or from your employees, suppliers and customers. Your banker or lender can also teach you a lot about business in your community. Bankers know a lot of people and can be good business advisors too!

Business Habit #3: Observe successful business owners. Ask as many questions as you can. Look for mentors around you.

Tip

Look for ideas and information. Ask questions and be active in learning.

This tip is given by immigrant entrepreneurs in New Brunswick.

ADAPTING THE PLAN

As you continue operating your business you are learning quite a bit about yourself, your business and about doing business in New Brunswick. You may have new ideas or may learn about new opportunities. For these reasons or for others you may decide to make a big change in your business plan. This happens some of the time. It is important to take time to consider major changes in your business plan. For instance you may have wanted to open a wholesale business and realize that you need to start with a retail operation for the same products. Adapting a plan is often the best way to help your business succeed.

Business Habit #4: Take the time every few months to identify business strategies that may not be working and to find new solutions!

If you practice these 4 habits, you will increase your chance for business success. The following section provides a description of ways of learning from the experience of other business owners in New Brunswick.

Tip

Don't be afraid to change your business location, methods or ideas.

This tip is given by immigrant entrepreneurs in New Brunswick.

Chapter 4 - Learning From Others

To prepare to write these documents we met with many new immigrants who were entering business. We also spoke to many new immigrants who had been in business for a few years. They told us many things that they wanted new immigrant business owners to know. This helped us in selecting the information to include in these three guides. They also gave specific advice that we have included throughout these guides. Many successful immigrant business owners spoke about the importance of business mentors for new immigrants starting out in business. This section speaks about the role of mentors in helping immigrant entrepreneurs succeed in business. A mentor is a person with expert knowledge in an area who helps a mentee or protégé. A mentor guides the mentee by giving advice and sharing experiences in business. Whether you are a new or an experienced business person, a mentor can help you to achieve your goals.

THE IMPORTANCE OF MENTORING

A good mentor will become your trusted advisor and friend. Following are some of the many benefits of a mentor relationship.

Benefits for the mentee:

- low-stress, self-directed learning
- expert coaching
- practical challenges
- improved business expertise
- support and encouragement
- improved business confidence
- achieving business goals

Benefits for the mentor:

- different approaches to business
- increased network
- respect and recognition of expertise
- new communication skills
- involvement with current business challenges
- positive service for the community
- enjoyment

Tip

You need to find a mentor, somebody who knows the New Brunswick business community. A mentor will help you make contacts.

This tip is given by immigrant entrepreneurs in New Brunswick.

Before approaching a mentor, ask yourself the following questions:

- What skills do I need that I do not have?
- What qualities should a mentor have to help me?
- What are my objectives and my final goal?
- What mentoring structure and schedule would be good for me?

What are the qualities of a good mentee?

- clearly identifies objectives and goals
- shares information openly with the mentor
- helps establish and commits to a meeting schedule
- observes, questions and reviews business ideas and practices
- is clear and honest about business concerns
- maintains a professional approach
- listens to feedback and tries to learn
- is thankful for the time and help

What are the qualities of a good mentor?

- wants to help
- has relevant experience and knowledge
- has experience being a mentor
- has a reputation for helping others
- can commit the time needed
- is positive and encouraging
- can communicate clearly with you

FINDING A MENTOR

If you are an entrepreneur who needs professional development, you need to look for a mentor who can teach what you need to know. In some New Brunswick cities, the Population Growth Division has partnered with the Chamber of Commerce or other organizations to create mentorship programs. The Business Immigrant Mentorship Program helps new immigrant entrepreneurs to meet a mentor who is an experienced local business person. The mentor and mentee meet regularly over the program's 4 to 5 month period. The mentor shares business experience and helps the new immigrant to become part of the New Brunswick business community.

In turn the mentee shares knowledge of international business practices and insights into global markets. For information or to become part of this mentorship program, contact your local Chamber of Commerce or visit the Population Growth Division website at www.gnb.ca/population.

You can also look for a mentor by joining a professional industry association that represents your type of business. For example, the Canadian Franchising Association can help franchisees to connect with experienced franchise owners who live in your community. Mentorship connections can also be made through networking events sponsored by the Enterprise Network agency in your community (www.enterprise-entreprise.ca) and through the Community Business Development Corporations (www.cbdc.ca). Finally, remember to look for a suitable mentor when you are networking at business events and in your cultural community.

CONCLUSION

In Guide 3 you learned about the personal and business preparation you need to make business ideas into reality. You learned how to prepare marketing, financial and operations plans to be sure that your business can succeed. You also discovered strategies for staying in business for the long-term. Now you are ready to network with the agencies and people who can help you to make a business plan that will lead to success. Best of luck as you make your business dream a reality in New Brunswick!

ADDENDUM 1

Business Plan

General Business Idea

- Description of the proposed business idea
- Products or services that will be provided
- Summarized information on market segment and market size
- Who are the targeted customers

Personal Information

- Education background
- Business and/or management experience
- Details on how the current business/management experience will help the applicant in starting a business in New Brunswick
- Other qualifications and skills that are relevant to the proposed business idea
- Language skills and/or barriers (measures being taken)

Critical Factors

- Identify government regulations that may be applicable in the proposed business such as environmental regulations, health regulations, zoning requirements, labour rules, special insurance requirements, etc.
- Do products have to be certified (e.g. CSA – Canadian Standard Association, etc.)
- Is the industry sector regulated
- Is the profession of the applicant subject to credential recognition

Market Analysis

- Detailed information on the market size; local, regional, national, international
- Detailed information on the market segment; who are the clients, niche market versus general market, etc.
- Market trends including industry forecasts
- Competition; list existing competitors
- How will the proposed business compete
- Marketing and promotions; what efforts will be required to promote the business and the products/services

Location

- Will the premises be owned or leased
- Where will the premises be located
- Is the planned location close to suppliers, customers, transportation services, access roads, etc.

Plant and Equipment

- What type of equipment will be required
- Any special equipment requirements
- Is CSA (Canadian Standards Association) approval required for any of the equipment
- Are there any special power requirements and how will they be met

Suppliers

- Identify suppliers that will supply raw materials and services
- Is there a contingency plan if a vital source of supply fails

Distribution Channels

- What channels will be used to distribute products or services (e.g. retail, internet, door-to-door, wholesalers, etc.)
- Is there any exclusivity arrangement or distribution restrictions involved

Professional Services

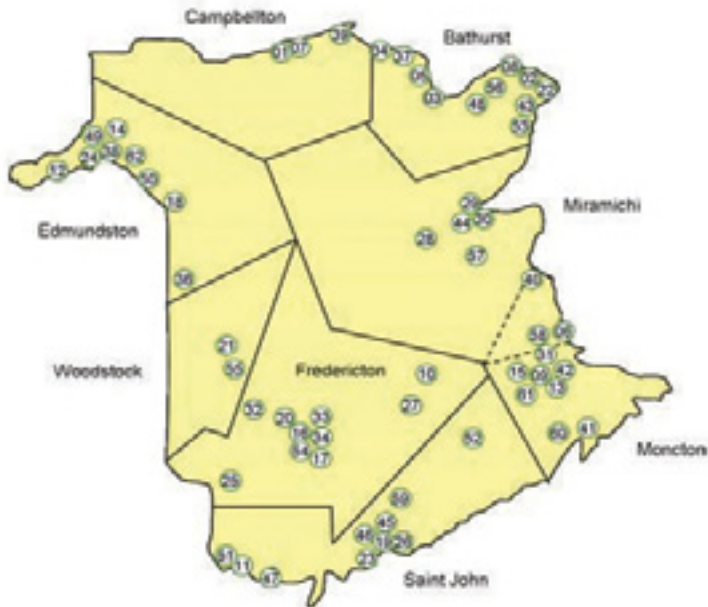
- What role will providers of professional services play (e.g. accountants, lawyers, specialized consultants, etc.)

Financial Feasibility and Requirements

- How much capital is required to start the business
- How much capital is required to reach break-even point
- Will third party financing be required; if yes, how much
- Sources of third party financing (banks, credit unions, family members and/or relatives, private investors, etc.)
- List the total amount of investment
- List source and application of funds

ADDENDUM 2 Industrial and Commercial Parks by location

(source: www.gnb.ca/0398)



Greater Campbellton Region

- 01 Atholville Industrial Park
- 07 Centennial Industrial Park
- 39 Restigouche Industrial Park

Greater Bathurst Region

- 03 Bathurst Regional Industrial Park
- 04 Belledune Light Industrial Park
Renviro Park of Belledune
- 05 Beresford Municipal Park
- 37 Petit-Rocher Municipal Park
- 02 Bas-Caraquet Industrial Park

- 08 Caraquet Industrial Park
- 22 Lameque Industrial Site
- 56 Paquetville Industrial Park
- 43 Shippagan Industrial Park
- 48 Saint-Isidore Industrial Park
- 53 Tracadie-Sheila Industrial Park

Greater Miramichi Region

- 28 Miramichi Industrial Park (Blackville)
- 29 Miramichi Industrial Park (Chatham)
- 30 Miramichi Industrial Park (Newcastle)
- 57 Rogersville Industrial Park
- 44 Sky Park Miramichi Ltd.

Greater Moncton Region

- 06 Bouctouche Industrial Park
- 09 Caledonia Industrial Estates
- 13 Dieppe Industrial Park
- 15 Emmerson Business and Technology
Park
- 60 Hillsborough Industrial Park
- 31 Moncton Industrial Park
- 40 Richibucto-Rexton Industrial Park
- 41 Sackville Industrial Park
- 61 Salisbury Business Park
- 58 Saint-Antoine Industrial Park
- 42 Scoudouc Industrial Park

Industrial and Commercial Parks by location

Greater Saint John Region

- 11 Champlain Industrial Park
- 19 Grandview Industrial Park
- 59 Hampton Industrial Park
- 23 Lorneville Industrial Site
- 26 McAllister Industrial Park
- 45 Somerset Technology Park
- 46 Spruce Lake Industrial Park
- 47 St. George Business Centre
- 51 St. Stephen Business Park
- 52 Sussex Industrial Park

Greater Fredericton Region

- 10 Chipman Industrial Site
- 16 Fredericton Industrial Parks
- 17 Gateway Business Park
- 20 Greater Fredericton Knowledge Park
- 25 McAdam Industrial Park
- 27 Minto Industrial Park
- 32 Nackawic Industrial Park
- 33 Oromocto East Industrial Park
- 34 Oromocto West Industrial Park
- 54 Vanier Industrial Park

Greater Woodstock Region

- 21 Hartland Industrial Park
- 55 Woodstock Industrial Park

Greater Edmundston Region

- 12 Clair Industrial Site
- 14 Edmundston North Industrial Park
- 18 Grand Falls Regional Industrial Park
- 24 Madawaska Regional Industrial Park
- 36 Perth-Andover Industrial Park
- 38 Republic Industrial Site
- 49 Saint-Jacques Industrial Park
- 50 Saint-Leonard Industrial Park

ACKNOWLEDGEMENTS

Many provincial and federal government websites and related business agencies provided useful background information in creating Guide 3 - *Be Successful: Planning Your Business*. These sources are mentioned throughout the guide and websites are provided for further reading and contact information. Special recognition is due to Business New Brunswick for authorizing use of their online information in preparation of this guide.

RESOURCE WEBSITES:

Bank of Canada:

www.bankofcanada.ca

Invest NB:

www.inbcanada.ca

Canada Business NB:

www.canadabusiness.ca/nb

Government of New Brunswick –
Communications New Brunswick:

www.gnb.ca/cnb

Community Business Development Corporations:

www.cbdc.ca

Industry Canada:

www.ic.gc.ca

Government of New Brunswick –
Tourism and Parks:

www.gnb.ca/tourism

Government of New Brunswick –
Local Government:

www.gnb.ca/localgovernment

Enterprise Network:

www.enterprise-entreprise.ca

Government of New Brunswick –
Population Growth Division:

www.gnb.ca/population

Solutions New Brunswick:

www.solutionsnb.ca

Statistics Canada:

www.statcan.gc.ca



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