

FLY WITH THE WIND!

Engaging Inuit Youth in the Canadian Economy



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PAUKTUUTIT
INUIT WOMEN OF CANADA



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Introduction

Welcome to Pauktuutit's guide to assisting Inuit youth to get started in business. Pauktuutit Inuit Women of Canada has always believed that helping Inuit youth help themselves is important for enabling youth to improve their lives and those of their families. While there are many ways to achieve self-sufficiency, Pauktuutit believes that Inuit youth will benefit from taking advantage of some of the opportunities in our communities to start a small business.

Most Inuit youth are already busy people with families, friends and a social life. Many youth are involved with their communities and may be going to school and/or working. The core strengths of Inuit youth, including determination, intelligence and hard work translate quite nicely into the world of business.

Getting started in business is not for the timid. There are a lot of confusing terms and sometimes the steps and paperwork you need to go through can be intimidating. As you begin reading this guide, remember that you are not alone. There are a number of excellent people and resources out there who are just waiting to help someone like you.

This guide has been written for Inuit youth interested in building a small business. Small businesses are the fastest growing part of the Canadian economy and there is a reason for that. Many people are seeing opportunities in their communities to sell goods and services that are in demand. Inuit communities are small and remote but there are often very good business opportunities that already exist. Ford may not be planning on opening a new car assembly plant in the Qikiqtani region anytime soon, but people still need to hire translators, buy mitts and kamiks for their kids, have their homes, computers or snowmobiles fixed, buy fresh pizzas for dinners, cater meetings, buy fresh baked goods and have a place to go for coffee.

This guide was developed with you in mind. We have tried to keep the language simple without losing important information. We use examples we have learned about in our work with Inuit youth over the years. We include lots of resources that you can access easily – some in your community, some in the region and some in the territory or country.

Step 1: Where Do You Get An Idea For A Business?

If you are reading this guide, you may already have an idea for a business. Many people get business ideas from looking around their communities and seeing what is needed. You may notice that there are a lot of young people that have no place to hang out after school. You may see lots of government meetings taking place in your community and think “I wonder if they need catering services or an interpreter/translator?” People may be spending lots of money on frozen baked goods, when they might be interested in paying a little more for fresh-baked goods. People may need help with home or computer repairs. What are people buying from outside the community that could be produced in the community? A good way of looking for business ideas is to consider how you can meet the needs of a community.

If you talk to successful business people and ask them why they are in business, they will often say it's because they love what they are doing. Notice they don't say that it is because they make a lot of money in business. They may be doing well, but the point is that they love what they are doing. This is a key point in starting out a business that fits you. Select one where you already have an interest and talent. You may be great with computers and software and lots of people — including other business people — need this kind of help. Make sure it is one that you will enjoy doing day after day and year after year. If you hate cleaning bathrooms, don't start a janitorial business. One success factor in business is to find a business idea you love!

Remember, businesses don't have to be huge. Many Inuit communities could support a number of small businesses that may not provide full-time jobs for a lot of people, but could provide a good part-time job for a few. Some ideas might be an after-school café for young people, a specialty baking business, an interpreting service or making traditional clothing items. Some businesses can be done in your spare time such as sewing items for sale, web site design, graphic design or translating documents for the government.

Your community's economic development plan is a great resource for youth who are looking for a business opportunity. These plans are developed by the hamlets and communities every five years and provide a detailed overview of the local economy, including existing businesses and opportunities. Ask the Economic Development Officer (EDO) in your community for a copy of the latest plan. Keep a copy of this if you can. It will be an important part of your own business plans later on. You can also check online for your community's economic development plan.

If you have access to the Internet, you can search “businesses” online and get a good listing of some of the businesses that already exist in your area. Sometimes, this can lead to some ideas and cause you to think “Hey, I could run a catering business in my community.”

It would also be a good idea to chat with your EDO about your business ideas at the very early stages. They may know about previous efforts to set up that type of business or some parts of the business that you may not be aware of.

One success factor in business is to find a business you love!

Step 2: What Makes a Good Business Person?

Running a business is not the easiest way to make a living. Most businesses take up to a year or more before they actually start to make a profit. There will be a lot of long days and late nights. Frustration will be common and there will be times where you wonder if you made the right choice in starting a business. It may come as no surprise, but running a business will take everything you've got to make it successful. This is one reason why you want to make sure you are the right kind of person for business.

One of the best ways to find out if you have what it takes to start and operate a business is to talk to an experienced business person in your community. Your EDO may be able to suggest one if you can't think of anyone you know. Most business people will be glad to help out a budding entrepreneur (that's you!).

Watching Your Baby (Business) Grow

In a way, your business will be like your baby. It will require a long investment, drive you crazy at times, will always be on your mind and be a source of immense pride and joy. Like raising a child, a business will take a lot of your time. It may be a long time before you actually start making money. Do you have the time, initiative and patience for taking on such a project? Will you be able to live with a less money while you are starting up and growing your business? Think about the commitment that will be needed to make your business a success. Try and honestly assess whether you can make that commitment.

Risky Business — Learning to Control the Risk

Starting a business and making sure it is a success is not a sure thing. Many if not most new businesses fail within the first two years. One character trait of successful business people is that they aren't afraid to take risks. Not bungee jumping kind of risks, but the risk that is involved with starting something new that can be challenging. Remember, there are all sorts of things you can do to reduce the risks to your business through good planning and getting help when you need it. You can also try a slow start up, take on a partner to help out or seek out businesses that may not be as risky. Also remember, if you are starting a small part-time business that just involves one or two people, the risk may not be as large. In this case, most of your initial investment may be your time and effort.

Can You Fix Your Own Plumbing? Be a Do-It-Yourselfer Most of the Time

When first starting out in your business, it helps if you can do as many of the tasks as possible yourself. You will likely need good organizational, bookkeeping, production and sales/marketing skills to start out. If you want to open a bakery, you have to be able to bake well. If you want to provide cultural, tourism or translation services you have to have specific knowledge and skills. Not many people have all these skills, at least at the highest level needed. You may be an excellent guide for tourists but not have any bookkeeping knowledge or experience. You may need to hire someone or take on a partner who has a particular set of skills that you don't. There are also training programs available that can help you

improve your skills in certain areas. Some computer software programs and online resources also exist that are quite easy to use and can help with tasks like office management or bookkeeping. Try and evaluate yourself and what skills will you need to run your business.

Be Adaptive, Quick to Respond, Stubborn

Getting a business up and running will require some special characteristics. Even the best plans can be thrown into the wind sometimes. A good business person has to be fast to react to problems and be ready to address them head on. Do not wait for help that may come too late. You will also likely have to adjust your plans to meet changing conditions. For example, a location for your business may not become available in time for your needs. Do you look for another location or delay your business plans? Decisions may have to be made quickly and without all the information you might like to have. Sometimes you will have to be pushy to make sure the business gets the attention it needs. For example, if you are waiting to hear if your application for funding has been approved you may have to call the funding agency repeatedly to make sure attention is paid to your application. Determination is a good thing to have in business.

A Good Business Is Built on a Firm Foundation

Your business will take a lot of your time and attention. There will be times when you feel that all your time and attention is being spent on the business. There will also be a period of time when the business is not going to be making money and may actually be using money up. This can cause stress on business people as well. To be able to focus on the business and not feel guilty about it, you will need personal support. Without the support of your family and friends, it may be difficult to go through those periods of intense activity at the business or financial challenges without feeling stressed about the impact it's having on your life.

Start Up and Operate Your Business in Good Health

Starting up a business can be a stressful process. Your plans may change, parts of it may fall through and funding assistance may be late in coming. There are a lot of things that can cause stress. As well, there will be long hours, lost sleep and missed meals. Take a realistic look at your health and make sure it won't be negatively impacted by taking on the commitment to start a new business.

You Gotta Love It

As we said in the first section, successful business people love what they do – making money is nearly always secondary. Make sure you are going to like doing the business you want to start. Remember, cooking breakfast for your family or friends may be fun, but cooking for 300 guests at the same time may not be the same kind of fun. Love what you do and the rest will come easily.

Tara TooToo-Fotheringham (Member of the Inuit Women in Business Network) finds operating a business much like raising a child. "You need to be on call 24-hours a day, seven days a week and must be prepared to do whatever it takes to make sure your business survives and grows."

Step 3: Going to Market

Getting to Know Your Customers

All businesses need customers to sell their products or services to. These customers can be people in your community, government departments, other businesses or people all over the world through Internet sales. An important part of your business, when you are just starting and when you are up and running, is understanding your customers. Who are your customers? What do they want? How do they want it and how much are they willing to pay for your product or service? The people you are selling your product to are your “market.”

You need to answer the “four Ps” of marketing:

- **Product** – how does your product or service meet a need in the marketplace?
- **Price** – how much should your product or service cost?
- **Place** – how are customers going to get your product or service?
- **Promotion** – how will you encourage people to buy your product or service?

If you are living in Inuit Nunanganni, you likely know most of the people quite well and see them often. To start finding out about what your market is like, ask people you know if they would be interested in buying your product. Before you do this, you should have a general idea of what you are selling and a basic idea of how much it might cost you to make it. To start with, ask people what they think of your business idea:

- Would they buy your product? If no one you talk to says “yes” you may need to think of a different product or business.
- How often would they buy it? Once a week, once a month or once a year? This will help give you an idea of how much of your product you may need.
- What would they pay for it? This will help you set a selling price for your product
- What are they buying now and how much are they paying for it? This can give you an idea of how much they may be willing to spend for your product.
- Are there any problems or issues with what they are currently buying? This can give you an idea of how to present your product to the customer. For example, you may be selling a fresher, homemade product rather than something that has been in a box or bag for a month, which would give you a competitive advantage.

Write their answers down as they will provide you with valuable information. Making your product and service meet the needs of your customers will help build “customer loyalty” and they will keep coming back for more.

Don't forget to ask government departments, the hamlet and businesses in your community as well. They all buy a lot of products and services and can be an important part of your market.

A good tool to help you assess your market is your community economic development plan that was mentioned earlier. Each plan will have a section that describes the population in your community as well as things like how much money people make, their education levels and how many people are employed. While these numbers may not be very interesting at first, they can help you figure out how many people may be interested in your product. For example, if you were thinking of opening an Internet café for mostly youth, the community economic development plan would give you information on how many youth there are in your community in certain age groups. If you found that number to be smaller than you thought, it might give you some hints on how to adjust your business idea. For example, you might want to expand the menu to include items that families and adults might like for lunch or dinner. Remember, the more you know the better you can plan.

Don't forget that Inuit Nunanganni is changing quickly. There is a lot of mining development, construction and other economic development that is going on. All of these activities need products and services. In Nunavut, for example, some of the big development projects are required to give special consideration to businesses owned by Inuit. This is to help Inuit build their businesses, while still meeting the needs of the projects. Often the Inuit businesses have an advantage over non-Inuit businesses who are also trying to sell their products and services.

For example, the Nunavut Government has a policy called the Nunvummi Nangminiaqtunik Ikajuuti (NNI) Policy. This policy provides Inuit businesses with a price advantage over non-Inuit companies when they are bidding on contracts to supply products and services. It can be a real boost to Inuit businesses across the Inuit Nunanganni.

Louisa Gillespie of Resolute Bay, (Member of the Inuit Women in Business Network) Nunavut combined her knowledge and love of wildflowers with an opportunity to start a small micro-business. She always loved the local flowers that bloomed around the community. She also noted that tourists visiting the community often stopped to admire the flowers and take pictures. Louisa saw this as an opportunity and began to make beautiful gift cards with local flowers on the cover for sale to tourists. A micro-business was born!



Step 4: Building a Support Network

Very few people start off opening a business all on their own. It can be quite a challenge for anyone if you don't have some support and guidance from different sources. The good news is there are lots of really good sources of support, advice and assistance available to Inuit youth interested in business. While some of this support is available right in your own community, if you have access to the Internet your support network just got a lot bigger!

You will likely need several kinds of support. The closest and easiest to find can be your family and friends. They can give you feedback on your business ideas and offer encouragement when you need it. You may also have a family member or friend who has experience in business. This kind of advice can be invaluable in helping you clarify your ideas, pointing out possible problems and identifying sources of help and solutions to challenges you may have.

Your Economic Development Officer (EDO) is also an important resource in your community or in your region they will have up-to-date information on what support organizations have to offer and who to contact. They can offer advice on your business ideas and help you with various registration processes that are involved in setting up a business.

Here is list of EDO contacts for each region.

Websites:

- Kativik Regional Government www.krg.ca/en/local-developmentbusiness-development
- Inuvialuit Regional Corporation www.irc.inuvialuit.com/community/cedo.html
- Nunatsiavut Government www.nunatsiavut.com/business/nunatsiavut-business-development-centre
- Nunavut Economic Developers Association www.nunavuteda.com

At some point you will also need to get some professional help, including a lawyer, a bookkeeper/accountant, an insurance agent and a banker. You won't need these all at first but as you get closer to starting up and operating your business, they will come in handy. You can ask your EDO or your government listed above if you need some suggestions.

Pauktuutit has developed a workshop for Inuit youth interested in starting a business. This workshop has been held in Kuujjuaq, Nunavik, and Cambridge Bay, Nunavut. Local businesses were invited to make presentations. Real life examples were used to explain the various stages of business development. The workshop materials are also available for any community to use. Please check out Pauktuutit's website (www.pauktuutit.ca) for more information!

Step 5: The Business Plan Planning for Success

Writing a business plan can be challenging, but it is necessary. Business plans are critical as they describe in detail all the things you need to know about and think about when setting up a business. It is required for banks and investors, as well as for licenses and permits. Not having a good business plan is like going out on the land for a month without bringing enough fuel or leaving a tent behind. It makes it hard to have fun without good planning and it can stop you from getting where you want to go.

Business plans help you think about your business in a logical way and in a manner that covers all the important parts of your business. They are also required if you want to get any financial help, as all funders will want to see that you have done your homework and have clearly explained how your business will operate. Each business is unique.

The business plan provides a detailed overview of your business. It describes the goals of the business, how you will meet those goals, any problems that may be encountered and how you will address them. The plan covers how the business will be organized, including who does what and details concerning how much money you will need to get the business up and running until it begins making enough of its own money. While some business plans can be over 100 pages long, most are between 20 and 30. Even this can seem like a lot, but once you get started, you will fill up those pages quickly.

Executive Summary

The Executive Summary provides an overview of your business. You should be able to read the summary and get a pretty good understanding of what the business is about, how it will operate, its markets, how it will produce and deliver its products and/or services and who will be involved in its operations. It should also provide a brief overview of its financial plan including whether financing is required and any other important elements of the financial aspect of the plan. Funding agencies often look at the Executive Summary first. Sometimes it may be the only thing they look at when judging whether the business deserves further attention from them. The Executive Summary of your business plan should be written last, as it is a summary of all the detailed information you have written in your plan.

Community Profile

The community profile provides a short overview of the market where your business operates. It should include a description of the people who live there, how much income there is in the community, a description of the various businesses in the community and major employers. You don't have to include a history of the community unless it relates to your business or a major economic activity in the area. You want the reader to know the basics about the community and provide a context for where your business fits in and who it will be selling its products and services to. The community economic development plan will have some great information for this section.

Business Description

This section will describe the basics about your business and your vision and goals. What does the business do? What are your goals and vision for the business? How will you sell your product? Who is your competition? What risks do you see that could impact your business? Walk the reader through all the major details of the business. The reader should be able to come away with a pretty good understanding of what your business will do, who it sells to, your sales strategy and what risks may impact the business.

Business Operations

This section describes actual day-to-day business operations. How does the business work? How is the product or service produced, packaged and delivered? Where do you get your supplies? Explain why that source is a good choice. How many employees will you have? Who does what? Make sure there is enough detail that the reader has a good understanding of how the business operates.

Marketing Plan

Here you describe and analyze who will buy your products and services. Who are they? Do they live in your community or outside of it? Who else in the community can provide these to customers (your competition)? Why would they want to buy your products and/or services? In this section you should also describe how you are going to let people know about your product. What will you do to make your product attractive to them including packaging, pricing or special introductory deals?

Business Management and Ownership

Describe the ownership structure of the business. Who are the owner(s) and what skills, experience and resources do they bring to the business? What experience or resources do they have to help make the business successful? Include information such as current and past employment, relevant education and business experience. The management should be described as well. These are the people who will do the day-to-day tasks of running the business including staffing, ordering materials, administering payroll, revenue and expenses, making sure the business is open and overseeing promotions.

Operational Plan

This section focuses on issues that are critical to business operations. It briefly summarizes how major business functions will be carried out. This includes the day-to-day tasks of keeping the business alive. Day-to-day operations will be determined by the scope of your business and the nature of your business. You should include the following.

Service Plan

This section will describe how your service or product will be provided to your customers. This can include things like your business hours, if your business is seasonal, what forms of payment will be accepted and how you will deal with customers who may have complaints. What services will you offer your customers?

Human Resource Plan

This describes the people needed to run the business. Describe each position in terms of what the person will do, how much the planned salary and benefits will be, when people will be hired and how you will recruit, train and keep them.

Aftercare Plan

Once businesses are born, they can often run into challenges that may or may not have been expected at the beginning of the planning process. What steps are you taking to make sure you have help dealing with problems once the business starts? How will you make sure the business runs smoothly once it is up and running?

Facility and Equipment Plan

Businesses usually need a place to operate and some equipment to get started. Describe how this will work for your business. Include how you expect things to change as the business grows and expands.

Implementation Plan

You are at the business planning stage. One day your business will start. What are the main steps that need to be done and by what dates to get your business open on time and ready to go? Consider all of the above sections in your plan.

Financial Plan

This is one section that attracts a lot of attention from funding agencies. This section is very technical and requires you to do a lot of research about your costs, pricing, any sales you've had so far (actual sales) and expected future sales (projected sales). Funding agencies will want to see if you have clearly thought through:

- How much funding your business needs to start-up.
- How will this funding be used exactly and when?
- How will the business bring in enough money to keep bills and staff paid?
- Will it have enough to cover the purchase of equipment and rent?
- Include an income and cash flow statement, balance sheet and other financial tools such as a break-even analysis.

Don't get overwhelmed with this information. Most small businesses get help for various parts of the business plan, if not the whole thing. Luckily for Inuit youth, there are some very good sources of help available. Often people seek help with this section from accountants and spreadsheet software programs, but make sure you understand all of these as well. Organizations like Kakivak have lots of experience helping people with business plans and there is funding often available to eligible applicants.

Appendices

The following information should also be included in the business plan:

- Resumes of owners or staff
- Financial statements
- Reports or articles that support the need for your business
- Letters of reference or support
- Legal documents (incorporation documents, partnership agreements or shipping contracts)
- Copies of lease for office space
- Copies of any contracts that you have with customers.

Doing a business plan can seem like a big challenge, but a good plan outlines all the things you really need to know to get your business up and running.

Help with Business Plans

Many people need help with their business plans. It is complicated and there are a lot of complicated words and concepts involved. Luckily, there are a lot of excellent sources of help for you.

Your EDO is one of the best resources available. They are in your community and know the resources that are available to help you get started.

Organizations like the Regional Chamber of Commerce and the Business Development Centre have staff experienced in business plan development. Funding is also available to help cover the costs of getting some professional help in the development of your plan. Remember, even if someone else may be doing part or all of your business plan for you, you need to make sure you understand everything that is in the plan. After all, it's your business.

Sources like Service Canada have some good resources to help develop business plans. See:
<http://www.servicecanada.gc.ca/eng/lifeevents/business.shtml>.

The Canada Business Network has sample business plans and templates that you may find useful:
<http://www.canadabusiness.ca/eng/page/2752/>.

Banks in Canada have business planning tools on their websites. For example, here is TD's:
<http://www.tdcanadatrust.com/products-services/small-business/windocs.jsp>.

Step 6: Getting Started

Where to Set Up the Business

An important decision for small business owners is where to operate the business from. For many Inuit youth, small businesses can be operated from home if they don't take up too much space or are a concern to health and safety. Sewing some clothing items, doing websites or artistic work, translating some documents — these kinds of small businesses don't require a lot of specialized machinery, make a lot of noise or create any risks or health concerns.

Operating a business from your home still requires some steps though. You should let the town/ hamlet and your community development officer know that you are planning to operate a small business from your home and let them know the type of business. They may still require you to fill out a business licence and make sure that zoning allows for the business. Some towns/hamlets have restrictions on setting up businesses in social housing, so make sure you check before you start your business. Most towns/hamlets won't mind if these low-impact businesses are operated from people's homes but check first to be sure.

Operating a business from home can also be a smart move as it reduces the costs of your business:

- You don't have to pay to rent another space
- You don't have to set up a new office space with more furniture or lighting. You may be able to start with equipment and supplies you already have
- A certain amount of your home expenses can be tax deductible including heat, electricity, water, insurance, rent, mortgage interest, maintenance and repairs. These costs can really add up and if you are paying them anyway let them reduce your business income tax
- You may be able to save on child care costs and get to spend more time with your family.

That's the good part of working from your house. You will also be faced with more distractions from your family and possibly a noisy work place. If you have small children at home, make sure you have the time and attention to both look after them properly and for the work you need to do.

If you don't want to work at home, or if your business needs a separate space, you need to find a business space. This is often a challenge in many communities where space can be hard to find. A separate location adds certain respectability to the business, which can be important if your business is in sales and services. It will also help to promote your business as traffic goes by.

Some things to consider about locating your business:

- Consider placing it where your customers are going to be. People don't want to go far away to get something when they may be able to get the same thing closer by.
- Don't pay too much rent if you can avoid it. Rent is due every month, Make sure that even if business drops you will still be able to afford to pay it.
- Consider how long you want to stay in the location. Most leases will be for at least a year and possibly longer in areas where business space is hard to find. Wherever you set up shop, check with an insurance agency to make sure your business and home are covered by insurance.

Step 7: Banking

Once you are selling your product or service and beginning to bring in some money, it is important that you have a bank account. If you are planning to apply for a grant or a loan from a business support agency, they will likely require that you have a bank account. Having a bank account is a must if you want to apply for a loan from your local bank. A bank account will also help you keep your finances organized, making it much easier for you to do any bookkeeping or accounting. Building a good relationship with a bank will help you build your business.

Opening a Bank Account

Opening a bank account is not very complicated. The easiest way to open a new account is to visit your local bank and make an appointment if there is a bank in your community. At the bank, they will let you know what information/ID is required and will help you choose the type of bank account that best fits your needs. If you don't have a bank in your community, you can open an account by mail. Contact the bank nearest your community, or a regional centre, and they will mail you a kit. This kit will include all the information and forms necessary for you to open an account. You can also set up your bank account to let you do your banking online. Online banking will be especially helpful if you don't have a bank in your community.

Banks offer a few different types of accounts. You can open a savings account if you have money that you don't need right away and want to save for the future. You can open a chequing account if you are going to be putting money in and taking money out of your account often. A chequing account will let you use cheques to pay your bills. You can also open a business account if your business is growing big and you want keep track of that money separately. The bank can help you decide which types of accounts you need. But before you decide, make sure you ask them about the fees that come with each account. Is there a monthly fee? Is there a fee for taking out money? What is the fee for taking money out of an ATM that belongs to a different bank? Make sure you understand all the fees that the bank will charge.

Debit Cards

When the bank has approved your new bank account they will give you a debit card. The debit card is linked to your bank account and lets you pay for purchases or take money out of ATMs directly from your bank account. Some debit cards can also be used to buy things online or over the phone. The most important thing to remember with a debit card is that the money is coming directly from your bank account. You need to monitor your account and your spending to make sure you have enough money to buy things with your debit card.



Security is also a big issue with debit cards. The bank will ask you to choose a Personal Identification Number (PIN) for your card. You will need this number in order to make any purchases using your debit card, usually by punching the number into a terminal. Make sure that you keep your PIN a secret and never share it with anyone. Nobody should ever ask you for your PIN.

Cheques

Along with a debit card, the bank may offer you cheques that can be used to pay for purchases right out of your bank account. A cheque is basically a promise that you will pay someone (the payee) a certain amount of money on a certain date from your chequing account. This means that you must make sure the money will actually be in your account on the date you've written on the cheque. If there isn't enough money in your account to cover the cheque, the cheque will be returned by your bank for non-sufficient funds (NSF) or "bounce" and your bank will charge you a fee. The payee will likely be upset and you may have to pay them for charges by their bank.

Cheques can be a convenient way to pay for your business expenses. A great thing about cheques is that you can write them for a date in the future, if you want to make sure that your cheque isn't deposited before a specific date (before the money will be in your account). This is called a post-dated cheque. You can also change your mind about a cheque that you have given someone. You can ask your bank for a "stop payment" on a specific cheque and they will make sure that the money is not taken from your account, though they will usually charge you a fee. Just remember, write on cheques as clearly as you can, rip up or destroy cheques with mistakes and always keep track of the cheques you write (date, amount, who they are for and for what).

Credit Cards

While not linked to your bank account, the bank may ask if you would like to apply for a credit card. As a business owner, a credit card can be very helpful to purchase items, get quick access to cash and pay bills. A credit card lets you buy things when you don't actually have the money on-hand. The card allows you to borrow money from the credit card company for a short period of time to pay for something, but then you must repay it. This can be useful if you need to purchase supplies for your business and don't have the money at the moment, but you know that you will have income that month from sales to pay off that purchase. A credit card can also be convenient for making purchases and orders online.

It is very important that you don't put more purchases on your credit card than you can afford to repay. Credit card companies charge interest if you don't repay them on time. Interest is the cost of borrowing money. The interest rate charged on credit cards is usually very very high and you can end up paying more in interest than the cost of your original purchase if you take a long time to repay. Always try to repay your credit card on time to avoid interest.

Step 8: Getting the Money to Help Your Business Get Started

If you are starting a small business, you may have most of the money you need to get started. For some businesses, like translating documents or catering, you may already have the basic tools or equipment you need, whether it's a laptop or the stove in your kitchen. The best way to cover these costs is through savings. You can always buy a few things on your credit card if you have one or on account at a retail store. But if you can pay with your own money right away you will save on the interest payments and don't have to worry about keeping money aside each month to pay the account down.

Once your business is up and running, you will want to try and keep some savings in the business. This way, you don't always have to borrow money to keep things going or to buy new equipment. Savings come from making more than the business spends.

Most businesses starting up need some financial help in order to get enough capital (money) to get the business up and running. There are a number of sources of financing including some of the better known banks such as the Royal Bank, CIBC and Scotiabank. As well, there are a number of funding programs available from some of the support agencies mentioned previously. For a full listing of organizations that provide funding programs for small business, please visit <http://pauktuutit.ca/iwbn/support/who-can-help/>. Some of these programs offer a grant or forgivable loan which the business does not have to pay back. These have become quite rare in other parts of the country.

You will likely find that you need to have some working capital (cash for day-to-day operations) to help make sure the business has enough money to run on a day-to-day basis. This can be arranged with a line-of-credit or loan from a lender. This will help you be able to focus on the business rather than worrying all the time about where the money is coming from to pay bills on a daily basis.

When you go to talk to a lender, remember that they don't want to lose their money. You have to present a good, safe investment for them. They will want to know a few things about you:

- How much money are you asking for?
- What do you need the money for?
- Can your business afford to pay back this money over a set period of time including the additional cost of interest?
- How much of your own money (savings) are you investing in the business?
- What is your credit history? Have you borrowed money before? Did you pay that back on time?
- What collateral will you use to secure the loan? Collateral means that you are offering the lender something as security for your loan, which they will take if you cannot repay them. Also, funders usually want to see that you have at least 20-30% equity in the business. Equity is the amount the business is worth once you subtract all the money it owes. This means that you may need to contribute at least 20-30% of the money that goes into the business.

Step 9: Making Your Business Official

For some people, the process of registering a business with all the different agencies and organizations is a time consuming and confusing experience. You will likely experience some of this yourself. On the bright side, once you get through the registration process you will not have to go through it again. And don't forget, there is help when you need it. Each business is different, but here are some of the registrations and licenses you will likely need.

Pick a name. This is an important choice to make as it will be how people remember your business and what it does. Your business name should reflect what the business does (for example Elisapee's Kamiks), be easy to remember and be unique. If you aren't sure if your business's name is unique, you may want to do a NUANS name search. NUANS is a big database that has all the registered names of businesses in Canada (http://www.nuans.com/nuansinfo_en/home-accueil_en.cgi). You must register your business name with the Department of Justice Legal Registries.

For more information you can contact:

Nunavik Region

Telephone: (819) 964-2925 / Toll Free: 1-877-625-4845

Northwest Territories Region

Telephone: (867) 777-7126 / Toll Free: 1-800-661-0599

Nunatsiavut Region

Telephone: (709) 922-2942 Ext 250 / Toll Free: 1-866-992-2942

Nunavut Region

Telephone: (867) 979-4620 / Toll Free: 1-800-561-0911

A business license from your region or province is a good place to start. You may not have all the information, but getting the application form will give you a list of things you will need in your area. The following documents must be submitted:

- **Completed Business License Application form**
- **Payment of applicable fees**
- **Workers' Safety and Compensation Commission** – current Proof of Registration Home Based Business Form (if you are operating out of your own home)
- **If you rent or lease an apartment or house**, you will need a letter of authorization from your landlord to operate your business in their building
- **All other applicable documentation**, depending on the nature of your business.

Depending on the type of business you have you may need to apply for special permits and licensing before you start the business. You will also have to meet all zoning and fire safety regulations. You may need to register with:

- **The Department of Health** for certain businesses such as food services (you can call Public Health at to plan a health inspection)
- **The Business Registry** to allow your business to take advantage of the NNI policy and get advantages in obtaining government contracts.

- **The Workers' Safety and Compensation Commission (WSCC)** You will need to register with the WSCC to help provide compensation if someone in your business gets injured on the job and to help make sure the business place is a safe place to work <http://www.wcb.nt.ca/Pages/default.aspx>.
- **You will also need to register with the Canada Revenue Agency to get a business number from them.** There may be costs associated with starting your business. You will use this number in all correspondence with the CRA and to register for the GST, payroll or corporate income tax. Your EDO can help fill in the form. You can find more information about registering for a business number at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/menu-eng.html>. The registration form is available at <http://www.cra-arc.gc.ca/E/pbg/tf/rc1/rc1-12e.pdf>.
- **Goods and Services Tax (GST).** Businesses in Canada are responsible for collecting GST on most goods and services. Businesses are also responsible for filing GST returns and making regular GST payments to the Canada Revenue Agency <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rgstrng/hwt-eng.html>.
- **If you hire other people,** you are required to deduct certain payments from them and to send these to the Canada Revenue Agency. These statutory, or mandatory, payroll deductions include the Canada Pension Plan (CPP) contributions, Employment Insurance (EI) premiums and income tax on the wages paid to employees. Employers are also required to match the CPP and EI payments collected. These payments must be made regularly to CRA. An accountant can help you set up a payroll payment system that is relatively easy to use. <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/hwpyrllwrks/menu-eng.html>.

Income Tax

How much income tax you pay can be influenced by the form your business takes. If you aren't sure what form of business is best for you, chat with your EDO or an accountant for some advice. For many Inuit youth interested in small businesses, you will likely have the simplest form of business which is called a sole proprietorship. This is basically just you making all the decisions and doing most if not all of the work.

Some small businesses are formed in partnerships where there is more than one owner who may put money, work and other resources into the business. Partners also share in the profits, risks and losses if there are any.

Corporations are businesses that are legally incorporated. They are treated independently from you or your partners. Under this structure, you are most likely to be an employee of the corporation.

Hint: The Business Registration Online (BRO) service is an online service that helps you register for a Business Number, as well as for four program accounts: Corporation income tax, GST/HST, Payroll and Import/Export www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/bro-ide/menu-eng.html

Step 10: Getting Help

Who to Hire

Small business owners can only go so far by themselves. Once the business begins to take off, you might find that you are spending a lot of time on tasks you don't like doing, aren't good at, or you would simply rather be focusing on those things you are really good at. There may also just be too much work for one person. It may be time to hire some help.

At the beginning of the business, many business owners can do a lot of the things involved in running a business themselves. They can provide the goods or services, answer the telephone, look for new customers, do the bookkeeping and more. Eventually they want help to take over some of the less interesting tasks, such as answering the phone, getting the mail, picking up supplies and other tasks that don't really require the owner's expertise and talents. Sometimes owners don't have all the skills they need, so they hire someone with specific expertise. Many small business owners hire bookkeepers and accountants to look after these important tasks.

Hiring staff costs money in wages and benefits. More staff requires time for hiring, training and supervising. However more staff, at the right time, can allow the business to grow, provide better service to customers and save the owner from going crazy trying to do everything.

When it is time to hire staff, hire people who have the skills you need and an attitude that fits your business. You need people who are reliable, work hard and bring something to the business. Poor staff can be a source of endless headaches for both you and the staff person, so choose your staff wisely. You may feel pressured to hire your family or friends. Be sure they can do the job first and make sure you both understand that the employer-employee relationship is different from being friends or family.

In small communities, word of mouth can be a main method of finding out who is available and interested in work. Be careful to do a bit of research though and make sure the interested people have a good work record, are honest and are willing to show up on time and work hard. You may ask for references from their last employer to see how their work record was there.

It may also be a good idea to set up a three-month probationary (testing) period for new employees. After they have worked three months, you can see if they are going to fit well with your business and they can decide if they like working with you. It is best to let them know they are on a probationary period at the beginning of their employment.

Like most things in business, the more homework you do, the better the results will be. Don't rush into hiring staff. Make sure you need the help, that you can afford to pay them and that you know the skills and experience you are looking for in the new person. This is important because firing an employee can be very complicated. There are many rules and legal issues around firing and it can end up being really expensive.

Remember – it's a lot easier to hire someone than it is to fire them.
Do your homework and hire wisely.

Step 11: Staying on Top of Your Business

Once the business is up and running a lot of your hard work will begin to pay off. To make sure the business stays strong and healthy, you will need to continue to work on:

- 1 Making sure your finances are in order. Keep up-to-date on bill payments, payroll, mandatory remittances like GST or income tax, CPP and EI deductions for staff, loan payments and all the other costs to the business. Don't get behind as it will be a lot harder to catch up. For revenue (income), keep track of how much money is coming into the business, make sure the money gets to the bank as soon as possible and collect money people owe you as soon as you can. Also make sure your taxes and other payments are made on time.
- 2 Customers. Don't forget your existing customers and don't stop trying to find new ones. Be creative and listen to what your customers are saying to you. If there are problems, fix them fast. It is easier to keep a customer happy than to find a new one.
- 3 Employees. Keep them happy and you will be happy. Listen to what they are saying. Are there things that you could do that would make their lives better at the workplace? Do they have good suggestions to solve problems or improve your business? Try and find what motivates your employees. Small investments in this area can have big returns.
- 4 Stay sharp. You can become too focused on the day-to-day operations. Take a break and a step back to look at the business. Talk to your friends and customers. Ask them how the business could be improved and what new products or services they would like to see.



Conclusion

There are many resources and publications available to help you get started in business, especially online. But sometimes having too much information can be as confusing as having too little. With this guide, Pauktuutit has tried to take all the information out there on starting a business and bring it down to the basic steps and responsibilities. We have consulted with many Inuit business youth to make this guide easy to understand and specific to business in Inuit communities. This guide was written just for you!

We hope you find this guide clear and helpful through your journey of starting a business. By now, you have probably realized how much time and effort it takes to build a successful business. Pauktuutit believes that the determination, hard work, skills and community knowledge of Inuit youth make them well prepared for the task. We believe that you can do this, just like the Inuit business youth who've shared their stories and advice.

Keep this guide with you and refer back to it whenever you need it. Pass it around to your family, friends and community. Share the information as much as you can! But, don't forget to share your success as well. Pauktuutit loves to hear when youth are building businesses and providing for their families. Let us know about your business and your progress. Then we can use your story to inspire more Inuit youth just like you to follow their dreams.

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