



# A Guide to Starting a Small Business in Chatham–Kent

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## Introduction

Starting a small business can be exciting and challenging. With careful research and hard work, it can also be very rewarding.

There are three common ways to get into business. You may wish to start the business as a new enterprise, you could buy an existing business, or you may decide to purchase a franchise. Regardless of which type of ownership you are thinking about, there are some basic questions you should ask yourself to assess whether you are ready.

## Are You Prepared?

Do you have what it takes to be an entrepreneur? Even if you have a great idea, starting a new business is challenging. So before you even begin, you need to ask yourself: Do you have the personality of an entrepreneur?

- Do you like to make your own decisions?
- Do you enjoy competition?
- Do you have will power and self-discipline?
- Do you plan ahead?
- Do you get things done on time?
- Can you take advice from others?
- Are you adaptable to changing conditions?

If you can honestly say you're the right personality type, the next question you have to ask yourself is: Do you know what you're getting into? Are you really prepared to:

- Work long hours
- Sacrifice time with family and friends
- Receive little—or no—pay at first
- Live with ongoing pressures

Long hours and hectic schedules can take their toll on relationships. For your business to succeed, everybody has to be onside. So, talk it over with your family and make sure they know what you—and they—are getting into.

## Explore New Business Opportunities

The type of business that you enter should complement your experience, interest and/or technical knowledge. It is fine for you to dream about becoming your own boss some day, however, before you put too much work into your business, make sure that the area you choose is the right one for you.

When deciding what business to start, you may want to consider what hobbies and/or interests you have as well as your experience and background. If you are interested in an area in which you have little experience, you may want to seek some training before you begin.

Two other factors that are equally as important as the above mentioned are:

1. Is there a need for the goods and/or services you are going to offer?
2. Will there be a market for your product in the future?

## What Form Of Business Organization Is Right For You?

The following chart is a list of possible advantages and disadvantages of the most common forms of business organizations:

	ADVANTAGES	DISADVANTAGES
<b>Sole Proprietorship</b> <i>Business owned by one person, called a "proprietor."</i>	<ul style="list-style-type: none"> <li>• Simplest and least expensive to set up</li> <li>• Minimal registration requirements</li> <li>• Owner in direct control</li> <li>• Possible tax benefits (losses can be applied against other income of proprietor)</li> </ul>	<ul style="list-style-type: none"> <li>• Owner assumes all risk of business; responsible for payment of all business debts. Creditors can seize your personal assets.</li> <li>• Lack of continuity (ownership not transferable)</li> <li>• Difficult to raise capital</li> <li>• Possible tax disadvantages (profits must be added to personal income)</li> </ul>
<b>Partnership</b> <i>Business owned by two or more individuals or corporations.</i>	<ul style="list-style-type: none"> <li>• Easy to set up and very flexible</li> <li>• Limited regulation</li> <li>• Partners provide sources of additional capital and skills</li> </ul>	<ul style="list-style-type: none"> <li>• Partners assume personal liability for debts of business</li> <li>• If disagreements arise, business can suffer</li> <li>• More complex record keeping and tax returns</li> </ul>
<b>Corporation</b> <i>A separate legal entity which can enter into contracts and own property, separately and distinctly from its owners who are the shareholders.</i>	<ul style="list-style-type: none"> <li>• Limited liability (generally limited to individual's personal investment in the business)</li> <li>• Continuous existence (ownership transferable)</li> <li>• Easier to raise capital (i.e. money for the business can be raised by selling shares)</li> <li>• Possible tax advantages</li> </ul>	<ul style="list-style-type: none"> <li>• More expensive and complicated to set up and maintain</li> <li>• Extensive record keeping and complex taxation</li> <li>• Closely regulated</li> </ul>

## Where Do You Go For Help?

Clearly, whichever business option and business form you choose, there's a great deal of up-front research involved. Some of it you can—and must—do yourself, but some of it will require expert help, by way of an accountant, lawyer and/or business consultant.

The Chatham-Kent Small Business Centre provides clients with a one-stop office for information and referrals for starting and growing a business in Chatham-Kent. Free-of-charge services are provided for one-on-one consultations with the Small Business Officer, and assistance with business planning and research. If you are unable to travel to the Chatham office, staff is available to provide consultations in one of 8 Municipal Service Centres.

We also have a multitude of resources available in our office on-site, including a public access computer for business research and planning, and access to government publications, books, and pamphlets and brochures. If there is anything specific you may require, please let us know, and we would be happy to provide you information if anything is available.

To book an appointment for a complimentary consultation, or request a free information kit from our resource library, contact:

Chatham-Kent Small Business Centre  
445 Grand Ave. W.  
Chatham, ON N7M 5L3

P: 519.351.7700

E: [cksbc@chatham-kent.ca](mailto:cksbc@chatham-kent.ca)

## Business Planning

A well-researched, well thought-out business plan is essential for a few reasons. First, it increases your chances of success by forcing you to consider every aspect of your business and it serves as an ongoing roadmap or benchmark so you can gauge your success. Finally, it's what investors, including banks, want to see in order to determine whether your business—and you—are good risks.

In your business plan you should include:

- How the company will be managed and owned
- Product(s) and/or service(s) you will offer
- Materials and resources you'll need
- Potential strengths and weaknesses of your company
- Your company's short and long-term plans
- The market and industry into which your business is directed (including suppliers, customers, competitors, threats, opportunities)
- Marketing, sales and production plans
- Operating costs
- Amount, sources and types of financing it may require, including personal resources you may need to tap into
- Sales and cash flow forecasts

The Interactive Business Planner (IBP) is an online system that will guide you through each section of your business plan using question and answer format, learn definitions and tips, and view sample business plans to help you write your own plan. It allows you to save your plan online using a confidential username and password, which means you won't need to worry about where you saved your business plan on your computer. The IBP can be accessed at the following link:  
<http://www.canadabusiness.ca/eng/guide/2089/>

Simply put, a business plan is a written summary of all the activities of your proposed business. Feel free to pick up more detailed information about what should go into a business plan samples, or a template at the Chatham-Kent Small Business Centre. If you choose, book an appointment with the Small Business Officer for a complimentary business plan review.

## What Licenses & Registrations are Required?

Many types of businesses require licensing from the federal, provincial and/or municipal governments. These requirements could include an operating permit, special permission to operate in your chosen location or specific qualifications for you and/or your employees.

## **BizPal**

Officially launched June 6, 2008, the Municipality of Chatham-Kent is pleased to provide entrepreneurs with access to BizPal, an online service that simplifies the business permit, licence and other compliance regulation process for entrepreneurs, governments, and third party business service providers. BizPal helps you generate a personalized list of the business documents you need for the levels of government—local, provincial/territorial, and federal—you may have to deal with in order to grow or start up your business. And if you are already operating, BizPal can help you verify that you have all the correct permits and licences.

To access BizPal, or for more information, visit the following website:

<http://www.chatham-kent.ca/bizpalapplication/>

## **Ontario Business Name Registration (Master Business License)**

If you've chosen not to incorporate, you'll need to register your business name with the province of Ontario, unless you are operating under your legal (first and last) name. Adding even one word to your legal name (i.e. "Enterprises" or "and Company") requires registration.

If you plan to open a business bank account, most financial institutions require you to provide a Master Business License as proof of Ontario Business Registration.

A business name registration is valid for five years at a cost of \$60 electronically (or \$80 by mail), after which time it must be renewed.

Registration is quick and easy. You can register your business name:

- **Online:** If you wish to pay by credit card, registration may be done using Service Ontario's secure, online system at [www.serviceontario.ca](http://www.serviceontario.ca).
- **In person:** The Chatham-Kent Small Business Centre offers you the choice to register in person whether you choose to pay by credit card, cash or company cheque.
- **By mail:** Registration may be completed by mail (service time is approximately 6-8 weeks) and addressed to:

Companies & Personal Property Security Branch  
Ministry of Government and Consumer Services  
393 University Ave., Suite 200  
Toronto ON M5G 2M2

Registering your Business name with the Ontario government does not provide you name protection, but if you decide to use a name that is the same as or confusingly similar to that of an existing business, it could result in a lawsuit if that business name is protected.

If you would like business name protection, you need to look at trade-marking or incorporating your business name. Feel free to contact the Chatham-Kent Small Business Centre for more information on trade-marking or incorporating.

## **Business Name Search**

Before making a final decision on your business name and ordering business cards or stationery you will want to know if someone else is already using the name. A search of the Companies and Personal Property Security Branch records will determine whether another Ontario business is using the name you have selected and where that business is located.

Business name searches are optional and may be performed online ([www.serviceontario.ca](http://www.serviceontario.ca)) at a cost of \$8 per name searched.

## Municipal Business Licensing

While not all types of businesses require municipal licencing, many do. For more information, or to find out if your business requires a municipal business license, contact:

Chatham-Kent Building Enforcement & Licensing  
Civic Centre  
315 King St. W.  
Chatham, ON N7M 5K8

P: 519.360.1998

## Municipal Zoning

It is important that all new business consult with the municipal zoning office to determine whether a particular business is permitted to operate from a chosen location, especially if you plan to operate your business out of your home. For more information, contact:

Chatham-Kent Zoning Department  
Civic Centre  
315 King St. W.  
Chatham, ON N7M 5K8

P: 519.360.1998

## Occupational Licensing

A number of businesses may also have additional occupational licensing requirements. It is important that you find out whether or not your chosen industry has these types of regulations before you begin.

The Ontario Occupational Licensing Gateway provides one-window, online access to information and forms related to occupational/business licenses. You may find this information on Service Ontario's website ([www.serviceontario.ca](http://www.serviceontario.ca)) under the heading "Gateway for Business".

## What About Taxes?

### Harmonized Sales Tax (HST)

HST applies to almost all goods and services supplied in Canada. If your business provides HST-taxable goods or services and has annual gross sales of \$30,000 or more, you are required to register, collect, and remit HST. If your sales are estimated to be less than \$30,000 per year, registration is not mandatory but may be done voluntarily.

Registration for a HST Number is free of charge:

- By **telephone** at 1.800.959.5525
- By **mailing or faxing** a Request for a Business Number (Form RC1) to the Windsor Tax Services Office
- **Online** at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)

For more information about HST registration, visit [www.cra-arg.gc.ca](http://www.cra-arg.gc.ca) or contact Canada Revenue Agency (Windsor Tax Services Office) at 1.800.959.5525



## How Do You Get Financing?

Many times, one of the first questions asked by entrepreneurs is “where do I get money?” In the early stages, the most important financial sources will probably be your own savings, investments or credit, friends, relatives and financial institutions. When you are looking into applying for a loan for your business, it is important to study different avenues of financing.

### Industry Canada

Industry Canada’s Sources of Financing website is an extensive, online directory to help business owners locate traditional and alternative sources of small business financing.

For more information, visit the website: <http://www.ic.gc.ca/epic/site/sof-sdf.nsf/en/Home>

### Financing Programs

Although some grants or subsidies are available for specific situations or industries, there are a number of government financing options available for Ontario entrepreneurs. The following programs are a few of the most popular programs for entrepreneurs. Please feel free to contact the Chatham-Kent Small Business Centre for a more detailed list of financing programs available to businesses.

### Canada Small Business Financing (CSBF) Program

The CSBFP is a federal program that is offered by most chartered banks. It is designed to assist new and existing businesses in obtaining financing for the purchase, installation, renovation, improvement or modernization of equipment, land or buildings necessary for the operation of the business.

Loans are available up to \$500,000, of which \$350,000 can be used to finance the purchase or improvement of equipment and the purchase of leasehold improvements. The registration fee is 2% of the total amount of the loan. The registration fee can be financed. Financial institutions can finance and up to 90% of the cost of asset acquisition or asset improvement. The lender may take a personal guarantee of up to 25% of the original amount of the loan. The interest rate charged by the lending institution is the prime rate plus 3%.

Request information about this program from the loan officer at your chosen financial institution, or contact Industry Canada by phone at 1-866-959-1699 or online at: <http://www.ic.gc.ca/epic/site/csbf-pfpec.nsf/en/home>

### Community Futures Development Program

The Community Futures Development Corporation of Chatham-Kent administers the Community Futures Development Program. The CFDC provides financing and management expertise through the following services:

- Maximum \$150,000 loan or equity investment. Repayment terms are flexible and negotiated in the best interest of your small business.
- Assistance in preparing business plans for presentation to banks and other financial institutions.
- Consultation on the viability of your project and on the best financing methods
- Information on other Government services and programs of benefit to small business
- Administration services on a fee for service basis (i.e. bookkeeping, payroll)

For more information on the Community Futures Development Program, please contact:

Community Futures Development Corporation of Chatham-Kent  
245 Marlborough Street North

### **Downtown & Main Streets Incentive Programs**

The Municipality of Chatham-Kent offers programs designed to reduce costs for redevelopment projects and stimulate private investment in the revitalization of Chatham-Kent's unique downtown areas.

The programs are offered for the downtown core areas of Blenheim, Bothwell, Chatham, Dresden, Ridgetown, Thamesville, Tilbury, Wallaceburg and Wheatley.

The boundaries for these downtown cores are defined in the Municipality of Chatham-Kent's Official Plan.

There are four basic programs groups with ten financial incentive programs:

1. Rebate Programs
  - Planning & Building Fee Rebate
  - Development Charges Rebate
  - Parkland Dedication Exemption
  - Parking Standard Exemption
2. Tax Grant Programs
  - Heritage Tax Relief
  - Property Tax Increment Equivalent
3. Revitalization Programs
  - Facade Improvement
  - Residential Conversion & Rehabilitation
4. Studies & Design Programs
  - Project Feasibility Studies
  - Heritage Design Studies

For more information on the Downtown & Main Streets Incentives programs, contact Geoff Wright, Service/Commercial Coordinator at 519.351.7700 ext. 2033.

### **Youth Programs**

Starting a business is not just for adults anymore! The following are examples of programs available for youth entrepreneurs.

#### **Summer Company**

The Summer Company program provides hands-on business coaching and mentoring, and awards of up to \$3,000, to help enterprising young people start up and run their own summer businesses.

#### **Eligibility**

You are eligible for Summer Company if you are:

- Between 15 and 29 years old as of April 30th, 2008
- Currently a student and are returning to school in the fall
- Proposing a new sole proprietorship or corporation in Ontario that you plan to operate independently from relatives
- Prepared to make a commitment of at least 35 hours a week for a minimum of 8 weeks
- Not working for more than 12 hours at another job
- A Canadian citizen or landed immigrant residing in Ontario
- New to Summer Company - you can't be a previous recipient of a Summer Company award or have an outstanding My Company loan

For more information on the Summer Company program, visit [www.summercompany.ca](http://www.summercompany.ca) or contact Jana Shouldice, Small Business Officer at 519.351.7700 x2039.

### **Canadian Youth Business Foundation (CYBF) Loan Program**

The Canadian Youth Business Foundation provides loans of up to \$15,000 to aspiring young entrepreneurs who are between 18 and 34 and are most likely to succeed in creating a business and for whom financial assistance is critical. It is expected that the business will provide full-time employment for yourself and others. To ease the early stages of business growth, loan repayments of three or five years are available so that you can stay focused on getting established.

For more information on the CYBF Loan program, visit [www.cybf.ca](http://www.cybf.ca) or contact

## **What Do You Do When You Hire an Employee?**

While you may not want to or need to hire employees right away, chances are at some point, you'll need to at some point. As soon as you become an employer, you will gain additional responsibilities

### **Payroll Deductions**

If you have employees, you are responsible for the calculation and remittance of Income Tax, Unemployment Insurance and Canada Pension Plan contributions.

The Canada Revenue Agency provides access to a variety of resource materials and publications when it comes to payroll deductions. Some businesses may also qualify for an on-site visit from CRA to provide help you may need with payroll deductions. There is no fee for this service.

For more information or to register for a payroll deductions account, visit [www.cra-arg.gc.ca](http://www.cra-arg.gc.ca) or contact Canada Revenue Agency (Windsor Tax Services Office) at 1.800.959.5525.

### **Workplace Safety & Insurance Board (WSIB)**

If you employ people in Ontario (including family members and part-time), you are required to register with WSIB within **10 days** of their hiring date. If you do not register with WSIB, financial and legal penalties may apply.

WSIB works much like car insurance. Premiums will depend on the type of business you are operating (risk), the size of your payroll, and your company's previous health and safety record. You cannot make an employee pay the cost of workplace safety insurance premiums or deduct it from his or her pay.

For more information, or to register for WSIB, visit [www.wsib.on.ca](http://www.wsib.on.ca), or contact the WSIB (Windsor Office) directly at 1.800.265.7380.

## **Ontario Ministry of Labour (What you need to post)**

### **Employment Standards**

Under the Employment Standards Act, 2000 (ESA), employers **must** post the most recent version of the Minister of Labour's poster, "What You Should Know About The Ontario Employment Standards Act", in at least one location in the workplace where it is likely to be seen by employees. This poster highlights employees' rights and employers' responsibilities at work.

Employers that fail to meet the posting requirements may be fined and or prosecuted by the Ministry of Labour.

Copies of the poster must be on legal-size (8 1/2" X 14") paper and can be obtained:

- Free from the Chatham-Kent Small Business Centre

- Free from the Ministry of Labour's website
- For the cost of shipping and handling, from Service Ontario Publications, 1-800-668-9938

Please note that the ESA does not apply to you if you operate or work in a business that is regulated by the Government of Canada, such as: airlines, banks, shipping companies, radio and television stations, inter-provincial transport of goods and people.

### **In Case of Injury**

The Workplace Safety and Insurance Act (WSIA) also requires employers to display a poster entitled "In Case of Injury—1234" in their workplace.

The "*In Case of Injury—1234*" poster is free of charge and can be obtained:

- From the WSIB website at [www.wsib.on.ca](http://www.wsib.on.ca) (available in 7" x 9")
- By phoning the WSIB at 1-800-663-6639 (available in your choice of 11" x 17" or 18" x 24")

### **Occupational Health & Safety**

Under to the Occupational Health and Safety Act (OHSA), Employers are required to post a copy of the Occupational Health and Safety Act in their workplaces.

The act is available:

- For free from Service Ontario's E-Laws website at [www.e-laws.gov.on.ca](http://www.e-laws.gov.on.ca)
- From the Publications Ontario website at [www.publications.serviceontario.ca](http://www.publications.serviceontario.ca) for a cost of \$8, plus HST. The online ordering search code is 111759.

### **Health and Safety Policy**

The OHSA also requires employers to prepare and review, at least once a year, a written occupational health and safety policy, and to develop and maintain a program to implement that policy. The policy must be posted in the workplace.

The *Guide to the Occupational Health and Safety Act* has detailed information about how to prepare a health and safety policy. It is available:

- For free from the Ministry of Labour's website at [www.labour.gov.on.ca](http://www.labour.gov.on.ca)
- For a fee from the Publications Ontario website at [www.publications.serviceontario.ca](http://www.publications.serviceontario.ca)

### **Where do you go for help?**

Need help hiring employees? Do you need to hire an employee and aren't sure you can afford it? Contact the Chatham-Kent Small Business Centre for a list of **Employment Incentives** available to businesses in Chatham-Kent.

## Business Startup Checklist

This checklist is intended as a quick reference list for basic business start-ups only. Information is deemed to be as accurate as possible, and there is no particular order to follow. Users are advised to refer to the “Starting a Business in Chatham-Kent” Guide for more details regarding particular processes, or book a confidential, one-on-one appointment with the Small Business Officer.

	Completion date
<b>Planning – Business Plan</b>	
<input type="checkbox"/> Conduct market research (product/service, customer, competition)	_____
<input type="checkbox"/> “SWOT” analysis (strengths, weaknesses, opportunities, threats)	_____
<input type="checkbox"/> Identify potential suppliers	_____
<input type="checkbox"/> Calculate start-up costs and identify financial sources and investors	_____
<b>Provincial Requirements</b>	
<input type="checkbox"/> Register business name (Master Business License)	_____
<input type="checkbox"/> Obtain special Provincial licenses and permits required for type of business being conducted	_____
<input type="checkbox"/> If employees have been hired, register with Worker’s Compensation within 10 days of the employee’s date of hire	_____
<input type="checkbox"/> Obtain information on Employment Standards, Occupational Health & Safety	_____
<b>Municipal Requirements</b>	
<input type="checkbox"/> Determine business location and check Municipal zoning regulations	_____
<input type="checkbox"/> Apply for building permit before construction or renovations on business begin	_____
<input type="checkbox"/> Schedule Health and Fire inspections	_____
<input type="checkbox"/> Obtain any other additional Municipal licenses and permits required	_____
<b>Federal Requirements</b>	
<input type="checkbox"/> Register for HST number with CRA (voluntarily or at \$30,000 gross sales)	_____
<input type="checkbox"/> If employees have been hired, set up Payroll Deductions account with CRA (EI, CPP, Income Tax)	_____
<input type="checkbox"/> Obtain Import/Export permit if transporting goods in and out of Canada	_____
<b>Other Recommended Steps</b>	
<input type="checkbox"/> Contact applicable offices to arrange for utility hook-ups	_____
<input type="checkbox"/> Set up business bank account, payment systems (credit, debit machine)	_____
<input type="checkbox"/> Purchase business insurance from insurance company/broker	_____
<input type="checkbox"/> Hire advisors: accountant, bookkeeper, lawyer	_____

# Need more information?

## Contact:

Jana Shouldice, Small Business Officer



445 Grand Avenue West  
Chatham, ON N7M 5L3

P: (519) 351-7700 F: (519) 351-7852  
[cksbc@chatham-kent.ca](mailto:cksbc@chatham-kent.ca)

