

INDIGENOUS
ENTREPRENEURS
ROADMAP
BOOK FOUR

Dear First Nations Chiefs, Councilors Leaders and Economic Development personnel,

The BC Assembly of First Nations (BCAFN) is pleased to present our BCAFN Economic Development Toolkit. The Black books are part of a broader BCAFN Sustainable Economic Development and Fiscal Relations Strategy. The BCAFN presents the Black books as a new tool for First Nations to support their needs, wants and realities.

The Black Books provides First Nations with a focus on understanding the fundamentals of developing economic development strategies and provides some best practices to consider and incorporate into their operations and governance. The Black books are structured in 4 parts that can be a valuable resource for leaders and practitioners. The partners that have assisted the BCAFN in developing the Black books includes: Michelle Corfield, Four Directions Management Services, Mark Podlasly and Carol Ann Hilton; Support has also been provided by the Government of British Columbia and Government of Canada, and the New Relationship Trust.

The Black books toolkit will provide strategic support to First Nations that are rebuilding their economies and businesses. This is an exciting time to be taking these steps, and it's an honor to present these to you.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Terry Teegee', with a stylized, flowing script.

Regional Chief Terry Teegee

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U'mista Cultural Centre in Alert Bay off Vancouver Island offers vivid Indigenous art displays

Why Has This Resource Been Developed?

According to Statistics Canada, the number of Indigenous entrepreneurs surged 85% between 1996 and 2006, and, though the growth rate has slowed over the last decade, Indigenous people are far more likely to identify as self-employed than non-Indigenous Canadians.

According to the Canadian Council for Aboriginal Business, the majority of Indigenous businesses are home-based and focus primarily on local markets and within their own province/territory. These entrepreneurs

tend to operate small, community-based, unincorporated businesses with goals and strategies related to cultural values, community investment and concern for the environment. This reflects ingrained ideas of sustainability and leads to a focus on stability rather than growth and expansion. In fact, 73% of Indigenous businesses are unincorporated, operating as sole proprietors (61%) or in partnership (12%), while 27% are incorporated. This means that Indigenous entrepreneurs do it all, they understand their service and product, they navigate through business models, financing, marketing and website development, accounting and all the other aspects necessary to keep a business afloat.



This companion booklet to *In the Black: BC First Nations Economic Sustainability* is a guide for Indigenous entrepreneurs who want to launch or expand a business that will support their lifestyle and help to create a stable and growing economy in their community.

What Is This Booklet About?

Entrepreneurship is rewarding and difficult. It requires, determination, ingenuity and the stamina to keep moving forward, regardless of challenges. This is true for everyone, but for Indigenous entrepreneurs there can be other roadblocks:

- Access and rules related to equity/ capital and financing;
- The patchwork nature of funding envelopes and available support programs;
- The need for a formal business plan and collateral to qualify for financing;
- The rural and remote location of many Indigenous communities, and the lack of reliable digital access.

This is compounded by the reality that the nature of Indigenous businesses doesn't always fit conventional, non-Indigenous structures and may not attract support in the same way.

Entrepreneurship offers an avenue to meet our people's expectations for community stability and growth and provides a mechanism to create wealth for future generations. This toolkit provides a support and resources to Indigenous communities and entrepreneurial individuals. It provides planning, financing, budgeting, structural and staffing suggestions, direction and outlines. Assembled into one place are templates, assessments and decision making frameworks that support entrepreneurs, as they work to create strong, sustainable and vibrant Indigenous economies.

Who Is This Booklet For?


Do you want more flexibility in your work schedule?

- Are you tired of working for other people?
- Do see a gap in available products or services that you could fill?
- Do you want to build a business that reflects your values and gives back to your community?

There are countless reasons why someone would take a risk and become an entrepreneur. This booklet is for Indigenous entrepreneurs who want to create or expand their entrepreneurial spirit and, more practically, develop and operate a viable business. A good business idea will only become a reality if you take a measured and educated chance. The Roadmap below will guide you through the conceptualization of a business idea, figuring out the best business structure, developing a business plan, seeking support and financing, staffing, budgets, marketing and branding, registering a business, some tools and supports for operating a business and finally, some suggestions about when and how to measure the impact of your business.

The Road Map

Although there are many roads that lead to strong independent businesses, without proper planning, individuals can be stopped, or at least stalled, by frustrating obstacles. What follows is some general guidance for developing and operating your business idea that can help to support you, your family and enhance your community's economic development. Using a map of the major stages and considerations on the road to entrepreneurship, the Roadmap on the following pages provides an overview of the process.



Economic development is a cycle. Once a project is up and running, impact assesment will highlight needed changes, areas for expansion or contraction, community impact and changes in support or resistance as well as any other areas that feed back into the economic development opportunity.

STOP 1
Conceptualizing
an idea

STOP 2
Structuring
a business

STOP 3
Developing a
Business plan





Area 27 Motorsports Park near Oliver was designed by champion driver Jacques Villeneuve to test drive high performance vehicles. Area 27 is on land leased from Osoyoos Indian Band



Conceptualizing An Idea: Is My Idea Worth Developing Into A Business?

If you have a great idea of a product or service, the first step is to sketch it out. Below are some major points associated with conceptualizing your plan.

What Are You Offering?

Check to see if the product or service already exists and if so, if there is room for one more. The internet is a great tool to see what is similar to your idea and to find out about some of the challenges and successes that similar businesses have had.

Who Would Be Your Clients Or Who Would Buy Your Products?

Since most Indigenous businesses focus on local markets, you can ask potential clients to gauge their interest in what you want to offer. If your clients are not local or if you live in a remote community, that shouldn't be an impediment. The internet has opened up excellent opportunities for easy marketing and

the ability to buy supplies on-line. However, you may be challenged by deficiencies in reliable internet and/or access to frequent postal services. If these issues are limiting your growth, speak with your community leadership so that they are aware of required investments to support entrepreneurial economic development.

What Will It Cost?

Consider your start-up costs and overhead. If you need supplies, is there a reliable supplier available and a backup (consider costs of backup as well)? Do you need additional training to be able to offer the product or service? If costs will be significant, consider how you will fund it (see Stop 4 for information about financing and Stop 6 for information about budget and cash management).



What Will You Need To Give Up In Order To Be Successful?

Some entrepreneurs start small and operate their business on the side while still holding a job. Not all employers will allow this to happen, especially if your product or service is similar to theirs. If you plan to operate your business on the side, will you have support to help take care of children, cover household duties, can you give up sports or other hobbies? If you will need to work full-time on the venture, do you have financial resources to last until profits are realized? After considering these issues, if your idea is still something you want to continue exploring, move on to considering a business structure that fits your needs.

Using a SWOT to Create Clarity



A Strengths Weaknesses Opportunities Threats (SWOT) Analysis is a valuable planning tool that allows the entrepreneur to identify his or her own personal strengths and weaknesses, as well as any opportunities and threats that exist in a business situation.¹ In effect, it represents a “Balance Sheet” of assets and liabilities, both real and perceived.

The ability to honestly create the SWOT analysis and then review them objectively, or have a mentor evaluate them, can help determine a number of key factors that govern

the success or failure of a business. Some potential questions to consider include:

- Is this the right business for you, and are you the right person, with the necessary skills and qualifications, to run it?
- Will the venture give you what you hope to get from entrepreneurship?
- Is this a personal growth opportunity?
- Is there an identified need, and an equally identified customer base for the business?
- For existing business owners, does the SWOT lay out a pathway for growth, diversification and success?
- Will the impact on the community be a positive one?

The Spectator Mode

It is difficult to be objective, particularly when analyzing yourself and your business. People tend to wear “rose-coloured glasses,” that cause them to see (and enhance) the best and downplay (and dismiss) the worst of any situation. It is human nature.

A key technique to get the maximum benefits from a completed SWOT is to employ “The Spectator Mode.” Take a step back. Look at the results objectively, as if you are in the stands as a spectator watching a sporting event.

This kind of perspective is often best achieved by reviewing your SWOT several days or weeks after you actually create it, or by having an objective outside party review it with you, and question some of your responses. This is not a test that can be – or needs to be – scored. It is a process of generating “snapshots” of yourself as an entrepreneur, and your proposed or already existing business.

¹ Mind Tools, Personal SWOT Analysis from Alyssa Gregory.



CrossRiver Wilderness Centre is a successful, family run property in the Ktunaxa territory near Columbia Lake in the Kootenays that offers inter-cultural sharing



How Do I Structure My Business?

Before registering a business, you'll need to understand the risks that you will be undertaking and, if these are substantial, how to structure your business to reduce personal liability.

There are four main types of business structures: sole proprietorship, partnership, corporation and co-operative. Partnerships, corporations and co-operatives tend to be the structures of choice for community-run businesses and so are discussed in more detail in Stop 3 of *In the Black: Indigenous Economic Sustainability Roadmap*. Individual entrepreneurs tend to favor sole proprietorship and incorporation. If (at least at first) your business is going to be small with little overhead and there will be little risk of risking your finances, you may choose to become a sole proprietor. If your business is larger, has expensive overhead that requires financing, and failure would be a big risk to your personal finances, you may choose to incorporate.

Sole Proprietorship is a business model favoured by many Indigenous entrepreneurs due its relative ease of set-up. Sole proprietors are usually individually owned and operated and the individual is fully responsible for all debts and obligations related to the business. However, all profits are also kept by the individual. The advantages of this model are that it is easy and inexpensive to register (about \$40 in 2019 at bcbusinessregistry.ca) and minimal capital is required for start-up. The disadvantages include unlimited liability (i.e. a creditor can make a claim against your personal assets and business assets to satisfy any debts) and higher taxes if your business is profitable. This business structure is often used when people are dipping their toes into business ideas and is a good model for smaller, home-based businesses without employees and with lower annual revenues. Also, some large businesses and government agencies prefer to subcontract independent consultants as it reduces their requirements for paying employer taxes as well as providing a low-



risk opportunity to test out working with an individual. Examples include independent consultants offering policy advice, and website designers.

Incorporated businesses are typically larger businesses, sometimes with employees and higher overhead and revenues. Incorporation can be done at the federal or provincial/territorial level. Incorporating at the provincial level is slightly cheaper and is good if you only operate in one province. Whereas federal incorporation provides name security and allows you to operate in multiple provinces or territories. Advantages of incorporating include easier access to capital, better eligibility for government funding and the fact that a corporate business is a legal entity and you won't be personally liable for business debts or obligations. There are also tax advantages

if revenues are high. A Canadian controlled private corporation pays a much lower rate of federal tax on the first \$500,000 of active business income due to the small business deduction than an individual taxpayer. Disadvantages include more expensive and complicated set up and ineligibility for tax exemptions under Section 87 of the *Indian Act*. As a result, on-reserve businesses are much less likely to be incorporated.

To incorporate a business federally, the cost in 2019 was \$200 if filed on-line, plus \$75 for a name search. To incorporate a business in BC, in 2019 the cost is \$350 plus \$30 for the name approval fee. To incorporate an unlimited liability company in BC, the cost in 2019 is \$1000 + \$30 for the name approval fee. Annual reports must also be filed, at a cost of \$43.39 each year.



Developing A Business Plan

Developing a business plan is an integral part of any business development strategy and is often necessary for access to financing or government funding. Developing your plan brings the idea out of your head and shows potential funders or supporters that you've spent some time thinking about the details that will float or sink a business. There are great business plan templates online, and we've already discussed some of this in the conceptualization. Some major steps are:

1. Overview of your business proposal: Provide a description of the business, including answering what is the product or service? Who is the customer? What are the current trends in the industry?

What are the government regulations? How will you market and distribute your product? What are the risks? What are your plans for growth? How your product or service is unique/what is your competitive advantage?

2. Sales and marketing plan: Who are your customers and suppliers? Are there similar products or services locally? If so, is there room for one more? How have similar products or services fared (locally or elsewhere)? How much overhead do you need up front to begin? How long before you create revenue? Will you survive if costs of overhead increase?



3. Operational plan: Where will you be located (e.g. home office, rental unit, other)? What kind of equipment and technology is required? What is the environment in which you'll operate? Who are your key employees? What are the policies and procedures for operation? What are your timelines?
 4. Organizational legal structure: What business structure will you use (see above)? Are there any liability concerns? Who are the key people and what are their skills associated with the proposed job? Do you intend to grow? Will you outsource some of the work (e.g. accounting, website, etc.)?
 5. Key financial data: If you need financing, how will you use the money? How will you repay the loan? Investors will want to see expected return and projected growth. What is your personal and business net worth? How is your credit history? Do you have assets as collateral? What is your cash flow forecast? What are your financial projections for at least 2 years?
- Make sure the reader understands what your business is all about, and what products / services are part of your business.
 - Do your homework and understand the market and competition. Tell the reader how your product or service is different and why it will succeed.
 - Where you are quoting statistics, population, demographics, etc., make sure you footnote or cite the sources of that information. Also, make sure those sources are the most current, and not based on out-of-date data.
 - Avoid general overarching statements. An example would be "This business will become a major player in the region," or "We intend to capture a large portion of the market," or "Customers will really like what we offer." Readers will take exception to general statements like these and may discount the value of your Business Plan.

Writing Your Business Plan

This section will give you some essential format and content suggestions to help you create better and more user-friendly Business Plans.

It is important to remember the following points when developing a plan:

- Get straight to the point. A short, concise business plan is what people want to see, whether they are interested community members or investors.
- Wherever you can, use graphics, colours, photos and charts. They are visually appealing to the reader.
- While you do need to show some credentials, a business plan is not a resume.

Know Your Audience

Your Business Plan should be focused on who will read it, and what you are hoping to achieve with it. If it is intended for a funder, for example, it needs to give that funder the confidence to extend funding or grants to you.

As an exercise, picture yourself on the other side of the desk, listening to someone talk about their Plan. What would YOU want to hear? Make sure your Plan includes those items.

Many of the sections in a Business Plan can best be described as "show me." Show the reader that you have considered all (or most) of the elements in the Plan and are comfortable with it. A Business Plan should also convey your vision and goals. By demonstrating that the venture is a personal ambition, it demonstrates entrepreneurial commitment.



Structure Of A Plan

The following is a suggested template which sets out the structure of a Business Plan. While there are a number of templates that can be used, this one has the needed information and does a good job of describing the information each section should contain. It also clearly identifies what the reader is expecting to learn and understand about the project.

Executive Summary

This section should:

- Be written last.
- Provide an enthusiastic snapshot of the project, explaining what it will do and why.
- Be no more than two pages in length.

After reviewing this section the reader should:

- Want to learn more about the Project.

Project Description And Vision

This section should include:

- Mission statement (project purpose).
- Vision (statement about growth).
- Goals and objectives.
- List of key project principles.

After reviewing this section the reader should know:

- What the project is, and what it stands for.
- Your perception of the project's growth & potential.
- Specific goals and objectives of the project.
- Background information about the project.

Definition Of The Project(s)

This section should:

- Describe your project industry and outlook.
- Review the market research done, and what the conclusions are.
- Define the critical needs of your perceived or existing market.
- Identify your target market.
- Provide a general profile of your targeted clients.
- Describe what share of the market you currently have and/or anticipate.
- How it will meet the needs and values of your community.

After reviewing this section the reader should know:

- Basic information about the industry you operate in and the customer needs you are fulfilling.
- You have carried out market research, and understand the findings.
- Market research justifies the project you have chosen.
- The scope and share of your project market, as well as who your target customers are.

Description Of Products And Services

This section should:

- Specifically describe all of your products and services.
- Explain how your products and services are competitive.
- If applicable, reference a picture or brochure of your products, which would be included in the plan's appendix.
- How it will benefit the community.



After reviewing this section the reader should know:

- Why you are doing the project.
- What your products and services are and how much they sell for.
- How and why your products & services are competitive.

Operation And Management

This section should:

- Provide a description of how your project is organized, as well as an organization chart, if available.
- Describe the legal structure of your project, e.g., proprietorship, partnership, corporation, etc.
- Identify necessary or special licences and/or permits your project operates with.
- Provide a brief bio description of key managers within the project.

After reviewing this section the reader should know:

- The legal form of ownership for your project.
- Who the leaders are in your project as well as their roles.
- The general flow of operations within the firm.

Marketing And Sales Strategy

This section should:

- Identify and describe your market – who your customers are and what the demand is for your products & services.
- Describe your channels of distribution.
- How you plan to reach your clients / customers.

- Why your products / services will be able to compete well, and meet the need of the market.
- Explain your sales strategy, specific to pricing, promotion, products and place (4Ps).

After reviewing this section the reader should know:

- Who your market is and how you will reach it.
- How your project will apply pricing, promotion, product diversification and channel distribution to sell your products and services competitively.

Financial Management

This section should include:

- For a New Project
 - Estimate of start-up costs.
 - Projected balance sheet (1 year forward).
 - Projected income statement (1 year forward).
 - Projected cash flow statement (1 year forward, on a monthly basis).
- For an Existing Project
 - Balance sheets (last 3 years).
 - Income statements (last 3 years).
 - Cash flow statement (12 months).
- If applying for a Loan (in addition to the above)
 - Current personal financial statement on each principal.
 - Federal tax return for prior year.



After reviewing this section the reader should:

- Have a good understanding regarding the financial capacity and/or projections for your project.

Operational Plan

This section should include:

- Facilities and location.
- Project licence, registration.
- Staffing requirements.
- How you propose to operate your project.

After reviewing this section the reader should know:

- The operational aspect of your project is well thought out.

Conclusions

This section should include:

- Timelines to get started.
- Windows of opportunity.
- Identified risks, and how they will be dealt with.
- The ability to run this project.
- Community contributions (skills, funds) to get this project going.

After reviewing this section the reader should know:

- There is the ability to run this project.
- There is the ability to succeed in this project.
- The idea is well thought out.
- Risks are identified and can be dealt with.

Appendices

This section should include:

- Key team resumes.
- Evidence of cash / equity to put into the project.
- Letters of support.
- Estimates for any outside contractors you may be using, e.g., builders, etc.
- Marketing Material

After sketching out your business plan, it is also worth the time to determine what kind of support you will have from your community as an entrepreneur. If there is no support, that's ok, you can still succeed! If there is support, there may be free or inexpensive resources available that can save you time and money down the road. The following questions can help you evaluate the available community support:

1. Are there any organizations or committees in your community that support entrepreneurs? (e.g., Chamber of Commerce, Small Business Enterprise Centre, committees of business owners, committees under Council)
2. Does your community have an incubator or other facility that helps support the creation and growth of new businesses?
3. Does your community have an Economic Development Strategy that covers entrepreneurs and may include branding and marketing, financing and other support?
4. Are business training opportunities provided by your community? (e.g., how to write a business plan, how to do a market analysis, how to develop a budget, etc.)
5. Has your community identified public and private sector leaders capable of



creating an entrepreneurial environment and acting as mentors?

6. Does your community have a strategy for improving the entrepreneurial environment in the community?
7. Is there an organization or committee that provides assistance to help retain or expand local businesses and industry?
8. Are local owners of business and industry committed to working with the community on improvements?
9. How many businesses have closed in the last year?
10. What is the failure rate of local businesses?



Stop 4 Seeking Support And Financing

Even though you may have a great idea and may be an expert in your product or service, starting a business requires you to navigate whole new areas of government regulations and business practices. When conceptualizing your idea, you determined if your business will be supported by your community through the Economic Development Strategy and other services available for membership. If not, there are still ample services to support and train entrepreneurs set up businesses.

Support

Some examples of programs set up to support Indigenous Entrepreneurs are provided below:

1. Perhaps the best-known dedicated Indigenous entrepreneurial program is The Aboriginal Best Program (AB BEST, at <http://aboriginalbest.com/>). AB Best is delivered throughout BC by the Canadian Center for Aboriginal Entrepreneurship (CCAIE, at <http://www.ccae.ca>). The AB Best program has been delivered in 130 Indigenous communities, served over 3,000 participants and has helped start hundreds of businesses. AB Best is sponsored by the BC Ministry of Advanced
- Education, Skills and Training, with additional funding from the Canada-BC Labour Market Agreement, and support and funding from Vancity Credit Union.²
2. Another dedicated Indigenous entrepreneurial development program is **"Hello, I Am an Entrepreneur."** This program encompasses a series of 12 workshops, and includes unlimited mentoring, guest speakers, resource materials, and extensive entrepreneurial materials and videos (www.helloiamanentrepreneur.com).
3. Delivered by Synergy Management Group (First Nations First Consulting) www.synergy1.org, this program focuses on "real world" business training and mentoring with successful entrepreneurs. It was nominated in 2017 for the *Corporate Visions Magazine Award*, and was featured in the June 3, 2017 issue of Victoria's *Times Colonist*.³

² "Aboriginal Best", Canadian Centre for Aboriginal Entrepreneurship

³ Carla Wilson, "Aboriginal Entrepreneur Program Offers

Funding

In terms of financing, historic biases in financial institutions has often excluded Indigenous peoples from access to required financing. Because of this, there is an inherent anxiety in approaching funders – anxiety about who to approach, what to ask for, how to present your venture or idea, and what it takes to secure the funding needed. Fortunately, there are many institutions that support Indigenous people in economic development and in securing financing. For instance:

Aboriginal Capital Corporations

There are four Aboriginal Capital Corporations in BC. They are mandated to represent the major Indigenous funding programs, receive and review submissions, assist Indigenous entrepreneurs, and disburse funding based on availability and the number of funding requests received.

All Nations Trust Company

520 Chief Eli Larue Way
Kamloops, BC V2H 1H1
Phone: 778 471-4110
Fax: 250 372-2585
Toll-Free: 1-800-663-2959
<http://www.antco.bc.ca/>

Nuu-chah-nulth Economic Development Corporation

7563 Pacific Rim Hwy
Port Alberni, BC V9Y 8Y5
Phone: 250 724-3131
Fax: 250 724-9967
Toll-Free: 1-866-444-6332
<https://www.nedc.info/>

Tale'awtxw Aboriginal Capital Corporation

508-100 Park Royal South
West Vancouver, BC V7T 1A2
Phone: 604 926-5626 (LOAN)
Fax: 604 926-5627



Drummer at Bill Reid Gallery of Northwest Coast Art in Vancouver

Toll-Free: 1-800-779-7199
<http://tacc.ca/>

Tribal Resources Investment Corporation

344 2nd Avenue West
Prince Rupert, BC V8J 1G6
Phone: 250 624-3535
Fax: 250 624-3883
Toll-Free: 1-800-665-3201
<http://www.tricorp.ca/>

Each of these Aboriginal Capital Corporations administers both grant (non-repayable) funding and loans within their specific region. For example, [Tale'awtxw Aboriginal Capital Corporation](#) is responsible for Coast Salish in BC's Mainland and on Vancouver Island from Campbell River to Victoria, while [Nuu-chah-nulth Economic Development Corporation](#) serves western Vancouver Island. However, there is overlap between organizations.



Get To Know Your Funder, And Let Your Funder Know You

Regardless of the levels of contributions quoted on websites, resource materials, and even this Toolkit, funding contributions vary depending on the following:

- The availability of funds within each organization.
- Budget allocations from governments.
- Gauging the degree of risk in the enterprise.
- Personal background, experience, credit history and security.
- Fluctuating interest rates that impact the investment pool.
- The success rate of each of the funding organizations.

The level of funding support that any Indigenous entrepreneur may receive varies depending on any or all of the above factors. The following suggestions will help to secure the greatest level of contribution:

- Understand the programs and the grant or loan criteria required by funders. A careful review of funders' websites will provide greater depth of information regarding programs, admissibility criteria, eligibility and even changing program guidelines, interest rates and expectations.
- Be well prepared with your Business Plan. Be prepared to justify your business idea (or existing business), personal references, credit history, personal skills, and ability to repay any loan portions. Collateral may or may not be an issue, depending on the program and funder.
- Get to know the Officers at the appropriate funding agency, and let them become familiar with your project and you.

Indigenous Grants

Grants are non-repayable contributions towards a project, a start-up, an expansion, or even an acquisition of an existing business. Grants are the most sought-after funding assistance source. The business activities below indicate what amount of funding assistance might be available.

Project Costs	Typical
Developing business plans, marketing plans or feasibility studies	Up to 75%
Establishing a business or acquiring information technology	Up to 40%
Expanding/acquiring a profitable business or developing new products, services or production processes	Up to 30%
Implementing marketing initiatives	Up to 60%
Project-related management	Up to 75%
Accounting and professional business advice after you start your business	Up to 75%

The Business Equity Program is offered through the Aboriginal Capital Corporations, in partnership with Indigenous Services Canada. Contributing grants can range between 30% and 75% of various business activities. The applicant business must be 51% Indigenous-owned (minimum), contribute 15% of the equity required, be able to access financing (other than the grant),



and have active Indigenous-ownership involvement.

A typical \$100,000 project for a commercial venture would possibly be structured as follows:

Costs	\$	Financing	\$
Capital Costs	75,000	Cash Equity	15,000
Operating Costs	15,000	Business Equity Program	35,000
Marketing Costs	10,000	Loan	50,000
Total Costs	100,000	Total Financing	100,000

Indigenous Loans

All the Aboriginal Capital Corporations offer conventional loans, generally up to \$250,000 at high interest rates (8% or more), and require 15% equity contribution from the Indigenous applicant. Their criteria include: a good Business Plan that demonstrates viability, adequate market research, good management, and an understanding of operations and financial projections.

The New Relationship Trust (NRT) partners with the Aboriginal Capital Corporations. For BC Indigenous (status or non-status) applicants, NRT provides a grant of \$5,000 or 15% of the project cost, whichever is less. Equity matching by the applicant is important. (<http://www.newrelationshiptrust.ca/>)

The First Citizens Fund (FCF) offers loans that are up to 40% forgivable, up to a maximum of \$75,000 for a lifetime. The business must be 51% Indigenous-owned. The interest rate for the loan portion is considerably higher than bank rates. (<https://www2.gov.bc.ca/gov/content/governments/indigenous-people/first-citizens-fund/>)

It needs to be emphasized that how these funds are administered depends on a number of factors, some within the control of the Aboriginal Capital Corporation (risk assessment, etc.), others outside their control (budget allocations received from government).

Timing

With the grant programs, budgetary fiscal years start April 1st, coinciding with government annual budgets. Funding is generally received by the Aboriginal Capital Corporations after April of each year.

An influx of funding applications is generally received from September to March. With funding disbursed on a “first come, first served” basis, and with funding allocations from government declining, it is best to submit funding applications early.

Non-Indigenous Funders With Aboriginal Funding Programs

Business Development Bank of Canada offers an Aboriginal Entrepreneur Loan up to \$150,000 for start-ups and \$250,000 for existing businesses. Personal assets are not taken into account for collateral. See https://www.bdc.ca/en/i_am/aboriginal_entrepreneur/pages/default.aspx.

Vancity has a number of Indigenous microloans, up to \$75,000, at a rate of prime plus 3% and with flexible terms (five-year repayable). Vancity has developed a number of sector-specific Indigenous microloans as well, ranging from arts and culture to green businesses, and a host of sectors in between. See <https://www.vancity.com/BusinessBanking/Financing/SpecializedSectorSolutions/FirstNationsAndAboriginal/>.

Funded by Western Diversification, **Futurepreneurs** offers start-up or operational loans to young entrepreneurs (18-39 years old). Their terms and limits can be custom designed for individual projects. See <https://www.futurpreneur.ca/>.



Indigenous business opportunities are endless

The Women's Enterprise Centre offers loans for women entrepreneurs. However, male business partners are acceptable, as long as the applicant, and majority owner, is a woman who is actively involved in the business. See http://www.womensenterprise.ca/networking_connections.

Victoria Community Micro Lending Society offers relatively small, flexible loans (\$250 up to \$5-10,000), and matches borrowers and lenders. See <http://www.communitymicrolending.ca/>.

All of the above, including the Indigenous and non-Indigenous lenders and grant agencies, have extensive resources on their websites, ranging from Business Plan templates to budget forecast models. Many also provide business-mentoring services to interested applicants.

Government Contracts And Proposal Requests

While these are not direct funding opportunities, they do provide Indigenous companies the opportunity to bid on work. In some instances, the party issuing the bid may prioritize the opportunity for Indigenous bidders. This is apparent in social procurement situations, or similar scenarios, when the bid issuer needs or wants to comply with providing Indigenous opportunities. All Requests for Proposals are generally listed on the BC Bid website. Interested parties can search the ever-changing contract opportunity database, or join as a member and receive notifications of proposal requests as they materialize. See <https://www.bcbid.gov.bc.ca/>.

Indigenous Funding Handbooks

Below are two comprehensive handbooks on Indigenous funding that list most of the available programs and services available to Indigenous entrepreneurs, including proposal-writing advice and templates, for those working to access government ministry Requests for Proposals:

The BC Aboriginal Entrepreneur Funding Resource Handbook⁴ provides a comprehensive overview of funding programs and contacts, focused on the Indigenous entrepreneur. These include funders and other resource providers. (Note that funding programs change frequently, so source funders should be researched or contacted to confirm program availability.)

The Resource Manual for Indigenous Artists⁵ is a comprehensive manual that includes the following:

- Aboriginal Arts Awards and Grants
- BC Arts Council
- Grant and Proposal Writing
- Artist Portfolio Development
- Branding Aboriginal Art
- Indigenous Art Labelling Program
- Careers in Art
- Indigenous Business and Entrepreneurship Resources, Links and Contacts

Many banks have now expanded their services into Indigenous jurisdictions, providing capital to support start-up businesses and infrastructure. They are enthusiastically chasing the expected economic growth in Indigenous communities.

⁴ Synergy Mgmt Group Ltd, "BC Aboriginal Entrepreneur Funding Resource Handbook" (2016).

⁵ Victoria Native Friendship Centre, "Resources for Indigenous Artists" (2016)



Points For Approaching Lenders

When dealing with banks and other financial institutions, it is important to keep in mind the following points:

What are bankers looking for?

The 5 Cs Of Credit

- Character of the borrower.
- Capacity of the borrower to repay the loan.
- Capital invested in the venture by the borrower.
- Conditions of the industry and economy.
- Collateral available to secure the loan.

What questions will lenders ask⁶?

- What are the strengths and qualities of the management team?
- How has the organization performed financially previously?
- How much money is needed?
- What is the borrower going to do with the money?
- When is the money needed?
- How and when will the money be paid back?
- Does the borrower have qualified support people, such as a good accountant and lawyer?

When negotiating loans from capital corporations, banks or foundations, the interest rate is going to be an important number to consider. However, it is far from the whole story. There are other factors that are just as important. Before committing, you should consider the following four issues:⁷

1. *Loan term* - How long of a loan term is the lender willing to offer? Longer terms mean higher borrowing costs, but this expense may be incurred to ensure cash flow problems are not an issue.
2. *Loan size* - What percentage of the project's cost is the lender willing to finance? This will determine how large of an investment must be made and whether it makes sense to diversify the lending relationship with a second bank.
3. *Flexibility* - What is the lender's flexibility on repayments? Even the best plans can go awry due to unforeseen developments. It is important to have a frank discussion with the banker about what would happen if scheduled loan repayments were unable to be made. Would the bank allow for temporarily suspended principal repayments, for example? It is important to find out ahead of time, not during a crisis.
4. *Collateral* - What guarantees are being requested in case of default? This is where collateral is discussed. Are there assets that can be lost in case of a default? This risk may extend beyond the business to include personal assets if there are any that fall into this category, such as vehicles. Collaterals can include accounts receivable, pledges and liens (equipment and other fixed assets), inventory, real estate (if applicable insofar as the borrower has a home that is owned privately), personal guarantees and third-party guarantees. The type of collateral offered depends on the nature of the business, the terms and conditions of the bank, and the leeway available to negotiate.

⁶ Dr. Bill Todorovic and Richard T. Doermer, "Financing and Capital Sourcing Options," (10 June 2010)

⁷ Business Development Canada, "Beyond interest rates:

four factors to consider when shopping for a business loan"



Staffing And Employee Management

Finding the right staff to run businesses is an integral step in business development.

The Recruitment And Hiring Process

The following is a "Checklist for Hiring Employees."

1. Determine the need for a new or replacement position.
2. Create a profile of the ideal candidate.
3. Set the pay rate for the position.
4. Utilize online recruiting vehicles: network and post jobs on social media sites such as Twitter and LinkedIn.
5. Place a classified ad in online and print newspapers, post the classified ad on jobs boards and websites including your own company's recruiting website, post the position on professional association websites, and / or contact temporary help agencies.
6. Once you have a number of applicants for the position, screen resumes and/ or applications against the prioritized qualifications and criteria established.
7. Create a short list of applicants.
8. Schedule qualified candidates for a first interview.
9. If they have not already done so, ask the candidate to fill out your official job application, upon their arrival for the interview.
10. Give the candidate a copy of the job description to review.
11. Have the candidates participate in any testing you may require for the position.
12. Interview the candidate about whether he or she is interested in the job at the offered salary and stated conditions. The personal connection is important. Make certain the candidate agrees that they will participate in any additional requirements for the position (i.e., background check, a drug screen, signing a Non-compete Agreement or a Confidentiality Agreement).
13. If the candidate is right for the job, and they agree to participate in any additional requirements for the position, proceed with an offer letter.



Nk'Mip Cellars is a very popular destination for wine lovers, and is another successful Osoyoos Indian Band venture



The following is taken from the *Reference Guide for Employers* and sets out the "Top 10 Things BC Employers Should Know":

Employees are entitled to the protection of the Employment Standards Act whether they are employed on a part-time, full-time, temporary or permanent basis, and whether they are paid by the hour, salary, commission, or piece rate. Failure by an employer to comply with the Act may result in penalties.

Keeping Records

Employers must keep records for each employee showing

- a) the employee's wage rate,
- b) the hours worked each day,
- c) benefits paid,
- d) gross and net wages for each pay period,
- e) deductions taken,
- f) dates of statutory holidays,
- g) vacations taken, and
- h) amounts paid.

These records must be kept whether the employee is paid by the hour, by salary or commission, or by piece rate.

Hours of work

When scheduling employees, employers must observe the

requirements regarding meal breaks, time off between shifts, scheduling split shifts, hours free from work each week, minimum daily pay and overtime.

Rates of Pay

Regardless of whether an employee is paid by the hour, by salary or by commission, employers must ensure that payment equals at least minimum wage for all hours worked.

Minimum Wage Rates are found at: <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/minimum-wage>.

Pay Days

All employees must be paid at least twice a month. A pay period may not exceed 16 days. All money earned, including overtime and statutory holiday pay, must be paid within eight days after the end of the pay period. Wages must be paid in Canadian currency and may be paid by direct deposit to



an employee's bank account if authorized in writing by the employee.

Vacation and Vacation Pay

An employer must give an employee an annual vacation of at least two weeks after 12 months of employment, and three weeks after five years of employment. After being employed for five calendar days, an employee is entitled to receive annual vacation pay of at least 4% of all wages earned for the first five years of employment and 6% after that.

Statutory Holidays

Employees who have been employed for 30 calendar days, and have worked 15 of the 30 days before a statutory holiday, are entitled to statutory holiday pay of an average day's pay. In addition, eligible employees who work on a statutory holiday are entitled to be paid time-and-one-half.

Leaves and Jury Duty

Employers must grant the following types of unpaid

leaves: pregnancy, parental, family responsibility, compassionate care, bereavement, reservist and jury duty.

Deductions from wages

An employer may only deduct wages as required or permitted by this Act or by other legislation (e.g., income tax, CPP, EI). An employer cannot require an employee to pay any portion of an employer's business costs, nor can an employer deduct advances and accidental overpayments from wages unless the employee has given written authorization.

Termination

An employer may terminate an employee if sufficient written notice or compensation in lieu of notice is provided. Employers must pay final wages within 48 hours of terminating an employee or within six days if the employee quits.



The BC Employment Standards Branch publication, *A Reference Guide for Employers*, is accompanied by a video and provides some important information regarding complying with the *Employment Standards Act*. It can be found at <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/employment-standards-act-quick-reference-guide-for-employers>.

There is also an “Employer’s Corner” at <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/employer-s-corner>.

Workplace Safety

The Employment Standards Branch of the BC Government administers the *Employment Standards Act and Regulation*, which sets out minimum standards for wages and working conditions in most workplaces.

WorkSafeBC was established by provincial legislation as an agency with the mandate to oversee a no-fault insurance system for the workplace. WorkSafeBC is mandated to do the following: promote the prevention of workplace injury, illness, and disease; rehabilitate those who are injured, and provide timely return to work; provide fair compensation to replace workers’ loss of wages while recovering from injuries; and ensure sound financial management for a viable workers’ compensation system. For more information, visit: www.worksafebc.com.

Employee Rights

From the employer’s perspective, it is important to understand the employee’s rights and govern themselves within the scope of establishing human resource policies for their business.

The website <http://tevlingleadle.com/>

[frequently-asked-questions/](#), published by an employment law strategies firm (Tevlin Gleadle Curtis, Vancouver), is a resource that provides information regarding employee and contractor / subcontractor issues, including:

- Employment contracts
- Severance packages
- Constructive dismissal
- Restrictive covenants for departing employees
- Misrepresentation of employment responsibilities
- Sick leave
- Dismissal
- Bonuses
- Job relocation
- Gender, religion or disability grievances
- Retirement obligations
- Legal action against employers
- “Just cause” for dismissal

The BC government also publishes a series of “Facts Sheets” regarding employment standards, from the perspective of employee rights. They can be found at the following:

<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets>,
<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/termination-of-employment>.

<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/just-cause>.



Budgeting And Cash Management

Lenders will want to see a well thought out budget. A budget is a model of all expenses out and all revenues in. Ideally, at the end, you generate a profit. Developing a budget is essential for independent entrepreneurs. Remember, *if you don't know where you are going, you may wind up somewhere you don't want to be.*

What Types Of Revenues And Costs Are In A Budget?

Before we go through budget examples, it is worthwhile to understand the categories of items that are included.

- Start-up costs – what you need to get into business.
- Direct costs – if producing, importing or reselling – costs related to the product + freight in + labour + packaging, etc.
- Fixed costs – same every month, e.g., rent, insurance, leases, etc.
- Variable costs – the more you sell, the higher the costs, e.g., shipping out, etc.
- Semi-variable costs – can vary monthly, e.g., salaries, advertising, telephone, etc.
- Revenues – how much you will make on the sale of your product or service (expressed in units sold and dollars).
- Profits – what is left after all costs.

There are basically three types of budgets:

Start-Up Budgets are used to establish how much money you would need before you

actually start generating any revenues. This would typically include “hard costs” such as equipment, computers, furniture, etc., and “soft costs” such as website development, legal, accounting, and, of course, working capital to pay monthly bills and costs as you launch and start to build your enterprise.

Operating Budgets will clearly demonstrate how much revenue you expect to generate, and what your costs will be. Your Operating Budget would include estimations of your Revenues, Labour, Gross Margins and Operating Costs to run your venture. Costs would include (but are not be limited to) materials, insurance, rent, marketing expenses and administrative costs, etc. Operating costs would only include “cash-out” items, meaning that depreciation on equipment and such would not be considered.

Cash-Flow Budgets are designed to show monies in and monies out of a business. Why is this necessary? Your revenues may be seasonal and impact on your ability to generate cash. Your collections of what your clients owe you might take longer than your need to pay suppliers and overheads like electricity, rent, leases or other items that demand attention on a timely basis. The net effect of all this determines what Line of Credit your business may need.

Building A Budget

Step 1: Develop a Start-Up Budget

Start-up budgets should include everything you need to buy or pay for BEFORE you start selling. These typically include items such as



Start Up Budget

Category	Costs
Equipment	\$10,000
Facilities	\$12,000
Inventory	\$14,000
Promotion	\$18,000
Legal. Professional	\$20,000
Working Capital	\$22,000
Total	\$112,000
Website	\$16,000

equipment, truck/s, furniture, computers, and other “hard costs” as well as “soft costs” like working capital needed, rent deposits, etc. A start-up budget can look like this example (numbers for reference only):

Step 2: Determine Your Labour Costs

Determining your labour costs should typically include the number and types (i.e., part-time or full-time) of employees you might require, if any. A labour costs budget can look like the following example.

Labour Cost Estimates

LABOUR/ EMPLOYMENT	#	Salary	Total
Full-Time Jobs	2	\$40,000	\$80,000
Part-Time Jobs	1	\$15,000	\$15,000
Employee Benefits			\$23,750
Total Employment Costs			\$118,750

Step 3: What Revenues Do You Expect to Generate?

Since most budgets generally require three-year forecasts, there is a need to set annual estimated revenues for each year, and any increase (%) expected in upcoming years.

If this is a new business, revenue estimates should be justified with units to be sold multiplied by selling prices, or contracts you expect to sign. If this is an existing business, then forecasts are based on the history / past performance of the business, and where you see it heading. An example of an estimated revenue budget is shown in the following table.

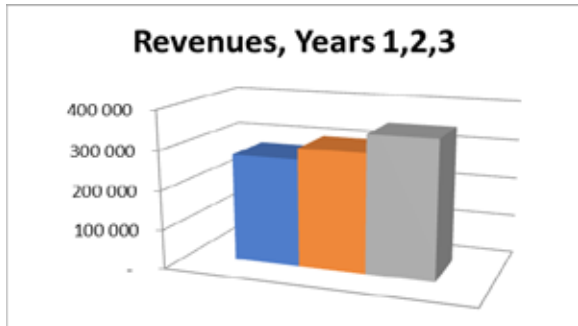
Three Year Revenue Estimates

REVENUES	Year 1	Annual Increase (%)	Annual Increase (%)	Projected Revenues
Year 1	\$275,000			\$275,000
Year 2		1.1%	\$27,500	\$302,500
Year 3		1.15%	\$45,375	\$347,875



In budgeting, particularly for Business Plans and presentation purposes, converting data into charts and graphs is quite useful for the intended reader. Excel has the capability

of converting data into any type of graphic representation (www.excel-easy.com/data-analysis/charts.html).



Step 4: The Business Operating Budget

Often referred to as a "Profit or Loss Statement," this is an important budget schedule. It includes the revenues and labour costs you have developed in the previous steps.

It also includes estimates for operating costs,

ANNUAL OPERATING STATEMENTS	Year 1	Year 2	Year 3
Revenues	\$275,000	\$302,500	\$347,875
Costs			
Labour	\$118,750	\$130,625	\$150,219
Material Costs	\$10,000	\$11,000	\$12,650
Rent	\$11,000	\$12,100	\$13,915
Heat, Light, Power	\$12,000	\$13,200	\$15,180
Repairs & Maintenance	\$13,000	\$14,300	\$16,445
Transport Out	\$4,000	\$5,400	\$7,710
Supplies	\$15,000	\$16,500	\$18,975
Other	\$16,000	\$17,600	\$20,240
Total Costs	\$199,750	\$220,725	\$255,334
Gross Margin	\$75,250	\$81,775	\$92,541
Administration Expenses			
Office Staff	\$12,500	\$13,750	\$15,813
Telephone, Communications	\$4,800	\$5,280	\$6,072
Computer & Office Supplies	\$1,200	\$1,320	\$1,518
Legal, Professional Fees	\$2,500	\$2,750	\$3,163



ANNUAL OPERATING STATEMENTS					Year 1	Year 2	Year 3
Taxes					\$1,000	\$1,100	\$1,265
Finance Costs & Interest					\$3,100	\$3,410	\$3,922
Licences					\$1,100	\$1,210	\$1,392
Other					\$1,200	\$1,320	\$1,518
Total Administration Expenses					\$27,400	\$30,140	\$34,661
Marketing & Promotion							
Advertising					\$5,500	\$6,050	\$6,958
Website Maintenance					\$550	\$605	\$696
Sales Commissions					\$3,750	\$5,125	\$7,394
Car & Travel					\$2,400	\$2,640	\$3,036
Promotions					\$12,500	\$13,750	\$15,813
Brochures					\$2,000	\$2,200	\$2,530
Other					\$400	\$440	\$506
Total Marketing & Promotion					\$27,100	\$30,810	\$36,932
Net Profit (Before Depreciation & Taxes)					\$20, 750	\$20,825	\$20,949

i.e., the expenses you expect to pay out while you operate your business. As previously noted, some of these expenses are “fixed” monthly costs, e.g., rent, leases, etc., while others vary depending on how much you sell, e.g., shipping, marketing, travel, commissions, etc.

A typical Profit or Loss Statement or Operating Statement can look like the preceding example:

Step 5: Cash-Flow Budget: Monies in and Out

A Cash-Flow Budget will determine the answers to the following questions:

- Will your business have enough cash generated monthly to cover your expenses and salaries?
- Will you need a Credit Line to help cover any monthly shortfalls as you wait to collect your accounts from customers?

If you’re running a business that is strongest during one part of the year, such as a tourist operation, how will that affect your cash availability? Will you be able to repay any loan?

The following is a sample Cash-Flow budget (not representative of any existing business):

Cash Flow Budget

YEAR ONE CASH	Year 1 Total	Month1	Month 2	Month3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Cash In														
Revenues	275,000	13,750	16,500	16,500	19,250	22,000	24,750	24,750	27,500	27,500	27,500	27,500	27,500	275,000
Cash Out														
Costs	199,750	9,988	11,985	11,985	13,983	15,980	17,978	17,978	19,975	19,975	19,975	19,975	19,975	199,750
Admin. Expenses														
Marketing & Promotional Expenses	27,100	1,355	1,626	1,626	1,897	2,168	2,439	2,439	2,710	2,710	2,710	2,710	2,710	27,100
Net Cash Flow	20,750	1,038	1,245	1,245	1,453	1,660	1,868	1,868	2,075	2,075	2,075	2,075	2,075	20,750
Loan Repayment During Year 1	12,400	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	12,400
Cumulative Cash Flow	8,350	4	216	428	847	1,473	2,308	3,142	4,183	5,225	6,267	7,308	8,350	8,350

These projections should be run for a number of years, certainly years 1 and 2, possibly year 3 as well.



Branding And Marketing

Branding your product or service creates an association for customers. It can be an expression of you or your culture, personality, product or service. Your brand will inspire

trust and loyalty in your product or service. For an entrepreneur, you may have a logo developed, or you may simply sell the name of your business. Long term success will



depend on positive customer experiences, so it is important to deliver on promises. If your community has a vibrant economic development plan, you may brand yourself under their “parent” banner, which can allow you greater access to potential customers than working independently can. Networking in person or through advertising with other entrepreneurs or potential clients is also integral to success. If that isn’t your strength, consider partnering with someone who can be in charge of communications and growth. For more information on branding, see Stop 5: *In The Black: Indigenous Economic Sustainability Roadmap*.

With your brand in hand, you now need to consider how to bring your product or service to the market. You should consider a marketing strategy that outlines your product or service, the price you are asking, availability, your promotional strategy and who will be involved. Next you should consider the promotional strategy in more detail including messaging, advertising (e.g., radio ads, newspapers, Facebook, website, etc.) and public relations. And finally, consider your communication strategy. How will you engage friends and colleagues to promote your business? Do you need a website or business cards or a Facebook page? Facebook is often used by entrepreneurs as it is the number-one social media platform in the world and is easy to use and has good reach in local communities.

From a marketing point of view, a brand consists of all of the key aspects a business wants to highlight. It is about bringing together the main elements that make you and your business unique, and finding ways to communicate it.

The Things To Remember About Branding

Logos and slogans are just part of your brand

While logos and slogans are a key part of a brand, don’t get hung up on the visual aspect until you have defined your brand promise and your values. Logos and slogans should accurately represent your brand and brand promise.

A Brand Should Evoke An Emotion

Although a brand is represented through design, logo, and content, it is important to remember that successful brands build a personal relationship with their audience, and evoke feelings and emotions.

Successful Brands Have A Narrow Focus

You cannot be all things to all people; a strong brand needs to be authentic and focus on the key elements that make them unique.

Define Who You Are

Before setting out to create a brand, make sure you have a clear direction. Ask yourself things like: What do I want to be known for? What are some of my key values? What sets me apart from the rest of the competition?

Deliver On Your Brand Promise

Make sure that your products, services and destination offerings are always delivering on your brand promise. What you promise your audience has to match with what your customers experience when they interact with your brand.

Get The Right People Involved

It is important to have the right people involved in the process of building a brand.



Tla-o-qui-aht First Nations' Best Western Tin Wis Resort is a successful destination in Tofino, on Vancouver Island's rugged West Coast

Make sure that you have people who know what the brand goal and direction should be. Involving too many people in the process may end up making it more difficult. You want to make sure that your brand is unique, and that it is not trying to be all things to all people.

Start With A Plan

Set out a plan on how you are going to build your brand. The plan can include assembling a team, finding the right graphic designer, engaging the community, and getting feedback and buy-in.

Do Your Research

Take a look at your current brand, where you are today, and what *is* and *is not* working. This will give you a good starting point for where you need to go. Research other communities or brands to determine what works for them.

Be Aware Of Possible Road Blocks

Sometimes politics, funding, or external events can get in the way. Try to identify some of the risks and road blocks that might get in the way of creating the brand, and try to develop contingency plans for them.

Build A Brand That Best Portrays Your Business Goals and Ideals

As discussed previously, you need to decide what the thrust of your brand will be; that is, what will attract businesses, partners, investments, and visitors. Most indigenous groups promote a mix of business, culture, traditions and vision; you will need to develop your own unique brand stance.

To be successful and sustainable, a brand must:



Culture Shock Interactive Gallery is a 100 per cent Indigenous owned and operated business in Alert Bay that shares the traditions of the 'Namgis people

Stand For Something

Brands need to have distinct personalities, values, and attributes that set them apart. An authentic brand is based on what you stand for, and it comes directly from your core values.

Make A Promise And Deliver

Brands must offer an ambitious, aspirational promise that evokes emotions, but most importantly, a brand needs to deliver on its promise.

Be Practical

Brands should be supported by a strong

operational plan to ensure it can consistently deliver its promise.

Be More Than A Logo

Brands live in every aspect of the community — from the products and services to the physical environments to the communication and the community members.

Developing a brand can be achieved through a disciplined process. This section provides you with guidelines that will help you define the brand for your community.



Registering A Business

Once you have decided on the format for your business and its name, you will need to complete the business name application and registration at www.bcbusinessregistry.ca. The steps are slightly different depending on the structure of your business but the website can walk you through the process. Next, you will get a business number which identifies your business to federal, provincial and municipal governments. It is a 9-digit number that is used when dealing with GST or HST, payroll, income tax, import, export and other activities. Finally, you may need other permits such as a building permit or a food service permit. You can get these and more information at www.bcbizpal.ca.

The following outlines how to apply for a business name, and how to register with BC Registry Services, WorkSafeBC, the Ministry of Finance, and Canada Revenue Agency.

Review Existing Trademarks

Before naming your business, review existing trademark and intellectual property records. Choosing a name that infringes on the intellectual property of another business could result in legal action.

To check names registered in B.C., see the Name Request Online Search Tool: <https://www.bcregistrynames.gov.bc.ca/nro/>

To check Canadian federal trademarks, use the Canadian Trademarks Database: http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr03082.html

If you intend to expand your business, consider checking databases across other provinces.

Apply For A Business Name

Once you've chosen a name, submit a name request application to BC Registry Services, they will check the availability of your business name and determine whether it is valid for registration.

You can submit a name request application in several places:

- Online: using BC Registry Services' Name Requests Online.
- In person: at OneStop service counters or Service BC.
- By mail: Download the Name Approval Request form from OneStop: <https://onestop.gov.bc.ca>

Your business name may also require approval from:

- Your Band Administration.
- The Liquor Control and Licensing Branch, if you intend to serve alcohol.

Register Your Business

Once BC Registry Services has processed your application for a business name, you will receive a Name Request Number, or NR number. You use this number to register your business with BC Registry Services, you need to do this within 56 days,



Eagle Aerie Gallery in Tofino features the work of renowned Indigenous artist Roy Henry Vickers, who has Tsimshian, Haida and Heiltsuk ancestry

You must register your business with the following government agencies:

BC Registry Services

- Sole Proprietorships or Partnerships: register at OneStop
- Incorporations: register at B.C. Corporate online.

Once registered, you will receive a Business Number (BN). Your BN can be used as an identifier for remitting taxes to government, Canada pension premiums, EI premiums, and making WorkSafeBC payments.

WorkSafeBC

Businesses that hire workers (full-time, part-time, casual or contract) are required by law to register with WorkSafeBC. Register

for WorkSafeBC when you register your business, in order to ensure you're covered. Complete your registration at OneStop or through WorkSafeBC.

Ministry Of Finance

Registration with the Ministry of Finance is necessary for Provincial Sales Tax (PST) remittance. Complete your registration online at OneStop.

Canada Revenue Agency

Register with the Canada Revenue Agency for GST/HST remittance and payroll deductions. Complete your registration online at OneStop or directly with the Canada Revenue Agency.



Operating A Business

The tedious work is over! Now you can focus on developing and distributing your product or service. This is what you have expertise in, but don't forget about the background work that must be done. All businesses must file taxes, so early on you should establish a system to collect and file receipts, keep up your repayment responsibilities and keep your accounting up to date. Some people use professional accountants to help file taxes, but it will save you money to do your own bookkeeping. It will also help you better understand your business and identify challenges early.

Approval From The Community

If a person is looking to start their business on reserve, in addition to understanding taxation implications, it is important to determine what the community's by-laws and laws are regarding property use and businesses on reserve. In some cases, a Band Council Resolution signed off by Chief and Council may be necessary, or there may be a particular process set out by laws under a community land code.

Requirements may vary depending on the circumstances of the individual operating the business. For instance, permission requirements may change if the person is a member of that community and if they hold a Certificate of Possession for the property in question.

Why Businesses Fail

Failure is a topic most of us would rather avoid.

But ignoring obvious (and subtle) warning signs of business trouble is a sure-fire way to end up on the wrong side of business survival statistics.

What's the survival rate of new businesses? Statistically, roughly 66 percent of new businesses survive two years or more, 50 percent survive at least four years, and just 40 percent survive six years or more. This is according to the study "Redefining Small Business Success" by the U.S. Small Business Administration.

With this information as a backdrop, here is a list of 10 common reasons businesses close their doors:

1. Failure to understand your market and customers. It's vital to understand your competitive marketplace and your customers' buying habits. Answering questions about who your customers are and how much they're willing to spend is a huge step in putting your best foot forward.
2. Opening a business in an industry that isn't profitable. Sometimes, even the best ideas can't be turned into a high-profit business. It's important to choose an industry where you can achieve sustained growth. We all learned the dot-com lesson – to survive, you must have positive cash flow. It takes more than a good idea and passion to stay in business.
3. Failure to understand and communicate what you are selling. You must clearly



Rooted in the Songhees Nation's deep history in Victoria and the surrounding region, The Songhees Sea Food & Steam Food Truck offers a modern take on Songhees cultural tradition.

- define your value proposition. What is the value I am providing to my customer? Once you understand it, ask yourself if you are communicating it effectively. Does your market connect with what you are saying?
4. Inadequate financing. Businesses need cash flow to float them through the sales cycles and the natural ebb and flow of business. Running the bank accounts dry is responsible for a good portion of business failure. Cash is king, and many quickly find that borrowing money from lenders can be difficult.
5. Reactive attitudes. Failure to anticipate or react to competition, technology, or marketplace changes can lead a business into the danger zone. Staying innovative and aware will keep your business competitive.
6. Overdependence on a single customer. If your biggest customer walked out the door and never returned, would your organization be ok? If that answer is no, you might consider diversifying your customer base a strategic objective in your strategic plan.
7. No customer strategy. Be aware of how customers influence your business. Are you in touch with them? Do you know what they like or dislike about you? Understanding your customer forwards and backwards can play a big role in the success of your business.
8. Not knowing when to say "No." To serve your customers well, you have to focus on quality, delivery, follow-through, and follow-up. Going after all the business you can get drains your cash and actually reduces overall profitability. Sometimes



Haida Gwaii artwork is showcased in Indigenous culture and nature adventure tours on the islands off the northwest coast of BC

it's okay to say no to projects or business so you can focus on quality, not quantity.

9. Poor management. Management of a business encompasses a number of activities: planning, organizing, controlling, directing and communicating. The cardinal rule of small business management is to know exactly where you stand at all times. A common problem faced by too successful companies is growing beyond management resources or skills.
10. No planning. As the saying goes, failing to plan is planning to fail. If you don't know where you are going, you will never get there. Having a comprehensive and actionable strategy allows you to create engagement, alignment, and ownership within your organization. It's a clear roadmap that shows where you've been, where you are, and where you're going next.

Running an organization is no easy task. Being aware of common downfalls in business can help you proactively avoid them. It's a

constant challenge, but it's also a continuous opportunity to be a measured success.

Checklist For Identifying And Planning To Manage Risk

The following is a checklist that can be of assistance when identifying and subsequently planning how to manage risks. Fill in your responses and review the results, possibly even with a trusted business associate, coach or mentor. There is no scoring of your responses. The process is meant to identify risk issues that you need to be aware of, and be ready to react to, without inflicting any harm to your business, or to yourself.

In effect, the tables that follow are a template that you should use, and then re-visit every six months to make sure that there are no dramatic changes you need to be aware of and deal with.



Risk Management Checklist

Business Related

- ☐ Have you identified your customer base?
- ☐ Are you keeping your key customers happy? Are they satisfied with your products / services?
- ☐ Do you use contractors? If yes, do you have back-ups if there are issues with your main one/s?
- ☐ Do you have multiple suppliers of goods and services? Do you periodically audit their prices and discounts?
- ☐ Do you have a Business Plan that is less than six months old?
- ☐ Do you have a Business Coach / Mentor you can rely on?
- ☐ If you are renting a location, is it the best deal for you? Highest visibility, if that's what you need?
- ☐ Do you have too many (or not enough) employees?
- ☐ Do you do regular employee reviews to see if people are pulling their weight?
- ☐ How are you building employee loyalty and avoiding turnover?

Markets and Marketing

- ☐ Do you have a Marketing Plan that is affordable?
- ☐ How do you know your marketing is working? Are you surveying your customers? Are you getting feedback?
- ☐ How is your competition doing?
- ☐ What is your competition doing?
- ☐ Are there any upcoming trends, new products, new services that you need to be aware of?
- ☐ Are the customers you are serving in your business region changing in terms of age (younger families or retirees)? If so, how does that impact your business?
- ☐ What is happening in your area? Is the area becoming more affluent (or less affluent)? How does that change how you do business?
- ☐ Any empty buildings around you, or in your area? Why?
- ☐ When is the last time you carried out Market Research, checking out similar businesses to yours but located far enough away that they will not see you as competition?
- ☐ Are you monitoring the Internet and social media with regard to competition? Or, even more important, your social media reach?
- ☐ How are you generating new customers? New leads?
- ☐ Are you networking, meeting people, joining groups, volunteering, etc., to meet people?



Technology

- ☐ Are you technology-savvy, e.g., Web, Google Ads, eBay, and social media including Facebook, Twitter, Pinterest, LinkedIn, and Instagram? Staying current and on top of all these vehicles will help build and maintain your brand and develop and grow a customer base.
- ☐ Is the Internet becoming a bigger factor in your type of business, e.g., online sales, online travel and hotel bookings, and more? Do you think it will become a problem, or an opportunity?
- ☐ Is your operation equipped with decent business software for invoicing, inventory and parts control, managing leads, online bookings, and promotional programs?

Financial

- ☐ Are you maintaining a positive cash flow? Money in the bank? If not, why not? Perhaps you need to tighten up your collections? Review your sales pricing? Lower costs? Review your overheads?
- ☐ Is your insurance, including Workers' Compensation Board, up to date and paid? Is the coverage sufficient?
- ☐ Assuming you have budgets and forecasts, do you review your actuals against your budgets and see where the main differences are?
- ☐ If your forecasts are more than six months old, do you generate new ones?
- ☐ If your business deals heavily in cash, do you have tight controls in place?

Legal

- ☐ Have you verified the tax implications of operating on reserve / off reserve?
- ☐ Do you need any licenses or certificates? Renewals?

Cultural

- ☐ Does your business, in any way, conflict with the cultural priorities and traditions of your community?
- ☐ Are there any real or perceived conflicts of interest?

Community

- ☐ Have you created a program whereby your business "gives back" to the community in terms of creating employment? Training? Apprenticeship? Supporting other entrepreneurs?
- ☐ Is there any environmental impact of your business on the community? Anything that needs to be dealt with?

Family

- ☐ Entrepreneurship takes a lot of your time, and can have an impact on your partner and family. Are you experiencing any issues, and how are you dealing with them?

Health

- ☐ Entrepreneurship can be stressful, sometimes affecting peoples' health. Are you monitoring that? Are you seeing a healthcare professional regularly, and heeding their advice?



Providing Clarity - Tax Tips for Indigenous Entrepreneurs ¹

Are you exempt from paying tax?

It can be advisable to start as a sole proprietor if you are an Indigenous person with status, and you live and do business on reserve. With this structure, there is no distinction between you as an individual and your business. Section 87 of the [Indian Act](#) states that you are not taxed on the income you make through your business activities on reserve, nor do you pay GST on purchases made on reserve. Provided that all of your revenue comes from on-reserve customers, you do not need to remit GST, either.

If you run a sole proprietor business off reserve, are you exempt from paying tax?

Usually, income earned off reserve is taxable, even if you live on reserve. However, if your business has social benefits to people on reserve, you may be entitled to an exemption.

What are the tax implications of incorporating your business?

Incorporating your business means you let go of any GST exemptions you had as an individual, regardless of whether you operate on or off reserve.

[Canada Revenue Agency](#) (CRA) only recognizes the tax exemptions of status Indigenous people, not their corporations. That said, it might be more advantageous to pay the regular business taxes — it really depends on the nature of your business idea and the scale you are working on (for instance, the size of your potential customer base and market).

For example, if you want to start a construction company and you have an opportunity to contract your services out to build a new recreation centre, it might be best to incorporate at the start in order to meet certain insurance or regulatory requirements.

As well, incorporation can give you more credibility with lenders, easing the process of gaining capital for your business.

¹ Heidi Hoover, "Providing Clarity – Tax Tips for Aboriginal Entrepreneurs"



What are the tax implications of hiring on-reserve staff?

If you have incorporated your business, but your employees are Indigenous people working on reserve, you will not have to remit certain payroll deductions to the government. Businesses can use CRA's TD1 form to see if their employees are exempt from payroll deductions.

Are you tax-exempt if you run an online business as an Indigenous entrepreneur?

If your business is run on reserve (whether from your home or a formal office), you will not pay income tax as a sole proprietor. However, if you provide products or services to customers off reserve, you will need to remit GST for annual revenues over \$30,000.

Are grants for Indigenous entrepreneurs tax-exempt?

There are quite a few grants available to Indigenous people starting businesses, and you may be eligible for some of them. Remember that grants are considered income by Canada Revenue Agency, therefore they must be declared and taxed accordingly. It is important to know that tax implications can vary, so make sure you consult an accounting professional.

If, for example, you receive a grant for spurring economic development so you can hire two youths from your reserve to work for your business, you still have to report that grant as income and pay tax on it. However, you can also claim a wage expense against it, therefore decreasing what you pay in taxes.

What are small business deductions?

Small business deductions are business-related expenses that you can claim against the revenue earned to reduce the taxes you pay (whether you are a sole proprietor or corporation).

Any business owner can reduce their tax paid by claiming deductions, including travel costs, meals with clients, and advertising fees. Being self-employed, you can also claim the costs related to your home office space, including a portion of the utilities. Keeping track of all of your expenses from the beginning will help to avoid headaches come tax time.



Periodic Evaluation

It is important to evaluate your business regularly to identify problems and to adjust to changing market conditions. Remember the SWOT when you were conceptualizing an idea? You can use that same technique here!

SWOT Definitions and Example Questions

Strengths – Advantages you will have over competitors.

- What makes your business unique?
- What does your business do well?
- What resources are readily available?
- What expertise do you already have?

Weaknesses – Areas that need improvement.

- What is your business(es) doing poorly?

- What is your competition doing better than you are?
- What resources do you lack?
- What area(s) need immediate improvement?

Opportunities – Trends and market gaps that create opportunity.

- What new opportunities in the market are becoming available?
- What opportunities did you pass on that are still available?
- What opportunities are your competitors not availing themselves of?
- What would be an ideal opportunity for your community?

Threats – External factors that can threaten the community, or community business.

- Who are your competitors?
- Has there been an increase or decrease in competition, and why?
- Are your suppliers reliable?
- What are the costs of your resources, and how are they affecting your bottom line?

The purpose here is to ensure that you and your business are meeting the goals you set for yourself at the outset, that you are supported in and supporting of your community. Are you able to seize opportunities and proactively manage or eliminate weaknesses? In the end you need to assess if your business serves you or if you serve your business.



The Osoyoos Indian Band's Nk'Mip Cellars operation also allows visitors into the vineyards to hear about the production of wine grapes



Stop 11 Where Do We Go From Here?

In 2015, the Canadian Chamber of Commerce stated that Canada's ability to leverage its natural resource endowment depends on addressing concerns over the social impacts of resource development, especially as it affects Indigenous peoples and their communities. Many businesses recognize that Canada, as a signatory to the UN Declaration on the Rights of Indigenous Peoples, has committed to upholding principles of "free, prior, and informed consent".

We are also seeing the tides of social acceptance in Canada are turning and much of the Canadian population supports Indigenous actions blocking the work of businesses that attempt to push through their lands without consent. Further, even if courts side with the business, those who neglect to create support in the Indigenous communities they impact have seen their share values have suffer and projects significantly delayed due to Indigenous protest.

Indigenous peoples are key players in determining Canada's economic future. A special report by TD Economics notes the following trends:

1. Recognitions of rights and title is changing the nature of Indigenous participation in Canada's economy.
2. Increasing access to resources and capital, settlements, interim measures, specific claims, businesses and related activity, and other portfolios of financial and real assets, has increased the influence of Indigenous people in the

Canadian economy.

3. Canada's Indigenous youth represents the fastest-growing domestic demographic in Canada, although significant gaps in access to education, infrastructure and training may hold this demographic back in urban and rural areas.
4. Indigenous groups are now seen as important partners in the development of land, major projects, resource extraction, procurement opportunities, and other economic activity across the country. Driven by both precedent in the courts as well as international recognition (UNDRIP, FPIC) and Federal, Provincial and industry reconciliation initiatives.
5. Indigenous businesses are growing. Aboriginal rights, interests and significant land holdings, along with rapidly growing business opportunities, particularly in the resource sector, offer an opportunity to improve Indigenous economic outcomes and open up the potential of Canada's economic opportunities. In addition, the growing numbers of Indigenous youth represent an opportunity for the country to meet its impending future demand for labour posed by an aging workforce.



BC Indigenous Demographics And Trends

According to the 2016 census, the population of Indigenous people in BC was 5.9% of the total BC population. The majority of the Indigenous population reported a single Aboriginal identity – either First Nations, Métis or Inuk.

The provincial government identifies nine key sectors that remain the foundation of the Province's economic development and have the most potential for growth. These sectors include:

- Advanced Manufacturing
- Agrifoods
- Forestry
- International Education
- Mining & Energy
- Natural Gas

- Technology & Innovation, including Clean Tech & Digital Media
- Tourism
- Transportation

In addition to these nine key sectors, the Provincial government also identifies climate leadership, international trade, and small business development as important cross-sector areas that will help drive competitiveness across the economy, supporting current and future growth in the province. These three areas were viewed as driving forces for BC economic growth, and cross cut all areas of the economy when the provincial government updated its Job Plan in 2017.

The time is ripe for Indigenous entrepreneurs, we have a strong economy and are moving towards better and more positive relationships for Indigenous and non-Indigenous communities. We hope this booklet and the larger companion document *In the Black: BC First Nations Economic Sustainability* give you the inspiration and tools to begin, support and expand your entrepreneurial journey.



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