

Starting A Business Step-By-Step

Starting a business may seem overwhelming at first. There are just so many things to do! This checklist to starting a business is designed to help you make your dream of starting a business a reality. Below are the key steps you need to follow when starting a business.

1) Come up with a good business idea.

A business idea is where every business begins. Often the best business ideas are the ones that you develop yourself. Take the time to fully investigate all the municipal bylaws and provincial and federal laws and regulations that will affect your business idea. Enterprise Toronto has an "Entrepreneur's Handbook" that provides information about the regulations applying to many common start up businesses. At this point, you can decide whether to proceed further, wait until a more favorable climate develops, abandon the concept, or find another idea that really works!

2) Write a business plan.

Developing a business plan will tell you whether you have a viable idea for starting a business and you will need it to qualify for a loan. So, after selecting your idea, writing a business plan should be one of the first things you do.

People think of writing a business plan as something that's only necessary if you're trying to get a business loan or persuade investors that your business is worth their money, but actually, writing a business plan is necessary no matter how you intend to finance your new business. The financial part of your business plan will project how much money you need to get to the breakeven point in your business, how to market your goods and services, and much more.

There are several sites where you can access interactive business planners that are available through www.enterprisetoronto.com. You can also review sample business plans for a variety

of businesses in Enterprise Toronto's Resource Centres. Writing a business plan will tell you if the business you're thinking of starting has a chance of becoming a successful business. After you complete your business plan you can arrange for a free business plan consultation with an experienced Enterprise Toronto Small Business Advisor by calling 416-338-5986.

3) Decide on a winning name for your business.

A business name doesn't have to be short but it should be snappy. You want a name that's memorable and is going to encapsulate what your business does for marketing purposes. Pick a business name that's easy for your customers to remember and good for business promotion and advertising.

4) Choose the form of business you're going to start.

When you're starting a business, you have a choice of registering your new business as a sole proprietorship, general partnership, limited partnership, or corporation.

The form of business you choose can be one of the most important decisions that you'll make when starting your business. Each legal form of business has its advantages and disadvantages.

For instance, while a corporation is more expensive to form and maintain, it provides the business owner with more personal liability protection than the sole proprietorship or common partnership form of business. The process of creating and registering each form of business differs as well, although the general process of registering each form of business is similar from province to province.

5) Registering a business name and incorporation.

With one exception, you must register your business name. The exception is if you operate your business under your own legal name with no additions.

The Ministry of Consumer and Business Services (MCBS) charges \$80 to register a sole proprietorship or general partnership, which is valid for 5 years. Name searches can also be conducted for a fee of \$12 per search. To incorporate a business, articles of incorporation can be filed at the MCBS the cost starts at \$360. www.cbs.gov.on.ca/mcbs/english/4VWQQC.htm

All registrations for sole proprietorships, general partnerships and incorporations including NUANS name searches can also be conducted at any of Enterprise Toronto's locations in City Hall and the Civic Centres. The fee to register your business without a name search is \$99.99 and with a name search is \$120.00. Provincial incorporations start at \$350 and the NUANS report for \$53.45 and Federal incorporations start at \$253.

6) Get a Municipal business license.

While not necessary for all businesses, many new businesses will need to obtain a business license before they can operate legally within their municipality. If your city or township doesn't have a web site, you can find the information in the blue pages of your phone book.

You may require a business licence if you plan to open a business in the City of Toronto, which can be obtained at the addresses below.

Toronto Licensing & Standards @ www.toronto.ca/licensing/index.htm
STATIONARY, TRADE, FOOD & OTHER PROFESSIONAL BUSINESSES
112 Elizabeth St. 416-392-3051
VEHICULAR BUSINESSES
East York Civic Centre, 850 Coxwell Ave., 3rd Fl, Toronto 416-392-3082

7) Obtaining a Provincial operating licence.

The Business Practices Act requires that drug, forestry, motor vehicle, real estate, travel, day-care, bingo halls, liquor sales, gas stations, transportation

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businesses to obtain special permits. Contact the Ministry of Consumer and Business Services at 416-314-8880 or 1-800-268-1142 for details.

8) Finding a location & getting zoning approval.

Municipalities often place restrictions on the location of certain types of business activity. Businesses should ensure current zoning regulations allow operations in their chosen location. For City of Toronto zoning call 416-392-7522.

9) Get a business number.

The Business Number (BN) is a numbering system that replaces the multiple numbers you use to deal with the federal government. The BN includes Revenue Canada's four major business accounts – corporate income tax, import/export, payroll deductions, & the G.S.T.

10) Register for the GST/HST.

Businesses are termed Small Suppliers by Canada Revenue Agency if their total taxable revenues before expenses are \$30,000 or less annually and they are exempt from GST. Note that the Small Supplier GST registration rule doesn't apply to all types of businesses; taxi and limousine operators, for instance, must always register for the GST.

But even if your business does qualify as a GST Small Supplier, you will probably want to register for the GST anyway. If you register for the GST, you can then "reclaim" the GST you've paid on business purchases, on everything from capital property through office supplies, through GST Input Tax Credits. Therefore, it's wise to register for the GST right away when you're starting a business.

Canada Customs & Revenue Agency
Offices: 1-800-959-5525 www.ccradrc.gc.ca

11) Register for the PST.

In Ontario if your business involves retail sales, you will have to register for the PST.

Retail Sales Tax Office: (Yonge/Sheppard) www.trd.fin.gov.on.ca
North York Regional Tax Office, Ministry of Finance

5 Parkhome Ave., 2nd Floor, North York, ON M2N6W8 416-222-3226

12) Prepare to have employees.

When you're starting a business, hiring employees may be the furthest thing from your mind, but it's amazing how quickly a business can grow.

Businesses must comply with all federal and provincial employment regulations including the Employment Standards Act and the Occupational Health and Safety Acts. Businesses with over 10 employees must also adhere to the Pay Equity Act. Request a "Small Business Employers' Kit" to register as an employer, which contains all of the payroll deductions including Canada Pension Plan (CPP), Employment Insurance (EI), Workplace Safety & Insurance Board (WSIB), and Employee Income Tax Deductions.

The kits can be obtained by calling Canada Customs at: 1-800-959-8281
Employer Health Tax Branch – www.trd.fin.gov.on.ca

Ministry of Finance - 416-222-3226
5 Park Home Avenue, Suite 200, North York, ON M2N 6W8

Ministry of Labour (Employment Standards) – www.gov.on.ca/LAB/main.htm

Ministry of Labour, Employment Standards Branch
1201 Wilson Avenue, Building E, 2nd Fl, Downsview, ON M3M 1J8
416-235-5330, Fax 416-235-5080 or 1-800-531-5551

Workers Safety and Insurance Board (WSIB) – www.wsib.on.ca
200 Front Street W., 3rd Fl, Toronto, ON M5V 3J1
416-344-1007 or 1-800-387-0080

13) Business Insurance

Protect your new business by making sure that you have the kinds of business insurance you need. Become familiar with property, liability, business interruption, key people, and disability insurance are.

14) Building construction/alteration.

New construction and alterations to buildings often require a building permit. Applications can be obtained through the City of Toronto, Department of Buildings 416-392-7522.

15) Getting health inspection.

To ensure your establishment is in compliance with the Ministry of Health regulations for food preparation, water and sanitation facilities, contact Toronto Health Department at 416-338-7600 <http://app.city.toronto.on.ca/food2/FDGlossary.jsp#type2>

16) Requiring a food handler certificate.

The Toronto Public Health offers a Food Handler Certification Course to provide food handlers the knowledge of safe food handling practices. Call (416) 338-3663 for more information. <http://app.toronto.ca/foodhandler/pub/pubIndex.jsp>

Enterprise Toronto is your one-stop source to start and grow your small business! We are an innovative public and private sector alliance providing services and programs for Toronto's entrepreneurs and small businesses. Enterprise Toronto, managed by the City of Toronto Economic Development Office, can help you make good decisions during your business start-up and develop your management capabilities as your business venture grows.

We have four locations across the city of Toronto to serve you better. Our offices are open from 8:30 am – 4:30 pm Monday to Friday. For more information visit our website at www.enterprisatoronto.com

