



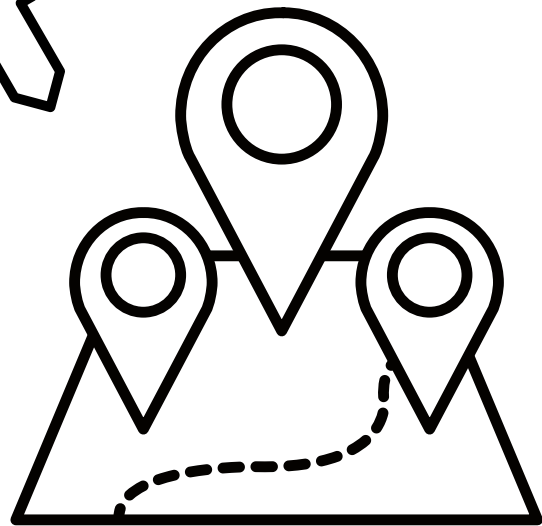
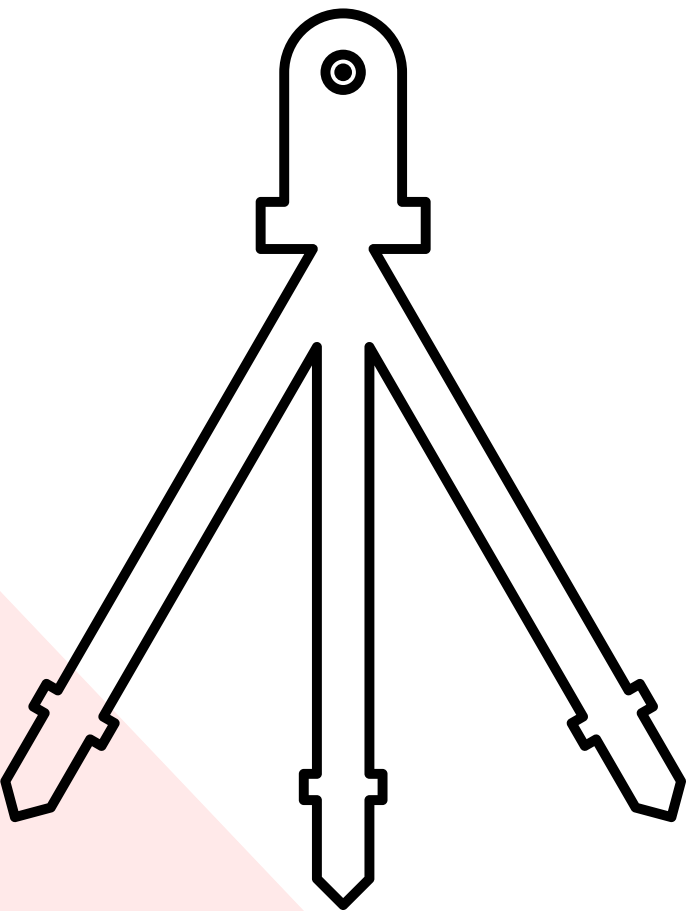
NOBL

Community Business Development Corporation
Corporation au bénéfice du développement communautaire

Association of Nova Scotia Land Surveyors

Spring Seminar

Mallory Wall
Business Analyst



➤ AGENDA ➤

- WHAT IS CBDC & WHAT DO THEY DO?
- STARTING A BUSINESS
- OPERATING A BUSINESS
- BUYING AND SELLING A BUSINESS
- RESOURCES

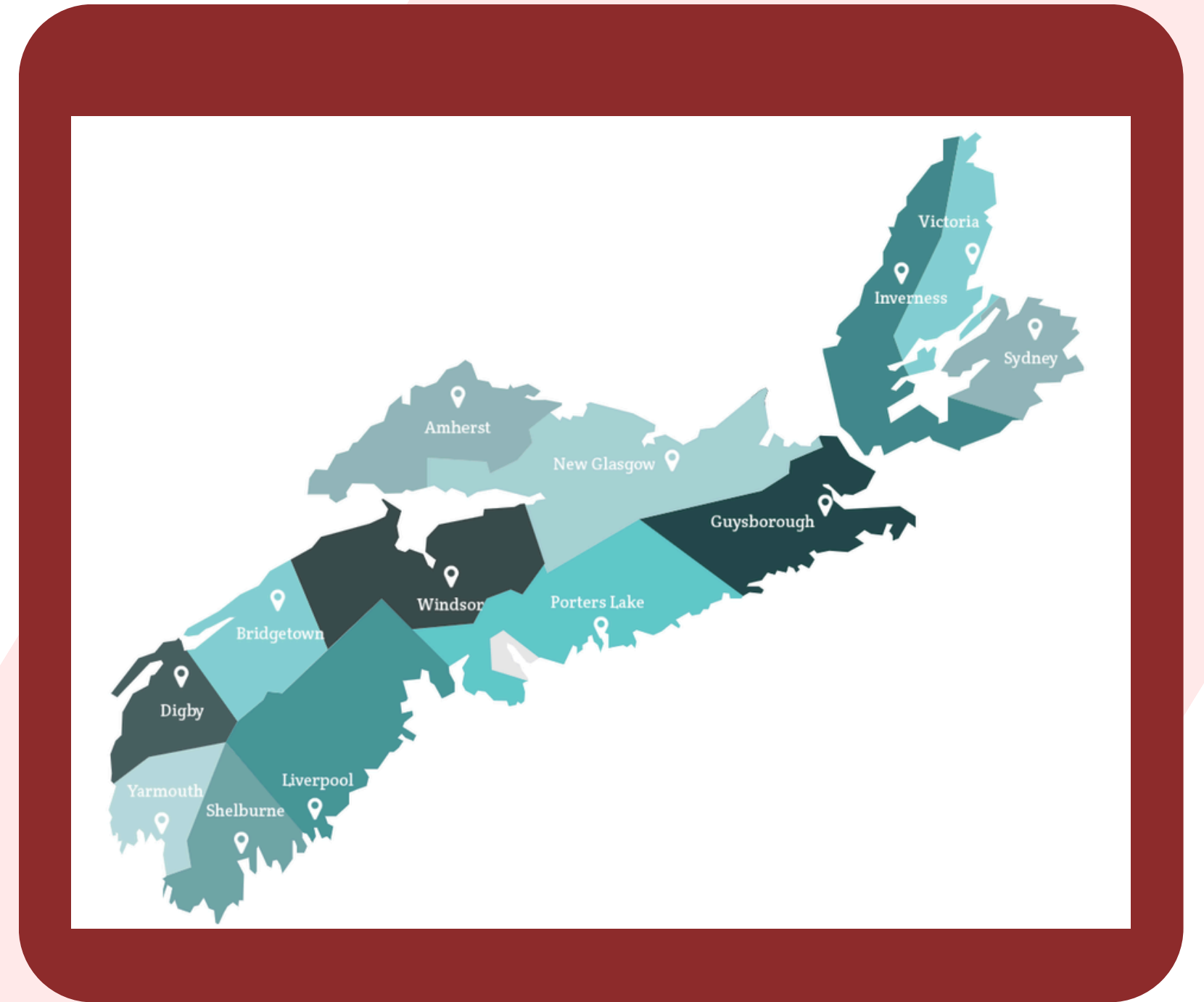




CBDC - Community Business Development Corporations

are not-for-profit community-based organizations run by volunteers who firmly believe in improving the economic viability of their communities.

There are 267 offices across Canada that provide services to people living in rural and remote communities



<https://www.cbdc.ca/en/find-my-cbdc/ns>



Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique



community futures
NETWORK OF CANADA
réseau de développement
DES COLLECTIVITES DU CANADA



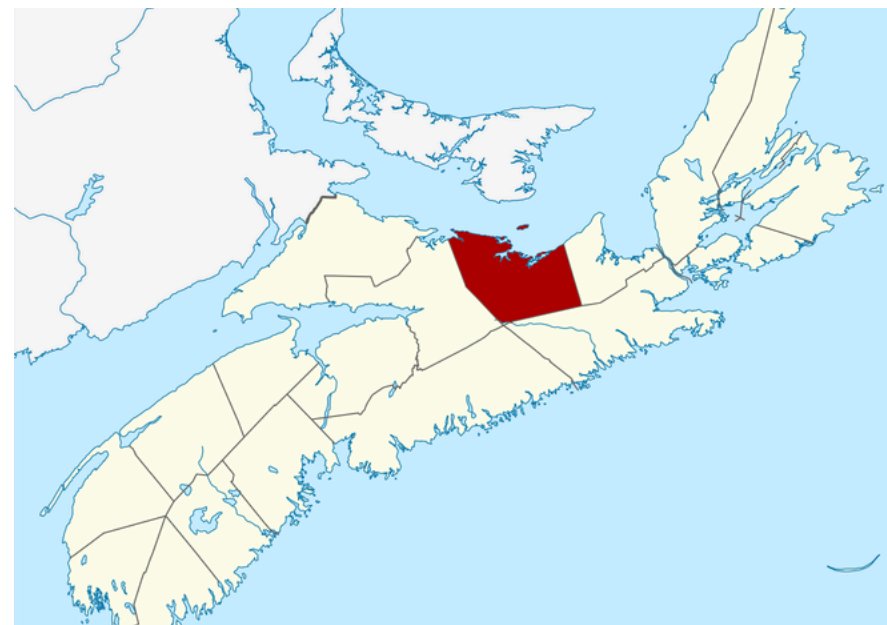


Northern Opportunities for Business Ltd

Satellite Office
Colchester County



Head Office
Pictou County



Satellite Office
Antigonish County



Our MANDATE

As CBDCs, we assist in the creation of small businesses and startups, and in the expansion and modernization of existing businesses by providing financial and technical services to entrepreneurs.



FINANCIAL ASSISTANCE
In the form of loans



BUSINESS COUNSELLING
Offering help and advice



TRAINING
For entrepreneurship development



TECHNICAL ASSISTANCE
Through guidance and advocacy

Our LOAN PROGRAMS

- First-Time Entrepreneur Loan
- Youth Loan (18-34)
- General Business Loan
- Social Enterprise Loan
- Innovation Loan

Quick Facts



Up to \$300,000 on case-by-case basis from Investment Fund, per Board approval

Patient, character lenders

Flexible terms

Personalized and unique experience



CAS & ETF

Consultant Advisory Services

The Consulting Advisory Services (CAS) Program gives CBDCs the ability to offer consultant advisory services to small and medium-sized businesses and not-for-profit organizations throughout the Atlantic region. New and existing clients of CBDCs will be able to access technical and financial assistance by engaging consultants to assist them with various issues, opportunities and challenges.

Examples of Eligible CAS Activities:

- Diagnostic Assessment
- Business Management
- Access to Capital
- Market Readiness
- Specific Studies
- Mentoring

Entrepreneurial Training Fund

The Entrepreneurial Training Fund can provide up to 90% of the cost relating to business management skills training, with rates varying by CBDC. Clients are responsible for paying at least 10% of the cost of the training, under normal conditions.

The Entrepreneurial Training Fund is designed to provide funding to entrepreneurs to enable them to strengthen their overall business management skills through training and counselling

Examples of Training:

- Accounting/bookkeeping
- Strategic planning
- Cash management and profitability
- Marketing and promotion
- Business networking
- Public relations and tourism training



CBDC

Self Employment Program



The Self Employment (SE) Program assists eligible unemployed individuals to create their own job that provides them with sustainable income through self employment.

The Self Employment Program provides entrepreneurial support and may also provide financial assistance to eligible unemployed individuals to assist them with the planning and start-up of their business.

Entrepreneurial support includes orientation, workshops, coaching, mentoring, and access to specific business training (some of which is mandatory) that will enable participants to develop and implement their business idea.



WORKPLACE EDUCATION INITIATIVE

The Workplace Education Initiative (WEI) provides business skills training for working Nova Scotians. This training enhances individuals' workplace skills and supports businesses and organizations to be more successful, open to change, and ready for growth.

Programs are offered online or in person and are designed around real workplace challenges and goals. With an average of 10 - 12 participants per program, sessions are highly interactive and focused on meaningful engagement and skill transfer.

STARTING OR BUYING A BUSINESS

“What do you need to start a business? Three simple things: know your product better than anyone, know your customer, and have a burning desire to succeed.”

–Dave Thomas, Founder, Wendy’s



STARTING A BUSINESS

CHECKLIST

Write a Business Plan

This is the starting point, and where you detail all important aspects of your business, such as (but not limited to):

- The products and/or services you are offering
- An overview of your industry
- Legal structure of your business
- Location(s)
- Your marketing strategy, including target market and advertising plan
- Financial projections
- Management structure
- Regulatory Issues
- & more

(This will continue to adapt)



STARTING A BUSINESS

CHECKLIST



Choose a Business Structure

The legal structure you choose will impact personal liability, how much you pay in taxes, and the type of forms and reporting required.

*Consulting both an accountant and lawyer is recommended when determining structure.

Sole Proprietorship

A sole proprietorship is a business owned by only 1 person. As the owner, all decisions and profits are yours, and you alone are responsible for any losses, liability and taxes.

Profits are taxed as personal income.

Partnership

A partnership is a business made up of 2 or more partners. A partner can be a real person or a corporation. The partners are the decision makers. They share in the profits and are liable for all the losses of the business.

Company

A company, also called a corporation, is a legal entity separate from its owners. It has all the rights, powers and privileges of a person. A company can own property, enter into contracts sue and be sued, and is responsible for its debts and obligations

CHECKLIST



Choose a Name and Register your Business

Reserve your name with the **Registry of Joint Stock Companies**
Choose wisely - think of branding, acronyms, similarities to other businesses, etc.

Upon approval, you can register your business

Registering your business allows access to funding, permits and licenses, and can be done online

Apply for Licenses and Permits

Applying for your permits and licenses early in your process can prevent unnecessary costs and delays

Most permits are not transferrable, meaning that a permit issued to a previous business cannot be used or purchased by a new business



STARTING A BUSINESS

CHECKLIST



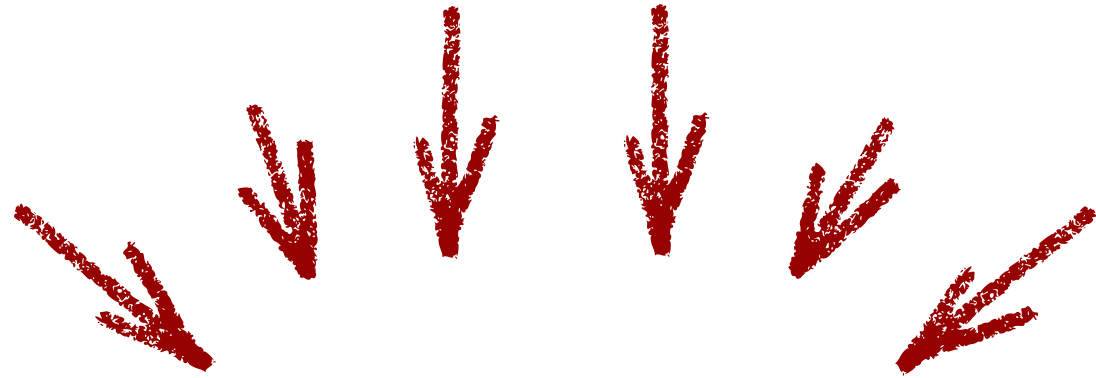
Understand Your Finances

Set up a business bank account, secure a company credit card, etc.

Register for GST/HST

"You must register for GST/HST if your total worldwide taxable revenues (including sales, commissions, and fees) exceed \$30,000 CAD in a single calendar quarter or over four consecutive calendar quarters"

Project start-up costs, monthly expenses and revenue



DO YOU REQUIRE FUNDING?

CHECKLIST



Secure Funding (if applicable)

Where are you obtaining the funds for start-up and business operations?

- Personal finances
- Investors
- Grants
- Loans - from a bank or alternative lender (such as CBDC), or personal

Be prepared for a lender to ask to see your business plan, proof of registration, cash flow projections, history of personal finances, credit score, CRA assessment and more



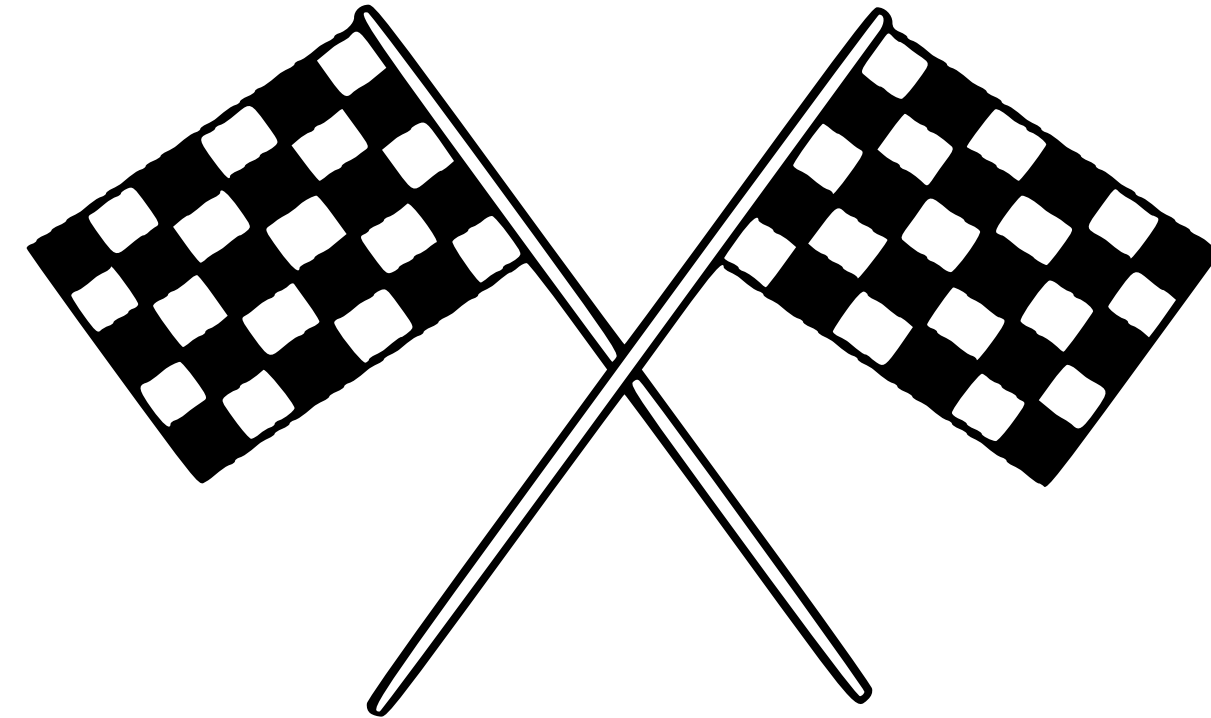
STARTING A BUSINESS

CHECKLIST



Other

- Insurance - business, liability, rental, etc.
- Inspections
- Zoning Requirements
- Occupational Health & Safety, First Aid, etc.
- Hiring employees
- Contracting professional services
- Securing contracts
- Furnishing, leasehold improvements
- Purchasing equipment, tools, etc.
- Marketing and advertising



& many more variable items

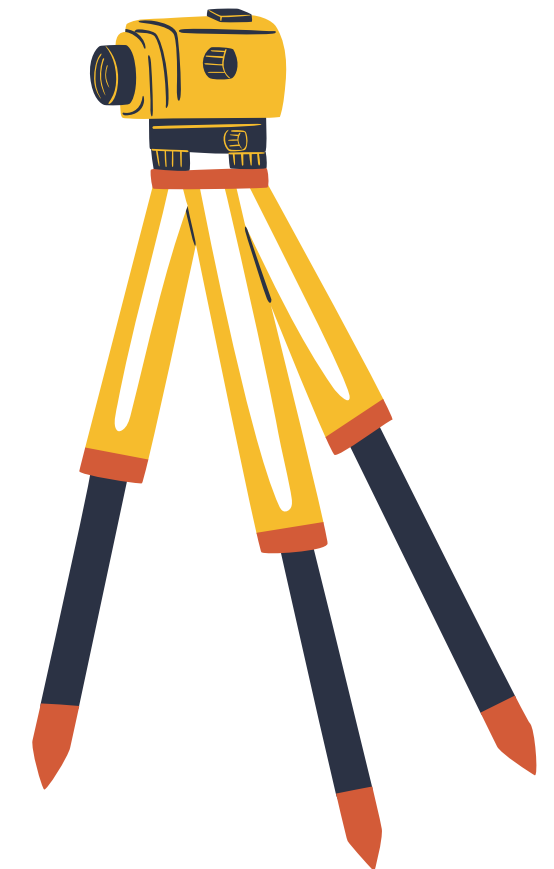
OPERATING A BUSINESS



Business operations vary based on industry, focus, and specialties. The business owner is accountable for all operations and structures.

In general, it is important to be doing the following:

- Tracking expenses and revenue. What is your bottom dollar?
 - ↳ Is there room for improvement? Are you overspending?
- Submitting finances to a bookkeeper or accountant regularly
 - ↳ While you likely have a hired professional for this service, it is important to have a general understanding of the finances
- Remitting GST/HST monthly, quarterly, or annually
- Filing (and paying!) annual taxes
- Maintaining clear records - **if it's not in writing, it didn't happen**
- Renewing registrations, licenses, permits, etc. as needed
- Communicating effectively with staff and clients



SELLING A BUSINESS



Eventually, most business owners must decide what to do with their business when it is time to move on or retire.

Selling your business is a process that involves many conversations with shareholders, lawyers, and accountants, and it is often best practice to hire outside consulting to assist you on the journey

There is no one size fits all approach, but there are some general important steps to follow



Selling your business is much more complex than a handshake deal

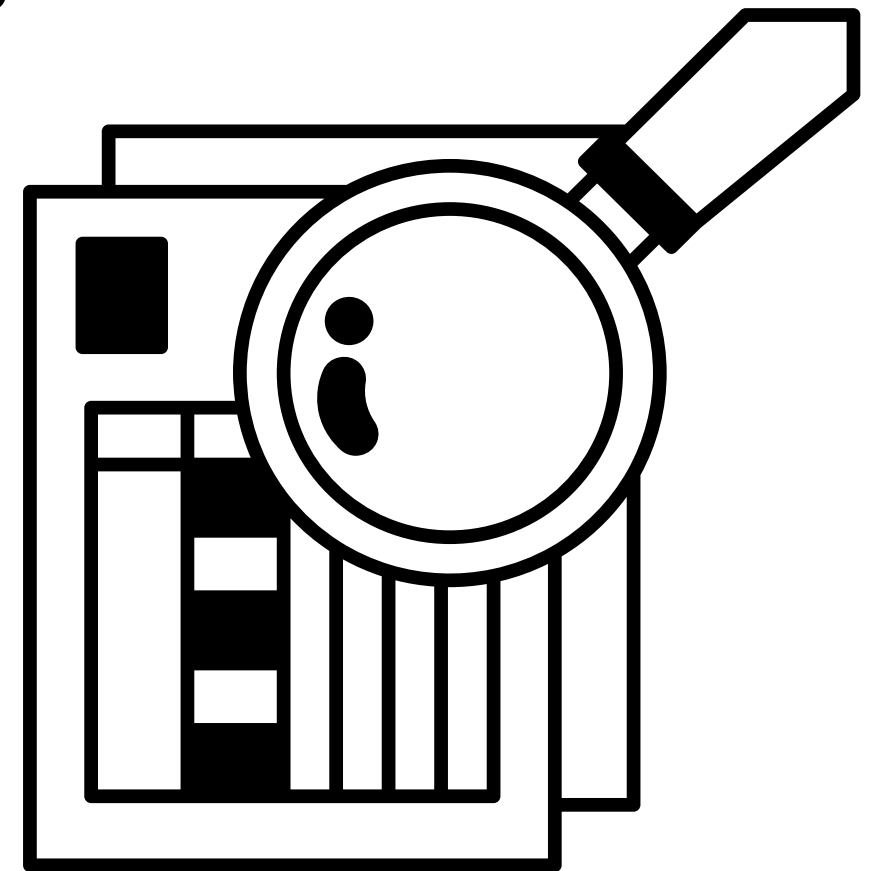
SELLING A BUSINESS



Step One: Get Organized!

- Clean up your financials. Make sure everything is up to date, accurately recorded, and clear
↳ File (and pay!) any outstanding taxes, including personal, and remit any GST/HST collected
- Resolve any legal issues, and ensure documented proof is readily available
- Think strategically in terms of renewals for licensing and permits
- Organize documentation for existing contracts with staff, vendors, and clients, procedures, policies, and anything relevant to operation

It is never too early to start planning your retirement and putting these pieces in place, so they are ready when you are



SELLING A BUSINESS

Step Two: Evaluate

In order to put a price tag on your business, you first need to know what it is worth.

It is widely recommended to hire a third party business valuator to determine the value of a business. This is beneficial to both seller and buyer, and presents the most “fair” price

The methods used by professional valuers are generally a mix of the following:

- ① **Asset-Based Approach**
solely based on the value of assets
- ② **Income-Based Approach**
calculated by a multiple of EBITDA – earnings before interest, taxes, depreciation and amortization
- ③ **Market-Based Approach**
comparing what similar companies sold for



SELLING A BUSINESS



Step Three: Determine the Structure of Sale

ASSET Sale

Individual assets, such as equipment, inventory, contracts, and IP, chosen and agreed upon by both parties.

Generally **lower** for BUYER, **higher** for SELLER

BUYER - allows the buyer to reduce future taxes by writing off the assets they just purchased
SELLER - often means the paying more tax

SHARE Sale

100% of the shares, assets and equity, including any and all liabilities, whether known or unknown.

Generally **higher** for BUYER, **lower** for SELLER

SELLER - potential lifetime capital gain exemption (LCGE)
BUYER - Will not be able to bump up tax costs of assets for future depreciation

WHAT IS BEING SOLD?



RISK LEVELS



TAX IMPLICATIONS



always consult an accountant

SELLING A BUSINESS



What to Expect as a Seller:

- Regardless of an asset or share sale, you will likely need to provide financial statements to the buyer, *especially* if there is a lender involved
- There will be many legal documents, considerations, and fees
- Tax implications will vary, and need to be discussed with an accountant
- Your business may not be worth what you think it is – which is why it is important to have a proper outside valuation done



The process could be lengthy and complex, so being prepared is the best approach!

Resources

<https://www.cbdc.ca/en>

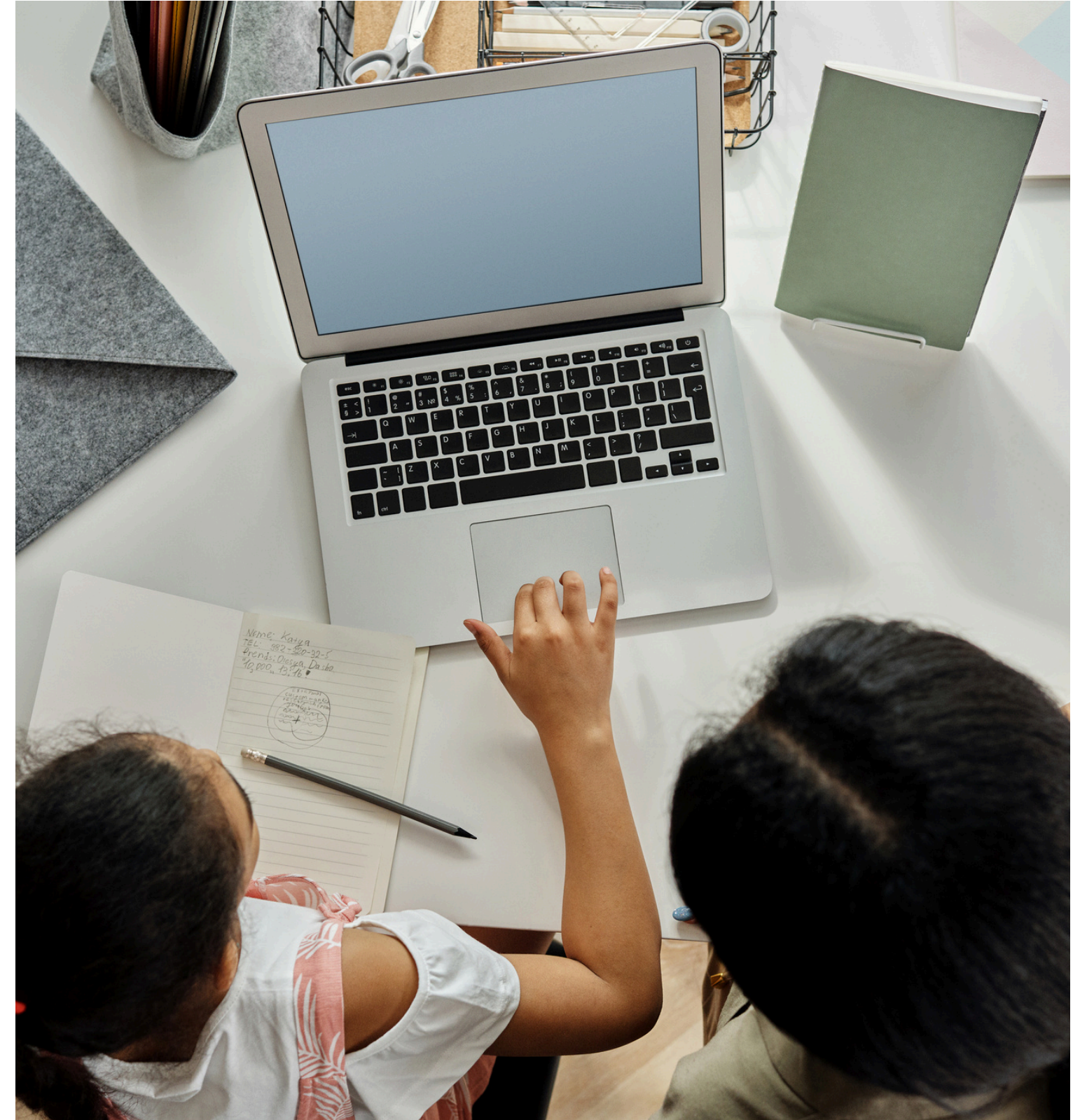
<https://noblbusinessskills.ca/>

<https://www.novascotia.ca/documents/starting-business-guide>

<https://www.novascotia.ca/reserve-name-your-business-or-non-profit>

<https://www.novascotia.ca/programs-and-services/registry-joint-stock-companies>

<https://www.canada.ca/en/services/taxes.html>





THANK YOU!

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