



CITY OF
FORT SASKATCHEWAN

GUIDE TO

STARTING A BUSINESS

IN FORT SASKATCHEWAN

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STARTING A BUSINESS IN FORT SASKATCHEWAN

Starting a business is an exciting venture. In order to increase your chances success, it is important to ensure sure that you are well prepared before you begin operating. This guide is intended to provide a good overview, but does not cover everything you need to know.

WHAT IS A SMALL BUSINESS?

In Canada, small business is defined as a business with less than 100 employees. A medium sized business is one with 100 to 499 employees. The term “SME” (small and medium-sized enterprise) refers to all business with fewer than 500 employees. The smallest of small businesses are called “micro-enterprises”, which are typically defined as having less than 5 employees.

5 REASONS TO START YOUR OWN BUSINESS

Starting a business is not for everyone. Here are few good reason, to take your career in your own hands.

1. **Flexibility** - While it may take a few years to realize, as most business owners begin working much longer hours for much less pay, running your own business can give you the freedom to create your own flexibly schedule.
2. **Tax Benefits** - Entrepreneurs have the opportunity to take advantage of some nice tax perks. Many can write off expenses like travel, food, phone bills, portions of car payments, and more. Make sure to ask your accountant about the tax benefits you may be eligible for.
3. **Pride in Your Work** - Taking your business from idea to reality takes a lot of hard work. That hard work and being involved in the creation of a business creates a sense of pride and accomplishment in the work you do.
4. **Choice** - Not only do have the ability to choose who works for you, but also how the job will be done. We’ve all experience poor customer service or a poor product. You have the ability to choose how your product or service will be delivered.
5. **Skill Development** - As business owner, you will surely acquire new skills. While it’s not recommended to do everything yourself, you may take it upon yourself to learn how to do your own accounting, or become a better salesperson, or even how up to build or maintain your website.



1. RESEARCH & BUSINESS PLANNING

A business idea is a good first step, but there is a lot of work to do before your idea can become a successful business.

RESEARCH

This is one of the most important and, unfortunately, overlooked aspects of starting a business. Some things to consider:

- **Market/Customers** - Is there a market for your product or service? What kind of people will buy your product or service? Where are your potential customers located? Where will they buy your product or service?
- **Competition** - How will your product or service compare to the competition? What advantages do they have? Where is your competition located? How will they affect your business?
- **Promotion/Marketing** - How will you promote your product or service? How will you acquire new customers?
- **Government** - Are there government regulations that could restrict or limit your idea?
- **Financial** - How much money will you need start-up? What will it cost to operate? Do you access to enough financing?
- **Employment/Staff** - What type of skills will you need? How many

people will you need? How will you deal with hiring, payroll, benefits?

- **Legal** - Does your idea or product need to be protected from being copied by others? Will you be incorporating your business? Does your business require other legal assistance?
- **And more...**

CREATE A BUSINESS PLAN

Your business plan is the foundation of your business. It is your roadmap, guiding your business activities, providing a clear plan to investors and helping you track your performance.

There are a number of great resources to help you develop your business plan, including:

- [The Canada Business Network](#)
- [Business Link](#)
- [Business Development Bank of Canada](#)

Here some common elements found in business plans:

- Industry/Market Analysis
- Promotion/Marketing
- Management
- Operations
- Environmental Issues
- Financial Projections and Analysis
- Risk and Mitigation
- Opportunities for Growth
- Exit Strategies

2. FINANCING



Securing an adequate amount of capital to get your business off the ground can be a huge challenge. Not only will need enough capital to get up and running, but enough working capital to keep your business running long enough to start generating revenue.

>80% of small and medium business owners use some personal finances to start a new business.

45% of small and medium sized businesses will use credit from a financial institution.

- Government of Canada 2016

Before you start exploring your financing options, it's important to determine your approach.

EQUITY FINANCING

Equity financing is securing investments from yourself and others in exchange for partial ownership and/or a share in the business' profits and losses. Equity financing can come in the form of:

- **Personal Investment** – yourself, friends, or relatives

- **Partner Investment** – full partners and silent partners
- **Shareholder investment** – public corporations and private corporations
- **Employee investment** – partnering or sell stock to your employees
- **Venture Capital** – private investors looking for high-risk enterprise with great short-term potential

DEBT FINANCING

Debt financing is borrowing money from lenders that must be repaid with interest no matter what. Potential lenders in Alberta include:

- Banks and trust companies
- Alberta treasury branches
- Credit unions
- Private investors
- Commercial finance companies
- AFSC Commercial Loans
- Business Development Bank of Canada

FINDING FINANCING

Every lender or investor will have different criteria before they will finance your business. Here are some things that will assist in securing financing:

- Strong credit score
- Sound business plan
- Clear list of the loan details
- Good relationship with your lender
- Business experience & education

A guide for entrepreneurs seeking a loan can be found through the [Business Development Bank of Canada](#).

3. BUSINESS STRUCTURE

Choosing a business structure is one of the first decisions you will make as a business owner. Your business structure will affect your taxation and legal liability, as well as succession planning when it comes time to close or sell your business.

Sole proprietorships, partnerships, and corporations are the most common types of business structures. You can also choose to structure your business as a co-operative or non-profit.

SOLE PROPRIETORSHIPS

If you structure your business as a sole proprietorship, you become the sole owner. It also means that you will be personally responsible for any debts or obligations incurred by the business.

[Learn more about Sole proprietorship at the Canada Business Network.](#)

PARTNERSHIPS

A partnership is when two or more individuals or corporations do business together in partnership. A partnership can be a very flexible business structure. You can expand or limit liability and decision-making authority to suit your business' needs.

[Learn more about Partnerships at the Canadian Business Network.](#)

CORPORATIONS

Corporations have rights and responsibilities similar to individuals, and

offer you limited liability as a business owner. Your personal responsibilities are completely separate from your business. Corporations are the most complex type of business structure, with regulation and reporting requirements you must follow throughout the life of your business.

[Learn more about Corporations at the Canadian Business Network.](#)

4. NAME AND REGISTRATION



Your business name plays a crucial role in your branding and marketing, as it has the ability to attract or detract customers. Here are some things to consider when deciding on a name:

- Who is your audience?
- Does your business name provide an indication of what your business does?
- Does another business already have your name?
- Does your name have unusual or confusing spelling?

TRADE NAME

A trade name is used when:

- an individual does business under a name other than their own personal name
- a corporation does business under a name other than its legal name

When choosing a name for a trade name (sole proprietorship) or partnership, it is important to keep in mind that your business name must not be made up of your name only. It must include another word or designation.

While your business name does not have to be unique (duplicate names may exist), if you do choose a name that is identical or similar to another business name, the owners of the other name or trademark may seek legal action resulting in you having to change the name. Save yourself the trouble and spend the time coming up with a unique name for your business. If the business name you decide upon is already incorporated in Alberta, or is federally incorporated or trademarked, you won't be able to use it. These types of names are protected entities.

[NUANS](#) is a corporate name search tool used to compare your proposed business name to those of existing corporations and trademarks.

REGISTRATION

Once you have decided on your business structure and name, you can register your business name in the

province of Alberta at a Corporate Registry service provider.

[Corporate Registry service providers in Fort Saskatchewan can be searched on the Service Alberta website.](#)

5. LOCATION



SITE SELECTION

Where you locate your business is another crucial decision. Whether you need a commercial building, industrial space or will be setting up a home office, there are several factors to consider:

- **Location** – Do you need to be in a high traffic location or located near other businesses? Is it important to be close to your customers or suppliers?
- **Size** - Finding the right size space is imperative. You'll want sufficient space to run your business without paying for unused square footage. Consider storage, restrooms, loading, customer experience, etc.
- **Visibility** – Can your business be seen from the street or walk-by traffic?

- **Accessibility** - How easily can customers access your business, both by vehicle and on foot? What requirement do you have for delivery vehicles?
- **Parking** – How many parking spots do you need for employees and customers? Is there public parking nearby?
- **Signage** – What signage is available to you? Can you add additional signage? What are the fees?
- **Neighbouring businesses** – What businesses are located nearby? Will they help or hinder your business? If you are considering a multi-tenant building, it may be a good idea to talk to existing tenants prior to signing a lease.
- **Anchor tenants** – Are there major businesses nearby that will help draw customer traffic?
- **Competition** – Where is your competition located? Sometimes being close to your competition can be an advantage, sometimes it can be a disadvantage.
- **Utilities** – Does the location have the power, gas, water, sewer, fiber, etc. to meet your business needs?
- **Zoning** – Check the City's [Land Use Bylaw](#) to ensure your business is a Permitted Use for the zoning of the site.

Because selecting the right site is such an important aspect of starting a business it can be extremely valuable to work with experienced real estate professionals who can help you consider all of these factors and more.

For additional assistance finding the right location for your business in Fort Saskatchewan, [contact Economic Development](#).

HOME BUSINESS OR HOME OFFICE



Operating your business from home can be a great option. It can provide convenience and reduce your costs.

Owners operating from their home must ensure their business does not adversely impact their neighbours. Some considerations if you chose to operate from home:

- Vehicles weighing over 4,000 kg are not permitted to park in residential areas.
- Storage of material, equipment or product outside the house or garage is not permitted.
- Signs for your business are regulated by the Land Use Bylaw and may require an additional permit.
- It is not permitted to employ more than one non-resident employee or business partner onsite at any one time.
- All goods or services must be provided with the home.

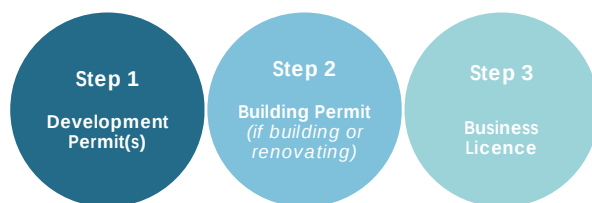
- Mechanical or electrical equipment that creates external noise is not permitted.
- Development Permit and Building Code approvals are required when alterations associated with the home business are made.
- Maintenance or repairs to vehicles or equipment is not permitted either indoors or outdoors at the property.

Home Businesses and Home Offices must obtain an Accessory Home Occupation permit from the City of Fort Saskatchewan's Planning & Development department.

More information on Home Business permits can be found on the City of Fort Saskatchewan's [website](#).

6. PERMITS & LICENCES (MUNICIPAL)

Permit & Business Licence Process



The City of Fort Saskatchewan has a number of permits and licences that pertain to businesses. Processing permits can take several weeks, so ensure that you provide yourself enough time. Ensuring that you submit all the required information with your application will prevent delays.

DEVELOPMENT PERMITS

The Land Use Bylaw regulates how land is used within the city. Development Permits verify that your business is complying with the land use regulations. The type of Development Permit(s) you require depends on how your business is using land.

New Construction Commercial, Industrial, Multi-family and Institutional

New construction of commercial and industrial use buildings requires a Development Permit.

Change of Use Permit, New Occupancy, Intensity Change

If your business is moving into a new space that previously had a different use or a different intensity of use, then a Development Permit is required. (Ex. opening a restaurant in what had previously been a retail shop).

Accessory Home Occupation Permit (*Home Based Business*)

Home based businesses require an Accessory Home Occupation permit. Home based businesses are defined in two categories:

- **Home Office** - A small scale business which is not detectable from outside the dwelling, has no business associated visits to the home, does not require parking of a commercial vehicle, and all employees are residents.

- **Home Business** - A small scale business that does not adversely impact neighbours. Such businesses may generate a minimal amount of business associated visits to the home, employ one non-resident employee, and permits on-site parking of a commercial vehicle. External noise is not permitted.

No Development Permit Required

There are some cases where a Development Permit is not required. They include:

- **Commercial and Industrial Renovations** - Renovating a building for your business without changing the building footprint or changing the intensity of the use, does not require a permit.
- **Maintenance of a Building** – Routine maintenance (i.e. painting, replacing siding, windows, roof, etc.) does not require a permit.
- **Temporary Retail Sales** – Selling food products, flowers or miscellaneous goods from a temporary location.

**Note that a Business Licence is still required for temporary retail sales.*

Sign Permit

A permit is required for most business signs, however some common exemptions include:

- Identification signs on the building which are not larger than 2 ft² and

which are not electronic message signs

- Portable signs, provided that they are not larger than 10.8 ft², taller than 3.3 ft², not on a public utility, and removed outside of the businesses operating hours.
- Signs identifying a home office or home business, provided that the sign is placed within a window or against the wall of the dwelling, and is no larger than 3 ft².

For more information contact the City's Planning & Development department or visit the City of Fort Saskatchewan's [website](#).

BUILDING PERMITS



Major construction projects for your business, including renovations, require permits under the Alberta Safety Codes Act. A Building Permit ensures that your project is safe and will conform to the Alberta Building Code and other applicable regulations such as the National Energy Code.

Applications for Building Permits are typically included in Development Permit application.

BUSINESS LICENCE



Under the Business Licence Bylaw, any person providing goods or services in the City of Fort Saskatchewan is required to have a Fort Saskatchewan Business Licence. A Business Licence demonstrates that your business complies with local regulations.

There are three types of Business Licences:

- **Resident Business** - For a business which maintains a permanent business residence within the City of Fort Saskatchewan's corporate limits.
- **Non-Resident Business** - For a business which operates within the City of Fort Saskatchewan but does not maintain a permanent business residence within the City's corporate limits.
- **Temporary Business** - For a business which chooses to operate within the City of Fort Saskatchewan for 28 consecutive days or less.

Exempt Professions

While professions legislated under the Health Professions Act and the

Professional Associations Registration Act are exempt from municipal licensing, we encourage them to apply for a Business Licence free of charge.

For more information or to apply for your Business Licence visit the City of Fort Saskatchewan's [website](#).

7. PERMITS & LICENCES (PROVINCIAL & FEDERAL)

PROVINCIAL

The Government of Alberta licenses, permits and provides regulations for several businesses activities including:

- Auctions
- Cemeteries and cemetery pre-need contract sales and salespersons
- Charitable organizations
- Child Care
- Collection and debt repayment agencies and agents
- Cooperatives
- Direct (door-to-door) sellers
- Energy marketing companies
- Employment agencies
- Food Handling
- Fund-raising businesses
- Home Inspection Business
- Home Inspectors
- Monument sales and monument salespeople
- Payday lenders
- Prepaid contractors
- Retail home sales (mobile homes, modular homes, etc.)

- Time Share and Points-based Time Share contracts
- Travel clubs

FEDERAL

The Government of Canada provided regulations regarding business activities including:

- Human Resources
- Marketing, Advertising and Sales
- Health & Safety
- Exporting and Importing
- Environmental
- Accessibility
- Sound Music Licences

8. ADDITIONAL CONSIDERATIONS

INCOME TAX

You must pay provincial and federal taxes on your business income. Income from sole proprietorships and partnerships is taxed as personal income. Corporations must file their own separate taxes. You must also take deductions from your employees' pay for Canada Pension Plan, Employment Insurance, and income tax contributions.

For more information on income tax, visit the following links to the Canada Revenue Agency:

- [Sole Proprietorships and Partnerships](#)
- [Corporations](#)
- [Tax deductible business expenses](#)
- [GST/HST/PST](#)
- [Excise taxes and special levies](#)
- [Payroll Deductions Online Calculator](#)

PROPERTY TAX

The City of Fort Saskatchewan does not have a business tax, however the City does levy property taxes on commercial property. The 2017 total Non-residential tax rate is 12.73198.

The table below provides an example of the taxes paid on a \$400,000 non-residential property in 2017.

Non-residential Property Tax	Tax Rate (Mill Rate)	Calculated Taxes
Municipal	8.90545	\$3,562.18
Provincial Education	3.57810	\$1,431.24
Dow Centennial Centre	0.19129	\$76.52
Heartland Housing	0.05714	\$22.86
Total	12.73198	\$5,092.79

BUSINESS INSURANCE

Starting a business comes with risk. Liability insurance for your business, and employees can help protect you from financial risk.

For more information on business insurance, visit the [Insurance Bureau of Canada](#).

LEGAL ASSISTANCE

Lawyers' fees can be expensive. That being said, obtaining legal advice and assistance at the outset of your business, can save you a lot of money and prevent major issues in the long run.

Some situations where it may be beneficial to consult a lawyer:

- Choosing a business structure
- Leasing commercial space
- Drawing up contracts and agreements
- Buying an existing business
- Protection of intellectual property

For more information on legal assistance visit the [Canada Business Network](#).

MARKETING



Developing a good marketing plan is a great way to ensure your business gets off to a great start. It's also an important component of your business plan. Something to consider when building your marketing plan:

- **Identify your vision, goals and values** – Ensure they are all aligned.
- **What need does your product or services meet?** - How is your product or service different or better than what is currently available?
- **Who are your customers?** – Research and identify the key group you will be selling to. Will they provide enough demand for your product or services?

- **Who are your competitors?** – Identify your competitors and determine how you will become the preferred choice.
- **How will you get your products or services to your customers?** – Will you sell through a retailer, wholesaler, door to door, online?
- **How will you reach your customers?** – Advertising, publicity, sponsorship, networking, promotions, etc.?

Like all plans, a Marketing Plan should be reviewed and modified on a regular basis in order to adapt to the changing market.

For more information on marketing plans, visit the [Canada Business Network](#).

GOVERNMENT GRANTS & PROGRAMS

Each level of Government offers grants to accelerate or assist the growth and development of certain industries or business types. Grants typically require that a business makes some investment in order to get some grant funding in return. While grants can be a useful tool, you want to ensure your business can sustain itself even without the assistance of grant funding.

City of Fort Saskatchewan Grants

The City of Fort Saskatchewan's Business Development Program offers grants to help local small businesses with growth projects and to help commercial property owners renovate and enhance aging property.

Grants are available in the following areas:

- **Small Business Education** - Helps small business owners' development new skills to help them run their business better.
- **Small Business Marketing** – Provides small business owners with funding support to help them access professional marketing services.
- **Small Business Equipment & Technology** – Assists small businesses with the purchase of equipment or technology that will improve their efficiency and productivity.
- **Storefront Improvement Grant** – Provides funding for the investment in the improvement of commercial storefronts.
- **Commercial Infill Grant** – Provided funding for the reinvestment in vacant and underutilized commercial properties.

For more information on the Business Development Program, visit the [City of Fort Saskatchewan](#).

Provincial and Federal Grants

The Government of Alberta and the Government of Canada offer an abundance of grants, each with their own unique requirements and eligibility. In order to search for the grants that may apply to your business, use the grant search tool at [Canada Business Network](#).

9. ADDITIONAL RESOURCES

This guide is meant to be a starting point. There are many other great resources to help you start or grow your business. Here are a few of them.

Fort Saskatchewan Chamber of Commerce

The Fort Saskatchewan Chamber of Commerce provided an opportunity for local businesses to connect, engage and growth through membership perks, networking opportunities and ongoing advocacy. It is a voluntary organization of progressive individuals and businesses that work together to advance the commercial, financial, industrial and civic interests of a community.

www.fortsaskchamber.com

Alberta Small Business Resources

Alberta Small Business Resources is a directory of business resources for new and established entrepreneurs.

www.smallbusiness.alberta.ca

Alberta Innovates

Alberta Innovates partners business with the resources needed to crack the nut that keeps you awake at night.

www.albertainnovates.ca

The Business Link

The Business Link is a great resource business information and services in Alberta.

www.businesslink.ca

Canada Business Network

Resources and information to help Canadians get their business going and growing.

www.canadabusiness.ca

Futurpreneur Canada Business Writer

Simplified business planning tool.

www.futurpreneur.ca/en/bplan/

Employment Standards Toolkit

This guide outlines key sections of Alberta's Employment Standards laws, and provides examples, calculations, tips, checklists and sample forms.

<http://work.alberta.ca/employment-standards/es-toolkit.html>

BDC Website Evaluation Tool

Take the first step towards improving your site's performance with this free and easy website assessment tool.

www.bdc.ca

10. CONTACT ECONOMIC DEVELOPMENT

The City of Fort Saskatchewan's Economic Development can provide additional assistance with:

- Economic data, reports, and studies
- Local information
- Business opportunities
- Site selection assistance
- Commercial, industrial, multi-family real estate opportunities
- Export development
- Advocacy

For additional assistance contact the City of Fort Saskatchewan's Economic Development at ecdev@fortsask.ca.

BUSINESS STARTUP CHECKLIST

- ☐ Determine the true viability of your business idea
- ☐ Figure out the financials
(bank accounts, financing, etc.)
- ☐ Develop your Business Plan
- ☐ Determine your business structure
- ☐ Choose a name, register your business, and register a web domain name
- ☐ Consult with professionals
(accounting, legal, insurance, etc.)
- ☐ Select a location
- ☐ Obtain your Development Permit(s)
- ☐ Obtain your Building Permit
(if required)
- ☐ Obtain any provincial or federal Business Licences
(if required)
- ☐ Obtain a Fort Saskatchewan Business Licence
- ☐ Launch your business!