

CYBF Guide for Newcomer Entrepreneurs

A comprehensive resource for newcomers
starting a business in Canada



Celebrating 15 years



cybf.ca

Year of the Entrepreneur
2011

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This guide has been created for newcomers to Canada who are interested in starting their own business.

All young people face challenges when starting their own business. Newcomers to Canada face even more challenges – language and cultural differences, as well as lack of a Canadian credit history and Canadian work experience. The Canadian Youth Business Foundation’s (CYBF) Newcomer Entrepreneur Program can help with advice, information and support for young people who are new to Canada.

Eligible newcomers are defined by CYBF as people who:

- **Are between the ages of 18 and 34,**
- **Have been in Canada for less than 36 months,**
- **Are a Permanent Resident of Canada and reside full-time in Canada, and**
- **Have a Social Insurance Number (SIN) that does not begin with a “9”.**

Newcomer entrepreneurs are important to the Canadian economy. Canada accepts more immigrants per capita than any other country. Small businesses employ nearly half of the private sector workforce in Canada! Since many immigrants will launch their own business, it’s important that they get a good start.

Newcomers to Canada bring ideas, entrepreneurial skills and connections to markets around the world. Just as Canada offers distinct benefits to immigrants seeking to start a business, newcomers like you offer tremendous potential. CYBF’s Newcomer Entrepreneur Program is here to help you realize that potential.



How to Use this Guide

Set aside some time to read this electronic guide. You might want to read it in sections so you don't feel overwhelmed. Mark it as a Favourite or Bookmark in your browser – this is your resource and you will want to come back to it many times.

As you develop your business idea, you will encounter new issues; this guide may have the answers you need.

Watch for these symbols:



“**CYBF Resource**” indicates that there's a CYBF article, publication, video or web page that provides more detailed information.



“**Find Out More**” indicates that there's a link to other websites that you might find useful. Bookmark the websites that have information you need so you can find them easily.



“**Definition**” will explain a word or phrase that might be unfamiliar to you.



“**Action Point**” will suggest an activity to help build your skills and knowledge.



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The Canadian Youth Business Foundation (CYBF) is a national charity dedicated to championing tomorrow's entrepreneurial nation builders. CYBF invests time and money in aspiring young entrepreneurs, age 18-34, who have a great business idea, but find it difficult to obtain financing or mentoring through traditional sources.

Founded in 1996, CYBF has invested in more than 4,000 young people. Their businesses have generated millions of dollars in sales tax and export revenues, and created more than 17,560 new jobs.



Definition: Charity: an organization established to provide benefit to the public, rather than making a profit.

Four Core Programs

CYBF offers stakeholders four programs that are built around the life cycle of a young entrepreneur:

1) Pre-Launch Coaching

Through our network of over 150 Community Partners across the country, CYBF provides you with start-up assistance – from how to research and write a business plan, to how to apply for a loan. CYBF's in-house Entrepreneur-in-Residence provides custom assistance to entrepreneurs and Community Partners.

2) Online Business Resources

CYBF's online **Business Resource Centre** provides easy access to quality resources, including guides, articles and links you may need as you plan and operate your business. Check out CYBF's **Social Media** site for the latest news, discussions and articles.



3) Start-Up Financing

CYBF has teamed up with the Business Development Bank of Canada (BDC) to provide newcomers with up to \$15,000 on start-up financing, with generous three-to-five year repayment schedules. CYBF has adjusted the application process for newcomers to Canada who do not have an established credit history or long-standing references.



CYBF Resource: Click [here](#) for more information on CYBF and BDC interest rates and loan terms.

4) World-Class Mentoring

CYBF's highly qualified business mentors lend their experience and expertise to young entrepreneurs. Mentors are matched with entrepreneurs for a minimum of two years to ensure they have this valuable support during the critical start-up phase of their business.

Applying to CYBF

To apply for CYBF's Newcomer Entrepreneur Program you will need a business plan. This guide provides assistance on starting your plan. Once you have started, it is very important that you contact a CYBF Community Partner. CYBF Community Partners are there to help you with your planning and to give you guidance on applying for a loan.



CYBF Resource: Find out how to contact a [CYBF Community Partner](#).



Do You Want to Run Your Own Business?

Being an entrepreneur can be highly rewarding, but it's not the right choice for everyone. It takes a certain personality type to succeed as a business owner. Before you start down that road, make sure you're moving in the right direction.



Definition: Entrepreneur: A person who organizes, manages and assumes the risk of a business.

1) “Will it Really Work?”

“Connections: An Immigrant’s Guide to Starting a Business in Alberta” is a helpful guide that is available online. Section 2, “Will it Really Work?”, offers information and advice such as assessing business opportunities, buying a franchise or existing business, and accessing market research. It also has a self-assessment activity to help you evaluate your skills and training.



Action Point: Complete the self-assessment activity in “Will it Really Work”, page 17.

2) Am I an Entrepreneur? Self-Assessment

The GoForth Institute offers extensive free resources such as training videos, articles and an “Ask an Expert” service.



Action Point: Take the [GoForth Institute's free self-assessment tool](#) to evaluate relevant factors such as your technical skills, business skills, education, experience and personal characteristics.



3) Entrepreneurial Self-Assessment Tool

The Business Development Bank of Canada (BDC) supports Canadian entrepreneurs. Their [website](#) has extensive resources and advice. In particular, their Entrepreneurial Self-Assessment Tool is a free online questionnaire that measures your motivations, aptitude and attitudes – and compares those scores to other entrepreneurs. This free tool is a helpful way to determine your suitability for running your own business.



Action Point: Complete the BDC [Entrepreneurial Self-Assessment Tool](#).

Your Immigration Status

It's important to understand the immigration process and your immigration status before you begin to start up a business in Canada.

These are the important points you need to know:

- Generally, you must be a Permanent Resident (Landed Immigrant) or have Canadian citizenship if you wish to start and operate a business in Canada.
- The laws and regulations surrounding immigration can be complex – you should get your information directly from the federal government department, Citizenship and Immigration Canada (CIC).
- There are rules about bringing foreign workers to Canada.
- International students may be allowed to work in some circumstances.



*Find Out More: about immigration issues at the [Citizenship and Immigration Canada website](#).
Or call toll-free, 1-888-242-2100.*



As a newcomer to Canada, you face issues that may affect your ability to start and successfully operate a business – everything from finances to lack of local market knowledge. Being aware of these issues will help you overcome obstacles in your way.

Financial

As a newcomer to Canada, you might not be able to supply all the information that banks want before they'll grant you a loan. In particular, providing a credit history is often challenging. If you want to purchase inventory, install a phone, lease space or have a Canadian credit card, your credit history will be checked.



Definition: Credit history: a record of how well you have paid your obligations, such as bills and loans.

Even if you had a good credit history in your home country, it will not be taken into consideration in Canada. You need to establish a Canadian credit history so that banks and other lenders can assess your eligibility for credit. You can:

- Ask a bank or credit union to give you a credit card. If they refuse, go to another institution.
- Use a credit card to buy things will build your credit history. Pay the full balance by the due date to avoid paying high interest fees and to demonstrate that you repay debt promptly.
- After getting the secured credit card, apply for credit card from a store where you often shop. This will diversify your credit history sources, which is beneficial.
- Limit your credit card holdings to two.



Action Point: If you haven't done so already, apply for a Canadian credit card. The bank you deal with probably offers credit cards.





CYBF Resource: “Understanding Your Credit History and Maintaining Your Credit Score”



Find Out More: about building a solid Canadian credit history in “Connections: An Immigrant’s Guide to Starting a Business in Alberta”.

Business Planning

Writing a business plan is essential to turn your idea into reality. Not only does it provide you a roadmap for success, but it is also required in order to obtain a loan.

Business planning can take much longer for newcomer entrepreneurs. A solid business plan requires in-depth understanding of your industry, customers, competitors, risks and financial projections. That requires a lot of research for someone who is new to Canada.



Action Point: Find a community or cultural organization near you that specializes in helping people to prepare business plans.

See [Section 4](#) of this guide for a comprehensive listing of resources available to help you with your business plan and for a link to the CYBF Interactive Business Planner.

Networking

Knowing the right people is one of the top challenges faced by newcomers to Canada. Without an established network of contacts, it’s significantly more difficult for newcomers to find customers, suppliers, partners and employees.



You'll have to work even harder to develop a network of people who can help you build your business. But it's not impossible, and there are many sources of support, including your mentor.

See [Section 7](#) of this Guide for more tips about networking.



Find Out More: about networking in [Guide to Working in Canada](#), page 28.

Cultural

“The way of doing business is different from country to country. In order to be successful in your venture, it is important to understand the cultural diversity, perceptions, stereotypes and values of the new country.

Understanding accepted behaviours is a key to being successful in business. Often cultural mistakes in business can cost you a customer, or even a business deal, regardless of the time and effort invested. Behaviour accepted in one culture may be misunderstood or even offensive in another culture.”

Excerpted from “*Connections: An Immigrant’s Guide to Starting a Business in Alberta*”

Our cultural values often guide our actions and decisions, but we rarely think of them – or the effect they may have on other people. Succeeding in business in Canada might require that you adopt different social customs than what you are used to. For example, Canadians value punctuality, politeness, and equal respect for men and women. If you demonstrate that you don’t share those values, you risk offending other people – and losing valuable relationships.



One of the mistakes newcomers make is to assume that the way of doing things is the same as in their home country. Don't assume! Watch others and ask questions. If you have a mentor, ask them about what behaviour is acceptable.



Action Point: Observe social and business customs and manners in Canada. How are they different from behaviour in your home country?



Find Out More: about cross-cultural management in Section 3: Why Culture Matters in “Connections: An Immigrant’s Guide to Starting a Business in Alberta”.

Language

As a newcomer entrepreneur, you must be able to communicate and work in either (or both) of Canada’s official languages, English and French. Learning a new language can be a challenge; learning it well enough to conduct business with confidence can be downright difficult.

The Government of Canada provides free language training programs for adult newcomers to Canada in cooperation with provinces, territories and non-governmental organizations. Here are some ways to improve your language skills.

- The Language Instruction for Newcomers to Canada (LINC) program provides basic English language and literacy classes.



Find Out More: about where to take LINC classes in your area at the [Services for Newcomers](#) page of the [Citizenship and Immigration Canada](#) website.



3. ISSUES UNIQUE TO NEWCOMERS

- The **Enhanced Language Training (ELT)** program provides advanced level and job-specific language training.
- Some provinces have their own language training programs:
 - In British Columbia, the government provides the **English Language Services for Adults (ELSA)** program.
 - In Manitoba, basic English language training is provided through the **ENTRY program**.
 - In Québec, to improve your French language skills, contact the **Ministère de l'Immigration et des Communautés Culturelles (MICC)**.
- There are also many organizations that offer English and French language programs that you must pay for. Visit the Studying in Canada section of the www.goingtocanada.gc.ca website for a list of English and French language programs across Canada.
- “Practice English on your Own” is a publication from the Government of Manitoba that offers advice, information and resources:



*Action Point: Check out **Practice English on Your Own!***

Recognition of Credentials

The credentials that you worked so hard to earn in your home country may not be recognized in Canada. Here are some important points you need to know about recognition of credentials:

- For professional services such as accounting, engineering, medicine, teaching and law, you may be required to go through the foreign credentials recognition process.



3. ISSUES UNIQUE TO NEWCOMERS

- If you plan to offer a service that requires a license, contact the professional association responsible for that profession. You may need to meet particular requirements before going into that business.
- You may need to have documents (such as identification cards, driver's licenses, passports, diplomas, degrees, certificates and transcripts) translated into English or French. This can be done for free or at a low cost through an immigrant serving agency.



Find Out More: Find Out More: about services related to your credentials:

- *Immigrant Serving Agencies at the Government of Canada's [Gateway website](#).*
- *Canada's [Foreign Credentials Referral Office](#).*
- *Provincial credential assessment services.*
- *[World Education Services Canada](#), which can provide you with preliminary credential assessments, for a fee.*
- *The Canadian Immigration Information Centre for International Credentials ([CICIC](#)).*



Banking, taxes, legal issues, business structures – the elements you need to understand to set up a business can be overwhelming. Fortunately there are many resources to support newcomer entrepreneurs. This section outlines the important business basics that you need to understand plus suggestions for where to find more details.



Find Out More: about starting a business with the Canada Business *Start-Up Info-Guide for Newcomers to Canada*.



Find Out More: about small business management. The GoForth Institute offers “100 Essential Small Business Skills™”, a 10-module online training program featuring video lessons that cover subjects such as choosing the right small business, research, estimating profit, marketing and operational issues. Each module is one hour (three 10-minute video lessons); the course costs \$295.

Business Planning

You will need a business plan to start your business. A business plan explores important issues such as sales and marketing, the market for your product or service and how you expect to grow and be profitable.

A business plan will typically include seven sections:

- Executive summary
- Company outline
- Marketing plan
- Operating plan



- Risk assessment and contingency plan
- Start-up and implementation plan
- Financial projections

CYBF's Interactive Business Planner can help. It takes you step-by-step through the business planning process, providing easy explanations, examples and advice along the way.



CYBF Resource: [CYBF Interactive Business Planner](#), [CYBF Business Plan Guide](#), [CYBF Business Planning Webinars](#).



Find Out More: [The Canada Business Ontario website](#) has business planning resources in 12 different languages!



Find Out More: about business plans: [“Developing your Business Plan”](#) from Canada Business offers tips, templates and answers to frequently asked questions about business plans.

Financing

Accessing the money needed to start or grow a business is one of the biggest challenges faced by entrepreneurs. That's where CYBF comes in! Over the last 15 years, CYBF has helped more than 4,000 young entrepreneurs start businesses. With our partner, Business Development Bank of Canada (BDC), we provide start-up financing of up to \$15,000 based on your character and your business plan.





Find Out More: about the [CYBF Newcomer Entrepreneur Program](#).



Find Out More: about finding grants or financing for your business at the [Canada Business website](#).

Here are some other financial topics to consider:

- **Financial concepts:** Whether you are new to business or new to Canada, you may find it difficult to understand budgeting, financial analysis, accounting and other financial concepts. There are many online resources that explain financial matters for entrepreneurs.



Find Out More: about resources related to managing your finances at the [Canada Business website](#).

- **The difference between cash and profit.** Money is money, right? Wrong. You need to understand concepts such as cash flow analysis.



CYBF Resource: “[Cash vs. Profit: The Critical Differences](#)”

- **Managing sales growth:** While growing sales is the goal of most entrepreneurs, many businesses have failed because they were unable to deal with the challenges that accompany sales growth. You need to understand how to increase resources, possibly with staffing, fixed assets and inventory to meet the demands of growing sales – without risking your company’s financial health.





CYBF Resource: “Financial Analysis and the Effective Operation of Your Company” explains how to manage rapid sales growth.

Business Structure Alternatives

You have the choice of several ways of organizing your business – this is known as a business structure. Each has its own advantages and disadvantages. When deciding on a business structure, you should consider issues such as personal liability, business name protection, tax advantages and registration or filing costs.

There are four options for business structures:

1) Sole Proprietorship: As the sole owner of a business, you have all the rewards and all the responsibilities. You would be fully responsible for all debts and obligations related to your business, and all profits would be yours alone to keep. A creditor can make a claim against your personal or business assets to pay off any debt.

2) Partnership: This is a good arrangement if you want to carry on a business with a partner and you do not wish to incorporate your business. You and your partner would combine financial resources, and you would share in the profits and losses of the business according to the terms of a partnership agreement, or if you don't have an agreement, in accordance with applicable law. A creditor can make a claim against your and your partner's personal or business assets to pay off any debt.

3) Corporation: You can incorporate your business at the federal or provincial level. An incorporated business is considered to be a legal entity that is separate from the owners and shareholders. As a shareholder of the corporation, you can significantly limit your personal liability for the debts, obligations or acts of the corporation.



4) Cooperative: A cooperative is a business that is owned by an association of members. This is the least common form of business, but it can be appropriate in situations where a group of persons or businesses decide to pool their resources to provide access to common needs, such as the delivery of products or services, the sale of products or services or employment.



Find Out More: about the advantages and disadvantages of different business structures at the Government of Canada [Canada Business website](#).



Find Out More: about the tax implications of the different business structures in Chapter 1 of Canada Revenue Agency's "[Guide for Canadian Small Businesses](#)".

Business Insurance

Most businesses have assets – vehicles, an office, equipment, inventory, a partner and, most importantly, you, the business owner. Business insurance can help protect these assets and protect your business from potential risks.

All businesses take some risks, but taking too many risks or failing to protect yourself does not make good business sense. Would your business survive if you or one of the partners dies or becomes disabled? Do you have sufficient cash to deal with a business emergency?

Some of the types of insurance that may help protect your business are:

- Insurance for owners, partners and key employees (including life, disability and critical illness insurance),
- Insurance for business property and earnings
- Liability insurance
- Accounts receivable insurance
- Health insurance





Action Point: Get information about the right insurance for your business by consulting with an insurance representative in your community (ask your mentor or someone with a similar business for a referral).



Find Out More: Read about business insurance on the [Canada Business website](#).

If you export products to other countries, you can get business insurance through Export Development Canada, a federal agency.



Find Out More: The [Export Development Canada website](#).

Legal Issues

Canada's laws apply to all aspects of business. While entrepreneurs tend to focus on opportunities, a lawyer can help you manage risk and avoid problems.

Mistakes that occur during the early stages of a business start-up can eventually be very costly. You may need the advice of a lawyer to help with:

- Choosing the right structure for your business (see “Business Structure Alternatives” below for more details)
- Shareholder or partnership agreements
- Negotiating with investors or lenders
- Buying a business
- Drafting and reviewing contracts, including lease agreements





Find Out More: about legal resources for business owners:

- *Questions to ask when signing a lease at the [Canada/Manitoba Business Service Centre website](#).*
- *Frequently Asked Questions about Commercial Leases from the Ontario Ministry of Municipal Affairs and Housing.*
- *BizPaL, a free online resource that provides information about business permits and licenses.*
- *Online legal issues such as regulation of internet activity and electronic contracts at the [Canada/Manitoba Business Service Centre](#).*
- *Patents, copyrights, trademarks and trade secrets at the Government of Canada's [Canadian Intellectual Property Office website](#).*



4. SOME BUSINESS BASICS

- Privacy. Canada has two federal privacy laws, the *Privacy Act* and the *Personal Information Protection and Electronic Documents Act*, which set out rules for how personal information can be collected, used and disclosed.



Find Out More: about privacy laws at the [Office of the Privacy Commissioner of Canada website](#).

- Succession planning. You can avoid future legal problems and excessive taxes by making decisions about issues such as who will assume ownership of your business upon your departure and how it will be done, whether it's planned or unexpected.
- Regulation of products and services such as laws related to competition and consumer protection.



Find Out More: about regulations and standards that may apply to your business at the [Government of Canada's Regulations and Standards website](#).

- Litigation. Business owners can be sued, or threatened with a lawsuit, for issues such as debt collection, non-delivery of goods and intellectual property issues. If you face this situation, it may be helpful to talk to a lawyer.

When in doubt, consult with a lawyer. It is acceptable to ask about their fees and other costs (such as government filing fees and license fees) in advance. Make good use of your time by bringing a list of questions and taking notes during the meeting.





Find Out More: about finding a lawyer with the expertise you know by contacting the Law Society in your province.



Find Out More: about no-fee legal services available to entrepreneurs. [Connect Legal](#) is one non-profit organization that provides legal education and assistance to eligible low-resource newcomers in Ontario.

Workers Rights and Minimum Wage

Federal and provincial laws protect workers and employers in Canada. Here are some of the laws you might need to know about as a business owner.

- **Employment Standards:** These laws, which vary from province to province, govern general holidays, annual vacation, hours of work, minimum wages, layoff procedures and minimum severance pay.



Find Out More: about Canadian employment standards at the [Labour Program's Employment Standards website](#).



Action Point: When in doubt, check it out with a lawyer. If you are hiring or contracting staff, make a list of your questions. Then ask your mentor, a colleague or a trusted person in your community for a referral to a lawyer who specializes in employment issues.

- **Minimum Wages:** Each province and territory sets the minimum hourly wage for workers. The Government of Canada maintains an inventory of minimum wages. Visit [Human Resources and Social Development Canada](#) to find the minimum wage in the province or territory where you intend to settle.



4. SOME BUSINESS BASICS

- **Health and Safety in the Workplace:** The Government of Canada protects workers rights through laws, programs and services designed to prevent accidents and injuries on the job. To learn more about health and safety in the workplace, visit the Labour Program's [Workplace Health and Safety website](#).
- **Workplace Equality:** Employment equity is a distinct Canadian process for achieving equality in all aspects of employment. Information on workplace equity and employment equity programs can be found on the [Labour Program's Equality in the Workplace website](#).
- **Racism-free Workplace:** The Labour Program's Racism-Free Workplace Strategy promotes a fair and inclusive workplace, free of discriminatory barriers to the employment and advancement of members of visible minorities and Aboriginal peoples. Information on this strategy can be found on the [Labour Program's Equality in the Workplace website](#).
- **Discrimination:** Canada has laws to protect workers from discrimination. Employers cannot refuse to hire someone because they don't like their skin colour or religion. This is discrimination. Canadians are protected against discrimination based on age, sex, marital status, disability or sexual orientation. To learn more, visit the [Canadian Human Rights Commission website](#).



Business Incubators



Definition: Business Incubators: organizations that provide support (including space, services and advice) for start-up businesses.

Business incubators have helped hundreds of Canadian businesses grow and succeed. They help new businesses become established and profitable by providing services and support. This can include:

- Equipped office or laboratory space,
- Specialized equipment and technical support,
- Mentoring, networking and training,
- Business planning, management, marketing and financial advice,
- Links to sources of financing,
- Legal support, and
- Advice about complying with business regulations.

There are dozens of business incubators across Canada, in areas ranging from fuel cell technology to fashion.



Find Out More: in the Industry Canada list of [Canadian Business Incubators](#) or the Canadian Association of Business Incubators list of [Incubators in Canada](#).



Banking

Both domestic (Canadian) and foreign banks operate in Canada. The seven largest domestic banks are:

- BMO Financial Group
- CIBC
- Laurentian Bank of Canada
- National Bank of Canada
- RBC Financial Group
- Scotiabank
- TD Bank Financial Group



Find Out More: about the banking system at the [Canadian Bankers Association website](#).

Taxes

Canadians like to say there are two certainties in life: death and taxes. Depending on the type and location of products or services being offered, you may be required to pay federal, provincial and/or municipal business taxes.

Canada Revenue Agency is the federal government agency responsible for administering tax laws for the Government of Canada and for most provinces and territories.



Find Out More: about taxes for small business (including keeping records, GST/HST, income tax and audits), in the Canada Revenue Agency document, "[Guide for Canadian Small Businesses](#)".



4. SOME BUSINESS BASICS

- **Federal and Provincial Corporate Tax:** Most corporations must file a federal income tax return and a provincial income tax return. For information about provincial corporate tax, contact the Ministry of Revenue at your provincial government.



Find Out More: about federal corporate tax at the [Canada Revenue Agency website](#).

- **GST/HST:** The federal Goods and Services Tax applies to most goods and services in Canada. In some provinces (BC, Newfoundland and Labrador, New Brunswick, Nova Scotia and Ontario), the provincial sales tax has been combined with the GST to create the Harmonized Sales Tax (HST).



Find Out More: about GST, HST and other federal business tax issues at the [Canada Revenue Agency website](#).

- **Income Tax:** All Canadian residents who are old enough to work must file an income tax return each year. This is the law. Employers will deduct a percentage of employees' pay cheques and send it to the federal, provincial and territorial governments. At the end of the year, if too much is deducted, you will get a refund. If you paid too little, you will have to pay more.



Find Out More: about income tax at the [Canada Revenue Agency website](#).



4. SOME BUSINESS BASICS

- **Canada Pension Plan:** A small portion of employee pay cheques goes into this plan. Upon retirement, Canadians receive a monthly pension from the federal government. The amount varies based on how many years the person worked in Canada before retiring and how much money they earned. Residents of Québec pay into the Québec Pension Plan, which works the same way as the federal plan.



Find Out More: about the Canada Pension Plan at the [Service Canada website](#).

- **Employment Insurance:** A small percentage of employee pay cheques is deducted each month to go into an Employment Insurance Account. The employer also contributes to the account. Employment Insurance provides money to eligible, unemployed Canadian residents for a short time while they look for a new job or take training to learn new skills.



Find Out More: about Employment Insurance at the [Service Canada website](#).

- **Municipal Tax:** For information about local taxation requirements, contact your municipal tax office. Municipal government offices are listed in the government section of your telephone book.



Find Out More: about business taxes in the [Canada Business Ontario Taxation Info-Guide](#).



4. SOME BUSINESS BASICS

- **Keeping Records:** There are many advantages to keep your financial documents (or “records”) in good order. Complete and organized records can help you:
 - Identify sources of income,
 - Save on taxes by easily identifying tax deductions,
 - Prevent problems if the government audits income tax or GST/HST records,
 - Keep you informed about the financial position of your business,
 - Get loans from banks and other creditors who will want information about your current financial position.

Canada Revenue Agency requires businesses to keep records (documents in both paper and electronic form) and make them available upon request.



*Find Out More: about CRA's **record keeping requirements.***



Understanding Canadian values and customs in the workplace will help you succeed as an entrepreneur. When you are approved for a loan from CYBF, you will be assigned a mentor who will help you explore the following topics, which are important when doing business in Canada.

Common Workplace Values

There are certain attributes that are generally highly valued in Canadian business including:

- Team work,
- Creativity, innovation and initiative,
- Adaptability,
- Solution-oriented, and
- Positive attitude towards change and uncertainty.

General Business Etiquette

Here are a few tips to help you succeed in Canadian society:

- Shake hands and introduce yourself when meeting people for the first time. Always shake hands firmly when meeting or departing, but not so hard that you hurt the other person.
- The Canadian work culture is extremely time-conscious. You are expected to always be on time for meetings and appointments. It is considered rude to be late, especially if it happens more than once.
- If you are going to be late for a business meeting, a phone call is expected prior to the start time. Also, be sure to apologize briefly when you meet in person.



- It is considered rude for people to speak in a foreign language in the presence of others who do not understand what is being said.
- It is expected that you take your sunglasses off when speaking to someone.
- Turn off your cell phone during meetings.



Find Out More: about business etiquette in [Canadian Immigrant magazine](#).

Business Clothing

Should you wear a business suit, casual clothing or something in between? The short answer is: it depends on your work environment. Unless you're a fashion designer or a performer, you probably don't want your clothing to stand out too much.

Here are some guidelines for acceptable business attire:

- A conservative, well-dressed appearance is important in Canadian business culture.
- For business meetings, men will usually wear a suit and tie, and women will wear dress pants, a skirt or a suit.
- When dress is "business casual", that means you don't have to wear a suit; dress pants (or a skirt for women) and a nice shirt are acceptable.
- Take your cue from other people. Dress codes can vary from industry to industry, and by geographical area. For instance, men in business in Toronto are more likely to wear a suit and tie than their counterparts in Vancouver. Lawyers are more likely to dress more formally than people who work at a retail store.





Find Out More: about “Proper Business Attire and Etiquette”.

Greetings

Canadians generally address business colleagues by their first name. Sometimes in a formal situation, a title might be used (“Hello, Mr. Lee”), but that person will usually invite the other person to use their first name.

Proper titles:

- Mr. – Male
- Ms. – Female (pronounced “Miz”), if you are not sure whether a woman is married or not, or if you know that person prefers it.
- Mrs. – Female married
- Miss – Female not married

Here are a few tips for personal communication:

- When meeting someone, stand up (if you are sitting), make eye contact and shake hands. Greet the person by repeating their name.
- Avoid foul language (swearing). Be aware that humour (and especially sarcasm) can be misunderstood.
- Be cautious about expressing your opinions about politics, religion and ethnicity.
- Respect “personal space” – the bubble of space measuring about two feet that is someone’s personal territory.





Action Point: Take the [Business Etiquette Quiz](#).

Dining Out

Meeting with business contacts for lunch or dinner is an enjoyable way of building a relationship. The general rule is: food first, business second. In other words, most people will expect to enjoy their meal with social conversation and discuss business matters after the meal is finished.

Table manners are an important element in business success. Here are a few guidelines for dining out:

- Wait until everyone at your table has been served before you start eating.
- It helps to know what each utensil is for and which bread plate is yours. When in doubt, wait for one or two people at your table to start eating and follow their lead.
- If the other person is an important customer, supplier or partner, be prepared to pay for their lunch. Even if you were invited out, always offer to pick up your fair share of the bill at the end of the meal.
- If you are in a restaurant, it is expected that you leave 15 percent of your total bill on the table as a tip for your server.



Find Out More: about dining etiquette at the [Ball State University website](#).



Gifts

Gift giving is not a common occurrence in Canadian business. Some people will give gifts to customers, partners or suppliers to celebrate Christmas, Hanukkah or other holidays or when finalizing a contract or project. Acceptable gifts include a gift for the office, a bottle of wine or a gourmet food item. Some companies prohibit their employees from accepting gifts; others require that gifts be donated to charity.

Hosting a business associate for a meal, a sporting event or a night at the theatre is a more common practice that helps business people develop personal relationships.

Your mentor can help you determine appropriate gift-giving or hosting practices in your industry or community.



Communication is key to success in business. About half of our time on the job is spent communicating. An estimated 70% of workplace mistakes are attributed to miscommunication.

Newcomers who have English as a second language face the added challenge of mastering a new language and the nuances of business communication. This section will outline important practices and pitfalls related to communicating in a business environment.

Janis Foord Kirk's book "Survivability" offers the following observations about strong communicators:

- Speak their minds clearly
- Share information willingly
- Offer constructive feedback
- Ask when they don't understand
- Are empathetic listeners
- Wait for others to finish talking before speaking
- Are aware of others non-verbal behaviours"



Overcoming Language Obstacles

Most Canadians will be accommodating towards someone who is learning a new language. Here are a few tips to help improve your ability to communicate:

- Ask politely for something to be repeated if you don't understand it the first time.
- Write down unfamiliar words or phrases. Rather than interrupting a meeting with numerous questions, you can ask a colleague afterwards or look up the words in a dictionary.
- Listen to the radio. This will help your listening skills and build your understanding of proper language usage.
- Practice active listening. When listening to someone else, ask questions and make relevant comments.
- Read newspapers, magazines, books and blogs. In addition to improving your knowledge of news and current affairs, this will help you increase your reading comprehension.
- Practice a meeting or presentation with someone you know who is proficient in English and has experience in the business environment.



Action Point: Use a dictionary. When you are writing or reading and encounter an unfamiliar word, consult the dictionary to make sure you get the proper spelling and meaning.



Email Etiquette

- Keep messages brief: the ideal length for an email message is five sentences.
- Use proper spelling, punctuation and grammar. Don't assume your reader will understand (or appreciate) abbreviations such as BTW or LOL.
- Write a subject line that clearly identifies the purpose and content of your message.
- Review your email before sending it out to check spelling, recipients and tone. Once it has been sent, you can't retrieve it.
- Be cautious with use of humour by email; when misinterpreted, it can cause offense.

Phone Communication

- When making a phone call or leaving a voice mail message, identify yourself and the purpose of your call.
- Leave your phone number in messages. Don't assume people know it, and don't make them look it up. Speak slowly when leaving your phone number; some people will repeat it in a message.
- Respond to phone messages promptly – within one day.
- Avoid putting callers on hold.



Launching a new business is particularly challenging when you're in a new environment where you don't have a large network of family, friends and business associates. Many business people in Canada expand their business by networking. This is particularly valuable for newcomer entrepreneurs.

In many cases, a newcomer entrepreneur may start out by marketing to their own cultural group. But to achieve business growth, expanding beyond this group is usually essential.

What Networking is...and isn't



Definition: Networking: developing personal relationships, or networks, that will help you build your business.

The purpose of networking is to develop groups of individuals or businesses that can provide mutual benefits. Some people in your network will bring you business directly; they are clients. Others will refer business to you. Some may be suppliers who sell goods or services to you. It is important to be aware of both how people can help with your business and how you can help them – this should be a reciprocal relationship.

Your objective shouldn't be to connect with as many people or businesses as possible. You want to build relationships with people with whom you share common ground – whether that's a business location, customers who need complementary services, a common industry or similar values.



Who's in Your Network?

Your network starts with the people closest to you—your family and friends. It can also include:

- Neighbours and family friends,
- Employers and co-workers,
- Club members,
- Teammates and classmates,
- Teachers and coaches,
- Members of your church, and
- Community leaders.



Action Point: Think about people who are willing to give and receive information, advice, support and commitment – that's who you want in your network.

Networking Opportunities

Once you start looking, you will probably find plenty of networking opportunities. Start by identifying business associations or groups. Here are a few options:

- General business groups: most communities will have a Board of Trade or Chamber of Commerce that host breakfast or lunch meetings, speakers and workshops.



Action Point: Most Chambers of Commerce and professional organizations are membership-based. To make sure the organization is right for you before you join, research them online. Or call and ask to attend their next event for free.



7. NETWORKING

- **Industry groups:** people working in the same profession, such as the Graphic Designers Association of Canada or the Certified General Accountants Association.
- **Service clubs:** these are groups that contribute to their community, such as the Rotary Club, the Lions Club and Kin Canada (formerly the Kinsmen).
- **Community-specific groups:** talk to other business people in your community or your industry to find out where they go to meet people and network.
- **Online:** there is a growing number of online networking opportunities, from social media such as Facebook and Twitter to more business-focused services such as LinkedIn. Talk to your mentor, friends and colleagues to find out which online networking sites might be helpful for your business.



Find Out More: about networking in “Network to Grow Your Business”.



Action Point: Volunteering is an excellent way to network. Read about it in “Give and Take” in Canadian Immigrant magazine.



Networking Etiquette

It can be intimidating to walk into a room full of people you don't know. But keep in mind that most people at networking events are in the same situation. Here are a few tips to keep in mind when attending a business event:

- Introduce yourself,
- Dress conservatively,
- Be prepared to shake hands and exchange business cards,
- Ask questions,
- Make eye contact and smile.



Find Out More: about networking tips on page 26 of “Connections: An Immigrant’s Guide to Starting a Business in Alberta”.



Experienced business people have tremendous knowledge and valuable advice that can help young entrepreneurs. Our mentors are chosen for their skills, ability to communicate and a strong desire to help a young person succeed. Their experience can help you avoid common mistakes.



Definition: Mentor: an experienced business person who volunteers to help you.

CYBF hand-matches a mentor with each entrepreneur. This relationship generally takes place over a two-year period, at no cost to the entrepreneur.

Don't try to do it alone! Working with a business mentor greatly increases the chance of success for your business.

Role of Mentors

A mentor is not a teacher. It is natural for young entrepreneurs to look to their mentors as instructors who will provide specific guidance and direction. That is not the role of mentors; they are advisors who are more likely to ask questions than offer answers.

Ultimately, the mentor's role is to ensure that the entrepreneur makes the decisions. The mentor helps to improve the quality of decision-making by helping the entrepreneur to thoroughly review all considerations and alternatives.

Mentors can also be helpful with regard to networking. They can explain which business or industry associations might be relevant to you, and they can answer your specific questions about social customs and manners.



Who are the advisors or elders in your home culture? Do they play a supporting role or do they provide direction? You should expect your CYBF mentor to discuss options; it isn't their role to tell you which option to choose.

What to Expect From Your CYBF Mentor

Once you are matched with a CYBF mentor, the two of you will complete an online orientation together called Ment2B™. This process will help you agree on important aspects of your relationship such as communication, meetings and expectations.

Here are a few specifics about what you can expect from your mentor.

- **Regular meetings:** Your mentor will devote a few hours each month to supporting you and your business. Past CYBF entrepreneurs say the input and support they received from their mentor was a critical success factor for their business.
- **Shared expectations:** Both you and your mentor will go through CYBF's Ment2B™ Mentor-Entrepreneur Orientation Program. This helps both individuals develop a shared understanding of how the mentoring relationship will unfold and how to best use your time together.
- **Canadian business system information:** Your mentor can help you understand markets for your product, competitors, financing options, growth opportunities and staffing issues.



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- **Canadian business culture information:** While CYBF will attempt to match newcomer entrepreneurs with mentors who share their culture if requested, it's more important that the mentor brings a strong knowledge of the Canadian small business environment. Your mentor is a good source of information about personal issues such as social etiquette, communication and business attire, as well as business issues such as banking, taxes and legal matters.
- **Language:** If English is not your first language, your mentor can help you improve your oral and written skills, while also explaining acceptable communication practices in Canadian business.



In today's business environment, continuous learning is critical to your success. As we are bombarded with new technologies and a rapidly changing marketplace, we must continue to upgrade our skills and knowledge.

Fortunately, there are more opportunities than ever for professional development. Here are a few to consider:

- **CYBF website:** CYBF offers a wealth of advice, articles, videos and links to other resources through our [Business Resource Centre](#) and our [blog](#).
- **BizLaunch:** this website offers free training specifically for new small business owners. It offers webinars, videos and articles on topics ranging from motivating employees and getting free publicity to financing and outsourcing.
- **GoForth Institute:** this website offers a 10-hour “100 Essential Small Business Skills™” course, “Ask an Expert” service and an online library of resources related to entrepreneurship.
- **Webinars:** Workshops that take place over the Internet are an affordable and convenient way to pick up new knowledge and skills. Many industry associations and business groups will offer webinars. Search them out online.
- **Other online resources:** Reading articles and blogs on the Internet is a great way to stay on top of current events and developments related to your business. Find reputable websites that offer relevant information and bookmark them, so you can easily access them.



- **Courses at schools, colleges and universities:** Most high schools offer continuing education courses. You might find that a writing course or a “how to build a website” course are useful to you or your employees. Colleges and universities tend to offer more advanced courses. You can find very targeted courses such as a one-day Microsoft Excel workshop or a comprehensive certificate program.

And don't forget to check in with your mentor, who may have some helpful suggestions.

Key Resources

Business Guides

Information about federal and provincial programs, services and regulations that may apply to entrepreneurs.

Canada Business Network

A Government of Canada website that provides information about business services for entrepreneurs.

Guide for Small Canadian Businesses

Canada Revenue Agency guide that provides information about taxes that apply to small business and CRA programs and services.

Guide to Working in Canada

A Government of Canada website that provides information about finding a job in Canada, including a section specifically for newcomers.



Start-Up Info-Guide for Newcomers to Canada

Federal and provincial government resources for immigrant entrepreneurs in Ontario looking for information on starting a business.


Welcome to Canada: What You Should Know

Citizenship and Immigration Canada's guide for newcomers about what it's like to live in Canada.



This guide was produced by the Canadian Youth Business Foundation, 2011.

Special thanks go to:

-  The Counselling Foundation of Canada
- Marion Annau, ConnectLegal
- Kathie Becker, Newcomer Centre of Peel, CYBF Community Partner
- Rick Findlay, CYBF Mentor
- Winnie Fung, CYBF Mentor

Questions? Email us at newcomerprogram@cybf.ca

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Year of the Entrepreneur
2011

February 2011

