

* GUIDE FOR SMALL BUSINESS *

THE SECRETS TO SMALL BUSINESS SUCCESS

BROUGHT TO YOU BY

ATB Financial[™]

THE TRIALS AND THE TRIUMPHS

So, there are a few challenges to running a small business, are there? From scrambling to arrange financing to finding enough good employees to the burdens of federal, provincial and municipal red tape, there are headaches galore.

We wanted to know more about the challenges and triumphs so we surveyed Alberta small businesses. The most remarkable thing about the results of our small business survey was that, when all was bought

and sold, the vast majority of entrepreneurs really like what they do.

"It is in a field I love and I can be with my family," wrote Mary Siever of Southern Alberta Home Schooling Supplies in Lethbridge. "The independence of not having a boss is second to none," said Sheldon Scott of Oscar's Trash Service in Okotoks.

In these pages we've gone back to the challenges identified by the survey participants. We've asked the experts for their advice and put together a package designed to help small business entrepreneurs in their work. We hope that, by reading these pages, you may be able to enjoy your chosen career even a little bit more.



Need some tips on running your small business? Scan this QR code!

* AS SEEN IN ALBERTA VENTURE OCTOBER 2011 *

If you think success smells sweet, wait till you taste it.

Susan Chin makes amazing hot sauces and tacos – which she sells at Farmer's markets around Edmonton.



Who knows where the recipe for entrepreneurial enlightenment will come from?

To some, it's as simple as seeing a need and filling it. To others, it's born out of a hunger to cook up something truly unique—and see how far it will go. It's a spirit that's as Alberta as a "Kimchee Pulled-Pork Taco", and it's one we're very familiar with. We're an important ingredient in the success of hundreds of Alberta businesses. Find out how our independent business experts can help spice up yours. atb.com



THE MANAGEMENT

YOUR APPROACH TO MANAGEMENT CAN MAKE OR BREAK YOUR BUSINESS. HERE'S HOW TO RAISE YOUR GAME



Scan this QR code for the best advice into your small business concerns



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SMALL BUSINESS OWNERS CONTROL THEIR own fates, and most wouldn't have it any other way. According to the results of our survey, **91.3 per cent of respondents manage their business day-to-day.** But as a certain

comic book superhero once said, with great power comes great responsibility.

As a small business owner, you thought you had identified the skills you needed to succeed. You had a good idea, a working knowledge of financial matters and the drive for independence. You probably didn't expect to need the ability to improvise. But when the buck stops with you alone, you need to be ready for anything. The comments from our survey indicate that dealing with the unexpected keeps life plenty interesting for Alberta's small business owners.

"Jungle" Jim Hunter knows all about the value of preparation. Before entering business as a motivational speaker, Hunter represented Canada as an alpine skier at international sporting events. He won a bronze medal at the 1972 Winter Olympics in Japan.

Four years later in Austria, Hunter arrived as a contender to medal again. But on his last training run before the race, he ran into a German photographer at over 100 kilometres per hour. Hunter broke everything from helmet to skis. It would have kiboshed his chances – if he hadn't stashed a complete set of backup gear at the top of the run.

After 22 years as president of Jungle Jim Hunter Management in Calgary, he still emphasizes the importance of planning. "If you can think of what could go wrong, then you're an idiot if you don't prepare for it," he says. But he concedes that no one can see every curveball coming in business.

The key to surviving unexpected crashes in business, according to Hunter, is to see the big picture and trust your creative faculties. >

JEFFERY GRAHAM,
Fluid Audience, Grande Prairie

“Being in business has been one of the greatest rewards, the cause of personal growth and of extreme stress, all at the same time.”

EHMAD EL-ZEIN,
ESE-LSS Life Safety Systems, Edmonton

“Being able to create and manage your own company provides a rush unlike any other. With no one to answer to, setting your own rules, I firmly feel the sense of strong independence every person yearns for.”



➤ TURN BACK THE CLOCK

Stop your time from slipping away with these simple steps

Finding time to get everything done is a familiar challenge for survey respondents, but Piers Steel can help them meet it. The Haskayne School of Business professor wrote the book on time management – literally. He’s the author of *The Procrastination Equation: How to Stop Putting Things Off and Start Getting Stuff Done*, and in it he offers myriad tips for improving productivity. But in the interest of saving you time – see what we did there? – we present our top five.

1 LIMIT DISTRACTIONS

Admit it – you’ve found yourself distracted by some frivolous feature of modern life. It happens to the best of us, Steel says. “If something is fun and tempting and right before our eyes, we reach out and grasp it,” Steel says. “Here we are with Internet-enabled computers, which have virtual access to casinos, game clubs and movie theatres, and we’re supposed to get our work done.” **He suggests an inversion of Timothy Leary’s famous prescription: tune out.** Even just turning off email notifications can let you get the equivalent of an extra month of work done every year.

GET SOMEONE ELSE TO DO IT

People tend to avoid tasks they don’t enjoy but, unlike a bottle of fine red wine, work doesn’t usually improve with age. **Steel recommends identifying the things you don’t like to do and getting someone else to do them – even if it means paying them.** If time is money, then money can be time. “Let your problem be somebody else’s passion,” he says. “It’s often money well spent.”

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SURVEY SAYS!

46.2% of respondents identified time constraints as the biggest challenge they face in growing their businesses.



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PRACTISE EFFECTIVE GOAL SETTING

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For distasteful tasks that can't be outsourced, like dealing with personnel problems, Steel suggests sticking to a regular schedule. **Plan each session for a particular span of time and know precisely what you need to do in it.** "That's what gets things done. Everything else is just a vague intention," Steel says. "Promising that you're going to do it later is not really promising anything at all."

SEPARATE WORK AND PLAY

"A big chunk of the mind isn't rationally driven, it's emotionally driven," says Steel. While your prefrontal cortex motors away, environmental cues clue the mind about what it should be doing. Working and relaxing in the same place tells your mind to do both at once, making it harder to concentrate on the task at hand. **Ensuring the twain never shall meet will improve your attention span and help you get more done.**

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USE YOUR POWER HOURS WISELY

Most people, Steel says, can do four or five hours of top-quality work each day. This chunk of "power hours" occurs at different times for different people. Work can get done outside of this period, of course, but **scheduling the really difficult tasks for the peak of your powers can cut down on wasted time** in a big way and help you get more done.



HELP! I NEED SOMEBODY

Where to go for advice you can count on

When small business owners need advice, they may turn to colleagues, partners, staff and family. Any one of these sources may offer insight, but they may also come with their own set of problems. Here's a little advice on seeking counsel:

Is it wise to ask those in your industry for advice?

"Sometimes it's really good to be able to discuss things with people who get the industry, who share the circumstances or the competitiveness," says Marty Park, the president of Evolve Business Group in Calgary. "But sometimes just as valuable is having somebody completely outside the industry, because they approach the problems with a fresh set of eyes." He recommends small business owners talk to one industry outsider for every insider they seek advice from.

What about friends and family?

"You have to be really objective," Park says. Those who know you best often give you their unvarnished opinion, which can be quite useful. But your relationship can also cloud their judgment. For example, Park knows not to ask his mother about anything involving risk, since she'll immediately veto it. "It really doesn't have anything to do with me or the idea," he says. "It's related to her level of risk tolerance."

What's the best way to ask for help?

Don't be afraid to cold-call a businessperson you admire and ask for some mentorship. Park says laying out what you want to learn and mentioning that you're happy to pay for lunch will usually yield dividends. Even if your commercial crush can't help you out, they'll often give valuable referrals to those who can.

How often should you ask for help?

"You need somebody who can be a resource, on a minimum basis, monthly," Park says. "There's things that come up at least every couple weeks that you really should be getting some outside perspective on to help you make good decisions on an ongoing basis."



▶ THE PLAN

IF YOU DON'T HAVE A BUSINESS PLAN, YOU SHOULD GET ONE. HERE'S WHY

FAILING TO PLAN IS PLANNING TO FAIL, according to the old proverb, but you'd have a hard time convincing Chris Izquierdo of the logic in that. After all, his company, DevFacto Technologies (ranked first on *Alberta Venture's* 2010 Fast Growth 50 List and recognized as the Best Small Business of 2010 by the Edmonton Chamber of Commerce), doesn't have a formal written business plan. That's by design, he says. "We have general guidelines about where we want to be, but when you're small we find that you have to react to the market and be agile," he says. "I can tell you where we want to be in a year-and-a-half in terms of revenues and head count and clients, so we do have an approach – it's just not a formally written business plan." Izquierdo says he's not willing to rule out creating a written document that outlines the company's goals and aspirations, but he'd rather focus on where his company is going than how it's going to get there. "The end goal is there," he says, "but you can take many different roads."

He's not alone, either. According to the results of our small business survey, **of the 323 people who told us whether they had a written business plan or not,**

**SURVEY SAYS!**

Of those that do have a business plan, **31.3%** created it on their own without any assistance.



57.3 per cent said no. Of those that do have a written business plan, 31.3 per cent developed it on their own.

Natalya Nicholson, president of Cochrane-based Vision Financial, is one of those people. There's a certain irony in that, given that her business involves helping other people plan their financial futures, but she says that like a lot of service-oriented entrepreneurs, a formal business plan wasn't a pressing priority when she started her business. "If you're a small business and you're just getting started, you're going to do the things that pay your bills and bring in revenue," she says. "Writing a business plan, whether it takes you one hour or 10 hours, doesn't actually make you money."

Still, Nicholson knows that if she's going to expand her business, she'll need to put pen to paper sooner or later. "The goal is to grow, and you do need to put that down on paper – what the goals are, short-term and long-term. It's hard to share that with people when it's just in your head." And while DevFacto's Izquierdo may not have a written business plan, his vision for the future speaks to the fact that he's spent plenty of time thinking about the elements that go into creating one. Eventually, in other words, a plan is something that every small business has to have, regardless of where it's stored or how it's expressed.

Rob Fricker, a former Imperial Oil employee who now works as a business consultant, thinks business plans are an integral element of success. "While no business plan ever survives its collision with reality," he says, "a business plan helps people immeasurably when it comes to handling the environment as it emerges." Who wouldn't want something like that?



Need some tips on running your small business? Scan this QR code!



»» THE DEVIL IS IN THE DETAILS

Struggling to see the big picture? Here's how three of Alberta's small business owners do it

ELVIE REINSON,
Ballast Environmental, Calgary

“ I was under the assumption that as a business owner with a new business, I had to work every waking hour in order to be a success. I'm in my third year now, and I finally realized this assumption is unrealistic: as long as I'm working, I can't see the big picture because I'm focused on the details and tasks at hand. I have made a point now of taking time every week to do something I enjoy, with family and friends – away from work. In the summer, it's either golfing or riding my motorcycle. **I find by allocating time away it forces me to get away from work and stay grounded, or in touch, with the rest of the world,** and it's made me happier. ”

JOSHUA ANHALT,
GreenPath Energy, Calgary

“ I know I simply cannot do everything myself, so delegating and outsourcing certain tasks have allowed for some additional time to reflect. I have also been taking moments in life where you are forced to stop in public – red lights, waiting in lines, riding the bus/C-train – to think about the big picture. **Staying in constant contact with clients also helps me understand and shape the big picture.** Ironically, when I convince myself to take time off and do stuff that will help me focus on the big picture, I don't actually end up thinking about it. However, I do feel rejuvenated afterwards, and the ideas that have been sitting in my subconscious seem more in focus. ”

JASON RUHL,
House Different Residential Design & Drafting, Edmonton

“ Because I do design work, I have to always keep the big picture in mind. On paper you can't see the view in one direction or the sunlight or the neighbour's house, and so on. **I always try to remember to take a step back – on everything – and think of all the factors coming into play.** As far as creating time for it, I think if this sort of thing (stepping back) doesn't happen of its own accord then whatever project you're working on will suffer. I work strange hours because of this, but that's just part of business. ”



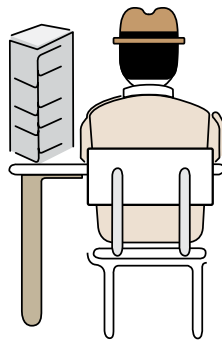


PLAN BY NUMBERS

How to build your business plan in five easy steps

As with most things these days, you can find a sample business plan on the Internet with a quick Google search. But like a lot of free online products, you might end up getting what you paid for. Instead, here are five tips that will help you build a business plan that's worth something.

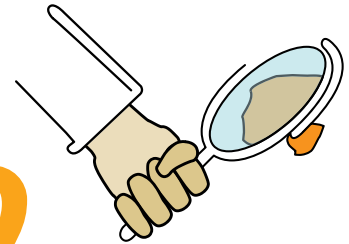
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GO THROUGH THE MOTIONS

Sure, you're busy. And yes, you probably could put it off until next week, next month, next year, whenever. But time spent on creating a business plan is a good investment, regardless of what comes of it. "The process of planning is far more important than the piece of paper at the end," Rob Fricker says. **"There seems to be something that happens when you write it down that makes achieving it easier, even if you don't read it again.** If you have an inclusive process that involves your key people, they'll know why different things were chosen and why other things were not chosen. It's that knowledge that really adds to success."

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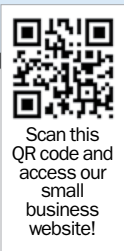
START SMALL

Creating a business plan doesn't have to be an overwhelming chore. **Fricker suggests that if you're stuck on where to start and pressed for time, just take a few minutes and create a list of the top five areas of your business that contribute to its success.** "It might be production, it might be retail sales, it might be finance, it might be human resources, or it might be acquiring people," he says. "Create a minimum of one clear objective for each of those, and then a couple of sentences about how you're going to accomplish that objective."



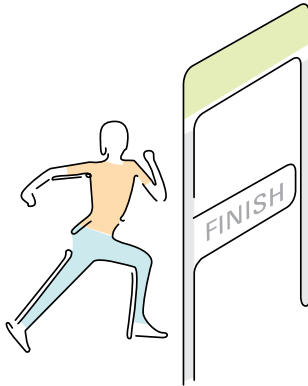
SURVEY SAYS!

When asked who they depend on most for business-related advice, **25.9%** of respondents said it was a colleague in their own industry. Only **1.0%** turned to a financial planner.



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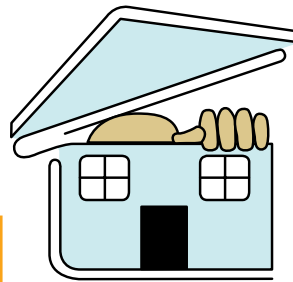
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BE GOAL ORIENTED

Think you know what an objective is? Think again. “I would contend that very few people in business have any clue about how to set an objective,” Fricker says. **The key is creating specific, tangible goals rather than describing vague, general activities.** In other words, don’t just focus on increasing sales. Instead, commit to increasing sales by 27.5 per cent by December 2012. The more tangible your objectives are, the more easily you can determine whether you’re meeting them or not.

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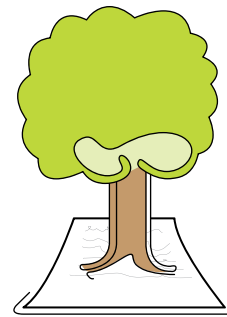
RAISE THE ROOF

Forget recessions, labour costs and government regulation. For small business, the lack of a plan can be the ultimate growth ceiling. When it comes to getting a loan, the absence of a formal plan could be a deal-breaker for the bank. “They do want to see a business plan,” says Natalya Nicholson of Vision Financial, “because that’s all they have by which to judge you.”

Meanwhile, even the most hands-on entrepreneur eventually has to let other people take an active role in the business if they want it to expand.

A coherent business plan, according to Fricker, is the most effective means of ensuring that they do their jobs the way you want them to. “You can’t grow a business and not delegate, and if you can’t share with others what it is you’re trying to create, they’ll be unable to make the right decisions.”

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CREATE A LIVING DOCUMENT

Your business plan is the document that outlines the core values and key goals of your operation and can serve as an important touchstone in times of crisis and opportunity. In a way, it’s your own constitution. But like our national constitution, yours ought to be treated as a living document, one that can evolve to suit the conditions. Review it regularly and update it when necessary. **“It’s never complete, because your life and your business are always changing,”** Nicholson says. “It’s a moving target.”





THE MONEY

AS FAR AS SMALL BUSINESS IS CONCERNED, CASH IS KING. HERE'S HOW YOU CAN INCREASE YOUR FINANCIAL RESERVES

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THE PROPORTION OF SMALL BUSINESSES IN

the province that say they don't have adequate access to capital is growing. In a small business survey conducted by *Alberta Venture* six years ago, just 12 per

cent of small business owners said they could not secure an adequate supply of capital in Alberta for financing their operations. **That number tripled to 36 per cent in 2010, and has grown to over 40 per cent this year.**

That 40 per cent figure represents two groups of respondents. More than 14 per cent of respondents said they had no access to business credit, while 25.9 per cent said they have access to only some of the business credit they require.

Dave Bodnarchuk is part of the latter group. "When I talk to my compadres in the burgeoning tech industry in Alberta, especially if you're in software development, it's very difficult to get bank financing because there's nothing they can use as collateral to service the debt," says Bodnarchuk, president of Edmonton-based EventIQ. "In the software business there's not seen to be the assurance that you would have with a well-servicing contract."

Liz Stretch, vice-president of sales and service strategies in ATB Financial's Independent Business and Agriculture Division, doesn't think it needs to be that way, and has tips for business owners looking for a loan. She admits finding capital can be "a little nerve



wracking," but says "the best thing small business owners can do is come prepared."

Being prepared means more than putting on your best outfit, too. If your small business is old enough, Stretch says, arrive with three to five years worth of financial statements. But don't think those financial statements, even if they show positive cash flow, revenue growth and decent inventory levels, will give you the access to capital that you're looking for.

Bankers also want to see the business owner's personal finances are in order. If it's a new business, another useful form of preparation is a conversation with a lawyer to determine an appropriate legal structure. A bank wants to know if it's lending to a limited partnership, a corporation or some other form of legal entity.

Many small businesses obtain startup capital from the owner's personal finances, or from family, friends, angel investors or venture capitalists. But banks are one of the primary sources of capital, and most small businesses will go to a bank at one point or another for an infusion of cash. Especially now, since the recent economic turmoil, small business owners should be prepared to answer the questions they will face.

And those questions, at least at ATB, have not changed. "We have not changed our criteria [for granting loans] through economic ups and downs," Stretch says. When asked if financial institutions are increasing the amount of money they lend after a harsh recession, she says the criteria are consistent.

**SURVEY SAYS!**

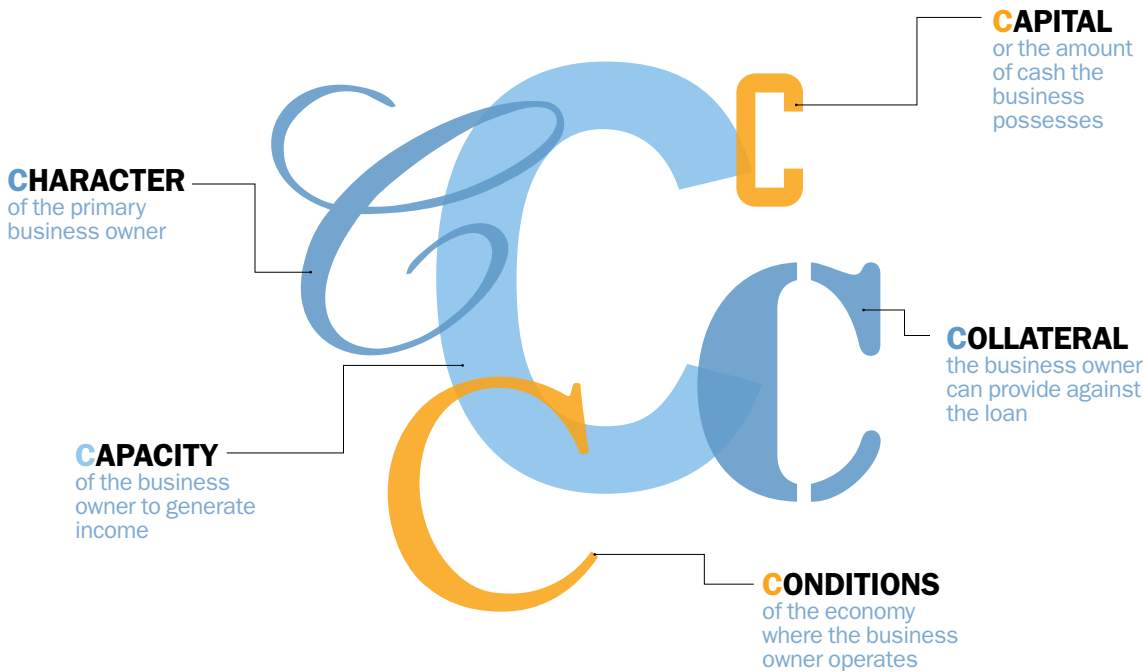
25.9% of respondents said they have access to only some of the credit they need.



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THE FIVE C'S OF BUSINESS FINANCING

Liz Stretch, vice-president of sales and strategy in ATB Financial's Independent Business and Agriculture division, says financial institutions across the country continue to judge a business against the following five factors.



TECHNICAL DIFFICULTIES

Technology costs have a bad habit of spiralling out of control. Few small business owners hire designated IT staff to deal with technical problems. The result is a time-drain on the business owner.

“The challenge that we have as small businesses,” says Norman Leach, of Norman Leach and Associates, “is the constant need to upgrade technologies while still trying to do what makes us money.” Leach identifies three factors that he considers when calculating technology costs for his business:



1. THE STICKER PRICE ON THE HARDWARE

Whether it's \$1,000 for another computer or \$70 for a wireless headset to equip a new staff member, Leach says, the price on the box of new hardware or software is just the beginning when calculating tech costs.

2. THE DOWNTIME REQUIRED TO LEARN NEW TECHNOLOGY

Leach believes that new hardware and software will make his staff more productive – but there's an inherent cost in every hour required to learn new systems. “If I'm not working, then I'm not earning,” he says of the time required to train himself on new technologies. “And if my staff aren't working, then they're not earning for us.”

3. THE MAINTENANCE AND OUTSOURCING

Many small businesses are too small to hire full-time IT support, but when a computer stops working (and they invariably do), business owners need to pay to outsource the maintenance. “I have to factor all these costs in, not just the \$1,000 to buy a new computer,” Leach says.



THE PEOPLE

HOW TO FIND THE RIGHT PEOPLE FOR YOUR ORGANIZATION

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THE COMPANIES THAT RESPONDED

to our small business survey intend to invest heavily in their human resources. **According to the survey, 49 per cent of small**

business owners intend to invest in their labour force over the next 12 months.

The challenge, of course, is where they'll make those investments. Craigslist and Kijiji appear to be easy talent searches, but the results tend to be underwhelming. "You want to focus your efforts in a high-target area," says Jeff Aplin, the chief operating officer of David Aplin Recruiters in Calgary. He suggests, for example, post-secondary career centres when looking for well-educated people who are light on experience. "Something like that is very low cost and can give you great exposure to exactly the pool of potential candidates you want compared to Kijiji, where you're just fishing in the whole deep blue sea."

Aplin encourages company owners to offer job flexibility and customization to attract "bull's-eye" employees. That is exactly what Carson Pierce, the founder of Red Deer's Idea Market Design, did when he found himself struggling to retain staff in an industry that traditionally operates in bigger cities. "One of my full-time employees works in Calgary and we just communicate via Skype and e-mail," Pierce says. "That flexibility

for him was the most important thing and that's what kept him around."

Getting the word out to the right people isn't always enough to get the job done, though. How that word is presented is important too, says Rick Harcourt, president of Harcourt Recruiting Specialists in Edmonton. "Ad-wise, it's key to look at what the 'fizzle factor' is for your company because the big problem with the majority of ads is that they speak to what the company wants and not what the person wants." Many businesses forget to mention culture, open-door policies, mentorship or even company barbecues in job postings, which often matter just as much as financial compensation for job-seekers.

Meanwhile, the big fish isn't always the best catch. Aplin says that he has seen plenty of cases in which small up-and-coming businesses hire former executives from large companies – to disastrous results. "Just because somebody has the experience of leading an organization where you want yours to be down the road, doesn't mean they're the right one for you at the moment."

Above all, Aplin says, it's important not to be afraid of a little failure. "If you're an entrepreneur launching a new company and you're hiring new people, just be prepared to make mistakes," says Aplin. "Be brave. Hire people, but know some of them are going to be the wrong people."

THREE TIPS FOR FINDING THE RIGHT PEOPLE

1.

For customer service or sales positions, **try to hire in pairs because it's just as easy to train two people as it is one.** Stay true to your core values and culture.

2.

Don't compromise and hire senior managers because they look good on paper. **Find people who are excited about new ventures and growth.**

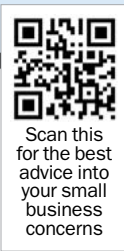
3.

Focus on the things that you can give people (like opportunities to lead) instead of comparing your company to others to determine what you can't offer (like year-long sabbaticals or full-salary maternity leave).



SURVEY SAYS!

52.2% of respondents said they plan to hire new employees in the next six months.



Scan this for the best advice into your small business concerns

TUITION FEES

Paying to educate your employees might be the best investment you ever make

If hiring the right person is important, retaining them might be even more crucial to your company's success. After all, you invest significant amounts of time and money in order to train staff on your software and make them aware of company policies, customer relationships and, if possible, what you're thinking before you even think it.

And while money certainly matters, education and training is another form of compensation that can keep employees loyal. "There are other ways, by offering experiences or other perks, that seem to have a higher impact on people than just

a straight cash reward compensation," says Rick Harcourt of Harcourt Recruiting Specialists.

Unfortunately, many small businesses aren't getting this message. Clayton Davis, NAIT's manager of human resources, continually hears employers telling him that if they send their staff for training they'll just end up leaving. That's the wrong way to approach the situation, he says. "If you don't train your staff, then they're going to leave you."

Davis recently taught a continuing education course that included a secretive student from Calgary. The student claimed

that he needed the training enough to drive up to Edmonton for each class, but believed that he'd be fired for doing so if his employer found out. As a result, he planned to get the course certificate and then move on to another employer that was more willing to support his desire for professional development.

Davis says companies can ease their way into the world of supplementary education through a variety of professional development courses. "It's not necessarily training [staff] for a new career," he says. "It's making them better at the career they've chosen."

BONUS PAY Why profit-sharing might be right for your business

It may be a scary term for many entrepreneurs, but when it comes to retaining talent, profit-sharing is one of the most powerful lures out there. "There are some sophisticated profit-sharing models out there and they all kind of do the same thing," says Dave Mowat, president and chief executive officer of ATB Financial. Here's how to share nicely.

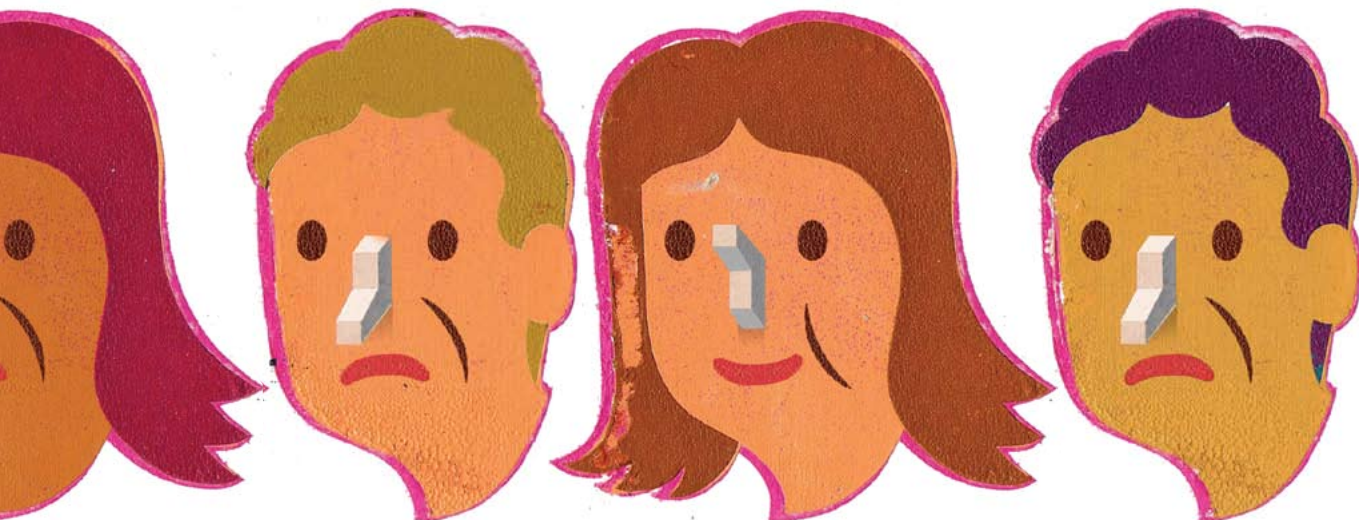
★ **THE PITCH:** Mowat tells people to sell the long-term benefits of profit-sharing. "You have to think of it on a three-year average," he says. "You might have a great year this year and nothing next year and then a medium year. You have to think that it wasn't \$3,000, nothing and \$1,500; it was \$1,500 each year."

★ **THE PAYOFF:** Profit-sharing offers small businesses the chance to communicate with employees about how the business functions, which is as important as the dollars and cents. Instead of seeing their future with the company in two-week increments that align with paycheques, "you'll be talking to them about how

we're doing this month or what the forecast looks like for the next quarter or year, and they're starting to think of their employment with you in a longer horizon," he says.

★ **THE PERKS:** Mowat advises business owners not to worry if there isn't a huge payout. For many employees, it's the

positive reinforcement that is remembered. "Profit-sharing does its best work when the company is experiencing growth and chances are that is when the economy is doing well, and that's when you really want to retain people," he says. The downside is that if there isn't a profit, there's no extra money to distribute.

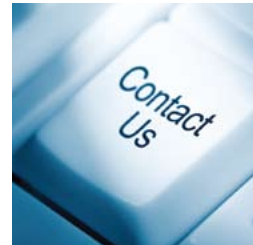


THE MESSAGE

HOW TO SQUEEZE THE MOST OUT OF A LIMITED ADVERTISING BUDGET

THE INTERNET MIGHT BE RICH WITH opportunities for the owners of small businesses, but it can also be an overwhelming environment for those looking to advertise their product or service. Maintaining a regularly updated blog, getting people to “like” you on Facebook or immersing yourself in Twitter conversations might seem like an inexpensive way to spread the word about a business or get a company noticed, but spreading the right message takes a little more effort. “Social media is public relations,” says Geoff Plewes, director

of client services with Rare Method in Calgary. “It’s a place to socialize. It’s not advertising.” Instead of focusing on a particular technique, Plewes says, companies should focus on their brand and the message they want to portray and only then pick the best medium to reach potential customers. For some businesses, that means ads on billboards or in magazines, but for other companies a radio spot or direct mail will do the trick. “Understand who your customer is and understand the medium they use,” says Larry Bannerman, owner and president of Calgary-based Trigger Communications.



FIND A FOCUS

In order to develop any sort of advertising campaign, a company needs to have an objective and a target audience. **Start with the simple question: What do I do best for my clients?** Ultimately, the answer should be what differentiates a company from its competitors, says Bannerman. “Advertising is the communication that tells customers what your brand is and what it represents.”

GET EMOTIONAL

Identify what it is about your product or service that makes a customer feel good. “Cater to their ego and make them feel important,” Plewes says. “It doesn’t have to be anything other than how you treat people.”

TESTING 1, 2, 3

“It doesn’t matter how much you spend,” Plewes says. “If you spend \$100 per month, test it and see what works.” **Plewes says the Internet is an effective medium for testing ad campaigns.** A company can pick two messages and create two online ads. There are a number of tools online to help track the results of each ad and a company can then see what resonates with customers. “It’s not an exact science, but you’re not going to lose anything by testing pay-per-click engines like Google and Facebook.”

EASY DOES IT

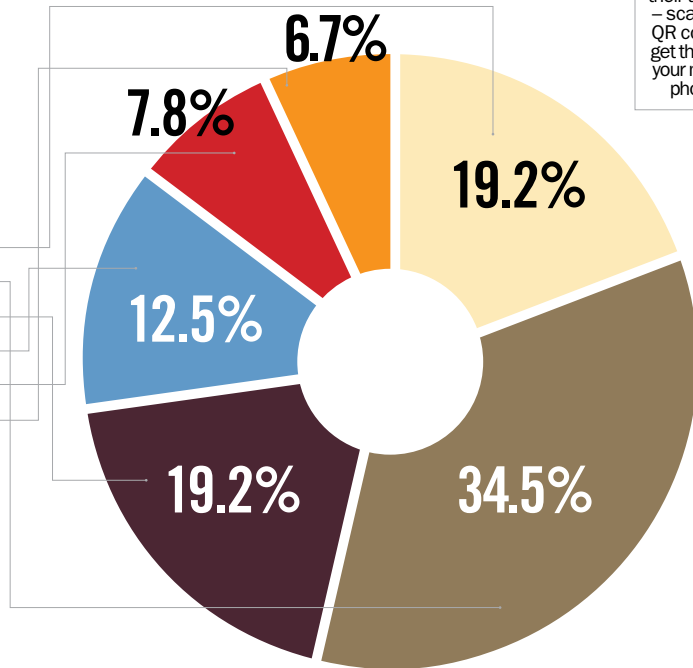
Plenty of customers do their product research online, so **make important company information – hours of operation, contact information, address and possibly a map – easy to find on the website.** “Make it easy for me to spend my money,” says Bannerman.



» WHERE WILL YOU GO?

Alberta's small businesses have their eyes on markets big and small. Our survey asked which held the greatest opportunity. The results?

- Local Market ●
- Regional Market ●
- Provincial Market ●
- Canadian Market ●
- North American Market ●
- International Market ●



KEEN, LEAN BUSINESS MACHINE

When marketing efforts turn into increased business, companies need to be in the position to take on the extra work. If a predicted skilled labour shortage materializes in the next couple of years, simply hiring more staff might not be an option. “We’re already the most engaged workforce and we can’t squeeze much more from it,” says Lori Schmidt, senior director of Productivity Alberta, “so we need to look at efficiency or innovation.”

She says the goal for businesses will be to get product to customers faster, at less expense and using the people they already have. Productivity Alberta works with businesses to improve their efficiency and focuses on three areas: management and leadership, innovation, and operations. Schmidt says the organization frequently leans on a business management strategy known as Six Sigma.

SIX SIGMA

Definition: A philosophy of doing business with a focus on eliminating defects through fundamental process knowledge. Six Sigma methods integrate principles of business, statistics and engineering to achieve tangible results.

Six Sigma training involves three primary principles:

1. **Success in business relies on reducing the amount of variation in the business processes.**
2. **Businesses have characteristics that can be measured, analyzed, controlled and improved upon.**
3. **Quality improvements are the result of the entire organization – but particularly senior management – working toward a common goal.**

Training in the Six Sigma method can be accessed through Productivity Alberta.

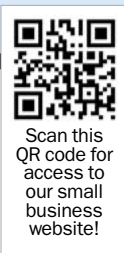


SURVEY SAYS!

21.3% of respondents spend five per cent or more of gross revenues on marketing each year.







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NEW HORIZONS

Technology makes it easier for companies to sell products and services anywhere in the world, but it's not just a matter of finding new markets; it's a matter of finding the right market. Kathleen Windsor of Windsor Graphics in Didsbury says there are a few things companies need to consider when looking to expand out of their local market:

1.

TIMING

"They need to make sure that new markets are where they need to be," she says. "Sometimes businesses need to recognize that 80 per cent of their business comes from 20 per cent of their customers and businesses can expand just by taking care of their current customers."

2.

RESEARCH

Look at what competitors are doing. "If they're not expanding into another province, that could be an opportunity," Windsor says.

3.

PRESENCE

"Sometimes you can do it online, but sometimes you need to go physically there and see whether or not there's a point of moving into the market," she says. "You have to make sure it's a good fit for you and you're a good fit for the community."

Expanding operations outside of Canada can be a little more complicated than moving to a new part of Alberta or crossing provincial borders, but diversifying into different markets can provide businesses with a little protection from market cycles. "Lots of companies realize that just relying on the Albertan or even American market can be dangerous in a downturn," says Cheryl Lockhart, owner of International Strategies in Edmonton. "They should look to new markets in Asia or Brazil, Russia and India." While Lockhart suggests a trip to a potential country should still be in the cards, there are other ways to get it done:



REPRESENTATION

It's important to put in the time to find a respected agent or distributor in a foreign country who knows the market distribution channels. "Approach finding an agent like a normal hiring process. Don't just take the first person who comes along," Lockhart says. "Actually recruit someone and don't just rely on word-of-mouth referrals."



SUPPORT

Foreign agents working on commission can be representing multiple companies. "If they don't hear from you for six months, they'll sell what's easiest and it doesn't matter how good the product is," Lockhart says. "That's why marketing is so important." As well as frequent communication, funding representatives to attend local trade shows, translate marketing materials or purchase promotional materials appropriate for their country will help gain greater access to a foreign market.



SURVEY SAYS!

42% of respondents said creating a product or providing a service in which they could take pride was what they most enjoyed about owning a business.



THE BIG SALE

PREPARING FOR SALE

GETTING A BUSINESS IN SHAPE for a sale is not something that can be done in weeks or months. In fact, it's something that should be prepared for from the very earliest days of the business. "One of the best investments is one you have control over," says Matthew Buxton, a Calgary-based consultant specializing in the buying and selling of businesses. "Your business could well be your very best investment, so polish it and reap the maximum value when it does go for sale."

Here's what you ought to be thinking about:

- 1. REMOVE YOURSELF**
If you're too integral to the company, it will never sell. What would the buyer be getting if you left the next day? **A business that can run itself is the most attractive, so delegate responsibilities.**

- 2. REVIEW YOUR EXPENSES**
A bad lease, for example, can easily kill a deal if you're paying too much or it's not transferrable.

- 3. GET RID OF LUMPY REVENUE**
Lenders like to see regular, steady income. As much as possible, enter into contracts that will see you paid regularly (as opposed to just at the end of the job) and do your collections. It doesn't just help when paying salaries, it reduces risk in case a client suddenly doesn't pay or there's a dispute.

- 4. TIDY UP THE LABOUR SITUATION**
Too many staff or problem staff will drive buyers away. Don't put off dealing with personnel issues.

- 5. KEEP YOUR EXPENSES CLEAN**
"You see a lot of businesses try to write everything off to save taxes," Buxton says, "but that can catch up with you." **When you sell, the tax man cometh.** "A car wash may be a cash business, but [Revenue Canada] will look at how much water you're using and if you say you're only having one guy in a day, they're going to know." Hiding income is not only illegal, it can make the business' value impossible to prove.

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