

## How To Start A Business On The Side to Gain Momentum, Increase Your Financial Security And Reduce Your Risk

### You don't have to quit your job to start your business \*\*

In fact, keeping your paycheque while you prepare your business will give you more financial security to allow you to continue to earn a salary, rather than quitting too soon. And it will make for a smoother transition when you want to work for yourself full time.

### A common error to avoid: Entrepreneurs underestimate how quickly they will make enough revenue to replace their salary

\*\*If you think a shakeup is coming in your company or you have decided you've really had enough ... get these steps in place first! (Note: figuring out if your job is secure is a whole other topic – and sometimes unpredictable. So take these steps before you leave your job to put yourself a step ahead on the process of starting your business!)

**You may want to have a strategy call to ask questions (if you run into a tough decision?): Book a free call with Patricia:**

<https://grow-vantage.appointlet.com/s/strategy-planning-session>

### Phase 1: Set up:

1. What kind of business do you want to start?
2. The next three sections of phase I involve research (see below)
3. Business Structure
4. Marketing and Branding
5. Financial Structure

### So... what is your business?

There are many possible foundations for a business. If you already have a business idea

- congratulations! For those of you who are still considering - here are a few approaches to consider:

- a) **What are you good at - and what do you love to do?** Is there potential to make this your life's work? For example, some of my graduates have:
  - Wanted to follow a passion, a hobby or an



interest quite different from their everyday job.

- Achieved designations in completely different disciplines, e.g. healthcare, animal care, or higher education.
- Pursue a mission to give back to society.

### **What have you learned throughout your career that you can apply as a business owner?**

When we start a business, we can apply the range of skills we have learned previously

**One common error to avoid: Assuming that you don't need to adjust your corporate approach. Research and possibly additional training is needed.**

- b) **Continuing the focus of your corporate work:** If you have invested time or training during your corporate career this may become the focus of your own business. You may have contacts to launch your business if your client group is B2B. If B2C, start-ups, not-for-profits or charities, are your target clients, evaluate how you would produce revenue
- c) **If you have no idea...** Identify your skills, the activities you love and research potential needs for the audience you want to serve.
- d) **For Everyone who is launching a new idea or solution in the marketplace that no-one else is doing...** that may seem ideal. The truth is: introducing an idea means educating your potential clients, which may take years. Competition in the marketplace is a good thing (as counter intuitive as that may sound).

**One common error to avoid: Assuming your business idea and offer are valid without research, including your target, their specific needs, and their language.**

### **Business Structure - what's involved?**

Business Set up generally requires 3-6 months of research, preparation and



implementation of the decisions you will make about your business. For example, business structure and registration involve assessing the pros and cons of different taxation models, federal or state/provincial jurisdictions requirements.

**A common error to avoid: Not balancing taxation, cost, and insurance implications of your business structure for future costs and liability.**

## Marketing and Branding

Naming, trademarking and copywriting are early activities that become the basis of establishing your unique brand: the next of your initial steps.

While you won't be ready to start marketing immediately, you will want to establish your identity and positioning in the marketplace (to help differentiate you from your competitors). Creating effective marketing depends on this.

**A common error to avoid: I often see early stage entrepreneurs want to start investing in advertising too early - before they know their client identity or avatar well. Before they joined my program, two of my graduates made spectacular (and expensive) mistakes in early advertising. One invested \$25,000 in a series of high end magazine advertisements and another invested \$10,000 in local newspaper advertising - with very few results.**

## Your Financial Set Up

If you are looking for a loan, organizations like banks will want you to build a business plan. This will end up being an ever changing plan, and one thing we find to make this large undertaking easier is to begin the process with a Business Canvas Model that establishes the broad categories for your business.

Put together a startup budget to help you project costs and estimate your operating budget (to the best of your ability). This will help you plan for expenses, and also provide information that will figure into your pricing. Our pricing method takes into account your business and personal costs, as well as the revenue producing time you'll spend, and of course the money you'll have to hand over to government agencies.

**One error to avoid: Some entrepreneurs avoid arranging liability insurance right away. But if you have customers, you have liability. The cost of being sued (even if you've done nothing wrong) can be thousands of dollars.**

## OTHER CONSIDERATIONS BEFORE YOU QUIT YOUR JOB

### ADD TO YOUR FINANCIAL CUSHION

New entrepreneurs are often surprised when the bank you've dealt with for years – sometimes decades – isn't keen to give you a loan. That's because they assess entrepreneurs as higher risk. This is even more prevalent as a result of the COVID-19 pandemic, rising costs and inflation



that governments are battling to bring down. These factors contribute to even more conservative approaches to loans.

**What do new entrepreneurs find?** Your risk profile may be offset by your saved financial resources, though the inexperience of most entrepreneurs that might lead to mistakes can be a factor in granting loans.

**What factors can make a difference to loan/line of credit interest rate, terms and approval?**

- Work on improving your credit rating now. This can be done within a few months.
- Reduce your life costs where possible and create a financial cushion (e.g. through TFSAs, savings, RRSPs)

**Two alternatives to consider instead of a loan?**

**Arrange a line of credit: (Apply BEFORE you quit your job to be approved while you still have a paycheque). You only pay interest on the money you use. Or consider lease financing: The business equipment is the collateral, and while interest is paid, you can begin earning money with the equipment you need.**

**Insurance Risk? Risk is also assessed when you apply for insurance. Insurance brokers who know our Grow Vantage and Ask For Directions Training graduates educate underwriters about how these programs reduce risk by training and coaching new entrepreneurs.**

**Why does training on how to be an entrepreneur make a difference?**

**You go faster. With tried and true answers.**

Shortening the new business learning curve is important in avoiding mistakes - especially those that cost money or delay success. Our entrepreneurs were approved more easily for insurance. They are able to put a growth strategy in place more quickly.

## **REDUCE YOUR CURRENT COMMITMENTS (MONEY AND TIME)**

**Money:** Are you paying for services you no longer need? For example: many streaming services: Netflix, Disney, Prime, etc. Check your living expenses – and eliminate things you don't need. Evaluating expenses is a skill you'll need. Making a start before you incur business expenses is a positive step.

**Time:** Eliminate time commitments, to make time for future planning, relationship building and developing your business? The first steps described above can be taken before you leave your job to give you some preparation time before you open your business officially. You can even begin to train as an entrepreneur so you can hit the ground running! For more hints and advice please stay tuned for our emails. Patricia

## Need Some Guidance?

Schedule a free consultation: <https://grow-vantage.appointlet.com/s/strategy-planning-session>



### **ABOUT PATRICIA DENT**

Ask for Directions Training and Grow Vantage provide early stage entrepreneurs with just-in-time coaching, practical training delivered by expert entrepreneurs, and a supportive community. These three ASK pillars promote success from start-up through growth, help them become profitable sooner and avoid costly mistakes that delay success.

In addition to her entrepreneurial expertise, Patricia also brings over 30 years of experience in corporate organizations from start-ups to institutions in sectors that include: financial, health, event marketing, entrepreneurial growth and professional services. She has extensive experience in communications, marketing, administration, event and facility management, with companies that include Bell Mobility, “CEO of the Year” and “Top 40 Under 40” Programs, the Toronto Stock Exchange, Ontario Centres of Excellence and Toronto Rehab Hospital.

A past president of the Barrie Chamber of Commerce, and board member of several not-for-profits, cofounder of the Small Business Connect networking group, Patricia has an Hons. BA in Sociology (U of T), Marketing certification (Ryerson University), and certifications in CRM, Coaching, and events (CMP). She is a 2022 winner of the ARCH Brown Award for Entrepreneurial Excellence and has been a finalist in several award categories, including Heart and Soul, Pay It Forward, Mayor’s Innovation Award (Pivot Point) during the pandemic.