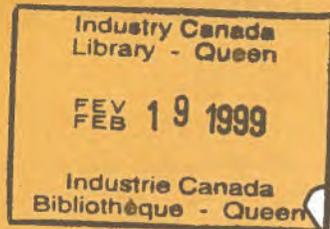


Summer 1998



West

Government Provides Tax Relief to Small Businesses for Year 2000 Computer Compliance

Finance Minister Paul Martin recently announced tax relief for small and medium-sized businesses to address the Year 2000 computer compliance problem. This announcement falls within the wider context of the government's role in responding to the Year 2000 challenge, which is being jointly coordinated by Industry Minister John Manley and Treasury Board President Marcel Massé.

Under the tax relief announced today, accelerated capital cost allowance (CCA) deductions of up to \$50,000 will be provided to small and medium-sized firms for computer hardware and software acquired to replace systems that are not Year 2000 compliant. This will allow smaller firms to deduct 100 per cent of eligible expenditures in the year in which they occur.

The Year 2000 compliance problem is a design flaw in software applications and in certain microprocessors related to storage of the year designation that could play havoc when the calendar year changes from 1999 to 2000. Many software applications such as accounting systems and certain types of computer hardware – including desktop computers, networks and the microprocessor chips that control transportation systems, machinery, elevators, office equipment, lights, building climate and security systems – could be affected.

Although many firms have taken action to ensure that their computer systems will be ready for the Year 2000, a large number still have not addressed this issue.

"The Year 2000 computer problem presents a serious economic challenge for the Canadian economy. Businesses must act promptly if they are going to meet that challenge," Minister Martin said. "That's why we are providing targeted tax relief to help ease the financial constraints faced by small and medium-sized businesses in addressing this issue."

Specifically, an accelerated CCA deduction will be provided to small and medium-sized enterprises on the cost of computer hardware and software acquired between January 1, 1998 and June 30, 1999 in order to replace equipment that is not Year 2000 compliant. For eligible computer hardware and software, accelerated CCA deductions, combined with the regular CCA claims, will result in 100 per cent of the cost of eligible expenditures being deductible in the year of acquisition.

Tax relief for small and medium-sized firms to help them address the Year 2000 issue was one of the recommendations made by both the House of Commons Standing Committee on Industry and the Task Force Year 2000, a private sector-led group set up by Minister Manley. The Task Force of 14 chief executives was established in September 1997 to examine the preparedness of Canadian business to accommodate the transition to the year 2000.

Mr. Martin said he wanted to immediately announce the tax relief for small and medium-sized businesses to give them maximum notice so they can take advantage of the assistance, as well as to encourage them to give top priority to the year 2000 computer compliance problem.

For further information call Revenue Canada Tax Services Offices, or visit their Web site at:
<http://www.fin.gc.ca/newse98/98%2D057e.html>

Ed Short
Tax Legislation Division
Department of Finance
(613) 996-0599

Bob Morrison
Business Income Tax Division
Department of Finance
(613) 995-9920

Inside:

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Western Economic
Diversification Canada

Access

Western Economic Diversification Canada - Newsletter



A Message from Ron J. Dubamel

Secretary of State for Western Economic Diversification

On a recent visit to the West, I was fortunate to meet with some of WD's partners in the Western Canada Business Service Network and see first hand how they are helping businesses in rural communities prosper and grow.

Community Futures Development Corporations (CFDCs) give western rural communities an opportunity to re-evaluate and reshape their economic futures and are integral to regional and business development at the grassroots level.

These business development centres have helped strengthen regional economies throughout Canada by giving local residents and communities the opportunity to plan, develop and achieve their own vision of economic and social development. With a focus on client service, they have had a positive impact on the rural communities they serve and have built an impressive range of cooperative arrangements with other service providers in their areas.

By visiting a single office, small businesses and entrepreneurs can tap into an entire network of quality business products and services available through more than 100 locations across Western Canada. They can discover how to develop business plans and products, and learn how to market them successfully while still remaining focused on what motivated them to become self-employed - their unique business idea.

The Western Canada Business Service Network is unique to Western Canada and makes business services more accessible to a broad client base. CFDC offices - offering services through more than 90 locations in Western Canada - are a significant part of the network. CFDCs and other network partners - Western Economic Diversification, Canada Business Service Centres and the offices of the Women's Enterprise Initiative - form a well-rounded portfolio of business services.

As a partner in the integrated network, CFDCs can offer extended information services, training and enhanced access to government services. One of the biggest advantages of the network is the opportunity to share information, services and access to business databases.

Another benefit is enhanced communication. An electronic system links CFDCs with one another as well as to other network partners. Each office has the ability to communicate electronically via e-mail, access a variety of databases and keep up-to-date on network news through a new system of inter-office communication called an "Intranet."

This information technology provides CFDCs, their clients and network partners with a virtually endless source of small business information. Access to a broader range of products and services means more opportunities for successful procurement of government contracts and increased information about export possibilities as well as business planning and development.

What's New on the Web

For many small businesses, information about available government services and programs can be extremely valuable. Industry Canada has made available on the Web some very interesting information products and programs so small businesses and entrepreneurs of all ages can access the tools they need to grow.

The Small Business Guide to Federal Incorporation

http://strategis.ic.gc.ca/sc_mrksv/corpdirengdoc/homepage.html

A step-by-step, "how-to" guide designed to allow Canadians to incorporate and operate a company in compliance with federal corporate law without incurring extensive professional fees. It contains incorporation forms, by laws, minutes of meetings and other documents which users can easily adapt to the needs of their businesses. It describes the relevant legislation in easy-to-understand terms, making federal incorporation more accessible to small businesses.

Speakers Corner

I have been in business for two years and want to know what sorts of things I need to be doing to remain competitive?

First of all, where do you want your business to be in five years? This is an important question since it drives the competitive strategy you might adopt. To answer this question, take stock of where you are now using the following checklist for help.

Checklist

YES NO

Do you have a profitable business?

Do you have a solid financial base?

Do you have an up-to-date business plan to guide your decisions?

Do you have the human resource skills and capabilities you need?

Do you have a good understanding of how your business is affected by major economic, social, technological, environmental and regulatory trends?

Do you have an up-to-date marketing plan that outlines your target market, pricing and packaging goals, sales and distribution methods, service and warranty policies, and advertising and promotion strategies?

Your Guide to Government of Canada Services and Support for Small Business

<http://strategis.ic.gc.ca/smeguide>

This second edition serves as an important reference document for the small business community. This handy guide details the programs and services offered to small businesses by the federal government and how you can apply. It also includes key contact addresses, phone numbers, fax numbers and Internet addresses for individual programs.

The Financial Service Charges Calculator

<http://strategis.ic.gc.ca/oca>

Developed by the Office of Consumer Affairs, the Financial Service Charges Calculator provides Canadian consumers with a fast, interactive way to compare banking service charges at 11 different financial institutions.

Two additional information products at this Web address are: **the Consumer Help Desk** - which routes consumers to the organization or agency best

suited to address complaints or inquiries on a wide range of goods and services; and the **Credit Card Cost Calculator** - allows consumers to "comparison-shop" for credit cards on-line.

SchoolNet Digital Collections

<http://www.schoolnet.ca/collections>

The SchoolNet Digital Collections program awards contracts to Canadian businesses, institutions and other organizations which hire young people between the ages of 15 and 23 to create original Web sites based on significant Canadian material. In the past two years, this program has provided 1,200 young people with the opportunity to acquire paid on-the-job experience in the information technology field. In addition, it has produced the largest single collection of quality Canadian content on the Web while encouraging young people to develop their multi-media skills and practice entrepreneurship. Deadlines for the submission of contract proposals are July 2 and October 1, 1998.

Do you have a product or service that solves a problem for a customer or addresses an opportunity in the marketplace?

Do you feel you have good knowledge of your target market, its size and the share of the market you have captured?

Do you know what your competitors are doing? Is their business steady, increasing, decreasing?

Do you have a research and development plan for your product?

Are your sales expectations in line with the manufacturing ability to produce it? What is your capacity for production?

Do you have administrative policies, procedures and controls in place? (billings, payments and accounts receivable; management reporting system)

Do you want to grow your business?

Now that you have taken stock of where you are and where you want to be in five years, you are in a better position to determine the things you need to be doing to get to where you want to go.

One of the more immediate things you can do to help you remain competitive is to keep your finger on the pulse of the market through market research. Here are some quick, easy and inexpensive research techniques to help you get started.

Talk to Your Customers: Find out what do they like or dislike about your product or service? What core problem does your product or service solve for them? How do they feel about using your product? Why do they buy your product or service?

Observe Your Customers: How much time do they spend making their purchase decisions? Do they bring someone with them who helps them make up their mind? What do they buy? Observing customers helps to shed light on their buying motives and purchase criteria.

Observe Your Competitors: Find out what your competitors are doing. For example, if you want to start a new café, spend a day or two in a local successful café. Watch customers as they arrive. What times do they come? Do they arrive by foot or car? What do they order? How long do they spend there? What do they do while there? How many comprise a typical group? Also, look at your competitor's products and services. How is your product similar to and different from theirs? What promotions are they running? What is their pricing strategy and how does it compare to yours?

Scan the Marketplace: Search for information and cross-fertilize ideas from fields and industries that are seemingly different to yours. This might help you anticipate emerging trends that lead to new product ideas or modifications to your product that might better meet the needs of customers.

All of these approaches can provide valuable insights into the needs and wants of consumers, and what your competition is doing to meet these needs and wants. This will help you to develop your competitive strategy to get you from where you are now to where you want to be five years from now.

Thinking of Going International?

WD Can Help You Prepare Your Product for Export



If you are thinking of exporting your company's product, it requires you to do a little extra research and learn the unique characteristics of each market you are planning to enter. The market research you conduct, and the contacts you make with foreign representatives should give you an idea of what and where your products can be sold. However, before the sale can occur you may find out that you need to modify your product to satisfy buyer tastes or needs in foreign markets.

The extent to which you will modify products sold in export markets is a key issue you will need to address. Some exporters believe the domestic product can be exported without significant changes. Others seek to consciously develop uniform products that are acceptable in all export markets. The choice is yours, but there are several considerations which may force you to modify your product to conform to government regulations, geographic and climatic conditions, buyer preferences, standard of living, facilitate shipment or to compensate for possible differences in engineering or design standards.

Foreign government product regulations are common in international trade and take the form of high tariffs or non-tariff barriers, such as regulations or product specifications. It may be necessary to adapt your product to account for geographic and climatic conditions as well as for availability of resources. Factors such as topography, humidity and energy costs can affect the performance of a product or even define its use.

Other considerations are the buyer's preferences, local customs, religion or the use of leisure time, often determine whether a product

will sell. The sensory impact of a product, such as taste or visual impact, may also be a critical factor. The country's standard of living, average level of income or education and the availability of energy are all factors which help predict the acceptance of a product in a foreign market. Certain high-technology products are inappropriate in some countries, not only because of their cost, but also because of their function. In addition, these products may need a level of servicing that is unavailable in some countries.

Market potential must be large enough to justify the direct and indirect costs involved in product adaptation. You should assess the costs to be incurred and the increased revenues expected from adaptation of your product. The decision to adapt your product should be based in part on the degree of commitment to the specific foreign market.

In addition to adaptations related to cultural and consumer preference, you should be aware that even fundamental aspects such as electrical standards of the products may require changing. Electrical standards in foreign countries may differ from Canada's and may vary even within the country. Knowing this requirement, you can determine whether a special motor must be substituted or arrange for a different drive ratio to achieve the desired operating revolutions per minute.

Freight charges are usually assessed by weight or volume (whichever provides the greater revenue for the carrier), so you may want to give some consideration to shipping an item unassembled to reduce delivery costs. Shipping unassembled products also facilitates movement on narrow roads or through doorways and elevators.

Disassembling the product for shipment and reassembling can save you shipping costs, but it may add to delay in payment if the sale is contingent on an assembled product. Even if trained personnel do not have to be sent along with the product, you should be careful to provide all product information such as training manuals, installation instructions and parts lists in the local language.

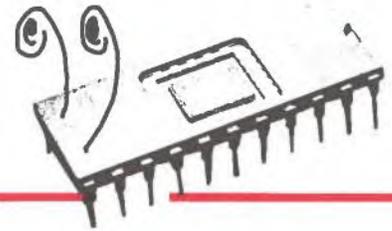
A warranty on the product should be included. Levels of expectation for a warranty vary from country to country depending on its level of development, competitive practices, the activism of consumer groups, local standards of production quality and other similar factors.

Of special concern to foreign consumers is the service your company provides for its product. Service after the sale is critical for some products. Generally, the more complex the product technology, the greater the

special insert

2000 bug

BY MIKE FLETCHER



While over 90 per cent of small and medium-sized businesses are aware of the Year 2000 problem (where some computers might fail on January 1, 2000 because they can't figure out whether "00" is 2000, 1900 or 0000), more than half of all firms have not prepared for anticipated computer malfunctions. Their thinking appears to be that either government or private industry will provide the right fix, just in the nick of time.

By adopting a wait-and-see attitude, however, many businesses could wind up in trouble. Self-reliance is the best remedy to deal with the Year 2000 problem. Regardless of size, all computers will be affected. This includes every piece of hardware and software in your office and anything else containing an electronic microchip. There are such chips in fax machines, answering machines, appliances, security systems and alarms, gas pumps, heating systems, electrical generators, wrist watches - the list is endless. Almost everything we do is touched by computers. Even though we don't see them, they are all around us. So even if your own system turns out to be fine, you should also make the effort to ensure your own suppliers are working to become Year 2000 "compliant," as well as help your small business clients take action too.

A key understanding surrounding the Year 2000 situation is not to expect a miracle cure. It is neither possible, nor is it realistic, to expect a single "magic bullet" to prevent, in one standardized way, potential Year 2000 impacts on every size of computer, every sort of operating system, every application and every microchip. Prudent business people will start by addressing the problem in their own office right away.

Obviously the earlier you start addressing the Year 2000 issue the better. The Year 2000 may seem like a long way off, but there is much work to be done and all businesses - large and small - will have to be well organized to complete all the necessary work in time. By getting started right away, you'll give yourself ample time to deal with minor problems up front. This will also put you in a better position to address major problems that might occur along the way.

By working together, businesses can accomplish much more than if they try to tackle the issue in isolation. Get together in groups, whether as a

community, industry, or professional association. In rural communities, **CFDCs** could help by bringing businesses together to focus on the Year 2000 issue. In urban centres, **Canada Business Service Centres** and **WD** offices could offer workshops and seminars. For the benefit of all, group members should be encouraged to discuss the shortcuts they've uncovered, the difficulties they've had and perhaps even share technical personnel.

There are opportunities here too. Canada is in the forefront of countries dealing with the Y2K problem and it is probable that our industrial infrastructure will be in far better shape than some other countries. This means that Canadian companies may have the opportunity to deliver products and services into markets that, up until now, have been the preserve of foreign firms. So if we address this problem and solve it as best we can, we will be in good shape to enter the new millennium and improve the way we both work and live.

Accompanying this feature is a short, step-by-step guide to help you and your clients take that first step. The steps can apply to most business organizations and are fairly easy to follow. When you go through them, they will produce an action plan that will help you to solve this problem for your own operation. Every company will be different in what it has to do regarding its own computers, systems, suppliers and dependencies, staffing, costs and priorities. The overall process to establish a framework is the same for everyone. This article is provided as a public service to help you and your clients start planning for the Year 2000 and can be reproduced and distributed copyright free. For more free information on Year 2000, contact SOS-2000 at 1-800-270-8220 or <http://strategies.ic.gc.ca/SOS2000>.

Mike Fletcher, CGA, is the author of Computer Crisis 2000, a non-technical business guide to the Year 2000 problem. His company, HighSpin Corporation, provides other products to help small and medium-sized businesses deal with the Y2K problem. For more information, he can be reached at (613) 692-0752 or by e-mail at mike@highspin.com

A Year 2000 Guideline for Small Business

By Mike Fletcher

The Year 2000 problem is a global challenge that may affect every link in the overall business food chain. Companies that exchange information or goods are looking at each other more cautiously. It's not good enough that your computers and software are Year 2000 compliant because your business could be affected through someone else's inaction.

In the months ahead, your organization or small business may be asked to sign a contract verifying that your business or product is Year 2000 compliant, which may present a problem for you. Therefore, as a businessperson or advisor, the best way to deal with it is to check all the links within your reach, and to correct those that may present any problems.

The simple list of instructions provided below are designed to help your office or clients take the first step towards action. The procedures will help you identify the areas of greatest risk and determine how best to deal with them. Although the methodology is identical for all companies, the results will vary for each firm. A micro-business with only one PC will face different issues than an import or export business with customers or suppliers in other countries. The important thing to realize is that all firms must examine their processes to see whether they are at risk. It will be rare to find a firm that the "Millennium Bug" doesn't touch, even peripherally.

1 Make a list of everything that could be affected in your business. To keep it simple, break your list into the following areas.

Computer Hardware - not just computers, but cash registers, laser printers, modems, routers, those old spares in the back, everything should be

counted. A lot of businesses don't have a comprehensive list of all their assets - this is a great time to make one.

Office Equipment - particularly phone systems and security systems, but remember photocopiers, fax machines and any other items that could also have a chip in them.

Facilities - list all your offices, and then the systems on which you depend. Parking passes, security, elevators, heating, ventilation, air conditioning, back-up power, perhaps even cable or phone lines. Certainly most of these will be the responsibility of your landlord, but if he or she doesn't do anything about them, you need to understand where you may be at risk.

Suppliers - for many companies, suppliers may represent the biggest risk from the Millennium Bug. Concentrate on the critical companies and their products that cannot easily be replaced, such as payroll processing services or a security system supplier. Are there companies that are making no Y2K preparations? If they fail, will that cause you problems? Pay special attention to any that are overseas. They will take longer to educate, and there could be shipment delays if any in between transportation systems have problems.

Customers - at first glance you may not see much of a risk here or not much you can influence. But talk to them and find out what they are doing about the Year 2000 problem. After all, if they have problems, who's going to buy your product in early 2000, or even just pay your past bills?

2 Evaluate those items on your list that could prove most problematic and determine the size of risk they represent for your company. This analysis may be based on technical knowledge, communications information or may even rely simply on common sense. Don't assume that because a process or system doesn't have an obvious date function that it won't be affected. For example, phone and alarm systems are probably very important to you, and there are often date chips buried in both of these systems. Ask detailed questions. While one of your critical suppliers may address their own computer operations, they may not have thought of the risks their own suppliers may expose them to.

3 When you are checking items out and are told those products are Year 2000 compliant, get it in writing. You can't afford to rely on a salesperson's glib assurances about the reliability of a device only to have it stop functioning on January 1, 2000 and have little or no recourse. If you are sending letters to suppliers and dependencies, make sure you document the replies you get. The whole question of "compliance" raises lots of legal questions.

4 Determine your priorities and your action plan. Your choices will usually be to repair or replace something. Either of these actions may cost money. But perhaps more importantly, they will cost you time, days and hours that you and your staff may have to pull away from other activities. It's highly probable that you will not have ample resources to fix everything 100 per cent in the time remaining. For example, how much time will it take you to convince an overseas supplier that he has a problem, and then to be absolutely certain that in fact he is completely prepared? You really can't tell, and that is why it is so important to start early as well as build contingency plans for the areas where you may run into possible trouble. Perhaps this will mean checking to see if your business liability insurance policy will cover any losses due to Y2K problems.

5 Staffing may well be one of your biggest issues. Accept the fact that it is very unlikely that you can fit Year 2000 planning and remediation into your regular operations. So that means that you will either need to rearrange job descriptions or to hire some additional help. Technical help is getting hard to find, and that will certainly continue to be a problem. But what you may need more than a technician is a project manager, someone who can understand your business issues and who can turn your company into a mean and lean machine ready for the 21st Century.



Microsoft's Year 2000 Glitches

Two dozen of Microsoft's products have problems with the Year 2000 software bug. That includes Windows 95 and Window NT operating systems. Windows 98, slated for release in June, is fully Year 2000 compliant. The company characterizes most problems as minor.

Three older software programs have serious flaws. The most serious is Word 5.0 for DOS. It was released in 1989. If the program creates a field dated after January 1, 2000, the computer may freeze up.

Access 2.0, Microsoft's database program sold as of April 1994, reads two-digit year dates as 20th Century. Office Professional Edition versions 4.0 and 4.3 (which includes Access 2.0) has the same two-digit year issue.

The best way to combat these problems is to always use a four digit date or upgrade to a later version. Most problematic products can be fixed with free software patches from Microsoft.

Checkout <http://microsoft.com/year2000>. Choose the product guide to find out if your software is at risk.



Y2K CHECKLIST



Key things to do if you operate a small business:

- 1** Contact your suppliers to ensure they will be able to ship your orders even in the event their computers fail.
- 2** Call your payroll processing service to ensure they are Year 2000 compliant.
- 3** Ask your security system supplier if your installation is Year 2000 compliant.
- 4** Determine if your cash register (and other point of sale equipment) will operate properly after 12/31/99.
- 5** Check to ensure that your business liability insurance policy will cover any losses due to Year 2000-related problems.
- 6** Ensure that your computer hardware and all software are Year 2000 compliant.
- 7** Check with your merchant card account provider to ensure Year 2000 compliance.



Checking your personal computer for Y2K compliance

To check your computer, visit http://www.nstl.com/html/yemark_2000.html and download a small file called YMARK2000. It is a self-extracting file that produces two files: 2000.exe and readme.txt. The files are small and it only takes a couple of minutes to download. Remember the path to the files.

Now, reboot your computer to DOS. (If you are using Windows 95, simply shutdown and click the choice, "Restart the computer in the MS-DOS mode.")

Execute the file 2000.exe by typing the path to the file followed by the file name. For example, say you stored the file in c:\temp. You would execute the file by typing at the C prompt: c:\temp\2000.exe.

Within a few seconds you will be informed if your computer is Year 2000 compliant. If so, you may rest easy but remember that this only tests the computer itself and none of the application software. For that, you must contact the various vendors and ask.

If your computer does not pass the test, you should contact the vendor and ask if an updated bios chip is available to solve the problem.

demand for pre-sale and post-sale service. There is therefore, pressure in some firms to offer simpler, more robust products overseas to reduce the need for maintenance and repairs. If you are relying on a foreign distributor or agent to provide service backup, you must take steps to ensure an adequate level of service. These steps include training, periodically checking service quality and monitoring inventories of spare parts.

Consumers are concerned with both the product itself and the product's supplementary features, such as packaging, warranties and service. Branding and labeling of products in foreign markets raise new considerations.

You may find it useful to obtain the advice of local lawyers and consultants where appropriate.

These are some of the considerations involved with preparing your product for export. WD offers comprehensive export information and businesses services to entrepreneurs and small business owners interested in entering foreign markets. If you would like further information or would like to speak with a Client Service Officers with export knowledge, call WD at 1-888-338-WEST (9378).

Editor's note

Going International is a series of articles designed to help small businesses prepare for international markets. The next issue of Access West will provide you with information on assessing your export potential, the value of planning, management issues involved with your export decision and a sample outline for an export plan.

Alberta Leads the West in Signing the Western Economic Partnership Agreement

On March 2nd 1998, the Honourable Anne McLellan, Minister of Justice and Attorney General for Canada, signed a multi-million dollar agreement with the Province of Alberta. The federal government joined Alberta in being the first of the four western provinces to formally sign a Western Economic Partnership Agreement.

The agreement resulted in a \$40 million (\$20M federal and \$20M provincial) boost to the Alberta economy and a commitment from the federal government to continue working with provincial counterparts, throughout the West, to support continued economic growth and job opportunities. The federal government is currently negotiating similar agreements with British Columbia, Saskatchewan and Manitoba.

This announcement is an example of how the government is prioritizing its spending to better serve Canadians by making efficient use of their tax dollars. In addition to bolstering funding, the agreement will improve the efficiency and effectiveness of government economic development programs by clarifying the roles and responsibilities of the governments in areas such as community development and science and technology.



The Honourable Anne McLellan, Minister of Justice and Attorney General for Canada (centre), signs the agreement while Alberta Provincial Ministers Lorne Taylor (right), Minister responsible for Science, Research and Information Technology, and Dave Hancock (left), Minister of Intergovernmental and Aboriginal Affairs, await their turn to sign.

Letters to the Editor

Re: "The Power to Influence"

Your article on developing a corporate logo was interesting. As a graphic designer for 25 years designing small business logos and Corporate Identity Programs, I welcome articles on this subject for small businesses. Most owners have no clue how to prepare a proper marketing strategy for their company. If they use a logo design, it usually lacks a great deal, and they also have no idea "how to apply them" which is as important as the actual design of a logo.

A well-designed logo should always be part of an "Identity" program that can have many benefits to a small business. It builds equity in the marketplace and has value if the business is sold beyond the physical assets and sales of the company. It even generates pride in company employees because they see the logo as a team symbol.

However, I strongly disagree with some of the suggestions in the article that an owner or a manager should design a logo themselves! You mention a "well-crafted" logo. Do you really think a non-professional can do that? Do you know what the seven criteria are that make a logo successful?

I have finished many design programs that started with an owner coming to me with a sketch of what they think they want. By the time we analyze various aspects of the company objectively, and look at their competition, projected image, etc., as a professional I have always been able to come up with a design and implement it in a manner that the owner wonders how he got along without it!

To suggest that you can just use a computer graphics program that makes "designing a logo quite easy" is a very superficial statement that gives no credit to the value of proper design. Why do large corporations spend a small fortune designing their Identity programs if some hack with a computer can do it? Just because you can paint a fine paint brush does not one a Picasso or Rembrandt make!

I agree with the article that "it has the power to influence," helps to "allow the relationship to grow" and the comments on having the business card printed professionally. If all that is the case, then you should be suggesting that a business owner hire a design professional to create a logo with a comprehensive design strategy and a set of simple standards to become noticed in the marketplace and visually stand out from the competition. The small investment to cover this one time cost will pay back many times in the future.

Why not list various design agencies in Western Canada who have experience in helping small business in this area? Or even do some short case histories explaining how small companies have been helped by this process. I can give you many examples.

Volker Beckmann
DESIGN NORTH
7 Pickerel Crescent
Thompson, MB R8N 0Z1
Ph./Fax 204-778-7434

Award winning graphic design and marketing services.

Editor's Note:

Thank you Volker I am pleased to share with our readers your viewpoint highlighting the importance to tell your own story. Access West is one of Western Economic Diversification's vehicles for sharing views, news and information, asking questions and learning how to better serve small businesses in Western Canada. I welcome your comments and look forward to further correspondence.

If you would like to be added to our mailing list or have small business questions and comments, please contact the editor at:

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Feature Articles from the previous issue of Access West

A KPMG study reveals the influence small businesses have on the economy of Western Canada

Maintaining a good business reputation in a small community

Building on the natural vitality of francophone communities

Demand for clean air alternative pressuring XL Air to grow

The power to influence, projecting a professional business image

Passion and Commitment -- the women's conference promises to deliver

Regional inserts from each province provides news from network partners and success stories from their clients.



STUCK? CALL US.

Running a business is one of the greatest challenges you'll ever face. Whether you're just starting out, preparing to expand, or going for a loan, the first step is a sound business plan. If you're having trouble completing your plan or if you've written one and you'd like a second opinion, give us a call.

At Western Economic Diversification, our Client Service personnel provide a wide range of services:

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- help with business planning
- financing options and advice
- understanding government regulations

All our services are offered free of charge to small and medium-sized businesses in Western Canada. Even if your business has only one employee – you. Call us today.



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Supporting jobs and growth in Western Canada.
1-888-338-WEST www.wd.gc.ca/welcome

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228903

If undeliverable, return to:
WD Edmonton
Suite 1500, Canada Place
9700 Jasper Avenue
Edmonton, Alberta T5H 4H7



THE JOYS OF SELF-EMPLOYMENT

Another tax-filing season has just passed and now it is time for small business owners to prepare for the season of possible audits.

The continuing stream of Canadians who start up their own businesses, often out of their homes (opening up a world of tax deductions denied to the ordinary employee) need to know that tax planning should be an ongoing concern and part of their daily business routine.

If you are starting your own business, there are several books on the market that you may find useful such as: "**The Complete Canadian Home Business Guide to Taxes**" by **Eyelyn Jacks**. Two helpful tips on tax and investment aspects of running a small business included in her book are:

Keep a detailed business journal - When you first start out, you will incur many expenses. A detailed journal will help you explain and justify various expenses you claim and deduct today even if the audit comes three years later. Revenue Canada will want to know how those expenses related to making money and were they reasonable in the circumstance. You will always have to show your business has "a reasonable expectation of profit."

You will also have to account for your income and "show the relationship between your level of income and your lifestyle." So, keep detailed records showing that your business paid only for business expenses.



Focus on building wealth - Building income and profits is important, but so is building the value of your business so you can sell it one day. Until then, the value will increase tax-free. If you eventually incorporate, up to \$500,000 profit will be tax-free for each shareholder in the family business.

Revenue Canada has responded to the growth of entrepreneurs and hired an additional 800 new auditors who will focus on small, unincorporated businesses.

You can expect to hear from Revenue Canada on an ongoing basis, whether it is just a call, a letter, or a full audit to do with income tax, GST or source deductions. Regarding the audit, well, rather than fear it, expect it and be prepared.

Upcoming pan-western conference

Autumn in the Rockies
Women Entrepreneur Conference
October 23, 24, 25 1998
Jasper Park Lodge
Jasper, AB

The conference is designed for business women, women contemplating starting a business, professional and career women as well as women who would just like to get away for a weekend.

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