

Access West

Western Economic Diversification Canada

Building a Successful Business

As your business ages and progresses, it changes and develops with the experience of the management team and your knowledge of your market. As your business matures and becomes profitable, it also becomes more stable.

But, by no means is progress guaranteed. Many businesses never move out of the development stage. The owners spend most of their time handling one crisis after another, reacting to what is happening to their business, instead of planning and following detailed strategies.

If your business is to succeed, there are definite stages of development that you must attain. Staying too long in any stage usually results in "burn out" for the owners and the eventual demise or sale of the company.

Look at the following stages as stepping-stones toward building a strong and profitable company, where you see your dreams of success realized. Each stage can be clearly identified by measuring areas such as management style and profit consistency.

Stage 1: Development

Your management style at this stage needs to be very results-oriented and success-driven. You need to be willing and able to take risks and make decisions quickly even in areas where you have little or no experience. This is the stage where most of your mistakes will be made and repaired.

Is your business stuck in the development stage? Look at Checklist #1.

Checklist #1

- Sales and profits are not consistent, or may not be happening at all.
- More money is going into the business than is coming out of it.
- No repetitive systems or routines are in place. Everything in the business is being created on the run.
- Papers pile up on your desk, not only because you don't have time to get to them, but also because you don't yet have a specific place or system for dealing with each piece of information.
- Job tasks and responsibilities are not separated and assigned to separate individuals.
- Outside expertise is not being utilized.
- There is not enough time in the day to get everything done.
- Management focus is on creating customers, products, and services.
- Results are taking much longer to happen than anticipated.

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VOLUME NUMBER 3 ISSUE NUMBER 1

A Message from Ron Duhamel

Secretary of State for Western Economic Diversification

Over the past decade, the growth of small business across the nation has been second to none.



WD's mission has been to provide access to services for small business and entrepreneurs and support a network of partnerships. These services include facilitating access to capital, expanding access to business information, developing and delivering targeted business services, representing the needs of Western small business in Ottawa.

As we step into the new millennium, we are looking at rebalancing our overall activities, which will allow us to more effectively address barriers to entrepreneurship and the growth of SMEs. WD has developed a strategy to rebalance our activities to respond to new challenges and priorities.

We will streamline our existing service delivery network and the use of loan/investment funds. We will work together with other government organizations to increase access to other government procurement opportunities.

We are also working on improving the use of trade and export development programs and services. WD will focus on addressing gaps in access to capital in western Canada and we will facilitate access to skilled jobs and training for post-secondary graduates.

We are focusing on expanding export and business opportunities for small business. WD is committed to maintaining effective partnerships with key community and financial organizations that can assist in the delivery of programs and services.

In her October Speech from the Throne, Governor General Adrienne Clarkson stated that in the new economy, knowledge and innovation are the cornerstones of a higher standard of living and a better quality of life. Research and development are the lifeblood of innovation.

WD is strengthening activities that assist western Canadian businesses and institutions to increase their skills and capacity in knowledge-based industries and innovative technologies. We are designing and implementing programs to improve adoption of innovation by western Canadian industry.

Recognizing that one of the challenges small businesses face is the inability to invest in research and development to the degree of large businesses, WD acts as a catalyst in bringing together the business community, provincial governments and other partners to conduct leading edge-research. Starting in the year 2000, we will increase investment in innovation and R&D in key technology-driven sectors and will facilitate linkages between western firms and institutions and national programs and initiatives.

The knowledge economy applies to all sectors. Large research projects and the development of innovative technology create spin-off opportunities for SMEs. It is no accident that the four western provinces accounted for more patents per worker than any other region or province in the country.

Right now, Western Canada is outpacing all other regions of the country in small business growth. WD's role is to help businesses get ready for the 21st century by becoming more innovative, more productive, more competitive and more connected.

Editor's Note:

WD Edmonton recently hosted five, Grade 9 students for the day during "Take Our Kids to Work Week" so they could experience how their studies relate to the work world.

As the Editor of Access West, I wasted no time in recruiting them as Assistant Editors. I would like to extend a very special thank you to Monika, Chris, Mathew, Jason, and Kyle for their tremendous help in deciding what articles should go in this issue, why, and where they should be placed.

Although they thought this note should be the cover story, I was able to convince them otherwise.

You did a great job and can be very proud of your issue!



Joined by Gary Webster Assistant Deputy Minister for WD (centre) is: left to right Kyle Lickacz-Wood, Jason Faber, Matthew Brisbois, Chris Lennie and Monika Lang.

Continued from cover

If this describes your business, you may want to review your situation and see how you can gain strength. Here are some aspects of your business you should give more attention to:

- Write a business plan broken down into monthly and weekly activities.
- Build time into your weekly routine to review and revise progress and strategies against your business plan.
- Fix mistakes well the first time, you do not have enough time to do it twice.
- Learn from others. Surround yourself with a network of stronger, more mature businesses.
- Develop a “return on investment” approach to your business. Every dollar and hour spent should give you some return greater than what you have put in.
- Develop good management habits now; you will need them every step of the way.

Stage 2: Growth

You are no longer reacting to what is happening to the business. Many of the expectations you had have been realized. You are gaining market share, but not enough for competitors to respond. More of your tasks are repetitive now than in the development stage, although you still need to have very general skills and be able to adapt to a wide variety of demands. You have begun to identify which plans are working and which are not. You now see a definite return on investment, although it is not as high or as consistent as you had planned.

Review Checklist #2 to see if your business has reached the growth stage.

Checklist #2

- The business is consistently breaking even, and occasionally showing a small profit.
- Systems and strategies are still being added everywhere.
- Repeat customers are just starting to appear.
- You now have a market or customer base that is contacting you.
- Management focus is still largely on marketing although some staffing issues are now occurring.

If your business is going to move beyond the growth stage, you need to look at ways to make your operation more efficient. You may also need to consult with other entrepreneurs who have successfully navigated the growth stage. Here are some steps you can take:

- Delegate job tasks to the best person, not the one with the most time.
- Develop marketing systems that will help you react to the competition; they are about to notice you.

- Analyze products and services for their profitability, and drop those that don't give you a profit.
- Begin to have “specialist” job functions. Develop staff training plans and job descriptions for each specialist, even if some people are responsible for more than one job.
- Create a “board of advisers” from your network to keep you focused and committed to your plan.

Stage 3: Comfort

This is the where almost everything you do gives you a return on investment. You no longer have to create sales as much as add to each sale. A large part of your customer base is now repeat buyers and those referred by existing clients. Your staff know their jobs, and most work independently from one another. More of your day is spent dealing with human resources and planning the next quarter than in dealing with the daily sales and yesterday's paperwork.

Review checklist #3 for signs indicating that you are experiencing the comfort stage.

Checklist #3

- Revenue and profit is consistent and stable.
- Most of the job tasks are routine and repetitive.
- Systems are in place to handle all job tasks and information needs.
- Outside experts are used in special areas such as legal and financial management.
- The people involved have responsibilities and functions that are independent of each other.
- The business operates by following business plan strategies that are based on ensuring a consistent return on investment.
- Management focus is now on human resources, placing the right people in the right jobs.
- Every member of the organization follows operations and policy manuals consistently.
- New members each have a job position training and orientation plan.

The comfort stage is the place where many business owners re-evaluate just where they want their company to go, and how hard they are willing to continue to work to get it there. If you want to continue in this profitable, stable stage, you should do the following:

- Acquire management skills to analyze each area of the company: financial, human resources, marketing and operations.
- Compare the achievements of the company to the business plan.

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Speakers Corner

HELP! I'm interested in developing my business on-line but I am a bit overwhelmed with everything. Where do I start?



Needless to say, it is understandable not knowing where to start. There is a vast number of choices which are available when it comes to developing business on the Internet, more than what is available for all other media formats combined. There are different companies for just about everything you could want to do on the net; from

designing and hosting to promoting and featuring it through affiliate programs, ranking your web site, and offering maintenance services in the coding. When faced with so many new choices, it is confusing.

So, to avoid some of the confusion when planning on developing your business on-line, I suggest you start by researching and selecting a company which can design and host your web site to your specifications (sometimes called web master). It saves you the time you would spend on learning how to program in HTML or how to use authoring tools such as HTML editors and allows you to focus on what you do best, running your business, its products and services.

The company you choose should design your web site to load quickly on the majority of Internet users' systems and suit your requirements. Also, the company you choose should offer the option of advertising your web site on search engines and give you the statistics of your web site in a comprehensive report.

Before starting your research for a company to design your site, there is some basic information which you can learn and become familiar with before venturing out to sign up your web masters. Having an understanding of these basic components will give you a solid foundation in which to work with your web master in designing the perfect site for you and your business.

Eight Things All Web Sites Should Have

1. Site Map

Even the simplest web site should arrive on-line with an organized structure. One of the keys to keeping visitors grounded is to give them an obvious link to a detailed site map. It should be organized to allow the visitor to immediately see the area they're trying to find.

Users are more likely to stick around if they can refer to a good site map.

2. Navigation Bar

Good navigational tools are an essential element to any site. Every web site should have a set of navigational tools

which remain consistent on each page within the site. Buttons on the navigation bar should include the home page, contact information, a feedback page and the main areas of interest. These main areas of interest should correspond with the main topics of the site map.

Navigation bars are easier to use for site navigation if they're placed in the top portion of the web page and are consistent from page to page throughout the site. Some designers choose to place a bar along the top of each page, while others use a split-screen method. In the latter, the buttons are displayed vertically along one side of the page, in a separate screen or frame. When a button is clicked, it's corresponding page appears in the main screen and the navigation bar remains in the split screen, usually on the left side, making traveling within the site simple.

3. Contact Page

Visitors like to know there are people behind the information they're reading. It's important to include other contact information. Feedback strictly through e-mail can turn some people off, especially visitors who do not have access to return e-mail accounts. With this in mind, include a postal mail address and contact name, as well as telephone and fax numbers.

4. Feedback Forms

Since so many Internet users browse after the normal business day is over, it's a good idea to include feedback forms. Visitors can request information right then and there, without needing to write down a number and call at a later time. It also helps visitors who are without their own e-mail accounts.

5. Compelling Content

Visitors arrive expecting to learn everything they want to know about a web site and its products or services. A site worth visiting includes compelling and relevant content on every page. The key is to avoid turning a web site into an on-line version of regular hard copy material.

In order to attract clients, it is important to tailor the language accordingly by explaining jargon and technical terms. Use bullets to separate particularly important points and keep pages basic and "clean."

6. Graphics

One of the improvements to the Internet in recent years is that it has evolved from the early days of text-only surfing. Not that text is all bad, but images, logos and graphics really liven things up. But don't overdo it. Featuring reasonable graphics which get the point across without hogging too much memory or download time is preferred. They should be small and fast-loading as most people don't like to wait.

So You have a Web Site..., What Now?

It is time to let people know!

Once you have a web site designed and ready to launch on the Intranet, letting people know you are on the Internet will be your next step. It is important to think of your web site as another promotional tool you have to sell your business. Just as when you developed a brochure or flyer and decided just where the best places were to use them, you will need to decide on a similar strategy for your web site.

The www allows you to advertise your business to people who are looking for what you offer as a product line or service. It lets your web site present all the same information as a newspaper ad, a T.V. commercial, a radio spot, a coupon flyer, a map, and you can include downloadable items as well. It also gives you access to the world's largest customer base. With effective promotion of your web site on the Internet, you can generate substantial growth. Offer something for free or offer a contest on your web site and you will see dramatic increases in the traffic you gain.

Not to worry, your web master will be able to provide some insightful suggestions. And, if you don't have a web master, there are several ways of letting people know you are on-line such as:

- announcing your site in search engines or search portals (larger, more commonly used search engines), chat rooms or discussion groups related to your business
- posting notices in newsgroups
- having an effective list of keywords in each of your web pages
- e-mailing a monthly or semi-monthly newsletter to preferred clients may help generate traffic to your web site
- adding your new web address to your business cards, business stationery, and other advertising with which you are currently involved
- sending out a public service announcement to local media outlets, if your web site is "news worthy"
- having links or banner exchanges (graphic links) with other web sites which already have considerable traffic
- submitting your site into web sites which rate others such as yours.

In order to advertise your web site as a banner or link to other related sites, or be



included in a site which rates others such as yours, you will have to request permission from the site in which you would like to be recognized. Usually, there is minimal cost involved which is provided as either a monthly or annual rate.

With effective promotion of your web site, you should see results within the first couple of weeks to a month. Keep in mind that the Internet is virtually huge, and it may take a while for customers to locate your site.

Once you have your web site on line and have started making people aware of it you can expect to have contact with people from all over wanting more information about what you are offering as well as people just wanting to talk to you. You should expect to:

- get e-mail messages and regular mail correspondence
- receive replies from customer to e-mail forms you make available regarding your products or services
- have customers order from you
- check e-mail on a daily basis in order to keep on top of customer requests as they will expect their request to be handled quickly
- get feedback – positive and negative
- receive phone calls if you display a 1-800 number on your site
- hear from advertisers wanting to do business with you
- have people to apply for work with your company
- have busy and slow periods
- deliver your goods or services in a timely reasonable manner
- receive praise for excellent customer service and complaints for poor service
- make a profit just like in any other type of business operation
- find that you will need to keep your web site changing to have people come back or to refer others.

Graphics are often more effective than text if they clearly represent the link. If they don't, the users will get confused. To avoid confusion if images aren't completely clear, include text underneath a graphic.

One savvy design trick is to colour-coordinate the site, right down to each hyper link. Avoid using unusual colours for links; stick with standard, noticeable colours.

Whatever page is currently being displayed should have its corresponding button grayed out, highlighted, or indicated in some other way. Essentially the button is inactive, but it should draw attention to itself in some manner so the visitor knows where they are. When they leave that page to go to another, the button can become active again and the one representing the new page can become dim or highlighted.

7. Searching Mechanisms

A searching mechanism is a great addition to any site. Search tools let users type in key words and phrases, then click a button to call up a list of all the pages on a site that include those words. The bigger the site, the more likely visitors will appreciate such a capability.

8. Relevant Link

An essential component of any web site is a collection of links leading to other related sites. The World Wide Web is so named because of the interconnectivity among sites. The best sites are those which offer links to other sites that offering more information on a related topic.

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- Create new products and services only if they are needed by the company.
- Ensure that your entire team functions well together and recognize that no one is indispensable.
- Spend time researching and developing the next actions of your company.

Stage 4: Expansion

Your company is making a consistent profit that is much higher than during the comfort stage. The expansion stage feels a lot like the growth stage, but the biggest difference is that expansion activities are planned successes based on a proven track record. Growth is the stage where success was a result of trial and error.

Your management style now needs to be that of a team coordinator and visionary, capable of leading the company into the arena of fast-paced growth and high investment return.

See Checklist #4 to determine if your business is already in, or is ready to enter, the expansion stage.

Checklist #4

- You have consistent profits of greater than 20 per cent per year.
- Your revenues come from diversified markets or client bases.
- Effective and efficient systems are in place throughout the company.
- Each job is well defined and completed by specialists.
- Management focus is on the expansion of company profits through diversification of market or location.
- Management consists of a team of experts for each department.

If you are determined to forge ahead, keep in mind the following:

- Learn to take risks again, but make sure your risk analysis is strong.
- Develop a plan for expansion and stick to it.
- Ensure that the expansion complements and builds on the strengths of the existing company.
- Match the rate of expansion to the demands of the market and the talents of your team.
- Listen to and trust your team. Give them more authority.

Learning when to let go is an important skill for business owners. Too often the expansion of the business is stalled because the owners will not let others take over some of the aspects of operating the company. When the owners step back from the daily operations, they can then focus on leading the company through the expansion stage to real growth and wealth.

Growth and Profit make a business... People give it life!

Networking Basics

The objective of networking is to build a community of contacts that will be there to help you when you have a need. In reality, most of us do not start networking until we need something and that is too late but effective networking should be a process of ongoing information gathering. After all, people will do business with and refer business to those they know, like and trust and these relationships only happen over time.

Some basic Networking Do's and Don'ts

Do: Be sincere. Networking is an exchange of information and support, which means you have to represent yourself honestly. Otherwise, you are just using people.

Do: Focus your networking. Think about the ways in which you can benefit from a larger network of friends and contacts then determine where you are likely to meet these people. Then, start to be seen in these places.

Do: Expand your networking beyond your field. The wider your network, the greater the payoff. Other professions and interests will expand your range of information and make you more effective in the workplace.

Do: Open your ears. When meeting a networking prospect for the first time, invest 90 per cent of the conversation asking questions about that person's business. A crucial point: they want to talk about THEIR business, NOT YOURS. Being an effective listener is effective networking.

Do: Improve your memory. Networking provides good opportunity for you to exercise your memory of faces, names and details. Good impressions are made when you can remember your last meeting.

Do: Join a group. Not just networking groups where people in your profession gather to share information, ideas and news, but consider other groups such as charities, athletic clubs or boards of trade. These offer great networking opportunities and demonstrate a greater depth of yourself.

Don't: Look for an immediate payoff. Networking is about building relationships. They don't happen overnight.

Don't: Think only about yourself. Helping others with job referrals or information today may translate into a more valuable network in the long-term. It is not about you getting ahead, it is about making your network of contacts successful.

Don't: Be shy. Networking is like any other skill it needs practice and determination. Overcoming an introverted predisposition will take time and effort but is essential to effective networking and growing your professional career.

Don't: Stop networking. Once you have built a modest-sized network community keep building. Like most things, your network community will grow and evolve, as does your professional career.

Ready, Set, Benchmark!

Attention Canadian entrepreneurs and small business owners:

Are you looking for tools to help you get ahead in today's high adrenaline economy?

Do you want to know how your company measures up against the competition?

Are you developing a business plan and uncertain about where to begin?

In Performance Plus, Industry Canada has the answer to these questions and more.

Performance Plus uses the Small Business Profiles data from Statistics Canada to provide you with extensive, detailed information for more than 600 business sectors across every province and territory in Canada.

From dairy farming to ship building, telecommunications to welding services, this data is compiled based on aggregated tax submissions and includes over 30 performance benchmarks for everything from how your expenses can change at different revenue levels to forecasting profitability.

Online, user friendly and free, Performance Plus is the right tool to help you get on the right business track and make the best operational decisions – quickly, simply and effectively. Anytime. Anywhere.

Performance Plus is no ordinary web site. In addition to providing the information you need to benchmark your operation, Performance Plus features a full glossary of terms, background data, convenient search options, product-user testimonials and hot links to a variety of related business sites.

For Canada's 2.5 million small- and medium-sized enterprises (SMEs) and the 250,000 start-ups that foray into business across the country each year, Performance Plus represents a truly groundbreaking advantage.

"The Small Business Profiles serve as another useful tool in the toolkit of the existing and potential small business person. Putting them on the Internet is icing on the cake."

Oliver Bernuetz
Canada/Manitoba Business Service Centre – Winnipeg

Set your sights on improving YOUR business performance!
Performance Plus: <http://sme.ic.gc.ca>

New Supplier Registration System Launched !

Companies wanting to do business with the federal government take note!

There's a new way to register as a potential supplier to government departments and agencies. Contracts Canada has introduced the Supplier Registration Information (SRI) system, a database where you can register online and federal government buyers can browse to find sources of supply, including you, for the products and services you sell.

If you have access to the Internet, visit the Contracts Canada site.
<http://contractscanada.gc.ca/en/regist-e.htm>

If you don't have access to the Internet, contact the office in your province to find out how to register.

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Millennium CD Launched in Time for New Millennium

In a shower of colourful streamers before a crowd of 350 excited music fans, the new double Compact Disc "GO WEST: A Vital Collection of Western Music" was launched October 14th by Oryssia Lennie, Deputy Minister of Western Economic Diversification. "I would like to congratulate the team from the recording industry associations across Western Canada and WD who brought this wonderful idea to life through an effective public/private sector partnership," said Ms. Lennie. "The CD showcases our tremendous musical talent and will help to promote the recording industry of Western Canada." The official launch took place during the opening ceremonies of Prairie Music Week at the historic Pantages Playhouse Theatre in Winnipeg.

The CD includes a cross-section of talented musicians from the West and features the melodies of Jann Arden, the hot and spicy guitars of Huevos Rancheros, prairie-rockers Wide Mouth Mason and the luscious jazz sounds of Jennifer Hanson. The project, funded by WD as a millennium project, was co-produced by the music industry associations in the four western provinces.

Arrangements have been made for the CD to be available at various retail music stores, including HMV, Music Baron and Sam The Record Man, just in time for the Christmas shopping season. You can also purchase the CD on-line at www.gowestcd.com. Proceeds from the sales of the CD will create a new fund to support future small business development projects of the music industry associations in Western Canada.

George Skinner, Director General, Program Development and Strategic Services in WD-Manitoba and Joyce Bateman Hancock, Senior Project Officer took the lead in working with the industry associations to produce the CD. The idea was chosen, by WD's Millennium Project

Team, from a number of submissions earlier this year. "This idea came out of discussions which were prompted by the Deputy Minister's department-wide request for proposals to mark the millennium," said Skinner. "It is particularly attractive as a millennium project as it builds on WD's traditional support for small business and at the same time celebrates Western Canada's impressive music culture," he said. Bateman Hancock adds, "We really feel it will exemplify and provide a unique and lasting image of the music that we have in the West. The rich diversity of the West's music culture is not recognized enough and we hope to begin correcting that oversight."

WD's Millennium Project Team led by Marcel Préville and Don LaBelle, includes Joyce Bateman Hancock – Manitoba, Dale Nave – Saskatchewan, Lyn Bilida – Alberta and Kandice Johnson – British Columbia.



Deputy Minister Oryssia Lennie (centre) led the way at the official launch of WD's special edition Compact Disc GO WEST in Winnipeg, in October, as part of the opening ceremonies for Prairie Music Week. Joyce Bateman Hancock (R) and George Skinner (L) were part of the project from the start.

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