

Behind the Counter

WOULD I BE A GOOD ENTREPRENEUR?

So you have a business idea, what's next? The main factor that determines whether or not to embark on a business venture is usually money. Are you and your family prepared and able to forego a regular pay cheque for the uncertainty of self-employment? A rule of thumb seems to be to have enough money saved up (in addition to the money that will be required to start your business) to cover at least 3 months of personal expenses.

Another option is to continue to work full time while launching your business idea on a part time basis. Of course, this will make the transition into self-employment that much longer and some people may run out of steam before the business idea really gets off the ground. Being in business for yourself usually does not mean that you are on the road to easy street (well not at first and sometimes not ever) but that you will be working long hours to accomplish all the extra work that will be required.

The definition of an Entrepreneur in the dictionary is 'one who takes on an enterprise'. So it would be reasonable to assume that one of the traits or qualities of an entrepreneur would be that of being able to identify opportunities and determine which ones are worthy of pursuit. It also would be reasonable to assume that another quality of an entrepreneur would be the ability to embrace change and respond and adapt to it. Most people tend to think that entrepreneurs are risk takers, but that is not necessarily the case, but rather they seek rewarding challenge. Because their idea and reputation is on the line, most entrepreneurs have high levels of self-esteem and self-worth. If you have access to the internet, the Ministry of Western Economic Diversification has a quiz that you can take to determine if you have the traits and qualities of an Entrepreneur at

http://www.wd.gc.ca/tools/xindex_e.asp. Small Business BC also has a similar quiz at <http://www.smallbusinessbc.ca/bizideas-ready.php>.

If after taking the quiz(es), you choose to proceed with self employment, the next step would be to create a plan. This plan considers items such as: business environment, industry overview, consumer trends, seasonal factors, competition, position in industry, etc. The Small Business BC website has a feasibility study (quiz) that you can download and apply to your business idea and use it as a planning tool. It can be found at <http://www.smallbusinessbc.ca/bizideas-feasibility.php>.

If you are going to the bank to finance your idea, the bank will require your plan formalized into a 'Business Plan' format. Many of the bank websites have draft examples of business plans that you can use to develop one to fit your business idea, also available from your account manager. Another resource to evaluate and develop your business plan as well as a possible source of financing is the Community Futures Development Corporation of Central Okanagan <http://www.cfdcco.bc.ca/>. They run an Entrepreneur Assessment Program several times a year. In some cases, attendance at this course may be covered by EI.

HOT TAX TOPIC: The most asked tax question in our office over the last 2 weeks was "Do I need to pay installment payments?" The answer is that it is a personal preference. The installment amounts are based on prior year's income, and are not enforceable. If a person thinks that they are going to be making approximately the same amount of money in the current year as last year, then it might be a good idea to make the installment payments so that there won't be such a huge tax hit at the end of the year. Alternatively, even if income will be the same this year as last year, perhaps a person has

received some advice from an accountant or investment advisor to determine how the tax can be deferred which would reduce the taxable income and installment payments would probably not be required.

Gabriele Banka, DAcct, CGA owner of Banka & Company Inc. www.bankaco.com, can be reached at info@bankaco.com.