

Government of Alberta

# LABOUR MARKET NEWS

NORTHEAST REGION  
WHITECOURT / WOODLANDS



## JOB SEEKER CONNECTIONS

# Becoming an Entrepreneur!

If you're like most people, you have dreamed of being your own boss at one time or another. According to the Statistics Canada website, 2.6 million Canadians were self-employed in 2008. The thought of doing what you love to do, working where and when you want, meeting new people, and making more money for yourself are strong reasons to explore self-employment. The freedom and power of running your own business can be very appealing, especially if you experience lay offs or are unemployed. Being an entrepreneur can be a good way

of taking control of your employment needs.

The Alberta Learning Information Service (ALIS) website says that self-employment can be a strong work option for you to consider, but also advises that some people are more inclined to become successful entrepreneurs than others. It all depends on your personal circumstances, your skills and knowledge, and your willingness to work hard and take risks. It involves major decisions that take time, money and energy.

The prospect of owning your own business and creating a new future for yourself is very exciting. Your ideas, optimism, and enthusiasm (traits of successful entrepreneurs) are flowing and you are tempted to plunge headfirst into your new business. But you would be making a mistake if you didn't do the proper analysis first, to see whether you really are suited to self-employment or not.



According to The Business Link, self-employment is responsible for more than 75 percent of the job growth in Canada in the last 10 years. Source: *The Business Link, Alberta's Business Information Service website [www.canadabusiness.ab.ca](http://www.canadabusiness.ab.ca)*

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### Non-traditional Occupations

This publication has been prepared by Alberta Employment and Immigration. We would like to thank Service Canada for their assistance and insight in the development of this bulletin.

### Is Entrepreneurship for you? Matching your personality, skills, and lifestyle

As you begin to imagine yourself as an entrepreneur, look at yourself in terms of what you need, what you want, and what you are capable of doing. The following lists show some of the key characteristics that The Business Link, Alberta's Business Information Service (1-800-272-9675) website ([www.canadabusiness.ab.ca](http://www.canadabusiness.ab.ca)) says most successful entrepreneurs have.

#### Personal Qualities

Patience; perseverance; works long hours; weathers the highs and lows; loves a challenge; tolerates the unexpected; desires change and improvement; monitors social trends and adopts new technologies; action-oriented; thinks positively; gets over failures quickly; learns quickly, enjoys feedback, and is able to learn from mistakes; good communicator;

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independent and extroverted; self-confident, determined decision-maker; creative, innovative, and open-minded.

**Physical and Psychological Qualities**

Good health and energy; emotional stability; enough money for risky start-up period; lots of time; role models; intelligence.

**Business and Management Skills**

Able to set realistic, attainable goals; takes calculated not foolish risks; can influence and inspire others without imposing status or power; gets along with and adapts to all types of people; trusts others and gives out responsibility; good written and presentation skills; general financing, production, administration, human resources, sales, and marketing skills

**Lifestyle Considerations**

Other commitments and obligations; family responsibilities (food, clothing, shelter, love, attention, and security); your own happiness and passion about the business (your natural talents, skills, and sources of enjoyment may lead you to the best business idea); no job security or retirement plan.

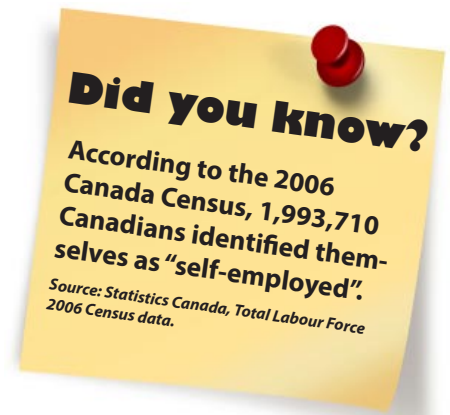
Once you have figured out what is motivating you to start your business - money, freedom and independence, or lifestyle for example - you will be in a better position to assess your personal qualities. No entrepreneur possesses every quality listed above; and there are successful business people who have very few of these qualities. The point is that your business venture will be a very personal journey and it will be up to you to assess your self-employment strengths regardless of what kind of self-employment you undertake.

**Types of Self-Employment**

There are many ways to be self-employed. Alberta Employment and Immigration’s *Self-Employment: Is it for me?* workbook identifies these alternatives:

**Entrepreneurship**

- Business that sells a product or service and employs others.
- *Key advantage:* Offers most potential for growth and profit.



- *Key disadvantage:* Highest risk; most money for start-up.

**One-person Business**

- Often home-based or incubator-style business that offers product or service with no employees.
- *Key advantage:* Low overhead
- *Key disadvantage:* Ability to increase growth and profit.

**Consulting**

- Offers expertise to various clients and projects at same time in own premises.
- *Key advantage:* Variety of clients and profit potential.
- *Key disadvantage:* Requires high organization and marketing.

**Contracting**

- Works within organization on project, time-limited basis.

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# Thinking of becoming your own boss?

This primer outlines the benefits and challenges of self-employment and examines the motivation, skills, traits and background of successful entrepreneurs. It explores the various forms of self-employment and how to get started in business. There are hints to get you thinking about innovative products and services, information on writing business plans and more.

Pick up a free copy of *Self Employment: Is it for me?* at your local Labour Market Information Centre (LMIC) or download a copy from the Alberta Learning Information Service (ALIS) website at [alis.alberta.ca](http://alis.alberta.ca).



## Entrepreneur Profile:

Sonia Vangilst, Owner  
Beaver Creek General Store  
Whitecourt Alberta

**Q:** Can you tell us a bit about your company and what your primary area of service is?

**A:** *Sonia Vangilst:* My primary area of service would be Whitecourt, geographically. It's a gift store. We have wine and beer making supplies, gifts, gourmet coffee and foods, lotions, kitchen gadgets, garden accessories, things like that.

### And fudge?

*Sonia Vangilst:* I only took the business over a little over two years ago. The previous owners found that fudge was an interesting thing to have in the store because it is a general store. So it's based on the old fashioned general store concept and that's why we have the fudge and ice cream and things like that.

**Q:** What is your personal background in your line of work?

**A:** *Sonia Vangilst:* As far as retailing goes, I had none.

**Q:** Can you tell us what chain of events led to your decision to become an entrepreneur?

**A:** *Sonia Vangilst:* I was friends with the previous owners and had always enjoyed the store quite a bit and they were looking to retire. So we started talking about it, and I didn't have a full-time job at the time, so I decided to buy it.

**Q:** What are some of the challenges of being self employed?

**A:** *Sonia Vangilst:* The challenges would be your start up costs, paying for the business itself, getting the loans; that

kind of thing. And I suppose employees can be a bit of a challenge sometimes, like in any other business.

Other than that, it was already an established business. It was already established quite well in Whitecourt when I took it over, and so I just tried to do as well as they did – keep it up the same way that they did, and it kind of looks after itself as long as I put the work in.

**Q:** What are some of the rewards?

**A:** *Sonia Vangilst:* I would say a freedom for yourself. I have good employees here, so if I need to come and go and do other charity work, other charity things I'm involved with, I can. I'm not nailed down having to be here from nine to five every day. So there's flexibility with the work hours if you need it. And working with the public; I enjoy that. I just enjoy running the business.

**Q:** What advice would you give to other potential entrepreneurs, regardless of the type of business they are looking to start?

**A:** *Sonia Vangilst:* Work hard. The first few years are the hardest of course. You've got loans and things like that to pay off. And you are your best salesperson. No matter what kind of business you're in. As long as you are putting 100 per cent of yourself into it then you'll probably do fine.

## Cutting through the red tape with BizPaL

One of the biggest frustrations you may experience starting your new business is making sure you have the necessary registration, licensing, and permit requirements in order.

Early last year, Service Alberta launched an excellent new resource called BizPaL, a one-stop-shop website that guides you to all the local, provincial, or federal licenses and permits you may need to start your business.

Service Alberta's Assistant Director of Communications, Mike Berezowsky, says that what used to take a person hours or even days to search now takes about five minutes through an anonymous three-step process on the BizPaL website.

"Industry Canada partnered with the Province and its municipalities to reduce red tape by consolidating each level of government's various business license requirements into one place", he said. "So far, the information from twenty-six communities is covered, which represents about 63 percent of Alberta's population."

Service Alberta expects to expand the BizPaL site in the coming months.

"The Growth Alberta Economic Alliance ([www.growthalberta.com](http://www.growthalberta.com)), a Regional Economic Development Authority made up of several municipalities north of Edmonton, is working with us to expand and reduce the amount of work it takes for people to start a business," says Berezowsky.

**For more information on the BizPaL program in your region, please visit [www.bizpal.alberta.ca](http://www.bizpal.alberta.ca)**



## Spotlight on...

### **Community Futures Yellowhead East Cheryl Sanderman-Gergatz Business Analyst**

The thought of starting a small business can be a daunting prospect for many people, even those with a wealth of experience in the field the business will serve. But Community Futures Yellowhead East office is there to help people with sound business advice and financing.

“When someone is thinking about starting a business they don’t quite know where to start, so they approach us about general information and find out about our loan program,” said Community Futures Business Analyst Cheryl Sanderman-Gergatz, adding that the loan program offers financing up to \$150,000 and that there are eight different loans categories starting at \$10,000, loaned – generally – over a five year term with interest rates ranging from three to five per cent above prime. “During this process the client’s asked to give us a business plan and cash flow projections.”

Sanderman-Gergatz explained that the first part of the loan process involves the prospective entrepreneur providing Community Futures with a business plan and cash flow projections, a process that she can assist the client with.

“Some people, of course, know what a business plan is, and are very adept at doing it themselves,” she said. “But that’s where we work through them determining - for sure – that they are determined to go into business and that it will be viable.”

The business analyst explained that from this stage, the documents and client are taken before the investment review committee comprised of members of the Community Futures board, who review the prepared information with the client. The client is asked to explain their po-

tential business venture and the committee asks a variety of questions to better understand the enterprise.

Sanderman-Gergatz explained that the business plan is an essential ingredient to the success of any potential business and includes information on management, human resources, the product or service, the marketing plan to promote the same, and the financial information, accompanied by two years of cash flow projections.

“The plan itself is really a guide,” she said. “That’s how I approach it with a client. It’s a guide that they can go back and look at, for example, to make sure that they are proceeding as they had thought they would.”

The business analyst said that if the loan is approved, it is not uncommon for her to meet with the client on a monthly or even weekly basis to look at reports to see how closely the new business is following the plan and cash flow projections.

“Some companies actually find they are not doing as well as they thought they would,” Sanderman-Gergatz said. “They tend to overestimate what their sales will be. We have a process where we work with them using that same cash flow. With the age of computers; it’s just beautiful the process we work with. Then they can make adjustments in the other parts of their plan, the other parts of their financial. Maybe they have to increase their marketing or where they are marketing may have to be changed.”

Sanderman-Gergatz explained that con-

versely, some businesses do a lot better than projected, but it is equally important for them to make similar adjustments to determine if the revenues are going to be sufficient to support an expansion.

“Some plans call for perhaps an expansion of services or product after six months,” she said. “It entirely depends on the type of business. We have retail, we have many contractors in oil field, pipeline, gas industry, we have every business in the whole sphere; I bet you we’ve worked with at one time or another.”

But regardless of the type of business, Sanderman-Gergatz explained that success or failure largely hinges on whether

or not they follow their business plan or adjust it as required.

“Some people when they start, there revenues are right bang on, but others; if they’re higher, for example, they may spend more where they shouldn’t be spending it,” she said. “So they don’t follow their plan.

They don’t think things through to the future. And that’s what a cash flow document does for you right on paper.”

Sanderman-Gergatz explained that checking cash flow documents are an integral part of small business success and that many successful businesses check theirs on a daily or weekly basis to keep on top of progress and to look down the road to future obstacles.

Another important component of business start up is market research. Sanderman-Gergatz explained that there are many resources to be found online in-

**“[Entrepreneurs] have to know their community, if it’s a smaller rural community...They have to know if people go to the city to shop for the product that they want to offer.”**

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- *Key advantage:* Variety and control over time between projects.
- *Key disadvantage:* Fee-for-service with no benefits; Canada Revenue Agency could view as employee for tax.

**Brokering**

- Markets other people's talents or products for a fee.
- Key advantage: profit potential.
- Key disadvantage: reputation of others.

**Talent-pooling**

- Consortium of different talents to bid on contracts
- *Key advantage:* team approach that shares strength, expertise, and risk to complete large contracts then disbands
- *Key disadvantage:* abilities of team members affects all

When you know for sure what form of self-employment is your best match there are three ways to get into that business that you must consider. You can buy a franchise, buy an existing business, or you can start your own business from scratch. Each has its bonuses and challenges. *The Self-Employment: Is it for me?* workbook referred to above explains the advantages and disadvantages of each.

Working for yourself rather than someone else can be a dream-come-true for you as long as you invest the time and energy up front to ensure success with self-employment.

From market research to business plan writing to financing and marketing, there are many tools and resources available to you to help you get started on your journey. Chances are good that you will succeed if you have the right vision, if you work hard, and if you persevere until you do succeed.



## Community Job Seeker Events

**“Opportunities for Women in Construction”** Information Session / Career Decision Making Workshop is coming to your community. Ladies, come see if this is a potential career option for you!

**Whitecourt Information Session / Career Decision Making Workshop November 4 & 5**

**\*Location and times will be provided upon registration.**

**Call today or register online to reserve your spot:**

**Women Building Futures  
Toll Free at 1.866.452.1201  
or local 780.452.1200**

**or visit**

**[www.womenbuildingfutures.com](http://www.womenbuildingfutures.com)**

## The Business Link

*Alberta's Business Information Service*

### Business Link Guest Advisor Program

You can speak one-on-one with “Guest Advisors” about the challenges you face in business. Call 1-800-272-9675 between the hours of 12:00 noon and 4:00 p.m. for the following areas of expertise:

**Mondays:** Business Management and Operations/Business Coaching

**Tuesdays:** Legal Guest Advisors

**Wednesdays:** Accounting Guest Advisors

**Thursdays:** Financial Guest Advisors

“Spotlight On...” Continued from Page 4

cluding provincial and municipal sources for demographics. The business analyst said that rural community-based business in particular need to pay attention to their market research.

“They have to know their community, if it’s a smaller rural community,” she said. “They have to know it. They have to know if people go to the city to shop for the product that they want to offer.”

Market research is something that Sanderman-Gergatz focuses on with her clients during the initial stages of the business loan process, and her experience has shown that approximately half of the prospective business she works with determines that their business is not viable after completing their market research. However, she’s quick to point out that it doesn’t halt many of them from continuing on their path to entrepreneurship.

“They know they want to be in business for themselves,” she said. “So they keep looking for something that they’re interested in but proves itself.”

The business analyst said that with the current economic downturn she has seen an increase in the number of people interested in starting their own business, as well as an approximate 10 per cent increase in existing businesses looking to diversify into related opportunities to maximize their potentials.

Another increase Sanderman-Gergatz is seeing is in the number of cautious prospective entrepreneurs.

“They want to do that research, they want to be sure they’re making the right move,” she said.





## Business start-up quick tips

Once you have decided that self-employment is for you and you are beginning to form your business ideas the Alberta Learning Information Service website ([www.alis.alberta.ca](http://www.alis.alberta.ca)) can provide you with resources and tips to help you get started:

- **Tip 1:** Talk to people who are self-employed.
- **Tip 2:** Identify the knowledge, experience and skills you will need to succeed (e.g. organizational skills, time management skills, public speaking skills, bookkeeping knowledge).
- **Tip 3:** Research how to set up a business; your marketplace; and trends that influence current and future product and service demand.
- **Tip 4:** Scan the business section of your local newspaper daily to find out what is already happening and what future products and services will be needed.
- **Tip 5:** Visit your local public library, Chamber of Commerce, or Regional Development Branch to find business-related information and entrepreneur training programs.

When you are ready to make your business happen your local Community Futures office (see Spotlight On feature on Page 4) can guide you through these critical business start-up steps:

- **Step 1:** Assessment (developing and evaluating your ideas and business potential)
- **Step 2:** Business Plan (planning, financing, marketing etc.)
- **Step 3:** Start-Up (business name, registration, licenses, accounting etc.) See article on Page 3, about BizPaL, Service Alberta's new one-stop-shop business licensing website
- **Step 4:** Financing (finding the money to operate)
- **Step 5:** First Year (managing day-to-day operations and planning for growth).

**Let's say you want to sell pickles. These are some of the questions you may need to ask:**

**Who will buy my pickles?** What do my customers need? What price will they pay for my pickles? What size of jar do they prefer? What are their requirements for shipping that would affect jar size and/or shape?

**What are the characteristics of my customers?** Who buys and eats pickles - what is their age, gender, income? Where do they live? Is the combination of dill and carrot an appealing one?

**Who else is producing the same or similar product - at what cost?** Can I compete with their price, quality, etc? If nobody else is producing such specialty pickles, why aren't they?

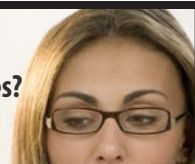
**What advantages can I offer that your competition can't or doesn't?** It may be that your carrots are organically grown or that your pickles are an Alberta made product.

**What about marketing?** Are there expensive start-up costs involved with going into pickle production? Are there major legal requirements needed to get the name or label information I want? Will I be one of many companies selling pickles to people in my market area?

**Is this an area with an expanding market or one that is declining?** Can I make a profit? Does trend data indicate an increasing consumption of pickled products? Is there a growing or shrinking body of scientific evidence about possible health risks associated with eating too many pickled foods?

**What is the future for my business?** Do I visualize my pickles on the shelves of all Canada Safeway stores in Alberta?...in Western Canada?

Looking for work?  
Looking for employees?  
We can help.



### Alberta Employment and Immigration Service Centres

#### Whitecourt Alberta Service Centre

202 Midtown Mall - 5115 49 Street  
Whitecourt, AB T7S 1N4  
p. 780.778.7149 f. 780.778.7137  
e-mail: [Whitecourt.LMIC@gov.ab.ca](mailto:Whitecourt.LMIC@gov.ab.ca)  
<http://employment.alberta.ca>

### Regional career and employment services

#### Lokken Career Training

Box 10045 RPO River Valley  
Whitecourt AB T7S 1W8  
p. 1.888.349.6990 f. 780.349.8804  
[www.lokken.com](http://www.lokken.com)

For more information on Alberta Employment and Immigration centres and services, call the Alberta Career Information Hotline at 1.800.661.3753 or visit <http://employment.alberta.ca>

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Visit Alberta-Canada's website at [www.alberta-canada.com](http://www.alberta-canada.com). *The Small Business Start-Up* page is a gateway to a great deal of information about starting a small business. It includes information about:

- Regional Development Branch of-fices in Alberta
- Small business guides
- Small business profiles
- Links to other key resources such as the Business Link website at [www.cbsc.org/alberta](http://www.cbsc.org/alberta) in Edmonton.