

connections

An Immigrant's Guide to
**Starting a Business
in Alberta**



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BUSINESSLINK
Immigrant Services 

How to Use this Guidebook

Welcome to Connections: An Immigrant's Guide to Starting a Business in Alberta.

Do you want to start a business in Alberta? If you said yes, this guide is for you. It will show you how to start a business and understand Alberta's business culture.

This guide is to help you get started. It does not give every detail of starting a business. You will still need to do more research and use all the resources available to you.

We suggest you read all the sections of this guide but take your time. It is meant to introduce you to the business startup process. We recommend that you give yourself at least one day to work through each section and that you try the Activity Zone tasks before you move forward.

Each section should be learned in order. You may find there are topics you have experience in. We suggest you read every topic to help you understand the full business startup process.

This guide also has some special features:



DEFINITIONS

Can help with certain vocabulary.



CONNECTIONS

Offer links and contacts that can help with the lesson.



DID YOU KNOW

Gives helpful hints and directions to useful resources.



BUSINESS LINK

Provides information about how Business Link can help you with your startup.



ACTIVITY ZONE

Gives extra opportunity to think about issues and ask yourself questions.

SECTION 1

You are Unique

Moving to a new country has many challenges and many rewards. Newcomers to Canada bring a variety of stories and experiences to share; each of them unique. This section provides information and resource links about immigration status, language skills, credentials recognition and credit history.



In 2010, about 5.8% of immigrants who had been in Canada for 10 to 30 years owned a private incorporated company with employees compared to 4.8% of Canadian-born. Also, about 10.8% of longer-term immigrants were self-employed and owned unincorporated businesses compared to 7.5% of Canadian-born.

Source: [Statistics Canada](#)¹



IMMIGRATION, REFUGEES AND CITIZENSHIP CANADA

Immigration, Refugees and Citizenship Canada is a federal government department that helps people to immigrate to Canada and participate in Canadian society. The department reviews and approves admission for immigrants, foreign students, visitors, and temporary workers who help Canada's social and economic growth.



STREAM here means making a choice based on your experience.

Your immigration status

It is very important to understand the immigration process and your immigration status before you begin the business startup process. The laws and regulations around your immigration status can be very complicated. You should get information directly from Immigration, Refugees and Citizenship Canada, or Alberta Immigration.



ALBERTA IMMIGRANT NOMINEE PROGRAM

The Alberta Nominee Program (AINP) is an economic immigration program that nominates people for permanent residence in Alberta. This program has two **streams** for entrepreneurs who plan to live and start a business in Alberta. Visit the [AINP website](#)² to learn about these and other Alberta-specific permanent residency programs.





You need permanent status if you want to get a business number (BN). The Canada

Revenue Agency (CRA) requires you to have a business number to incorporate your business, register for GST, taxes, payroll for employees, and more. There may be some exceptions to your status.

To find out the different ways to apply for residency go to the [Government of Alberta](#)³ website.



PROFICIENT means to be skilled or knowledgeable about something.



Find resources and locations to upgrade your language skills on the Alberta

Government's [Improve your English](#)⁶ webpage.

If you decide to permanently move to Canada and start or operate a business here, it is recommended that you obtain permanent status by becoming a permanent resident or a Canadian citizen.



DETERMINE YOUR IMMIGRATION STATUS

My Immigration Status is:



Not sure of the status of your immigration file? Do you have more immigration-related questions? Contact [Citizenship Canada](#)⁴ or [Alberta Immigration](#)⁵ directly.

Your language skills

It is very important to be **proficient** in at least one of Canada's official languages. If English or French is not your first language, taking language training can help improve your skills. In Alberta, being proficient in English increases your chances at success. Having good English skills will help you communicate with your customers, employees, and suppliers, as well as arrange business deals or contracts.

There are several ways to assess language skills in Canada. The Canadian Language Benchmarks (CLB) are one way to measure language proficiency in listening, speaking, reading, and writing. Permanent residents and Canadian citizens living in Alberta can go to a Language Assessment and Referral Centre for an official CLB assessment.

Other language assessments include the TOEFL, IELTS and CELPIP. These exams may cost money.



RATE AND DEVELOP YOUR LANGUAGE SKILLS

Find out your unofficial CLB score using the [online CLB Assessment](#)⁷ and write down your unofficial score: .
A score of 5-8 is recommended for work in Alberta.

Credentials recognition

What kind of business do you wish to operate?

Certain types of businesses must have a provincial license and meet professional standards. Professional services such as accounting, engineering, medicine, teaching, and law are provincially licensed and have professional standards. You may have to go through the foreign credentials recognition process if you want to start one of these types of businesses. Foreign credentials can show if you meet the minimum professional standards.

If you plan to offer a service that requires a professional license, it will be necessary to contact the professional association or regulatory body responsible for that profession. Depending on your occupation, you may need to meet certain requirements before going into that business.

Be sure to start the accreditation process as soon as possible! Depending on your profession, it could take quite some time to complete this step.



You may want to contact the professional association that acts as a licensing body for your profession. A list of some of the most common professional associations can be found on this [Alberta Government](#)⁸ website.



DETERMINE IF YOUR OCCUPATION REQUIRES A SPECIAL LICENSE

Use this [Foreign Credential Recognition in Canada tool](#)⁹.

If you do not have a professional license, you can still run a business if you employ licensed individuals to do the work. In this case, your role is limited to management.



Learn more about having your credentials assessed through the [Government of Canada](#)¹⁰ website.

Contact the [Association of Translators and Interpreters of Alberta](#)¹¹ for help with document translation.



Establish a credit history in Canada

Building a solid Canadian [credit history](#) and having a good [credit score](#) are very important in Canada.

You may have saved some cash to start your business, but at some point, you may need to purchase inventory from your suppliers, purchase equipment, host a website or lease space for your business. In many cases your credit will be checked, and you will need to use a Canadian credit card. Banks will review your personal credit history when you apply for small business loans. It is important to have a good personal credit history before you start your business.

Even if you had a very good credit history in your home country, you need to have a Canadian credit history. A Canadian credit history lets financial institutions and other lenders determine if you qualify for credit. Credit history from your home country will not be taken into consideration in Canada.



A **CREDIT HISTORY** shows how a person paid back the money they owe. It shows how responsible a person is with their money.

A **CREDIT SCORE** is based on a person's credit history. Lenders use credit scores to determine if a person will pay back their loans on time

How you can start building a good credit history

Begin to build your credit history as soon as you arrive in Canada.

1

2

Start small and build carefully.

Apply to a bank or credit union for a credit card.

3

4

Use the credit card to buy things that will build your credit history. It is best to pay the full monthly amount by the due date to avoid paying high interest fees and keep a good credit history.

After getting the credit card, you can apply for overdraft protection on your bank accounts and small lines of credit. Be careful with credit. Borrowing fees and interest payments can be high.

5



Learn more about credit scores and credit reports from [Equifax Canada](#)¹².



Visit your bank and review your credit report with your banker.

Your bank can help you get the right financial tools in place to keep a good credit score.



SECTION 2

Let's Get Started!

There are many choices for starting a business in Alberta. You can choose to purchase an existing business, own a franchise, or start a brand-new business. There are advantages and disadvantages to each of these types of businesses.

Let's look at each one:

1

Purchase an existing business



A purchased business is **LESS RISKY** if it is purchased at a fair price, managed well, and has shown a profit.



Alberta Venture has a complete guide to [buying a business in Alberta](#)¹³.

ADVANTAGES

Less risky than starting a new business

Product or service already market tested

It is easier to secure loans and attract investors

Established brand: customers, contacts, suppliers, goodwill, staff, equipment

Established market for the product or service

Experienced and trained employees

Faster start-up time

DISADVANTAGES

Large investment paid all at once

Risk of bad reputation; poor location

Risk of high competition and declining industry

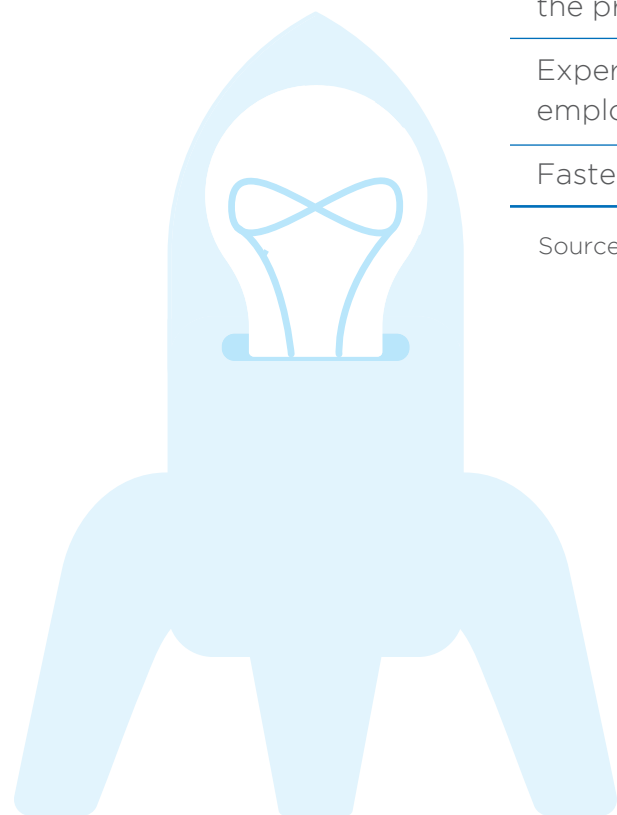
Poor fit - It can be difficult to find the right company to purchase

Key staff may leave, and risk customer relationships

Major changes may be necessary

Potential hidden problems

Source: [Business Queensland](#)¹⁴



2

Own a Franchise



INITIAL INVESTMENT is the amount of money needed to start up a business. The initial investment amount

for a franchise depends on what the franchise is. A Tim Horton's has different start up costs than a McDonald's.



Franchises are regulated in each province. There are many rules and regulations that protect you when

you purchase a franchise. Review this [comprehensive guide](#)¹⁵ if you are considering investing in a franchise.

ADVANTAGES

Product and market research already done

Proven business model means lower risk

Recognized brand

Franchisor support such as training, marketing, and advertisement

Easy access to financing

Access to increased purchasing power

Networking

DISADVANTAGES

High start-up costs – (initial investment)

Strict rules and guidelines from the franchisor

Ongoing royalty payments

Contractual agreements

Creativity can be limited

High risk when you buy a lesser-known franchise

Sources: [Forbes](#)¹⁶ and [Franchise Business Review](#)¹⁷

3

Start a Brand-New Business

ADVANTAGES

Autonomy: You are your own boss and have full control

Flexible hours

Possibility to make more money than working for someone else

Job security:
No one can fire you

Personal satisfaction

DISADVANTAGES

High failure rate

Long hours and no guaranteed paycheck every month

Managing stakeholders (employees, suppliers, clients) with different personalities and moods can be challenging

Many responsibilities: doing all or most of the business tasks even if you are not trained to do it

Source: [Rich Dad](#)¹⁸



What product(s) or service(s) will you sell?

What will you charge?

How will you accept payment?

Will your business be online? Physical Storefront? Both?

Who will buy from you? Do you want to reach out to your local community to be your first customers?

How will customers learn about the business?

How will you fund your start-up costs? Personal Money? Loans? Both?

Will you need staff or contractors?



**IF YOU ARE STARTING
A BRAND-NEW
BUSINESS, IT'S
IMPORTANT TO
BEGIN WITH A BASIC PLAN.**

Complete the activity on the left before continuing to the next section. It will help you get ready for all the important start-up steps to come.



Visit [Business Link](#)¹⁹ to start building your business plan online today. The interactive planner includes helpful videos and checklists for each section of your business plan.

Congratulations!

Completing this activity means you have started to write a basic business plan. As a business owner, you will **wear many hats**: manager, marketer, bookkeeper, salesperson & more. Creating a business plan allows you to think about all those aspects and prepare for the hard work ahead. As a bonus, a complete business plan is an important document to provide to your banker if you are looking for loans for your business.



To **WEAR MANY HATS** is a saying that means you have many roles and responsibilities.



SECTION 3

Culture Matters



Values are important to how we live in the world, but we don't really think about them. We learn values at a very young age, and they become part of our individual culture. No one can understand what your values are just by looking at you. Your values are hidden. These hidden values are the unspoken rules of a culture.

It takes much longer for a person to understand the hidden values of another culture. It is important for everyone to try to understand the values of another culture, so we do not get frustrated.

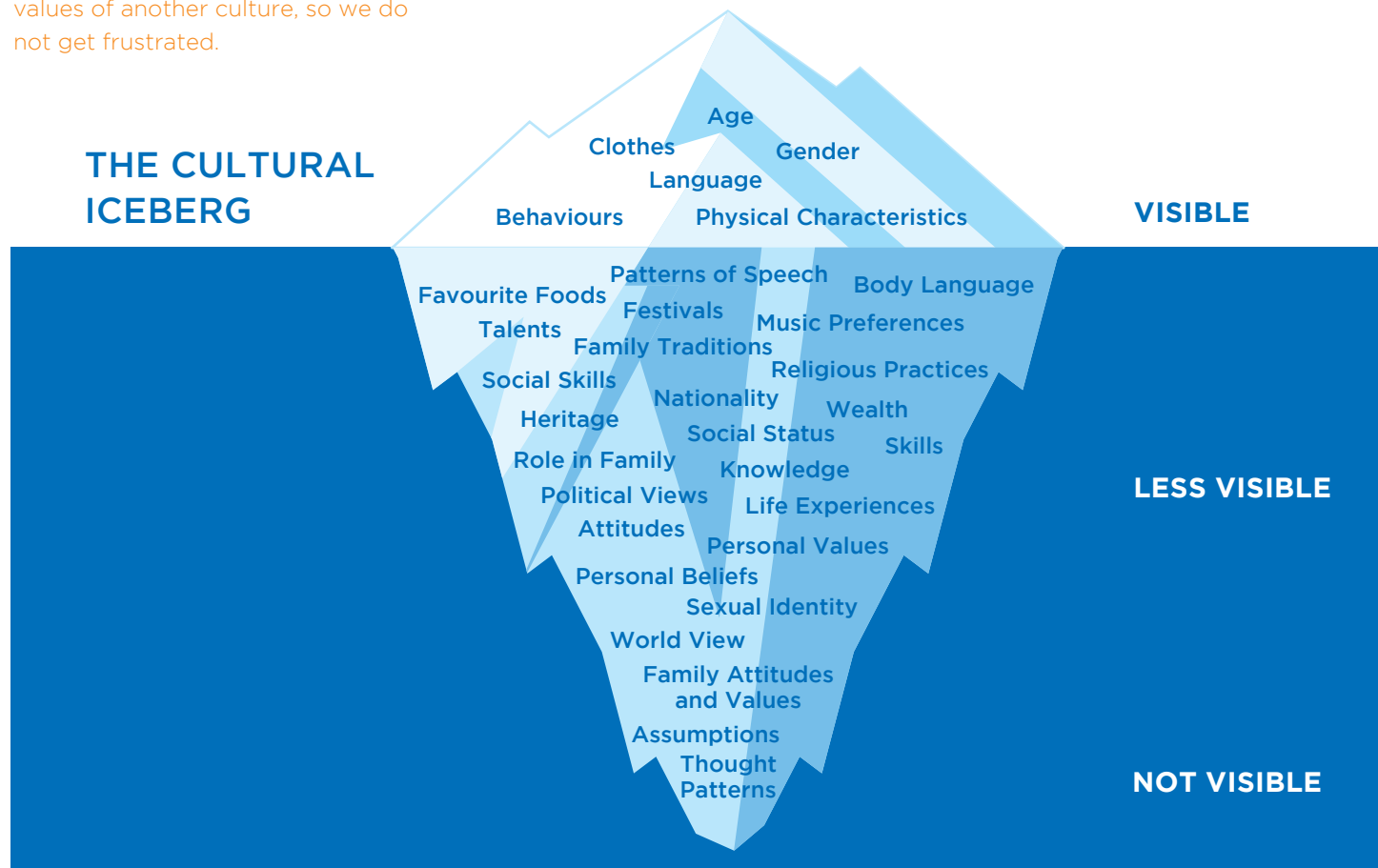
Culture matters when you start your own business

What does culture mean to you? What do you know about your own culture. What do you know about Canadian culture.

Canada is made up of many different cultures. Maybe you have noticed things that people do or say that is different from what you do in your country. Canadians often say, "Sorry", and love hockey and donuts. These are things you may have noticed on the surface of Canadian culture.

Have you noticed Canadians usually stand two to three feet apart when they speak to one another. Or if an employee and manager don't agree on something, they talk about it and find a solution. Personal space and solving disagreements are examples of deep culture.

Imagine "culture" as a huge iceberg. You can see the tip of the iceberg, but you can't see most of it below the surface. Our values are like the hidden part of the iceberg. When we see someone, we only see a bit of who they are. We see how they dress, dance, play and celebrate, but we do not see their values.





CROSS-CULTURAL MANAGEMENT helps us to communicate with, understand, and work with people who belong to other cultures.

Three things for immigrant entrepreneurs to think about:

To be successful in Alberta, it is important to think about your own culture and begin to understand the culture you are about to join. Here are a few points to help you start thinking about [cross-cultural management](#).

1

Become more aware of your cultural heritage

Explore your heritage, place of origin, time of immigration, reasons for immigration, spoken languages, religion, jobs, status, beliefs, family history and roots.

It is important to understand how the culture of your home country has shaped your values, customs and behaviours. When you are more aware of your culture, you will be more understanding of the cultures you meet in Canada.

2

Examine your values and beliefs

What is important to you in business? How do you like things to be done? For example, do you engage in [small talk](#)?



SMALL TALK is social communication.

Asking a person how they are, how their day has been, or talking about the weather are examples of small talk

People who are direct and do not engage in small talk before discussing business may be thought of as rude by people who like to have a personal connection before negotiations start. Also, think about how a person who values humour and optimism might feel uncomfortable with people who are pessimistic or complain a lot.

3

Gain culture-specific awareness and understanding

- Notice how others behave and notice how they react to your behaviour.
- Learn through books, websites, the arts, and technology.
- Talk to your neighbours, friends and colleagues, and network.
- Participate in the daily life of another culture; celebrate its holidays.
- Become active in community projects, such as school, religious organizations, or community groups.
- Join a local organization.
- Become a volunteer in an area you want to know more about.
- Notice body language and how people react to your body language.



Tips for successful cross-cultural management

Try to understand the world from the point of view of others.

Keep an open mind.

Take risks.

Practice behaviour that might feel unfamiliar at first.

Be flexible.

Have a willingness to accept other viewpoints

Be open to new ideas and have a sense of humour.

Experiment with adding your own cultural flavour to groups or contacts.

Adapt your management style to fit with those you find already in place.

MANAGEMENT

What is the role of a manager?

How are power and responsibility divided between managers and staff?

Do we all have clearly defined roles?

Are we equal or is the system hierarchical?

FEEDBACK

Are we sensitive to feedback or criticism?

Are we used to being supervised?

INDIVIDUAL VS. COLLECTIVE

Do we value competition or harmony at the workplace?

Is the benefit of the group more important than our personal benefit?

Are we humble about our achievements or do we publicly present them?



These questions are to help you think about how different areas of culture can affect your

business. While you are answering these questions, first think about how you would answer them as if you are still in your home country. Next, think about how these questions would be answered in Canada.

This activity will be most useful if you do it with a Canadian-born partner. Each of you will answer the questions below on your own. When you are done, compare your answers.



THEORY VS. PRACTICE

Are we **goal-oriented** or **process-oriented**?

Are our minds practical or do we tend to be very theoretical and academic?

Do we put theory into practice?

CONFLICT ISSUES

What does the word “conflict” mean in your country of origin?

Do people talk about it peacefully?

How do we handle it?

Do we avoid it or discuss it?

PERCEPTION OF TIME

Are deadlines and commitments flexible or fixed?

Is time perceived as a precious entity or something we have plenty of?

How do we look at and deal with delays?

GOAL PLANNING

Do we plan short-term or long-term?

Do we know what the future brings?

Do we want 100% control of events?

NEGOTIATION

Do we get emotional when negotiating or do we keep our emotions private?

Do we write proposals, or do we negotiate verbally?

Source: Adapted from [Nova Scotia Immigration](#)²⁰



GOAL-ORIENTED is when something must be done right away, and it doesn't matter how it gets done.

There is little attention to what the steps are to get the job done. The goal is the most important. How the job gets done is not as important.

PROCESS-ORIENTED is when good thought is given before anything is done. Sometimes it takes a while to make a decision because there is time to think about the next logical step. The goal is not forgotten, but strategy and procedure are important.



After you and your partner have answered all the questions, compare your answers. How are your answers the same? How are they different? What do you find the most surprising? What are some things you might want to change to help your business be successful in Alberta?



SECTION 4

Getting Down to Business

Before you start your business, there are a few important legal concepts you should understand. Knowing what these legal terms mean will help you choose a business structure that meets your company's needs the best.

This section will cover some basic information about the different business structures in Alberta. You will also learn about some of the laws in Canada that are important for business owners, such as: employee contracts, leases, insurance, public agencies, taxes, and business licensing.

Business Structures

The type of business structure you choose has an impact on:

- Protecting your business name
- [Personal liability](#)
- The way you report your income
- The likelihood the business will survive the absence of the owner(s)
- Ability to raise capital funds



PERSONAL LIABILITY means a person is legally responsible for something. A person may have to pay money to cover any damages to property or injuries to another person.

There are three main business structures for entrepreneurs to choose from:

1

**SOLE
PROPRIETORSHIP**

2

PARTNERSHIP

3

CORPORATION



You will need to choose which structure is the best for your business before you sign a lease,

hire employees, collect payment from customers, or begin marketing your business.

On the following two pages, compare the three main business structures. Choose the one you think will best work for your type of business.



Sole Proprietorship

- For an individual who will be the **only** owner of the business.
- Non-incorporated business.
- Register your business name as a [tradename](#) with your [local registry](#)²¹.
- Income is considered personal small business income.
- Taxed at the personal income tax rate.
- Debts and losses are personal.
- You are personally responsible for any liability associated with the business.
- Registration has a low cost and is easy to complete.
- Cost-effective.
- Good for starting a home-based business, part-time business, or to test your business idea in the marketplace.

Partnership

- For two or more people who will be the owners of the business.
- Non-incorporated business.
- Combine the financial resources of all partners to put into the business.
- Profits and debts are shared according to what is stated in the [partnership agreement](#).
- Can be used to join two businesses.
- Allows for both businesses to combine resources for things like marketing and administration.
- Can market expanded services to all clients and create more business for both companies.
- Partnership name is not protected.
- All debts and liabilities are shared equally.
- One partner is able to speak for all partners and sign documents that bind all partners to an agreement.



TRADENAMES and *Trademarks* are often confused. Some small businesses in Alberta may have the same tradename and may even do the same type of business. This is because tradenames are not protected.

Trademarks are the most protected type of business name. Information about trademarks can be found through the [Canadian Intellectual Property Office](#)²².



You can be a sole proprietor and use your own personal name to market yourself. There is no requirement for you to register yourself at a registry office when you operate your business this way.

Example: “Alana Pirbhai” is considered your personal name and does not need to be registered. “Alana Pirbhai Consulting” is considered operating under your personal name and will need to be registered. “Alana Pirbhai Consulting” is an example of a **tradename**.



A PARTNERSHIP AGREEMENT is a contract that clearly explains the terms and conditions of the business relationship between partners. It is important to have one if you choose this type of business structure. It will help avoid any possible future disputes.



A partnership is registered the same way as a sole proprietorship. The difference is that all the people involved in the partnership declare they are doing business under a partnership name.



Incorporation

- The business is a legal entity called a “corporation”.
- The corporation is separate from you as an individual.
- The corporation pays corporate income tax.
- The corporation does business, opens a bank account, and files a tax return in its own name.
- The corporation lets you define who the [directors](#), [officers](#) and [shareholders](#) are.
- Corporate names will end in the legal element “Inc.” for Incorporated, “Ltd.” for Limited, or “Corp.” for Corporation.
- Using “Inc.”, “Ltd.” Or “Corp.” helps to protect your business name.
- You can choose to incorporate provincially or federally.
- Corporations may have similar names across Canada.
- Corporations may not have the same name in Alberta.
- You cannot register your company in Alberta if it has an identical name to a company that already exists.



SELECT THE TYPE OF BUSINESS STRUCTURE YOU THINK WILL BEST MEET YOUR BUSINESS NEEDS:

☐ Sole Proprietorship ☐ Partnership ☐ Incorporation



Business registration services in Alberta are fully privatized. [Business Link²³](#) can help you learn more about where to register and answer your business registration questions.



DIRECTORS speak and act on behalf of the corporation. Directors are needed for the corporation to function. They accept liability and responsibility.

OFFICERS are the managers of the company. Officer titles may be “President” or “CEO”.

SHAREHOLDERS are the owners and investors in the corporation. They enjoy the tax benefits of owning shares. Shareholders are not responsible or liable for how the corporation operates.



Incorporating federally gives your company exclusive rights to use its name across Canada.

It does not give you the right to conduct business across Canada. A new corporation still must complete a second registration called “extra provincial registration”. You need to complete an extra provincial registration in any province the company does business in. Learn more about [Federal Incorporation²⁴](#).

Provincial incorporation is more popular choice for businesses that will only operate in one province.

Next Steps

As you read through the rest of this section, think about the business structure you have chosen. Will you stay with your decision or will you change your decision to a different structure?





COMMON LAW is a system of rules that are based on decisions that were made previously. It is based around the traditions of British common law. If you are from a country that is, or was, a member of the Commonwealth, you will find Canada has many of the same legal concepts as in your country.

CIVIL LAW refers to the private laws that deal with protecting society at large from harm. Civil codes are a comprehensive statement of rules.



CIVIL TRIALS may be held at either small claims court or Alberta Court of Queen's Bench.



The provincial government is responsible for passing laws that oversee a wide

variety of business and personal activities in the province. The Alberta Business Corporations Act and Regulations, or the Partnership Act provide the rules on how to conduct your business and your business registration choices. All Statutes of Alberta can be viewed and downloaded for free from [Alberta Queen's Printer](#)²⁵.

Law in Canada

Canada's legal system is based on a combination of [common law](#) and [civil law](#).

In Alberta, civil law deals with disputes between private parties or negligent actions that cause harm to others.



Quebec does not use common law. Their legal system is based on the French Napoleonic Code.

Most disputes are about:

- Terms of signed contracts, also known as a breach of contract
- Damage or injury
- Property damage
- Reputation, also known as slander
- Landlord-tenant leases.

You may be asked to mediate your dispute outside of court or go to a [civil trial](#). The way you mediate your dispute depends on the amount of money involved and the type of dispute. It is encouraged that small disputes are mediated outside of the court system.



Alberta Courts manage a high number of civil and criminal cases through different types of court systems. Mediation is often recommended for smaller disputes. To learn more, visit the [Alberta Civil Courts](#)²⁶ website.



Visit the [Alberta Provincial Government](#)²⁷ website to learn more about legal assistance and the legal system in Alberta.





A **STATUTE** is a formal law or rule. It is usually written down.



To learn more about how criminal law is managed in Alberta visit the [Alberta Criminal Courts](#)²⁹ website.



Some offences can be considered both criminal and civil. If your company conducts business

fraudulently or negligently you may be subject to criminal and civil law violations. Be sure to understand where you can go for [legal assistance](#)³⁰ in Alberta



CONSIDERATION means an agreed upon value.

Criminal Law

The Government of Canada created the Federal Criminal Code of Canada²⁸. The Criminal Code of Canada is a federal [statute](#). The Code defines most of the actions that are considered a criminal offence. Other criminal offences have been written into other federal statutes.

Changes are made to current offenses in the Code almost every year. These yearly changes are to keep up with the technological, social, and economic changes in society.

In Canada, a criminal activity is legally seen as an *offence against the state*. If a crime is committed against a person, the offender will still be charged with *offence against the state*. This term is used because criminal activities disturb the public order and peacefulness.

Common Criminal Code offences include:

- Assault
- Impaired driving
- Break and enter
- Robbery

Contracts

A contract is a legally binding document or verbal agreement. Contracts are in the category of civil law. Contracts are used when there is an offer, acceptance, and [consideration](#).

Pretend you want to sell your car. You offer to sell it for a certain price, and someone accepts your offer. Consideration is the value or price you and the buyer agree upon and exchange. It does not matter what the value of your car is. The value could be as little as \$1.00. The Courts will not usually question the value if something of value is exchanged. The contract is legally binding once there is an offer, acceptance, and consideration.

Source: [Calgary Legal Guidance](#)³¹

The next page will give you some information about three important contracts that relate to business: Employment Contracts, Leases, and Insurance.





There are strict guidelines in Alberta that define the difference between an “employee”

and “contractor”. It is important to know and understand the rules that apply. The Government of Alberta has a complete guide for small businesses who need to determine which contract works best.

Download it from alis.alberta.ca³².



If you are unsure about how to read and understand legal document, Alberta’s

“Dial a Law”³³ program provides free resources and information.



Contact your professional association to find out if you require any additional insurance to

operate your professional business.



Visit the [Insurance Bureau of Canada](https://www.insurancebureau.ca)³⁶ to learn more about the types of insurance that

are specific to business operations. You will also learn how to determine which types of insurance are best for you and your business.

EMPLOYMENT CONTRACTS

Businesses can choose to hire people as employees or contractors.

If your business chooses to have employees, then you will have to have an employment contract in place. The purpose of an employment contract is to make sure that both you and your employee have a clear understanding of what is expected while you work together. Your business will be responsible for all government payroll deductions. Your business will also need to make sure it is following all the correct tax regulations.

If you choose to hire someone as an “independent contractor”, you will need to have a different type of contract with that person.

LEASES

A lease is a legally binding contract between a landlord and tenant.

Your business may sign a commercial lease in Alberta.

Commercial leases must follow the rules written in [provincial legislation](#)³⁴, as well as the [Commercial Tenancies Protection Act](#)³⁵.

Your commercial lease is one of the most complicated contracts you will sign. The monthly payment of rent for your business will probably be one of your biggest costs. Before you sign a lease, it is a good idea to have a lawyer review the document. A lawyer will help you make sure you understand all the conditions of the lease. You do not want to be taken by surprise by any conditions. It is important to remember that most commercial leases are written in favour of the landlord. A contract for a commercial lease will usually have the best interests of the landlord in mind, so be sure to understand all the conditions in the contract.

INSURANCE

Insurance is a contract, called a policy, between you and an insurance provider. Insurance protects your business from financial loss. There are many kinds of insurance for you to choose from. The amount of insurance coverage you purchase depends on your risk level and the losses you think might happen if an accident or disaster happened.

If you are in a certified profession, such as medicine or law, you may be required to get additional insurance coverage that is specific to your profession.

Public Agencies

A public agency is a board, commission, tribunal, or other organization.

- They are established by government, but not part of a government department.
- They are given a responsibility to do a task that has a public purpose.
- They are accountable to the government.
- They are not under strict control of the government and have some independence.
- The government appoints members to all public agencies.

The [Government of Alberta](#)³⁷ uses the terms “public agency” and “agencies, boards and commissions” (ABCs) interchangeably. A complete listing of all the agencies can be found on their [website](#)³⁸.

The Workers’ Compensation Board (WCB) is an example of a public agency you may come across when you start your business. If you plan to have staff on payroll or are in an industry such as construction or transportation with contractors, you will need to get WCB coverage.

Your business is responsible for paying the costs of WCB coverage. You may have to register your business as a corporation to qualify for coverage.

WCB is a type of insurance designed to help employees who get injured while on the job. If an employee gets injured in the workplace, he or she can apply for assistance from this program. Employees will only be able to get assistance from WCB if your business has paid the premiums into the program.

Many industries are required to provide this coverage to employees. As an employer, you will be responsible for paying the premiums and cannot deduct this expense from your employee’s pay.



Before you choose your business structure, [contact WCB](#)³⁹ and determine if you are in an industry that should provide WCB coverage to its employees or contractors.



ASK YOURSELF: Am I in an industry that requires me to provide WCB coverage to my employees? ☐Yes ☐No

ASK YOURSELF: Does my business need to be incorporated to sign up for WCB coverage? ☐Yes ☐No



Business Taxes

All Canadians must pay personal taxes when they earn an income. Businesses are also required to pay taxes when they make a profit. Your business will be taxed based on the tax rates that are associated with the income made. It does not matter what type of business structure you choose; you will need to pay taxes on the money you make in your business.

To collect personal taxes, the Government of Canada assigns each person a Social Insurance Number. This 9-digit number is unique to each person. The Government of Canada uses a person's Social Insurance Number to examine personal tax returns.

Similarly, businesses are assigned a Business Number⁴⁰. In Alberta, a Business Number is automatically created for your business when you register as a sole-proprietor, partnership, or corporation. This 9-digit number is unique to each business.



If you have to pay Corporate Income Tax, GST, payroll taxes, or conduct import/export activities, your business will need to fill out a secondary registration⁴² with the Canada Revenue Agency. After completing this registration, an additional two letters and four digits will be added to your Business Number. This is used for certain business activities that must be reported to the Canadian Revenue Agency.



Business Link gives presentations and workshops⁴¹ throughout the year to help entrepreneurs understand financial and taxation topics.



Collecting and filing taxes is tricky. It is worthwhile to get professional help from an accredited accountant.

Accountants in Canada must maintain their professional designation as Certified Professional Accountants (CPA) on a regular basis. When you hire a professional with a CPA designation, it ensures you are getting expert tax advice. Hiring a CPA also ensures that your business is following the tax laws in both Canada and Alberta.

To learn more and find an accountant, visit the Alberta CPA website⁴³.

Municipal Licensing

A municipality can be a city, town, village, summer village or any specialized area in the province of Alberta.

Each municipality has a municipal government and their own bylaws. The municipality where your business is located may require an additional license for your business to operate.

The Government of Alberta⁴⁴ website lists the categories of businesses requiring licences.



BYLAWS are the set of rules and regulations that a municipality follows.



ALBERTA HAS 352 MUNICIPALITIES. THESE INCLUDE:

- 18 cities
- 51 summer villages
- 8 Métis settlements
- 108 towns
- 6 specialized municipalities
- 87 villages
- 74 rural municipalities

Source: Wikipedia⁴⁵





Check your business category in the Alberta Government [BizPal](#)⁴⁶ system and list the license requirements in the space below.



If you are having problems finding your business category and are not sure if you need a municipal license, contact Business Link's [Immigrant Entrepreneur Strategist Team](#)⁴⁷. They offer one on one support as you get your business started.



Now that you have read some information about law, contracts, insurance, and licensing, think again about what type of business structure you want to use.

SELECT THE TYPE OF BUSINESS STRUCTURE YOU NOW THINK WILL BEST MEET YOUR BUSINESS NEEDS:

☐ Sole Proprietorship ☐ Partnership ☐ Incorporation



SECTION 5

Building Business Relationships

Why are relationships important in life?

How does a good relationship make you feel?

How does a bad relationship make you feel?

Good relationships make us feel safe. They also help us deal with stress. Relationships aren't only important in your personal life. As a business owner, it is important to develop professional relationships. Professional relationships can help you start and grow your business.

What kinds of relationships should you develop as a business owner?

This section will look at the three most important types of professional relationships: customer; employee; and members of the community.

But first, let's take a look at what business culture in Canada looks like. Knowledge of how business culture works in Canada can help you develop good business relationships with your customers, employees, and members of the community.

Business Culture

Canada is a diverse country. You are free to show your identity through language, dress, and choice of business. There are some customs in Canadian business culture that you should know about. These customs are examples of the hidden values you learned about in Section 3 of this workbook. Knowledge of these customs can help you develop professional relationships with customers, employees, and members of the community. It is important to understand these customs of business culture so you do not get frustrated.





**READ ABOUT THE
BASICS OF BUSINESS
CULTURE IN THE TABLE
ON THE RIGHT.**

Select the first box for points that are similar to the business culture in your home country. Select the second box for points that are different than the business culture in your home country.



To learn more about Canadian business culture, visit [Culture Atlas](#)⁴⁸.

	SAME	DIFFERENT
Shake hands and introduce yourself when you meet people. It is custom for men and women to shake hands with each other.	<input type="checkbox"/>	<input type="checkbox"/>
Business associates usually call each other by their first names.	<input type="checkbox"/>	<input type="checkbox"/>
Being on time for meetings is a requirement. You are on time if you are five minutes early for your meeting.	<input type="checkbox"/>	<input type="checkbox"/>
Phone if you are going to be late for a meeting. Make a short apology when you get to your meeting.	<input type="checkbox"/>	<input type="checkbox"/>
Try not to point, tap, or use angry gestures when you have business conversations.	<input type="checkbox"/>	<input type="checkbox"/>
Speak the same language as everyone in the group. This is important so everyone understands what is being said.	<input type="checkbox"/>	<input type="checkbox"/>
It is expected that you take your sunglasses off when you speak to someone.	<input type="checkbox"/>	<input type="checkbox"/>
Turn your cell phone ringer off during meetings. If you expect a call that you can't miss, turn the ringer on vibrate. Leave quietly if you need to take the call.	<input type="checkbox"/>	<input type="checkbox"/>
Washing daily and wearing clean clothes to work is an expectation.	<input type="checkbox"/>	<input type="checkbox"/>
Equality is valued and expected. All genders and all races are included and valued as equal in business.	<input type="checkbox"/>	<input type="checkbox"/>
"Business casual" means you wear dress pants and a nice shirt. Women may choose to wear a skirt. Men may choose to wear a tie.	<input type="checkbox"/>	<input type="checkbox"/>
Many people are allergic to perfumes and colognes. Try not to use a lot of perfume or cologne.	<input type="checkbox"/>	<input type="checkbox"/>
Politeness is expected. Most Canadians say please and thank you more often than other cultures.	<input type="checkbox"/>	<input type="checkbox"/>
Have a meter between you and the person you are speaking with. Canadians value personal space.	<input type="checkbox"/>	<input type="checkbox"/>
There is usually a short period of small talk before a meeting starts.	<input type="checkbox"/>	<input type="checkbox"/>





THINK ABOUT ALL THE PLACES YOU GO TO SHOP, EAT, OR MAKE PURCHASES OF ANY KIND.

What do business owners or staff members do to make you feel comfortable? Why do you want to buy from them?

What ideas do you have to make your customers feel comfortable in your business?



The average business can lose from 20% to 80% of its customers if it doesn't work on developing good customer relationships.

You probably noticed something important after answering the questions above. Your customers will keep coming back when you have good customer relationships. Customers who feel they are respected will continue to use your business.

In addition to what you already do to make your customers feel respected, below are a few other ideas:

- Talk to your customers and ask for feedback about your business.
- Make it easy for customers to complain. It's hard, but it's important to have those conversations.
- Let customers know they can come to you with problems.
- If a customer leaves a negative online review, be sure to reply and make it right for the customer.
- Make sure your customer service is excellent. This will help your customers feel comfortable.





Immigrants who own an incorporated business are much more likely to create jobs than businesses owned by people who were born in Canada.

Source: [Statistics Canada](#)⁴⁹



Download the [Employment Standards Toolkit](#)⁵⁰ from the Government of Alberta and start a list of potential roles your company may need to fill with employees in the future.



Alberta Employment Standards oversees the rules and regulations in Alberta that affect employees, including minimum wage and vacation pay.

To learn more, visit the [Government of Alberta](#)⁵¹ website.

Employee and Contractor Relationships

Your business may hire employees or contractors as it grows. In Section Four, you read about the differences between employees and contractors. You also learned about the WCB Provincial Agency. The WCB oversees workplace accidents and injury issues.

Let's now look at some other points for you to think about when you manage employees or contractors.

WHO TO HIRE?

You may be the only employee in your business right now and do everything. As your business grows, you may find you don't have time to do everything.

For example, many new business owners do their own bookkeeping. This task can take a lot of time as the business grows. Your time as a business owner may be better used networking and generating sales for your company. If your business makes more money, you can hire or contract a part-time bookkeeper to do this task.



Keep a journal of all the activities you perform in the day. Ask yourself if this is a role you would like to continue having as your business grows?

Finding Employees

Business owners often hire qualified employees who they know through friends, family and other business associates. Whether you know the applicant or not, it is a good idea to have a formal application and hiring process for your business. Your employees are often the first people your customers meet. It is important you have proper training in place for your employees. You will also be more successful if everyone understands the workplace rules in Alberta.





CREATE A PLAN TO HELP FIND THE RIGHT EMPLOYEES.

For help in learning about the 5-step recruitment plan, visit the [Business Development Bank of Canada](#)⁵² (BDC).



HUMAN RIGHTS IN CANADA

Everyone in the world is entitled to the same basic human rights. Human rights describe how we expect to be treated as persons. Human rights make sure everyone can have a life of equality, dignity, and respect.

These rights also make sure everyone has a life free from discrimination. Human rights laws protect people. These laws make sure people are not treated badly for reasons such as their race, gender, age, or disability. Human rights are the same for every person.

In Canada, your human rights are protected by provincial, territorial, federal, and international laws. As

an employer, you must respect the human rights of your employees.

To learn more about human rights, and how discrimination and harassment are defined in Canada, contact the [Canadian Human Rights Commission](#)⁵³.

The [Alberta Human Rights Commission](#)⁵⁴ is an independent commission created by the Government of Alberta. The purpose of this commission is to uphold equality and to reduce discrimination. They are responsible for keeping the Government of Alberta informed about human rights issues. They also help Albertans resolve human rights complaints.

[Alberta's Human Rights Act](#)⁵⁵ protects against discrimination based on:

- Age
- Race/colour
- Religion/creed
- Ethnic, national or Aboriginal origin
- Sex (including gender or pregnancy)
- Sexual orientation
- Physical or mental disability
- Family or marital status
- Source of income
- Irrational fear of contracting an illness or disease
- Association with groups or individuals or
- Political belief, affiliation, or activity.

The act also says that sexual harassment is against the law in all areas of public life. It applies to all workplaces in Alberta.





[Meetup.com](https://www.meetup.com)⁵⁶ is an online social platform that you can use to find networking events in

your community. You can find groups meeting every day, enjoying all kinds of activities. You can network while enjoying hobbies, learning new skills, and volunteering. It is a low stress way to meet new friends and potential business associates.

Networking

You do not need to develop your business alone. Most successful business owners surround themselves with people who can be mentors, advisors, and business friends.

Networking is a way for you to get to know people and for others to get to know you. It helps you learn about programs and members of the community that could help with the success of your business. Networking is an opportunity to find out what you have in common with other people, groups, and businesses, and learn how you can help each other be successful.

Networking is an inexpensive way to market your business. When you network, it is important to remember the basics of business culture you learned about earlier in this section.

Here are a few more tips to help you get started in networking:

Build up a meaningful contact list

Set a goal to meet people when you go to a networking meeting but keep the number small.

Meeting a lot of people at an event doesn't mean you have made meaningful contacts. It is important to look for quality as you develop your network, not quantity. It is more valuable to meet three good contacts who will remember you a few days later than 30 who will not.

Spend a little time with people you already know. This may not be possible at first. As you network more and more, you will find that you are more likely to see people you have already met.

Invite yourself

Don't wait for someone to invite you when you are just starting out. You have to find your own events to attend.

Dress appropriately

At most networking events, people wear business suits. If you do not have a suit, wear clothes that are business casual.

Arrive on time

This is one of the few situations where it is appropriate to be a few minutes late. It is still a good idea to arrive on time so that you do not walk in after a meal or speech has started.



Jump right in

The hardest part of networking is learning how to walk over to somebody you don't know and introduce yourself. Remember that everybody in the room will also be meeting new people. If you are uncomfortable, bring someone with you the first time. You will get more confident when you know more people. They can introduce you to further contacts. Be prepared to shake hands, smile and make eye contact.

The 30-second Elevator Pitch

An **elevator pitch** needs to be short and to the point. Your audience should want more details after your 30 second pitch. If they are not interested in more, that's fine. They may not have been your customer or connection to begin with, or at least, not yet. Perhaps a referral to someone else they know is more reasonable if the pitch is short enough to be remembered later.



An **ELEVATOR PITCH** is a short, concise explanation of who, where, what and why you and your business is, or will be. It is not technical, or detailed. **IT'S NOT A SALES PITCH.** It is an introduction to make your audience want to know more, or just know who you are.

The structure is:

Hello. I am _____ (Name) _____, (of) _____ (from, owner of 'Company name')

I _____ (what do you do - action verb + noun) _____, to _____ (what problem you solve - use verbs)



LEARN TO INTRODUCE YOURSELF USING THE "THE 30-SECOND ELEVATOR PITCH".

Use this when you are at networking events. Write down your pitch in the space below. Practice it with friends and in front of the mirror. Practicing will help you be more confident when you tell people about your business.

Hello. I am _____, (of) _____

_____ (Name) _____ (from, owner of 'Company name')

I _____, to _____

_____ (what do you do - action verb + noun) _____ (what problem you solve - use verbs)



SECTION 6

Next Steps

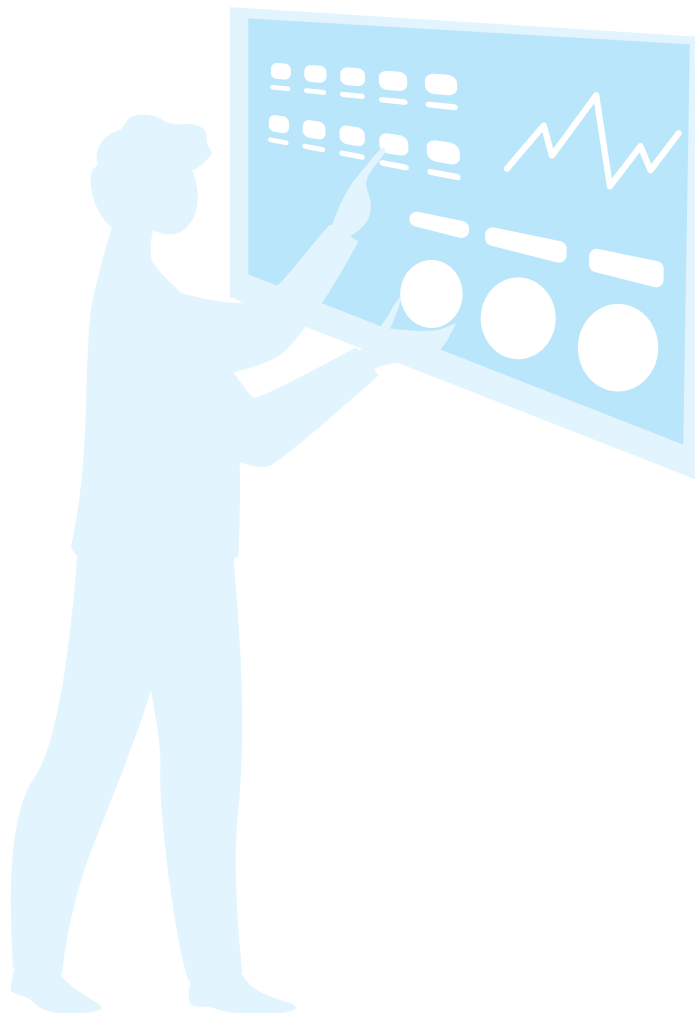
Congratulations! You have made a good start to towards beginning your business. This guide is the first part of a series developed by Business Link. We are here to help you every step of the way.

Our recommended next steps include:

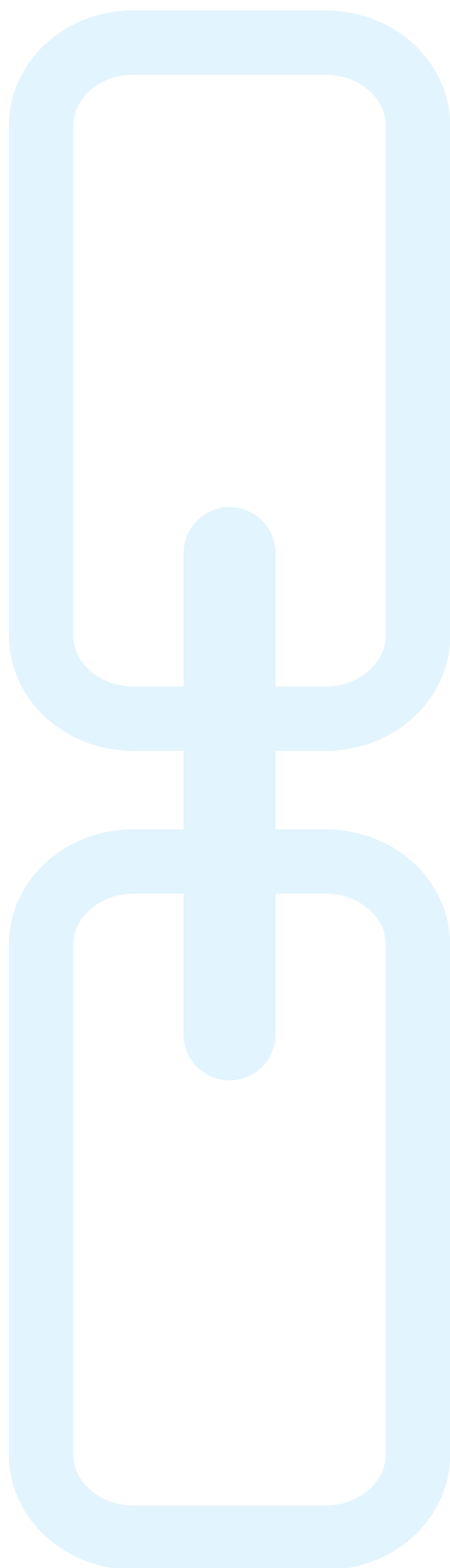
1. Sign up for the Business Link online business planner to start your business plan.
2. [Subscribe⁵⁷](#) to the Business Link Immigrant Entrepreneur Newsletter.
3. Contact our Market Research department to learn more about your business industry and competition.
4. Reach out via phone to our offices to access one on one support from one of our Immigrant Entrepreneur specialists.



[Visit us⁵⁸](#) to download more guides and resources.



APPENDIX



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