



Douglas College

SelfEMPLOYMENTPROGRAM
Where entrepreneurs begin.

Business Research Assignment

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January 2011



What IS Business Research?

- The act of finding out who your customers are and determining how to get their attention
- Going out and getting information to determine if you have a viable business idea
- Gathering information to build your Business Plan
- A tool to provide clarity, focus and confidence in your business concept

What is the purpose of Business Research?

- To minimize risks
- To save time and money during start-up
- To learn where and how to sell the product and/or service
- To learn where and how to produce and distribute the product and/or service
- To determine what it will cost to run the business and how you will cover your costs

Types of Business Research

Primary Research

Primary Research is the actions you can take to gather information related to your business idea directly from the source. It generates specific information in response to your specific inquiries. Some examples of Primary Research are:

- Questionnaires/Surveys
- Observations
- Focus Groups
- Information Interview

Information Interview Technique

Introduction

Information interviews are meetings. The most effective interviews are face to face. If necessary they can be conducted over the telephone or via the internet. Much can be lost in the way of nonverbal communication if you use the telephone or the internet.

Preparation

Identify the information that you need. Identify who you need to contact and to whom you need to speak, then prepare a script. Use directories, association rosters, books of lists, etc. to locate:

- Customers
- Competition
- Suppliers
- Similar Businesses
- Industry Contacts
- Mentors
- Advisors

Before

Most people will grant an information interview if you promise that you are:

- not looking for a sale
- not looking for a job
- only looking for information
- only need thirty minutes of their time

These promises must not be broken during the interview or you will undermine your credibility. If a sale seems likely, repeat your promises (above). If the person insists, say you will get back to them after you have finished conducting your information interview(s).

During

Although you may wish to reword them slightly based on your conversation, and you may ask them in a different order, the four important questions to ask in the information interview are:

1. How did you get here?

This question helps to build rapport with the other person. You may discover background information about them or their company.

2. What's going well?

This question is aimed at finding the positive things about the industry, business, product, service, customers and market. No matter how bad things are, there are always things that are going right. You may also discover things that this person really likes to do or does very well. (Possible Strategic Alliance?)

3. What are the challenges?

This question is aimed at identifying potential challenges or barriers. No matter how good things are, there is always something that is not going quite right with the industry, business, product, service, customers or market. You may discover things that this person really dislikes doing or a product or service that they cannot find. Perhaps what they are missing is the product or service that you will be providing.

4. Who else should I talk to?

This is the ultimate networking question. Be sure to ask this question before you leave, even if you have run out of time. Ask permission to use their name.

Listen and take notes. It is your responsibility to manage the time and not exceed 30 minutes. **ALWAYS** ask the last question.

After

After your interview, write a thank you note – not an email, not a fax, not a phone call. You need only say three things:

1. **Thank you for the time...**
2. **I really enjoyed hearing about...**
3. Option A **I will contact you the week of _____ to discuss _____.**
Option B **I'll let you know when I start my business.**

Questionnaire/Survey Technique

Introduction

Questionnaires or surveys are a quick way to gather information. Most effective are face-to-face. If necessary, they can be conducted over the phone or via the internet. They consist of 6-10 questions and provide a snapshot of information and useful statistics.

Preparation

Identify the information that you need.

Design short, relevant questions. Start with yes/no and true/false. Use multiple choice questions near the end. Your last question should be open-ended - starting with words like: tell me about, describe how, and explain.

Before

Identify who you need to survey and identify where you will find these people. Determine what permission you need to conduct a survey. For example: in a mall, ensure Security and Mall Management are aware of what you are doing.

Develop a script or approach to people. E.g. "Good morning... My name is _____. I'm thinking of opening a coffee shop in this area. Will you help me by answering a few questions?"

Examples of questions for a coffee shop:

1. Do you drink coffee? Yes No

2. How often do you drink coffee from a coffee shop?
 Once a week
 2 - 3 times per week
 More than 3 per week
 Less than once a week

3. On average, how much do you spend per coffee? \$ _____

4. Where do you purchase coffee? (Check all that apply)
 Tim Hortons
 7-11
 Starbucks
 Make at home
 Other

5. What types of coffee do you purchase?

- Regular
- Latte
- Espresso
- Hot
- Cold
- Other

6. How much do you spend per week on coffee?

- Less than \$5
- \$5 to \$10
- \$10 to \$20
- More than \$20

7. What do you like about the coffee shop you currently buy from?

Take a large quantity of survey forms with you.

During

Ask questions and record answers. Use follow-up questions to clarify.
Thank them for their time.

After

Total responses to each question and summarize.

Secondary Research

Secondary Research is information gathered and summarized by others. It may be in printed form, or on the internet, and it may be obtained through local contacts such as associations. Secondary information may be out of date and the source of information must be considered.

Some useful resources:

Small Business BC

601 West Cordova Street
Vancouver, BC

Tel: 1-800-667-2272

Web: www.smallbusinessbc.ca

- directories
- review Business Plan content
- trade journals
- Statistics Canada publications
- Industry Canada reports

Vancouver Public Library – Central Branch

Business and Economics Collection
Level 4, 350 West Georgia Street
Vancouver, BC

Tel: (604) 331-3603

Web: www.vpl.ca

- periodicals
- industry specific:
 - magazines
 - trade journals
 - newspaper articles
 - directories
 - market research links
- small business
- online databases
- other government departmental reports

citysoup.ca

Business Innovation Centre

1207 Pinetree Way
Coquitlam, BC

Tel: (604) 927-6950

Web: www.citysoup.ca

- payment for government services such as permits, parking tickets, research zoning regulations
- training for technology and internet
- eMarketing and eCommerce tools
- online newsletters, business directories, permission-based databases and mapping tools

Industry Canada

Tel: 1 800 328-6189

Web: www.ic.gc.ca

Business and Consumer Information including:

- Company Directories
- Consumer Information
- Market Research Statistics
- Information by Industry Sector
- SME Direct – *the* guide to information, tools and resources for Small and Medium sized Enterprises.

Statistics Canada

Web: www.statcan.gc.ca

Email: infostats@statcan.gc.ca

Toll-free general enquiries line
1-800-263-1136

Toll-free fax number
1-877-287-4369

- internet publications
- online databases
- additional resources

BC Stats

Web: www.bcstats.gov.bc.ca

Mailing Address:
Box 9410 Stn Prov Govt
Victoria, BC, V8W 9V1

Street Address:
1st Floor
553 Superior Street
Victoria, BC

- largest concentration of provincial statistical products, services and expertise

Chambers of Commerce or Boards of Trade

- local municipal information and statistics
- local business information

City Hall

- zoning regulations
- health regulations
- licensing regulations
- economic development plans for the area

Internet Search

- industry information
- competitor information
- additional links to assist with your market research are available at our website under 'Resources' – 'Links' www.douglascollege.ca/selfemployment

Contacts

Canada Revenue Agency

Web: www.cra.gc.ca

Tel: 1-800-959-1956 – for Businesses and Self-Employed Individuals

Information such as:

- business and HST registration
- payroll
- HST (including rebates)
- excise taxes and other levies
- excise duties
- corporations, sole proprietorships and partnerships

HST Harmonized Sales Tax

Web: www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-eng.html

- general information about HST
- registering your account
- rates
- calculation tables

Business Formation and Name Registration

Web: www.businessregistration.gc.ca

Businesses operating in BC may be either incorporated or unincorporated and may be structured according to one of several forms.

- Unincorporated businesses (sole proprietorships, general and limited partnerships) must register with the Provincial Registrar of Companies. Obtain registration forms and information from the Business Service Centre, any Government Agent or Chamber of Commerce Office in BC
- Incorporated businesses - if the structure is simple and straightforward, the do-it-yourself Incorporation Kit (Business Service Centre and bookstores) may be an option for you. You may want to have the completed documents reviewed by a lawyer who can provide thorough advice on the legal aspects of your business structure. An accountant can advise you on the financial implications of incorporation.

**BC Ministry of Finance
Consumer Taxation Branch**

Web: www.sbr.gov.bc.ca/business.html

Email: CTBTaxQuestions@gov.bc.ca

Tel: 1-877-388-4440

Courier Address: 800 – 360 W. Georgia
Street, Vancouver

- provincial tax questions
- registering to collect tax
- requesting a clearance certificate
- refunds
- what is taxable or not taxable

Work Safe BC

Web: www.worksafebc.com

If you are hiring employees or if your business is incorporated, register with Work Safe BC before starting your business.

**BC Ministry of Labour – Employment
Standards Branch**

Web: www.labour.gov.bc.ca/esb

If you are hiring employees, this website offers detailed information on Employer/Employee rights.

The Employment Standards Branch administers the Employment Standards Act and Regulation, which set minimum standards of wages and working conditions in most workplaces.

Patents, Trademarks, Copyright

Web: www.cipo.gc.ca

Tel: 1-866-997-1936

Canadian Intellectual Property Office
Protection of Designs and Ideas

Municipal Business License Offices**Business License, Land Use, Zoning**

If your business is located in an incorporated municipality (city, town, village or district) contact the municipal business license office to obtain a business license and to ensure conformity with land use and zoning bylaws. If your business is located in an unincorporated area of the province, contact the nearest regional district office.

Abbotsford	(604) 853-2281	32315 S. Fraser Way, Abbotsford, BC V2T 1W7
Burnaby	(604) 294-7320	4949 Canada Way, Burnaby, BC V5G 1M2
Coquitlam	(604) 927-3000	3000 Guildford Way, Coquitlam, BC V3B 7N2
Delta	(604) 946-3314	4500 Clarence Taylor Crescent, Delta, BC V4K 3E2
Ladner	(604) 946-3314	4500 Clarence Taylor Crescent, Delta, BC V4K 3E2
Langley City	(604) 530-3131	5549 – 204 th Street, Langley, BC V3A 1Z4
Langley Township	(604) 533-6040	4914 – 221 st Street, Langley, BC V3A 3Z8
Maple Ridge	(604) 467-7306	11995 Haney Place, Maple Ridge, BC V3A
New Westminster	(604) 527-4565	511 Royal Avenue, New Westminster, BC V3L 1H9
North Vancouver	(604) 983-7356	141 West 14 th Street, North Vancouver, BC V7L 4K1
Pitt Meadows	(604) 465-5454	12007 Harris Road, Pitt Meadows, BC V3Y 2B5
Port Coquitlam	(604) 944-5411	2580 Shaughnessy St., Port Coquitlam, BC V3C 2A8
Port Moody	(604) 469-4541	100 Newport Drive, Port Moody, BC V3H 5C3
Richmond	(604) 278-5575	6911 No. 3 Road, Richmond, BC V6Y 2C1
Surrey	(604) 591-4370	14245 56 th Avenue, Surrey, BC V3X 3A2
Tsawwassen	(604) 946-3314	4500 Clarence Taylor Crescent, Delta, BC V4K 3E2
Vancouver	(604) 873-7568	2 nd Fl, 2675 Yukon Street, Vancouver, BC V5Y 3P9
West Vancouver	(604) 922-1211	750 – 17 th Street, West Vancouver, BC V7V 3T3
White Rock	(604) 541-2100	15322 Buena Vista, White Rock, BC V4B 1Y6

Research for Marketing and Sales Plan

Include information to answer ALL questions.

1. Describe the products or services your business will provide. What are your core products or services? What are your specialties? **Be specific.**

2. How is your product and/or service different from that of your competitors? What makes it unique? Why would a customer choose you over someone else?

3. Write a detailed description of the characteristics of your customers. Who is your PRIMARY market? Who will you actively go after? Who is your SECONDARY market?

4. Describe the industry your business will operate in. For example, a Rock Climbing Wall is in the Recreation & Leisure Industry. Include annual sales (are they increasing, decreasing or staying constant?), number and size of companies.

5. What factors have or will influence your industry?

6. What are the current opportunities in this industry?

7. What are the current concerns in this industry?

8. What do experts say will happen in the industry over the next 5 years?

9. How often, and in what quantity, will your customers purchase your product and/or service? Are there any trends? Based on your interviews or surveys, get specific numbers. What logical assumptions can you make?

10. What are the top three (3) objections to buying your product and/or service? For example: lack of reputation, terms of payment.

11. Starting with the competitors you already know about and the information you have collected, identify three to five competitors who offer the same or similar product and/or service. These will be your DIRECT competitors.

12. Identify competitors who provide a product and/or service that can be substituted for yours. These will be your INDIRECT competitors. For example, indirect competitors for a Rock Climbing Wall would be: batting cages, bowling alleys, swimming pools, driving ranges. All of these are choices the customer could make to spend Recreation and Leisure dollars.

13. Where do you think competitors will come from in the future? This will be based on what is happening in your industry and may include your predictions.

14. To analyze your competition:

Look for what they do well in the following areas. Be specific for EACH competitor:

Advertising, Marketing, Promotion	
Image, Reputation	
Operations	
Hours	
Customer Service	
Location	
Pricing	
Payment Methods	
Payment Terms	
Delivery Methods	

Look for what they could do better in the following areas. Be specific for EACH competitor:

Advertising, Marketing, Promotion	
Image, Reputation	
Operations	
Hours	
Customer Service	
Location	
Pricing	
Payment Methods	
Payment Terms	
Delivery Methods	

How can you find this information? Examples: observe, “shop” them as if you were a customer, visit their website, talk to suppliers.

15. The following list provides food for thought. **Make sure that your ideas are cost effective.** Innovative and inexpensive ways of reaching your customers are sometimes the best – just because they're different. Look at what successful businesses do to advertise and promote.

Based on the description of your customer, identify the ideas (✓) you would like to use for the first year. **Check the ones you want to investigate and find the related costs.**

This list is taken from information provided at:

www.smallbusinessbc.ca.previewmysite.com/workshop/promo.php

✓	Business Promotion Ideas	Annual Cost
	Advertise in the classified advertising section of your community newspaper.	
	Advertise in the Yellow Pages.	
	Advertise on a grocery buggy.	
	Approach your prospective customers over the phone.	
	Approach your prospective customers in person.	
	Approach your prospective customers through the mail.	
	Be a guest speaker at seminars and present on your area of expertise.	
	Be a guest speaker on radio talk shows.	
	Build and maintain a customer mailing and contact list on database software.	
	Build your image with well designed letterhead and business cards.	
	Design a brochure that best explains the benefits of your services.	
	Design a mail order campaign.	
	Design a point of purchase display for your product.	
	Design a telemarketing campaign.	
	Design an image building logo for your company.	
	Design and distribute a quarterly newsletter or an industry update announcement.	
	Design and distribute company calendars, mugs, pens, note pads, or other advertising specialties displaying your company name and logo.	
	Design and distribute a free "how to do it" hand-out related to your industry (e.g. Tips for conserving energy in your home).	
	Design buttons, decals and bumper stickers or balloons with your company name, logo or slogan.	
	Design T-shirts displaying your company name and logo.	
	Explore cross promotion with a non-competing company selling to your target market.	

✓	Business Promotion Ideas	Annual Cost
	Explore the costs of advertising in newspapers, magazines, on radio, television, billboards, bus shelters and benches. Refer to the publication "Canadian Advertising Rates and Data" (CARD) for some of this information.	
	Explore ways to share your advertising costs using cooperative advertising.	
	Follow up customer purchases with a thank you letter.	
	Follow up customer purchases with Christmas or birthday cards.	
	Have your company profiled in a magazine or newspaper that is read by prospective customers.	
	Hire an advertising agency or public relations firm.	
	Hold a promotional contest.	
	Hold a seminar on your service, product or industry.	
	Include promotional material with your invoices.	
	Look for prospective customers at trade shows related to your industry.	
	Look for prospective customers in associations related to your industry.	
	Look for prospective customers at seminars related to your industry.	
	Look for prospective customers in magazines and newspapers related to your industry.	
	Package your brochure, price lists and letter in a folder for your customers.	
	Place a sidewalk sign outside your store or office.	
	Place flyers on bulletin boards and car windshields.	
	Place promotional notes on your envelopes, mailing labels.	
	Place signs or paint logos on your company vehicle(s).	
	Prepare a corporate video.	
	Prepare a list of product features and benefits to help you plan your advertising and promotional campaigns.	
	Prepare proposals offering solutions to your customers' needs	
	Provide free samples of your product or service.	
	Provide public tours of your operation.	
	Sponsor a charity event.	
	Sponsor an amateur sports team.	
	Sponsor a cultural event through a community arts organization	
TOTAL ANNUAL COST		\$

Research for Operations Plan and Financial Plan Modules

- Which of the following regulations apply to your business and when will these requirements be met? When do you expect to have each – by a specific date, or end of which month or which quarter?

✓	Basic Legal Requirements	\$ Cost	Deadline
	Name Search and Registration		
	Incorporation (legal form of business)		
	Business License(s)		
	HST Registration		
	Worksafe BC Registration		
	Patent, Trademark, Copyright		
	Insurance(s) – if more than one, list below:		
	Employment Standards Act		

- External Professional Support. What external professional support will you have?

Name, Company Name, Location	
Banker	
Insurance Agent	
Accountant	
Bookkeeper	
Lawyer	

3. In your first year of operations, there may be large purchases. In the following table, show:

- Specific items you plan to purchase
- Cost to purchase each item
- If quotes have been obtained, the number of quotes obtained; ensure that you have obtained two or more quotes for proposed purchases.

Items to Purchase	\$ Cost	Source/Supplier	Quotes ✓ & #
Equipment and Tools			
Computers and Software			
Office Furniture (e.g., desk, shelving)			
Building (renovations and rental)			
Inventory / Raw Materials			
Total			

5. Using the tables, calculate the costs to produce one unit of your product or service.

Material	Cost	Amount Used	Total Cost
Total Material Cost			

Labour (type of work)	Hourly Rate	# of Hours	Total Cost
Total Labour Cost			

Total Materials and Labour	
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6. What are your anticipated sales in units and dollars for the first year? What will your units be? Examples – for a consultant or service business it is likely billable hours, for manufacturing, a unit = a product. Units does NOT apply to a retail business. Consider your capacity for production when anticipating how much you can sell. These numbers should also relate to the information in #9 of your Research for Marketing and Sales Plan.

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Months													
Units													
Dollars													

7. Who will be your **suppliers** of equipment, lease and sub-contractors? What **materials** do they supply to your business? Describe what **payment term** arrangements have been made or when you expect to have them made.

Supplier	Materials Supplied	Payment Terms

8. List three to five risks and threats to the success of your business (e.g., weather, strikes, regulation changes, personal illness or injury).

- _____

- _____

- _____

- _____

- _____
