



Choosing a Business Name and Writing Business Plan

Choose a business name

Selecting a name for your business is not a task to be taken lightly. In fact, it may prove more difficult than you expect. Your name must be accurate, catchy and, most importantly, available. Your name will often create your company's first impression on customers, so choose it with care.

Ask yourself the following questions.

- ★ Does the name reflect my business and what I sell?
- ★ Can it be easily remembered?
- ★ Is it unique and distinctive?

By law, the name can't be the same as, or very similar, to an existing corporate name or trademark. So, it's important to do a careful search of existing business names before selecting one. Most companies need to register their business name with the government. However, you generally do not need to register a sole proprietorship if it operates under your own legal name and personal bank account.

You may also need permits or licences to operate your business. Try searching on this site to find out what you need or contact your province, territory and/or local municipality.

Do you think your ideas or inventions might need protection from being copied? Learn about intellectual property protection. Check out the website of the Canadian Intellectual Property Office (CIPO) for more information.

Put together a business plan

With the steps you're already taken, you're well on your way to setting up a business. Now, it's time to write a business plan. This is the document where you describe your vision for the business and outline how you will accomplish it in detail.

What is a business plan?

A business plan explains how a company in money and is run day-to-day. There isn't single standard format, but most plans these four main areas: Company profile, and marketing, Operations and Financials. plans also include an executive summary an overview of your project and a simple explanation of your activities.

Business plans can be written for different audiences, but they're primarily prepared lenders, investors or shareholders. It's important to tailor your plan to the audience. Investors and shareholders often want to see an exciting potential return and ambitious business goals.



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Chad Fryling - *Entrepreneur-in-Residence, Futurepreneur Canada* said this “It’s common for people to try to convince the lender that they’re going to make a lot of money. That can actually have an adverse effect.”

Meanwhile, lenders generally want to know how they’ll get repaid and that the business owner is prepared enough to leverage the money effectively. They like to see conservative assumptions about your sales forecasts and market, different scenarios (good, neutral and bad) and contingencies in case things don’t go as planned.

“It’s common for people to try to convince the lender that this is an amazing opportunity and that they’re going to make a lot of money,” Fryling says. “That actually can have an adverse effect on the people reading the plan. They might think the business owner is too optimistic and doesn’t know what they’re getting into.”

Your business plan should include the following elements:

- ★ **Executive summary**—An overview of your business plan.
- ★ **Business overview or company profile**—Your products and services, the market you will be serving and trends in your industry.
- ★ **Sales and marketing plan**—Your target customers and how you intend to market and sell to them. This section also provides information on pricing and distribution.
- ★ **Operations plan**—Your location, equipment and machinery, production planning, customer interactions, research and development and any other important information about your operations.
- ★ **Human resources plan**—The number and characteristics of employees and what policies you will have in place for them. Short-term and long-term plans for recruitment, training and retention of workers. The human resources plan is sometimes included in the operations plan.
- ★ **Action plan**—A timetable for achieving specific milestones in establishing and running your business.

- ★ **Financial plan**—Key financial information, including projected revenues, expenses, costs of goods, cash flow and a budget for two years, but mostly focused on the first 12 months.

Bringing this information together in one document will not only give you a roadmap for building your business, but also provide investors and lenders with the information they need to decide whether to finance your company.

BDC's article [How to write an effective business plan](#) provides more information on the key elements of a plan. You can also read our article on [Common mistakes to avoid when building your business plan](#). You can use BDC's free [business plan template](#) to guide you as you write your plan.