**Pre-Conference Math of Owning a Business**

Today’s activity is about giving you an idea of the real costs of starting a business. We offer you different websites and tools which will help you now, and in the future, when deciding to start a business.

**Overview of the project:**

**Module 1: What is my business?**

**Module 2: Initial and upfront costs**

**Module 3: Monthly expenses**

**Module 4: Salaries**

**Module 5: Reflection**

**Module 6: Put it in action!**

**Module 7: Game**

**Module 1: What is my business?**

**Task #1**

You can use the [National Occupational Classification (NOC) System](https://noc.esdc.gc.ca/CareerHandbook/ChWelcome) to help you choose.

You just got your Red Seal or C of Q in the trade of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**(fill in the trade of your choice)**. You wish to start a business. Time to start calculating how much it will cost!

**Task #2**

**SWOT Analysis**

You will now create a [SWOT analysis](https://docs.google.com/document/d/1NZ3SneZMZ6JadQnLsgWC8i9_Zm9AEWxMJfvIc9C8yak/copy) of the industry you have chosen. Assume that you are intending to open your business in your area.

**SWOT = Strengths, weaknesses, opportunities and threats
Strengths and weaknesses are internal factors to your company’s success/failure.
Opportunities and threats are external factors to your company’s success/failure.**

**Task #3**

**What is your business?**

List the product(s) or service(s) that you will offer, and remember to keep it simple. You may only choose 1 or 2 services/products. Please add your rationale for starting with this/these service(s) or product(s).

|  |
| --- |
|  |

**Module 2: Initiale and Upfront Costs**

***How much will I need to get started???***

**Task #4**

**How will you register your business?**

What is the cost to register? Research on the following sites: <https://www.ontario.ca/page/register-business-name-limited-partnership> and <https://www.canada.ca/en/services/business/start/register-with-gov/register-sole-prop-partner.html>

What cost did you find?: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**After consultation with the Teacher, you will now insert the cost of registering a company into your data sheet.**

**Task #5**

**One-time startup costs**

What do you estimate your one-time startup costs to be? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Insert the given amounts from slides 22 and 23 into your data sheet.***

**Module 3: Monthly Expenses**

**Task #6**

**Monthly expenses**

What do you estimate your monthly expenses will be? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Task #7**

**Monthly overhead costs**

Your teacher will lead your learning with the PowerPoint Presentation. You will have many discussions and time for research to try and make this as accurate as possible for your industry.

Make a list of potential monthly consumable costs for your business:

|  |
| --- |
|  |

 ***Ensure that you enter all the required monthly expenses amounts shown in the PowerPoint into your data sheet.***

**Module 4: Salaries**

**Task #8
Estimating your salary**

What would your ideal (realistic) salary be in your first 1-5 years? Salary must be realistic to the industry. Use the government [Job bank](https://www.jobbank.gc.ca/home) website to help find the appropriate salary.

Year 1:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Year 2:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Year 3:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Year 4:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Year 5:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Now that you’ve found an hourly rate for your trade, please calculate the following:
**Daily Salary:** Hourly $ rate X 8 Hours = DS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(It depends how many hours you work per day, we’re assuming 8 hours.)

**Weekly Salary:** DS X 40 = WS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
(It depends how many hours you work per week, we’re assuming 40 hours.)
 **Monthly Salary:** WS X 4 = MS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Yearly Salary:** MS X 12 = YS or WS X 52 = YS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Task #9**

**Hiring two employees and estimating their salaries**

For this scenario, you must hire two employees. You have free choice over hiring a receptionist, an accountant, a tradesperson (Red Seal, journeyman or apprentice) or etc.
Salaries must be appropriate to that position. How much will you pay your employees? Use the [Job bank](https://www.jobbank.gc.ca/home) website, regional job bank/workforce development board information, your teacher, etc. to help you decide what to pay your employees.

 **Employee #1**
Position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Salary: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - **Enter amount into your Data sheet**

**Employee #2**
Position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Salary: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - **Enter amount into your Data sheet**

**Task #10**

**Calculate your contributions to the following: WSIB - Workplace Safety and Insurance Board, EI - Employment Insurance Benefits and Leave and CPP - Canada Pension Plan contributions**

**WSIB:** Research if you need WSIB for your business and the potential costs on the following website: <https://www.wsib.ca/en>. To simplify things for the activity, calculate the monthly salary costs for the two employees, multiply that amount by 1.75 and divide by 100.

 **Ex. [$(wage 1) + $(wage 2)] x 1.75 ÷ 100 = amount of contribution**

**EI:** Take the total monthly salary of your two employees and multiply it by $1.58, divided by 100.

**Ex. [$(wage 1) + $(wage 2)] x 1.58 ÷ 100 = amount of contribution**

**CPP:** Take the total ANNUAL salary of your two employees and multiply it by 5.45%.
 **Ex. [$(wage 1) + $(wage 2)] x 0.0545 = amount of contribution**

**Make sure you enter the amount into your Data sheet.**

**Module 5: Reflection**

*Is my plan realistic?*

**Task #11**

**Cost to start and sustain your business**

**Step A**

Estimate the total of your expenses.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Estimate how much money you will need to save while working, to be able to pay the upfront costs and three months of expenses. ***Calculate on your data sheet.***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Add your two employees salaries to your monthly expenses, assuming they are working a 40 hour week. ***Calculate on your data sheet.***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Step B**Pricing your job/work:

* Research online, call local shops, ask family and friends for homework, receive pricing from teachers, etc.
* Investigate the length of time it takes to do the job/service you have chosen.
* With this information, forecast how many jobs a month you are able to complete, as well as how much money you will make doing it.
* You must now remove the cost of goods from your profit, as materials are not free.

**Enter your pricing per service/product in your data sheet.**

**Step C**

Break even Point and evaluating your business sustainability:

* **Is this enough to cover your monthly costs (overhead plus employee salaries)?**
* **Is this enough to JUST pay your overhead?**
* **How much will you be paid?**
* **How much is left for the business?**
* **How many hours a week would you and your two employees need to work in order to bring in enough revenue to pay for your monthly costs?**
* **Look back at your expenses. Where can you save some money? Where can you spend more?**

**Task #12**

Now that you have an accurate number for your start-up costs and overhead, estimate how much money you think you can save per month to reach the total amount needed to open your business.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

As you will not be able to put all your salary into savings because of personal living costs (Ex. Phone, gas, water, insurance, car, etc.), estimate a second time how much you think you will be able to save per month. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Taking into consideration this new information, estimate how many months or years it will take to save the appropriate amount to open your business. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Are you willing to sacrifice anything now to be able to start your company sooner (ex. Living with parents, using a bike and not a car, minimal cell options, etc.)? Recalculate the amount of money saved per month and the time it will take to have the starting amount.**

**$:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Time:**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Module 6: Make an Invoice**
**Task #13**

1. [**Watch the video**](https://drive.google.com/file/d/1ROsKDngvEM1zqbx6GzGbenyOF5W7CW9q/view?usp=sharing) **in the PowerPoint with your class.**
2. **Create a Wave account.**
3. **You will need to create a Business and enter the appropriate information.**
4. **You will need to create a customer and enter the appropriate information.**
5. **You can then create an invoice.**
6. **You can now email the invoice to yourself, your teacher or others.**
7. **You will now edit the invoice and approve the changes.**
8. **You can figure out how to accept a payment from a customer.**

**Module 7:** [**GAME**](https://docs.google.com/document/d/1AZzU1nG0LOyin-Y55xshR6dQcxQO9KzasVlISQoKcz8/edit?usp=sharing)

**Task #14**

Have fun beating your friends in a game of chance, such as operating a business. Each choice you make affects your business, as well as those around you! Are you the next Billionaire!!!