

FUNDING INSIDER

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The 3 Tips To Get Government Funding And Why They Work

BY DAVID LORETTA

Getting your small business financed is one of the most critical steps to starting up or expanding your business. But how does one get their small business the financing it deserves? Aside from having enough personal savings, putting yourself in debt with personal credit cards, lines of credit or mortgaging your house again, many individuals turn to government funding options. Why? Because it works! So here are 3 tips to get government funding that you could use towards your own small business and why they work!

3 Tips To Get Government Funding

When you decide that you need funding, or better yet you want to apply for government funding for your small business in Canada you will hear a number of things that will simply confuse you. These things can range from: apply to everything, don't apply to everything, you need a business plan, you don't need one, nobody can get it, you have to be a female, you have to be under 30 etc, etc, etc; but what is the truth and what should you listen to and what should you ignore?

For starters let's review the below 3 tips that will help you and your small business get government funding and let's go from there.

Tip #1: Create a professional business plan that clearly shows your funding needs.

Most successful entrepreneurs when applying for government apply with business plan already in hand. And no not just any kind of business plan that you put together in a few hours, but a real professional business plan that you've taken time to develop, added all the details you needed to add and one that clearly shows your business model, how you intend on achieving success and explains your funding needs.

A business plan is a critical document that you need to have when applying for government funding. Especially a business plan that is geared towards your funding search.

Why it works: A business plan geared towards a funding search isn't much different then a regular business plan, but it does focus more on the funding aspect of the business. What do you need funding for, how much do you need, why do you need it, how will it help you and your business succeed? These are the typical questions that will be found within a business plan of this nature. It works much better then a regular plan because funding agencies that provide the government funding will review the plan and will get the answers they need to help them in the decision to provide you funding or not.

Tip #2: Get expert help when searching for government funding programs.

When you start searching for government funding programs your head will start to spin. Our heads start to spin when we are updating our Funding Database and we have a team of researchers doing it. So imagine having to do it on your own? Impossible. No. - but very frustrating.

As a small business, weather you are starting up or expanding your business, you have other things to worry about (even though funding is critical), so why not leave it to the funding experts to search, find and assist you in your funding mission!

A business plan is a critical document that you need to have when applying for government funding.



Accepting expert help where possible is a sure way to get your business funded.



With hundreds of funding programs being available through various levels of the Canadian government it gets confusing to find the programs that are right for your small business. Accepting expert help where possible is a sure way to get your business funded.

Why it works: Do you know which funding programs are right for you? Do you know where to start to look for funding programs? If you answered no to these two questions, you need expert help. This is why having expert helps works in getting your small business closer to obtaining government funding - because you don't know and you shouldn't spend your time trying to figure it out. Think about it, when you have an issue with your vehicle, do you try to figure out what's wrong in your engine or do you take it to an expert to get it done?

Tip #3: Apply only to programs that you meet the criteria.

With hundreds of government funding programs being available from various levels of the Canadian government, where do you start your search, which programs do you apply for? If you've decided to go with expert advice, you will know the answers, otherwise - it may be a bit difficult.

The most recommended way of applying for government funding programs for your small business is to search for programs that are available in your province first then look outwards; then search for programs that are in your industry followed by programs that are just for the funding needs you have. Only apply for programs that you meet the criteria and have the qualifications for otherwise you will be wasting your time.

Why it works: When you read the program details you will see a listing of the criteria and qualifications you must meet in order to be eligible for the government program to give you funding. If you don't meet the criteria, it simply means the program is not for you (at this time), but if you meet the criteria and all looks good, you apply. That's why it works so well because you know you won't be disqualified from the program for not meeting the requirements.

“ *Search for programs that are available in your province first then look outwards; then search for programs that are in your industry followed by programs that are just for the funding needs you have.* ”

Now that you've seen the 3 tips to getting government funding for your small business get started with your business plan, ask for expert help and start your funding search.

4 Lessons Learned From Applying For Government Funding

BY SUZANNE BURTON

As a Canadian small business trying to startup or expand your small business in 2018 there are just certain things that you must do if you want to be successful at applying for government funding.

A business plan used to be the most critical when applying for funding as it would show the potential government funding agency who you are, what you do, what you need and that some financials, and often that used to be enough to get past that first stage and closer to obtaining a government grant, a loan or a tax credit.

Now that we are in 2018, getting close to 2019, it's actually getting easier and easier to apply for government funding.

So here are the 4 lessons learned this year that we are sharing with you if you are thinking of searching and applying for government funding for your own small business.

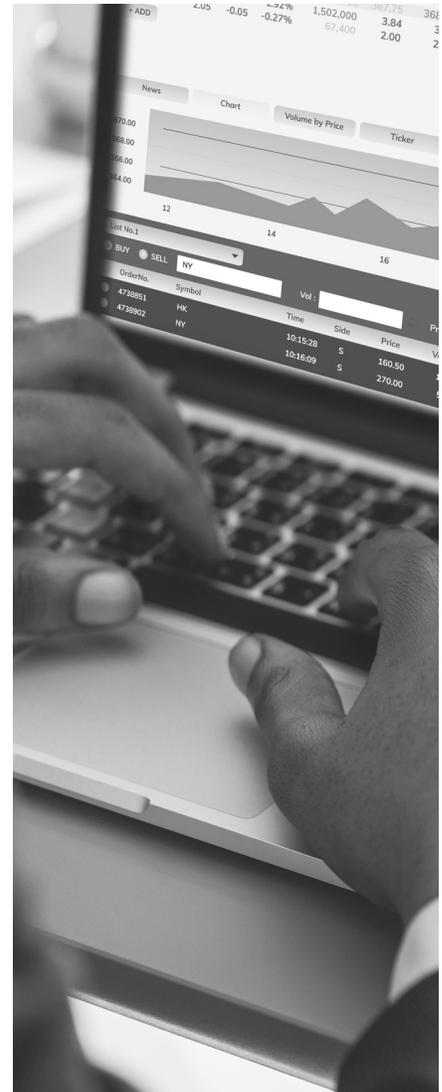
Lesson #1: Your Business Plan

Having a well developed business plan is still the number one factor that will help you obtain government funding. Why? Well some things never change and one of the most critical documents that a funding agency want's to see from your side before they approve any funding is that your business makes sense.

So before you think that you don't need a business plan at all, think again and get down to business plan writing. You are in luck, however, because Canada Startups do have a great Business Plan Builder Tool.

When developing your business plan so that you can use it towards applying for government funding programs, keep in mind that it only benefits you to write your business plan with "your funding needs" in mind. While you should complete your business plan and each section of the business plan accordingly, it's important that the reader of the business plan, in this case a potential funding agency can see where your funding needs are.

Having a well developed business plan is still the number one factor that will help you obtain government funding.



A business website is a critical piece of information that funding agencies want to see.



Lesson #2: Your Website

It's 2018! So if you're thinking of starting a small business, you could surely benefit from having some sort of web presence. Be it a free website offered via many services, a social media presence or a dedicated website that shows your brand, your products/services, contact information..etc; it's a critical piece of information that funding agencies want to see when you are applying for a government grant, loan or a tax break program.

While there are certain business types that won't require a business plan, chances are the more prepared you are and ready to show a website to a potential funding agency, the greater your chances of obtaining that government funding will be.

If you don't have a website yet, reach out to our experts and ask for help!

Lesson #3: All About The Programs

There are many government funding programs offered via multiple levels of the Canadian government. Some programs are perfect for you while some just don't match.

Don't be discouraged if you start your search and notice that there are no funding programs to buy a "floor cleaning machine" or a "3" cutting saw" or "funding for purchasing doggy day care clippers". The government agencies don't know every single thing that a person may search for, so they can't tag their programs with a million different options. Instead what they do is they state "funding is available for: hiring, training staff, purchasing tools/equipment/supplies, advertising/marketing, cash flow, leasehold improvements..etc". This way, it sounds general but more available then searching for something very specific.

Break down you funding needs and search for programs in a broader sense. Not all programs will state what they are specifically made for - so you do have to be a bit creative in your search.

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Lesson #4: Get Help

Searching and applying for government funding is a big task. It's not something that is easy to do or something that is done in a day. In fact, most people searching for government funding for their small businesses end up spending 3 to 4 weeks conducting research to find what's appropriate to them. This leads to them giving up, applying to wrong places, not doing it right - ultimately, wasting a lot of time.

But all of that time could have been saved if they took on expert help.

A funding expert (such as the ones available at CanadaStartups.org) for only \$297 (one time) can help you startup, help you develop your business plan, review it and assist you in improving it, search for funding programs for you and provide you with a personalized funding report where all you have to do is fill out the applications and send them out. But you also get the guidance each step of the way so it's a win win situation all around.

Take these 4 lessons and study them before applying for government funding for your own small business.

Writing a Business Plan To Get Government Funding

BY IAN MEYN

Your business plan is one of the most important documents that you will have to create for your business. Writing a business plan is not an easy task, it's not something you would do in one sitting and it's definitely not something you would write once and forget about it. A business plan is critical to the success of your business, especially if your intentions are to search, apply and obtain government funding. But do you know the difference between a regular business plan and writing a business plan to get government funding?

There aren't many differences however the differences that are there are very important when applying for government funding for your small business in Canada.

So you've decided that your small business needs government funding. Great! But how do you write a business plan that will reflect your funding needs?

When you are creating your business plan for your small business in Canada, there are certain components that simply must be present:

- Who are you?
- What do you want to do?
- What problem are you solving?
- Why are you solving this problem?

Searching and applying for government funding is a big task.



- How are you solving the problem?
- How much do you charge?
- Who else is doing it?
- Why are you better?
- How much will it all cost?
- How much will you make?
- How will you do it all?
- What does the future hold?
- What do you need to make it all work?

These are some of the questions your business plan, once completed, should answer.

When applying for government funding for your small business you have to keep in mind that the various government funding agencies across Canada get hundreds if not thousands of applications. The review process is nearly robotic, thus your business plan needs to answer the questions the funding agency must know in order to determine to fund your business or not.

Simply missing certain components/answers that need to be there could result in your business funding application to be denied.

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The "Get Me Government Funding" Questions To Answer

In any business plan, there is always going to be content that is considered filler content. You don't want to submit a business plan that answers a important part of the plan with a sentence or two (it might look bad), but at the same time, you don't want to ramble on and answer a question and not know how to end it.

You have to be a good judge of when it's enough.

As a business owner or startup entrepreneur you may be very passionate about what it is your business is all about so you may be able to talk and write for ages, but there are certain points you want to get across to the reader (in this case a funding agency).

These points may change if you are writing a business plan to help you sell the business, or to help you find a potential partner, or to provide a business plan to your employees so everyone is on the same page. A business plan that is looking to obtain government funding, be it a grant, a loan, tax break or any financial support from the government needs to showcase the funding needs.

How much of your own money have you put into the business or have available to invest?

When creating a business plan in hopes to obtain funding from the government, you want to show to the potential funding agency that you are being proactive and that you are investing your own money as well - or at least that you have the intention of doing so. The reason for this is because the government agency also looks at risk, and if you are not willing to take the risk on your own business with your own money, why would they? While not all funding agencies want you to invest your own money, it's a sign of good faith in the business when the business owner is willing to make a contribution or at least spend some money to get the business going.

Don't think you have to spend thousands of dollars to look great - even a few hundred bucks to show that you're doing something can go a long way.

What do you need the funds for?

A business plan should outline how you intend on succeeding with your small business. That being said, it should also showcase the shortfalls, in this case - lack of funding. What do you need funding for? Perhaps you need money to help you startup, to expand, to hire and train staff, to pay for some tools, equipment, to get some supplies.etc; whatever your funding needs are, it is very important to break it down and show within your business plan what your funding needs are.

Remember to break it down - don't just state "I need \$100,000 to start my business". There is no program that will give you \$100k without an explanation of what you need. So the more you break it down, the better.

How much do you need?

Just like a break down of what you need funding for, it's important to list out approximate funding amounts. Within your business plan, near the funding/financing section, it's important to break down your funding needs and list approximate amounts. If you don't know the amounts you need; more research is necessary to get you there. Take some time and evaluate your expenses, how much certain things would cost and express it within your business plan.

Remember, don't think "how much can I get", instead think "how much do I really need". Once you get funded once, it's a lot easier to get at it again.

“ If you don't know the amounts you need; more research is necessary to get you there. ”

Show to the potential funding agency that you are being proactive and that you are investing your own money as well



It's important to have an approximate timeline of when you need the funds by.



When do you need the funds by?

Within your business plan, it's important to set some timelines in terms of when you need the funding by. If the funding agency is looking at your business plan and they believe your business could be something they fund, they may not be able to provide you the full amount right away (depending on program and your needs). So it's important to have an approximate timeline of when you need the funds by.

What could you do with and what could you do without? Prioritize.

What if you can't get the funding in time?

The ultimate question that many funding agencies want to see is that you are not 100% relying on government funding to start you up and to keep you going.

If your business relies only on the success of obtaining government funding, there may be concerns among the funding agencies to provide you the funding. Getting denied isn't always the case but the government does like to see that you have a plan in case you aren't able to get funding 1) in time 2) in full 3) at this time.

What is your plan if the government funding agencies you applied to for your small business say no?

Answering these questions when writing your business plan will definitely set you up towards a greater chance of obtaining government funding for your business.

We also suggest you use the Business Plan Builder Tool provided here by CanadaStartups.org to help you answer these questions and to develop a professional business plan (which experts can review for you).

For more information, please visit our website

canadastartups.org