

# Youth Initiative Loan Fund Program Guide



**Let us help you start your own business!**



**Saugeen Economic Development Corporation**  
A Community Futures Development Corporation

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# Youth Initiative Loan Program

## **Interested in starting your own business this summer?**

The Youth Initiative Loan Program is a great opportunity for ambitious young people who want to start and run their own summer business. The program provides firsthand business coaching from the Saugeen Economic Development Corporation. If your application is accepted, you will be eligible for a loan of up to \$3,000.

## **Where do I start?**

- Visit or call the SEDC office and ask for a business planning guide. (You can download a student business plan guide from our website <https://sbdc.ca/content/page-content/yilf-business-plan-updated.pdf>)
- It is strongly advised that you sign up for a day-long workshop on “How do I start my own business?”

## **Am I eligible?**

### **You are eligible for the Youth Initiative Loan Program if you are:**

- 15 - 25 years of age as of March 31 this year  
(Note: applicants under 18 must have a parent or guardian sign the application)
- Proposing a new business (if you are unsure contact SEDC)
- A resident of Ontario and a Canadian citizen or permanent resident
- Not operating an existing or previously existing business venture

## **What Type of Business can I start?**

### **Your business is eligible as long as it:**

- Is sole proprietorship or partnership
- Is an independent business venture
- Fits the Canada Revenue Agency definition of a being self-employed
- Operates at arm’s length from any family business ventures
- Operates in Ontario
- Operates full-time as defined in the business plan
- Maintains its own books and records
- Maintains a separate business bank account

**Businesses not eligible include:**

- Franchises
- Distributorships
- Incorporated businesses that are controlled directly or indirectly by a person who would not be eligible
- Commissioned sales
- 1-900 business

**How do I apply for the Youth Initiative Loan Program?**

1. Fill out the Youth Initiative Loan Fund application online at [www.sbdc.ca/loans](http://www.sbdc.ca/loans)
2. Submit your application, together with your business plan. (You can download a student business plan guide from our website <https://sbdc.ca/content/page-content/yilf-business-plan-updated.pdf>)

**How does the Youth Initiative Loan Program work?**

Your application will be reviewed and evaluated by the SEDC. If your business plan is sound and meets the program's criteria and you will be notified of approval and will be required to:

- Sign a loan agreement with the SEDC outlining each party's rights and responsibilities
- Agree to implement the business substantially in accordance with the business plan and cash flow included with your application
- Show your business name registration and any required licensing documents
- Open and operate a separate business bank account for the business
- Operate your business on a full-time basis, a minimum average of 35 hours a week
- Meet with our training co-ordinator/GM on a regular basis to review and track your progress
- Agree to one site visit by the training co-ordinator
- Maintain appropriate business records of income and expenditures including receipts
- Participate in business training provided by the training co-ordinator
- Complete the anonymous participant survey at the end of program cycle

**Important Notes**

- Applicants will be allowed to stack the Youth Initiative Loan Program with the "Summer Company" Program offered by the Government of Ontario
- Loan Agreement will require a guarantor if applicant is younger than 18 years of age



**Saugeen Economic Development Corporation**  
A Community Futures Development Corporation

**Business Plan Development:**

# ***YOUTH INITIATIVE LOAN FUND***

# Title Page

Your business name

Your name

Address

Phone number

Email

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## BUSINESS PLAN DEVELOPMENT WORKBOOK

**Note:** As you answer these questions, they will form the basis for your business plan.

### Business Description

What products/services offered?

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Type of Business:

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Status of Business:

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Ownership:

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If existing:

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If new:

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Area served:

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Nature of business:

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Hours of operation:

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Seasonal trends:

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### Vision, Objectives and Goals

What is your **vision** for your business three years from now?

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What **objectives** do you want to achieve?

Describe in detail what your business will do, what product or service will be provided?

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Product/service launch:

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Life style for you and your family:

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Other:

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**Goals** for the first year and second year

- Income:
- 
- 

- Reputation:
- 
- 

- Range of Products/Services:
- 
- 

- Range of Customers:
- 
- 

- Community Connections:
- 
- 

**Market Description**

**The Environment** which you can't control but certainly need to monitor and adjust accordingly if you are to be successful

- Demographic factors:
- 

- Economic conditions:
- 

- Social considerations:
- 

- Impact of technology:
- 

- Government regulations:
- 

**The Competition**

- Who are your three major competitors? What are their locations, how long have they been in business? Why are they unique?

1.

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2.

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3.

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- Do they concentrate on quality, pricing, promotion or distribution support?
- 

- What is their average selling price?
- 

- Do they offer discounts?
- 

- What is your competitive advantage?
- 
- 

- What's the standard industry mark-up?
- 

- How and where do they advertise?
- 

- Do they use other types of promotion such as free samples or giveaways?
- 

- Who are your indirect competitors?
- 

- What is the best way to attract business from the competitors?
- 

- What are the critical factors that influence the potential customer to buy?
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## Market Analysis

The core to your business success will be knowing and connecting with your customers.

Describe the characteristics of your customers and why they prefer your product to that of your competition?

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What is the estimated size of your market-the potential number of customers?

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Are you selling business to business or business to customer?

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What criteria do customers use when deciding which business to purchase from?

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## Marketing Strategy

### Product

i) Where does your business and product or service fit into the market? I.e. Low price or quality

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ii) How do potential customers view your product?

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iii) How do you compete in the market place?

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iv) What is the long term potential of your product or service?

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v) Are you unique, eye appealing, better designed, and higher quality?

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vi) Is there a clearly defined need for your product/service?

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vii) What role will the internet, web, social media play in the success of your product/service?

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**Price**

What materials or suppliers will you use to make your product or provide your service and what will be its average cost?

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What labour will you need and when to make your product or provide your service? How many employees will you need?

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What will be the total average cost of your product or service?

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Have made provisions for warranty/servicing costs in your price?

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Pricing Strategies you use?

	YES	NO	WHY
Low price	_____	_____	_____
Moderate price	_____	_____	_____
Prestige price	_____	_____	_____
Cost plus price	_____	_____	_____

Competitive price \_\_\_\_\_

What price will you charge for your product or service?

\_\_\_\_\_

Prepare a statement on the rationale for your pricing.

\_\_\_\_\_

\_\_\_\_\_

**Place**

If new have you selected a business location? Indicate the size needed (include layout) and if mobile or online

\_\_\_\_\_

\_\_\_\_\_

If an existing business, provide layout of your business.

How will you distribute your product to the end user?

\_\_\_\_\_

\_\_\_\_\_

**Promotion**

How do you plan to inform customers about your product or service?

- Personal selling

\_\_\_\_\_

- Sales promotion items

\_\_\_\_\_

- Publicity

\_\_\_\_\_

- Advertising

\_\_\_\_\_

- Social media

\_\_\_\_\_

**What form of advertising would be most effective for your business?**

Business cards, brochures, decals, directory newspaper, door hangers, industry literature, logo, mobile sign, packaging, pens and give a ways, post cards, referral program, sale bags, social media, store signage, web site, working viability...

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How much do you intend to spend on promotion (sales promotion items and advertising) and have you budgeted for this expense?

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## **Operations**

### **Human resources**

What skills are required to operate the business and who will provide them?

Number of Employees	At Start- up	By the end of year 1
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Full-time _____	_____	_____
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Part time _____	_____	_____
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Describe Skills needed:

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### **Business Advisors**

Who will do the bookkeeping? Who will be your accountant? Who will be your lawyer?

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Will you have an Advisory Board and if so, who will be on it?

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Who will you partner with who can make referrals to you?

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### **Suppliers**

<b>Personal Monthly Budget Worksheet</b>					
Newspaper/magazine	Current	Minimal		Current	Minimal

Who will be your suppliers, and what will be the terms?

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### Regulations

What government regulations, licenses, permits and insurance pertains to your business

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What policies do you need to have in place including your credit policy?

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Will franchises, patents, trademarks and licensing agreements be an important factors in your business?

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### Financial Plan

A cash flow excel spreadsheet is attached along with a monthly personal budget, a startup cost summary and a source of funds summary. You need to complete all these documents and hand them in attached to the Business plan.

<b>Housing</b>			<b>Discretionary</b>		
Mortgage or rent			Entertainment/recreation		
Property tax(monthly)			Vacation and travel		
House repairs/maint.			Personal spending		
Hydro			Children's allowance		
Heating gas/oil			School tuition/education		
Water/Sewage			Pet care and food		
Telephone			Tobacco/liquor/wine		
Cell phone			Gifts		
Cable TV			Charitable donations		
Internet service			Other		
Loan/credit card payment 1			Other		
Loan/credit card payment 2			<b>SUBTOTAL</b>	\$0	\$0
Loan/credit card payment 3					
Other			<b>Medical/Dental</b>		
Other			Premiums		
<b>SUBTOTAL</b>	\$0	\$0	Prescriptions		
<b>Vehicle Expenses</b>			Alternative healthcare		
Vehicle payment 1			Other		
Vehicle payment 2			Other		
Gasoline			<b>SUBTOTAL</b>	\$0	\$0
Repairs/maintenance					
Licenses			<b>Insurance</b>		
Other			Life Insurance		
<b>SUBTOTAL</b>	\$0	\$0	Accident/disability		
<b>Living Expenses</b>			Vehicle		
Food and beverages			Other		
Clothing and footwear			<b>SUBTOTAL</b>	\$0	\$0
Cleaning supplies					
Grooming/toiletries					
Hairdresser/barber					
Other transportation					
Meals out			Total Expenses	\$0	\$0
Newspaper/magazine					
Club memberships			Income		
Daycare			NET Income-self		
Other			NET Income-spouse/partner		
<b>SUBTOTAL</b>	\$0	\$0	Child tax credit		
			Other		
			<b>TOTAL INCOME</b>	\$0	\$0
			<b>LESS TOTAL EXPENSES</b>	\$0	\$0
			<b>TOTAL</b>	\$0	\$0

## ESTIMATED START-UP COSTS

The following is a suggested list of start-up costs that small businesses usually incur during the start-up phase. Use the list to identify all the costs that you expect to be required in the start-up of your business. These costs include both items you own and those that you need to purchase. FMV is the current value if you went out today to purchase the exact same asset (age, wear & condition).

What I need to start up my business	Cost (FMV)	-	Have (amount owed)	=	Need to Buy
<b>Equipment - Office, computer, printer</b>	-				0
<b>Equipment - Operating</b>	-				0
<b>Furniture/Fixtures</b>					0
<b>Office Furniture</b>					0
<b>Starting Inventory</b>					0
<b>Tools</b>					0
<b>Additional Working Capital</b>					0
<b>Leasehold Improvements</b>					0
<b>Advertising &amp; Marketing</b>					
● Advertising (print, radio, web)					
● Brochures, Signage					
● Graphic, design, branding, logo					
● Website, Domain, Internet set-up					0
<b>Insurance</b>					
● Auto					
● Business					
● Other - Life, Health, E&O					0
<b>Business fees, permits, licenses</b>					
● Name Registration, memberships					0
<b>Office Expenses</b>					
● Computer Software					
● Bookkeeping, (set-up, software, files)					0
<b>Supplies</b>					0
<b>Professional Fees (Legal &amp; Accounting)</b>					
● Drafting of Business Forms, Contracts					0
<b>Management, Admin &amp; Bank Fees</b>					0
<b>Rent Deposit (First &amp; Last)</b>					0
<b>Maintenance and Repairs</b>					0
<b>Salaries, Wages and Benefits</b>					0
<b>Property Taxes</b>					0
<b>Telephone and Utilities (deposits)</b>					0

## ESTIMATE OF FINANCING REQUIRED

How much money is required? (Line A - Line B)

C 0

How am I expecting to finance this venture?

Cash <span style="float: right;">-</span>	
Personal Line of Credit <span style="float: right;">-</span>	
Credit Card	
Trade Credit, Lease	

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0

**A**

Total Start-up  
Costs

0

**B**

Contributed  
Equity

0

**C**

Financing  
Required



Loan (note from where or whom)		
<b>Total Estimated Amount of Financing Available</b>	<b>D</b>	<b>0</b>
<b>Total Amount of Financing Required (Line C - Line D)</b>	<b>E</b>	<b>0</b>



## **Sales Forecast Assumptions**

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### **Resume**

Attached your resume or a business biography.

### **Appendices**

The course outline makes a number of suggestions for possible appendices.