



Business plan (guidelines)

Alberta Advantage Immigration Program



Business plan (guidelines) Alberta Advantage Immigration Program | Immigration and Multiculturalism

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Business Plan (Guidelines)

Alberta Advantage Immigration Program

This document will provide you with guidelines on what to include in your business plan when submitting your Business Application to the Alberta Advantage Immigration Program (AAIP). It should be used as a guide in your business research and when writing your Business Plan. You are encouraged to use plain language and only include information and data that is relevant to your analysis. The length of your business plan is not as important as the content. The AAIP encourages candidates to provide business plans not exceeding 10 pages plus required appendices.

It is permissible to have outside help with the writing of your business plan. However, as a candidate to the AAIP, you are expected to have conducted sufficient research and due diligence, and that you have actively engaged in the preparation of your business plan. When you are invited to attend an in-person interview in Edmonton (or Teams interview), you are expected to be familiar with all aspects of your business plan.

Please include the name, organization name, mailing address, email, and phone number of the person who compiled or assisted in compilation of the business plan. In addition, please provide a summary of any individuals contracted or consulted in preparation of the business Plan.

Business Plan must be evaluated by an AAIP approved Designated Agency/Qualified Service Provider. Please refer to the AAIP website for stream specific requirements for the Business Plan Evaluation Report.

Your Business Plan must be consistent with your Expression of Interest submission. For details about program requirements including minimum investment and eligible businesses, refer to the AAIP website. Your Business Plan must address the following topics:

1. Business overview
2. Company and ownership structure
3. Management structure
4. Operations
5. Staffing
6. Investment
7. Market analysis and risk management
8. Governing laws, regulations and licensing

Business overview

What to include:

- Name of the Business
- Proposed investment amount
- Describe the business model and identify specific goods and services that the business will offer.
- Identify the key success factors of the proposed business.
- Analyze the potential for commercial viability of the business.
- Describe how you are qualified to operate and manage the business and how it relates to your past business/management experience.
- Explain how you came to consider this business opportunity.
- Describe the proposed location and physical outlay, including the size of the premise and property to be leased or acquired.
- If you are purchasing an existing business, you must provide background information on the target business including but not limited to:
 - Business name
 - Location
 - Current ownership structure
 - Years in business
 - Target business financial performance trends
 - Purchase price and terms

Company and ownership structure

What to include:

- Describe the proposed type of business structure (partnership, corporation, etc.).
- Describe your proposed percentage of ownership and how the venture will be financed.

Management structure

What to include:

- Describe your intended role and clearly explain how you will have an active and ongoing day-to-day management role in the business.
- If you are proposing a business partner(s), provide the following information:
 - explain how their prior training and past work experiences are relevant to the proposed business;
 - indicate your prior relationship and provide a description of prior meetings; and
 - provide a description of the business partner(s)'s proposed role in the business.

Operations

What to include:

- Describe the process and capacity of your business operations and how it adds value.
- If you are purchasing an existing business, indicate if you are maintaining or exceeding the number of existing staff.
- Provide cost analysis of your operation including products/services.
- Describe purchases that will be made by your proposed business locally (within Alberta) and their economic impact. How much will be imported from other provinces or countries?

Staffing

What to include:

- Identify job(s) you are creating and maintaining (if applicable) for Canadian citizens or permanent residents of Canada.

	Position	Key responsibilities	Qualifications
1			
2			
3			
Additional Information			

Investment

What to include:

- How much capital is required to get the business started/purchased?
- How are you going to use your personal assets to meet the capital requirement of the business on an ongoing basis?
- Will financing be required? How much financing is required for the first year?
- Identify the source of financing (i.e. financial institutions or private investors)
- Describe how you qualify for credit or a loan from a bank in Canada

Market analysis and risk management

What to include:

- Identify the target segment and positioning of your products/services.
- Identify immediate customers of your products or services and describe why they need your products or services.
- Provide strategy on price, distribution channels, promotional activities.
- Identify and analyze major competitors in the segment market.
- Provide SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis.
- Describe your strategy to manage risks identified in the market and financial analysis.
- Describe your strategy to manage external risk factors arising from barriers to entry, currency exchange risk, and other business environmental factors.
- Provide analysis of your break-even point, Return on Investment (ROI).

Governing laws, regulations and licensing

What to include:

- Identify relevant laws, regulations, licensing requirements and other barriers to entry for the proposed business and describe how you will address each of them.

Business Plan Appendices

Your business plan must include the following appendices:

Appendix #1: Organizational chart

Appendix #2: Hiring schedule(s)

You must provide a hiring schedule for each new position you are creating for Canadian citizen(s) or permanent resident(s) of Canada.

Appendix #3: Investment breakdown (required)

You must provide a detailed investment breakdown itemizing major investments. The investment breakdown may include any or all of the following:

- Capital equipment, furniture, supplies, etc.
- Leasehold improvements
- Start-up inventory
- Marketing
- Insurance, professional fees
- Operating expenses (including rent, wages, utilities, advertisements and other ongoing costs)
- Purchase of an existing business (if applicable)
- Expenses related to the expansion of an existing business (if applicable)

You must provide descriptions for the major investment items and a rationale for the proposed investment amounts. You must also provide an estimated timeline for completing the above investments. If a partnership is proposed, provide details regarding the partner's investment (in-kind and financial).

Refer to the investment requirement guidelines below for more information about eligible investments, including limitations of inventory and operating expenses, and ineligible expenses.

The following are considered eligible expenditures by the AAIP for the purpose of business investment:

- A. The purchase in the Province of Alberta of:
 1. an existing business already in operation in the Province of Alberta, by way of either a share purchase agreement or an asset purchase agreement;
 2. Tangible assets in the Province of Alberta, for the purpose of establishing or operating the Business.
 - a) Tangible asset means a physical asset purchased by the candidate for the purpose of establishing or operating the proposed business. This may include furniture, office equipment, computers, tools, machinery or fixtures. A tangible asset may also include start-up inventory, vehicles or real estate in accordance with the guidelines below if determined eligible by Alberta, but shall not include cash. Start-up inventory is comprised of goods that the proposed business has for its use or sale at the start of a new accounting period.
- B. Start-up costs such as legal services, permits and licenses, for the purpose of establishing or operating the Business.

Specific Business Investment Eligibility Criteria

Some investment items may not be eligible while others may be eligible with limitations:

1. If the business investment is made in an existing business or franchise, the value of goodwill will not be considered eligible as a business investment unless the candidate can support the valuation of the goodwill by providing a business valuation report issued by a Canadian chartered accountant or chartered business valuator. Candidate must submit this business valuation report to Alberta after receiving a written approval of application from Alberta. Upon receipt of a business valuation report from the candidate, Alberta will determine in its sole discretion the eligibility of any goodwill as a business investment and inform the candidate in writing of this decision. If eligible, the value of the business investment in goodwill will be limited to a maximum of thirty percent (30%) of the proposed business investment.
2. Working Capital will not be considered eligible as a business investment, with the exception of the purchase of certain start-up inventory, which Alberta determines in its sole discretion to be eligible as a business investment. Alberta will determine in its sole discretion the eligibility of any start-up inventory purchased, based on the industry, size and scope of the proposed business and the type of start-up inventory purchased. Candidate must submit a written request to Alberta for this determination after receiving a written approval of application and Alberta will inform the candidate in writing of the decision. If eligible, the value of business investment in start-up inventory will be limited to a maximum of three (3) months' worth of start-up inventory.
3. The purchase of a motor vehicle will not be considered eligible as a business investment, with the exception of motor vehicle, which Alberta determines in its sole discretion to be eligible as a business investment. If eligible, the value of the business investment in a vehicle will be calculated as the lesser of either the total purchase price of the vehicle or thirty thousand dollars (\$30,000.00). Candidate must submit a written request to Alberta to determine that purchase of motor vehicle will be eligible as a business investment.
4. The purchase of real estate will not be considered eligible as a business investment, with the exception of real estate, which Alberta determines in its sole discretion to be eligible as a business investment. If eligible, the value of the business investment in real estate will be calculated as the lesser of either the total purchase price of the real estate or seventy-five thousand dollars (\$75,000.00). Candidate must submit a written request to Alberta to determine that purchase of real estate will be eligible as a business investment.
5. Wage payments made to yourself and your family members, or other business co-owners will not be considered eligible as a business investment.
6. The expenditure on personal property such as residential real estate or personal vehicles will not be considered eligible as a business investment.

Appendix #4: Pro forma financial statements (required)

You must provide **pro forma financial statements for three years** including balance sheet, cash flow statement and income statement. Provide monthly projections for the first year of business operation. In addition, submit assumption notes for your income statements including a rationale for your estimated revenue and profitability.

Appendix #5: Your resume (required)

Appendix #6: Supporting documents for purchase of an existing business (if applicable)

If you are purchasing an existing business, you must provide copies of the following documents:

- Most recent two years of financial statements for the existing business in Alberta including balance sheets and income statements prepared by a certified professional accountant.
- Copy of the business's most recent T4 summary.
- Proof of current ownership of the business in Alberta showing that the business has been owned by the current owner for a minimum of the past three years (four years if owned/operated by a current or former AAIP Entrepreneur stream candidate/nominee). This may include documentation showing the business' current owners and ownership structure, such as a share registry and incorporation documents.
- Valid business license of the business in Alberta.
- Evidence that efforts have been made to establish a fair market value for the target business. Provide a description of due diligence performed and negotiations with the vendor to arrive at the final purchase price. If a business valuation has been completed by a professional, submit the report.
- Describe why the previous owner is selling the business. If it is because of business losses, please explain if you have identified the reasons and how you are going turn this into a profitable business.

Appendix #7: Supporting documents for purchase of a franchise businesses (if applicable)

If you are proposing to establish a new franchise business location or purchase an existing franchise location, you must provide copies of the following documents:

- Franchise agreement with the franchisor indicating their support of you as a potential franchisee.
- Letter from franchisor demonstrating the franchisor's acceptance of your expansion plan (for the purchase of an existing franchise location, if applicable).
- Franchise Disclosure Documents