

currently carry high personal debt loads and may not have spare cash to invest. Second, I believe a number of Canadians have had less than satisfactory experiences with stocks, bonds and mutual funds and prefer to keep their financial assets locked up in GICs, term deposits and cash. Third, I think consumers have been hit with too many fees from financial institutions so the idea of creating yet another investment account with a fee has turned them off.

Yes, TFSAs technically provide more benefits to higher-income Canadians. Our tax system penalizes the wealthier segment of the population. Tax sheltering investment income for individuals at a 40 per cent tax bracket is more beneficial than sheltering investment income for individuals at a 20 per cent tax bracket. In this instance, a TFSA may be very beneficial for future tax planning efforts.

TFSAs provide a convenient, effective investment vehicle to earn better rates of return than your typical savings account — and in just a few short years, the contribution limits will enable Canadian families to make meaningful changes to their short, medium and long term investment goals. A word of caution: not all TFSA plans are administered equally. Get a copy of all fees and charges before you make your decision. ■

Steve Bokor, CFA, is a licensed portfolio manager with PI Financial Corp, a member of CIPF.

Revenue Ready is the New Black

There's a great deal of focus these days on investment startups, but sometimes the soundest way to fund a business is the old-fashioned way — get customers.

Do you believe your startup is ready for outside private equity investment, and now you're wondering what to do next?

My suggestion — go find a customer.

Although it may seem counterintuitive at first for the 90-plus per cent of startups that are local and/or niche, becoming revenue ready and finding a customer over an investor at this stage will ultimately serve you much better in the end. For the other 10 per cent of startups, especially those working towards intellectual property, this may not be good advice.

So what if you are starting a software as a service (SaaS) company that provides a niche offering? Yes, you could buy assorted snacks and barricade yourselves in a room until you've built a better, faster, cheaper mousetrap that you believe will attract swarms of investors once you've 'perfected' it. But unfortunately, along the way your partners may or may not have left you, your line of credit may or may not have maxed out and your friends and

family may or may not have begun avoiding you for reasons that may not be clear to you today but probably will be 10 years from now.

Or you could forget about investment for the time being and create a revenue-ready company that is fuelled by what is called "customer cash" — and that's the best investment you could ever ask for.

So why delay going to the customer when all you have to do is put down the snacks, stop debating abstract ideas, get outside the bunker, start conversations and seek out your first customer?

TRUST YOURSELF

Once you get your first customer, there's no going back. You'll instantly know you're onto something, because talking to customers — even for us introverts — becomes fun when someone hands over the cash and then sends you directly and effortlessly to their friends and your next customers.

THE TRIPLE THREAT STARTUP TEAM

Companies launched by at least three co-founders seem to work best in terms of skills balance and future potential. Here are the core people you need for the ideal startup team.



AN EXPERIENCED STARTUP BUILDER
who manages all aspects of your company's growth, who eventually becomes your chief executive officer.



A THOUGHT LEADER
or an expert in the field to help identify opportunities, and who eventually becomes your evangelist and chief business developer.



A CRAFTSPERSON
who can build products or services that will exceed customers' expectations, and who eventually becomes your chief technical officer.

Today — in fact, right now — I suggest you consider stopping whatever it is you are building, and go out and talk to people about what you are doing. If that feels overwhelming, then think about working with a local business school to create a capstone project to meet your needs. Or follow a proven methodology such as Value Proposition Design by Strategyzer to simplify complex ideas into quickly readable illustrations to guide you through the process. The end result? A clear value proposition. Better yet, find an extraverted co-founder to do the selling with you.

INVESTOR-READY OR REVENUE-READY?

Last week my friend Christine asked me what the difference is between a revenue-ready company and an investor-ready company. One way of looking at this would be that an investor-ready startup requires outside investment to move forward to pay for talent and customer acquisition. A revenue-ready startup is where no investment is needed because the craftspeople (talent) are already in the startup, so customer acquisition can be organic, and customer discovery is local.

Revenue-ready startups are solely about putting the right people together early on to ensure

the senior leadership team or co-founders have the right skills sets to accelerate the startup to revenue, without outside early-stage investment.

Right now, think about how many people you've come across throughout your career who have shown impressive business acumen, deep domain expertise and the proven ability to build exceptional products — and who are willing and able to create startups as serial entrepreneurs. Maybe there's an opportunity there?

So before you start scheming about your next idea, why not go out and find two co-founders, test your hypothesis collectively by talking to potential customers using a proven methodology and delay looking for investment dollars until you have regional customers.

If you put the right team together, you might never need outside investment and you'll look back later and be thankful you didn't waste your efforts (and sell off chunks of your company's equity) trying.

The truth is, locally focused early-stage private investors will find you when the time is right, so no need to rush anything. ■

Peter Elkins is co-founder of the Capital Investment Network and Kick Accelerator. He is passionate about driving Vancouver Island's entrepreneurial economy.

START RIGHT FOR STARTUPS

How do you create products or services customers actually want? That's the question most startups ask. Discovering the answer is something that Strategyzer, the company behind the Business Model Generation app, promises to do with their latest book offering *Value Proposition Design*.



With its stunning visual format, *Value Proposition Design* promises to help you understand the patterns of great value propositions, how to get closer to customers and avoid wasting time with ideas that won't work.

Value Proposition Design and its online companion are for anyone who has been frustrated by endless brainstorming, hunches, product or service launches that didn't go anywhere. Visit strategyzer.com

THE GLASS CAN BE HALF EMPTY OR HALF FULL AS LONG AS THERE'S WHISKY

metroliquor
specialty liquor stores



Hard-to-find specialty wines, spirits & ales
Tuscany Village | 250.384.9463 | metroliquor.com

Victoria WALK for ALS



Sunday, September 13, 2015
University of Victoria,
Parking Lot 10

Registration: 11:30 am
Walk Start: 1:00 pm



Register at www.walkforals.ca

For more information, contact the Victoria WALK for ALS Coordinator: Cherylee Hutchison @ (250)661-7262 victoriawalk@alsbc.ca



Adamek Financial

Thank you to our great clients, like Alpine Group, for helping us celebrate 25 years of providing employee benefits to Vancouver Island businesses.

250-478-9288
AdamekFinancial.com



25th ANNIVERSARY EDITION