

Small Business Success

February 2014



Community
Futures Newsask



The Year of the Bitcoin Part 1

First, for those of you have yet to hear about this new payment system slash currency, a Bitcoin is a virtual, or digital currency, first launched in 2009. Many people are suspicious of this 'new' form of currency and probably rightly so, but it is gaining in credibility. A university in Cyprus has started to accept Bitcoins as payment for tuition; it is the first to do so which may not be surprising considering it offers a master's degree in digital currency. However, many pundits are saying that this digital currency's time has come and that it is going, or has already gone, mainstream. The fact that the first Bitcoin ATM appeared in Vancouver, B.C. last year quickly followed by machines in Toronto, Ottawa and Montreal in early 2014 certainly points to its increasing popularity.

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Although the whole Bitcoin thing can be technically confusing you don't have to have a degree in digital currency to get started. www.bitcoin.org is a good place to get information and is one of the resources used for this brief introduction to this fascinating topic.

Investopedia (www.investopedia.com) provides the following definition, *A digital or virtual currency that uses peer-to-peer technology to facilitate instant payments. Bitcoin is a type of alternative currency known as a crypto-currency, which uses cryptography for security, making it difficult to counterfeit. Bitcoin issuance and transactions are carried out collectively by the network, with no central authority. The total number of Bitcoins that will be issued is capped at 21 million to ensure they are not devalued by limitless supply. They are divisible to 8 decimal places; Bitcoin fractions are called satoshis. Users store their Bitcoins in a digital wallet, while transactions are verified by a digital signature known as a public-encryption key.*



If you want to start accepting and spending Bitcoins you will have to install a Bitcoin "wallet" on your computer, or mobile device. This will provide you with your initial Bitcoin address. You will be able to create further addresses

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later if you need them. You will need to give this address to people who want to pay you, or when you need to pay them. Your Bitcoin address is a little like an email address except you only use it once.

The whole Bitcoin network relies on a shared public ledger called a block chain. I'll allow the Bitcoin people to explain this, "The block chain is a shared public ledger on which the entire Bitcoin network relies. All confirmed transactions are included in the block chain. This way, Bitcoin wallets can calculate their spendable balance and new transactions can be verified to be spending bitcoins that are actually owned by the spender. The integrity and the chronological order of the block chain are enforced with cryptography. A transaction is a transfer of value between Bitcoin wallets that gets included in the block chain. Bitcoin wallets keep a secret piece of data called a private key or seed, which is used to sign transactions, providing a mathematical proof that they have come from the owner of the wallet. The signature also prevents the transaction from being altered by anybody once it has been issued. All transactions are broadcast between users and usually begin to be confirmed by the network in the following 10 minutes, through a process called mining."

The Year of the Bitcoin Part 2

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The interesting thing about this currency is that no one is really in charge of it - it's sort of self-governing. Like the Internet it's a peer to peer network based on cryptography. As of late January 2014 there are 12,319,875 Bitcoins in circulation. A single Bitcoin at the time of writing is worth about \$850 but it fluctuates (it has been as high as \$1,000 USD) - in fact it has increased approximately 6,500 per cent in the last 12 months. However there have been many dramatic ups and downs along the way making it quite unstable.

Why would people use them? One thing that appeals to a lot of people is that it cuts out banks altogether - this means no fees but also for those that believe banks are one of the causes of our current financial woes, this alternative has a revolutionary perhaps anarchical attraction. In some ways it's a little like people using Linux rather than buying into Microsoft's world. Some people have bought them as an investment as they believe their value will rise over time, which given recent increases may be understandable.



How do you get them? Well as mentioned earlier there are now Bitcoin ATMs, but the easiest way is online at a Bitcoin Exchange (a list of exchanges in Canada can be found at: <http://howtobuybitcoins.info/ca.html>). Or you can buy and sell them locally (<https://localbitcoins.com>).

Spending them is getting easier as hundreds of small business already accept Bitcoins, and major retailers are starting to come onboard. One major corporation is accepting Bitcoins for shares. As this is a digital currency one 'coin' can be broken down into just about any value, so if you want to buy a donut in a coffee shop you can use your Bitcoin wallet and pay for it virtually.

One thing to beware in the future, is competition. It seems likely that someone will come up with another digital currency that could potentially be more attractive, or user friendly. The other is regulation; although the Canadian government does not recognize it as a legitimate currency it also says that it is not tax exempt - they would say that wouldn't they? And, if the currency does go mainstream then there will need to be some regulation, but how do you regulate something that is open source? These are interesting times for Bitcoins.

Video Conferences Available at the Newsask Office

Newsask is committed to offering citizens in the region video conference training, seminars and workshops that are made available through the Saskatchewan Video Conference Network. There are many sponsoring entities including: Canada Business Infosource, Women Entrepreneurs, Canada Revenue Agency, and the Province of Saskatchewan. An amazing variety of video conferences are available to anyone interested but they must register in advance with the Community Futures office. Learn from professional and experienced presenters in a casual classroom environment, via video conference to our boardroom here in Tisdale. There is a \$10.00 charge for each session to cover costs and any handouts. The facilities are also available to community groups for a reasonable rental fee.

Newsask is utilizing a Facebook page to list the Video Conferences available, the dates and a short description. To access the information, log onto Facebook and search for "Community Futures Newsask."

For information or to register, contact us at least **24 hours** prior to the video conference. Email: admin@newsaskcfdc.ca, Phone: 306-873-4449, Toll Free: 1-888-586-9855 or checkout the website at www.newsaskcfdc.ca

February 2014

Feb-26	11:30 - 12:45	Selling Your Product or Service to the Government of Canada	C/MBSC
Feb-27	9:00 -12:00	Doing Business in Canada: A Guide for New Canadians	C/MBSC

Cartoon

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"You're on the right track. But usually mission statements have more detail."

Just Watch Me! Video Contest



We are pleased to support an exciting video contest this fall... "Just Watch Me." Successful entrepreneurs with disabilities are asked to share their stories for a chance to win up to \$1,000 in cash and prizes.

The contest starts December 3 (in recognition of the International Day of People with Disabilities.) Contest video submission closes January 24, 2014. Public voting will begin on February 5 and runs until February 19. The winner will be announced February 26, 2014.

Contest sponsors are Community Futures Saskatchewan and Community Futures Manitoba. For rules and all the information, go to www.justwatchmecontest.ca.

3 Great Business Author's Blogs

There are certain people, in this case business authors, who have a knack of getting to the heart of matters, or giving a nuanced view of business that make them worth listening to or purchasing their books or, in this day and age of instant gratification in bite-sized pieces, reading their blogs.

Here are three such business blogs that have caught my attention and given me food for thought.

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Susan Baroncini-Moe

Check out her blog on virtual networking - she extolls the virtue of meeting people for coffee virtually rather than in person. The difference she calculates is that including travel time a traditional networking opportunity can take 4 hours whereas a virtual coffee meeting can take just 40 minutes. In a world where business has few borders virtual networking makes sense. I found this post interesting and plan to do more virtual networking in the future.

From her website: Susan Baroncini-Moe is the author of *Business in Blue Jeans: How to Have a Successful Business on Your Own Terms, in Your Own Style*, a business and marketing strategist, and a Guinness World Records® titleholder. She regularly speaks to audiences of all sizes and has shared the virtual stage with business giants like Michael E. Gerber, David Meerman Scott, Bob Burg, Larry Winget, and Chris Brogan, among others. She and her businesses have been featured in *Redbook Magazine*, *USA Today*, *MSN Living, Inc.*, *Fast Company*, *Investor's Business Daily*, *Yahoo Finance*, and *American Express Open Forum*.

You can find her here and at www.BusinessInBlueJeans.com

Seth Godin

Godin is an acclaimed *Wall Street Journal* and *Business Week* bestselling author. I have his book *Purple Cow: Transform Your Business by Being Remarkable* on my desk and refer to it often. Now I can get my daily fix of Godin by visiting his blog at www.sethgodin.typepad.com. Recent blogs include one on how to manage conference calls (Conference Call Hygiene), where he states that, "When in doubt don't have one" and that if you do have to partake then limit it to 10 minutes. His blog features short and to the point comments on the vagaries of business life - priceless!

From his website: SETH GODIN is the author of 17 books that have been bestsellers around the world and have been translated into more than 35 languages. He writes about the post-industrial revolution, the

way ideas spread, marketing, quitting, leadership and most of all, changing everything. You might be familiar with his books Linchpin, Tribes, The Dip and Purple Cow.

In addition to his writing and speaking, Seth is founder of squidoo.com, a fast growing, easy to use website. His blog (which you can find by typing "Seth" into Google) is one of the most popular in the world. Before his work as a writer and blogger, Godin was Vice President of Direct Marketing at Yahoo!, a job he got after selling them his pioneering 1990s online startup, Yoyodyne.

Peter Shankman

Shankman's recent blog post: Corporate Suicide: How to kill a great customer review of your company reminded me that to work social media needs to be monitored and managed constantly, otherwise you can shoot yourself in the foot big time. It also highlights the importance of getting things right because if you don't hundreds, if not thousands or people are going to hear about it! Take a look at his story and you'll see what I mean. www.hankman.com/how-to-prevent-a-great-review

From his website: PR Week Magazine has described Peter as "redefining the art of networking", and Investor's Business Daily has called him "crazy, but effective". Peter Shankman is a spectacular example of what happens when you merge the power of pure creativity with Attention Deficit Hyperactivity Disorder (ADHD) and a dose of adventure, and make it work to your advantage. An author, entrepreneur, speaker, and worldwide connector, Peter is recognized worldwide for radically new ways of thinking about Customer Service, Social Media, PR, marketing and advertising. - See more at: www.shankman.com/about

YBEX 2014

Youth Business Excellence Awards 2014

13th Annual

Each year for the last twelve years, Community Futures Newsask has been hosting an awards event for our **Business Plan Competition**.

Choose one of the following three categories:

1. Business Plan – Take a business idea and develop a business plan.
2. Business Venture – Report on the operation of your actual business.
3. Business Venture 2 – Significantly expanded or improved business that you previously entered.

In three age divisions as an individual or group:

- o Grades 6 to 9
- o Grades 10 to 12; or
- o Under 30 out of school or attending university or technical institute with permanent address with our region.

Check out our website for the Guidelines, Application, and Awards breakdown, www.newsaskcfdc.ca

(Click on YBEX Awards on the left menu.)

Check them out, start planning your business and enter our competition.

Submission Deadline: Thursday, April 17, 2014

Awards Event: Saturday, May 3, 2014



Surf the Trends for New Opportunities

Everywhere I look I see a move towards a consumerism founded on ethical awareness, economic sustainability, corporate responsibility and healthy lifestyles. Combine these values with a desire for higher-quality, greater choice, and lower prices and we have a fascinating, contradictory message from consumers.

A recent study by the Business Development Bank of Canada (BDC): Mapping Your Future Growth - Five Game-Changing Consumer Trends, puts forward some interesting ideas.

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There's Nowhere to Hide

The worldwide web, the Internet, social media, the sheer level of consumer connectedness, is affecting the way we decide what, where and when to buy. I see people in stores, heck I've done it myself, price-checking on their Smartphone. We all do it. If we're not checking prices we're reading customer reviews. The scary thing for us as small businesses? If we're not managing our online presence - and make no mistake, we all have one - then we have no idea, or control over, what people are saying or reading about us.

The retail world is shrinking; our customers can just as easily check prices in Ontario and Hong Kong, as they can with our competitor next door. This trend is in full flood. Most of us have a website, but today that's like riding a Tsunami wave on a Boogie board.

To be competitive we need to be in touch with customers on multiple levels through social media. Larger corporations are already reaching out, making connections, offering discount coupons, building loyalty. How are they doing this? Through Smartphones, tablets, Facebook, Google+, LinkedIn, Foursquare and dozens of other social media portals - wherever their potential customers interact online. If your business is not connected wirelessly to your market, you are losing ground fast. The BDC study says 84 per cent of the population is connected to the Internet and on average they own 2.6 devices. Two-thirds of those on the Internet use social media and 41 per cent buy products and services online. Of course that's still a minority - a heck of a big one though!

If your online presence doesn't permeate all levels of social media, you are slipping behind your larger competitors. The level of intimacy they have with your customers is almost embarrassing in its depth and accuracy. Don't panic just yet though. Until recently it was expensive to have IT professionals collect, monitor and analyze this data; now there are many companies that will help you catch up with the big boys in no time, and at minimal cost - check out DiggIt for a local service (www.diggit.com).

The Health Kick

Health and wellness products and services are hot right now. We're in the age of the baby boomer. Recent population projections show that by 2015, for the first time ever, there will be more elderly people than children. And that's a strong market - maintaining a healthy lifestyle is very much de rigueur for the 60 plus demographic.

It's not just the older market looking for products that will keep them healthier, fitter, and living longer; consumers of all ages are very active in this trend. The spa market is big, and getting bigger; health drinks are booming while pop sales are starting to weaken; and anything to do with weight management, especially meal



replacements (a \$35 million market) is growing. Many of us are looking for healthier foods, reducing our consumption of processed food and eating more fresh produce. Natural, organic, and local, are huge selling points. If you promote the health benefits of your product or service, or move toward making what you offer healthier and more natural, you will win new customers.

Local Is Good

Increasingly people want to purchase goods made closer to home; it's green, and economically and socially responsible. The BDC report states, "... close to six out of ten Canadians consider themselves ethical consumers." It goes on to report, 97 per cent of Canadians buy local to support the local economy, 96 per cent to support local farmers, 93 per cent to create local jobs and 87 per cent because they feel it is better for the environment.

The marketing take-away here - with close to a third of all consumers willing to pay 15 per cent more for locally made products - is wherever possible, promote the local quality of what you sell.

I Want It My Way

This is what I call the Starbucks trend. If you've ever stood behind me in line at a coffee shop, you'll know what I mean. My brew is a grande, long shot, non-fat, extra hot, Americano Misto. This ability to have things tailored to our every desire is huge, with almost one-third of consumers wanting personalized products and services. It's a complicated marketing strategy though. Some companies have made the mistake of addressing this need by introducing a wider product range and are subsequently left with the inevitable slow sellers. Offering a level of customization however, allows you to learn a lot about your customers and allows you to compete with the bigger guys. Allowing this freedom increases loyalty and a sense of ownership.

The 2008 Echo

Salaries have stagnated over the last ten years and we are all using debt to replace non-existent wage increases. The average Canadian owes around \$28,000 excluding mortgages. Rather than cutting back on buying however, consumers are looking for bargains. Take Groupon - with 40 million active customers, people pounce on its daily offers before they sell out. As mentioned earlier, it's easier than ever to shop around - people are looking for better value, higher quality and lower prices. Brand loyalty is being usurped by value/quality. I went into a local wine store recently where a \$14.99 B.C. wine was on sale for \$10.99, with a further 5 per cent case discount; it seemed as if every shopper had a case in their cart. The marketing opportunity here is to focus on the value/quality paradigm when competing against more established brands.

Trend watching is not only fascinating, but it can help keep your marketing strategy on point during a time when data is flying around quicker than cliché s on a chat show. Ensure you monitor your customers' online chatter, and analyze it thoroughly - you need to know what they are saying about you, what you sell, and your competitors. Interact with your customers online - create a dialogue - get them to share their thoughts and opinions - find out what they want now and deliver it. Big box stores are experts at this; to compete, move up to a professional surfboard and ride the waves with the big guys!

Resources:

[consumer_trends_BDC_report.pdf](#)

www.statcan.gc.ca



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