



Let's Talk **BUSINESS**

THE ULTIMATE PLAYBOOK FOR
JAMAICAN ENTREPRENEURS





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LET'S TALK Business

An engaging, comprehensive, quality, matter-of-fact exchange with present and future business owners providing a guide to successfully conduct business in Jamaica.

For the purpose of this conversation the term “business” will refer to sole practitioners, partnerships, registered businesses, limited liability companies and conglomerates alike. Its applicability will be to individuals who are already operating within the market, just starting out and also those who are contemplating whether they should pursue entrepreneurship.

It must be further understood that businesses may involve the tangible (the provision of actual goods) or the intangible (the provision of ideas and service). For ease of reference all of these will be referred to generically as ‘products’.

When engaging in any enterprise you must ensure that you satisfy the necessary pre-requisites. Whilst you can engage in business without a business plan, to maximize the utility of this guide it is beneficial to have your business plan prepared and handy.

We do look forward to you using these tips to make your business thrive.



WHAT IS YOUR **Business**



This is a very straightforward question but by no means a simple one.

Your response should indicate knowledge of the industry(s) you are in; what products you provide; where your business is currently, and where you intend it to be in the near future. Determining such matters from the outset is imperative to the formulation of an appropriate strategy to satisfy current needs, whilst making the preparatory steps to achieve your future goals.

The best way to make these determinations is to invest your time and resources in conducting a business assessment. This systemized analysis of your business, industry and market is intended to examine your undertaking from the perspective of the core and functional areas of management. This will allow you to not just objectively understand your current state but to make realistically informed projections regarding your business and the market. Such information will allow you to create the appropriate strategy for your business and place you firmly on the path for success.

So, having reached the stage of conducting your business assessment, let me ask you a few questions:

- i. What type of business are you engaged in?
- ii. What industry does that fall under?
- iii. What are your strategic advantages?
- iv. What areas are to be improved?
- v. Are the resources of the business being properly utilized?

Excellent! Please record these answers and keep them handy for personal reference as well as for the other key members of the business. Your team must be on the same page and transparency facilitates efficiency. These questions must be asked and answered periodically as they will aid in identifying areas that need to be improved before they become major issues. They will also help you to identify other opportunities, as well as determine options for reconciling identified issues.

You may not have settled on a method of assessment just yet; in this case we recommend the following process for conducting this exercise. The process can be divided into six areas as follows:

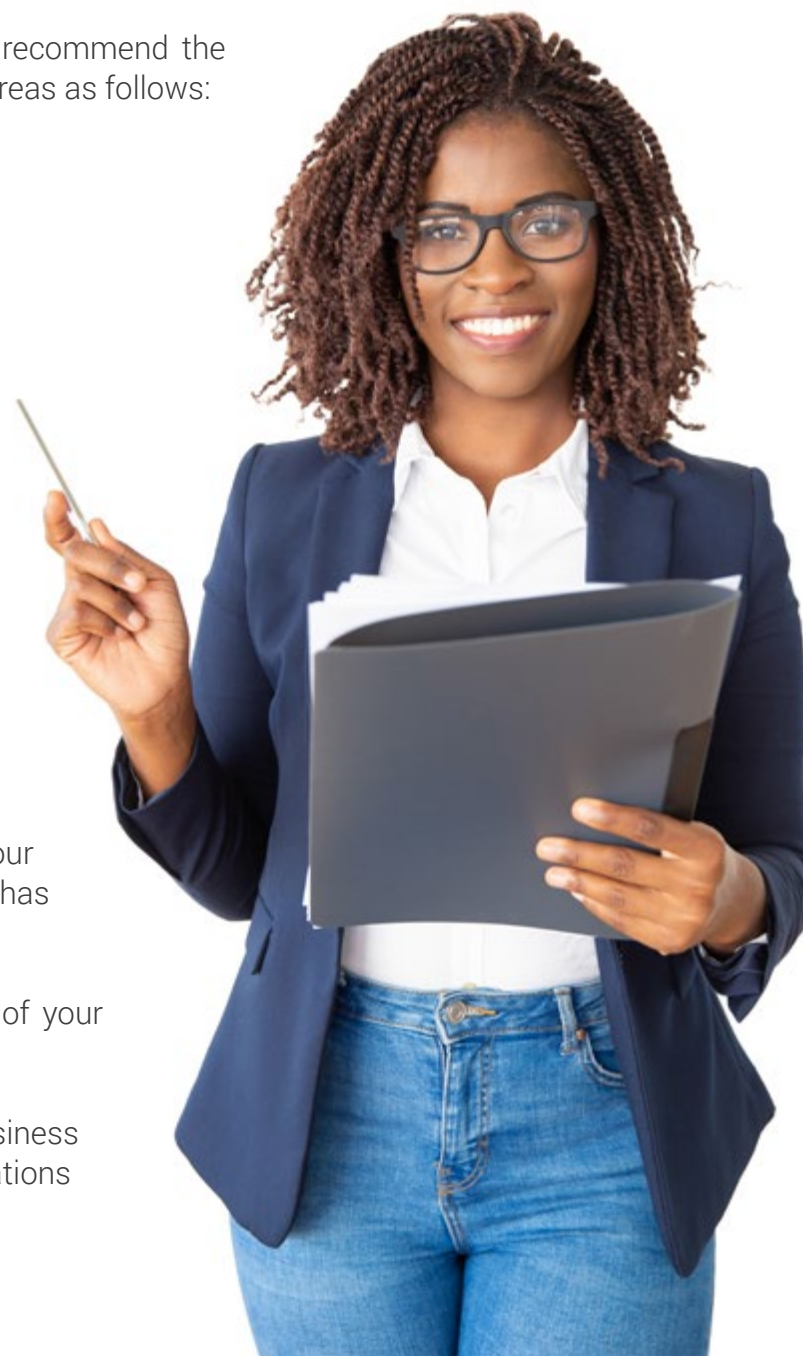
- i. Analysis of the Business's Financial Statements
- ii. Measuring Customer Satisfaction
- iii. Tracking New Customers
- iv. Conduct Performance Reviews
- v. Monitoring the Market
- vi. Assess Your Own Expectations

For those of you who are already operating your businesses, you should already have this information available. For those of you who are contemplating starting a business or just recently entered the market, you will have to rely on the projections that you will have generated in conducting your business plan.

Analysis of the Business's Financial Statements

This analysis will assess your business from a financial perspective, with great reliance being placed on your system of accounting. You will require the following:

- i. Income Statement – The Income Statement measures the profitability of your business during a set period of time, thereby determining whether your business has made a profit or loss.
- ii. Balance Sheet – The balance sheet is a financial summary that indicates all of your assets, liabilities and owner's equity.
- iii. Cash Flow Statement – The cash flow statement measures how well the business manages its cash position and how well it generates cash to pay its debt obligations and satisfy operating expenses.



Measuring Customer Satisfaction

Happy customers provide repeat business, recommendations and are your primary source of revenue. It is therefore imperative that your customers' level of satisfaction is monitored so that appropriate measures can be implemented to improve or maintain various aspects of the experience/service.

Feedback from customers will have far reaching implications addressing areas such as product utility, product quality, logistics, human resources, marketing and communications. It will speak to various aspects of the business and is what we refer to as primary information, undiluted, potent and straight from the source. This information can be acquired through surveys, reviews and ad hoc face-to-face interactions.

The options for compiling customer/consumer data are not constrained by your business structure but by how much effort and investment you are willing to put into harvesting it. It may be derived from:

- i. Marketing/Data Companies
- ii. Physical surveys submitted to clients
- iii. Electronic reviews
- iv. Customer Feedback boxes
- v. Social Media feed
- vi. Email

Customer feedback information operates as product/service diagnosis that should be accessed periodically. It will assess your offering against the backdrop of current changes in market

culture, rival products and improvements in the industry. Keen attention to this information allows the business to maintain market position and identify paths for growth.

Remember that your customers will compare your service and product offerings with your competitors. They will know if something in the market is of better quality, value or easier to access. Take advantage of their feedback to improve your business.

Tracking New Customers

If your business operates with a strict reliance on a small customer base, the impact of losing one will be significant. To prevent this from happening you will have to ensure you maintain high standards and customer delight, and anticipate changes in industry as well as the offerings of your competitors.

Increasing customer base and their repeat business are sound indicators that the business is healthy, with the added benefit of increasing revenue. However, when using the data regarding new customer recruitment, be mindful that spikes can be related to external factors, try to identify these instances so that you are not working with faulty data.

An easy way to track new customers is to have a loyalty programme or promotion for first time customers. This exercise is both engaging to the customer, enhancing their experience, while providing you with both data on new customers and a platform to gauge customer satisfaction.

Conduct Performance Reviews

Your employees are critical to the quality, efficiency and public perception of your business. If the workforce is operating inefficiently this can impact the entire business process, thereby costing you time, money, customers and even reputation.

Performance reviews are of immense value and should be done routinely. Regardless of skill, location or other competitive advantages businesses can fail if they are not run properly. Worse than failure is a business continuously operating inefficiently. This is worse because a failed business is closed and the business owner may move on to something else, an inefficient business may run indefinitely, placing constant pressure on the business owner, employees, straining relationships along with wasting resources and time.

Conducting performance reviews will allow you to assess the value and/or contribution of your employees. This information can inform how you may improve an entire department or a single deliverable. It can advise you of the deficiencies in how your business is perceived and it can even indicate whether an employee is better suited in a different department.

Tip
Conduct performance reviews periodically to audit your workforce and ensure that it is being applied smartly and effectively.

Monitoring the Market

An essential task of business ownership will be observing the market and keeping abreast of trends. This knowledge is quite beneficial, as it can inform you of new developments that you can take advantage of and, on the other hand, provide explanation for unexpected activities such as reduction in sales.

Tip
Keep abreast of the news in the market!

Manage Your Own Expectations

Over time there will be improvement in processes, developments within the marketplace and efficiencies that are created through practice, change is therefore inevitable. We initially asked you to outline where your business



was and where you want it to go, we will call this your target matrix. Having established this, we encourage you to update it periodically as it will offer you motivation as well as direction.

Once you have conducted these exercises you will have a comprehensive pool of information that - when taken as a whole - will inform, advise, recommend and warn you of critical areas in your business.

Tip

Our decisions are only as good as the information they are based upon.

To ensure that the mechanisms of assessment are properly calibrated, we must ensure that the fundamental areas of considerations that will inform the assessment are properly applied. It is imperative then that the analysis that is conducted is carried out with a proper adherence to the acceptable practice standards of these functional areas.



BUSINESS Management



Regardless of the size or structure of your business, for it to be successful it has to be properly managed as stable and proper management is key to facilitating success. The roadmap to the success that you desire to achieve is predicated on your approach to management and must be informed, strategic and efficient.

You made the decision to make your business more efficient and we have already advised you of the benefits of preparing a business plan. This exercise forces you to critically examine all areas of your business so that you will have a full appreciation of the facets of your business and how they correlate. A well-constructed business plan is an excellent benchmark that will help you to make informed decisions.

Now that your business plan is in place, it is time for execution!

Estimations and projections are only as good as the information they are based upon. As such you must continually assess your business from the various functional vantage points that are critical to its success. Not only must you be informed about your own business but you must be aware of the general market in which you are operating, as well as the activities of your competition. Making decisions with such fulsome information will allow you to be strategic in your decision making.

Just as different functions of a motor vehicle are performed and regulated by different parts, so too are the different functions of a business performed by different people/departments. The different departments are tasked with carrying out their functions and using their expertise to benefit the business as a whole.

The different functions can be demarcated as departments to make them easier to address. In this manner the various business tasks and functions that have to be executed will not seem so daunting. Separating these essential and functional areas also allows them to be analysed and assessed on their own merit. We have found this to be a more efficient approach and efficiency is key!

The focus here is to ensure that these roles are executed whether they are performed by one person or distributed across a large workforce. The fundamental areas of a business are the following:

- Finance and Accounting
- Sales & Marketing
- Human Resources
- Customer Service
- Research and Development
- Production Management

Remember that this is a guide and depending on what industry you are in or even your own preference you might have additional areas in your own business. One thing is for sure these areas involve diverse tasks and inputs impacted by a gamut of internal and external factors. So important and intricate are these roles and the processes involved in their proper execution, that at some point you may benefit from having managers assigned to oversee the operations of each department. Even if you are carrying out the duties of the entire workforce it is still important to have job descriptions for all the functional areas of your business.

Most management activities fall into the following categories:

- **Planning:** Having taken the financial and market data into consideration, managers set long term targets for the business while implementing short term strategies that will bring them to fruition.
- **Organizing:** Effective managers facilitate organizational efficiency by ensuring that business resources are applied in a structured and strategic manner that will enhance their productive utility.
- **Controlling:** Having crafted an ideal strategy for the business and organized operations to effectively utilize resources, the manager must implement and supervise its execution. A point we will reference continuously is that business, the market and its environment are fluid. Keen attention must be paid with the understanding that the need to make modifications and take corrective actions are common. The business will not run itself.
- **Leading:** Accountability is important in business, not just for managers but every person involved in the business process. Knowing that people will perform their function allows others to proceed with confidence and purpose. Managers have the responsibility for the performance of the business and/or specific departments, that responsibility as well as their decision-making role makes them the leaders. Externally, your customers, vendors and the wider world recognize this and without knowing internal processes acknowledge the manager as leaders. It is a role incumbent to the position and one that is ascribed by habit.

FINANCIAL MANAGEMENT AND Accounting



Certainly, these are two of the most important responsibilities of owners and business managers. Financial management relates to the duties that involve planning for, acquiring and managing the funds of the business. Having done this the financial managers must then assess the potential consequences of their decisions. These include the impact on the:

- i. short term financial capital needs
- ii. long term financial capital needs
- iii. profits
- iv. cash flow
- v. impact of borrowing, and
- vi. financial well-being of the business.

In other words, to maintain a profitable enterprise, your business must have financing on hand to satisfy the costs of production. These costs include utilities, rent, raw material costs, labour, taxes and all other costs of production. Whilst these costs are being attended to the business is ongoing, developing new processes, entering new markets and incurring new costs. The

management methodology that allows for these financial needs to be met in a manner that allows the businesses goals to be achieved is called financial management.

Cash is the medium facilitating the operation of the business. Financial management is concerned with ensuring that the business has enough funds to perform its core functions and achieve the targets that are projected. Over time your business should acquire stores of inventory, an investment portfolio as well as goodwill, among other things. These will provide alternate sources of capital that can be leveraged if needs be, to ensure the smooth running of the business.

At the outset you may have to finance the undertaking out of pocket, through a private investor, government grant or a lending institution. Regardless of source, whether obtaining funds externally or leveraging assets to generate cash on hand, these

all fall under the area of financial management. This process of striking a balance between your own investment in the business and funds sourced externally, debt, will determine your capital structure. This is a very important feature of the financial management of your business as that structure determines how revenue and profit is distributed.

The goals of most, if not all, businesses are to be successful and make a profit. This type of management will look keenly at all the costs involved in providing your product and determining ways to maximize the return on investment. This is achieved by being efficient in the utilization of funds. Whether you are purchasing a piece of equipment, outsourcing a process or buying in bulk, the financial data will guide you once interpreted correctly.

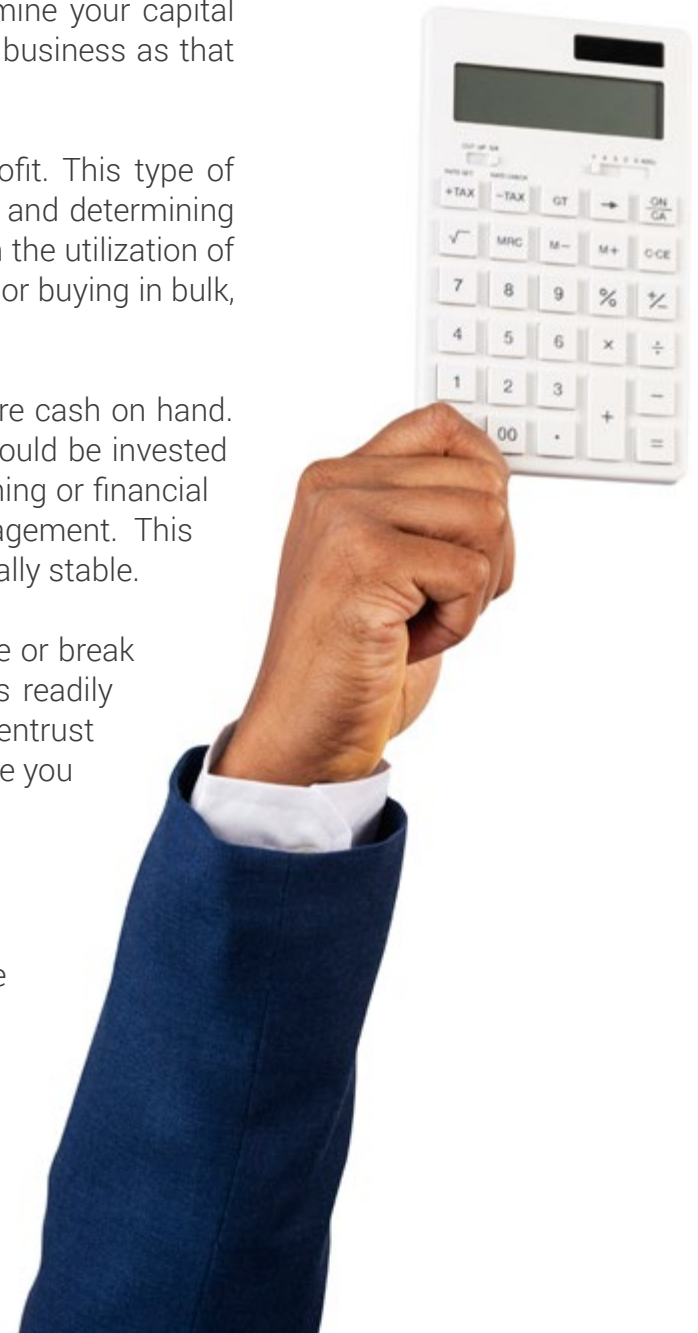
Having been successful and turning a profit it is expected that there will be more cash on hand. While it is true that cash on hand is necessary to operate, a surplus of cash should be invested to maximize gains. Such investments may be made in machinery, software, training or financial instruments. Making the money work is another objective of financial management. This improves the value and profitability of the business and makes it more economically stable.

The decisions that are made from a financial management standpoint can make or break the business. They have to be based on clear and accurate information that is readily available from a source that can be trusted. For this reason, we encourage you to entrust this fundamental function to a company that has the technical know-how to guide you in this area.

Accounting

Accounting, which is another important part of fundamental management, is the means by which the data required to make informed decisions and determine the best strategies are collected, reported and made available to the business.

Accounting is concerned with the procedures, systems, recording and reporting of the financial data of the business. The accuracy of this process is absolutely essential to all aspects of the business, especially financial management. There is no leeway with regards to this process, accuracy is compulsory.



Not only is the data required to quantify costs, determine budgets, justify development and determine profitability but it is required by the government, the tax administration, internal stakeholders, shareholders and potential investors.

This is an area that cannot be treated casually, it requires extensive attention and precision. Businesses that are not capable of providing the necessary time to the task are encouraged to get the services of a chartered accountant. This will certainly place you in a good position when you need to provide documentation to potential investors, a lending institution or to the Tax Administration of Jamaica (TAJ).

There are two different types of accounting:

- i. Financial Accounting, and
- ii. Managerial Accounting.

Financial Accounting is accounting geared towards external use. It is generally retrospective and must adhere to generally accepted accounting principles. The statements created and information provided through financial accounting are useful to existing and potential investors, stakeholders, suppliers, lending agencies and government agencies in making decisions about the business.

Managerial Accounting is the reporting and preparation of statements for internal use. This type of accounting is both prospective and retrospective and allows managers to discharge two of their core functions of planning and controlling.

The information provided allows managers to review what has occurred (weekly, daily, monthly) to determine performance as well as to make projections of future outcomes. This information can also be utilized to assess profitability and pricing of products and even determine whether the business is maintaining the projected trajectory.

As it relates to all aspects of your business, especially the financial, always bear in mind that it is easier to maintain good habits than it is to break bad ones. For this reason, you are encouraged to implement and maintain proper bookkeeping and accounting practices from the very outset.

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Marketing

Marketing encompasses all the activities, creative processes, communications, deliverables, and offerings that present value to your consumers, stakeholders and society at large. It concerns all activities that facilitate the transfer of ownership from seller to buyer. The marketing process incorporates all endeavours and mechanisms engaged to facilitate distribution of products and provision of services to current and potential customers. It communicates comprehensively your product, its quality, how it is positioned, its endorsements and how to access it. The value of marketing can never be overstated.

Having identified a need for a particular good or service you need to employ mechanisms that will communicate your offering to your target market and result in them purchasing from you. The scope of marketing is spread across your entire business as it involves activities that range from identifying customer needs all the way to after sales follow up. This is quite a comprehensive undertaking. We can however make it more digestible by breaking down the process of marketing into four activities.

- i. Product Planning
- ii. Price
- iii. Promotion
- iv. Place (Distribution)



Let's discuss these four activities.

i. Product Planning:

You should consider your product as whatever you are making available to the customer. It has been phrased in this manner so that you appreciate that your offering to the customer includes more than what is on the invoice. The ambiance and sophistication of your restaurant is part of the experience, not just the meal that was consumed.

The brand recognition, brand reputation, after sales service and packaging are all part of your product. Your product is a representation of your entire business and it includes even your innovations and competitive advantages.

The scope of this marketing activity, Product Planning, should now be clear to you, and it is indeed massive. We believe however, that this is the ideal way to approach your product. Taking into account all that it encompasses will assist you in determining how you position your product as well as how you price it.

Meticulous attention to your product will also provide you with all the information you need to make further important product decisions, such as:

1. New product development
2. Product diversification
3. Product alternation
4. Product elimination
5. Rebranding
6. Modifications due to current phase in product life cycle

ii. Pricing:

Price determination is affected by a number of factors that have to be consistent with the product, its quality and reputation. Other considerations however include revenue targets, market share maximization, return on investment as well as interaction with other market operators.

This has to be one of the most important marketing functions. If over-estimated your sales volume will plummet and if underestimated your return on investment will be non-existent. It is essential that you identify the price where the profit generated is maximized based upon the value of your product, the competitors' prices as well as how much customers are willing to pay

iii. Place (Distribution)

Creating a service or product is of no value if the consumer is not aware of where to find it and worse, cannot access it. In marketing it really is all about location, location, location. The place does not have to be a tangible space either, but it must be a location where our ideal customers can observe it, interact with it and be influenced by it. This can be on a website, having a product placed in a film or having your services endorsed by an "influencer". You have to place your product or service before the persons most likely to consume them.

The Place therefore directly relates to your market, your channels and your distribution framework. It concerns itself with three questions; where are the people who purchase these goods or services, what mediums do they prefer to use and how do I get these goods or services to them?

iv. Promotion:

Promotion is the means by which the other three marketing activities are communicated to the world at large. This informative communication is also geared towards convincing customers to purchase your goods or service and is crucial to the success of your business in the market. It is designed to persuade, influence and inform purchasing decisions.

The four general objectives of promotion are as follows:

- i. Increase demand
- ii. Differentiate product
- iii. Inform consumers
- iv. Introduce new products

There are numerous methods available to your business to stimulate demand and increase sales volume. Some of these are advertising, public relations, endorsements, sales promotions and personal selling. Our increased use of social media is no longer niche and have become standard methods of promotion. It is recommended that you establish yourself on the various platforms as this has become one of the first points of reference for a wide section of consumers. Another recommended activity is multi-branding the same product to appeal to different market segments, consider the distinction between “tun cornmeal” and polenta.



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MARKETING Management

Over time the marketing function of businesses has evolved as have our consumer and their behaviours.

Marketing management is the business discipline that combines the management of a firm's marketing resources; market research and techniques to increase awareness, interest and demand ultimately influencing increased revenue.

Marketing Management concerns itself with decisions surrounding the product, price, positioning and promotion of the business.

Functions of Marketing Management

Marketing Management is geared towards the planning, organization and execution of marketing activities to generate revenue for the business. This is achieved by listening to the market, adapting products based on the markets recommendation and making these products available for consumption through a supply chain ultimately satisfying the end users' needs.

A marketing plan will be required and your plan will express the goals of the business and aligning these goals to marketing strategies and activities will help you achieve them. We recommend that a systematic approach should be implemented specifically outlining what, where, when, how and by whom particular marketing activities are to be conducted. Micro-management is typically referred to in the negative, but with regards to constructing your plan we invite you to be as specific and detailed as you can be.

Marketing management is a labour-intensive endeavour, but it is well worth the effort. As such we recommend organizing your activities by employing a logistical approach.



Identify the different tasks that need to be accomplished and group them based upon the type of activity for example sales, research, logistics and advertising. Having grouped them identify if there are similar activities within the groupings that can be performed together. Your time spent meticulously outlining your marketing plan will make this process easier. If you are a large organization simply assign someone to manage that group of tasks, if you are your labour force then this grouping will result in a more organized discharge of duties.

Having planned and organized it is time to execute. All activities will require someone committed to execution. The key consideration in determining who can perform these activities is competence and availability. For a big organization you would simply choose from your personnel, for the smaller businesses the consideration is a bit different.

A determination must be made regarding whether your time is best utilized spearheading these activities as opposed to attending to other aspects of the business. For those of you who can execute this is the opportunity to do so with vigour. If you consider that you are not best suited to execute this function there are numerous marketing consultancy agencies in Jamaica that can assist in executing an event or an entire campaign. Additionally, there are many tools online that can help you to plan your marketing.

Regardless of which of the options apply to you, you still have a duty to observe and keep yourself informed as to what is happening with your marketing activities. You are encouraged to take a director's role to ensure that targets are being met on time and that the activities reflect the theme and market that you intended.

Marketing is an art form, so do not be afraid of deviating slightly from the initial path as many times change can be beneficial. Just ensure that you constantly review the marketing activities with your goals in mind. By maintaining a presence during this process, you will be on site to observe if there is a variation that is having a negative impact, if one is identified you will be on hand to take corrective action.

Objectives of Marketing Management

The functions of marketing management differ from the objectives. The functions outlined above have outlined a general framework with regards to undertaking marketing activities. You will now be directed at the specific objectives that should guide all of your marketing endeavours.

1. Maximize Business Revenue:

Marketing is intrinsically linked with the profitability of the business. Marketing is tasked with conducting the activities that will result in the consumer making a decision to contract with you. If not effectively executed the business does not make a profit, and if that continues for an extended period the business cannot be sustained. As such it is incumbent on the marketer to do all they can to generate maximum earnings for the business.

2. Increase Market Share:

Another objective of marketing management is to continually increase market share. Marketing is aimed at the persons who consume the products produced by the business. It is tasked

with listening to them and undertaking all reasonable activities to increase consumption thereby increasing sales. With all the various options available presently you are fully equipped to go out and claim your share of the market.

3. Function Efficiently:

The functions of the marketing manager include:

- i. marketing research
- ii. product planning
- iii. purchasing
- iv. selling
- v. branding
- vi. packing
- vii. pricing
- viii. advertising

i. Marketing Research

Customers let the market know how they feel, what they want and how much they are willing to spend every day. One need only know how to speak the language. It can be done overtly through comments, complaints, surveys or word of mouth and it can be done monetarily by what is purchased and what is not.

A vast number of consumers will never provide feedback regarding their experience. The consumer, the public and the business are connected through information, and this information can be collected by examining how the consumer participates within the market place. For your business initially we require you to study the participation of your customers as well as the consumers in the market generally. Conduct analysis to determine variances and try to replicate the variances that work in your favour and minimize the ones that do not.

This analysis will allow you to identify marketing opportunities and problems, determine marketing strategies and assess the market's response. These marketing opportunities may be improved products, expedited services, improved distribution channels, the possibilities are endless, but the data is there.

ii. Product Planning and Development

This is the process of manifesting the products identified by the marketing research. Being duly informed the business then has the ability to create products or improve existing ones with a view to improving the customer's experience and further establishing the business in the market.

Having researched, planned and developed this new or improved product, it is recommended that the initial introduction of the product be to a controlled group so that further research can be conducted without taking any financial, reputational or consumer risk.

iii. Purchasing

All businesses require some form of tool of trade; this function is concerned with the acquisition of the inputs that are necessary for the creation of your product, its branding and promotion. It is encouraged that steps are taken to ensure that the inputs being used are of the quality requisite to the proposed quality of the product. Inferior materials certainly do make inferior products.

Other than quality it is recommended that alternate suppliers be identified to ensure continuity in case of issues with your regular supplier. Another mechanism to plan for any such disruptions would be to engage in stockpiling, this is obviously dependent on your need and reliance on the particular input.

iv. Selling

This is the activity that the business has been working towards, the actual provision of the product to our customers. Having designed the product with them in mind, listened to feedback, communicated the essential characteristics and value to the customer through promotions, we are finally providing the customer with the products at the price that we have determined.

v. Financing

All businesses require capital to start operating and to continue operating whilst awaiting payment. Financing is the method of acquiring the money necessary to operate the business. Such funds can be sourced by the principal owner of the business, by an investor, government grant or by a loan from a financial institution.

From a marketing perspective effectively executed activities can result in increased revenue. Financing a campaign, promotion or launching a new product has to be justified based upon accurate research and sound projections. There must also be the recognition that not all activities work for all products so keen attention must be applied when determining the method of market introduction.

Having accomplished all of this, it is then incumbent on you to finance the project based upon your estimated projections and timelines. If you are successful in doing this you must hold yourself accountable to those projections, hopefully you exceed all expectations!

vii. Promotion

Product promotion particularly in competitive markets is crucial to the success of the product. The various marketing efforts such

as advertising, endorsement, product placement and the like are engaged with a view to convincing customers to purchase your product. It is the endeavour geared towards maintaining present and recruiting new customers by informing and persuading the purchasing decision.

viii. Advertising

This is one of the most well-known marketing functions and is certainly one of the important ones. Advertising is the activity that is responsible for the introduction, promotion dissemination of information regarding your product. A good advertisement should evoke a feeling, tap into a sensation, change a mood and create a connection between the business and the receiver. It is a powerful tool that has been successfully utilized for decades. Unlike businesses past, you have access to new platforms of advertisement. You are not bound to the print media, billboards, radios and televisions. You can access consumers by their social media, cell phones and even through their search engines.

There are countless ways to reach the consumer now. There may be a temptation to employ all methods at your disposal, resist that urge. Rely on your data, your market research will identify your target demographic. From this, you will be able to determine the best means of communicating your message. No one wants to be bombarded or bullied into a decision. Make the right decisions based upon sound data and the results will come.

4. Secure Customer Satisfaction/ Delight

A prime objective of effective marketing management is to ensure that your consumers are satisfied with the product that you are supplying. This has to be considered with the market position and quality of your product. Conducting market research

and keeping in tune with the market will inform you regarding the level of satisfaction that your customers enjoy. It should also advise you as to things that can be done to improve your offering. If you do this consistently it will also assist you with increasing market share.

5. To Serve the Society

Marketing Managers play a key role in discharging the social obligation of the business and being a good corporate neighbour. This function should be looked at from two perspectives; that of a good business and that of a good member of the community.

Producing products of consistently good quality at reasonable rates, being accountable, and maintaining a high level of courtesy and professionalism are not only acts that should be your business standard but are acts that will enhance goodwill and improve the perception of your business.

Activities such as recycling, participation in green initiatives, keeping the workplace sterile, and supporting community initiatives engender a feeling that the business is more than just a business but a concerned and active participant in the community. Further producing good quality products at reasonable prices in a professional, courteous and accountable manner will enhance your reputation. As a result of these efforts, on the one hand, the social obligation of the business is fulfilled and on the other, its goodwill is enhanced.

6. Human Resource Management

The quality, profitability, efficiency, productivity, image and certainly level of customer satisfaction of a company are

significantly impacted by its workforce. It is human resource management that determines the quality of this workforce. Proper human resource management is important for the recruitment, retention and development of quality staff.

A company is more likely to be successful when the objectives are clearly defined and communicated to its employees. Fortunately, you would have defined your objectives already when completing the business plan.

These objectives as well as the nature of your business will inform you as it relates to the type of employee best suited to your business, as well as essential competencies that they should be equipped with. This information will direct your recruitment of employees which should result in you acquiring a suitable workforce. Proper consideration should also be given to the type of workplace culture you intend for your business as well as your management style to ensure they are compatible.

Having recruited well you must continue to be strategic in your human resource practices. Ongoing analysis of employees and their output must be conducted to identify their needs, address any weaknesses and to determine the actions required to increase their value to the company. Ensure that a platform is in place to facilitate ongoing training regarding areas of weaknesses as well as strengths.

Companies that place a premium on employee engagement and retention will foster a workplace culture that makes employees feel invested and valued. Improper Human Resource Management can cause the workforce to suffer. This is impacted by:

- Lack of motivation
- Undefined responsibilities
- Conflicts of interest
- Lack of training / information
- Lack of internal communication
- Non-cooperation
- Lack of coordination

Your HR strategy and implementation will certainly be affected by the size of your workforce and the type of business you are engaged in. However, there are some general improvements that can be made that will benefit most, if not all workplaces. A number of these improvements include:

- i. Clear definition of roles and responsibilities
- ii. Appropriate amenities for staff
- iii. Fair remuneration
- iv. Incentivize workers
- v. Train workers
- vi. Provide constructive feedback
- vii. Engage employees through information sharing
- viii. Flexible Work Schedule
- ix. Work from Home option, where feasible

Human resource management is a central pillar of good business practices. You should now see the value in adopting an effective and strategic HR plan. We suggest the following process as an adequate starting point in your HR development plan.

1. Developing and Communicating the Business Objectives

Your HR strategy must synergise with the aims, objectives, mission and goals of the business. For this to occur then the entire workforce must be clear on what it is they are working towards. If we all know our destination and have the directions we shouldn't get lost along the way.

2. Determine your Human Resource Requirements

This entails assessing your current HR capabilities to better understand your workforce, what they require, and their contribution to the fulfilment of the business' objectives. This determination will consider:

- i. Current HR capacity
- ii. Future HR requirements
- iii. Whether the workforce is adequately equipped and skilled, that is what type of training and resources are required

Assess Current HR Capacity

Inadequate HR support will not address the needs of the current workforce and business. The impact of such an inadequacy will be devastating as it will reverberate throughout the entire business. For this reason, an assessment of your current HR capacity will assist in identifying deficiencies, if present, and provide an opportunity to implement solutions to mitigate any damage.

The assessment should also consider the skills of the workforce with a view to adequately equipping them.

Estimate your Company's Future HR Requirements

A forecast of your HR requirements will include projecting the future workload as well as the workforce and support needed to satisfy same. Another area for consideration is the potential impact of developments in the industry.

Consider these two things:

- i. The number of employees with the requisite skills necessary to satisfy the business' needs.
- ii. The employees and skills that are currently available in the market.

Having conducted this analysis, you will then have to consider the following:

- i. New jobs and roles that may arise
- ii. New skills required by current employees
- iii. Availability of training for these new skills
- iv. Time to complete training
- v. Assessment of workforce utilization (regarding efficiency)
- vi. Assessment of HR capacity

Determining Whether Workforce is Adequately Equipped

Once upon a time, the maxim "many hands make light work" would have been the most effective HR mantra. Nowadays many hands are replaced by specialised hands, technological innovations and innovative tools of trade. HR personnel should consult with the appropriate personnel to assess and determine the needs of the workforce.

Such consultations will determine whether employees need more training, newer or different tools, updated software and a myriad of other things. Such consultation can benefit the organization greatly by making it more effective, efficient and organized. Further, such engagement is sure to be appreciated by the workforce and improve morale.

3. Implement your strategic human resource management strategy

After the analysis and forecast of your company's HR requirements have been completed, it's time to start the process of expanding your workforce and developing current workers to equip your company for future growth. You can achieve the implementation of your human resource management strategy by doing the following:

- Recruitment – With the ideal competencies and requisite skill level identified by your HR Team you will begin searching for suitable candidates.
- Selection – The shortlisted candidates will be interviewed and assessed. There are various exercises that may be used at this time such as standard interviews, group interviews, psychometric tests and case studies, all of which can provide invaluable data that will inform the selection process.
- Hiring – Having considered the applicants, the prospective employee will then be formally offered the position. At this stage the requirements of the job must be re-emphasised allowing the parties to negotiate, provide any clarification that may be required and agree on the terms of employment.
- Orientation and Onboarding – A comprehensive orientation strategy must be established for the business. This process will socialize, advise and educate the employees as it relates to your business' culture, goals and objectives. During this period the employees will also be introduced to the team and ways of working. This is a good time to advise them of the role of the HR department and the channels of communicating concerns to HR.

4. Evaluation and corrective action

As with all critical areas of your business consistent evaluation and review must be conducted regarding your HR policies and management. People make up your workforce and they are impacted by factors outside of your control. Assessment of the HR policy must be kept up-to-date to account for fluctuations on productivity, engagement and staff satisfaction and where necessary, corrective action taken.



CUSTOMER Service

The simplest definition for customer service can be considered the most appropriate. It is the process by which we serve our customers. The entire interaction should leave the customer feeling as though they have been served; not hustled, not handled, but served.

Customer Service includes the initial and on-going human interface with your customer before, during and after a transaction has been conducted. These encounters should be geared towards creating and maintaining positive customer perception and enhancing customer satisfaction.

Your customer perception takes into account the product or service you provide, as well as the quality of your customer service. A good perception is representative of a good experience. Customers share their experiences, as such good service can result in new customers being recruited.

We are no longer confined by geographic limitations regarding the products and services that we seek to engage. We have options that we can access from all around the world. Considering that we operate under such competitive circumstances we have to maximize any advantage that we can get. Customer service is certainly one such advantage. Customers are more likely to purchase from and recommend the business of people whose service leaves them satisfied; the product must be good as well! When you take into account the numerous platforms available to customers nowadays the potential impact of a good customer service experience has increased exponentially.

This does not mean that a business should allow customers to walk all over them. What it does mean is that a prudent businessperson will do their research, target their ideal customer and effectively engage them. This may require the business to rebrand, improve



or bundle offerings, re-evaluate policies, determine whether these policies are necessary and if there are ways to make it easier for customers to transact business with you.

A few things to consider:

- Is it easy to do business with your company?
- Do you have a return policy or dispute resolution system that is outdated?
- Do you make it difficult for customers to talk to you?
- Can customers easily understand your processes?
- Are your hours convenient to your customers?

Your avenues for improvement in customer service will be influenced by, among other things, what systems you choose to implement, your market demographic as well as the quality of your product or service.

Having explored how significant the impact that customer service can be to customer loyalty, customer satisfaction, brand image and business perception, we must do all that we reasonably can do to improve the quality of the experience for our customers. Let us begin to do this by implementing sound customer service practices.

Establish and Manage Customer Expectations

The best experiences are the ones that leave you feeling as though you have gotten more than you bargained for. To create such an experience for your customers we suggest that you set very clear customer expectations. We encourage you to apply the policy of 'under promising' and 'over delivering'. By adopting this approach, you temper expectations and surpass these expectations in your execution. If you can follow that philosophy, you'll never go wrong.

Listen

A lot of focus historically has been made of having a consistent message communicated to customers' use of "the script". However, customers, having been "handled" over time, have become very aware of the company's position and frankly many find it to be disingenuous. What customers want is to be heard. They want to communicate their position to the company and want to know that the company is listening.



Further, they want to feel as though the business has an interest in what they have to say. When approached by customers, we encourage you to engage in active listening to let them know that you hear them and work towards solving the problem. Own the issue and follow through till resolution.

Draft Customer Service Standards

As a follow on to establishing customer expectations, we believe it is important to put your customer service standards into writing. Having done so, this standard must be communicated to both your employees as well as your customers.

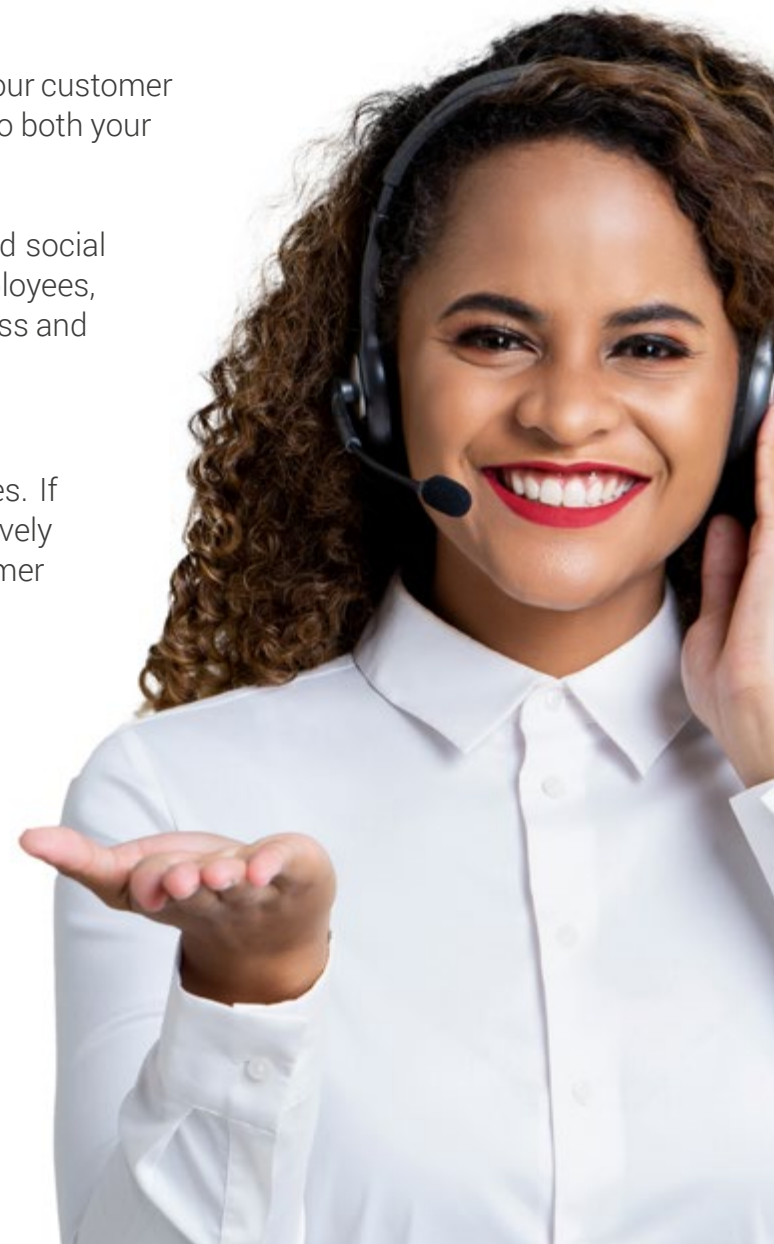
This standard should be displayed in your place of business, through your website and social media to communicate it to your customers and reinforced within your team. For employees, this standard should be done during the recruitment stage, during the orientation process and utilized as a metric of performance appraisal.

Happy Employees Create Happy Customers

The customer experience that you are trying to create is executed by your employees. If your employees are not invested in the process or properly engaged, they cannot effectively execute your vision. Their behaviour will determine the quality of your business' customer service and the level of customer satisfaction.

Engage and Follow-up with Customers

Showing interest in your customer must not be viewed as a task that must be checked off your list. This outreach shows that you are vested in your product, you value their feedback and you care about maintaining the relationship that has been created. The unfortunate reality is that this is not the norm, as such this is an excellent opportunity to differentiate yourself from other players in the market. Customers will tell others about their experience and encourage them to do business with you. Following up with your customers can have a domino effect touching upon product quality, marketing, public relations and sales.



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RESEARCH AND DEVELOPMENT Management

A consistent theme that has been expressed is that the marketplace is fluid. Technological innovations or new processes have consistently changed the way business, across all industries, is conducted. This highlights the importance of conducting ongoing research and development, it is the only means that you will be able to acquire new knowledge and keep up with your competition.

Research and Development (R&D) goes hand in hand with Production Management. However as informed decisions are best, and R&D informs Production, we must address R&D. R&D, when done properly will result in you acquiring information on your market, your competition, the legislative and regulatory framework, new innovations as well as the past failures of others. This information is invaluable, you will know what activities are viable, if they have a shelf life or if they are to be avoided all together.

Businesses are no longer affected only by the cost of innovations, technological developments and workforce issues, those days

are long gone. Social activism, environmental issues, changes in government and new behavioural approaches can have a dramatic impact on a business. R&D is essential to investigating, advising and reacting to the transitioning nature of the market and its environment.

With all these considerations in mind, you must undertake new R&D proposals. These proposals must be assessed comprehensively considering not just the initial direct benefit but also the proposed effect the development may have on the business, and the industry as well. The data guiding your research must be updated on a continuous basis, this mitigates the risk of obtaining skewed data.

The research and developmental management of your business must be organized and assigned to capable team members, or even outsourced. This ensures that the work is done diligently



and on a consistent basis. This is by no means an easy undertaking, as at each stage of the R & D process there are numerous financial, technical and managerial issues that need to be coordinated and addressed.

The work is internal as well as external. Whilst we must look at how external forces impact our processes; we must look at how our processes develop naturally. Shortfalls in production time or customer complaints about service quality may indicate that our own processes are not being performed efficiently. As such we must constantly assess our processes and look for ways to improve.

The individuals' best suited for this level of research, development and observation will include persons who are actually doing the work. It is for this reason that we state that R&D should work hand in hand with the Production team. This way the person researching better processes are collaborating with the persons doing the work. It is a collaborative engagement.



PRODUCTION Management

This form of management was pioneered in the manufacturing industry to streamline processes to guarantee particular quality and ensure that “production” was consistent and efficient. The focus was that of facilitating efficient conversion of raw materials into finished products. Such systems are no longer applicable only to the provision of products but also to the provisions of services. To incorporate services into our discussion we will simply refer to production as the conversion of our inputs into outputs.

Production Management must first contemplate the following:

- i. Assess customer needs
- ii. What can satisfy this need
- iii. How it must be provided

To curate a solution that will become the product provided by the business, a system must be created that determines the most efficient way to provide this product. All the steps must be organized into the most efficient order that will allow for a consistent level of quality.



This concept shall apply to the planning, organising, coordination, decision making, direction and controls for the provision of your product. Planning in this way allows your business to adopt the appropriate production system to achieve efficiency by the shortest possible route.

Let us agree that for the purposes of your business your production management will be focused on two broad areas of activities—the design and control of production systems.

Since this form of management emerged the focus has always been on, and it continues to be applicable today, the 5 Ps which are product, plant, process, programmes and people. We shall still adopt this approach having modified it to incorporate the provision of services. Be reminded that for our purposes production is merely the conversion of inputs into outputs.

Product:

Product in this sense refers to your output, the good or service that we have created, marketed and offered to the consumers. This aspect of the production management process takes into account the design and characteristics of your offering that makes it unique to your business:

- i. Performance
- ii. Quality and Reliability
- iii. Aesthetics
- iv. Quantity and Selling Price
- v. Availability delivery schedule

As the business owner you will have to create a product policy that takes all of these characteristics into consideration and can be replicated consistently. This product policy will also have to take into account the internal and external factors which impact market needs, environmental demands, technology, economic implications, societal factors and legal constraints. Product is concerned with creating your output while maintaining your standards despite any changes that may occur in your professional, financial and legal environment.

I. Plant:

There will be a space in which the actual work of the business will take place. The plant consideration of the 5 Ps takes into consideration this space as well as all required tools of trade. This may be as intensive as heavy-duty factory equipment, as intangible such as internet access or professional software, even stationery.

The ideal establishment of the “plant” should be constructed in such a manner that it minimizes costs, streamlines processes, and maximizes outputs all in a controlled environment. The plant

must be maintained to facilitate the entire production process, this means that assessments must be conducted to project the needs for future demand levels.

Further, as we have had to adjust to a new normal, it would be prudent for business owners, when designing their production system, to have a plan B and even a plan C. We have to learn from our experiences!

II. Processes:

There will always be alternate methods to produce your output. We must select the best method and that is where process comes in, creating the most efficient framework for converting inputs to outputs. Our processes are the sequence of operations and production tasks that must be undertaken to create our product or deliver our service. It is the series of activities leading to the conversion of our inputs into outputs. Shelves cannot be put in a cabinet without being measured and cut conversely; a blueprint cannot be drawn until the dimensions of the space have been accurately measured.

This phase must be designed with production control in mind. Production control is the process by which the actual performance of the business is compared to the predefined standards. It is an insightful measure that allows for informed adjustments to be made whenever there is variance.

III. Programmes:

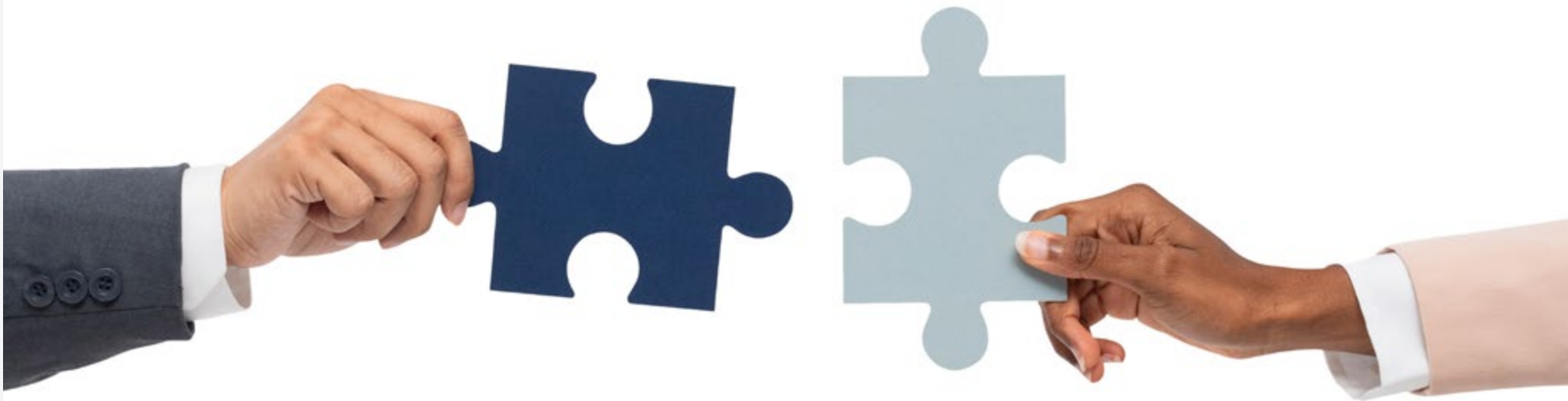
The programme addresses the schedule of tasks in the sequence. It requires full understanding of the entire production process so that tasks can be arranged logically. The programme is to schedule tasks to ensure there are no lags or delays to prevent overwork and under-utilization.

The programme concerns itself not only with the actual conversion process but also with the associated aspects such as inventory management, logistics and inspections. Our programmes are vital because if one aspect of the programme does not adhere to the schedule it will have a domino effect. As such, programmes must be constructed with a view of realistic expectations to mitigate against breakdowns in the schedule.

IV. People:

Your business, unless fully automated, will depend largely on people from beginning to end, and even if fully automated your own contribution will be undoubtedly significant and essential. Having acknowledged the importance of the human component of the business we must further acknowledge that human beings are different in nature, attitudes, experiences, reactions and behaviour. Policies must therefore be designed, keeping in mind the needs and requirements of the people.

There are significant benefits to be enjoyed by taking the time to design an efficient product management system. Employing these strategies from the outset will provide you with a stable platform from which to offer your product or service.





HOW TO ESTABLISH YOUR **Business**

At this point we would have made a decision, informed by fundamentally essential data, regarding what business we are engaged in, the manner we will go about setting it up as well as how it will be managed.

You must now complete the required steps to create the business that has been conceptualized, taking great care to ensure that the business vehicle, which is the structure that we will be creating and utilizing to provide our products, is sound.

To initiate this process, you will attend upon the Companies Office of Jamaica (COJ) to register or incorporate your entity. To do so you must possess a Tax Registration Number issued by the Tax Administration of Jamaica (TAJ). It is required for both options as it must be endorsed on the business registration form 1.

Both the New Business Name as well as the Incorporation of Company applications will include the registration for the TRN,

NIS, NHT, and HEART Trust-NTA which are done automatically through the COJ at the time of registration, further new companies will also automatically receive their GCT and TCC certifications.

We will proceed as though you already have your TRN for the purposes of the application and guide you through the process from there.

The steps that we recommend to be undertaken are as follows:

- i. Name Search
- ii. Name Reservation
- iii. JIPO Trademark Search
- iv. Business Name Registration or
- v. Incorporation of Company
- vi. Infrastructure
- vii. Banking

REGISTERING YOUR BUSINESS Name Search



Having determined the legal structure of your business you are now ready to visit the Companies Office of Jamaica (COJ) also referred to as the Companies Office of Jamaica (COJ) to initiate the registration process. This entity facilitates the creation, registration, dissolution and compliance of all entities doing businesses in Jamaica. Further, they are an important source of invaluable information on all registered businesses entities in Jamaica.

Certainly, much can be said about the value of a name. The business name is your introduction to the world and is the representation of your business that is most often expressed. As such proper consideration should be given to the name that you will be using to conduct your professional undertaking. Sound, impact, and distinctiveness are certainly considerations, but for our current purposes the most important characteristic is availability.

The availability of your desired name is affected by several factors. These factors are: availability, similarity and appropriateness.

Availability speaks to whether this name is being utilized by another business.

Similarity refers to whether the chosen name is too close to names of other businesses in Jamaica that are in similar industries.

Finally, Appropriateness considers matters of decency, public interest and unjustified names. Lewd and caustic names will not be entertained by the COJ. Regarding justification the COJ will guide you on the requirements to register a business name. Note also that the use of a personal name will require

justification re the use of terms such as Crown, Royal, CARICOM, Caribbean and among others, the full listing can be found at the end of Business Registration Form 1.

Your initial task will be to conduct a name search to determine if the proposed name is available, next step will be to reserve the name(s) which can be done for up to ninety (90) days. To reserve the proposed name, you will need to complete the steps below whether in person at the COJ or online via their website.

- Complete the “Request for Name Search and Name Reservation Form” / Form 6
- Pay the applicable fee, per name, for the Name Search, \$500
- Pay the applicable fee, per name, for the Name Reservation \$3000

Having completed the process outlined the COJ should respond within one clear working day for requests made in Office within 2-3 working days regarding requests made online. The COJ response will advise you of the suitability of the name and indicate the result of the search.

If deemed to be a suitable name, and the reservation was requested then the name will be reserved for a period of ninety (90) days.



JIPO TRADEMARK SEARCH AND **Registration**

Having confirmed that your name(s) are determined to be appropriate as well as available our next task will be to attend upon the Jamaica Intellectual Property Office at 18 Trafalgar Road, Kingston 10 or via their website www.jipo.gov.jm.

Upon attending the JIPO offices you will then do a trademark search on the names that have been approved to confirm that they do not infringe upon anyone's registered trademark. This search is conducted for a nominal fee charged hourly. \$1100.00 Having been informed that there is no company bearing the name that you intend to use is all well and good for simply registering a business if that was your sole objective. However, if you are reading this book then your intention is to operate competitively in the Jamaica market place and will want to distinguish yourself.

To do this you will have to develop and maintain your brand, which includes your trademark. An undertaking that will be

impossible if after registration you find that your trademark is already registered to someone else.

Once availability of the trademark is confirmed, we recommend that you register it and register your business at the Companies Office of Jamaica.

The process for acquisition of a trademark is as follows

- I. Conduct a preliminary trademark search and examination to determine availability. A step you would have already undertaken
- II. File the Trademark registration Form – TM1 with the Trade Marks & Designs Directorate at JIPO, to be submitted with the requisite fee, currently \$7,000.00 along with \$2,200.00 for ever additional class



III. Upon mark being determined as accepted have the mark published in the JIPO TMs Journal. Associated fee \$10,000.00.

The business structures available in Jamaica are as follows.

- i. **A Registered Business**
- ii. **Limited Liability Company**

Business Name Registration: As the name suggests this is merely the official registration of the name and particulars of your business. Businesses operating without being registered in Jamaica are not operating within the legal framework, so no matter the size of your undertaking you have an obligation to be registered. The benefit of such a structure is that it allows for the owners to reap all the rewards from the entity and to make all the decisions in a swift manner, the disadvantage however is that the owners have unlimited liability with regards to the business. As such even personal assets are at risk.

Limited Liability Company (LLC): Registration of the LLC creates a separate and distinct entity to conduct your business dealings. This means that you are protected from being personally liable for the activities of the company. The LLC is essentially a person in its own right recognised by law as such it can borrow, lend, sue and be sued all on its own right and all separate to those owning the LLC. The other main benefit of this structure which is attractive to potential business partners and investors is that it can exist in perpetuity, once satisfying all its legal and financial obligations. Be mindful of the distinction, as a separate legal entity the liabilities as well as the assets are those of the business.

When making a determination as to which structure is preferable, we encourage you to consider the following:

- i. The industry you are engaged in
- ii. The size of your business
- iii. The size of your target market
- iv. Where you realistically see the business going
- v. Your level of risk exposure

Registration Form

REGISTRATION (Business Name)



Business Name registration is a viable option for sole proprietors, partnerships and companies trading in a name other than its true corporate name. It is a very important exercise as businesses operating without registering at the Companies Office of Jamaica are operating illegally. Once registered, your business information is uploaded to the COJ's website. This allows, for example, individuals and firms to check your business name online and make sure you are a legal business in order to offer you credit or do business with you.

Having already selected an appropriate and available business name you will be required to complete and submit the Business Registration Form (BRF 1). This singular document will include, among other things, the particulars of the owners, industry engaged in and the particulars of the business. This is important as the purpose of all registrations is to ensure compliance with Jamaican law and collecting accurate information on the business entity so that individuals can transact confidently with businesses registered in Jamaica.

Persons registering will also be required to submit the following.

- i. Valid government issued identification of the Principal Proprietor.
- ii. Proof of address
- iii. Tax Registration Number for the proprietor(s)
- iv. Work permit, where applicable
- v. Exemption letter, where applicable
- vi. Professional Certification (Accountant, Attorney, Engineers, Medical Doctors etc)

A statutory declaration will be required where the applicant is unable to produce any of the above documents. This is a document that is made on oath and witnessed by a Justice of the Peace or Notary Public who will indicate where the applicant resides and state the reason, they are unable to provide supporting documentation.

The BRF1 once accurately prepared must be submitted along with payment of the requisite fees. Costs differ depending on the type of registration you will require from the COJ with the distinction being made dependent upon the amount of, or type, of owners of the business. The costs are as follows:

STRUCTURE	COST
Sole Trader:	- JMD \$2500
Partnership (2 - 5 Partners)	- JMD \$2500
Partnership (6 - 20 Partners)	- JMD \$5000
Corporation	- JMD \$3000

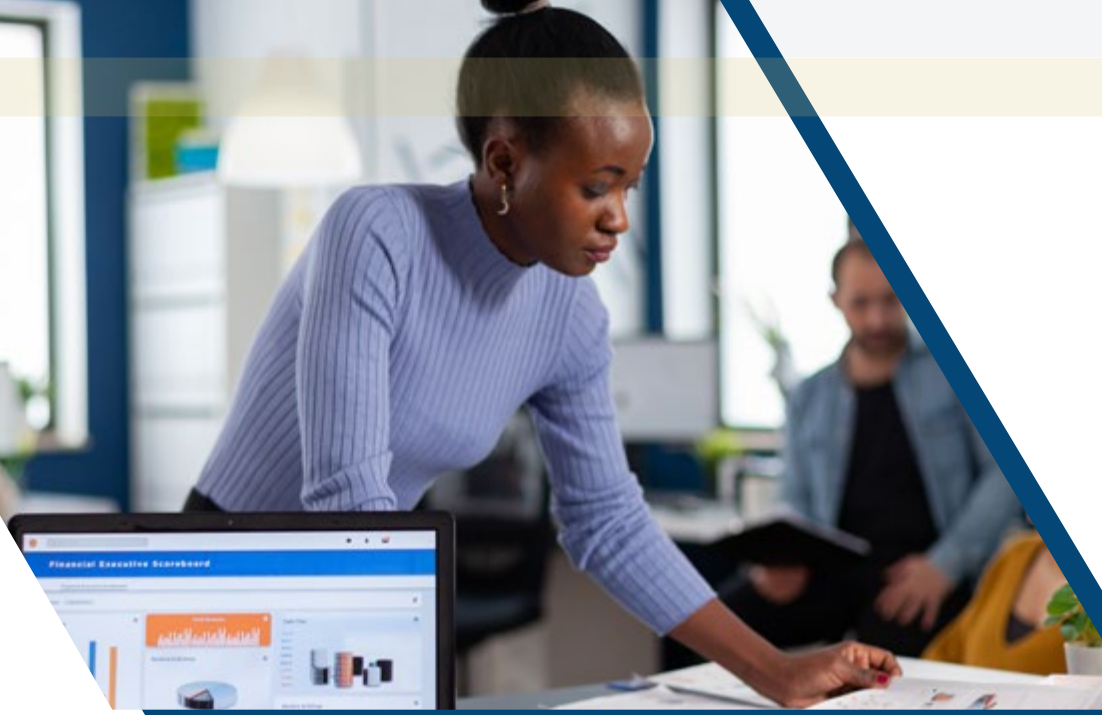
Your application will then be reviewed to ensure that it was completed accurately and to verify its content. Once satisfactory, then a certificate of Business Name Registration will be prepared and issued formalizing the registration of your business name with the COJ.

N.B. -The Business Name Certificate must be renewed every 3 years. Not only is this a compulsory exercise but it also allows for the business information to be updated so that the COJ has accurate data. Below is a listing of the associated costs as well as the renewal form that would have to be completed. These forms are readily available on the Companies Office website.

STRUCTURE	FORM	COST
Sole Trader:	BN1	- JMD \$2500
Partnership (2 - 5 Partners)	BN2	- JMD \$2500
Partnership (6 - 20 Partners)	BN2	- JMD \$5000
Corporation	BN3	- JMD \$3000

Having completed the business name registration you must then make contact with the TAJ to create your online account which will facilitate the submission of our tax documents as well as payment.

INCORPORATION (Limited Liability Company)



Incorporation of a Limited Liability Company (LLC) is a viable option for any individual, company or combinations of same that want to conduct business in Jamaica. A few of the benefits to such a structure were previously indicated but it is a matter to be determined by you after considering your business, its current status and where you see it going in the future.

Having already selected and reserved an appropriate name you will carefully complete the Business Registration Form (BRF-1) as well as the Articles of Incorporation (FORM 1A or FORM 1B).

1. The Articles of Incorporation outline the particulars of the company in explicit detail. This includes:
 - i. The chosen name and its justification
 - ii. Restriction to business (if any)
 - iii. Information on Shares – amount issued, Classes of shares, value of shares, shareholder information.

The rules and guidelines for the proper management and operation of the company are also requested. The option is given for applicants to adopt the standard articles presented in the Companies Act of Jamaica 2004 in whole or in part, or parties may submit their bespoke articles.

It is recommended that when deciding how to proceed with the articles of incorporation, you consult with an Attorney-at-Law so that your decision is well informed. This is recommended as the amendment of company articles is not a simple matter.

2. The Business Registration Form 1 is the initiating registration document and will require a host of information to include among other things:
 - i. Name of Company
 - ii. Proposed industry (which can be amended)
 - iii. Particulars of the director/s (to include TRN),
 - iv. Particulars of the company secretary,
 - v. Registered office

Other information (mainly tax related) will be requested that will allow for the company to be enrolled for

- i. National Insurance Scheme - NIS,
- ii. Tax Registration Number - TRN,
- iii. Tax Compliance Certificate –TCC,
- iv. General Consumption Tax - GCT,
- v. HEART/NSTA and
- vi. National Housing Trust - NHT.

This is an exercise of great convenience and we encourage you to take advantage of it.

In instances where the company will be engaged in activities that are governed by professional bodies originals or certified copies of any relevant professional certificates will be required.

When completed, you will be required to pay for the associated

registration fees. The costs differ dependent upon the type of service you require. The various options are listed below and are subject to change.

SERVICE	TIME PERIOD	COST
Regular Service:	five (5) working days	- JMD \$24500
Next Day Service:	twenty-four (24) hours	- JMD \$27500
Same Day Service:	returned the same day	- JMD \$30500

Your documents may be submitted once you have paid the fees, at which point they will be reviewed to ensure accuracy and to verify the information. A Certificate of Incorporation will then be prepared and issued bringing your company, the separate legal entity, into existence.

The process of registration is now completed and your company is fully registered, certified and equipped to start conduct business in Jamaica in keeping with all of our statutory provisions.

You will receive your Company Certificate, Articles of Incorporation, TRN, NHT, NIS, GCT, HEART Trust-NTA information and your Initial TCC.

Having completed the incorporation you must then make contact with the TAJ to create our online account that will facilitate the submission of your tax documents as well as payment.

INFRASTRUCTURE

Location

The location of a business to its sustainability and success is very significant. Considering that you are engaged in conducting a business, it necessarily follows that the business is being conducted somewhere. Whether it is in an out of home office, a warehouse or at your regional headquarters your business occupies a space.

The purpose of this part of our conversation is to determine whether the space you are currently occupying corresponds with your business' needs. Additionally, we will consider some of the features that an ideal space should possess. You may ask, what benefit does the location of my business provide? The answer is comprehensive. Benefits of location are also determined based upon the type of business you are engaged in, for this reason we will be unable to discuss all the specific advantages afforded by an ideal location.

Let us begin with work space. Are your current accommodations satisfactory to your purpose? By reading this book it tells us

that you are seeking to grow and expand within your market. So, the better question is, can your current accommodations satisfy your future needs? Only you will be able to answer this question. To make this determination let us look at the needs of the business as well as some general benefits of location.

One of the primary drivers with regards to determining the viability of a location is cost. This is especially more important to businesses as the cost of rent or a mortgage would be part of the operational costs and directly impact the bottom line. Value must be determined in this instance. How long can I thrive in this space before I need to relocate?

Whatever the product, be it goods or services, there will be inputs/raw material etc, these inputs most certainly need to be stored within a space where they are secure, maintained and easily accessible. These inputs could be actual inventory, raw



materials or staff, the rule still applies. If you don't have enough space for your machinery, inventory or staff you will have to consider whether or not to outsource parts of the operation.

The ability to consistently provide the same level of service or quality of goods to the customer is a recipe for satisfaction all around. If your supply of inputs is unstable, if your finished products go missing or if your staff are intimidated and don't come to work, you will certainly find this problematic. As such the safety and security of the space must be satisfactory to the needs and requirements of your business. If you are in the space, you will have an appreciation of how safe and secure the area is, if seeking a new space, we encourage you to make independent inquiries of the nearest police station as well as inquiries through a realtor.

Let us now discuss any convenience related benefits that arise by virtue of your ideal location. Are there any particular areas or requirements that would be convenient to your purposes? Perhaps locating closer to your competition will allow you to take care of an advantage that they have been utilising. They may have established local support services in the community that you would be able to take benefit from as well.

Another application of convenience would be establishing your organization near to a community; you would have the convenience of being easily accessible to your customer base as well as a reasonable source of labour. Further if you contribute to the local economy that may result in a more energetic workforce and customer base that is vested in your business.

Traffic and parking are two considerations that can affect the workforce, customers, as well as the logistical and operational framework. Significant traffic will result in workers who are late as well as tired and that is before they have started to work. The same result can affect the customers who will not be enthused if they make



the effort to attend upon your business and have to wait upon your staff. As it relates to production, if your required inputs are late then your production processes will also be delayed, if the output is not produced on time, then the logistical processes are impeded.

Parking is another very important consideration if your business requires customers to come to you. This may not affect customers who walk, but if they do drive, they will certainly be put off by the inconvenience. The implications for operations and logistics will be obvious, if your inputs cannot be delivered or your outputs can't be accepted for delivery the entire system is brought to a standstill.

Finally, we will make reference to visibility and the value judgement. Dependent on your industry, quality and reputation alone may not be sufficient to make an impression on the customer base. Having invested in marketing you would be well served to maintain a presence in the minds of the customers. You can endeavour to establish your business in a place that offers high visibility. This will effectively apply the business itself as a marketing tool, that way your base of operations itself acts as a promotional tool and daily reminder to the customers. Further if the selected area is one of significance or prominence, this may influence your customers to make a positive value judgement about the business as well as your products based upon the location.



By now you should appreciate that a lot of thought must go into determining where the business should be located. This decision must consider the myriad benefits an ideal location can provide as well as your present financial capabilities. While we can appreciate that not everyone will be able to start off in the best of locations, it is important to identify ideal spaces so that when you are in position to relocate, you will know exactly what you are looking for. With this in mind another key decision that needs to be made relates to determining whether to purchase or lease the work space. This decision will however be considered later on.



INFRASTRUCTURE Utilities

Jamaica Public Service

Having identified a suitable space you now have to take the steps to ensure that it is workplace ready. One of these steps is ensuring that you have the essential utilities which would include electricity. JPS is the sole distributor of electricity in Jamaica and as such you will have to contract with them.

This guide is applicable to situations where there has never been service or service has been discontinued for over a year. All other types of issues can be directed to and addressed by JPS Customer Care directly.

To ensure that the property is stable and can accommodate the service being requested the premises will have to be inspected and certified by the Government Electrical Inspectorate (GEI) and certified as either approved or unsatisfactory.

The standard process is as follows:

- i. Engage a licensed Electrician to perform the installation of all the wiring in the premises or to assess the current installation at the premises and make rectifications if necessary.
- ii. Electrician prepares and completes the GEI - Notice Form
- iii. Electrician pays the requisite inspection fees, signs the receipt and endorses it with their Electrician License Number.
- iv. Collector of Taxes submits the receipt to the GEI.
- v. Inspection date agreed between GEI and the Electrician
- vi. Inspection conducted
- vii. Electrical Inspection Report issued to the licensed electrician or their representative

The Electrical Inspection Report will detail the findings of the GEI. If deemed satisfactory you will be provided with a certificate of approval that can be used to engage with JPS to



acquire service, the GEI will actually send the certificate to JPS directly. If the premises was deemed unsatisfactory the defects identified will have to be rectified and the inspection redone at an additional cost.

Next you will have to make an application to JPS at any of their branches for either reconnection or for new service. To initiate this process, for a business, prepare an official letter of application on your company's letterhead with the company's seal affixed and signed by a director or the company secretary.

The application letter should include:

- i. The address where service is required.
- ii. When the service is needed.
- iii. Name and contact details of point person
- iv. A Single-line Electrical Drawing prepared by a Certified Electrical Engineer
- v. Load details (as determined by the Certified Electrical Engineer)

This letter of application must be submitted along with the following documentation:

- i. Proof of Ownership/Lease Agreement
- ii. Taxpayer Registration Number (TRN)
- iii. Valid National Identification.
- iv. Certificate of Incorporation (Company)
- v. The Government Electrical Inspection (GEI) Certificate (if available)

JPS personnel will visit the premises and conduct a site inspection to determine the scope of work required. A quotation will then be submitted to you along with a project proposal indicating cost

and project timelines. Depending on the location and scope of works, JPS may require a contribution to do what is known as a line extension, this is where they will have to run an entire line to an area not currently on their grid, to be able to connect your premises. If you approve the proposal, you may elect to pay all the cost of the extension which is refundable or you may elect to pay half the cost which is non refundable.

Having submitted your application JPS will then undertake their internal processes to facilitate the provision of electricity to your premises. Post inspection JPS will advise the applicant of the final charges that are applicable, if any.

Payment of the fees will be facilitated at any of the JPS Commercial Offices. Upon receipt of payment JPS will perform the connection, install the meter and invite the GEI to conduct their inspections. Once certified by the GEI the applicant will pay the security deposit to JPS after which JPS will complete the meter connection providing electricity to the premises. Deposits are calculated by load which will be determined by the supporting documentations submitted. The standard deposit is the equivalent of three months of usage.

Post satisfactory assessment and receipt of deposit JPS will notify you that your application for connection has been approved and you will have your electricity service and account

National Water Commission

The other utility that you must have at your business for health and sanitary purposes is water. Water is essential to keeping healthy, maintaining proper sanitation and is a modern convenience expected in every business place.

If you are going to be operating from a site that does not have water, it would be prudent of you to contact the National Water Commission (NWC). They are the primary provider of potable water and sewerage services in Jamaica. Consultation with them would be of great value as they can advise you whether water is available at your site, and if not what the requirements would be to connect to the NWC system or one of the independent water providers.

Be advised that these instructions apply to premises where there is no water facility. Other instances of reconnection are matter that can be addressed by contacting the NWC Customer Care Centre.

The NWC offers two categories of water supply and sewerage services to its customers:

- Residential – premises where water is consumed for domestic purposes
- Commercial – premises where water is consumed for the purposes of trade or business.

Application Requirements:

- i. Completed Application & Contract for Water Supply form. along with,
- ii. Supporting documentation;
 - a. Valid Identification
 - b. Tax Registration Number (TRN)
 - c. Proof of Ownership - Letter of Possession, Lease
 - d. Building Drawings (if constructing a new structure)
 - e. Building/Planning Approval
 - f. Numbering Certificate – obtained from the parish council subdivisions)

Within three days of your application being submitted an official site inspection should be conducted by the NWC. Once conducted and deemed satisfactory, the NWC will notify you that your application for connection has been approved. Currently the estimated processing time for approvals for connections is twenty eight working days.

Post site visit the NWC's Wastewater Department will review the application, the drawings and visit the site to make their assessment of the works to be undertaken. Dependent on their findings they will communicate the approval to you and provide an estimate of the installation costs and processing fees or, conversely, advise you of any defects identified for you to address.

The installation costs are paid by the customer and include the cost for pipes, fittings, labour and all other costs associated with the installation and connection of a supply to their premises. The processing fees will then have to be paid at one of the NWC's Commercial Office. The fees for your connection are calculated based on the costs related to the implementation of the connection as indicated above and as such are variable.

You will subsequently advise NWC of the date for final connection which should be at least two weeks in advance of the intended date. The NWC may choose to attend and observe the connection and testing exercise.

When the process is successfully completed, your business should have an active NWC Account and reliable potable water source.

Your premises should receive water from any source once sufficient pressure is available to pipe the water through the

system, this may be improved by attaching water tanks to your premises and affixing a water pump to them.

Drought conditions that we have experienced across Jamaica in recent years, as well as the fluctuating service of the NWC, particularly when works are underway, may necessitate tank installation as primary source of water in the more badly stricken areas of the country. This decision would be dependent on your water needs, space available for the water tanks and the availability and accessibility of trucked water, which in most cases in Jamaica is not hard to come by.

Phone Lines / Internet

The benefits to your business to have reliable telecommunications services are undeniable. Being able to communicate with parties quickly and reliably being paramount. It is advised that you review and subscribe to one of the telecoms options – i.e. phone lines and internet access as conveniences for your business place. Depending on your business case, you may require more complex and stable infrastructure.

Local Telecoms providers have the same procedures and as such the process for acquiring internet/telephone service at your location will be facilitated through their customer care department and will require the same things:

- i. Completed application form
- ii. Valid Government Identification
- iii. TRN
- iv. Proof of Ownership / Lease Agreement / Letter from owner
- v. Proof of Address (Utility bill)

The installation cost and time frame will be dependent on the service provider, availability and infrastructure in the area.

With regards to Telecoms we encourage you to make this application as soon as you have all the required documentation in place. This should be done to ensure that service is available to your business in a timely manner.



Banking



When choosing your financial service partner, you should be careful to identify the offerings that are essential to you and most suited to the financial service needs of your business at whichever stage it is now, also taking into account where you intend to go. Financial solutions such as venture capital, loans to scale your business, for example to purchase new equipment; in the case of businesses with outbound and or inbound transactions your bank will need to facilitate overseas transactions; or your business banking needs are limited to just securely banking your money. Whatever your requirements, it is imperative that you build a sound banking relationship with a financial institution that demonstrates an interest in your success and wants to empower you to get ahead in life and business.

You may need to be prepared with your business plan and schedule a conversation with a business banker to discuss what facilities / financing can be offered to sustain or grow your business in line with your goals.



STAYING IN THE Game

At this point your business should be operating in alignment with the strategic path charted in your business plan. To ensure this happens you must be listening to your business constantly, analysing the information that is being provided and incorporating them into your strategy. Remember this strategic path needs to be agile and not rigid and fixed. The destination is what is certain; the route can and must change with the developments in the environment.

You have contracts, clients, competitors and a workforce all interacting with your products. As a result of this interaction they are providing you with vital, unfiltered feedback that will result in you having to answer certain questions and make key decisions. These decisions will determine if you maintain your current level or whether you implement the new strategies that can bring you to the next level.

Your mindset should always be to assess and improve consistently – all with a view to expanding the business and

developing products, all the while maintaining our quality standards.

Maintenance of the business is an ongoing process, we are constantly assessing, adjusting and updating. Applying quality control measures consistently as one way to ensure that we meet or exceed targets that we have set for our products/services. Through this information we can establish features and characteristics that can be incorporated into our products to increase customer satisfaction levels. Whether these are separate products or an improvement in the standard product line is entirely up to you.

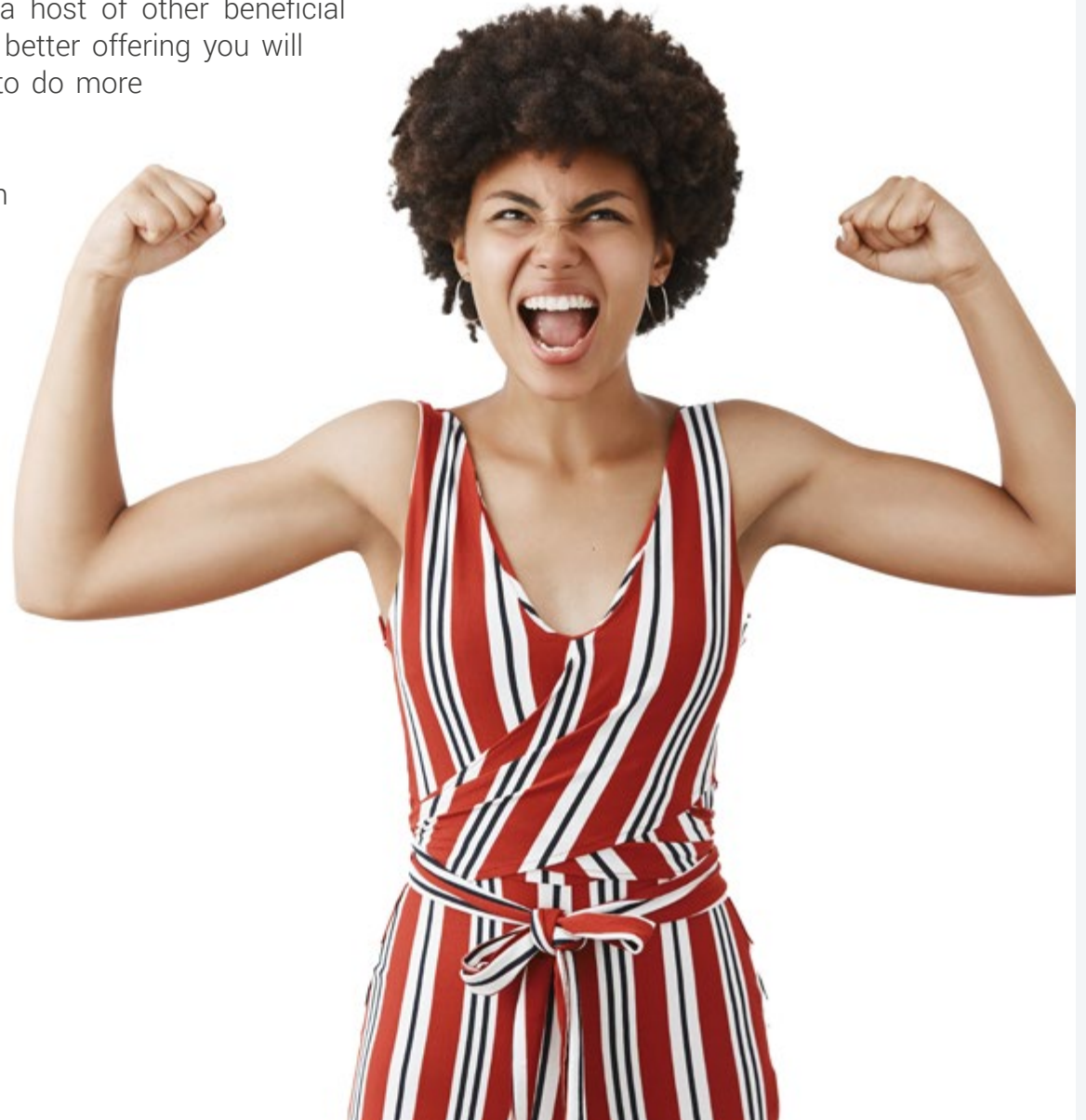
Research into alternate sources for raw materials must be undertaken. The benefits to identifying a cheaper, higher utility or better suited input are tremendous. It will by itself improve the offering in general.



We must also shop around with regards to suppliers. Building relationships is certainly a good practice, however one must always be on the lookout for better arrangements for the business. If none are readily available attempt to create one. You may ask for concessions, a discount, preferable stock and a host of other beneficial arrangements. The selling point here is that with a better offering you will produce more of your product and in turn be able to do more business with them.

Ongoing training of the workforce will maintain competence and increase capability. The employees will be engaged and have all the tools at their disposal to perform at the level that you demand.

This activity also allows human resources to be able to observe the employees and make determinations such as to who is engaged, frustrated, capable of growth or capable of handling increased responsibility to name a few.



EXPANDING YOUR **Business**

Products have life cycles as do businesses, taking advantage of the opportunities presented by the market when they come is essential. If your assessment of the market indicates that there is good demand for your product and that you can increase your market share, we encourage you to take the necessary steps to position yourself for continued success.

In the context of expansion one of the changes that a business may have to consider, is relocating to a new space that can accommodate the changes that are to be implemented.

1. Relocating

The decision to relocate your place of business should not be considered without taking into account all of the potential implications. Such a decision must take into account the recommendations of the production, finance and operations aspects of the business. The mere fact that the proposed move is a huge undertaking should not discourage its consideration in anyway. Your business may have outgrown the space that you currently inhabit leading to lack of inventory and equipment space, inadequate parking for customers and staff or increase in rental. Conversely by efficient use of resources and innovation you may require a smaller space because you are doing more with less or the new space offers tremendous value.

Whatever the reason your decision to relocate must be one that is well informed and properly executed. Business is still expected to go on while your move is being undertaken, your vendors and clients will not grant a holiday, and even if they are so inclined your



competitors will not be so considerate. Take the time to plan properly, prepare extensively and execute seamlessly.

By no means a simple task, we shall discuss a few of the arrangements that will have to be undertaken to complete the process of relocation smoothly:

- i. Securing the Property
- ii. Officially Changing address
- iii. Communication
- iv. Disconnection of Utilities
- II. Securing the Property

Regardless of the type of business you are engaged in, there is a characteristic regarding its location that is universally applicable, and that is suitability. You must find a location that is suitable for the needs of your business. That may include a number of considerations such as:

- i. Size
- ii. Cost
- iii. Location
- iv. Expandability
- v. Commercial designation
- vi. Traffic
- vii. Access to vendors / customers
- viii. Parking

The list could go on. Fortunately, you would have prepared a business plan to guide this decision as well as having been operating in the industry. You are therefore familiar with the needs of the business and features that would be most beneficial to it. Real estate being finite we are constrained by what is available

on the market. If you are able to identify an ideal space for your business on your own we applaud you and encourage you to take advantage of the opportunity.

However, if the task proves to be taking up too much of your productive time it is recommended that you engage the services of a real estate agent. The realtor will be guided by your business requirements regarding space, amenities and budget. Hopefully a they will return with many suitable options that satisfy your requirements from which you can make a selection. You will have discussed with them whether you wish to purchase or rent in advance of the search.

Purchase

Having identified the property, you will be required to submit your offer through the realtor and await response from the seller. Once your offer is accepted you would need to engage the services of a reputable Attorney-at-Law to act on your behalf.

The role of your lawyer is very important because the vendor or seller is the one who prepares the sales agreement. It can therefore be assumed that it would not be constructed in a manner that would be detrimental to their interest. The first stage would be to have them explain the particulars of the agreement of sale to you to ensure that the terms are what you agreed.

After advising on the content of the sale agreement, the attorney should make inquiries to determine if there are any caveats or legal matters pending with regards to the property.

There are other services that you will need to take advantage of depending on how you are financing the purchase. If you are taking a loan from a bank they will require you to get two things:

- i. a Surveyor's report that will confirm that the boundaries of the property are the same boundaries that are indicated on the title
- ii. a Valuation report, which will indicate the market value of the property.

Whilst it is not compulsory to conduct a survey when purchasing out of pocket, it is quite helpful to have a surveyor assess the boundaries of the property. Not only will you avoid potential disputes, but the surveyor can provide other insight regarding the property. Having satisfied yourselves as to the value, dimensions and status of the property the next step would be to sign the agreement for sale and submit it to the vendor's attorney along with a deposit on the sale price, the rate is typically between five and ten per cent. Other fees that you would incur when purchasing property will include:

- i. Half of the registration fee 0.0025% of the value of the property
- ii. Half of the stamp duty - \$2,500.00
- iii. Half the cost for preparing the sales agreement
- iv. Half the cost for preparing the letters of possession (these are letters that can be submitted to different entities to prove that you are the new owner of the property)
- v. Realtor's Commission

Once received the Vendor is then going to submit the documents to the stamp office for assessment, stamping and cross stamping. The Vendor's Attorney will then provide you with another document for signing known as the instrument of transfer which is the document that will remove the vendor's name from the title and replace it with your own. Before this document is executed the vendor's attorney will require the balance of the sale price to be paid or ask for a letter of undertaking from a financial institution or your attorney.

Once the instrument of sale is executed your name would be endorsed on the title making you the registered owner.

Lease

This option requires far less documentation and expenditure. Having identified the property, you would be required to submit an offer to the realtor or landlord along with any information that they may so require.

If your application is approved, you will receive a lease agreement from the landlord or their attorney. This document must be reviewed just as carefully as an agreement for sale. Particular attention must be paid to the covenants in the document as well as any restrictions that may be present.

After reviewing the document and conducting any negotiations that may be necessary, you and your landlord may sign the lease empowering it legally. Upon signing the lease, you receive what is known as exclusive possession over the property. What that means is that you will possess all the powers that the owner enjoys over the property exclusively, your powers can only be discharged when the lease comes to an end or by a court order.

Having entered into such an arrangement it would be recommended that you make yourself acquainted with the Rent Assessment Board. This is a tribunal that has the same powers as the parish court and is mandated to handle matters between landlords and tenants.

III. Change of Address

Regardless of the reason there are instances where a business will have to change their registered address. Once such a change has occurred it is incumbent on the registered businesses or companies to update their information at the Companies Office.

For incorporated companies you will have to employ the form 17 – Notice of Change of Address of Registered Office. In this document you will indicate the location of the registered office, the previous address of the registered office as well as the effective date of the change of address.

To maintain compliance with the law you must ensure that the notice of change of address is filed within 14 days of the change of address.

For a Registered Business name, the business owner will have to complete a BN5 which is a Notice of Change in Particulars of Business. It must then be indicated in section 4A that the nature of the change is a change of business address. The particular details will then be entered in the document.

If the change of business name takes place before the Business Name Certificate expires a certificate of change certificate will be granted which is an addendum to the original certificate. However, if the original certificate is expired then a new certificate noting the change will be issued

Once completed the documents must be submitted along with the requisite fees to have the changes endorsed and documents updated

IV. Change of Name

With all the potential developments we are discussing it may be determined that the business may need to be rebranded. Alternatively, the business ownership may change by way of sale or merger. Whatever the reason there may come a time when you desire to change the name of your business or company.

This would have to be facilitated through the COJ. To perform this task you will again have to conduct a name search so as to determine whether the new name being proposed is available and deemed appropriate. Further, be reminded that our recommendation regarding securing the trademark still applies.

Be advised that a mere changing of name will not afford any avoidance of liability. If you are an incorporated company, the change of company name is superficial and will not create a new and separate legal entity.

If you are changing a registered business name, be reminded that this business structure comes with complete exposure to liability for the business owner, so regardless of the name utilized, you are still responsible for the business.

For incorporated companies you will have to complete the form 6 – Request for Name Search and Reservation. In this instance however you will select both the option requesting a “Name Search” as well as the option “Name Change”.

For a Registered Business name, the business owner will have to complete a BN5 which is a Notice of Change in Particulars of Business. It must be indicated in section 4A that the nature of the change is a change of name.

V. Communication

The move must be communicated to all stakeholders, shareholders, vendors and parties connected to the core business functions. These are individuals that play some key role in the operation of your undertaking and as such should be made aware of changes that will affect how business will be conducted.

Further if you own the property you should make a determination as to whether or not you will be using the space or offering it for rent. If you have a lease that you are ending prematurely, you must ensure that you communicate your intention to end your tenancy in keeping with the protocol outlined in your lease agreement. This must be done in writing, with great attention paid to the amount of notice that you are required to give.



VI. Disconnecting Utilities

Electricity

In the event that you desire to have your service disconnected, simply provide a letter to JPS, on your company's letterhead detailing the relevant service address, customer number and premises number and the date that you would like your service to be disconnected. Having done this, you need only provide JPS with an address for the final bill.

The disconnection request may be sent to any one of the following service centres:

- i. Any JPS Commercial Offices
- ii. Customer Care Center by fax (876) 936-1800 or e-mail at calljps@jpsco.com
- iii. Your Account Manager (if one is assigned to your organization)

Be advised that you will be responsible for all charges incurred up to the date that the JPS team effects the disconnection.

Water

In the event that you desire to have your NWC service disconnected visit the Customer Service Department at any of the NWC branches island wide and make a request for a final reading. Having made the request a NWC Field Officer will visit the premises, read the meter and submit the information for the final bill to be calculated.

Be advised that all amount owing must be paid in full before the supply is disconnected on the premises.



EXPANDING Product Line

Having established your entity within your respective industry by properly applying fundamental management techniques, listening to the market and providing excellent products and value, you may observe an opportunity to grow your business. These are opportunities that must be assessed carefully and when feasible taken advantage of. There will be many circumstances that may compel your business to contract in size, as such you must pay attention to when you have the opportunity to grow.

Due Diligence

The first action shall be to conduct your due diligence. This requires tasking your staff or engaging your fundamental management skills to assess both the short term and long term implications from a marketing, production, logistical, operational and financial standpoint. This can be initiated by looking at your key performance indicators to determine whether you are presently operating at a level that can handle expansion.

If you are not at the very least meeting your targets comfortably it would be hard from an analytical point of view to justify expansion. That being said we must look at all the data before making a decision, because you never know an opportunity may present itself in a manner that allows you to rectify inefficiencies while expanding.

As we would have recommended when starting your business, we so recommend again that a plan be done, quite similar to a business plan. This will take into consideration the relevant factors that will assess your needs and guide our decision.

Finance

Improvements can be made in productivity, quality and operations by financial injections. Better equipment, more staff or new systems can make all the difference. Expansion can be an expensive undertaking but the manner in which these funds are applied account for the results. One has to look at their financials and assess:

- i. Current Revenue
- ii. Current Costs
- iii. Expansion Expenditure
- iv. Projected Revenue
- v. Projected Costs

This will advise you as to the cost of the expansion. Confirming that the expansion will be profitable is only the beginning however. The expansion then has to be financed. If you have the liquidity to do so then that makes the decision easy. However, if you do not then you will have to determine how to finance to project.

Marketing

Having determined that the expansion will be productive and that you can afford it, you must appreciate that these are theories. To make this decision we must consider more data. Another factor is assessing whether you can acquire, or already possess, enough of the market to warrant the expansion. This will require conducting marketing research as it relates to your current standing, assessing the needs of the market and the market's potential reaction to the expansion.

Resources

Whatever the nature of your business it involves the manipulation of inputs (resources) to convert them into products (goods or services). Your resources may be tangibles such as lumber and ore or intangibles such as the labour of a skilled workforce. Without adequate resources or inputs to satisfy the requirements of the expansion and the market, the proposed expansion will not be successful. You will have a larger operation, larger demand and no way to satisfy it.

Logistics

This relates to your ability to house, deliver and accommodate your resources, conversion process and finished products. By expanding our business you will be putting greater demand on your logistical capabilities. You must assess them to ensure that they are able to effectively satisfy this new demand. If not you will have to incorporate the improvement of your logistical framework in your expansion plan.

EXPANDING Markets

I. Export to Overseas Markets

Unless already engaged in export, this is a viable option that allows the business to extend its market globally and increase sales. We can all then see the evident benefits of exportation.

There is no constraint on who can engage in export in Jamaica. Companies, businesses and individuals alike can export goods from Jamaica to overseas territories.

Procedurally the first step would be to apply to JAMPRO to become a registered exporter. This can be done by an individual or a business. To register as an individual, you will need to submit a current passport size picture, your TRN, a valid proof of Jamaican ID along with the requisite fee.

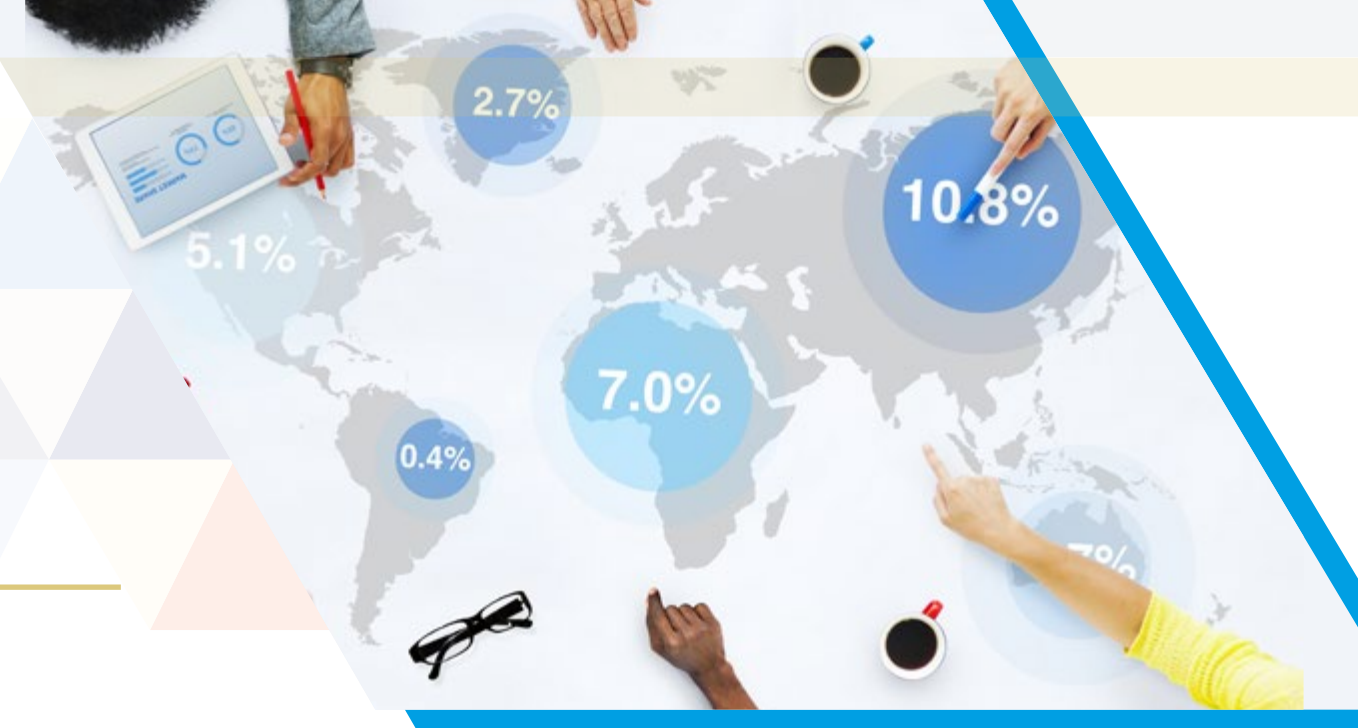
Registering as a business, you will be required to submit your certificate of incorporation or certificate of registered business name, business TRN and the applicable fee.

Exporter registration must be renewed annually. This can be facilitated at JAMPRO's offices in Kingston and Montego Bay or via the online exporter registration platform.

Mode of Exportation will then have to be considered as we have two options available to us presently. The main distinctions between these options are speed, cost and capacity.

Freight by sea is generally determined to be more cost effective than freight by air. Further it allows for more goods to be transported per trip. Unfortunately for the same reason it takes longer to clear as there are more goods that have to be processed. This is compounded by the fact that this is the slower option of the two.

Freight by Air is by far the more expedient option as it is much faster than sea freight. Unfortunately, it is the more expensive



option due both to the aforementioned speed as well as the fact that space is at a premium.

The determination as to which method of transport you employ will be determined by the following:

- i. **Affordability** - If the margins are particularly close with regards to the contract that you would be engaging in, it would be better to go with the more affordable option.
- ii. **Perishability** – nowadays containers are temperature controlled and there are methods of packaging and processing that can ensure that goods stay fresher longer. However, there are some items that cannot stand the test of time and as such they may be better suited for a speedier option.
- iii. **Terms of your contract** – The terms of the contract may specify the method by which the products are delivered. In this instance the decision is made for you
- iv. **Accessibility** – there may be situations where the destination is not accessible by one method and as such the other will have to suffice.

Having made a determination as to what method of export you will be engaging another key element in the process is the acquisition of your permits. Certain categories of products cannot be exported without first obtaining approvals or licenses.

These permits must be acquired from the regulatory body before JAMPRO will be able to proceed with the export registration. If you are not in possession of these permits, then you will not be able to proceed. It is therefore important to make sure that all

the requirements for acquiring the permits are facilitated as it would be financially catastrophic to have everything in place and be unable to export due to a permit issue or irregularity.

Information regarding what permits are necessary can be obtained by contacting the relevant Ministry, Associations, the Jamaica Exporters' Association or JAMPRO.

Regardless of the method that you choose they are tried, tested and constantly improving in terms of quality and service. Below are the general requirements for exportation by both methods.

Freight by Sea

The process to facilitate freight by sea is as follows:

- i. Determine whether to utilize a customs broker or to engage the shipping company directly
- ii. Make arrangements and negotiate fees with the shipping company
- iii. Acquire a single shipment letter from JAMPRO
- iv. First-time exporters must register with the Automated System For Customs Data ASYCUDA by emailing a request for an account to awifo@jacustoms.gov.jm. ASYCUDA is the automated customs management systems utilized by our government. If not a first time exporter go to the next step.
- v. Complete Export Single Administration Declaration (E-SAD) registration within ASYCUDA WORLD
- vi. Scan and Upload Commercial Invoice and requisite regulatory approvals (permits) if applicable.
- vii. Contact Jamaica Customs Contraband Enforcement Unit 24 hours before loading goods into a container.
- viii. Complete Dock Receipt issued by the shipping agent
- ix. Present dock receipt to wharf office
- x. Pay Security fee to wharf office

- xi. Submit completed entry form along with dock receipt
- xii. Pay customs processing fee
- xiii. Deliver cargo to the wharf

Freight by Air

The process to facilitate exportation by air is as follows:

- i. Determine whether to utilize a customs broker or to engage the airline directly.
- ii. Get a single shipment letter from JAMPRO
- iii. First-time exporters must register with ASYCUDA by emailing a request for an account to awifo@jacustoms.gov.jm, if not a first time exporter skip this step.
- iv. Access ASYCUDA world and complete export declaration (ESAD) registration
- v. Contact Jamaica Customs Contraband Enforcement Unit 24 hours before delivering goods to the airline.
- vi. Present goods along with documentation to export officer for checking, signing and numbering.
- vii. Note the ASUCUDA reference number for payment of the customs processing fee
- viii. Deliver cargo to the Airline's warehouse
- ix. Present tally sheet along with dispatch form to the airline representative who will facilitate the entry of goods into the warehouse.

II. Applying for Government Contracts

Another avenue for increasing revenue and expanding the business is transacting directly with the government. The fact of the matter is the government is the largest formal employer in the country. There are services and goods that they require on a constant basis to satisfy the needs of the people and their numerous responsibilities.

The government has a mandate to utilize public funds fairly and efficiently. As such a system exists where contracts that are entered into must be offered to the public at large. From these offers the proposal that represents best value must be selected and the contract offered to that entity. Further to ensure transparency the award of successful tenders offers are published.





This process is known as procurement and represents an excellent opportunity to persons and businesses in Jamaica. No “typical” range exists that can satisfactorily represent the offerings of government procurement. It is for this very reason that we submit it to you all for consideration, as most likely there may very well be an opportunity for your business through procurement.

To take advantage of these opportunities the first stage is to register with Government of Jamaica Electronic Procurement (GOJEP). This is an online platform that is updated daily and does the following:

- i. registers participants for tender opportunities.
- ii. offers tender opportunities
- iii. accepts tenders submissions
- iv. communicates the award of contracts

There is no discrimination against business structure throughout this process, applicants may be individuals, registered businesses or incorporated companies. The focus is on eligibility, competence and capability.

Your competence and capability will be explained within the content of your proposal to the tender. Your eligibility however must be confirmed from the initial registration process. Registration is conducted on the GOJEP website and is required to gain access to the full function of the platform.

The registration will require the particulars of the applicant to include contact information, applicable industry, TRN and TCC. Your tax compliance status must be verified to engage with GOJEP. Again this is a timely reminder to ensure that you maintain compliant status so that you will be able to take advantages of opportunities when they present themselves.

Having been registered one is then able to review the various tender documents that are made available regularly. These outline the scope of the project, the qualification and competence required, any constraints that apply as well as the mode and deadline for submission of the proposal.

Upon reviewing the offer, a proposal must be formulated specific to the criteria that have been outlined. The strict adherence to the guidelines is fundamental as proposals that do not satisfy them will be rejected on that basis alone. Having completed the proposal it must then be submitted by the medium indicated, prior to the deadline.

The proposals will then be reviewed by the procurement department of the offering entity and a decision made as to who should be awarded the contract. This information will then be communicated to the public in detail on the GOJEP platform.

Compliance

We can only stay in the game if we operate within the confines of its processes and rules, we have to stay compliant. As such we must ensure that all statutory payments and contributions with regards to your business are filed and paid for. These must be done on time to avoid incurring penalties or late fees. Further, dependent on the industry you are engaged in you may have professional registrations, obligations or fees that you should also be satisfied.

Fulfilling these obligations is made much easier when all the pertinent data necessary for them to be assessed and concluded is readily available. This takes discipline and organization. However, considering that we hope to be increasing the amount of business that you will be undertaking we recommend that you make the effort to digitize your invoices, receipts and other business transactions. This not only makes provision of the information much easier but it also saves space and leaves a secure copy of your information. It is quite easy for these types of documents to get misplaced in piles of paperwork.

These digitized documents will allow your accountant to prepare your documents accurately and quickly to ensure that you meet your obligations within the required timeframe. On the other hand, if you are undertaking to do your own taxes then the practise of digitizing the documents will ensure that you are organized for that undertaking. Let us take this opportunity to recommend that if you do decide to file your own taxes that you take advantage of any of the reputable accounting applications and software that are on the market. These can be updated periodically during the year so that when it is time to file all you have to do is populate the returns and apply them to the correct documents.



All business entities are required to file their tax returns annually to ensure compliance with the law. Quite conveniently the TAJ has a “One Stop” facility by which they will confirm the clearances from the various statutory agencies to determine if the applicant is compliant. This centralized approach to compliance is quite beneficial and it is the method that we recommend. If the facility is not utilized, then you will have to acquire clearance letter from all of the relevant departments and agencies which will be time consuming. Annual returns must be filed annually with the COJ within 28 days of the anniversary of the date of incorporation. This must be done by completing and submitting form 19a and paying the processing fee of \$5,000.00. This is not required for registered business names.

Filings for GCT are also required. Be reminded that this is only applicable if your sales revenue exceeds ten million dollars. This filing is facilitated by completing one of the GCT forms. The form to be completed would be one of either form 4A – form 4G, the form that is completed is dependent upon the type of industry you are engaged in.

As recommended by the TAJ with regards to your tax filings it is recommended that parties meet with the TAJ Taxpayer Education Officers regarding the new requirements and document instituted in March 2021.



