

MEDICINE HAT NEWS

BUSINESS

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What does it really take to create economic growth?

Economies are complex and the responsibility for economic growth is often largely placed on governments. But the truth is there are many players who impact whether an economy will grow. For example our educational institutions must produce the skills and talent necessary to fill jobs needed for industry to produce goods and services. Research facilities must engage STEM (science, technology, engineering, math) talent to innovate new products and tools to ensure the economy offers a competitive edge. Financial firms and angel investors must offer a healthy level of risk tolerance to provide the necessary capital to support new entrepreneurs and expanding businesses. Health and social service agencies must provide a host of essential services to the community ensuring a good quality of life can be realized. And of course, business and industry is the most important player in a growth economy. Without business there is no economy which makes it the most important voice of all.

Business and industry must continuously gauge changing markets and meet rising or declining demands. They must identify cost-efficiencies and determine when implementing new technologies or adapting product lines is a necessary cost for continued growth. They must source new and innovative ways to stay competitive against strong global competition. As a result, business is the reason we are here and understanding what business requires to be competitive and serving those needs is the most important role each of us plays in creating a growth economy.

This will be the first columns of a six-part series where I will unpack what it takes to create a growth economy. Within the series I

may reference previous columns or blogs to provide more context such as the December 2019 piece on "Next Generation Economic Development." To find previous columns visit investmedicinehat.ca/stories/

Within this series I will discuss three key areas essential to a growth economy:

1) Advantageous Eco-system – the foundation of an economy comprises an eco-system of eight economic inputs (human capital, financial capital, research and innovation, infrastructure, governance, property, marketing and quality of life).

2) Robust Economic Engines – engines drive an economy through a set of related industries, suppliers, and supporting ecosystem institutions that export out of the region.

3) Economic Outcomes – measuring the overall performance of an economy.

Successful economic regions share a common approach that is bottom-up, market-driven, and collaborative in their planning and implementation. Strategies (Business Retention, Expansion and Workforce Development BREWD) and efforts are underway to begin implementing a planning and action system that will identify challenges and opportunities, set priorities and implement action plans to grow the overall competitiveness of our city and region.

In March, we will begin to unpack what an Advantageous Eco-system is and the eight economic input foundations comprising it. Until then please visit investsoutheastalberta.ca to learn more about the BREWD strategies currently underway and investmedicinehat.ca for reference articles and blogs.

Sandra Blyth is director of economic development at Invest Medicine Hat.



Sandra Blyth

Whether digital or analog, good bookkeeping habits are critical for entrepreneurs

AUDREY CARLETON
The Canadian Press

After five years as a freelancer, Pam Lau has found a bookkeeping system that works for her.

The Toronto-based photographer — who incorporated her business and applied for a company credit card as soon as she could after going freelance in 2014 — has her record-keeping routine down pat.

She uses one credit card for all business-related expenses (such as equipment and transportation) which is synched to her accounting software, Freshbooks. The software automatically records and categorizes her expenses, and Lau backs this record up with a receipt log. She also lets Freshbooks handle her income-related tasks, like sending invoices and payment reminders to clients on an automated basis.

Lau checks and updates her books around the same time every week to make sure her software has correctly recorded all funds coming in and going out. She says staying regimented in doing so has made paying self-employment taxes much easier over the years.

"The bookkeeping, it has to be a constant process," she says. "I'm always checking up on how the expenses are synching up and categorizing them."

Come tax season, Lau hands all of these organized documents off to her accountant, who prepares and files her tax return for her. She says maintaining healthy bookkeeping habits year-round and turning to a third-party professional for help is always "a huge relief" come spring.

But Lau's bookkeeping process hasn't always been this seamless: Her first few months as a freelancer were characterized by "a lot of trial and error," she says. In fact, many self-employed Canadians struggle to establish sustainable bookkeeping routines, which makes tax preparation all the more stressful.

That's where software like Freshbooks, Quickbooks, Zipbooks, Xero and others comes in, products designed explicitly to help freelancers

and small business owners stay organized and on top of their finances year-round.

Most of these products come with fees ranging from \$10 to \$50 per month, based on the desired level of service. While many entrepreneurs find accounting software worth the cost, others find it beyond their means and opt to keep their books manually, using Microsoft Excel, Google Sheets, or pen and paper.

The latter works for Victor Bateman, accountant at Artbooks, a Toronto-based tax office for artists and entrepreneurs. He's used the same system for his entire working career, most of which was spent self-employed as a musician.

"I had a book in which I kept the date — where I played, who I played with or for and how much money I made, and at the end of the year, I would just tally that up," Bateman says.

"And for expenses, I kept receipts and put them in an envelope, and once the year was over at some point I would gather all the receipts and put them into categories, tally them up and deduct that from my gross."

Matt Baker, senior vice president of corporate development and international expansion at Freshbooks, admits the majority of freelancers still go the "analog route."

Baker says there's nothing wrong with manual record keeping, which may actually work better for new freelancers who are still wrapping their heads around the do's and don'ts of paying self-employment taxes.

But those opting to go the analog route should keep in mind a few essentials, Baker says. Keep two separate logs, one for income and one for expenses, and be diligent about recording key details on both.

"You don't have to get super complicated," Baker says. "You don't have to have 35 columns of different information, but there are some key columns, like date, client, amount."

"You can also have a column where you match it to an invoice," he adds, noting that the key goal in bookkeeping is to consolidate information.

THE CANADIAN PRESS/PAM LAU

After five years as a freelancer, Pam Lau (right) has found a bookkeeping system that works for her. The Toronto-based photographer shoots a photo of Dia R. In this undated photo.



Amazon opens cashier-less grocery store

The Associated Press

NEW YORK

Amazon is aiming to kill the supermarket checkout line.

The online retailing giant is opening its first cashier-less supermarket, the latest sign that Amazon is serious about shaking up the \$800 billion grocery industry.

At the new store, opening Tuesday in Seattle, shoppers can grab milk or eggs and walk out without checking out or opening their wallets.

Shoppers scan a smartphone app to enter the store. Cameras and sensors track what's taken off shelves. Items are charged to an Amazon account after leaving.

Called Amazon Go Grocery, the new store is an expansion of its 2-year-old chain of Amazon Go convenience stores. At 10,400 square feet, the supermarket is more than

five times the size of the smaller stores, and stocks more items beyond the sodas and sandwiches found at Amazon Go. The new market stocks fresh baked bread, blood oranges, butternut squash and other food to whip up dinner or stock the fridge.

Amazon is not new to groceries. It made a splash in 2017 when it bought Whole Foods and its 500 stores. It's also been expanding its online grocery delivery service. But it's still far behind rival Walmart, the nation's largest grocer, which has more than 4,700 stores.

Amazon plans to open another type of grocery store in Los Angeles sometime this year, but the company said it won't use the cashier-less technology at that location and has kept other details under wraps.

At the new Seattle store, families can shop together

with just one phone scanning everyone in. Anything they grab from the shelf will be added to the tab of the person who signed them in. While cashier-less stores remove a major annoyance for customers, waiting in long lines to pay, it also takes away parts of supermarket shopping that some customers may miss. There's no one to bag groceries at Amazon Go Grocery. Instead, Amazon gives out reusable bags so shoppers can fill them as they shop. And there's no deli counter, butcher or fishmonger. Instead, packaged sliced ham, steaks and salmon fillets are sold in refrigerated shelves.

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