

The 3 Decisions + The Setup Playbook

PART 1 • THE 3 DECISIONS

01 Money Before Motivation

- Build **18 months** of runway
- Set aside **30%** for CRA immediately
- Secure credit/insurance while employed

Desperation kills side gigs.

02 Customer Before Product

- Sell first, build second
- Name **10 real people** who will pay
- Test part-time before you leap

Can't name 10? Not ready yet.

03 Structure Before Scale

- CRA sees you as a business immediately
- Over **\$30K**/4 quarters → HST/GST mandatory
- Review employment agreement first

Decide structure before revenue.

18 MONTHS RUNWAY
Before going full-time

30% TAX SET-ASIDE
Every dollar, immediately

\$30K HST/GST THRESHOLD
4 consecutive quarters

PART 2 • THE SETUP PLAYBOOK



Register

Sole prop or incorporate (provincial/federal). Get a free CRA Business Number.



Structure

Sole prop to test. CCPC once revenue is consistent — ~9% fed on first \$500K.



Tax Setup

Register HST/GST if needed. Open a tax holding account.



Operate

Separate bank account, bookkeeping software, written contracts.

STRUCTURE	LIABILITY	TAX RATE	BEST WHEN	
Sole Proprietor	Personal	Up to 48%	Testing, under \$50K	Start Here
CCPC (Corporation)	Limited	~9% / first \$500K	Consistent revenue	Recommended
Professional Corp	Limited*	~9% + rules	CPAs, lawyers, doctors	If Eligible

PRE-LAUNCH CHECKLIST

- ☐ Runway calculated (18 mo)
 ☐ Business **registered**
- ☐ Credit/insurance secured
 ☐ CRA **Business Number** obtained
- ☐ Tax account opened separately
 ☐ Bank + bookkeeping set up

CA CANADIAN ADVANTAGE — DO NOT SKIP THIS: Your T4 is your most powerful financial asset right now. Lock in your line of credit, business credit cards, and insurance **BEFORE** you leave employment. Canadian banks become extremely conservative the moment you go solo. Once that T4 is gone, so is your borrowing power. Act now.

YOUR READINESS SCORE — ANSWER HONESTLY

- 1 Know your 18-month runway number?
- 2 Can name 10 people who will pay?
- 3 Know which structure fits you?

