



The \$5,000 question
Increase your small business survival rate



Exporting
The potential of emerging markets

MEDIA PLANET

October 2012

FRANCHISING

CANADA'S SMALL BUSINESSES



3 FACTS TO ENSURE YOUR SMALL BUSINESS WILL SUCCEED

OPEN

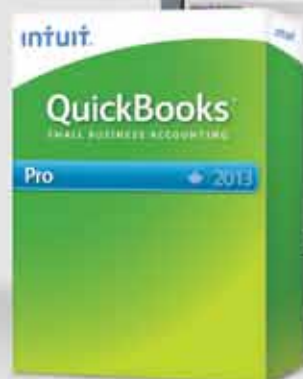
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CHALLENGES



Starting your first business can be a very daunting task. With such a risky venture, **saving money is essential to increasing your chances at survival.**

The changing face of Canadian small businesses

Being an entrepreneur these days is a little like boxing with your own shadow. It sometimes seems like you just can't win. GST, HST, EI, various levels of licensing and registration, and the hidden costs of credit card payments. If you want to see a small business owner's head turn bright red, just bring up the issue of credit card fees. Every time you buy something with a credit card, the vendor pays. Regular credit cards charge around two cents on the dollar. Premium cards like Visa Infinite or MasterCard World Elite charge even more. That isn't fair, it drives prices up for consumers, and if a business refuses to accept certain cards, it looks bad on them.

Credit card fees

The problem of credit card fees is just one of the many issues that the Canadian Federation of Independent Business (CFIB) deals with on behalf of the 109,000 small and medium-sized businesses it represents. CFIB and its members were instrumental in the introduction, two years ago, of a Code of Conduct for the Credit and Debit Card Industry in Canada. The Code has played a big role in saving low-cost debit in Canada, and it is due to be updated to deal with techno-

logical changes such as mobile payments (i.e. paying for items with your smartphone), which is expected to be the next big thing. Although technology keeps improving the options for consumers, CFIB is keeping a keen eye on the payments industry to ensure that these new options don't add new costs for businesses and their customers.

Entrepreneur retirement

CFIB also advocates for its members on many other issues, including government red tape and taxation. For example, we think it is patently unfair that our members, small business owners, pay high taxes that ultimately go to fund overly generous pension plans for government workers. Entrepreneurs in Canada, on average, don't retire until age 66, while public sector workers retire at age 61. These early retirements are largely paid for by taxpayers. Most Canadians need to save for their own retirement, but before they can top up their RRSPs, they have to pay for other people's pensions. Not fair.

Pension plans for small business

That is just the tip of the iceberg, because CFIB estimates that, even with the billions of dollars that is put into them, Canada's public sector pension



Dan Kelly
President and CEO,
Canadian Federation of
Independent Business

plans are still underfunded to the tune of \$300 billion. That cost will likely fall on taxpayers too. CFIB would like to see government pensions and taxation changed so that everyone has an equal opportunity to enjoy their golden years. That's why we launched the Pension Tension campaign last year to call for transparency of public sector pension liabilities and fairness for taxpayers. Since then, nearly 50,000 small-and-medium-sized businesses have signed "action alert" petitions demanding public sector pension reforms.

Just to be clear: nobody is talking about taking away pension benefits that have been earned by retirees or active civil servants. What is important is fixing the problem going

forward, while we still can, before it gets worse. We have seen some good first steps taken recently. Starting gradually in 2013, Members of Parliament (MPs) will pay for a bigger share of their retirement, taking some of the burden off taxpayers. MPs are also pushing back the age at which they can start to collect their pensions, from 55 to 65. Similar moves are being made for federal civil servants.

These first steps must be followed up in a meaningful way in the years to come, in order to level the pension playing field and ensure that all Canadians have the chance to retire comfortably, while not bankrupting future generations and stifling innovation and growth today.

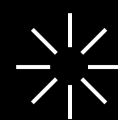
Shadow boxing

These are just a few of the issues that CFIB deals with on a daily basis for its members. Entrepreneurs don't have time for shadow boxing. They have better things to do with their time, like serving their customers and caring for their families. CFIB understands. But somebody has to fight those shadows, and we are glad to do it on behalf of small businesses.

Besides, we have found those scary shadows are not nearly as daunting, when you drag them into the light.

DAN KELLY

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WE RECOMMEND



Office solutions
Understand the benefits of virtual and executive office solutions

PAGE 5

"Startup costs for traditional space can be a big drawback for fledgling businesses."

Starting your first business p. 4
Financial support is available for young entrepreneurs.

Near-source your payroll p. 7
Save time and money by having professionals take care of payroll needs

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The stages of acquiring financing

Many Canadians are increasingly worried about the current global economic, geopolitical and competitive forces that are shaping Canada's industrial future.



But compared to many of Canada's trading partners in the Western world, Canada maintains an optimistic future — a future based on the growth of small and medium sized enterprises (SMEs).

One of the key ingredients that fuel the success of SMEs, particularly in high or hyper growth industries is capital. Converting entrepreneurial ideas into viable, thriving companies typically requires a succession of funding stages, similar to young hockey players who dream of making it to the "big leagues", but who must distinguish themselves at each level of minor hockey to advance.

If a particular SME does not attract sufficient capital, there is the risk that the aspiring SME is thwarted at a critical stage of growth necessary to becoming a globally competitive enterprise.

Boot-strapping

For most SMEs, the first stage

of capital is "seeded" by the entrepreneur. Whether the capital is sourced from savings or credit cards, this stage of financing is typically characterized by the entrepreneur "boot-strapping" the organization while they build their product or gain traction from servicing customers.

For those SMEs fortunate enough to gain significant customer (and revenue) traction at this stage, this could be their only, and cheapest, form of financing. For many others, especially those in the high or hyper growth industries, further stages of capital are typically required.

Angel investing

The next stage of capital is typically sourced from friends and family. They are a readily available source of funds, with less complexity compared to lending institutions and formal investors. In many situations, the decision by a friend or family member to invest is based on non-financial reasons,

although most still hope to see a financial return.

Depending on the nature of the business, an entrepreneur may next either seek debt financing from a lending institution, or may seek further capital from third parties. In many cases, an SME would source their first round of third party capital from individual investors or "angels" who typically look for companies operating in high growth industries.

Incubators, accelerators, and "micro" venture capital firms typically finance SMEs at very early stages of development. Typically, the SME has little or no revenue, few employees, and is focused on building its product would work very closely with a financing organization. In Canada, these would typically invest up to \$2 million in capital at this stage.

Early and late

Once the SME is able to demonstrate traction with customers and hence might be better able to prove

its revenue potential, it typically taps an early growth venture capital firm for further capital in order to fuel further sales. In Canada, early growth venture capital funds would typically invest between \$2-10 million in capital, although many would invest sooner.

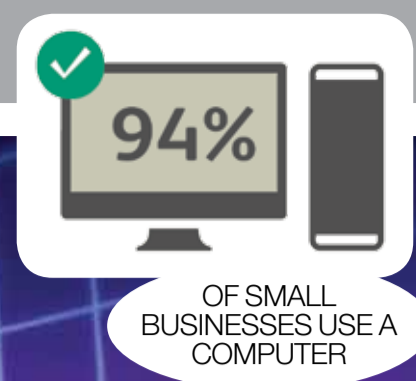
Those SMEs that demonstrate strong customer traction and are enjoying high revenue growth, but still require more capital to either build out greater product functionality or to effectively compete in global markets, may next seek capital from later stage venture capital firms. In Canada, later stage venture capital funds would typically invest between \$10-30 million in capital.

For a listing of venture capital firms in Canada, visit www.cvca.ca.

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CHALLENGES



Question: I want to grow my small business and reach new markets. What can I do?

Answer: Through exporting, a small business can achieve a high growth rate by reaching brand new audiences.

SMEs AND THE EXPORT POTENTIAL OF EMERGING MARKETS

EXPORTING

When Export Development Canada (EDC) recently asked small to medium sized enterprises (SMEs) what their number one priority was, they overwhelmingly responded that expanding their sales outside Canada was top of mind. In 2000, more than 85 percent of Canadian exports ended up in the United States; today that number is less than 75 percent. The difference is going primarily to emerging markets.

EDC is seeing more and more of its clients, 80 percent of whom are SMEs, expanding their sales in key emerging markets. The value of their sales and investments using our insurance or loan services, increased by more than a third between 2009 and 2011.

And here's the reward: while sales to the U.S. have been stagnating in

many sectors, three-quarters of the 335 exporting companies we recently surveyed

were experiencing 5 to 15 percent, or more, sales growth in emerging markets. And they see this growth as a sustainable trend.

Which emerging markets seem to have an edge? Out of 1,000 firms polled by EDC, the largest share (some 15 percent) are exporting equally to China and Mexico, and a smaller group (5 percent) to Brazil, Russia or India. Other countries that have been identified by exporters as attractive destinations, in different reports, include Chile, South Korea and the Philippines.

The challenges

SMEs often express wanting to diversify into faster growing emerging markets, but their resour-

ces (people and financial) are stretched thin keeping up with their day-to-day business. When we asked them about the biggest hurdles to international trade, they voiced three main concerns: the value of the Canadian dollar, the volatility of the global economy and access to financing.

Many companies also say they lack the expertise

and time to address a new set of unknowns, which can be quite overwhelming. Thankfully, there are several organizations that can help, like the Canadian Chambers of Commerce in markets of interest and the Trade Commissioner Service.

Before SMEs launch or expand their export plans, they need to make sure they have a solid foundation at home before considering expanding into emerging markets. If the company is not in a stable financial position, adding more risk by exporting to emerging markets is not a good idea. If you do make that decision, where do you start?

Two of the easiest ways to break into new markets

One way for many SMEs to start exporting is to break into the global supply chain of a large Can-

adian or U.S.-based multinational company and get their product or service "known" in an emerging market that way.

This can lead to companies being approached directly by a foreign buyer, or discovering a niche demand to spin off their own business in a new market.

Another common way is to engage a reliable and knowledgeable agent in the market of interest. Before hiring, it is critical to get advice from trusted experts like business partners or trade commissioners. Invest in multiple trips to the market to meet the potential agent face-to-face, and ensure that the agent truly understands the commercial and technical sides of your business.

SOURCE: EXPORT DEVELOPMENT CANADA
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QUESTION & ANSWER

Investing in IT solutions

What benefit can investing in IT solutions have in terms of small business growth?

Investing in technology can provide small businesses with essential tools for communicating and running their operations. However, losing data — or access to files and information even for a short period of time — can be devastating. In fact, studies have shown that this type of downtime can cost small businesses thousands of dollars per day. The risk of data loss is exacerbated by an increasingly virtualized, consumerized, and mobile computing environment, which creates greater vulnerability.

Because information is critical to businesses' continuity, it's imperative to invest in the right security solutions. A strategy that includes both public



Elaine Mah
Director, Intel Canada

cloud services and an in-house server/storage solution will deliver the great-

est benefits in terms of effectiveness and cost-efficiency for a small business. Having IT security solutions in place will provide business owners with the peace of mind they need to focus on growing their business.

What type of technology should all retail start-up companies invest in as early as possible?

There are two technologies that come together to provide tremendous business advantages for retail start-ups: digital signage and video analytics. Analytics solutions, such as Intel Audience Impression Metrics Suite which detects the number of viewers, determines gender and age group, and measures the length of time a person is in

visual contact with the digital display, enable retailers to deliver relevant messages via digital signage and gauge the effectiveness of their content.

This data can be used in real-time to tailor on-screen content based on the demographics of current viewers, helping retailers communicate more effectively with their customers and increase sales.

What can a small business in Canada miss out on by not investing in IT solutions?

Technology provides businesses with unprecedented opportunities. In particular, it can allow businesses to be bigger than their physical presence — essentially businesses without borders, with opportunities to find success

in new markets. Without investing in IT, small businesses run the risk of severely limiting their growth potential.

Examples of Canadian small businesses that have leveraged technology to offer their services to broader markets include GEOTrac International and Scribendi.com. GEOTrac worked initially in the oil & gas sector in Alberta, but has expanded to foreign markets, using its worldwide network to help businesses and the military pinpoint important equipment and personnel 24/7. Scribendi.com, a Chat-ham, Ontario-based editing service, operates entirely online, with staff and customers all over the world.

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SMALL BUSINESS SURVIVAL



INSIGHT

Investing in business solutions

Although 98 percent of Canada's businesses are considered "small", they employ over 5.1 million Canadians. With such an impact on the country's economy and workforce, it's hard to imagine their success rate being so low.

On average, 30 percent of businesses fail within two years of opening their doors, and 49 percent fail within the first five years. With the success rate so low, entrepreneurs must work as hard as possible to survive amongst the fierce competition. By investing in the right office, IT, and payroll solutions, small business owners can relax more knowing they are already a step ahead of the rest.

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INSPIRATION

Question: As a new entrepreneur, what can I do to secure financing and minimize startup risk?

Answer: Teaming up with the right organization, acquiring financing, and getting a mentor can be helpful for the initial phase of a business.



MISMANAGING DEBT IS A HUGE CAUSE OF SMALL BUSINESS FAILURE

Support is available for Canadian entrepreneurs

INSPIRATION

Start-up businesses, and the innovative entrepreneurs that launch them, are the backbone of Canadian communities. They keep a neighbourhood strong, allow it to grow and make it a great place to work and live. Start-ups are what make Canada the great country it is today. But to launch those start-ups, many entrepreneurs require help. They need access to financing and to experienced professionals to guide them through the challenges in the early years.

Monetary barrier

The biggest barrier to entrepreneurship is usually money, and many young entrepreneurs identify access to financing as their toughest obstacle. Some of the barriers to financing include limited credit history and fewer assets to pledge as collateral.

What Canadian entrepreneurs ought to know is that support is available to help them overcome the challenges of starting a business. Organizations like the Canadian Youth Business Foundation (CYBF), in partnership with the Business Development Bank of Canada, pride themselves on being available to



Terry Campbell
Chief Operating Officer,
Canadian Youth Business Foundation

those who may not be able to receive funding from traditional methods. They choose to focus on character, rather than collateral, when reviewing business plans and loan applications (though a good credit rating is a requirement).

Seeking mentorship

For the entrepreneurs who founded PropertyGuys.com Inc., many of their accomplishments can be directly attributed to attracting the right kind of financial support and people who were willing to encourage and mentor them. "CYBF was there with financing when others refused us. It opened the doors to future financing — something we desperately needed during the growth stages of our business," says Ken LeBlanc, President & CEO, PropertyGuys.com Inc.

Beginning humbly with only two employees in early 1998, Property-

Guys.com is now Canada's only full-service, private sale franchisor. Their ever-expanding circle of franchises now includes over 120 franchises which serve over 600 communities across Canada.

"We understand that the first two years of a start-up are the hardest for any new entrepreneur," says Terry Campbell, CYBF Chief Operating Officer. "Entrepreneurs need programs

"Having a mentor is important to young entrepreneurs. Mentors can give objective advice."

that provide vital start-up financing and invaluable business mentors, who can help guide these new business owners through the challenges and obstacles of the entrepreneurial journey."

Journey for the strong

Entrepreneurship is definitely not a journey for the weak at heart and many success stories have a common thread about the challenges in finding support for their ideas. Countless entrepreneurs will tell you that with the exception of a few individuals, many people didn't believe they were capable of accomplishing what they set out to do. Especially at the beginning, naysayers tend to be in abundance, but that ends up being the driving force for these entrepreneurs to prove the naysayers wrong.

In addition to vital financial support, CYBF entrepreneurs are also matched with a mentor for two years. "Having a mentor is important to young entrepreneurs. Mentors can give objective advice and draw from their own experiences to better guide you along the entrepreneurial journey," said Ken LeBlanc.

Successful entrepreneurs are determined, self-confident and self-disciplined. These character traits, combined with a culture of innovation and the appropriate supports help Canada's entrepreneurs to thrive.

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Ken LeBlanc
President and CEO,
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INSIGHT

Cost-saving office solutions



“Startup costs for traditional space can be a big drawback for fledgling businesses.”

Elizabeth Dawson
Centre Manager,
Markham Executive Offices

Running a small business or kicking off a startup can be a laborious process when it comes to the logistics of office space and solutions, but there are two paths you can take that could reap those benefits with low overhead.

Shared and virtual office facilities are not new concepts, as they’ve been around for many years. The idea behind them is to offer the ability to work in a central office environment that has privacy with amenities and equipment that can be used by all the businesses operating in that space. In the virtual sense, a home-based business or even a salesperson on the road could have a brick-and-mortar presence.

“The two things we sell are professional representation for businesses and the flexibility in taking an office, boardroom, conference room, or whatever amenities they need by the hour, day, week or even month,” explains Elizabeth Dawson, Centre Manager at Markham Executive Offices Inc. in Markham, ON. “This could apply to anyone looking to start a business or those who already run a small or home-based business, or are seeking to open branch offices of larger companies.”

Office space

In describing how the setup works, Dawson says a full-time receptionist answers calls for all of the tenants at the office, and forwards them on just like they would at any other office. The tenants can use the facility’s address, mail is also collected and distributed to each respective business as well. Packages from couriers are signed for, and outgoing mail is also arranged.

Offices can range from a single room or mini-suite, to a larger set of offices to accommodate a business with some employees. In cases where

a business grows, walls can be moved to accommodate the need for more office space.

“Startup costs for traditional space can be a big drawback for fledgling businesses,” she says. “By opting for shared office space, they don’t have to invest in communications, hardware or software. People calling for them talk to a live receptionist, they can book a boardroom for meetings with a TV and projector and even come in after hours, if necessary.”

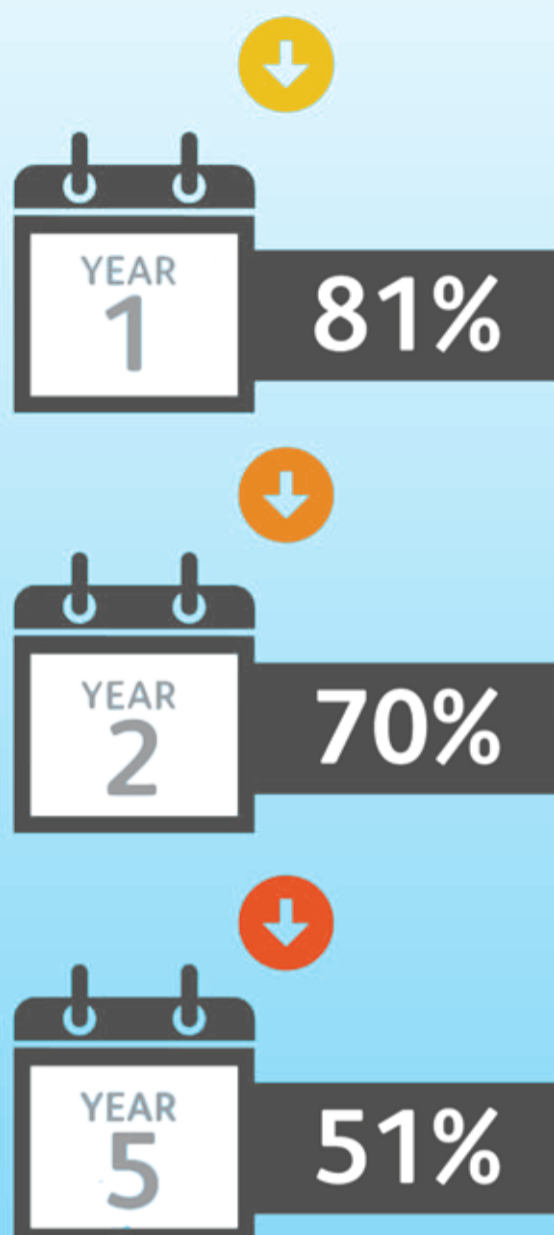
Virtual offices

This applies to virtual businesses as well, she adds. Even if the person runs the business from home or is constantly on the go, they could just as easily book whatever they needed from the facility’s amenities.

Some might need a mix of both, wherein they work in the office certain days of the week. Others might need the office space simply because they have a lot of meetings or call volume that needs to be managed. Then there are small business owners that feel they can’t be productive enough at home and require a space to work in for a separate work-life balance. Everyone’s situation is different, Dawson notes, but shared office space is flexible enough to accommodate them.

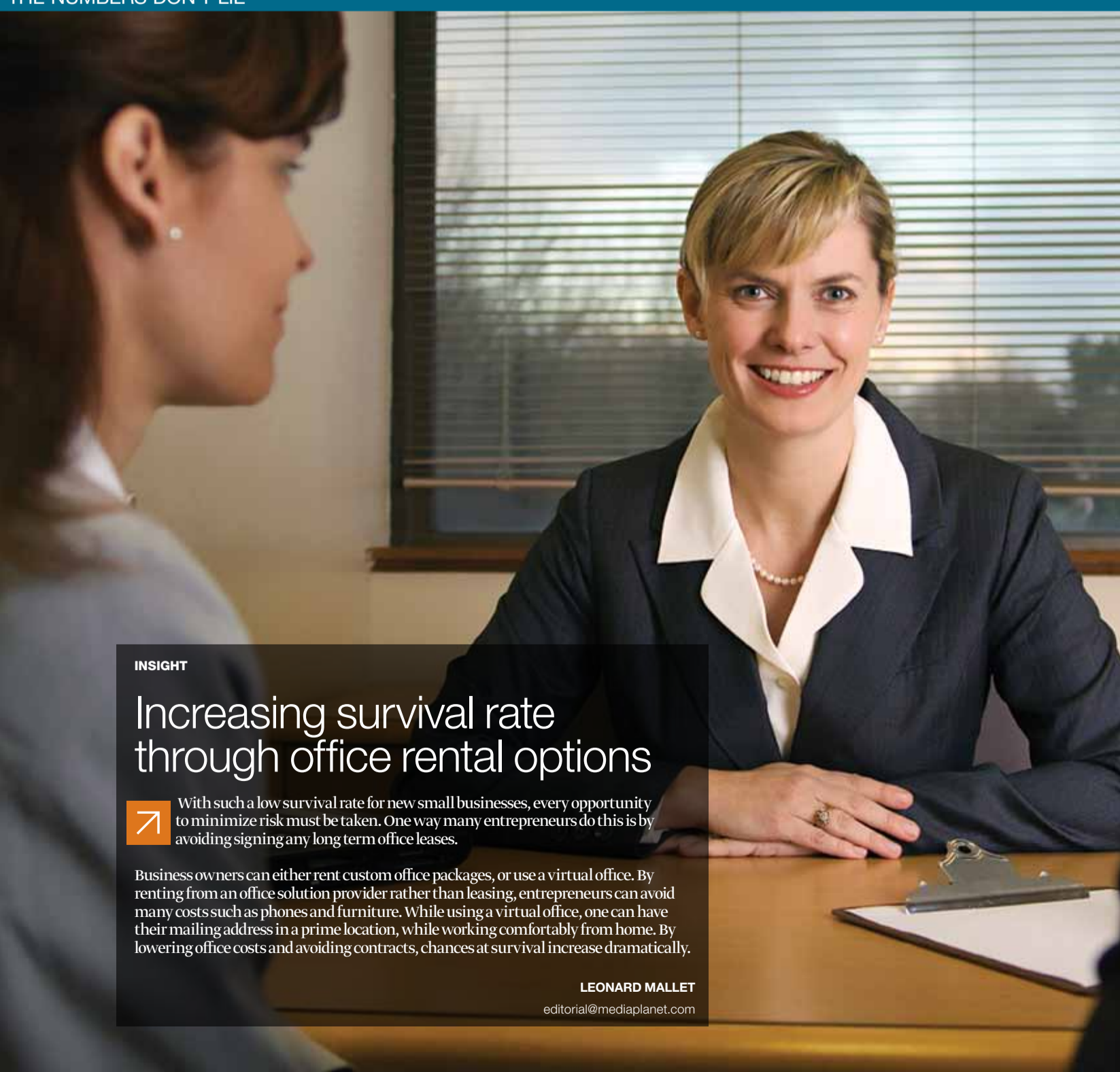
“People like to do business with those they can find, see and touch,” she says. “Those engaging with you would like to know where they can find you if they needed to, especially if they’re giving you money. It’s common these days to see a business card with the business’ name and website, but no address. The world has gone virtual, but image can make a difference and being in an environment that fosters productivity is a win for any small business.”

TED KRITSONIS
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SOURCE: QUICKBOOKS.CA/5000

THE NUMBERS DON'T LIE



INSIGHT

Increasing survival rate through office rental options

With such a low survival rate for new small businesses, every opportunity to minimize risk must be taken. One way many entrepreneurs do this is by avoiding signing any long term office leases.

Business owners can either rent custom office packages, or use a virtual office. By renting from an office solution provider rather than leasing, entrepreneurs can avoid many costs such as phones and furniture. While using a virtual office, one can have their mailing address in a prime location, while working comfortably from home. By lowering office costs and avoiding contracts, chances at survival increase dramatically.

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QUESTION & ANSWER

Minimizing business risk through office packages

Wes Lenci, VP at Regus, talks office solutions.

■ What should a business owner look for while selecting an office solution package?

Business owners should look for flexibility when choosing an office solution. Property is a company’s second biggest expense; finding the right solution will bring down that cost and free-up capital to invest back into the business.

There is no need for companies to be locked into long-term, expensive leases. With companies like Regus, businesses only need to pay for the amount of space they need, for the amount of time they need it.

Companies should also look for a solution that exceeds their expectations; prestigious address, administrative support and access to meeting rooms.

■ Why should a start-up business rent office space?

Image is essential to growing a business. In order to compete with big companies, start-ups must project an image of success. Having class A office space at a premier address brings added credibility to a company.

Working from home can be lonely and isolating. Coffee shops and other public locations are noisy and distracting. Having a dedicated office space allows a company to stay focus. It also offers opportunities to network and grow their business.

Using Regus, start-ups have access to board rooms for meetings and administrative help, to assist with tasks while they stay focused on their business.

■ What are the benefits of purchasing a virtual office package?

A virtual office provides all the benefits of full-time space for a fraction of the cost. Companies have a prestigious address to put on their business cards and have their mail sent to, calls are professionally answered with a personalized message and access to meeting rooms and offices as needed to meet with clients.

Virtual offices are also a great way to expand and quickly establish a presence in a new market. There is minimal risk, as they are inexpensive and require no long-term contracts. Having a local presence is essential to doing business in any market.

■ How can using an office solution provider rather than leasing a space minimize the risk and costs for small businesses?

Conventional leases require a 5-10 year commitment and include other costs, such as paying for all the telecom’s, phones and furniture (to name a few). Utilizing a business centre allows flexibility in the term of lease (rent by the day/month/year) and also keeps all the capital expenditure costs mentioned above in your pocket to invest back in your business.

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INSIGHT

Question: As the owner of a growing small business, what is the importance of having a board of advisors?

Answer: Business owners need a broad range of skills, an advisory board can bring forth many fresh perspectives.

3 tips for creating your own board of experts



Dave Zimmel, CA, CPA (IL, USA), CMC
Partner and Vice President,
Private Enterprise for MNP

“An advisory board links business owners to knowledge and fresh perspectives that can make for stronger business decisions.”

INSIGHT

In an increasingly complex business environment, entrepreneurs need a broad range of knowledge and skills. Consider something like expanding into the U.S.; talking to someone who has already gone through the process saves time, money and headaches. Taking a lesson from public companies and establishing an advisory board links business owners to knowledge and fresh perspectives that can make for stronger business decisions.

The following tips will help you create and get the most out of your own advisory board.

Find the right people

Look at the elements of your strategic plan and evaluate where additional expertise will be useful, then locate individuals who have the knowledge you need most.

You also want people who can think strategically and creatively, and who are willing to speak up if they don't agree with you. Meeting

with a group of advisors who all agree with everything you say has zero value, so you want people willing to challenge you. This doesn't mean you, as the business owner, won't go ahead and do what you think is best. But it does mean that you will understand other perspectives and will have an opportunity to think through pros, cons and alternative solutions before making your decision.

There is no right size for a private advisory board; anywhere from three to eight members is typical. Start with a few trusted advisors and allow them to introduce you to others in their networks to layer in expertise.

Create the right environment

You're meeting with your board and have a great idea for a new product. What do they think? If all thumbs turn down it can be a bit of a blow.

When advisory board arrangements fail, it is often because the environment becomes one of confrontation. To avoid that, set clear expectations and assure board members, and yourself, that you

Being a small business owner takes specific steps, such as:

Get a mentor

Make a business plan

Actually know where your cash is spent



SOURCE: QUICKBOOKS.CA/5000

know that their feedback is not personal.

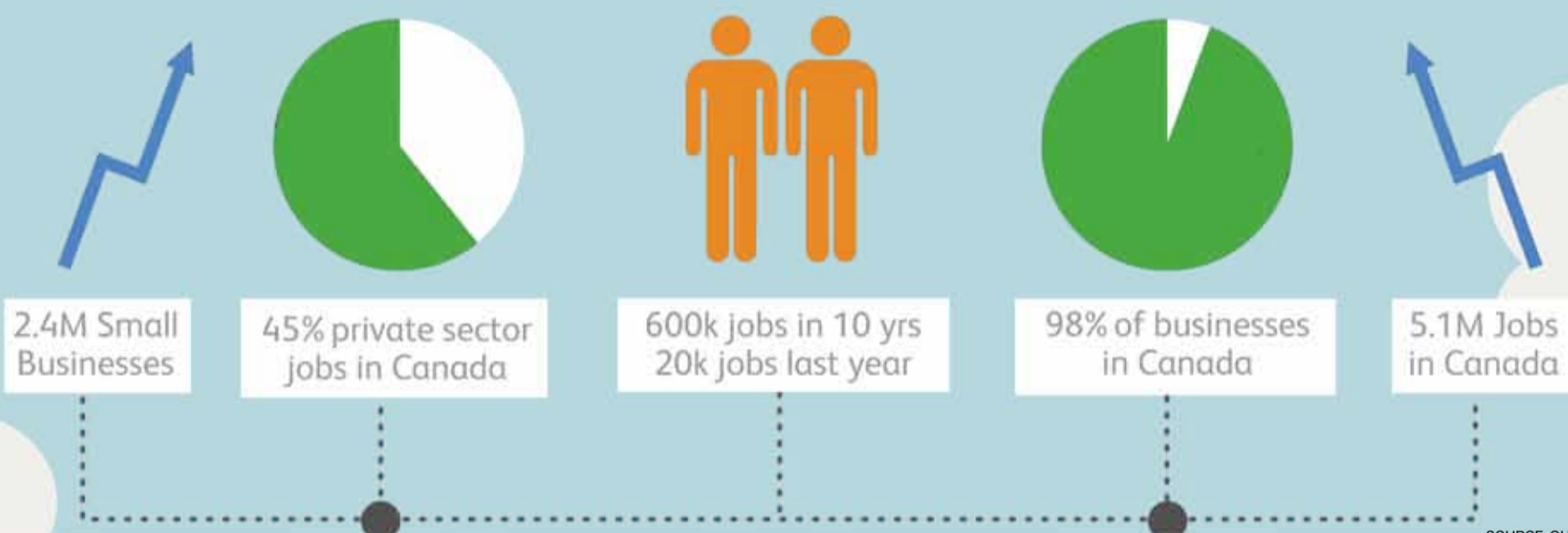
Remember that you've asked this group to chime in because they have insight and perspectives that you couldn't access otherwise, and that just might lead to an even more brilliant idea that transforms your business for the better.

Define board and management roles

Boards of public companies have an important governance role, something that can be off-putting to private business owners. In the vast majority of cases, private companies don't require, and certainly don't desire, board governance. But if the relationship is structured so that management of the company is left to management and the board simply serves as a sounding board and a source of knowledge and information, the results can be very powerful.

DAVE ZIMMEL
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The small business landscape in Canada:



SOURCE: QUICKBOOKS.CA/5000

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The \$5,000 question

Question: What does it cost to start a business?

Answer: With the drive to succeed, an entrepreneur can start a successful business with less than \$5,000.

For \$5,000, you could spend two nights over the holidays in a villa at a luxurious Caribbean resort. Or buy 16 kegs of premium beer. Or invest in a handful of shares of high-tech stock.

Or, if you're a Canadian entrepreneur, you could start your own business.

Develop funding

That's the key conclusion from a new study, "The \$5,000 Question," from Intuit Canada. The study found that the majority (58 percent) of Canada's small business owners started out with less than \$5,000. For businesses with no employees, it's even higher, with more than three quarters (77 percent) reporting that they started with less than \$5,000.

"This \$5,000 figure is incredibly empowering. It is, after all, a relatively small amount of money. That means that starting a business is within everyone's grasp," says Jeff Cates, managing director of Intuit Canada. "The \$5,000 figure is also a clear warning sign. It shows that the margins are small and the risks are real."

Survival rate

The stats back that up. According to Statistics Canada, a healthy 85 per-



Jeff Cates
Managing Director, Intuit Canada

"This \$5,000 figure is incredibly empowering. It is, after all, a relatively small amount of money. That means that starting a business is within everyone's grasp."

cent of new small businesses survive the first year, but the number drops to 70 percent after two years, and plunges all the way down to 51 percent after five years.

"Emerging entrepreneurs deserve all of the support and resources we can give them," says Terry Campbell, Chief Operating Officer of the Canadian Youth Business Foundation. "The entrepreneurial journey can be very rewarding but also includes very real challenges. During the early stages, guidance from mentors on business planning and risk management is essential to increase the odds of success."

Intuit's survey dug deeper into how small business owners handle that first \$5,000, and found that 50 percent of small business owners reported making a risky financial decision, such as taking out another line of credit, in their first year in order to get their business up and running.

Financial literacy

More importantly, it found that financial literacy was a core competency that more small business owners wished they'd developed early on.

The most commonly cited regret small business owners have is that they didn't pay enough attention to learning how to track and manage finances.

In addition, 50 percent of small business owners who started out with less than \$5,000 report that they underestimated the amount of time financial management would eat up.

Pen and paper vs. computers

Finally, the study uncovers the big "why?" Why are so many small businesses being absorbed by the demands of financial management?

The answer is that far too many small businesses continue to rely on outdated tools to get the job

done. In fact, roughly three-in-five (57 percent) small business owners continue to use pen and paper for vital financial management tasks, such as cash flow, payroll, and taxes. Not only are these manual methods inefficient, they can also lead to costly mistakes that small business owners simply cannot afford.

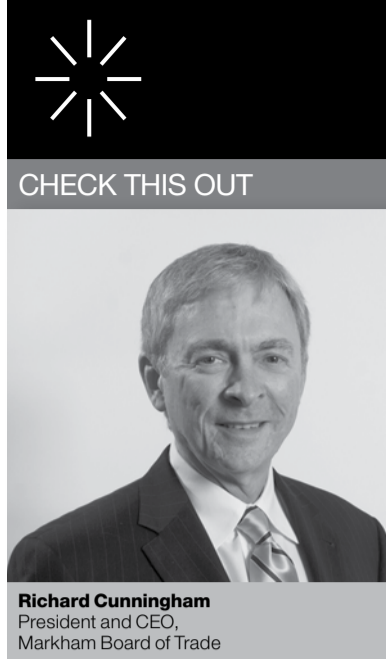
"We see first-hand, how ambitious young entrepreneurs have the ideas, passion and determination to succeed. It's vital however, that they also take time to discover all of the resources at their disposal, particularly for core business skills like financial management," says Dominik Loncar, Entrepreneur-in-Residence at the Canadian Youth Business Foundation.

"Financial management software tools like QuickBooks and QuickBooks Online help set small businesses on a stable financial footing, give them deeper insights into their financial performance, and save them time and money so that they can grow and thrive," says Cates.

How will you make sure you spent that first \$5,000 in the best way possible?

For more information, please visit: quickbooks.ca/5000.

JEFF CATES
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Richard Cunningham
President and CEO,
Markham Board of Trade

Small business survival tips

➔ Plan plan plan! Most banks offer free planning formats. It will keep you and your staff focused.

➔ Build a good relationship with your banker. You want the relationship in place, before you need them.

➔ Hire people who demonstrate the same passion for your business/service that you have.

➔ Know your target market demographic very clearly. Then develop a marketing plan to reach them. Shot gun marketing is expensive and will often miss the target.

➔ What makes you different from your competitors? Is it excellent customer service? It's the little things that make a difference to a customer. A short note to say thank you, after a sale.

➔ Good record keeping is critical. Take the time to make sure your accounting and personal records are accurate and up to date.

➔ Smaller business owners need to use their time carefully. Spend your time on the tasks that drive income.

➔ Build a profile/relationship in the community. Sponsor local teams, charities or schools if it fits with your demographic.

RICHARD CUNNINGHAM
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CHALLENGING the CONVENTIONAL
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Why near-source your payroll?

The small business owner who handles his or her own payroll knows two things: first, it's a lot of work and one mistake can mean a lot of costly recompense; second, if you pay someone in-house to do it, that becomes expensive very quickly.

Many small business owners are reluctant to outsource, however, having visions of frustrating and confusing attempts to communicate with someone overseas.

That's where near-sourcing comes in. You can save time, money, and frustration by hiring a Canadian company to do your payroll and related tax compliance for you. A near-source provider can help manage your time by allowing you to concentrate on your revenue-generating tasks so you can keep your business growing.

With a payroll services company, you eliminate the costly need for in-house accounting on your weekly, bi-weekly, or monthly payroll as well as your regulated tax filings and reporting. If you've ever done your own payroll, you know that missing deadlines with provincial and federal government can mean costly fines. Outsourcing to professionals means this won't happen.

Small business owners already have a lot of responsibilities and demands on their time. Giving over non-value-

added tasks to professionals so that you can spend more time selling your products, servicing your customers, or just at home with your family is one of the best benefits of outsourcing.

Educated outsourcing
Since these outsource professionals do nothing but payroll and because they do it for many businesses, they can scale your services for you much more affordably than if you were to do it in-house. You get all the perks and none of the costs.

When you talk to an outsourcing option, make sure that their services are based in Canada. Many firms also offer dedicated customer care representatives or even dedicated team leads

for your payroll. That means someone you contact directly whenever you or an employee has an issue. Most of the better payroll service providers will accept any number of electronic filing methods, so you won't have to change how you record your time keeping or employee information.

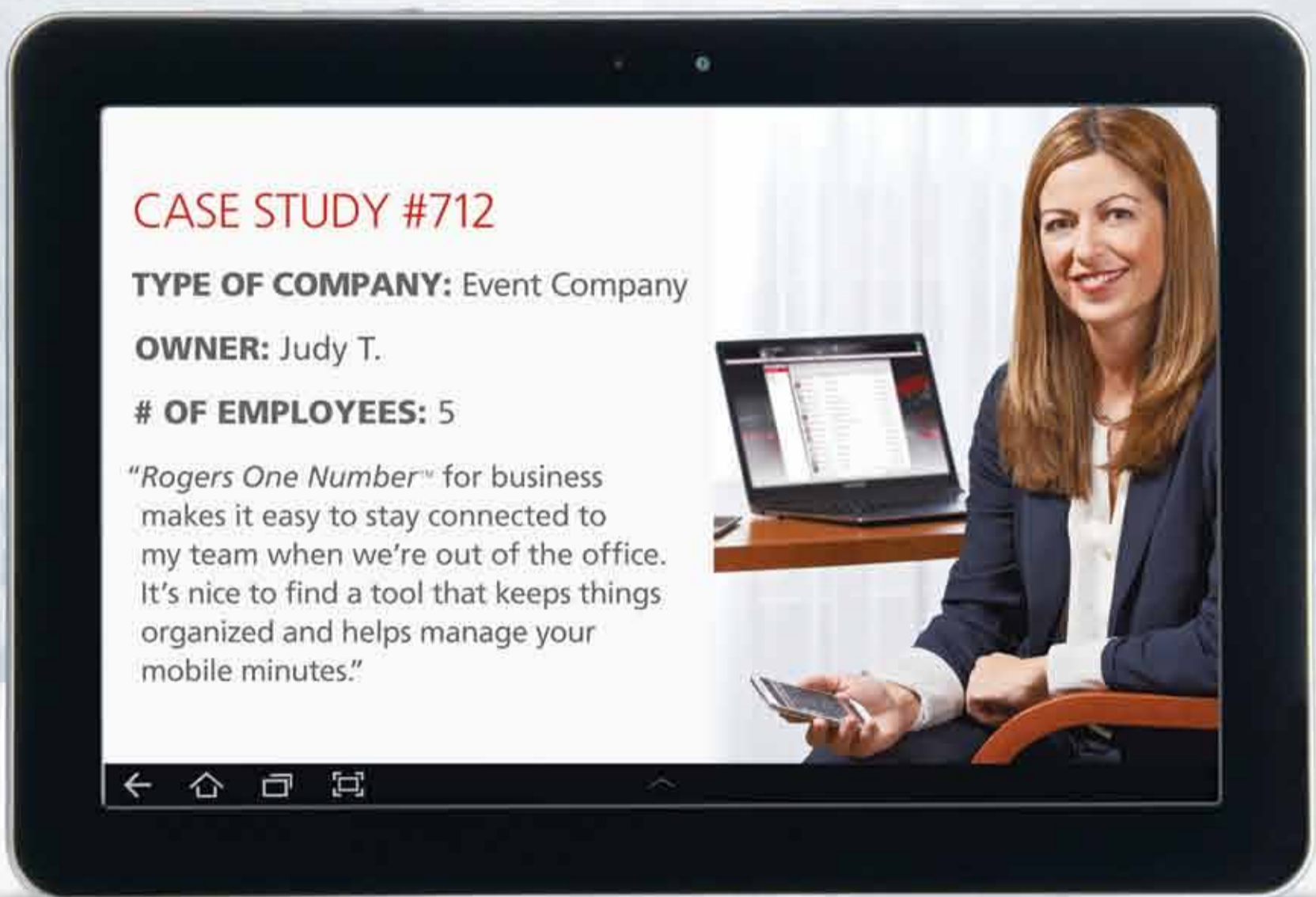
If you've been wary of outsourcing your payroll but have grown tired of spending your precious time or missing deadlines doing it in-house, talk to a Canadian-based payroll services company today. Professionals like PayTrak offer the services you need at a price that saves you money.

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Small business owners spend much of their time managing finances. By outsourcing this function to professionals, owners can spend their time growing their business.

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² Receiving party must be Rogers customer with Rogers One Number web phone or Rogers video calling capable wireless device. Regular local and long distance charges under your Rogers wireless plan apply when using your wireless device. Includes text/picture/video messages sent from Rogers One Number web phone to Canadian wireless numbers; incoming messages will be charged as per your wireless plan and current pay-per-use rates (as applicable). Use of the Rogers One Number service may cause you to use additional internet data depending on your internet data usage allowance; internet service charges and overage rates (if applicable) apply in accordance with your Rogers or third-party internet service package. Intended for personal use only, based on a total of 44,640 minutes available in a 31-day month. Subject to the Rogers Terms of Service and Acceptable Use Policy available at rogers.com/terms. ©2012 Rogers Communications.