

Growing a business

# RBC Growing Your Business Guide



Royal Bank





## The growth opportunity

Welcome to the RBC Growing Your Business Guide.

Successful business owners are always looking at ways they can grow their business and maximize their profits. It isn't just about gaining new customers. Improving what you offer to your existing customers is just as important, because the better the customer experience, the more chance you have of turning those customers into fans for your business.

### **There are five key ways to grow**

- Get more from your existing customers
- Find new customers
- Develop new products and services
- Diversify what you do
- Enhance your operations

We will cover each of these topics in the 9 sections of this guide.

1. Reasons to grow
2. Focus on existing customers
3. Finding new customers
4. Develop new products and services
5. Diversify
6. Enhance your operations
7. Funding growth
8. The resources you will need
9. How RBC can help

For additional advice on growing your business visit any RBC Royal Bank® branch – find your nearest location at [www.rbcroyalbank.com](http://www.rbcroyalbank.com).





## Section one: reasons to grow

Has your business growth come as a surprise (such as increased and sustained demand with a lot of orders flooding in), or are you considering growing your business through new opportunities?

### Growth triggers

Are you:

- Becoming inundated with orders? An increase in demand might not be something you'd planned for or predicted, but it's happened, and you need to grow your business to cope with it.
- Unable to cope with the increase in demand? If you're not keeping up with orders and letting customers down, your business could be at risk.
- Ready to take advantage of a new opportunity? This could be a new market, new customer base, or a substantial new contract. It's a growth challenge you've undertaken, and you'll need the resources to handle it.
- Concerned about a shrinking market? This is another

challenge – you need to grow or your business won't survive.

- In a stable position in terms of your market and demand, but you've got plans in mind and a solid base to grow from.

Think about your business's current position and identify which of the above apply to you. You're then in a stronger position to make decisions about your growth plans, and how fast you need to implement them.



**TIP:** It's important to have a clear idea of the stage your business is at when you are growing. **Review your current business plan.** How many of the goals and objectives have you achieved? Are you where you expected to be, or do you need to revisit certain areas?



## Section two: focus on existing customers

One of the easiest ways to achieve an increase in sales is to sell more to your existing customers.

### How to grow using your existing customer base

#### **Make use of your customer database**

Maintain regular contact through phone calls, personal visits, newsletters (physical or email), or attendance at conferences and trade fairs. Advise them of special offers or tell them about any products and services they have not previously bought. If you haven't already done these things you need customer contact software and a customer loyalty program.

#### **Anticipate their needs**

Use your customer buying data to determine when customers need to re-order from you, and contact them just before this happens.

#### **Offer new ways to buy**

Consider options such as online ordering or updating your payment options, such as mobile payments that your customers can make use of on-the-spot.

#### **Identify customers with the most potential**

Profile customers that are not buying as much as they could, and target them with specific promotions, or visit/talk to them about their needs and how you can help.

#### **Set up an upselling program**

Invest in ensuring staff up-sell and cross-sell other products and services, with formal training and incentives/bonuses if they achieve targets.



**TIP:** If you're considering adding more payment options to make it easier for your customers to pay you, and thus keep more cash flowing through your business, talk to us about our [range of payment solutions](#). We can offer a wide selection of products and services to help you get paid faster.

### Keep your customers coming back

#### **Develop a customer loyalty program**

Unlike promotions that anyone can enjoy, loyalty programs are ongoing campaigns designed to keep your best customers engaged. A well-designed loyalty program can help make your business the first choice for customers. Point cards and free perks are a proven way to increase customer engagement and improve brand loyalty.

Customers buy more products or services when enrolled in a loyalty program. Implement one and you'll also see a rise in visit frequency, customer spending and satisfaction. And once people start talking about your loyalty program, you may even draw some new customers away from the competition.



**Focus on the 20% of customers that provide 80% of revenue**

Usually 80% of your income comes from 20% of your customers. This insight has clear implications for your customer management. It follows that you should spend 80% of your time on these top 20% of your customers because they produce 80% of your sales.



**TIP:** Building relationships with your existing customers means learning about their buying behavior and being able to predict their needs. To do this you need an effective Customer Relationship Management (CRM) system and good accounting software that tracks this data. Talk to your accountant, bank manager or fellow small business owner (or search online) to find the best solution for your business.





## Section three: find new customers

If you have an existing customer base, then you've definitely got a demand for your product or service. And if you have demand, you can get new customers.

### Your ideal customer

Build a profile of your ideal customer. Try to be as specific as you can. For example, instead of targeting 'female professionals' you're better to describe them as 'female accountants aged 25-40 who live within 30kms of our business.' It's then easier to think about where they might be, what they're listening to, or what they're doing when you run your promotion.

### Finding new customers to grow

**Create a marketing plan to identify, locate and sell to new customers**

Decide which specific type of new customer you want to target, then allocate a budget and calculate what sales you need to recover the cost of the campaign and make a profit. Duplicate any tried and true marketing tactics you may already have.

### Increase your business profile

Improve your awareness optimizing your website, making use of traditional methods such as newspaper and radio, attending or exhibiting at trade shows or conferences, and speaking at events, attending conferences, blogging, writing for magazines or volunteering for projects.

**Generate as much positive word-of-mouth advertising as you can**  
It's one of the most effective ways of getting new customers. Referrals from your existing customers don't cost anything and are effective because the people are already half-sold: your customers have recommended your business and that carries more weight than any claims you might make.

### Consider joint ventures and strategic alliances

Teaming up with another company to pursue common goals is a smart way to grow your business and target new customers. A strategic alliance is a cooperative agreement where companies come together for a specific duration and/or project and add value to each other through the alliance. Resources, skills and/or capital are pooled for mutual gain.

### Grow by exporting

Exporting is a great way to help your business expand and grow, as well as improving your competitiveness by exposing you and your staff to new ideas and demands from overseas customers.

Whatever your product or service, as an exporter you have to understand key issues including end-users and their needs, rules and regulations, costing and pricing, customer care, competition, and cultural factors in your chosen export market(s).

### Export basics

First confirm that there's a demand for your product or service in an international market and you have the capacity to deliver.



You'll need to:

- Identify the most likely markets you think you'll be most successful in. Find out about its size and needs.
- Confirm deals with suppliers, that you understand the competition, and you've protected any intellectual property (IP).
- Determine what would suit the export market best. Then you need to determine if they should be modified in any way in order to maximize their potential in an overseas market.
- Investigate the best business model and distribution channel. Whether you decide to sell direct, under license, or through an agent or distributor, ensure you research all the options before making a decision.

#### Start by selling online

Selling directly through an online platform is a common way to begin exporting as it allows you to test the market before setting up a branch and physically trading with customers in their environment.

#### Assistance for Canadian exporters

Make the most of the help and support that exists for Canadian business owners thinking about exporting. These resources are really helpful:

- [The RBC Exporting for Small Business in Canada guide](#)  
This is our internal guide for exporters. It offers practical information on how to expand your business into global markets.
- [Canada Business Network](#)  
This website has everything you need to know from starting to export, to financing and regulations.
- [Government of Canada website](#)  
The Export section of this website contains a wide range of information about exporting from Canada, including where to get help, permits and restrictions, and a comprehensive [step-by-step guide](#).





## Section four: develop new products and services

### New development starts with strategy

The first step is to identify any new products or services that complement your existing line and your customers have indicated they'd be interested in buying from you. Ideally any new product needs to complement what you already sell, not be a substitute, otherwise there is no growth in sales swapping one item for another.

#### The planning process

Since development involves the commitment of time, labor and finance, the purpose of the planning process is to minimize your risk through applying sound management techniques:

- Customer centered – it's important to work closely with your customers when you're developing new products or services, so you can get their feedback and act on it.
- Screen all ideas – any new ideas identified from market research and customer feedback should be screened for their feasibility. Ask yourself if the market really needs the new product or service, and can you produce it at a price the market can afford? Do you have the capacity to produce it?
- Project management – either you or one of your key staff should be appointed as a project manager, so that there's a clear understanding of how the new product or service will fit in with the overall capabilities of the business, as well as regularly measuring and reporting on progress.

#### How to conduct meaningful R&D

Think of research and development as a process involving the following four steps:

1. Learn what your target market segment wants. This may involve a variety of research activities including surveys, interviews, focus groups or online research.
2. Design a solution. You're looking for that 'a-ha' moment when you discover a better way to make a product or provide a service. Or you may think up a completely new offering altogether.
3. Develop a prototype or sample service. This step allows you to collect feedback on whatever it is you propose to do before you engage the expense of building it.
4. Test market your product or service. Once a prototype of the product has been produced, or a new service decided on, it needs to be tested. A soft launch with just a few customers.

#### Make use of the internet

Online research is one of the easiest, cheapest and most effective ways to keep your ear to the ground about what's happening in your industry, and a great source of inspiration when it comes to new ideas. Monitor things like:

- Social media platforms and channels such as relevant Twitter feeds, Facebook pages and LinkedIn are all good ways to stay up-to-date with what's happening in your industry.
- RSS feeds to help you keep your ear to the ground about what's happening.
- University and other academic papers are often published on the outcomes of latest research and development, and in many cases they're free to read.



## Opportunities through importing

When you're considering ways to grow your business, it's often worth taking a close look at importing new products or sub-contracting new services from other countries.

If you're bringing in something that can't be found in Canada, you're generating a competitive advantage, which will boost your sales.

### Help and support

There are lots of resources available for Canadian business owners thinking of importing. You'll find these websites really useful:

- [The RBC Importing Services guide](#)  
We have dedicated International Trade Specialists on hand to answer all your questions, including helping you with credit and trade finance services. We've also got a section on [Trade Basics for Importers](#).
- [Canadian Border Services Agency](#)  
This is a step-by-step guide to importing commercial goods into Canada. They also have a [checklist for importers](#) that's worth working your way through so you don't miss anything.
- [Government of Canada website](#)  
Learn how to import goods and services into Canada and learn about the programs that can help.





## Section five: diversify

### Ready for the future

Diversifying your business ensures you're well positioned to cope with inevitable changes in your industry, from product life cycles to customer attitudes. Be wary of moving too far away from your core expertise, but if it's a real opportunity then it's worth considering.

The most important point to remember is to take your time – change is great, but always consider the implications of new ideas before executing a new strategy. If you need to, have a brainstorming session with staff and advisors before making big decisions.

### Common diversification strategies

#### Build a new way of delivering

For example are you able to find a product or service that you can deliver online to a much wider audience? A café could supply coffee beans, roasting advice and branded merchandise across Canada and build a new market that could generate more sales than the café. You could also;

- License your products to another business to sell.
- Sell the intellectual property rights of any inventions and collect royalties.

#### Franchise

You could achieve fast business growth by turning your business into a franchise. If your business runs like a well-oiled machine with great systems and streamlined processes, including well-trained staff, then there's a good chance it could become a franchise.

#### Subscription

Consider a subscription model, which involves a monthly or annual charge for services or products a customer uses. Most new software services have adopted this model. What could you create?

#### Buy the competition

Are you able to find a similar business in a new region? Integrating another business into your own can be challenging, but it's an ambitious alternative to organic growth that can be a game changer. Identify possible (similar) businesses to buy or merge with. Benefits include new capabilities, competencies and resources your business needs, market power (over suppliers, distributors etc.) and possible access to new markets.

#### Buy a supplier

If you have a current supplier that you know can potentially be much better, is it worthwhile to buy them and control the distribution process? Ensure that the purchase will achieve economies of scale and new profit centres. Weigh up the risks: will it affect distribution channels? Are there any labor issues? Will it pull focus from your original business?



**TIP:** Diversifying often means an injection of cash to realize your goals. We're here to help see your growth plans succeed, so talk to us about our [range of lending options](#) so that we can tailor a solution that suits your business and your growth plans.





## Section six: enhance your operations

Watching your business grow is exciting. But to meet the demands of increased growth, it's likely that you'll need to boost capacity as well.

### Make sure you have the resources you need

All businesses need infrastructure, and what you have in place today may not meet your future needs as you grow. This means your current capacity will need to change and adapt as your enterprise expands. There are three key areas to assess as your business grows — staff, systems and processes.

#### Enhance your staff

Building a supportive team will be an important priority as your business grows. You'll have less time to focus on day-to-day tasks, as you'll be devoting more time to strategic decision-making. As a result, you'll need to delegate some of your current responsibilities to people who understand the objectives of your business and the clients you serve.

In addition, your business as a whole is likely to benefit from the presence of people who have different areas of expertise than you. For new hires, take your time. Hiring the right people is an investment that will pay for itself many times over.

By playing an active role in training and motivating new employees, you'll foster dedication, loyalty and help them work effectively with existing staff. To help retain top employees as your business grows, consider building formal reward and recognition programs.

#### Enhance your systems

In some businesses, technology serves as a back-office function, working behind the scenes to make things happen.

In other businesses, it's instrumental in ensuring that the right products or services are delivered to customers on time. Having the technology that's right for your business is essential for growth and success. If this isn't your personal area of expertise, you may want to consult an information technology professional.

A knowledgeable consultant will guide you through the options available and help you implement the technology solution your business needs to grow and prosper.

#### Enhance your processes

The processes and structures that worked before may not work as you add new people and technology. You may need to develop new processes or adapt existing ones to meet your evolving needs. For example, your growing business might benefit from:

- Regular management or employee meetings to report on the status of business activities.
- Tracking systems to ensure that customer requests are received, assigned and fulfilled.
- Quality control processes to ensure that the same high level of customer satisfaction is maintained as more people become involved in the business.
- Budgeting procedures to ensure that costs are controlled, properly allocated and charged back to the client, if appropriate.
- A defined process for monitoring receivables and collecting on accounts that are past due.

#### Tips for healthy growth

Uncontrolled growth can lead to overworked employees, disgruntled customers and financial strain. These tips will help ensure that your business doesn't grow too big, too fast.

### Only take orders or contracts you know you can fulfil

Your business's reputation is one of its most valuable assets. It may be difficult to say no to an order, but it's better to do that than to "over-promise and under-deliver."

### Carry out credit checks on new clients

Getting paid on time is especially important when you're in a growth phase. If you have new clients placing large orders for payment later, make the effort to check their track record. Consider asking for a deposit or upfront partial payment.

### Arrange credit before you need it

Advance planning can give you maximum financial flexibility when you need it. That's why it's always a good idea to arrange for access before you need it. Investigate the best options for short-term and long-term financing.

### Control costs

Keep a handle on costs at all times. If cash flow tightens, you'll have a report of current expenditures to see where you might be able to make changes.

### Focus on core competencies

Your profitability and growth are linked to doing what you do best. Other activities can distract you from this key focus, so consider outsourcing tasks that fall outside your core area of expertise.

### Add resources (both human and capital) in stages as you need them

Avoid a financial over-commitment and poorly timed hires and purchases by taking on additional personnel and equipment only as needed.

### Saving time and money

***"I need to make daily deposits but I don't have time to run to the bank."***

When your business is growing, it's easy to find routine, everyday transactions bogging you down and eating into your valuable time. The easier and more automated you can make your everyday banking activities, the more time you can devote to your core business activities.

#### How we can help

##### Agent client card

Delegate an employee to make deposits at the ATM with a [Deposit Only Agent Client Card](#).

##### FasDeposit®

If you have large cash deposits, you or an employee can make the deposit at the convenient [FasDeposit](#) drop chutes located inside the branch.

##### Mobile Cheque Deposit or Cheque-Pro®

When you can't make it to the branch during business hours, you can deposit cheques from your office or home with mobile cheque deposit or, for larger volumes of cheques, Cheque-Pro.

***"My payroll has increased and it's getting complicated. I want to simplify the process."***

Your employees rely on you to complete payroll calculations accurately, send payroll tax deductions to the government and issue their cheques. As your staff expands, this can take a substantial amount of time.

#### How we can help

##### Online tax filing

Conveniently pay all your government taxes, including payroll source deductions as well as HST, GST and PST.

##### ADP payroll services

ADP payroll services can process your entire payroll, making all deductions, remittances and deposits on your behalf.

***"With the sudden increase in transactions, I'm finding it difficult to monitor my account activities."***

Keeping track of funds going in and out of your business becomes more time-consuming as your business volume grows. At the same time, monitoring all the other aspects of your growing business may leave you less time for watching the books.

#### How we can help

##### Online Banking

Monitor your account activity any time of day or night. Transfer between accounts and pay bills, including future-dated transactions. Manage your cash flow to increase the success of your business. Depending on how you do your banking, we have solutions to save you time, while ensuring the security of your accounts.

##### Do your own banking

Single sign-on provides access to both your Business and Personal accounts in a secure online environment.

##### Delegate your banking to your employees

[RBC Express®](#) provides controlled, delegated access to selected employees, allowing you to implement the financial controls you have in place in your business, to protect your business from the possibility of fraudulent activity.



***“The number of cheques I write has increased dramatically, resulting in more paperwork for my employees.”***

As your business gets larger, paper cheques can become overwhelming — and expensive.

#### **How we can help**

##### [INTERAC e-Transfer](#)

Send electronic payment directly to employees’ or suppliers’ through Online Banking for business.

##### [Direct deposits and direct payments](#)

Automate regular future payments to your suppliers or automatically collect payments from your customers.



**TIP:** As the owner of a business that is growing, your daily banking will get more complex as you acquire more customers, take in more revenue and pay more suppliers and employees. With all these changes taking place, you will need help saving time and money, keeping cash flowing and managing risk. Talk to us about how we can help streamline your banking processes.

#### **Keeping cash flowing**

To keep the cash flowing freely as your business grows, consider cash-flow strategies that bridge the gap between when expenses must be paid and when money from clients and customers is received.

***“I need to purchase additional inventory to meet growing demand from clients.”***

If your business is inventory-based, growth requires you to have products on hand to meet increased demand. Short-term financing lets you build the inventory you need, even when you don’t have sufficient cash on hand.

#### **How we can help**

##### [Overdraft](#)

Eliminates the worry about having the cash to pay your suppliers or employees.

##### [Operating line of credit](#)

Borrow as much as you need, when you need it and pay it back when you have surplus cash.

##### [Business credit cards](#)

When you need a convenient payment method, business credit cards are fast and easy, allowing you to make purchases on the spot.

***“I need to add capacity to keep up with increased demand.”***

Whether you’re expanding a service, increasing your manufacturing capabilities or adding to a delivery fleet, adding capacity often involves a capital purchase — a high-priced item that you’ll use over several years. Paying for it with cash on hand is often impractical and can strain short-term cash flow. A financing solution might be the best way to meet the cost of longer-term capital assets.

#### **How we can help**

##### *Leasing*

Preserve your cash and working capital for other uses by structuring a lease to match the useful life of the asset — leasing may provide up to 100% financing, including applicable taxes. Your monthly lease payment may be tax-deductible (lowering your effective cost of borrowing) and end-of-term options can provide additional flexibility to purchase equipment.

##### *Term loan*

Accurately forecast monthly cash flow with regular term loan monthly payments. You often have the ability to match the term of the loan to the life of the asset.

### Tips for avoiding a cash crunch

A sudden unexpected expense can throw off even the most carefully thought-out business plan. Maintaining a cash contingency fund is one way to be prepared for emergencies, but it requires having cash sit idle. A more flexible solution is to make sure you have access to credit — before you need it.

#### Understand your sales cycle

Identify peak income periods and slowdowns, so you can plan your expenditures to match the periods when you have cash available.

#### Manage expenses

“Money out” is just as important as “money in,” when it comes to cash flow. Be on the lookout for ways to reduce discretionary expenses.

#### Collect from customers on time

By invoicing customers regularly, depositing payments immediately and following up with customers on late payments, you can improve cash flow significantly.

#### Negotiate supplier terms and maximize supplier credit

You may be able to negotiate longer pay periods with key suppliers. This additional flexibility can come in handy if cash flow gets tight. In order to maintain good relations, be sure to speak with your suppliers personally and get their buy-in upfront.

#### Keep inventory at reasonable levels

You want to be prepared for customer demand, but too much inventory can tie up your cash unnecessarily. Keeping inventory at reasonable levels leaves more cash available if you need it.

***“My life would be a lot easier if my customers paid me faster.”***

If you make the payment process easy for your customers, you’ll increase your chances of timely payments and having the cash you need in your account. In addition, you’re likely to see increased customer satisfaction, which may lead to repeat business and improved client retention levels.

#### How we can help

##### *Moneris<sup>†</sup> Solutions*

Accept debit and credit card payments with a [Moneris payment solution](#). Moneris provides the hardware, software and systems needed to manage point-of-sale transactions for businesses of all sizes. All daily card payments are deposited into one RBC account.

***“Invoices from my suppliers are rolling in, but my customers haven’t paid me yet.”***

Sometimes cash gaps can occur when suppliers need payment before you have received payment from your clients. To bridge the gap, consider flexible, short-term financing.

#### How we can help

##### *Credit solutions*

We offer a variety of flexible, short-term credit products appropriate for bridging temporary cash gaps, including operating lines and [Business credit cards](#).







## Section seven: funding growth

Most businesses need to raise extra capital or funding at some stage in their growth.

The first task you need to complete is figuring out how much you need, and what it's for. For example, you could be aiming to increase capacity by investing in new equipment or expanding your facilities. Or you might be planning to buy a competitor. Whatever the reason, the first part of your business case is to clearly define the reasons you need extra capital. Then identify where it will come from.

### Your own money

Having some of your own money (savings or equity in property) to invest in your business makes sense. It shows you have 'skin in the game' and are prepared to back your business with your hard-earned cash. Why your own money?

- **Least costly source** – it's the cheapest form of financing you will find. You can put cash, investments, equity in your home or other personal property to work for you because you own them.
- **Makes you a better risk for lenders** – if you risk something yourself, others may feel better taking on some of your risk. Your investment improves your chances of getting a loan.

### Friends and family

Money from friends and family is often a way of accessing the cash you need. But it's not always the 'best' money because if things don't go as planned, it can be difficult at the next family gathering. If you can make this short term and pay them back as fast as you can, it's a good option.

### Borrowing

Before you apply for business financing, it's important to have all your financial information at hand, including how much you think you'll need to borrow, and how much you're contributing yourself. Also bring what you'll use to secure the loan if anything, how you intend to repay the loan and the schedule of repayments in your cash flow, and if you've got any other debt that may impact on your ability to repay.

#### Why go to your bank first

Going to a bank is often the simplest way of meeting your business borrowing needs. RBC is leading the way with:

- Business advisors who use their experience to offer ideas and advice, and specially trained to serve both your personal and business financing needs
- Telephone-based business advisors at 1-800-769-2520 to answer your questions and serve your banking needs at your convenience.



**TIP:** RBC have a number of [business loans and lines of credit](#) to help with your business growth plans.

### Other sources

#### Outside investors

These are often called 'Angel' investors, people in search of investment opportunities. In return, they usually expect a share in your business, possibly a percentage return on the money they've lent you, maybe both. Search for angels in the [National Angel Capital Organization](#) member directory.

### Venture capitalists

Venture capitalists are companies (not people) that typically invest in young companies they think will be sold to the public, or to a larger company, at a high rate of return. They rarely invest in an untested idea, preferring businesses that can demonstrate rapid, consistent growth and guarantee a worthwhile return. Search for VC's in the [Canadian Venture Capital Association](#) member directory.

### Crowdfunding

Described as 'democratic finance', crowdfunding allows you to profile your business and attract investment (or loans)

from a range of different people who wouldn't normally be eligible to invest in new businesses without a prospectus. To work, crowdfunding needs to be [exempt from security laws](#). The [National Crowdfunding Association of Canada](#) is a good place to start.

### Government grants and subsidies

The Government of Canada can provide funds for businesses if you qualify. This includes loans, grants, loan guarantees, and other initiatives. View the Canada.ca site on [business grants and financing](#) for more.







## Section eight: the resources you will need

Although raising the capital you need is a big part of putting your growth plans into action, it's not the only resource. You'll also need equipment, premises and staff. It's also important to make sure your growing business is protected.

### Key capacity needs

Meeting your capacity needs is critical for the growth of your business. If things are only just ticking along, it's worth considering how your business will fare if you suddenly entered a growth phase.

#### Leasing vs. buying equipment – the pros and cons

New equipment can be essential for a growing business. But is it better to lease or buy?

##### Down payment

Lease - None. Up to 100% financing, including applicable taxes.

Buy (with loan financing) - 10% to 25% of value.

##### Collateral

Lease - Generally only the leased equipment is pledged.

Buy (with loan financing) - You may be required to pledge other assets to support borrowings.

##### Payments/Cash flow

Lease – Usually lower monthly payments and usually includes a purchase option at the end of the lease term.

Buy (with loan financing) – Higher monthly payments, but you have the advantage of outright ownership after the loan term is completed.

##### Obsolescence

Lease – You might be able to assume ownership at the end of the lease, unless the option to buy is exercised by lessee.

Buy (with loan financing) - You own the equipment and must deal with obsolescence.

##### Term, amortization and interest rates

Both leases and loans are available in a wide range of terms. The duration of the agreement is generally subject to negotiation based on the useful life of the equipment financed. Interest rates are also negotiable, but influenced by the general rate environment.

##### Tax implications

Lease - Rentals may be 100% tax-deductible.

Buy (with loan financing) - Depreciation (CCA) and interest expenses are tax-deductible.

The tax rules and cost benefits relating to equipment financing can be complex, so it's wise to consult with your accountant before making any major equipment purchases or committing to a lease.



**TIP:** RBC offers a [variety of flexible, long-term credit products](#), such as variable and fixed-rate term loans or lease facilities suitable for capital asset purchases.

### Business premises and staff solutions

**“My business is growing and I need more space.”**

Your current business premises may not be capable of housing your expanding business. To meet your new needs, you may need to expand your existing location or move. No matter which option you choose, there are financing solutions that can help.

#### How we can help

##### [Term Loans](#)

Reap the benefits of owning real estate, whether it's the building you work in or another commercial building. Variable or fixed-rate term loans are cost-effective options that can support your business growth plans.

**“I've doubled my staffing, but my human resources issues have tripled. I need help.”**

Given the complexities of human dynamics, human resources issues can multiply exponentially as you hire more employees. Juggling payroll processing, vacation timing, promotions, unexpected illness and performance problems can require a lot of attention. Many small businesses turn to outside professionals to help manage their human resources responsibilities.

#### How we can help

##### [ADP HR management solutions](#)

Spend more time focusing on your business, and ensure that your employees are well looked after, with a human resources management solution. Take advantage of strategic planning, business process engineering, integration and implementation services and legislative compliance services?





## Protecting your growing business

How to protect yourself and your business from loss.

Your concerns	How to protect yourself and your business
How can I protect myself and my business from accidents that may occur on the company premises?	Liability insurance protects you and your company in case of an accident on the premises, negligence on the part of an employee or a deficiency with one of your products or services. Errors and omissions insurance (a form of liability insurance) offers important protection against potential litigation. Even if your company is not at fault, the cost of defending a claim can threaten your business.
What will happen to my business if it is affected by fire or theft?	Property insurance protects your premises and equipment and can provide the funds you need for replacement or repair. If you work from home, make sure your property insurance covers your business assets and activities. When the situation involves a long-term disruption in your business activities, business interruption insurance can cover your ongoing costs, even during a business shutdown, and provide the funds you need to get your business back up and running as quickly as possible.
How can I keep the business open if the business owner becomes disabled?	Business overhead insurance provides expense reimbursement covering fixed monthly business expenses required to keep the business viable until the return of the owner after a period of disability, resulting from illness or accident.
How can I maintain the business credit when a key person dies or an owner becomes disabled?	Business Loan Insurance Plan2 – Life Insurance coverage pays the outstanding balance owing on the insured portion of a business loan if you or an insured key person should pass away. The Disability Insurance option, available with life insurance, covers up to three business owners and can provide towards insured loan payments in the event an insured person becomes seriously ill or injured.
What kind of insurance do I need for my delivery trucks?	If a vehicle is used regularly by employees or others for making business deliveries, you need a commercial automobile insurance policy with liability and accident benefit coverage.
How do I protect the business from unpaid account receivables?	Trade credit insurance protects the business from unpaid account receivables due to debtor insolvency, protracted default or non-payment, helping to reduce a major threat to your revenue.
Now that I'm travelling more, will my provincial health plan cover me out of province or country?	Don't assume your government health insurance plan will protect you on your business travels. Travel HealthProtector1 insurance provides coverage for emergency hospitalization, medical costs and related services while on the road or abroad.
How can I protect the business against revenue loss if a key person dies or becomes seriously ill or injured?	Key person insurance (life, disability, critical illness insurance or a combination) can provide the funds your business needs to cover potential losses associated with the loss of you or a key employee.



**TIP:** Ask your small business advisor for more general business insurance information and for a copy of “Your guide to choosing insurance coverage for you and your business.” Be sure to speak with a licensed insurance advisor before making a final decision about your business insurance.



## Section nine: how RBC can help

Owning a growing business involves a number of challenges but, when it comes to managing your finances, you are not alone. We take time to understand your business and how it works. You get the banking and financial resources you need, delivered in a way that best suits your business.

### Additional resources

You can find a wide range of advice and information freely available on our RBC website, developed specifically for business owners like you.

- For advice tailored to meet your specific business banking needs, please visit <http://www.rbcroyalbank.com/business>.
- To explore a vast array of resources that can help you start up and sustain a successful business, and to access free online copies of business-focused guides such as this one, please visit [rbc.com/business-advice-centre](http://rbc.com/business-advice-centre).

- To discuss your needs with one of our experienced business advisors, drop in to an RBC Royal Bank branch or call our toll-free number at 1-800-769-2520.

### RBC Economics tools

Access exclusive economic intelligence at [rbc.com/economics](http://rbc.com/economics). You can sign up for e-newsletters featuring Daily Economic Updates or the monthly Economics Digest. Also available: Financial Markets Monthly, Economic and Financial Market Outlook, Provincial Economies, Commodity Price Monitor, Housing Trends and Affordability, as well as special reports on other topical issues. You can also monitor current publications, including U.S. market updates and quarterly economic forecasts.





## In summary

We are committed to helping you start, run and grow your business, and have a range of expert business information, templates and tools to help you prepare for business success. RBC business advisers are available to provide free help any time you need it, and our website is packed full of resources to download and access.

To find out more about how RBC can help you grow your business:

- Visit your nearest RBC Royal Bank® branch
- Call 1-800-769-2520
- Visit [www.rbcroyalbank.com/business](http://www.rbcroyalbank.com/business)

From all of us at RBC, good luck!



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