

**TRUE
NORTH
STRONG™**



NORTHERN SMALL BUSINESS GUIDE

INTRODUCTION

Got a dream of starting your own business? Maybe you have a great idea, and just don't know how to make it a reality. That's why we made this guide. From how to create a business plan and raise startup money, to expert advice on opening up shop, it's got everything you need to navigate the twists and turns of launching a successful new business.

At Northern, we understand the importance of small businesses in our local communities, economy and culture. And our business banking experts have decades of experience providing expert advice. If you have any questions or just need a little help along the way, don't hesitate to reach out to us by making an appointment through the True North Hub at **1-866-413-7071**.



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SECTION 1

PLANNING FOR SUCCESS

Abraham Lincoln famously said, "Give me six hours to chop down a tree and I'll spend the first four sharpening the axe." With those simple words, he was underscoring the importance of preparation. Anyone can start a business, but it takes a lot of planning to make sure it'll be a success. In this section, we're going to help you sharpen your proverbial axe by creating a plan for your new startup.

KEY QUESTIONS TO ASK YOURSELF

Before you even consider launching your business, you should ask yourself some important questions. The answers you come up with will help you develop your strategy, better understand your chances of success and aid you in creating your business plan. Some of these questions include:

- What problem does your company's product or service solve?
- What is your company's competitive advantage?
- Who are your key competitors?
- How do you differentiate yourself from the competition?
- What does your target market look like?
- What is the size of your market?
- What's the best way to reach your customers?
- What business model will be the most profitable?
- Is your business financially feasible?
- Is your business environmentally sustainable?
- What's the best way to promote your business?

It's best to be honest and realistic about your answers – don't sugar coat them. If you don't have a good answer to any of them, now is the time to think them through more, get creative and try to find the solutions that will position your business for success.



NORTHERN KNOW-HOW TIP

Talk to as many local business owners as possible to learn everything you can about doing business in your community.

CREATING A BLUEPRINT FOR YOUR BUSINESS

The first step of any business should be creating a business plan. You can kind of think of it as a blueprint for your business. If you were building a house, you wouldn't just show up to your empty lot and start pouring cement and hammering boards together hoping for the best. It's the same with your business.

Your business plan will help you test out the feasibility of your business on paper first, before you make the investment. Going through this process and thinking it through will improve your chances of success.

And, a well-written business plan can also help you raise money, attract investors or get a business loan.

It's important to note that you might not get your business plan right on the first try, and as your business evolves and adapts to the ever-changing market, your business plan will likely have to change too. So, it's best to think of your business plan as a living, ever-evolving document.

BUSINESS PLAN CHECKLIST

When you create your business plan, you should include the following sections:

Executive Summary

This should be a high-level overview of what your business does, clearly defining your products or services, communicating your business's purpose, as well as your objectives and vision for the future.

SWOT Analysis

In this section, you will want to outline your business's strengths, weaknesses, opportunities and threats (SWOT). It's important to be honest with your answers as you take a hard look at your business, the market and your competition.

Industry Analysis

Investigate the industry you are planning to enter. Describe how you fit into the market, the market size, your target customers, suppliers, relevant trends and potential for revenue and growth.

Competitor Analysis

Do a SWOT analysis of your competition, including their business models, approaches as well as strengths and weaknesses. The idea is to understand the competition so you can make a plan that gives you sustainable advantages.

Management & Employees

Create an outline of your corporate structure, key employees and their roles and responsibilities. How many people will you need to run your business? What skills are needed? What are the costs involved?

Operations Plan

Determine your business model (more on this on [page 4](#)), supply chain, distribution, what equipment or technology you'll need and where your business should be located to set you up for success.

Sustainability Plan

Outline your vision for environmental sustainability: consider going paperless, use energy-efficient equipment, develop a recycling process, work with eco-friendly partners and adopt programs that support environmental causes.

Marketing Strategy

You can have the best business on paper, but if your target market doesn't know about it, you won't do well. How are you going to build awareness? Consider your marketing mix – does it include online, social and point-of-sale elements?

Create a Budget

Create a detailed budget that includes startup costs, as well as ongoing monthly expenses. There will likely be a combination of predictable fixed costs, like rent or internet fees, and variable costs, like travel costs, commissions and utility bills.

Project Revenue and Expenses

Based on your budget, market size and industry analyses, you should be able to get a rough idea of your potential income and expenses.

Form an Action Plan

Create a timeline of milestones that you want to accomplish both before and after the launch of your business. This will give you a roadmap to follow and objectives to pursue.



NORTHERN KNOW-HOW TIP

When making any estimates in your budget or revenue projections, it's important to be honest, realistic and conservative.

DECIDING ON A BUSINESS MODEL

A business model is, essentially, how your business plans to make money by identifying revenue sources, customer base, products and distribution.

For example, Microsoft's original business model was to sell an operating system that cost them very little to manufacture since it could be delivered digitally or pre-installed on computers. Social media companies, like Facebook, attract millions of users and then make money by selling advertising space and data, while a pizza joint might make money through selling pizzas through walk-ins and delivery.

Those were very basic examples, just scratching the surface of the countless business models that people have dreamed up to sell their products and services. Some others you may have heard of include retail, bricks and clicks (a combination of retail and online), online-only, walk-in services, at-home services, pay-as-you-go, pay-what-you-can, wholesale, subscription, freemium and the list goes on.

You can also purchase a franchise or an existing business that already has a business model. But to determine if the business model works, or if it can be improved upon, you will need to research the value of the business by looking at its finances, performance, customers, level of demand, and source of the demand to determine growth potential. You should also account for any potential additional costs that come with taking over an existing business, such as rebranding, renovations and training. If you're thinking about franchising, look into the fees and payments required as well as the support you will receive from the franchisor.

When choosing a business model, here are a few key things you'll want to consider:

Your Market Makeup

Evaluate your market potential. How large is it? Are you approaching your business in a way that reaches the most potential customers?

Competitor Analyses

Consider how your competitors are selling similar products or services and try to determine what's working and what's not. Is there a way to do it better?

Customer Profiles

Ask yourself where your customers are located. How do they interact with your product or service? What are their purchasing habits?



NORTHERN KNOW-HOW TIP

Formulate a business model that will keep your costs low, while reaching as many customers as possible to optimize your potential net revenue.

Distribution Channels

Think about the best way to deliver your product or service to your customers. For example, are they more likely to purchase in-person, online or through delivery?

Partner Networks

Do you have partner businesses that can help you extend your reach or improve your product or service?



SECTION 2

CRUNCHING THE NUMBERS

As the saying goes: 'Behind every good business is a great accountant.' The importance of sound accounting, doing the math and forecasting costs and revenue cannot be emphasized enough. It isn't something you do once and you're all done – keeping an eye on the numbers is something that you'll need to constantly keep on top of to ensure that your business is on the right trajectory.

CREATING A STARTUP BUDGET

The first step is to create a startup budget for your business. Essentially, this is a detailed plan of your business finances, outlining where you'll spend your money, either monthly or annually. This, in turn, will help you forecast your potential profits, enable you to plan where to spend surplus revenue and provide you with a benchmark to gauge performance once you launch.

There are many online software tools and templates you can use to map out your budget, but one of the most common, especially when just starting out, is Microsoft Excel. Regardless of the spreadsheet or tool you use, there are a few common components that every startup budget should include:

Startup Costs

Often referred to as 'one-time' costs, these are expenses associated with the initial launch of your business and may include moving costs, branding, remodeling, equipment, furniture and office supplies, training, software and research costs.

Fixed Costs

These consist of all your regular, predictable costs that stay the same every month. Examples might include your monthly rent, equipment leasing, account fees, payroll, loan payments, some utilities and insurance.

Variable Costs

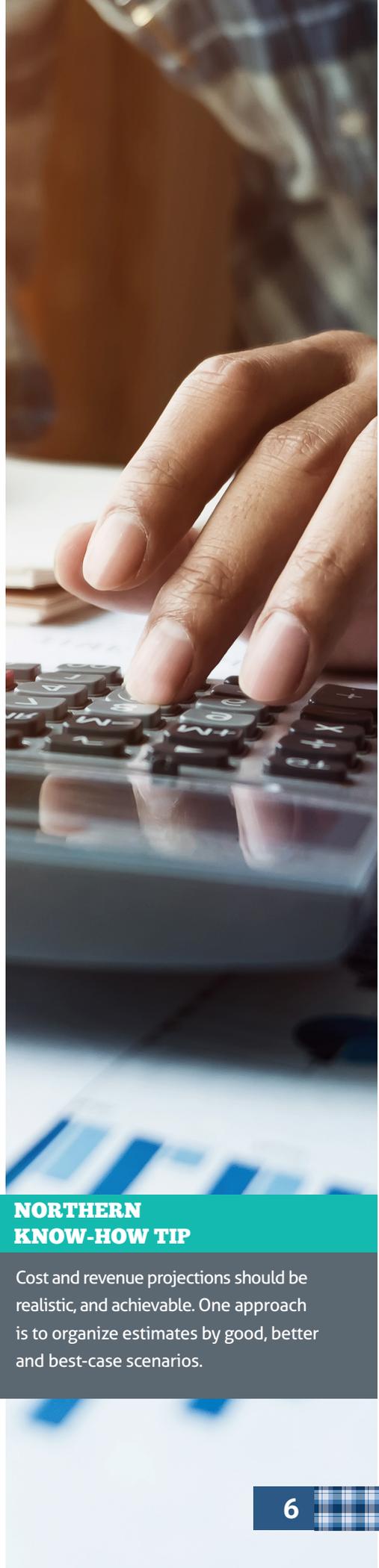
These costs change from month to month and are harder to predict. They can include sales commissions, travel expenses, shipping, inventory, production costs and credit card interest charges.

Before you launch, figure out all costs of doing business to the best of your ability. This will likely involve calling suppliers and distributors for quotes and estimating for any unknowable variables. At the end of the day, you should have a clear picture of both your startup and ongoing operational costs. Then, when you launch your business, you can begin comparing your budget to reality.



NORTHERN KNOW-HOW TIP

Cost and revenue projections should be realistic, and achievable. One approach is to organize estimates by good, better and best-case scenarios.





FINDING OUT HOW MUCH MONEY YOU'LL NEED

After you've put together an estimated budget for your new business, get a rough idea of how much you'll actually need to open up shop. There are many ways to do this, but one of the most common is to combine your startup costs with the estimated expenses for at least the first 6-12 months of operations.

$$\text{STARTUP COSTS} + \text{OPERATING COSTS FOR 6-12 MONTHS} = \text{AN ESTIMATE OF WHAT YOU'LL NEED}$$

One important thing to note is that you may be able to amortize some of your startup expenses over time, so they are more manageable. For example, if you are buying property (instead of renting) to use as a storefront, it may cost \$500,000 total but you can amortize it into monthly payments, so you don't need to provide the full amount upfront.

After determining what you'll need to launch, figure out the break-even point for your business. This is when you expect your business's revenue to cover all your startup costs, operational expenses and loans up to that moment. It will be a huge milestone for your business as you move it into profitability.

To figure it out when you're just starting out, you'll need to project your potential revenue. It's very important to be realistic with these estimates. Then, as you launch, you can compare your estimates to reality and adjust your budget accordingly.

RAISING MONEY FOR YOUR BUSINESS

Your best asset for securing funding for your new business is your business plan. It should help you make the case that your business will be a success. Here are some sources of funding that you may want to consider:

Your Savings

Your own money comes interest-free and doesn't involve cutting outside investors in on your business, so personally financing your business can be a good option. But it's also wise to be prudent - don't put all your eggs in one basket by investing too much of your life savings.

Friends & Relatives

If you're very confident about your business idea, you can consider approaching your friends, family and people you trust. They can either participate as investors or as partners in the company depending on their level of involvement. If they choose to be neither, we suggest paying back any short-term loan they provide as quickly as possible.

Angel Investors

Attracting investors is easier said than done, but it is possible. If you can show the business' potential return on investment, you may be able to draw in an angel investor or venture capital company through networking. Typically, investors will receive a share in your business or a percentage of your company's profits.

Online Crowdfunding

One popular way to raise money for a new business is by starting a crowdfunding campaign through various online platforms, like [Kickstarter](#). If people like your idea, they may support your vision by investing in it.

Government Grants

There is a long list of government grants, tax credits and subsidies that you can apply for to help make your new business venture more affordable. For the full list, visit the [grants section](#) on the Government of Canada website.

Lending

This is one of the ways that Northern can help. Visit [NorthernCU.com](#) to browse our [business loans and lines of credit](#) or give our True North Hub a call to discuss your options at 1-866-413-7071.



TRACKING YOUR FINANCES

Prior to launching your new business, many of the items in your initial budget may have been best estimates. Now, it's time for a reality check. When you're up and running, add a few new line items to that initial startup budget you created, including:

Actual Costs

There are the estimated costs that you budgeted for and then there are your actual costs (your real-world cost), which you'll need to track and update on a regular basis. You might also want to add a column to your budget to track the difference between your estimated costs and actual costs.

Your Cash Flow

This is the money that is flowing into and out of your business. It's calculated by subtracting the money you have left at the end of a specified period (i.e. month/quarter/year) from the money available at the beginning of the same period.

Your Profits

Sometimes referred to as your net income, your profits consist of the money you'll be taking home after all your expenses are deducted from the revenue that your company generates.

By tracking these budget items, you can spot discrepancies before they become long-term issues and adjust your budget accordingly. We recommend that you update your budget monthly, quarterly and annually. Here are a few extra tips that will help you track your business's financial wellbeing:



NORTHERN KNOW-HOW TIP

It's wise to set aside some contingency money to account for factors that might affect your projections, including employee changes, promotions, capacity, inflation, competition and trends.



3 TIPS FOR TRACKING YOUR FINANCES

Open a Business Account

A business account will help you track your business's finances and keep them separate from your personal accounts.

Keep Your Receipts

You'll likely need these, not only for tracking your expenses, but also to show your expenses come tax time.

Find the Right Software

From Microsoft Excel to Freshbooks and Quickbooks, choose software that works well for you and your business.

To open a Northern Business Account, you can apply online through our website at NorthernCU.com or give us a call at 1-866-413-7071.



SECTION 3

OPENING UP SHOP

After you've planned out your business to the best of your ability and raised the funds you need, it's time for the exciting part – transforming the on-paper vision of your business into a reality. This section is going to take you through some of the practical steps you're going to have to take, as well as some of the important tips to consider as you open up shop.



DECIDING ON A BUSINESS STRUCTURE

Before you register or name your business, you will have to decide whether your business will be a: (1) sole proprietorship, (2) partnership, (3) corporation or (4) cooperative. Each has its own set of advantages and disadvantages as you can see below.

Sole Proprietorship

A sole proprietorship is a business owned by a single individual. This is the simplest and most common form of small business in Canada.

Pros

- You own 100% of your business
- Easier to set up and administer
- Less expensive to register
- Tax simplicity

Cons

- You assume personal liability for the debts, obligations and acts of your company
- Lack of tax flexibility
- Can be difficult to raise funds
- Depending on income, may not be the best tax structure for a business

Partnership

A partnership is a business owned by two or more people. There are several kinds of partnerships depending on your province or territory.

Pros

- Having someone to work with to make your business a success
- Partners may bring different skill sets to the table
- Tax simplicity

Cons

- You can be held accountable for debts, liabilities or unlawful conduct incurred by yourself or your partner
- Can be messy to dissolve

SECTION 3: OPENING UP SHOP

Corporation

A corporation is a distinct legal entity, separate from its owners or shareholders.

Pros

- No member or shareholder can be held personally liable for debts, obligations or acts of the company
- Easier to access capital
- May offer tax advantages depending on the level on income generated from the business
- Opportunity to generate dividends and Shareholder loans

Cons

- The most expensive form of business to set up and operate
- The most complicated to administer
- You may need to register both federally and provincially
- Tax complexity

Co-operative

A legal incorporated business that is owned and operated by its members.

Pros

- Democratic structure
- Many people working together towards the same goals
- Ability to enter into contracts as a corporation
- Risk is shared by all members relative to their investment
- Ability to make large purchases as a group
- Tax benefits and access to government assistance

Cons

- Liabilities are shared by the members (this can be a pro and a con)
- Fewer incentives for larger investors
- More difficult securing loans from financial institutions
- Democratic structure makes it not as agile and quick to make decisions
- Harder to attract skilled managers and employees, who aren't members themselves



NORTHERN KNOW-HOW TIP

Choosing the right type of business is extremely important as it will directly impact taxes, earnings, potential personal liability as well as other considerations. We're here to talk it through with you if you need some expert advice.

REGISTERING YOUR BUSINESS

Before you open up shop, you'll need to register your business federally and/or provincially and get a business number and tax accounts set up. Each type of business (sole proprietor, partnership, corporation, co-operative) has different registration requirements. For the most up-to-date guidelines, please visit the [business registration](#) section of the Government of Canada website.

Before you register, you'll need to know:

- Where your main office will be located
- Which other provinces and territories you plan to operate in
- Your proposed business name
- The type of business: sole proprietorship, partnership, corporation or co-operative

Registering a Sole Proprietorship or Partnership

- You will need to register with the provinces or territories where you plan to do business. For a full list of provincial requirements, please consult the Government of Canada's [sole proprietor provincial guidelines](#). To register your business name in Ontario, you can visit [Service Ontario](#).
- You'll also need to get a federal business number and tax accounts set up. If you register your business in Ontario, British Columbia, Manitoba, Nova Scotia or Saskatchewan, you'll automatically receive your federal [business number](#) as part of your provincial registration. If you operate in another province, you may need to consult the business numbers section of the Government of Canada's website.

Registering a Corporation

- When registering a corporation, you may choose between incorporating at the federal level or the provincial level. Incorporating federally comes with the following benefits:
 - i. Name Protection** – Federal incorporation applies a tougher test before granting the right to use a particular name. When a name is approved, it's protected across the country, a status second only to trademark protection.
 - ii. Right to Do Business Anywhere in Canada** – There is no restriction on where you can do business in Canada, where the head office is located, or records maintained.
 - iii. Recognition** – There is a certain distinction that comes with federal incorporation.
 - iv. Online Services** – Corporations Canada allows clients to send/receive documents, pay fees and acknowledgments all via the internet without having to use an intermediary.

SECTION 3: OPENING UP SHOP

- To register your corporation federally, visit the Government of Canada's [Corporations Canada](#) website. You will need to provide your corporate name or a numbered name, create your articles of incorporation, establish your registered office address and submit a fee.
- To register your corporation provincially, visit the [provincial/territorial incorporation](#) section of the Government of Canada website. Each province has different requirements. If you are not federally incorporated, you may need to register as an extra-provincial or extra-territorial corporation in all other Canadian jurisdictions where you plan to do business.

Registering a Co-operative

- To register, visit the [co-operative section](#) of the Corporations Canada website.
- You'll need to create a cover letter including contact information for the person filing the application. In this letter, clearly indicate whether or not your co-operative is a non-profit housing cooperative or a worker co-operative.
- Complete and sign a copies of [Form 3001 - Articles of Incorporation](#) and [Form 3002 – Initial Registered Office Address and First Board of Directors](#).
- Provide a [Nuans name search report](#) for the proposed name that is not more than 90 days old. If your name has been pre-approved by Corporations Canada, attach a copy of the Corporations Canada letter approving your name along with the copy of the Nuans name search report.

Again, requirements may change over time so visit the Government of Canada website for current instructions. And, if you need help throughout the registration process, you can access [government support services](#) by province.

APPLYING FOR PERMITS & LICENCES

Depending on what business you're launching, you may need certain permits and/or licences in order to operate. For example, if you're opening a bar you will need a liquor licence. Or, if you're working in construction, you'll likely need to apply for building permits.

To search for the permits and licences required for your specific business, just visit the [BizPal website](#) and enter your city, province and industry and you'll be shown a list of licences and permits relevant to your business sector.



NORTHERN KNOW-HOW TIP

Find and maintain a strong relationship with a great lawyer, who understands your industry inside and out.

CHOOSING THE RIGHT LOCATION FOR YOUR BUSINESS

Every business is different – some operate out of brick-and-mortar storefronts, some make sales solely through websites and have no physical customer-facing location and others might be a combination of two, also known as 'brick and click' businesses. For the first example, which includes retail, restaurants and many service providers, choosing the right location can be of paramount importance.

Before you select a spot to host your business, it's important that you have a clear idea of what you're looking for, what's essential and what you want to avoid. Here are some tips for choosing the right location:

- 1 Customer Demographics**
Consider a location where you can reach your ideal customers. Is there a sufficient percentage of the population matching your customer profiles to support your business?
- 2 Foot Traffic**
For most retail establishments, being located in high-volume foot traffic areas is extremely important. You don't want to be hidden away, where potential customers can't find you.
- 3 Accessibility**
Is it easy for your customers to visit your place of business? It can be important to have parking available or be located near public transit routes.
- 4 Competition**
Where are your competitors located? Sometimes it can be beneficial to be located near them, like a fashion district, other times it can just make your marketing job harder.
- 5 Zoning**
Before you commit to a property, find out if there are any ordinances or zoning restrictions that might impact your business.
- 6 Affordability**
Perhaps the biggest consideration, can your business afford a location? The last thing you want is a very successful business, but all your revenue is going towards rent and utilities.



COLLECTING, FILING AND REMITTING GST/HST

As a Canadian business, you will likely need to (1) charge GST/HST for your products and/or services, (2) file a GST/HST return and (3) pay (remit) all the tax you collected to the government – so don't spend it! To do all that, you will need a GST/HST account number.

Do You Need to Register for GST/HST Account?

The good news is that a GST/HST account number is part of your business number (BN), which you probably received when you registered your business. If you don't have a BN yet, you will receive one when you register for your GST/HST account. You can register by mail, fax, telephone or online. For detailed instructions on [how to register](#), visit the Canada Revenue Agency website.

Do You Need to Collect GST/HST from Customers?

To check if you need to be collecting GST/HST, visit the [Canada Revenue Agency](#) website. There are a few exemptions, including [small supplier](#) status, which includes businesses with revenue less than \$30,000 and certain charities, but chances are you will need to start collecting it.

What Info Will You Need to Register:

If you don't have a business number yet and need to apply for a GST/HST number, here is the info that you will need to apply for one:

- **Effective date of registration** – This is usually the date you cease to be a 'small supplier'.
- **Fiscal year for GST/HST purposes** - Your fiscal year for GST/HST purposes is typically the same as your tax year for income tax purposes.
- **Total annual revenue** – You will need to know your total taxable sales, leases and other supplies that are zero-rated (have a taxable rate of 0%) as well as taxable supplies of all your associates. If you are a new company, you may provide a reasonable estimate of your yearly income.
- **Basic personal & business information** – Personal info includes your social insurance number (SIN), date of birth and postal code. Business info includes your business name, business number, type of business, physical address, mailing address and a description of your business activities.



NORTHERN KNOW-HOW TIP

It's a good practice to keep all the GST/HST you collect in a separate High-Interest Savings Account, so you aren't tempted to spend it and it can grow, safely and securely before you need to send it to the government at tax time.

INCOME TAXES FOR BUSINESSES

The income tax that you'll need to pay for your business directly relates to whether your business is a sole proprietorship, partnership, corporation or co-operative. Taxes can be a complicated subject and we advise you to speak to a certified accountant or tax specialist to determine exactly what you owe, what you can 'write off' and how to do it. But this should give you a general idea how each type of business is treated come tax time:

Sole Proprietors

For all intents and purposes, you are your business and will need to pay personal income tax on the net income generated by it.

Partnerships

Similar to sole proprietors, you will need to pay personal income tax on the net income generated by your business, adjusted based on the proceeds you personally received.

Corporations

Corporation tax requirements are much more complex. They are considered separate legal entities and thus require a separate tax return from your personal tax return.

Co-operatives

Just as intricate as corporate taxes, co-operatives are considered separate legal entities and have a number of extra federal and provincial reporting requirements.

For comprehensive, up-to-date income tax instructions, your best bet is to visit the [business income tax reporting](#) section of the Government of Canada website or consult a certified accountant.



CREATING A SUCCESSION PLAN

Chances are you're focusing on building your new business, not the day you might leave it behind. But it's good to have a plan in place when that day comes that you want to retire or move on from the business. Failing to do so can result in a messy succession and potential financial losses.

Naming a Successor

You may choose to leave your business to either a family member or a key employee.

- | Pros | Cons |
|--|--|
| <ul style="list-style-type: none">• No third party needs to be involved• Possibility to maintain influence in the business, perhaps in an advisory role | <ul style="list-style-type: none">• Hard to find the right successor• Potential for conflicts with family members and work colleagues |

Transferring Ownership through an Internal Buyout

You may choose to sell your business to your management team or a group of employees.

- | Pros | Cons |
|---|--|
| <ul style="list-style-type: none">• Good option if you don't have a successor• Rewards management for their long-term support for the business• Protects legacy and maintains a corporate culture | <ul style="list-style-type: none">• Management often has limited access to capital, so may have to accept a lower price• Hard to find the right successor• Potential for conflicts with family members and work colleagues |

Selling the Business to a Third Party

You may choose to sell your business to another business, private equity or an IPO.

- | Pros | Cons |
|---|---|
| <ul style="list-style-type: none">• May get a better price compared to selling internally• Usually, takes less time and effort to transfer ownership | <ul style="list-style-type: none">• Putting your business on the market and not finding a buyer can besmirch your company reputation• Loss of control over brand image |





SECTION 4

HOW NORTHERN CAN LEND A HAND

At Northern, we understand that small businesses are the backbone of our True North Strong communities. We have decades of experience supporting them through leading financial services and business banking advice they can trust. Whether you need help with your startup or larger scale operation, we're here for you. Just give us a call to set up an appointment at **1-866-413-7071**.

BUSINESS BANK ACCOUNTS

At Northern, we know businesses come in all shapes and sizes. That's why we offer a wide selection of business bank accounts, each one offering a unique set of features. Whether your business is brand new, big, small or somewhere in between, we can help you find the account that fits your budget and the way you are going to be transacting within your account — one deposit and withdrawal each month is very different than someone doing many transactions and e-Transfers. Explore our business accounts at NorthernCU.com — you can even apply online in minutes!

Benefits of a Business Bank Account

- Separates business from personal banking
- Easier to track expenses, costs and income
- Provides clear records in case of an audit
- Allows you to establish business credit
- Shows the world that you're a professional
- Access to loans and lines of credit

Business Chequing Accounts

From low-fee to unlimited transactions, we offer six different chequing accounts designed to handle your business's day-to-day finances.

Business Savings Accounts

Save like you mean business and grow your company's capital reserves with a savings account that comes with a great rate and no monthly fee.

US Currency Accounts

From low-fee to unlimited transactions, we offer six different chequing accounts designed to handle your business's day-to-day finances.

Community Accounts

Save like you mean business and grow your company's capital reserves with a savings account that comes with a great rate and no monthly fee.



NORTHERN KNOW-HOW TIP

Northern can be a great business partner. From personal banking and wealth management to virtual services, we have a whole team of experts that can help you along the way.

BUSINESS BORROWING

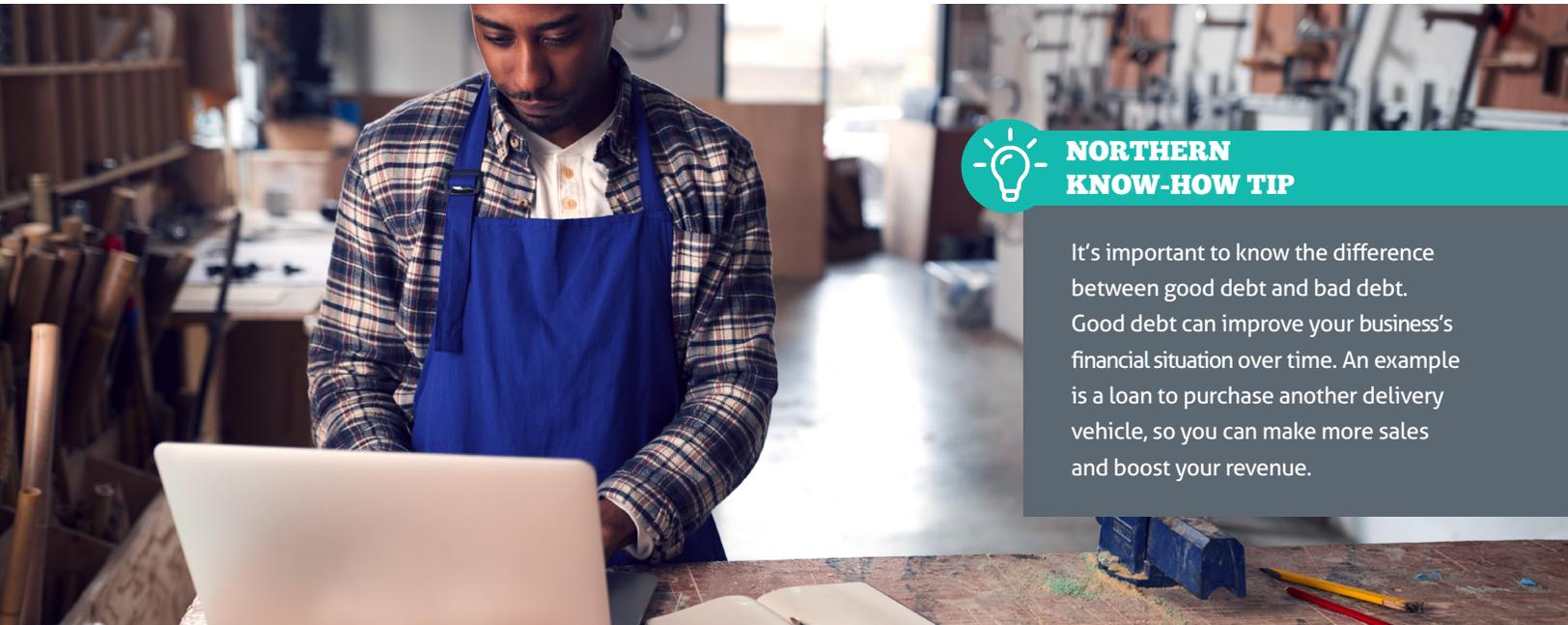
Every now and then every business needs a helping hand. Whether it's to expand your operations, purchase essential equipment or just make ends meet during a slow quarter, we're here to help with access to funds when you need them most. To see our loan and line of credit details, current rates or even apply online, please visit NorthernCU.com.

Business Loans

Featuring low, fixed rates, local approvals and a simple in-branch or online application process, our business loans are designed to help small businesses grow.

Business Line of Credits

Lines of credit are great because the money is there when you or your business need it, and you only pay interest on the money you actually use.



NORTHERN KNOW-HOW TIP

It's important to know the difference between good debt and bad debt. Good debt can improve your business's financial situation over time. An example is a loan to purchase another delivery vehicle, so you can make more sales and boost your revenue.

Choosing the Right Borrowing Solution

Best Borrowing Option

Cost Scenario

Business Credit Card

Smaller expenses that need to be paid instantly, like gas, incidentals, online orders and deliveries.

Business Line of Credit

Small-to-medium-sized expenses, like payroll, and rent, along with one-time costs, like startup marketing.

Business Loan

Larger 'hard-asset' expenses, like real estate, equipment and vehicles.

Overdraft Protection

Access to cash for unexpected expenses.

BUSINESS CREDIT CARDS

Credit cards are great for taking care of your business's incidental costs, deliveries, small orders and temporary expenses. From low-rate to cash back on all your purchases and exclusive rewards, explore our selection of business credit cards and apply online at NorthernCU.com.

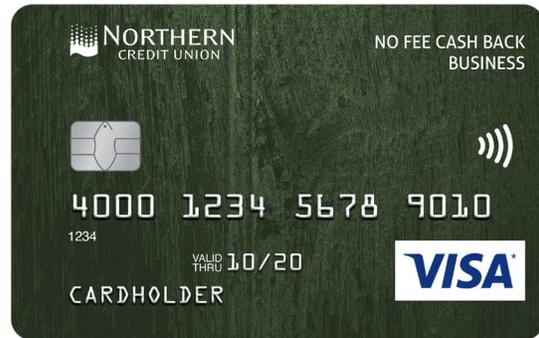


Visa® Infinite Business

Give your business a bump by earning points for every dollar you spend, plus take advantage of some truly elite card services and benefits.

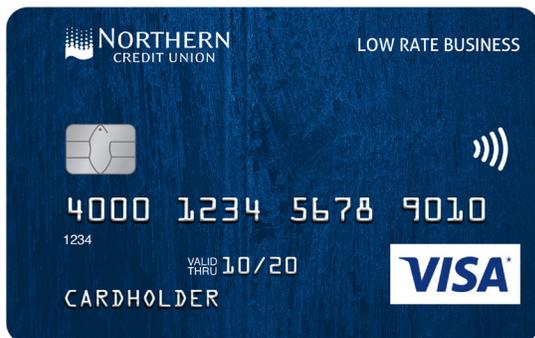
No-Fee Cash Back Visa® Business

Add some extra money to your bottom line by earning cash back for your business's everyday purchases.



Low-Rate Visa® Business

Manage costs while you streamline expense reporting to simplify budgeting for your growing business.



NORTHERN KNOW-HOW TIP

It's a good practice to try and pay your credit card bill in full each month, also don't forget to take advantage of automatic payments.

PAYROLL

If you have employees, you will have to register for a payroll account, follow payroll requirements and likely make and report income deductions and contributions. This is another area that Northern can help with. We offer payment services that enable you to self-manage your business's payroll.

Once you're set up, which can take up to 10 business days, you'll be provided with an instruction manual, password and user ID as well as a link to the system. As always, we're here to help guide you. If you have any questions about federal or provincial requirements, we recommend visiting the payroll section of the Government of Canada website for the most up-to-date information.



POINT-OF-SALE PAYMENT SOLUTIONS

Northern is proud to offer an all-in-one payment solution through Clover®, the fastest growing, established point-of-sale payment platform. With simple, affordable, transparent pricing and powerful features, it is a great addition to any business.

Accepts All Types of Payments

Swipe, chip, and contactless payments securely with built-in Clover Security. Clover also has the ability to integrate with existing POS Systems.

Inventory Management

Optimize your inventory with real-time updates and low-stock alerts. Keep your inventory organized and accessible with categories and labels.

Order Management

Keep track of every order taken. If you have multiple devices, the Orders app records orders from every device. Incomplete orders are saved: you can open, add payments, refund, or delete an incomplete order.

Stay Connected

Enabled to use WiFi, LTE and IP on one device. Use your Clover in your restaurant, on the patio and for deliveries.

Custom Configurations

Add your logo, website and personal message to your payment receipts. Customize tips. Print, email or text receipts to customers.



Robust Reports with Anywhere, Anytime Access

Track sales as they come in, wherever you need to run your business whether on the floor, at the office, or on the road: information at-a-glance: from hourly sales and top-selling items to refund and discount volume.

Employee Management

Control employee permissions and manage employee shifts on the Clover or via the Clover Dashboard.

Engage Your Customers

Know what they buy each time they make a purchase using the Customers app. With permission from your customers, you can create customer profiles and make promotions available for them.

Clover App Market

Access tools that help simplify business tasks – from orders, bookkeeping and accounting, loyalty and gift cards, and much more.

For more information or to sign up for the Clover point-of-sale payment solution, call the True North Hub at 1-866-413-7071.



INSURANCE

While you can't necessarily prevent the unexpected from happening, you can protect yourself with the right insurance. The main purpose of insurance is to safeguard the things that can have the biggest impact on the financial well-being of you, your family and your business.

As a business owner, your insurance needs depend on a variety of factors. However, we do have a few general recommendations. The first is Property Insurance, which can protect the physical assets of your company from a broad range of causes, from fires and natural disasters to vandalism. The second recommendation, especially for sole proprietors, is Life Insurance, which can ensure your family and business affairs are taken care of in case the unthinkable happens. Thirdly, if you have an incorporated business you may want to consider Key Person Insurance. It's intended to provide payment and funds in the event that a "key person" in your business dies or becomes disabled. These funds will ensure that the business can continue while other details are worked out.

There are, of course, many other different types of insurance. Your best bet is to talk with a [Northern Wealth Advisor](#), who can talk you through your options and help you decide what works for you and your business. To make an appointment, just give us a call at the True North Hub at 1-866-413-7071.

SECTION 5

GLOSSARY

SECTION 5: GLOSSARY

Budget - An estimate of income and expenditure for a set period of time.

Business Plan - A document setting out a business's future objectives and strategies for achieving them.

Business Model - A structure for the successful operation of a business, identifying revenue sources, customer base, products, and distribution.

Cash Flow - The total amount of money being transferred into and out of a business, especially as affecting liquidity.

Co-operative - A farm, business, or other organization which is owned and run jointly by its members, who share the profits or benefits.

Corporation - A company or group of people authorized to act as a single entity (legally a person) and recognized as such in law.

Crowdfunding - The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the internet.

Fixed Costs - Business costs, such as rent, that are constant whatever the quantity of goods or services produced.

Grants - Non-repayable funds given by one party, often a government department, to a recipient.

GST - General Sales Tax.

HST - Harmonized Sales Tax.

Income Taxes - Annual taxes levied by a government directly on income.

Insurance - A practice or arrangement by which a company or government agency provides a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a premium.

Licences - A permit from an authority to own or use something, do a particular thing, or carry on a trade.

Line of Credit - An amount of credit extended to a borrower that can be drawn upon when needed.

Loan - A sum of money that is borrowed and expected to be paid back with interest.

Partnership - A form of business where two or more people share ownership, as well as the responsibility for managing the company and the income or losses the business generates.

Payroll - A list of a company's employees and the amount of money they are to be paid.

Permits - An official document giving someone authorization to do something.

Point of Sale - The place at which goods are retailed.

Profits - A financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something.

Sole Proprietorship - A type of enterprise owned and run by one person and in which there is no legal distinction between the owner and the business entity.

Startup - A brand new business.

Subsidies - A benefit given to an individual, business, or institution, usually by the government.

SWOT Analysis - A breakdown of a business's strengths, weaknesses, opportunities and threats.

Variable Costs - Costs that change as the quantity of the goods or services that a business produces changes.



NORTHERN
CREDIT UNION