
Press Kits - Business Banking - Small Business Week 2009

How to run a successful small business: TD business expert shares top 5 rules

TORONTO ON, October 16, 2009 – Thinking of starting a small business? Join the club! Forty-one percent of the Canadian workforce is employed by small businesses*, making this group an influential force on the Canadian economy. Although the recession had a negative impact on 61% of small businesses, according to the 2009 TD Canada Trust Small Business Survey, the extremely high level of optimism experienced by small business owners (57%) suggests that 2010 might be a good year to start a new company.

To help ensure success in your new, or continuing, business venture, follow these top five strategies from small business expert Christine Morris, Vice President, Sales and Service, Business Banking at TD Canada Trust:

1. Watch your cash flow

What keeps small business owners up at night? After the impact of the recession (31%), cash flow tops the list of biggest concerns (28%). Small business owners say they continually worry about covering payroll and being able to pay suppliers.

“Cash flow management is the single most important aspect of running a small business – arguably more important than ensuring a good profit margin,” says Morris. “With good cash flow, anything is possible – hiring good talent, expansion, access to credit and, yes, producing a profit. Without it, it’s almost impossible to succeed.”

2. Find a good advisor

“The expression ‘it’s lonely at the top’ can be very true for small business owners. It can be tough when you are the one running the company and there is no one in the office you can turn to for counsel—or even an occasional shoulder to cry on,” says Morris. “Find an advisor you can trust – someone who will listen to your unique issues and provide solid advice on how to solve problems.”

As an example, small business owner Marc M. Nicols, CEO, Equestrian Factory Outlet Inc., turned to his TD Canada Trust branch in Alliston, Ontario when he was looking to expand his equestrian apparel business. “My branch’s small business advisor, Eric Tuninga, gave me the ongoing counsel and the TD resources I needed to grow and leverage my business over the last three years from one store to a national franchise business with soon to be 16 locations across Canada. I needed someone who could give me advice to help me save time and money – that’s translated into profitability for my business and my franchisees,” says Nicols.

3. Develop your unique selling proposition

According to Morris, understanding how your business stands apart from the competition can be key to successful business planning, effective marketing and sales. This begins with the development of a unique selling proposition, or USP, that defines your company’s key focus.

Nicols agrees that knowing your USP is critical: “Our company is Canada’s largest equestrian apparel retailer that deals with end of season European goods and up to 70% off MSRP. That’s our USP.”

The top three USPs cited by TD Canada Trust Small Business Survey respondents are “to provide the highest level of service in our industry” (33%), followed by “to provide the best products/results in our industry” (25%) and “to provide the best expertise in our industry” (19%).

To help develop small businesses’ USPs, TD Canada Trust is hosting

a free webinar on Boosting Your Sales with a Unique Selling Proposition on October 22 at 12:00 EST. Participants can register at www.tdcanadatrust.com/smallbusiness.

4. Formula for success? Stick to what you do best

"One of the top strategies for maximizing success is to stick with what you do best and outsource the rest," says Morris. "This means that if your business makes riding boots, focus your efforts on making the best boots possible and hire experts to help you with other areas of the business you are less experienced in, such as IT support, HR practices and investing strategies."

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5. Run your business as if you are selling it tomorrow

The TD Canada Trust Small Business Survey showed that the majority of small business owners feel they should start thinking about transitioning their business two years in advance (62%) with only 16% planning more than five years out. Less than one-quarter (23%) of businesses currently have a succession plan in place, down from 27% in 2008.

"Although transitioning your business—for example, for sale or to a family member—might be many years away, it is sound business practice to operate your business every day as if you are preparing to sell," advises Morris. "This means always following generally accepted accounting principles, staying on schedule for supplier payments, minimizing debt and reducing costs wherever possible."

About the TD Canada Trust Small Business Survey

The TD Canada Trust Small Business Survey polled small business owners from across the country to understand the impact of the recession on small businesses. The survey was conducted by Angus Reid Strategies from September 8 to 14, 2009 with English and French speaking small business owners (defined as business owners with fewer than 20 employees) across Canada using the Angus Reid Forum. The sample size included 1002 men and women.

About TD Bank Financial Group

The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Financial Group. TD Bank Financial Group is the sixth largest bank in North America by branches and serves approximately 17 million customers in four key businesses operating in a number of locations in key financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Insurance; Wealth Management, including TD Waterhouse and an investment in TD Ameritrade; U.S. Personal and Commercial Banking through TD Bank, America's Most Convenient Bank; and Wholesale Banking, including TD Securities. TD Bank Financial Group also ranks among the world's leading online financial services firms, with more than 5.5 million online customers. TD Bank Financial Group had CDN\$545 billion in assets on July 31, 2009. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges.

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**Statistics Canada, Survey of Labour and Income Dynamics, 2005*