

In our newsletter, we try to offer a variety of current information and helpful business advice. We welcome any comments.



Name Change to CPA

Have you noticed that we have started using Chartered “Professional” Accountant in our firm name and the tagging “CPA” below our signature? Well that is because the Canadian accounting profession is taking steps toward consolidation under one national organization: the Chartered

Professional Accountants of Canada. The rationale behind the merger is to create one internationally recognized Canadian accounting designation (CPA) instead of three (CA, CMA and CGA).

How to Compete with the Big Boys

We live in a day and age where large companies seem to be taking over and making it harder for small businesses to compete. Large companies often have advantages of better access to capital and economies of scale. They are also taking advantage of national advertising and the internet to broaden their customer base. However, small businesses can still compete with these larger companies with the help of the following tips:

- **Make sure you have a quality product or service to offer.** Quality control is key to long-term success. Customers will quickly determine whether they are getting value for their money.
- **Differentiate yourself.** Offer something that your competitors aren’t offering and deliver it better. This will allow you to charge a premium price.
- **Do not compromise on quality.** Deep discounting to increase market share can hurt the integrity of the brand and customers will not be willing to pay regular prices again.
- **Focus your business on one key area.** Nobody can be great at everything which is why you should focus on one key area and try and be the absolute best at it.
- **Make good impressions.** All customer communications are important be it answering the phone, responding to an email or greeting a customer on the floor. These communications should be geared towards leaving a lasting positive impression on the customer.
- **Focus on long-term customer relationships.** You have to continually earn customer loyalty and in turn your customers will reward you with continued business and referrals.
- **Be patient with marketing.** Marketing success does not happen overnight. It takes a long time to become well enough known for customers to rely on you.
- **Consistency is essential.** When it comes to advertising logos and slogans, keep things consistent so people instantly recognize your company.
- **Be visible.** Use as many advertising avenues as economically possible and support local initiatives such as schools and sports teams.
- **Use technology to your advantage.** The Internet and social media has made it easier than ever to reach out to more people.



Filing Taxes on Time



It is surprising how many taxpayers either file their tax returns late or pay their taxes after the due date. To discourage these practices, Canada Revenue Agency (CRA) hands out substantial penalties and interest for late filing.

Personal/corporate taxes – The penalty for filing your personal or corporate taxes late is 5 percent of the balance owing plus 1 percent of the unpaid tax each additional month that the return is late up to 12 months – a maximum penalty of 17 percent. Arrears interest is also charged on any unpaid balance and is compounded daily. In addition, if you have been assessed this penalty in any of the previous three taxation years you will be subject to double the basic penalties.

Payroll taxes – The penalty for remitting payroll taxes late ranges from 3 percent of the amount remitted if it is one to three days late to 10 percent if it is more than seven days late. If you're late more than once in a calendar year, a 20 percent penalty may apply.

HST – The penalty for a late filed HST return is 1 percent of the balance owing plus 25 percent of that 1 percent, multiplied by the number of months the return is overdue.

Time to Upgrade



If your computer system is currently running on Windows XP, now is the time to upgrade since Microsoft has stopped providing support as of April 8, 2014. Businesses face several risks if they choose to stay with Windows XP:

Security

Windows XP will continue to boot up and run programs but Microsoft will not provide any support or new security updates or patches. No longer receiving security updates exposes your computer to dangerous viruses, spyware and any malicious software that can corrupt or steal a person's personal data.

Compliance

Companies governed by regulatory guidelines may no longer be in compliance under Windows XP. For example, under the Personal Information Protection and Electronic Documents Act (PIPEDA) running Windows XP could put the company at risk of breaching the requirements.

Lack of Independent Software Vendor Support

Microsoft works with thousands of software vendors. Most of them will no longer support Windows XP because they are unable to receive Windows XP updates.

Hardware Manufacture Support

Businesses that use peripheral devices such as a printer, scanner or web camera will not receive any support for Windows XP. New devices probably won't have drivers available to run on Windows XP.

What to do?

- Upgrade your operating system – Windows 7 or 8.1 are upgrade options which will provide Microsoft support for years to come.
- Buy new computers – If your computer system is also more than 3 years old you will probably also have to upgrade your hardware. Businesses are advised to upgrade their IT investments every 2-3 years.

At Dean-Sinclair, we offer IT consulting services for small and medium sized businesses and can help you seamlessly upgrade your computer system.