

From job stability to financing and growth, Canadians hold many misconceptions about starting and running a small business

TORONTO, Sept. 19, 2013 /CNW/ - While an RBC Poll shows that 88 per cent of Canadians believe small businesses are vital job creators, many still fall prey to misconceptions, including the idea that owning a small business provides less stability and that lending is nonexistent for people who want to start a small business.

"Because every small business is unique, there is no one-size-fits all solution to starting and running a small business," says Kim Ulmer, vice-president, Small Business, RBC. "Owning a small business can be incredibly rewarding, but the path isn't always clear."

With Small Business Month around the corner, RBC is setting the record straight about some of the most prevalent myths about small business, including:

Myth: For small businesses, growth is always a good thing. **Fact:** Growth is *almost* always a good thing - as long as it is controlled. Being able to scale up for a big order or ensure the right cash flow should be paramount in your growth strategy. Also, some business owners are content with their size and growth is not a goal - this is okay.

Myth: Small businesses offer little job stability. **Fact:** While this might have been true once upon a time, Industry Canada notes that 75 per cent of Canadians are now working in companies with less than 10 employees. Often these small businesses offer a more engaged environment where the employee has a stake in ensuring happy customers and long-term success. In fact, an RBC survey shows that Canadians are very willing to support small businesses, with 61 per cent of Canadians saying they would pay more for a product or service to support a small business and 83 per cent saying they support small businesses in their community by doing business with them or helping to promote them.

Myth: Small businesses can't provide the perks and benefits that larger organizations can. **Fact:**

Many small businesses are able to offer their employees more meaningful perks because they don't have to scale them to hundreds of employees and they can be tailored to individual personalities. Group benefit plans can be tailored to meet the unique needs of small businesses. For example, with

[RBC Group Advantage](#)

, small businesses can customize their group savings plans, including RRSPs and mortgage relocation programs.

Myth: Small business owners don't have the resources for professional support, including accountants, bookkeeper, lawyers and assistants. **Fact:** The adage holds true - sometimes you have to spend money to make money. Small business owners often wait too long before seeking advice. Professional support can often help make small businesses more profitable and more sustainable long term. With a support team, small business owners can spend more time focusing on their business.

Myth: Small business owners get the freedom to focus most of their time on their core business. **Fact:** While this is the goal, it can be difficult for small business owners to take time away from working 'in' the business to working 'on' the business. Being smart about planning and using resources can allow small business owners to spend more time on core activities.

Myth: Lending is not readily available for small businesses - especially for [new Canadians](#). **Fact:**

While it is true that many prospective small business owners run into challenges when securing funding, it's often because they haven't been able to make the right business case or are under-prepared or under-capitalized - not because the funds are not available. An advisor can provide the tools and expert guidance to create a compelling business case and help to determine appropriate sources of financing.

Myth: Small business owners can write off all expenses (including those in their home). **Fact:** There are government rules about what can and can not be written off at tax time. While there are many expenses that small business owners can claim; it's important to understand exactly what they are entitled to. For a full list of business expenses, visit [Canada Revenue Agency business expenses](#)

RBC sets the record straight on small business myths

Written by Australian Business

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