What has your accountant asked you lately?

WARNING INSIDE
WARNING:

This guide asks questions - it doesn’t give answers.

We believe every client requires a customized answer which is why we ask questions and listen first.
We support the entire lifecycle of a private business

No two companies are the same, nor do they take the same path. However, having a practice focused solely on private companies, we have learned that there are many common challenges companies face on their road to growth and profitability. Whether you're at the beginning of your journey, find yourself at a crossroad, or simply want to maintain the right direction to success, we'll support you with our experience and advice.

**Startup**

Whether you're starting a new business, or opening a subsidiary in Canada, you'll need help navigating the administrative, financial and strategic challenges.

- What are our funding options?
- Which accounting policy do we choose?
- How do we set up a branch in Canada?
- Which accounting system do we choose?
- Who will review our financial statements?
- How do we register and structure our business?

**Growth**

You may be aiming for slow and steady, or rapid growth. In either case, you'll benefit from tactical and strategic advice to help facilitate the evolution of your business.

- Are there credits or government assistance we can claim?
- Do we need an audit or a review for our financial statements?
- Can we buy a new business?
- Should we choose ASPE or IFRS as our accounting standard?
- How do we expand our business internationally?
- We need financing... what are the options?

**Mature**

Your business is thriving. There are many strategic options for you to pursue and a complex business environment to consider as you work to build on your success.

- Can we better protect our assets from various liabilities?
- Should we go public?
- Who can help with indirect taxes?
- Is our cross-border structure efficient and compliant?
- As owners, how do we maximize our return on investment?
- Are we properly managing our human capital?
- Who can help with transfer pricing?
- How do we save or defer on taxes?

**Transition**

Change is inevitable, and takes many forms. You may be looking to reverse the decline in your profitability, or to implement a viable succession plan for your thriving business.

- How do I transition the business to my children?
- Why is my business not as profitable as it should be?
- Should I sell my business?
- How do we develop an exit plan for our private equity group?
- Is our organizational structure optimal for our business?
- How do I restructure my company?
Start-up companies are often laser-focused on rapid growth with a concentration on product or service development and access to capital. Developing an ecosystem of people, processes and systems is essential for nurturing and preserving your new venture. Most start-ups rely on venture capital or loans to continue operations during this phase and will often operate with losses in the first year.
How do we register/structure our business?

- What is the desired ownership structure (partner, investors)?
- Which jurisdiction(s) will you be operating in?
- What is the capital structure of your business?
- How much personal financial risk are you willing to take on in this venture?

How do we set up our branch in Canada?

- Where will you be doing most of your business initially?
- Which jurisdiction offers the best business environment/incentives for your business?
- Where do you plan to expand your business within Canada?
- What is the most tax effective jurisdiction to set up your business?

How do we manage our books?

- What bookkeeping processes/functions do you currently have?
- Do you have people who are capable of managing some of the bookkeeping function internally?
- What are your main bookkeeping/back-office support needs?
What accounting policy do we choose: ASPE or IFRS?

- Are you planning to remain a private business?
- Are you considering international expansion?
- Are you considering an IPO in the future?

Which accounting system do we choose?

- Will it be necessary to maintain transaction-level details in the accounting system or will summary level transactions be sufficient? If transaction level details are to be maintained, which database platform(s) is (are) suitable?
- Does the accounting system need to be integrated to other components of the company technology infrastructure?
- If integration is required, what information will need to be tracked in the accounting systems? If integration is not required, what summary-level journal entries will be required?
- Will transaction-related financial reporting be done from the accounting system, from other operational systems or a combination of both?
- Will business intelligence and data mining solutions be required?
- Are multi-company and multi-currency capability required?
How do we obtain capital/financing?

- What is your current level of financing?
- What is the purpose of financing?
- Are you open to working with Private Equity groups?
- Would you consider selling a stake in your business?

How do we save on taxes?

- Do you have clearly defined corporate and personal financial goals?
- Which jurisdiction(s) do you operate in?
- What is your business strategy going forward?

Are there credits or government assistance we can claim?

- Do you conduct any research and development?
- Are you developing an interactive presence for your website?
- Are these activities currently being documented in any way?
A business in the growth stage typically generates significant positive cash flows or earnings. This stage will also frequently include merger and acquisition activity, with growth not only in Canada, but on a global level.
What level of assurance do we require with our financials?

- Who are the main users of your financial statements?
- Do you have lenders and/or investors? What are their assurance requirements?

What is the short-term/long-term plan for growth of your business? This may affect the level of assurance your business requires from the get-go.

How do we establish effective processes and internal controls?

- What is the key driver behind your process improvement and internal control assessment initiative? (e.g. Improving efficiency, risk of fraud, etc.)
- How formal are your current processes? How process-oriented is your current organization?
- What is the current state of your internal controls? Have there been issues with controls in the past?
- What would you like to achieve through this exercise?
We want to expand our business internationally.

- Does the country you are expanding to have double-tax treaties or free trade agreements?
- Does the regulatory regime set up a good environment for a solid corporate governance framework?
- Are there significant cultural differences that may affect the way you do business?
- Is the economic and political environment in your target country stable?
- What are the implications of the international expansion on your existing business?

Have you selected a location? If so, which sources have you consulted?

- What is the availability, skill level and structure of the local workforce?
- Will there be expatriate employees? What are the tax consequences?
- What are the cashflow needs of your business? Would you benefit from partners in the local market?

How do we structure our company to optimize growth?

- What are your goals for the growth of your business?
- Which jurisdictions do you currently operate in, and what functions are performed at each location?
- What are the personal considerations that need to be addressed in the overall tax planning process? In private businesses, both personal and corporate financial goals should be properly addressed.
I want to acquire a company.

- Is buying a business the right option for you right now?
- Is the purpose expansion of current operations, or are you expanding into a new line of business?
- Do you have a target in mind?
- Are you looking for a target?
- Have you obtained financing?

How do we save on taxes?

- Is your business properly structured to minimize tax exposure?
- If you operate in different jurisdictions, have you structured your business so you book your profit in a ‘low tax’ jurisdiction?

How should I finance the expansion of my business?

- What is your current level of financing?
- What is the purpose of financing?
- Are you open to working with Private Equity groups?
- Would you consider selling a stake in your business?
A mature company is well established in its industry and rapid growth and the frequency of merger and acquisition activity may have levelled off. These companies tend to grow at the same rate as the overall market and are the backbone of our economy. They also tend to have equally well-established competitors, making price, product and services significant factors in their ability to increase profits.
I have relied on private equity investment to grow my business. PE group would now like to work on an exit strategy.

- Is the PE group looking to exit through an IPO?
- Are you interested in re-acquiring the PE group’s share of the company? If so, do you have the required capital to do so?
- Have you properly structured your business to maximize the return from the PE group’s exit?

Is my business running at maximum efficiency?

- What is the key driver behind your process improvement and internal control assessment initiative? (e.g. Improving efficiency, risk of fraud, etc)?
- How formal are your current processes? How process-oriented is your current organization?
- What is the current state of your internal controls? Have there been issues with controls in the past?
- What would you like to achieve through this exercise?
What level of assurance do we require with our financials?

- Do you have lenders and/or investors? What are their assurance requirements?
- What is the short-term/long-term plan of your business? This may affect the level of assurance your business requires from the get-go.

I conduct research and development activities. Are there tax breaks that could help me with financing these activities?

- Do you conduct any research and development that qualifies for tax credits such as SR&ED?
- Are you developing an interactive presence or website?
- Are these activities currently being documented in any way?
I want to sell a part/all of my company.

- Why are you selling your business?
- Is selling the business the best option for you?
- What do you expect from the sale?
- Is it the right time to sell?
- Have you identified the right type of buyers for your business?
- Can your financial statements withstand the scrutiny of potential buyers?

How do we save on taxes?

- Is your business properly structured to minimize tax exposure?
- If you operate in different jurisdictions, have you structured your business so you book your profit in a ‘low tax’ jurisdiction?

I need help with transfer pricing.

- Have you performed transfer pricing analysis thus far? If not, you may be subject to double taxation in different jurisdictions.
- Have you had an inquiry from the tax authorities about transfer pricing?
- Are you aware of your transfer pricing exposures? What are the transactions with related parties in different countries within your organization?

I need help with indirect taxes.

- Are your systems and processes capable of handling indirect tax transactions?
- Are you avoiding double taxation in your cross-border transactions?
- How can you best combine the cost-efficiency of centralized compliance with the need to pay attention to complex local laws?
Is my cross-border tax structure efficient and compliant?

- How many jurisdictions do you do business in? Which of these are ‘high tax’ jurisdictions, and which of them are ‘low tax’ jurisdictions?
- Are you taking advantage of various tax exemption treaties?
- Are you properly structured to benefit from Canada’s exemption system, and is that system integrated with the opportunities for foreign tax reduction that apply in many other countries?
- Are all of your net operating losses being effectively managed?

My business has grown to where I wanted it to be. What now?

- What are your personal goals? Your business can generate excess revenue to support your personal goals, if properly structured.
- Are you interested in selling your business?
- Are you interested in leaving your business to your family’s future generations?

I want to ensure that I am properly managing my human capital.

- Is your human capital strategy properly aligned with your business strategy?
- Is your performance and reward policy helping you retain the right talent, while remaining profitable?
- Are you fostering a culture that’s aligned with your business goals?
The transition stage often means you are buying, selling or refinancing the business. Whether you are selling the business to a buyer, turning the business over to the next generation or simply planning your exit strategy, it’s important to have a plan that considers all stages of the transaction in order to maintain your personal and corporate wealth.
Are you interested in going public?

- Have you considered the downsides to going public—such as increased scrutiny on your business, and losing the controlling share of your company?
- Are you aware of the amount of work involved in an IPO?
- Are you aware of the costs associated with an IPO?
- Are you aware of the benefits of going public? Is an IPO the best option for you?

My business is not as profitable as it should be. What do I do?

- Have you conducted an operational review of your business? There are often operational efficiencies to be gained.
- Are your systems and controls optimized to reduce the risk of shrinkage or fraud?
- Is your organization properly structured?
- Do you have the right talent to propel the business forward?

I need help restructuring my company or my company's debt.

- Have you met with different lenders? Lenders often have different criteria and you may be able to obtain a more efficient loan.

TRANSITION
I want to sell my business.

- Why are you selling your business?
- Is selling the business the best option for you?
- What do you expect from the sale?
- Is it the right time to sell?
- Have you identified the right type of buyers for your business?
- Can your financial statements withstand the scrutiny of potential buyers?

I want to ensure that my family will be able to run my business smoothly should something happen to me.

- Have you optimized your tax structure to minimize taxes payable on death?
- Will your children be a part of the business? Have you properly structured their ownership stake in the business?
- Have you assessed the adequacy of your life insurance?
- Have you considered establishing a family trust?
- Have you had an accountant review your company structure, life insurance and will?

A PE group wants to exit my business.

- Is the PE group looking to exit through an IPO?
- Are you interested in re-acquiring the PE group’s share of the company? If so, do you have the required capital to do so?
- Have you properly structured your business to maximize the return from the PE group’s exit?
- Is selling the business the best option for you?
- What do you expect from the sale?
- Is it the right time to sell?
- Have you identified the right type of buyers for your business?
- Can your financial statements withstand the scrutiny of potential buyers?
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Our private company service offering is fully integrated: audit, tax and advisory services are all available from the same practice. Our holistic approach allows us to spend more of our time focusing on improving your business all year long.
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We offer your private company the hands-on, personalized service of a boutique-style firm coupled with the breadth of service offerings and brand only a global network can provide.

- **365 days-a-year business advisor** approach to serving your business
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- **Laser focus** on helping private businesses of all sizes grow
- **Private company-specific audit methodology** that’s more efficient, cost effective and adds more value to a private company than applying public company methodology
- **Unique practice** combining boutique private company practitioners and service offerings with global brand and leadership in serving entrepreneurs
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