



NewsForum

Numekevor & Associates Inc.

Health Disaster Relief Programs for Business Owners

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Swiftspace: Building a model for success

Today's global market is setting a rapid pace. Successful companies are nimble companies, more flexible and more dynamic than ever before. Momentum like that requires agility, which is exactly what inspires innovations like Swiftspace, a mobile workstation that sets up in seconds.

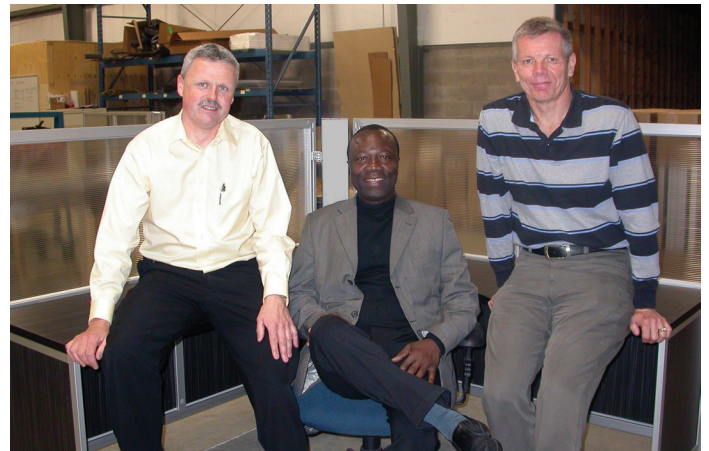
A typical workstation in any company consists of 50 different parts and takes between six to eight hours to deliver and install professionally. Whenever departments have a staff change or create a new project team workspaces need to be adjusted. It's a disruptive process that often causes production delays and employee downtime. Up until recently it's just been a part of doing business since companies were relatively stagnant.

"But this is a whole new world now," says Swiftspace CEO, Rob Way. "Companies need to be fast paced, they need to be able to change quickly and to grow up and pare down as needed." The biggest problem with the cubicles that people occupy now, he explains, is that they can't be easily changed. Employees need to work collaboratively but they still want their own private workspace. Swiftspace was developed to fulfill that need for privacy with a solid workspace that is fast to set up and easy to move.

"With Swiftspace you can flip your workstation around on the fly, literally on the fly," says Way. "People can choose to work collaboratively or privately based on whatever their project needs are at any given moment."

Dean McIntyre has been setting up office spaces for some of the region's largest employers through his company, McIntyre Group, since 1984. Companies like RIM, Sunlife and Manulife need office furniture moved around in their buildings on a daily basis. McIntyre Group specializes in office furniture installations and relocations and provides warehouse and inventory services so that companies can track their stock online.

The concept for the Swiftspace workstation came from Dean's partner and general manager at McIntyre Group's Calgary location, Jerry O'Brien who wanted to find a way to make installations less labour intensive. Three years ago the first Swiftspace workstation prototype emerged and through continuous innovation they're now selling and shipping four models with varying privacy options. But that's just the beginning.



Dean McIntyre (left), and Rob Way (right) with Lordy, of Numekevor and Associates, Swiftspace's first customer, seated at a workstation awaiting shipment.

Based on customer feedback and their own observations of the changing workforce, plans are underway to make cellular manufacturing even leaner by supplying facilities with similar mobile units. In addition, rising trends in corporate work-at-home policies have put a home workstation on the radar, one that can be folded and stored in a closet to make room for guests.

No doubt Swiftspace's model for success is to bring timely innovation to a rapidly evolving work force. Underpinning that model is a philosophy of collaborative entrepreneurship that is designed to draw out the best from each contributor in the enterprise.

"Being an entrepreneur is not always about education, it is really about understanding what you don't know and bringing in the people and trusting them to help you grow your business and grow yourself," says McIntyre. "Jerry and I were a couple of furniture installers who came up with an idea and built a couple of prototypes but didn't have the network, we're not a sales team. We needed Rob's expertise."

"Where business owners fail is when they think they're good at everything," says Way. "I'm a firm believer that everybody needs to have their own strengths. So the production and delivery are theirs and I do marketing and sales. You need to recognize your limits. When you bring in good people they make you better."

When you're growing a business you're never away from it, it's always on your mind. Way unwinds through sports and volunteering. He currently Chairs the Board of St Mary's Hospital. For McIntyre yard work and spending time with his family give him the downtime he needs—that and following young up-and-comers on the NASCAR circuit with his partner, Leanne.



The Swiftspace workstation sets up in 30 seconds. Don't believe it? Visit www.swiftspaceinc.com to see how it's done.

Therapy Dog Team



Cheryl and Milo have spent almost 400 hours in over 150 visits at Fairview Mennonite



Home. What follows is a sample of what it is like to be a Therapy Dog team.

Cheryl Mortimer and Milo

Cheryl and Milo have been visiting Fairview Mennonite Home for four years.

Though at first interested in canine sports, Cheryl realized the impact Milo had on others when she saw his canine charm make her hairdresser's grandmother smile and laugh out loud for the first time in 10 years. Cheryl was hooked. Her sister-in-law Barb knew about the St. John Ambulance therapy dog program and they tested together, Barb with her dog Topaz.

The first few months of being a Therapy Dog team is not necessarily easy. Cheryl learned the hard way that initial lengthy visits are a no-no. When Milo arrived at Fairview for his second orientation visit he tucked his tail between his legs. But as Cheryl took her time to ease into it, Milo quickly came around to enjoy his time at Fairview and in making new friends. He is now relaxed and lets the residents do whatever they like to him. He has learned to put his chin on the person's lap to increase the sense of connection between him and the resident.

Cheryl and Milo are a great match with the team of Naomi and Rufus. Both teams go every Monday night at the same time and do opposite floors. This arrangement ensures that all residents have a visit each week and that they see each doggie friend on a regular basis. Cheryl has missed few visits over the years. She brings Milo throughout the year no matter what day it is, including Christmas and New Years Eve. Such regular visiting is special in our day of overloaded schedules.

Cheryl explains that despite working long days at her family business, Cambridge Heat Treating, she goes so often because she just gets so much from the program. The people at Fairview inspire her. They need love as we all do. Some residents have outlived their entire family and friends and see only the Therapy Dog teams. Cheryl says, "You get back what you put into it." Any dog lovers can understand why she would want a dog to visit her if she were ever in a home. She calls it "paying it forward".

Health Clinic

Ice Cream Menace

Not all approved consumer food products are wholesome, natural foods. Here's an eye opener. Look what you can find in some brands of ice cream! These are considered to be organically derived ingredients.

Diethyl Glucol—Chemical used as an emulsifier instead of egg. Glucol is the same chemical used in antifreeze and paint remover.

Piperanol—Used in place of vanilla. This chemical is used to kill lice.

Aldehyde C17—Flavor in cherry ice cream. Inflammable liquid also used in aniline dyes, plastic, or rubber.

Ethyl Acetate—Pineapple flavor. Also a cleaner for leather and textiles. Its vapors have been known to cause chronic lung, liver, and heart damage.

Butyraldehyde—Nut flavor in ice cream. Also an ingredient in rubber cement.

Amylacetate—Banana flavor and oil paint solvent.

Benzyl Acetate—Strawberry flavor and a nitrate solvent.

Not to spoil your fun...but next time you're tempted by a lovely ice cream cone think of it as a mixture of antifreeze, oil, paint, nitrate solvent, and lice killer and it might not seem so appetizing.



Fairview makes the Therapy Dog teams feel a part of their community in many ways. Each time they visit they are greeted warmly by friendly staff who always say thank you. The receptionist has dog cookies tucked away, as do many residents. Once a resident made a special Valentine's Day craft gift for Milo and staff have "claimed" Milo and Rufus as "our therapy dogs". When Milo cut his nail once and was bleeding the nurses took over, fussing over him and bandaging his wound so he could continue visiting.

In a very important special way Fairview acknowledges that their Therapy Dog teams are a part of their community. They have been invited to memorial services and have been asked to visit when a resident's health is failing and their time is near. These events make Cheryl feel both special and sad, but her faith helps her realize these friends are moving on to "better pastures".

Originally published in the January 2011 edition of the Cambridge St. John Ambulance Therapy Dogs newsletter, "Warm Fuzzies".

Rethinking RRSPs: part two



Business owners tend to pay themselves enough each year to ensure they can maximize their RRSP contributions. Yet, given the tax deferral opportunities available to small businesses, Jamie Golombek concludes that leaving funds in the company may make more sense than taking a salary

Payroll Taxes On Salaries

A downside to paying a salary is the various payroll taxes associated with T4 income, such as Canada Pension Plan premiums, employment insurance premiums and other provincial levies.

Canada Pension Plan (CPP) premiums

Business owners who are paid a salary must contribute to the CPP, which provides certain benefits to a contributor and his or her family on retirement, disability or death. For example, in 2010, the CPP pays a maximum retirement pension of \$934 per month, which is fully indexed to inflation.

This pension, however, comes at a price since both the employer and employee must contribute 4.95 per cent of salary paid, up to the yearly maximum pensionable earnings of \$47,200, with the first \$3,500 exempted. In 2010, this works out to a maximum CPP premium of \$2,163 for both the employee and the employer, or a total contribution of \$4,326 to fund the pension.

Paying enough salary to maximize CPP entitlements is often touted as one of the benefits of paying a salary over dividends (which are not considered pensionable earnings for the purpose of earning CPP entitlements). It's questionable, though, whether over the course of a 40-year career the premium savings could not be independently invested in a diversified portfolio to ultimately produce a larger pension income.

Employment insurance (EI) premiums

While EI premiums are another payroll tax, this is generally not a concern if the business owner owns more than 40 per cent of the voting shares of the corporation and thus is exempt from the payment of EI premiums on salary remuneration.

For ownership of 40 per cent or less, however, the 2010 total combined cost of EI premiums for an employee and employer

reaches a maximum of \$1,794 once insurable earnings hit \$43,200, adding yet another cost to paying a salary instead of dividends, which are not subject to EI premiums.

Other payroll taxes

Some provinces levy an additional payroll tax that can also increase the cost of salary remuneration. In Ontario, for example, corporations that pay total remuneration to all employees exceeding the \$400,000 exemption must pay a 1.95 per cent Ontario Employer Health Tax (EHT), which is not payable on dividend remuneration.

Jamie Golombek, CA, CPA, CFP, CLU, TEP, is managing director, tax & estate planning, with CIBC Private Wealth Management in Toronto. He can be reached at Jamie.Golombek@cibc.com. For a full copy of this study, including the results of a detailed example, please visit cibc.com. This article has been adapted for NewsForum. Final instalment next issue.

In days of old . . .

. . . almost everyone but the rich had a dirt floor, hence the saying, "Dirt poor." The wealthy had slate floors that got slippery in the winter when wet so they spread thresh (straw) on the floor to help keep their footing. As the winter wore on they



added more thresh until, when you opened the door, it would start spilling outside. Eventually a piece of wood was placed in the entranceway to make a "thresh hold".



Seven blunt-axe cost-cutting mistakes too many employers make



Part one: 50-50 premium splitting with members

For many Canadian small and medium sized employers, splitting group health and dental benefits premiums 50-50 with their employees is an easy and effective way to control the cost of the plan. The evidence, however, does

not support this practice.

The main logic for this tactic is that:

1. It makes the plan affordable to both the employer and employee,
2. It makes members use the plan wisely or judiciously.

On the contrary, experience has shown that rather than complementing each other these two rationales tend to work against each other resulting in increased premiums due to higher usage or claims.

There are several factors that underlie this rather paradoxical phenomenon.

First: the number of employees that join the plan are generally lower than if the employer pays the premium 100 per cent. This is because employees with spouses who already have benefits tend to opt out of the plan preferring not to pay for duplicate services. Employees just do not like payroll deductions, they need every penny of their pay.

Second: single and younger members are also reluctant to enroll in the plan because they hardly use it and so do not see a big bang on their contribution.

Third: the consequence of having lower enrollment is higher premiums from the insurance company right from the start.

Fourth: the premiums will keep going up because most of the members on the plan actually need it and so use it to the maximum. This is because the only members left on the plan

are those that want to get their money's worth by putting through as much claims as they can. In insurance parlance it is called *anti-selection*.

This vicious circle of lower enrollment and higher claims resulting in increasing premiums can only be broken when members are given incentives through a more creative plan design. This carrot approach works better than the 50-50 premium split because you are creating a plan that is relevant to members' needs. This makes them appreciate it better because they are taking ownership of the plan.

Evidence of this is borne out in a discussion we had with a client in a recent review of claims report. Several years ago we helped this client create a benefit plan from scratch rather than shopping around for a pre-designed plan.

Every member came onboard when *this employer chose to pay 100 per cent of the cost!* Not only does the plan reflect caps, or maximums, on usage, it also contains only benefits that are relevant to the needs of plan members. The result is a *20 per cent drop in claims after the first year even though membership rose by 54 per cent*—and extremely happy plan members!

A lot of benefit plans today are still in the rotary dial phone age because premiums are being paid for young and single members who hardly use the plans. Ironically, this is most often the case in hi-tech companies where there are many young professionals.

The 10-Year Strategy Program™, is the ground-breaking solution that saves the unnecessary expense of keeping these non-users on the plan. Employers can use the savings to enhance the existing plan or increase their bottomline. To learn more about how **you can save more while doing more to benefit your employees** visit www.thetenyearstrategy.ca or call us at 519.621.4422.

In our next issue I will discuss dental and professional services maximums.

Have a great summer.

About the company. We've focused on small business owners and executives since 1988. Founded by Lordy Morgan Numekevor, Numekevor & Associates is one of Canada's leading corporate insurance advisory organizations. We are the innovators of Health Disaster Relief Programs (HDRPs), combining comprehensive benefit and insurance programs to give you, the business owner, the peace of mind you're after. Contact Numekevor & Associates Inc., 88 Robson Avenue, Cambridge, Ontario, N1T 1L2, Tel: 519-621-4422; Fax: 519-621-1466; hdrp@numekevor.com; www.numekevor.com. **About the newsletter.** This newsletter belongs to our clients. Publication dates are January and July with deadlines in November and May. Submissions of original articles, photos or artwork are welcome. For guidelines contact us at 519-621-4422 or email hdrp@numekevor.com. We reserve the right to edit articles for length and clarity.