

Federal funds to support your innovation Elliot Schiller

Canada's 23rd prime minister, Justin Trudeau is just beginning his four year mandate in which he promises "real change". There were a significant number of promises made during the campaign, and it will be quite a task for the government to enact them all, in a timely manner, while keeping Canada fiscally sound. One of the easier promises to keep is the commitment to "work with the provinces and territories in order to make Canada the world's most competitive tax jurisdiction for investment in research, development and manufacturing of clean technology." (Liberal Platform, 2015)

Innovation Comes From Research and Development

Many business people see the words research and development and say, that's not what I do. But, in very many cases, it is. As the world continues to get smaller and products can be sourced from around the globe at competitive prices, the way that you, and every other business, survives in the long term is through innovation. While in the short term, you are able to sell at a lower margin, in the long term, you need to offer your customers a *better* product than the competition. Better because you found a way to manufacture at a lower cost, or, better because you found a way to make a similar product as the competition with superior quality, by using superior raw materials or a superior assembly process, or superior because you found a way to increase the mean time to failure thereby increasing the life expectancy of the product. All of these required research and development. Innovation comes from research and development, and that has been, and based on the Liberal promise, will continue to be the cornerstone of federal government funding support to the private sector. According to Canada Revenue Agency (CRA) bulletin RC4472, over \$4 billion in investment tax credits (ITCs) to over 18,000 companies are provided yearly. Of these, about 75% are small businesses, most of whom receive their tax credits as cash refunds. Combine these numbers with the latest Statistics Canada publications (2013), stating that there are 53,837 manufacturing companies (not including the food processing sector) registered in Canada, and, we learn that over 33% of all manufacturing companies in Canada are receiving innovation funding from CRA. That means that one out of every three of your competitors is prospering from government funding. Do you still think that you are not entitled to this funding?

What Qualifies as Research and Development

"The most exciting phrase to hear, the one that heralds new discoveries, is not 'Eureka!' ('I found it!') but rather: 'Hmm....that's funny...' " , Dr. Isaac Asimov. That is how most business research and development projects begin, and if you



pursue that query, CRA and the provinces will jointly subsidize up to 62.25% of your costs. Even if your pursuits turn out to not yield any new solutions to the anomaly, CRA supports your efforts. They know that, just as Thomas Edison said, "If I find 10,000 ways something won't work, I haven't failed. I am not discouraged, because every wrong attempt discarded is another step forward."

How many times have you tried to modify your production processes, or tried to modify and improve your products, or attempted to develop a new product, and not succeeded, or at least, not succeeded until after many costly attempts, and a substantial amount of time have been invested? The governments want to support your efforts because they know that when you succeed, your company will be stronger, your company will grow, employment will increase, revenues will increase, and not only will you win, but so will they.

If you can answer Yes to any of these questions, you are probably eligible for funding support from the federal government and your province:

Did you encounter any unexpected or extraordinary expenses in the past few fiscal years?

Have you developed and introduced new products in the past few fiscal years?

Have you experienced dramatic changes in your margins? Have you needed to either hire new staff with different technical backgrounds or contracted out those requirements?

All government funding programs have application deadlines. If you think that you are eligible to recover over 60% of your project costs, you need to act sooner rather than later. It's tough enough to compete on an even playing field, but if your competition is getting funding support and you are not, the playing field is skewed. Act now!

Elliot Schiller is a Director at Toronto's Teeger Schiller Inc., a company that specializes in obtaining government funding. His clients receive over \$5 Million annually to support their ongoing business Innovation. E-mail eschiller@teegerschiller.com, visit www.FundingHelp.ca or phone 1-888-816-0222 Ext. 102.



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David Teeger

Director

David Teeger C.A., C.A. (S.A.) graduated as a Chartered Accountant in South Africa, and upon arrival in Canada he obtained his Canadian C.A. designation and joined Richter & Associates, a management consulting firm, where he concentrated his practice on various business sectors including household goods, fashion, automotive parts, public associations, and retail chains. He performed many roles in his 15 years at Richter, including managing the professional services organization in North America and all business operations throughout Europe.

David's professional capabilities include computer audits, feasibility studies, system analyses and assistance in the selection, negotiation and implementation of computerized solutions.

As a founding partner of Teeger Schiller Inc., he has focused his practice on consulting to management. His team of professionals has helped businesses select and successfully install a variety of ERP business solutions and add-on systems including business intelligence solutions to give new life to existing computer systems. David's clients not only rely on him to successfully manage the implementation of their new systems, but to manage the change that occurs in their organizations as a result of the use of these new tools.



Elliot Schiller

Director

Elliot Schiller, Ph.D., C.M.C. began his career as a Chemical Engineer working for Grumman Aircraft, in Long Island, New York. He obtained his Ph.D. at the University of Pittsburgh with funding from the U.S. Atomic Energy Commission, and, after being awarded a Presidential Fellowship, he went on to perform research and development activities at Brookhaven National Laboratory.

Since coming to Canada, he has primarily assisted consumer products and retail organizations in a variety of strategic management initiatives, traveling around the globe on behalf of his clients. In 1987, Elliot joined Richter & Associates, and it is here that he first met David Teeger.

As a founding partner of Teeger Schiller Inc., he has focused the SR&ED / Grant Division on obtaining grants and tax incentives for over 100 companies in the small to medium sized business sector. His team has provided services to the discrete / processing manufacturing, material development, textiles, apparel, automotive and computer sciences sectors. Annually, Teeger Schiller Inc. secures more than \$5 million in government funding to assist its clients in having their business initiatives supported by government funding.



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