

Import to grow profit and opportunities

When you're considering new ways to grow your business one option is to import. To increase sales, profit, expertise capability or capacity.

Your business could benefit from:

- ★ Lower prices – it's often cheaper to source product from other countries, such as in the Asia-Pacific region, than buying locally or manufacturing yourself. Balance this benefit with customer preferences or if you have a competitive advantage of being 'made in Canada'.
- ★ New or exclusive products – you may be able to access materials or products that aren't available in Canada. Trade shows, online research and talking with suppliers are good methods of finding out what you could import for your business.
- ★ Complementary products or components to round out your products and services.
- ★ Alternate suppliers – overseas suppliers can reduce your reliance on your local suppliers if you need to scale up, or the local suppliers are unable to supply you at certain times of the year.

- ★ New skills and expertise - you can gain additional skills from further afield by sub-contracting specialist services to offshore companies.
- ★ Faster delivery if you can ship directly to your customers.
- ★ Increased production capacity if you can share the manufacturing or process with a business from another country.

Remember you'll need to consider:

- ★ Managing cash flow and having clear payment terms.
- ★ Balancing the time and convenience of local delivery and logistics with imports.
- ★ Foreign exchange fluctuations which can impact on your profit.
- ★ Government regulations such as permits, quarantines, duties and taxes. The [Canadian Government website](#) has a good overview on importing regulations that's worth checking out.

Best countries to import from

According to [World's Top Exports](#), Canadian businesses import from many countries, with the United States, China, the United Kingdom and Japan leading the way. Canadian small businesses import a wide range of products and service from textiles, machinery, web services to jewellery. The [Canadian Importers Database](#) provides information on products, as well as other import statistics.

So it's worth taking the time to find out what would be the best country to import from, depending on what kind of goods or services you want to bring in. It's also a good idea to familiarize yourself with what goods are restricted or prohibited, and you can do that at the [Canada Border Services Agency](#) website.

Determine if you can make a profit

It's wise to crunch these numbers sooner rather than later. You don't want to begin importing until you're confident that you can profit from your venture.

- ★ Break-even analysis –work out if you'll generate enough revenue in sales to cover all your costs.
- ★ Cash flow forecast – make sure you have more money coming into your business than going out, and identify the amount of initial capital needed to fund your import set-up costs. We've got a [tool](#) that can help you do this.
- ★ Sales forecast – do some research on your competitors to estimate your own sales and share of the market.

Be aware of the importing costs such as import duties or tariffs, shipping and land transport costs, a customs broker, and storage and distribution costs. Ensure you include all costs in your calculations. It's important to have enough working capital to be able to survive the time gap between paying for your imports and getting a return. It can be a number of months between ordering and making a profit.

Help and resources

There's lots of assistance available for Canadian importers, and most of it is free. So it's well worth taking advantage of. Some of them include:

- ★ The [Canada Business Network](#) website – this has a section on importing and exporting that provides Canadian and foreign trade statistics and other data that can help you identify import opportunities.
- ★ The [Canada Border Services Agency](#) website has a step-by-step guide to importing goods into Canada. It covers everything you'll need to know, and do, to start importing successfully. They also have a [checklist](#) you can work through.
- ★ The [Canadian Government](#) website has a section on importing, including programs that can help you become successful.

We've got a [broad range of services](#) designed to help business that are importing, including International Trade Specialists who will advise you on what financial solutions are best for you.

Summary

Importing offers you possibilities to bring in exciting new products to grow your business. Thorough research will help to eliminate the risks and pitfalls of importing, as well as obtaining financial advice from a RBC Trade Specialist, successful importers and other organizations that offer importing advice and assistance.

