What is the cost of compliance for small businesses?

Small businesses may need help keeping up with changing rules and regulations while trying to focus on their customers. ADP Canada's Mohamed Basma shares an example of why it's so important for leaders to find the right partner to help manage their compliance obligations. For more, visit ADP.ca/Small-Business-Toolkit

Transcript:

Heather Haslam:
I want to touch on compliance. What would be the strategies for small businesses to consider when looking to ensure compliance mandates and requirements keeping up?

Mohamed Basma:
We've seen that compliance for small businesses now is a very important trend. It's an important aspect and it's not a nice to have aspect, it's an existential aspect. And the cost of noncompliance far outweighs the cost that you invest to make sure you're compliant. So let's take some examples.

Let's take for example, a pizza shop owner. A pizza shop owner is working day in and day out. Sometimes they close shop at 12 midnight, one in the morning, and right after they want to go process the payroll, make sure they pay their people. Now let's put ourselves in their shoes. You're very tired. You've had a long day. You've worked with your customers. Some people complain about their pizza. Some people said, you know, I've had a fantastic pie.

Now we're going to go try to process payroll. You have to remember that legislation changes. You have to remember that things change from a vacation accrual perspective. You don't remember that. You make a mistake. You underpay or overpay your people. Now your people are going to feel deflated. You do it more than once, your people are going to start losing credibility within your shop.

Heather:
They don't feel as valued.

Mohamed:
It might yeah, they might leave. Are they going to be the ones recommending your pizza shop for their friends? Are they going to be recommending for more customers? They won't. So it creates a ripple impact. Again, the cost of noncompliance can be high.

But if you look at the same shop owner and now it's year end, it's tax filing season and they need to file their taxes. They're also very busy. They forget to file it on time. It happens. They're small business owners. They have a lot on their mind. They need to focus on their business. Now they have to work with the CRA. They potentially could be audited. They have to spend a lot of time on reconciliations that take them away from running their business, take them away from focusing on buying that new oven from Italy that they need, or sourcing quality ingredients and that significantly impacts their revenues and their sales growth.

So the cost of noncompliance far outweighs the cost of compliance in that space.

And this is where small businesses, and in this space especially, that's where they don't have to do it on their own. They can go

to experts. They can go to people who live and breathe compliance. They can go to people who are certified in compliance to help them take that out of their plate so they can spend their time with their people and their customers.

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