



Group Retirement Solutions

# Qualifying Small Business Prospects for Manulife's FutureStep™ Group RRSP

Use this guide to help you qualify small businesses that will make good group retirement customers for you.

Small businesses are a huge and growing segment of the Canadian economy.<sup>1</sup> In fact, there are over two million small businesses in Canada today.<sup>2</sup> While this market presents tremendous opportunity, it's important to sell group retirement plans to companies that are strong, stable, secure and - ideally, growing.

## The Importance of Industry Sector

Statistics Canada's most recent small business report reveals the growth rate of small businesses by industry sector. Use this chart to identify growth industries.

Very positive growth (Greater than 2%)	Average growth (0% to 2%)	Negative growth (Less than 0%)
<p>These sectors are experiencing very positive growth:</p> <ul style="list-style-type: none"> <li>■ Construction</li> <li>■ Real estate</li> <li>■ Professional, technical or scientific services</li> <li>■ Management of companies and enterprises</li> <li>■ Educational services</li> </ul>	<p>These sectors are experiencing average growth:</p> <ul style="list-style-type: none"> <li>■ Agriculture</li> <li>■ Forestry</li> <li>■ Mining</li> <li>■ Oil and gas</li> <li>■ Transportation</li> <li>■ Information and cultural services</li> <li>■ Health care and social assistance</li> <li>■ Arts and entertainment</li> </ul>	<p>Currently, there are more closures than openings in the following sectors:</p> <ul style="list-style-type: none"> <li>■ Manufacturing</li> <li>■ Wholesale trade</li> <li>■ Retail</li> <li>■ Finance and insurance</li> <li>■ Accommodation and food services</li> </ul>

## Length of Operation

While focusing on a particular industry may help focus your efforts, each sector will have both strong and weak companies within it. **Companies that have been in existence for five or more years** are likely to be more stable for you.

## Business Plans

Not all business owners plan to expand their businesses. In fact, only 48% do<sup>3</sup>. The rest plan to stay the same size, or may even be planning to wind down. Obviously, small business **owners that intend to grow** (or at least maintain their current size) are the ones you'll be interested in, so this is something to probe about when meeting prospective clients.

## Size of Company

Statistics Canada classifies small businesses by the number of people they employ:

- 1 to 4 employees:** 55%
- 5 to 9 employees:** 20%
- 10 to 19 employees:** 12%
- 20 to 49 employees:** 7.8%
- 50 to 99 employees:** 2.7%
- More than 100 employees:** 2.5%<sup>4</sup>

There are an abundant number of small businesses to prospect. Achieving **adequate cashflow** per plan and per plan member is important in building a good block of customers for your business, and to ensure the time you spend selling the plan is worthwhile for you. Even though the Manulife FutureStep™ Group RRSP will accept groups with two members and \$10,000 of annual cashflow, **your optimal prospects** will be stable or growing companies, with 10 to 50 employees.

**More on product minimums:** With this product, there's a contract provision that stipulates that if the product minimums are not maintained after two years from the plan effective date, Manulife may move members to your commissioned Personal Plan.

## However you prefer to market, we're ready to help!

Get sales support material online at [www.manulife.ca/futurestep](http://www.manulife.ca/futurestep), in the Group Retirement Solutions area of Repsource, or contact our Advisor Support Desk Monday to Friday, between 9 a.m. and 5 p.m. E.T. for ideas and suggestions. You can reach the Advisor Support Desk at **1-877-416-6554** or by email at [futurestep@manulife.com](mailto:futurestep@manulife.com).

<sup>1</sup> Small businesses with fewer than 50 employees, including businesses with no employees, represent 97.8 per cent of the total business establishments in Canada. Source: Canadian Federation of Independent Business

<sup>2</sup> Statistics Canada, January 2009

<sup>3</sup> BDC Entrepreneurial Insight February 2008

<sup>4</sup> Statistics Canada, January 2009