



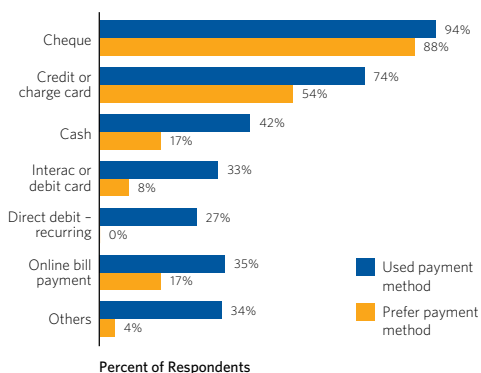
Overview of the Canadian Construction Industry[†]

> INDUSTRY PROFILE

Construction industry revenues topped \$160 billion in 2005, as the industry benefited from increased government spending on healthcare and education facilities and infrastructure renovation. From 2001 to 2005, the industry grew at an average annual rate of nearly 5%.

There are over 260,000 construction firms in Canada, approximately 80% of which employ less than five people. The industry does face challenges such as declining profitability due to rising input costs, and capacity decreases due to a large pool of retiring workers.

How Construction Companies Pay and Prefer to Pay for Expenses



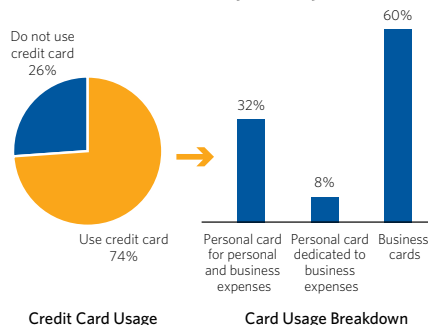
> HOW DO CONSTRUCTION FIRMS PAY FOR BUSINESS EXPENSES?

Cheques and credit cards are the most widely used payment methods (see *How Construction Companies Pay and Prefer to Pay for Expenses* graph, left).

Business cards are relatively well used in this industry. Nearly three-quarters of construction companies surveyed use credit cards, and 60% of them use business cards for business expenses (see *How Construction Companies Use Credit Cards to Pay for Expenses* graph, left).

For those construction firms who have not yet adopted business credit cards, benefits such as the supplier discounts offered through the Visa Savings for Business[®] program are a compelling reason to use a business card.

How Construction Companies Use Credit Cards to Pay for Expenses



> WHAT DO CONSTRUCTION FIRMS BUY?

Major expense categories of Canadian construction companies include building materials, insurance, utilities and equipment. Approximately 26% of card-using firms' expenses are paid for by credit card.

> HOW DO CUSTOMERS PAY CONSTRUCTION FIRMS?

Though many construction companies use credit cards, less than a quarter accept them as payment. Cheques are more widely accepted along with cash—despite only 35% choosing cash as a preferred method of receiving payment.

Alternatively, credit card acceptance can help construction firms reduce collections and bad debt by ensuring receipt of payment.

[†] In 2007, Deloitte and Ipsos Reid conducted a survey for Visa Canada to determine spending patterns in Canadian business. The survey, "How Business Buys and Sells", reached several conclusions about the Canadian construction industry, which are presented throughout this document together with the statistics and charts shown.



VISA® BUSINESS CARDS:

The Right Choice for Canadian Construction

> WHAT ARE THE BENEFITS OF USING A VISA BUSINESS CARD FOR YOUR EXPENSES?

Over other payment methods

- Visa Business cards are convenient, secure, and eliminate the risks of using cash or cheques.
- They enable quick settlement of funds between you and your vendors, eliminating delays associated with cheque processing times.
- Using Visa Business cards can help save money, as cheque payments often require more time and labour to approve, process, and track.
- Visa Business cards can help you manage your cash flow by providing a grace period to make payments.

Over personal cards

- Visa Business cards can provide more detailed expense breakdowns, enabling you to analyze your purchasing patterns and potentially renegotiate key supplier contracts.
- They can offer reward programs, such as travel points or cash back, similar to personal cards.
- Visa Business cards can have higher credit limits than personal cards, enabling large-scale purchases and business expansion.

> WHY ACCEPT VISA CARDS AS A FORM OF PAYMENT?†

- Accepting credit cards helps to ensure payment and reduce collections: on average, 12% of a construction company's total sales are bad debts.
- Quick receipt of funds: 76% of construction companies experienced improved cash flow after accepting credit cards.
- As well, almost half of construction firms found accepting cards to be less expensive than issuing invoices to customers, as less paperwork and administration is required.



DID YOU KNOW?

Applying for a Visa Business card is as convenient as applying for a personal card.



DID YOU KNOW?

Some business credit cards have reward programs similar to those offered by personal cards, such as travel rewards or cash-back programs.



DID YOU KNOW?

Construction companies save an average of \$19,700 per year in collection costs by accepting credit cards.†

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VISA BUSINESS CARDS:

Empowering Canadian Construction

VISA SAVINGS FOR BUSINESS® PROGRAM



The Visa Savings for Business program is an easy way for your business to get exclusive discounts and special offers from selected merchants when you pay using your Visa Business card. Recent offers include:

- 10% off office supplies from Grand and Toy*
- Up to 25% off computers from Lenovo*
- Up to 20% off at Hertz*
- Up to 15% off at selected restaurants across Canada*

*For full terms and conditions, visit visasavingsforbusiness.ca

Case Study[†]

Things heat up for Saskatchewan contractor after using business cards

A 17-year-old heating contractor business in Saskatchewan—with fewer than five employees and annual sales of \$100,000 to \$250,000—recently began using business credit cards to pay for some of its expenses. Since adopting business cards, the company has benefited from:

- Detailed expense breakdowns by spend category
- The ability to control spending limits on card usage
- Improved cash flow due to the grace and float periods provided by credit cards

Business cards also provide this contractor with access to higher levels of credit, enabling the company to meet its financing requirements as they arise.

“Business credit cards are useful in tracking inventory purchases...”

Bill Doerkson

Owner, 3D Construction, Manitoba
Visa cardholder[†]

Visit visa.ca/smallbusiness to learn more

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