BDC
Banking on Canadian entrepreneurs
La banque qui mise sur les entrepreneurs canadiens

Fall 2007

profit$

Essential information for entrepreneurs

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Small Business WEEK Edition

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BDC Small Business WEEK
From October 14 to 20, 2007

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has something for everyone.
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PRESIDENT'S MESSAGE

Jean-René Halde
President and CEO
BDC

For Canada's SMEs: a bright future

Canada is a very healthy place to create and grow a business. We enjoy a solid fiscal base, a declining public debt, and low inflation and interest rates. If, from our solid economic base, we strengthen our entrepreneurialism with leadership, innovation and improved productivity, Canada's future looks bright indeed.

You will see terrific examples of entrepreneurial leadership in the people we profile in this special issue of *Profit$* magazine for Small Business Week 2007. They are the winners of this year's *Young Entrepreneur Awards*. To read about them is to be inspired. And excited for the future.

As you read their profiles, you will see people who were entrepreneurially creative, took risks and worked hard to succeed. You will see people who have invested in research and development, chosen unique value propositions for their companies, and defined niche products and markets. You will also see people who have learned to market themselves in creative ways, and to attract and retain talented employees.

They are examples to us all. Their willingness to take risks and to grow makes them key prospects for our globally competitive world.

Congratulations to all the winners and bravo to all contestants.

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BDC is a team of people with a high sense of purpose: we exist to promote entrepreneurship. Our ultimate goal is to see far greater numbers of entrepreneurs who resemble today's winners.

We strive to make this happen by providing financing, consulting and venture capital services to Canadians who are creating and growing their small and medium-sized businesses.

We provide our services from 94 branches across the country and are ready to support you and your business through every phase of its development.

News Briefs*

Canadian exporters can now insure sales to individual customers with Export Development Canada's Single Buyer Insurance. It covers an unlimited number of sales to the same customer for six months, on contracts worth up to US$250,000. The policy covers up to 90 percent of the loss if the exporter's customer fails to pay the invoice. To learn more, call 1-866-283-2957.

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Small business is the engine of Western Canada's economy. To fuel this dynamic source of economic growth, Western Economic Diversification Canada (WD) supports the Western Canada Business Service Network, which provides business information and services. With more than 100 offices in communities across the West, WD's Business Service Network is helping small businesses grow. Visit www.wd.gc.ca or www.canadabusiness.ca.

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*Sponsors of Small Business Week® have full responsibility for news brief copy.

Public Notice

Business Development Bank of Canada (BDC)

Annual Public Meeting

Wednesday, October 17, 2007
1:00 p.m. (Central Time): Welcome
1:30 p.m.: Meeting starts
The Fairmont Winnipeg, Winnipeg Ballroom East
2 Lombard Place, Winnipeg, Manitoba
Webcast login: www.bdc.ca/apm

We are pleased to invite Canadians to BDC's first annual public meeting. Come meet our Chairman of the Board of Directors and our President and CEO.

Learn about our mandate, activities, results and plans for the future. Ask questions in person or via the Webcast login.

Our mandate is to promote entrepreneurship. We do this by providing financing, consulting and investment services to small and medium-sized enterprises. These services complement those of private sector financial institutions.

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Ask a professional

This month's theme:
Supply chain management

Go to www.bdc.ca/ask, where a BDC Consulting business advisor will answer your questions.

profit$ Canada BDC

Profit$® is published by BDC. Its purpose is to provide small and medium-sized businesses with information of interest and to inform them about BDC products and services.

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Supply chain 101

Supply chain management

These days, few entrepreneurs handle every step of getting their product or service to the customer. It is more likely that they work with other businesses that manufacture, distribute or market their products. For example, a company might design chair frames in its hometown, have them manufactured at low cost in China and do quality checks in the U.S., where the chairs are sold.

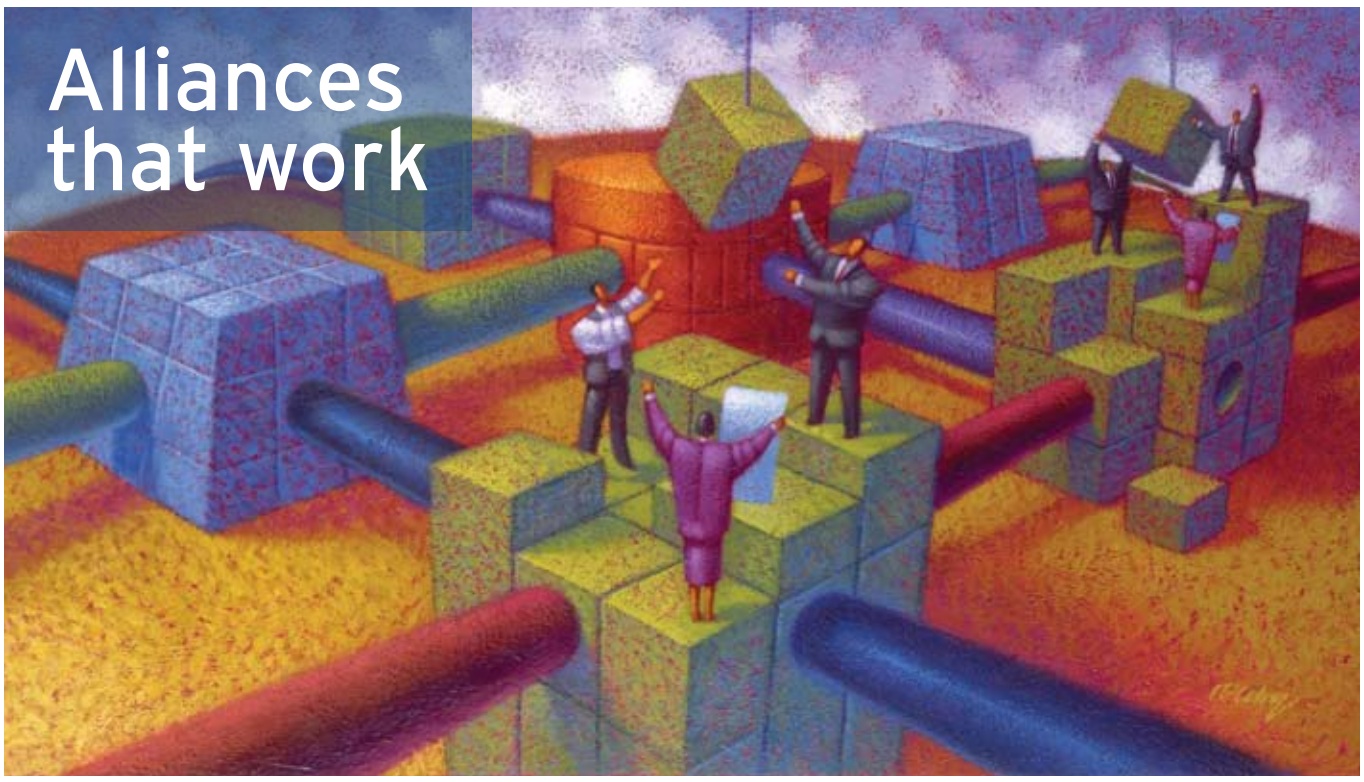
This dependence of companies on each other has created the need for "supply chain management." In simple terms, this means that entrepreneurs have to manage the complex chain or flow of business activities that are needed to produce and deliver their product or service to the customer.

Here are some good pointers.

- Document clearly how you do things in your company. Have a map or chart that shows the supply chain flow from product development to customer delivery.
- Invest in software that will help you manage your supply chain; it could help you better forecast demand for your products or services, as well as manage inventory, warehousing and customer service.
- Find ways to reduce costs in your supply chain. For example, share distribution with other companies or work with another firm to launch a complementary service.
- If you want to develop more business, examine your supply chain for opportunities. Ask yourself: which of my suppliers are also potential clients?
- Remember that the flow of information in your organization is a big part of supply chain management. Ensure your various teams talk and listen to each other.

In no short supply

Alliances that work



Many successful companies use strategic alliances to speed their entry into a new market, improve their productivity or increase their range of products. Whatever the alliance you choose, ensure that the partnership adds value to *your* company.

Focus on what you do best

For important steps in the supply chain, such as distribution or manufacturing, team with other companies. This enables you to focus on your core business. If your strength is developing innovative products, you might assign other activities, such as human resources management or marketing, to an external source. This will free up your time and resources to concentrate on what you do best.

Find the right business profile

Ask yourself: does this potential partner understand my company's objectives? Only enter into a partnership if you are sure that the business is credible and shares your values. Remember that a distributor, for example, has both your product and image in hand.

Save costs

By joining forces with other companies, you might get better prices from suppliers and lower your costs. An alliance could also help your company share administrative costs or resources, such as those related to expensive technology or R&D. You might also work with suppliers to develop new products and services and coordinate your production schedules to reduce expenses.

BDC's advice

- Get connected with your suppliers and clients. That will help you be more agile in your production.
- Form strategic partnerships with suppliers that enable you to extend your reach and achieve economies of scale; this could enable you to be more cost effective. Use the services of logistics experts.
- Consider having more than one supplier—even if it costs more—if it reduces the likelihood that one of them might become your next competitor.
- Remember that a weak link in your supply chain could make or break your competitiveness.

People Power

HR strategies take you global

To be competitive in a global market, you have to invest in intangible assets, such as employee skills and company knowledge. With today's shrinking pool of employees, it can be difficult to attract and retain people. Here are some pointers.

- When recruiting, avoid general advertising. Use targeted means to reach your audience, such as professional associations and recruitment agencies.
- Ensure your external communications reflect your public image. For example, if your company is eco-friendly, let your audience know.
- Build a diverse workforce so that you can get closer to customers in other important markets. Employees who speak more than one language are a definite asset.
- Retain your loyal employees by offering them innovative perks, such as flexibility to work at home. Work/life balance is important.
- Encourage your employees to be more productive by helping them see the "bigger picture." Share your company results, so that they can see the impact of their work.
- Use creative training strategies, such as cross-training, where employees are trained to do each other's jobs and share knowledge.
- Seek the advice of an external consultant, such as BDC Consulting, to help you with HR issues such as hiring practices, employee motivation, training and effective communication.

Shop Talk

Communicating to motivate employees

Well-informed employees who feel involved in the fate of your company are more likely to contribute to its success. The rule of thumb: satisfied employees are more productive. It's in your best interest to secure their buy-in.

Get off on the right foot

Be sure you give new employees the orientation material they need to understand your company's objectives and how they can best contribute to achieving them. Written material is useful but face-to-face conversations create closer bonds.

Inform people regularly

A great way to systematically send information to employees is a print or electronic newsletter. You can include client testimonials, employee success stories or company results. Be sure you get as much employee input as possible, and keep the language clear and uncluttered.

Be open and transparent

Be frank with your employees about key changes in your business. Give them the information they need. For example, if you need to send a message to employees about being more competitive, give them concrete strategies, such as improving customer service or brainstorming new ideas for products and services.

BDC's advice

- Invest in your intangible assets, such as people skills, through increased training; your company's knowledge will help you stand out in the crowd.
- Use your HR creatively. For example, leverage the Web acumen of junior employees.
- Leverage today's highly diverse workforce, which can be instrumental in creating ties with specific markets.

Problems, uncertainties and unacceptable delays: a favourable environment for title insurance

Those interested in reducing risk and the costs related to commercial loan transactions will certainly be aware of the dramatic increase in the use of commercial title insurance in Canada. First Canadian Title's commercial division has seen an overall 69% growth rate in 2006. Indeed the winds of change confirm this growth, and as Montréal notary François Forget* explains it, title insurance has become an invaluable tool and is increasingly used whenever the client requires effective solutions to close a mortgage loan transaction quickly and efficiently.

So what are the benefits of commercial title insurance for the borrower?
First of all, with the use of title insurance it is possible to close a mortgage transaction in a shorter time since the lawyer or notary can carry out a reduced number of searches of title and can eliminate certain traditional steps in order to receive the protection of a title insurance policy covering the same issues. In Quebec for example, title insurance can be a response to an exhaustive title search of parts of lots not yet included in the process of cadastral renovation.

Second, title insurance makes it possible to reduce the closing costs of a mortgage transaction. By way of example, a new survey certificate for the mortgage loan is never required. Therefore, the lender could simply require a title insurance policy covering matters that might be revealed by an up to date survey/certificate of location, without the necessity of obtaining one - a significant savings. Furthermore, the same coverage is available under an Owner's Policy to protect purchasers in transactions of up to $10 million.

Third, title insurance is a possible response to concerns associated with municipal or provincial regulations, raised by the notary. Concerns such as encroachments, use of a building not strictly adhering to local by-laws and structures not conforming to setback requirements are all examples of problems for which First Canadian Title offers coverage aimed at minimizing risks for both the borrower and the lender.

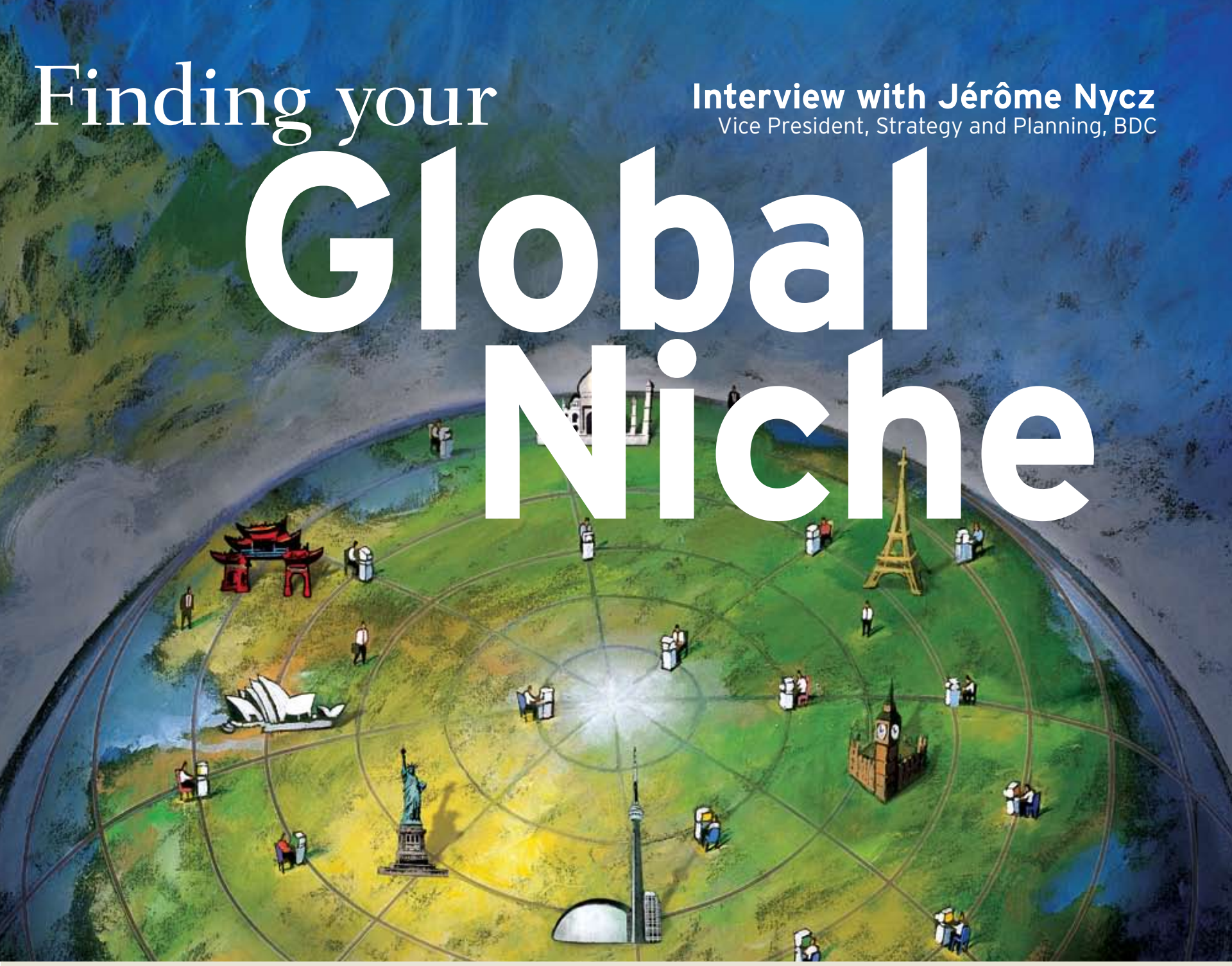
Given the range and extent of coverage under title insurance policies and the claims covered and paid thereunder, the value of title insurance is now widely recognised throughout the financial and real estate industries. In 2006, title defects accounted for 12% of all First Canadian Title claim payments, while problems related to municipal issues accounted for 39% of all claim payments. Indeed, it could be said that title insurance is, in effect, transaction insurance.

First Canadian Title is Canada's leading provider of title insurance for residential and commercial real estate transactions and other related products and services. To learn more about First Canadian Title, visit www.firstcanadiantitle.com.

**François Forget is a Notary with Notaire Direct Inc., and a member of the provincial notarial network Juris Conseil.*

Finding your Global Niche

Interview with Jérôme Nycz
Vice President, Strategy and Planning, BDC



Q: WHAT GOOD HAS GLOBALIZATION BROUGHT TO SMALL BUSINESSES?

For entrepreneurs, one of the most important things that globalization has helped create is a planet-wide web of potential suppliers and customers. The global supply chain is a source of opportunities for Canadian SMEs.

Q: HOW DID THIS HAPPEN?

In the past, most businesses handled their production from A to Z and sold to customers in their vicinity. They viewed and treated most other companies as rivals. Trade barriers, distance and costs drove this business model.

Today, however, this mindset is starting to fade, due to the impact of free trade, the Internet and other factors. Also, the rising Canadian dollar has eroded much of the edge Canadian competitiveness has relied on.

Now, many businesses are choosing to break apart their production processes to spread them over suppliers in different places, often in other parts of the world. Modern technology makes this easier and more efficient. The term for this process is "supply chain management."

What this means for entrepreneurs is that many companies, including former competitors, are now suppliers. Or customers. As entrepreneurs, you can now no longer ignore the global supply chain, no matter where you are or what you do. And this global supply chain is a gold mine of opportunity for Canada's SMEs.

Q: THIS DOES SOUND GOOD. BUT HAS GLOBALIZATION BROUGHT CHALLENGES, TOO?

It certainly has. This bigger, more complex market is also home to many new competitors. They may seem invisible, especially if you are not looking. But they are there, in the same global supply chain that you are. No longer are you just competing against rivals in Canada; now, your competitor may be Chinese, German, Russian or Brazilian.

Q: SO WHAT DOES THIS MEAN?

It means that if you want to be globally competitive, you have to be a savvy supply chain manager. Improving your productivity and becoming more competitive are key. The same forces that give rise to global competition also give rise to new and exciting opportunities, often in niche markets.

Q: WHAT IS "SUPPLY CHAIN MANAGEMENT"? IS IT DIFFICULT?

As I have said, technology has made supply chain management a global phenomenon. Supply chain management refers to the oversight of materials, information and finances from supplier to manufacturer/service provider to end user. While the terms may seem complex, it is simply the management of all the resources throughout the "value chain," and it is applicable not only to manufacturers, but to service providers as well.

> The global supply chain is a gold mine of opportunity for Canada's SMEs.

It is a job that takes skill. You have to manage constant, large flows of information. You have to oversee and direct internal and external suppliers, producers, distributors and customers. And each of these steps is like a link in a chain. Your success in any one of them can determine how well your company as a whole performs.

Q: WHAT ELSE SHOULD I DO TO SURPASS MY "INVISIBLE" COMPETITORS?

In addition to being a savvy supply chain manager, you'll need a globally competitive "value proposition."

Your value proposition is how you differentiate yourself in the market. Nowadays, it is no longer limited to your company's tangible assets, such as your production line. Entrepreneurs must invest in intangible assets such as knowledge, people skills and innovation. These things have a high competitive value today. Often, the global market opens new opportunities —particularly in niche markets. You may be able to take your product or service and sell it in a market related to your own or one that is completely new.

The key is to look at client needs that are not being met and to investigate how your product or service can meet those needs better than your global competitors'.

Sometimes, cost is not the only factor. Service and quality can be just as, or even more, important.

In many emerging markets, where we see the most competition these days, there are rapidly growing middle classes. These populations have disposable income and are untapped potential markets for Canadian firms.

And you don't have to be a large company to compete globally or to offer value to global clients.

Q: CAN YOU GIVE ME AN EXAMPLE?

I recently spoke with a group of entrepreneurs who went through this very exercise. They told me that they could no longer compete on price alone, that companies overseas are producing the same things at lower cost. So they asked themselves: "What can we do to sharpen our competitive edge? How do we adjust our value proposition?"

They decided to outsource some of their company's manufacturing overseas, where costs are lower. This enabled them to invest more here in Canada in product innovation and market development. And to stay profitable!

And you don't have to be a large company to compete globally or to offer value to global clients.

Q: I WANT TO IMPROVE MY VALUE PROPOSITION. WHERE DO I START?

Increasingly, if your value proposition is based solely on cost, you face an uphill battle. While cost is always important, there may be other factors at play as well. The key is understanding your client needs. To be cost effective, you must invest in productivity improvement. You should also evaluate your position in the supply chain. Instead of supplying a product, what a else can you do to provide your clients with value, for which they are willing to pay? For example, can you outsource production of low-value-added goods, (that is, take advantage of the global supply chain itself to reduce your own costs) and focus more on providing a higher degree of service or product quality?

When choosing ways to improve their value proposition, I encourage entrepreneurs to view their businesses from five different angles: supply, R&D and innovation, human resources, production, and marketing and sales.

For entrepreneurs seeking external help, BDC Consulting offers affordable, high-quality consulting advice. We have expertise in strategic planning, which can help businesses assess their strengths and weaknesses to help them compete. We can also provide sound research on ways to reach export markets and to improve operational efficiency and productivity.

MEASURING UP

Quality standards give you international clout

When they compete globally, entrepreneurs must comply with stringent quality and safety standards. Quality management standards can help you reduce costs, increase productivity and work more safely. The standards can also help you improve relationships with suppliers and gain instant credibility.

For novices, here's a brief overview of the most common standards today.

ISO 9001:2000 standards

These are a worldwide reference for quality management. Essentially, the standards ensure that your products or services are focused on total customer satisfaction.

ISO 14000 series of standards

This is the worldwide reference for responsible environmental management. The certification is proven to reduce risk and liability for companies while increasing efficiency and respect from customers.

ISO 2200:2005

This is an internationally recognized food safety management system that addresses challenges such as the presence of unsafe foods in Canada and abroad.

HACCP (Hazard Analysis and Critical Point Control)

This is an internationally recognized food safety system that results in consistent quality control at all critical points in the food chain.

Health and safety: OHSAS 18000

Organizations use this standard to identify safety hazards and to control work-related risks. It can help you, for example, lower accident and medical claims, decrease absenteeism and increase productivity.

Get expert help

Achieving these prestigious standards can take considerable time and resources. Be sure you seek the help of BDC Consulting to get the most out of your investment in quality management.

BDC's advice

- Develop and produce hard-to-copy niche and specialty products that differentiate your business.
- Reduce your company's delivery lead time by improving your processes. Install procurement software or a just-in-time system to manage your supply.
- Invest in the right equipment and technology to help reduce the risk of costly errors and waste.
- Focus on improving your operational efficiency. Implement a continuous improvement approach to ensure your company is not stagnant.

Niche Up!

Developing hard-to-copy products and services

To stand out in a crowded market, every company needs a unique selling proposition, commonly known as your USP. This is particularly true in our globalized environment, where price and the right technology are not necessarily your only competitive tools. Today, it's about finding products and services that are hard to copy. This makes you less vulnerable to competitors in emerging economies such as China.

Where to begin?

The best business ideas solve a problem, meet a need or fill a gap in the market. Ask yourself: what can I offer that is really different? What value am I bringing to the table? What is my distinguishing feature?

Use the classic "4Ps" marketing mix

Product

Look at the features and quality of your competitors' products and decide what makes you shine. Can you offer more value, such as a guarantee or return policy?

Place (location and distribution)

Decide where your target market could most easily access your product. See if your competition is in the same location. You also have to decide how you're going to distribute your product or service—for example, through direct mail, wholesale or retail channels.

Price

Do a price comparison with your competitors. Assess what quality and features they are offering at that price. Decide what price and sales volume you need to achieve your profit objectives.

Promotion

Watch how your competitors package and promote their products and services. What media vehicles do they use: Web, print, television or other?

GLOBAL SAVVY

If you've visited your potential foreign market, you may be ready to build an export marketing plan. Here are four tips.

■ Be sure you understand the unique characteristics of the market and the potential demand. Consider issues such as language laws, buyer preferences and the country's standard of living. You'll also have to consider foreign government product regulations.

■ When pricing, be sure you assess extra costs such as tariffs, customs fees, currency fluctuations, value-added taxes and shipping.

■ Do you need to repackage or rethink your products or services for the foreign market? It may help to attend international trade shows to promote your products and services; this will ensure that you're in tune with your client market.

■ Consider that you'll likely be dealing with third parties such as distributors, agents or retailers. Since these foreign partners represent your company, they can make or break the success of your venture. Be cautious when you enter an alliance.

Customer-centric

Service strategies that get results

Clients can be fickle. Keeping them loyal to your business takes some creative thinking. Here are some tried-and-true strategies.

■ Focus on training your people in customer service, audit what they do and measure their results. If you're making mistakes, you need to know exactly where you can improve.

■ Be systematic about responding to complaints. If your clients are dissatisfied, give them an incentive to stay with your company.

■ Always get customer feedback. Don't limit yourself to written surveys. Assign people in your company to talk directly to your customers.

■ Simplify your customers' access to your product or service. You'll lose them if you make it too complex.

■ Reward your loyal customers with incentives; keep a list of your "gold" clients and pay attention to them.

■ Use your customers to help develop your products and services through focus groups or forums.

■ Use simple things such as spreadsheets to track how you prospect customers, deal with current clients and generate reports. Remember: statistics tell the most accurate story.

BDC's advice

- Be systematic about your marketing; random efforts tend to have little sizzle. Invest in a marketing plan.
- Improve your branding so that you can differentiate yourself in a crowded market.
- Make market research a permanent activity.
- Customize your products and services to the needs of your markets. Differentiate yourself from your competitors and create a hard-to-copy product or service.
- Be aware of certification requirements of your potential clients and take necessary steps to qualify.
- In some parts of the world, the trust factor is an integral part of doing business. Don't underestimate the time and energy needed to establish a trusted relationship.
- Stay close to your clients. Train your salespeople to understand your products and client needs. Insist on their input on product development. Create a culture of "after-sales service."
- Make full use of online bidding opportunities.
- Develop alliances with larger businesses that can provide support related to market opportunities and the distribution of your products.

IT'S HARDLY BUSINESS AS USUAL.

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Invest in the basics first

Innovation

Innovation is about responding to change in a creative way. It could involve a large-scale venture, such as commercializing a new product. Or it might be a low-cost initiative, such as improving a process in your business. Whatever you do, your goal is to increase your company's value in the marketplace.

But before you start investing in innovation, be sure you have some of the basics in place.

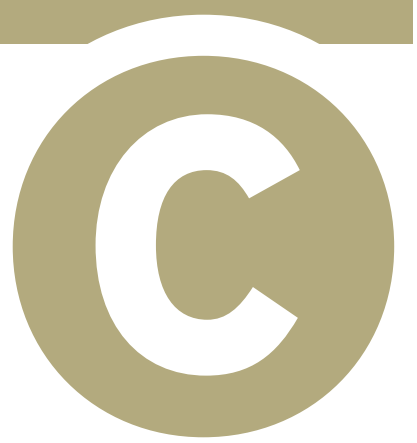
- Instill a creative mindset in your company. All employees should be looking for ways to continuously improve your business.
- Appoint an innovation champion who spearheads projects, ensures their follow-up and gets results.
- Set up a way for employees to bring their innovative ideas to the table, such as a suggestion box, systematic brainstorming sessions or employee forums.
- Create alliances or partnerships with other organizations to determine where you can share costs or resources, such as those related to R&D.
- Work with external consultants such as BDC, who can give you an invaluable third-party point of view and ensure you get the most from your investment.

BDC's advice

- Make sure your products evolve to meet current market needs by investing in R&D.
- Protect your intangible assets, such as intellectual property, and know the Canadian and targeted market patent protection systems.
- Make innovation scalable. Invest in equipment and technology to improve your operational processes, such as an enterprise resource planning (ERP) system, which helps integrate all of your systems. Implement accounting systems, customer relationship management, Web 2.0 systems and database management to improve your productivity.
- Encourage an innovative mindset in your company, geared to customer needs.
- Take full advantage of available tax credits, such as SR&ED.

BRIGHT IDEAS

Protect your intellectual property



Are your best ideas vulnerable to theft? "Intellectual property" (IP) refers to the legal rights related to intellectual activity in the industrial, scientific, literary and artistic fields. The Canadian Intellectual Property Office (www.cipo.gc.ca) oversees most of Canada's IP laws, including patents, trademarks and copyrights.

Understand the issues

Simple market research and competitive analysis will tell you whether you have a truly new or breakthrough idea, which is generally associated with scientific or high technology advancements.

Often, the best protection for a business idea is success, which creates its own barrier to entry or competition. However, if after doing research, you really believe that you have something entirely new, you should secure a patent. Check with the Canadian Intellectual Property Office for more details.

A copyright prevents others from copying your work without your permission. Original literary, dramatic, musical or artistic work—such as books, plays, songs, paintings and instruction manuals—can all carry a copyright. At the Canadian Copyrights Database at www.strategis.ic.gc.ca, you can see all copyrights that have been registered or expunged in Canada since October 1, 1991.

A trademark is defined as a word, symbol or design used to distinguish the wares or services of one person or organization from those of others. To ensure a thorough search, you can hire a trademark agent to do the job. For more details, visit the Canadian Intellectual Property Office at www.cipo.gc.ca.

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YOUNG ENTREPRENEUR

BRITISH COLUMBIA WINNERS

Sabrina Heinekey and Tiffany Steeves
EPIC Newsgroup Inc.
Vancouver

From a base in Vancouver, EPIC Newsgroup Inc. is bringing information about far-flung corners of the world to television screens across the globe. EPIC, created by Tiffany Steeves, 34, and Sabrina Heinekey, 30, in 2004, is a production and media placement company that produces international segments for broadcast on channels such as the Discovery Channel, CNN and the Travel Channel in North America, Europe, Africa, the Middle East and Asia. EPIC's clients consist of tourism boards, ministries, embassies and corporations in countries such as the United Arab Emirates, Egypt, Trinidad and Tobago, Jordan, and the Turks and Caicos Islands.

"You have to be culturally aware when entering different countries to promote your service. In some countries, for example, we've had to disprove local attitudes towards working with two women in their 20s. We've had to show that two intelligent young North American women are capable of running a successful business. Add to that the fact that in many countries, television isn't regarded as an important marketing tool. We have to take potential clients through a learning process. We prepared slowly before approaching countries with our proposal and tweaked our presentation. When we had perfected our communications tools, we started to see results. It's also about being extremely professional. We do extensive research, hire award-winning production crews and never give up."

ALBERTA WINNER

Ashif Mawji
Upside Software
Edmonton

Seven years ago, when Ashif Mawji, 35, couldn't find the type of contract management software he needed, he created his own company to provide it. From that beginning, Upside Software has become a leading global provider of enterprise contract management software, serving some 200 customers across the globe. The company employs 130 people and provides integrated solutions for contract management, sourcing and procurement, and billing management to customers that range from large Fortune 500 companies to small businesses. Between 2001 and 2006, Upside realized an increase of over 3,300 percent in revenues and a 400-percent growth in profits.

"We spend three times the industry average on R&D. We really push the limit. That's how we stay ahead of the curve. R&D in the true sense doesn't mean you are going to be successful every time. You try some concepts and if they don't work, then you learn from them. We've been able to spend as much as we have on R&D because we scrimped on marketing and focused on making the product really good. But there's no point in building the perfect product and not having any customers. You have to balance the two. We've done that by using Web-based marketing and getting the word out. We're at the point now where our customers sell the products for us."

ONTARIO WINNER

Razor Suleman
I Love Rewards
Toronto

A passionate entrepreneur who started his first business when he was a student, Razor Suleman, 33, now heads an online incentive marketing company that has grown 5,000 percent in five years. His company, I Love Rewards, uses a Web-based points system to build reward programs for companies that want to increase sales, motivate employees and build customer loyalty. The I Love Rewards system enables employees or customers to accumulate points that they can trade in for items selected from an extensive list featuring everything from iPods to weekend getaways. The company targets Fortune 1000 companies across North America and counts companies such as Rogers Communications and KPMG among its clients.

"We all know the expression, 'The shoemaker's daughter goes barefoot.' Well, our daughter has a closet full of shoes! Practising what we sell, develop and implement for clients within our own company proves that we 'get it.' Whether it's our daily To the Point nine-minute meeting, our monthly Rewards and Recognition luncheon, or the fact that our employees start out with a minimum of four weeks' vacation, the I Love Rewards culture is unique, evolving and contagious. Our Vision committees enable employees to devote 20 percent of their time to a committee of their choice: Recognition, Culture and Communications, Public Relations, Celebrating Success, Social Responsibility or Training.

Our philosophy is: work hard, play hard and be passionate about what you do. Everyone's input is expected and accepted. And, of course, I Love Rewards has a points program for employees!"

QUEBEC WINNER

Inder Bedi
matt & nat
Montréal

With its vegan handbags and wallets for men and women, matt & nat's fashion-forward line is appealing to an ever-increasing number of savvy consumers in Canada, the U.S. and Europe. Started 10 years ago by Inder Bedi, 34, who was fresh out of university, the company has expanded to include 18 employees, an office in the U.K. and revenues that have grown 1,000 percent in the last six years. The company has successfully distinguished itself in a highly cluttered industry with three key factors that guide its everyday operations: unique designs, a philosophy reflected in the positive message tagged on every product and reasonable pricing.

"In the first years of the company, the line was produced locally in Montréal. Eventually it became apparent that I had to take production to Asia. This challenge eventually turned into a competitive edge, allowing us to make the line more affordable, while maintaining our designer appeal. This is one of the main accomplishments of the brand. Because of the attention we give to design and details, we have managed to maintain the image of a high-end line while taking it to mass market. We have specifically chosen not to advertise through traditional ways. We want the brand and the product to speak for themselves. Our philosophy and values are at the core of the company; they are something we believe in, and consumers recognize that."

SASKATCHEWAN WINNERS

Greg and Jeff Fettes
24-7 INtouch
Regina

Brothers Greg Fettes, 30, and Jeff Fettes, 33, have carved out a niche for themselves in the highly competitive world of outsourced call centres. They've used their expertise in technology to develop an affordable, reliable service for medium-sized businesses. Starting out as a small business with 10 employees, 24-7 INtouch now has 350 to 500, depending on the season, working from offices in Regina, Winnipeg and Toronto. With the majority of its clients in the U.S., the company serves businesses such as Internet retailers, catalogue companies, and automotive and restaurant chains. Its philosophy—people make the difference—is reflected in its "boutique contact centre" concept, which keeps all centres to no more than 200 people.

"Our innovative technology is our competitive edge. We had grown up in the telephone answering business run by our parents. When we started out in 1998, there was a wide gap between that service and call centre services—which at the time were only available to very large companies with massive budgets. We decided to close that gap by applying Internet technology to the call centre concept. This meant we wouldn't have to charge so much and could make the service available to more companies. We continue to provide the most up-to-date technologies, ensuring the highest quality and most efficient solutions available in the market. Today, our technology is generally better than that of the small and medium-sized players in the business and also better than the largest, who are stuck because of high updating costs."

MANITOBA WINNER

Dan Belhassen
Modern Earth Inc.
Winnipeg

ModernEarth.net's groundbreaking approach to Web development is helping customers around the world stand out in the marketplace. Founded in 1999 by Dan Belhassen, 33, as a "hobby", the company today employs 15 people and is growing at a rate of 25 percent per year. Among its unique services, Modern Earth has introduced an e-mail marketing system, greatBIGnews.com, which is endorsed by LERN, an association of colleges, universities and recreation departments throughout North America, as well as ACTA/ASTA, the leading associations for travel agents in North America. Its products also include the PointAndEdit.com Web site updating system, LOCALcourses.com, an online registration system for continuing education course providers and TouchlessTickets.com, a secure online ticket sales services.

"We always try to be smart about what we do, and we're changing this industry—for the better. Most Web design companies are either technical in nature or artistic. What makes us distinct is the fact that we are both. Our production team consists of programmers and graphic designers. We have an active R&D division, in-house online marketing expertise and content development service. We are equipped to take on complex projects and deliver a solution that works well, is intuitive to use and attractive. We always work to surprise our clients by coming up with a solution that is even better than they think it can be."

NEW BRUNSWICK WINNER

Gene Fowler
Fatkat
Miramichi

From commercials to animated television series, 31-year-old Gene Fowler's company, Fatkat, is making a big impact both internationally and at home. Atlantic Canada's largest animation studio, Fatkat has a staff of 115 and provides animation services to the television industry as a sub-contractor, prime contractor, distributor and original author. From its offices in Gene's hometown of Miramichi, New Brunswick, the company is currently working on series such as *Super Normal* for World Leaders Entertainment in New York City, *Skunk Fu* in cooperation with Cartoon Saloon in Ireland, and *Supa Strikas* for Strika Entertainment in South Africa. And Fatkat's growing presence in Miramichi has had a significant impact on the local economy.

"Fatkat is the largest employer of people in their 20s in Miramichi and we have the lowest turnover of any studio in the country. We have a blog that gives a feel for what it's like here and has attracted people who want to come and work for us. And when they do, they find a vibrant studio where dogs and guitars are welcome and which offers flexible hours as well as generous vacation time. Since many of our employees are not locals, we cultivate a family atmosphere with many extras. We host quarterly parties, such at the Fatkat Oscars and the Flash Olympics. Our Recognition Days provide a paid day off on an employee's birthday and anniversary hire date. Sometimes we have all put on funny hats and gone out for a three-hour lunch. It's all part of our commitment to providing a great work environment for our people...and to laughter as the key to our success."

PRINCE EDWARD ISLAND WINNER

Jared Stretch
Smooth Cycle
Charlottetown

When Jared Stretch was a student at UPEI, little did he imagine that his part-time job at a cycling store would determine his career path. Today, Jared, 27, owns Smooth Cycle, which he has turned into a thriving business that attracts Islanders and tourists alike. Smooth Cycle is a full-service store that sells bicycles and accessories, and specializes in repairs and rentals. Among its services, Smooth Cycle provides bike rentals with shuttle service from tip to tip of Prince Edward Island. The store caters to everyone from serious racers to tourists to people looking to take up the sport as a pastime.

"When I bought the store, I recognized that cycling was a growing industry and I've worked to market Smooth Cycle as an important player on the PEI cycling scene. I've made sure my staff are all avid cyclists who can provide top-notch service to customers. I have gained visibility for my business by sponsoring events such as the Cycling PEI road racing series, the Triathlon By the Sea and the Children's Wish Foundation duathlon series. When people come out to these races, they see our name and it brings them into our store. Our move to a larger location in a busy part of the city also draws more people in. The redesigned Smooth Cycle Web site is attracting tourist dollars to the Island. And our tip to tip Island shuttle service keeps growing in popularity."

YOUNG ENTREPRENEUR

NOVA SCOTIA WINNER

Nathan Kroll
Ad-Dispatch
Halifax

In the notoriously fast-paced advertising world, Nathan Kroll's company, Ad-Dispatch, has made its mark on the national scene with a reputation for quality, quick turnaround and value. Founded in 1999, Ad-Dispatch produces radio commercials, Web video, interactive Web video content and computer-based interactive training videos. Working with national advertisers, it has become one of the most successful audio/video production companies in Atlantic Canada. Nathan, 35, started out producing radio commercials and conventional video. As word got out about his business, creative directors from Toronto agencies were soon approaching him. Among the company's products are video segments for national retailers that can be found on the Web sites of companies like Loblaws.

"For me the turning point came when I learned our business is an assembly line. That I wasn't building one project—but a dozen projects—at a time. It starts off with a writing team, then goes to a field production team and a post-production team. It has to keep moving forward. At that point, we started to build the company structure so that we could handle large volumes of production at a time. The biggest key to our success is being able to keep that assembly line moving. We always have multiple projects being worked on at some stage along the line. And that's how we're profitable. It's my job to make sure the teams constantly have the work to be able to continue."

NEWFOUNDLAND WINNER

Jonathan Brett
MedicLINK Systems Ltd.
St. John's

Jonathan Brett, 28, has transformed a software solution into a growing enterprise that is helping optometrists across North America better manage their businesses. His company, MedicLINK Systems Ltd., develops software for the optometry profession. The solution, called Eyesistant, enables eyecare clinics to manage their practices with an automated system that tracks everything from appointment scheduling to billing to marketing. Building on the success of that product, MedicLINK is now branching out into the field of dermatology.

"We haven't done things by conventional means—and that is really what has become our competitive edge. We're young and we didn't pretend to know anything about the optometry profession when we started out. We opened ourselves up to talk to our customers and figure out where the industry is headed and what can be done to improve their practices. If we had gotten one or two bits of advice on how to develop the software, it would have been rather conventional. But we got about 200 people offering recommendations on the use of the software. All of those ideas together have helped us develop a very different software package. When I wanted to extend the product to other parts of the medical profession, I found a partner through a reality TV show—'Big Brother.' One of the participants was a dermatologist in California. I looked him up, e-mailed him and that's how we got together. That's definitely not conventional! "

NORTHWEST TERRITORIES WINNER

Scott Smith
Northern Canadian Adventure Racing Inc.
Yellowknife

For Scott Smith, Northern Canadian Adventure Racing Inc. is more than just the company he founded: it's a lifestyle. His business, which stages physical endurance races in the Far North, is attracting athletes and media from around the world and generating excitement in Yellowknife. Scott, 34, is building on his background in mining exploration to identify remote and extreme venues for endurance races and to attract sponsors. One of the sponsors, a diamond mine, contributed a purse of diamonds worth $30,000 for the Rock and Ice Ultra, the company's first race staged in spring 2007. The second Rock and Ice Ultra will be held next spring. Scott and his crew are also currently looking for venues for a summer ultra endurance race and a multi-sport adventure race.

"I market our races by attending other ultra endurance races around the world, many of them in the desert. I position ours as a race across a different kind of desert—the cold, frozen one. Our prize of diamonds is definitely an enticement. And I have also brought Ray Zahab, who is one of the world's top endurance racers, on board to help promote our races. He just completed a 7,500-km race across the Sahara desert and has been in every media outlet and on the 'Tonight Show' with Jay Leno. The community has been very supportive, too. While Yellowknife is not normally considered a tourist destination, people are blown away once they come up here. I was pleasantly surprised by the number of world-class athletes who attended our first Rock and Ice Ultra and the amount of media coverage that the race generated. We had 100 racers at our first event and are aiming for 300 at the next one."

NUNAVUT WINNER

Krista Uttak
Igloolik Isuma Productions Inc.
Igloolik

Igloolik Isuma Productions Inc. has brought the world of the Inuit people to international screens. Its feature films include the award-winning international box-of-fice success, *Atanarjuat, The Fast Runner* and *The Journals of Knud Rasmussen*, which opened the 2006 Toronto International Film Festival. Isuma, Canada's first Inuit independent production company, produces community-based media—films, TV and Internet—to preserve and enhance Inuit culture and language. The company is committed to creating jobs and economic development in Igloolik and Nunavut, and to telling authentic Inuit stories to Inuit and non-Inuit audiences worldwide. Krista Uttak, 31, vice president of Isuma, is following in the footsteps of her father, Paul Apak, who was one of the company's four founding shareholders and who passed away in December 1998.

"Isuma struggled when it started making documentaries in the early 1990s. It didn't get much publicity or support. What kept my father and his partners going was a love for what they were doing. They were passionate about showing our culture and they had the sheer guts to do it. The film Atanarjuat *was the turning point. It resulted in real support from our community and recognition from around the world. We hire as many local people as possible, and support video training for youth and Nunavut Independent TV. Our first target audience is always our fellow Inuit. We want them to accept our films, to respect them and to want more."*

AWARDS

YUKON WINNER

Tammy Beese
What's Up Yukon
Whitehorse

Tammy Beese's entertainment magazine, *What's Up Yukon*, has struck a chord with readers and advertisers alike, and has fast become a mainstay of the local community. Printed on newsprint, *What's Up Yukon* covers Yukon's "living culture," including news that ranges from arts and culture, and sports and recreation, to "all things fun and all things entertainment." Tammy, 35, also publishes a quarterly business magazine with all-Yukon content and is introducing a semi-annual Yukon health magazine.

"We can think outside of the box, because one was never created for us. We make a conscious effort to break down barriers between media and the public. Our writers are from the 'inside'—dancers, musicians, gardeners—passionate people who want to share their knowledge. If you are a Yukoner with a story, then we believe it's worth listening to. The paper is very public, but we make it more so through marketing. We've built our own unique custom-designed display racks, advertise on the radio and did mail drops in Inuvik for six weeks. We held an art show featuring framed reproductions of our covers and photos of all our contributors. We produce an e-mail newsletter for advertising clients that features marketing tips and have held 'cake walks,' where we celebrate by giving out free cake at six different locations. These all give more visibility to us and our advertisers."

Rogers Business Transition Award

Len and Kevin Thomson
Paradise Island Foods Inc.
Nanaimo, British Columbia

Paradise Island Foods, founded by George Thomson in 1978, manufactures and distributes quality cheese, cheese alternatives and other wholesale food products. In 2003, sons Len and Kevin took over from their father and stepped into the top roles. They had been well prepared. Six years prior to the takeover, George started coaching his sons for their new positions. He turned over responsibility to them and they built relationships with the suppliers, customers, banks, lawyers and insurers he dealt with. They consulted with legal experts and accountants to put all the pieces for the succession in place. When George stepped away from the day-to-day operations, the transition had already happened.

"Our father literally started this business out of his basement. He built it by focusing on quality and customer service. We are continuing what he started and working on taking it to new levels. Our market is continuing to expand. Not only is the population growing, but there are more and more customers, such as baby boomers, who are prepared to spend money on specialty cheeses. This is an ever-changing trade, and we constantly monitor the market for new trends and products. We have added efficiency to our lines and brought in a just-in-time inventory process. We're all very pleased with how things are turning out."

EDC Helps Entrepreneurs Open Up to New Markets

Export Development Canada (EDC) has helped countless entrepreneurs expand their business in the U.S. and globally, often in countries they never thought possible. Have you explored how EDC can help you reduce your risks and open up to new markets?

Whether you are a brand-new entrepreneur or a successful small or mid-sized business, you may want to increase your product or service sales across the border or in riskier markets abroad. You can protect your business from foreign customers who fail to pay their bills with EDC's credit insurance and can usually get more working capital from your bank if your sales receipts are insured. If you sell capital goods and related services, EDC can provide a direct loan to your qualified foreign customer; EDC then assumes the repayment risk. EDC also offers inexpensive online services that make it easy to check whether a potential customer is insurable and to buy insurance for a specific foreign transaction.

To encourage more entrepreneurs to discover the benefits of these and other services, EDC will present the EDC Export Excellence Award to an innovative young entrepreneur at the BDC Young Entrepreneur Awards ceremony.

EDC is Canada's export credit agency, offering innovative commercial solutions to help Canadian exporters and investors expand their international business. EDC's knowledge and partnerships are used by 7,000 Canadian companies and their global customers in up to 200 markets worldwide each year. More than 85 percent of EDC's customers are small and medium-sized enterprises. To reach EDC, call **1-866-297-1255** or visit www.edc.ca/sme.

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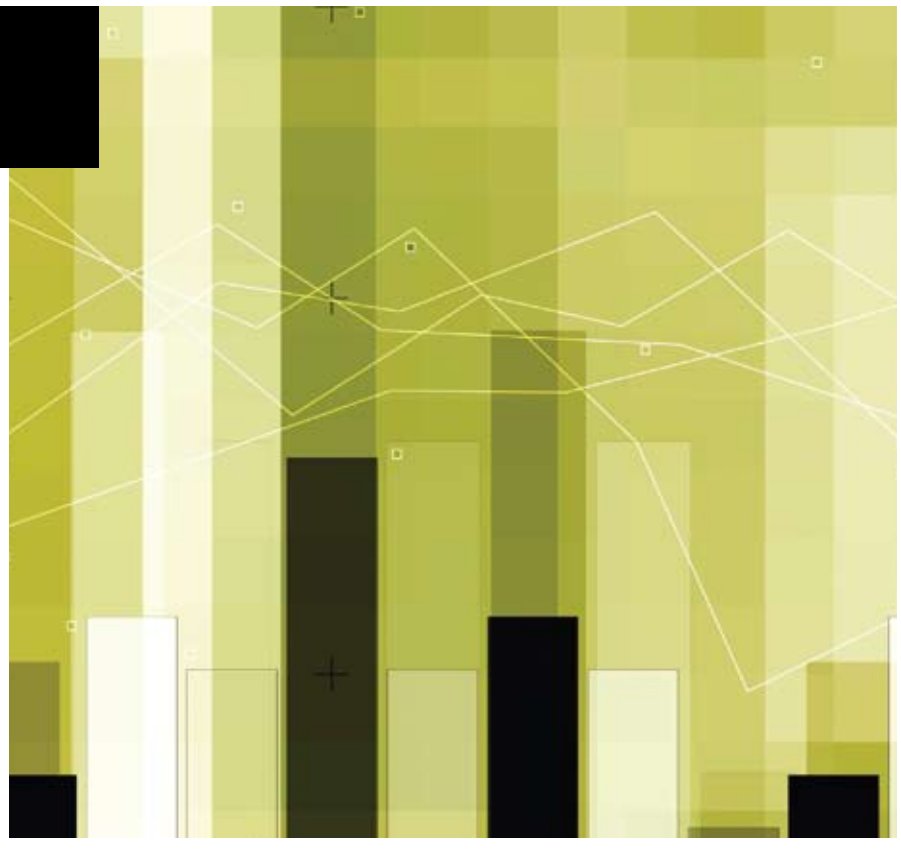

Western Economic Diversification Canada (WD) helps small business grow and compete in the global marketplace. We support a network of community-based organizations that provide information, advice and financing for Western Canadian entrepreneurs eager to grow their businesses. Supporting this year's Small Business Week theme, *A world without boundaries open to new markets*, WD helps small businesses achieve their potential.

Through our Western Canada Business Service Network, entrepreneurs in cities and rural communities have access to a wealth of resources and friendly, knowledgeable staff keen to support innovative and creative ideas essential to the economic success of the West.

For 20 years, WD has been opening doors to new opportunities for a range of local businesses. Whether you need information, technical support, business advice or access to capital, WD's business network is ready to help.

Maximize your potential

During Small Business Week, WD invites entrepreneurs to learn more about how the Government of Canada is strengthening business competitiveness and growth in the West. Visit www.canadabusiness.ca for a wealth of government business information, programs and services.

We salute Western Canada's entrepreneurs—businesspeople whose talents, determination and ingenuity have made small business the driving force of the Western Canadian economy. Together, we are creating new jobs and new opportunities.

Western Economic Diversification Canada is a department of the Government of Canada. www.wd.gc.ca

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