

ESSENTIAL INFORMATION FOR ENTREPRENEURS

# profits\$

BUSINESS DEVELOPMENT BANK OF CANADA  
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## Get the Edge

**CUTTING FAT FROM YOUR BUSINESS IN LEAN TIMES**

**Facing the new frugality**

HOW TO MARKET TO THRIFTY CONSUMERS

**Entrepreneur sees sunny future**

CENTENNIAL SOLAR EXPORTS TO 15 COUNTRIES



**CHRIS WOOD**  
PRESIDENT, MARWOOD  
METAL FABRICATION LTD.

# TABLE OF CONTENTS

## 2 PRESIDENT'S MESSAGE

Entrepreneurs Show the Way

## 3 UP FRONT

Filling the Productivity Gap

7 Ways to Give Cash the Respect It Deserves

Not Enough Hours in the Day?

Social Networking by the Numbers

## 6 BDC NEWS

Record-Breaking Lending to Entrepreneurs

## 10 FEATURE

Facing the New Frugality

## 12 IN HIS OWN WORDS

Ajoy Das: Entrepreneur Sees Sunny Future

## 14 ENTREPRENEURS FIRST

West Wind Aviation



COVER STORY

## Get the Edge

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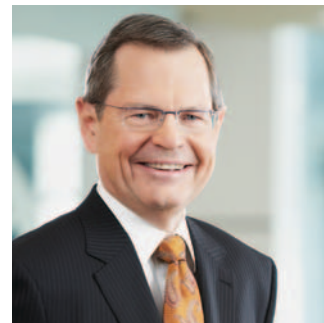
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## PRESIDENT'S MESSAGE

# ENTREPRENEURS SHOW THE WAY

It's hard to imagine a more appropriate time to recognize the contributions that entrepreneurs make to our country's well-being. After all, Canada has been weathering a financial crisis and a painful economic slowdown, and some entrepreneurs have taken it on the chin.



**JEAN-RENÉ HALDE**  
PRESIDENT AND  
CHIEF EXECUTIVE OFFICER

At BDC, we finance and advise more than 28,000 entrepreneurs. We are constantly heartened by the courage, energy and ingenuity they show, especially in these turbulent times. They are the ones taking risks, hiring employees and turning innovative ideas and technologies into products and services.

This year marks the 30<sup>th</sup> anniversary of Small Business Week, BDC's tribute to entrepreneurs and the vital role they play in our economy and society. Once again, we have planned a full slate of activities across the country. These events offer entrepreneurs—and prospective entrepreneurs—the chance to learn, network and enjoy themselves. A highlight is the Young Entrepreneurs Awards gala on October 20 in Ottawa. The awards recognize the achievements and dynamism of outstanding young people who are showing the way for a new generation of business owners.

At BDC, we're committed to innovation in all we do. In your hands, you're holding one example of that commitment. We're introducing a new look and format for *Profit\$* magazine where, more than ever, the focus is on entrepreneurs.

Why entrepreneurs? Because they are responsible for the lion's share of economic growth in Canada. Their commitment to building healthy, resilient and growing businesses makes me optimistic that better times are ahead.

As we have for 65 years, in good times and in bad, BDC will be there to help. \$

# FILLING THE Productivity Gap

Canadian business productivity has been falling behind that of the United States for nearly a quarter century, and the trend has accelerated since 2000. Canadian companies are also less productive than businesses in other major industrialized countries.

Our lagging productivity has dramatic implications for our future standard of living in an era when competition is intensifying, the average age of our population is rising and less environmentally damaging production methods are needed.

Canada's productivity gap is, in fact, a business innovation gap, according to a report by a panel of business, academic and labour experts—but it's not a lost cause.

"There is nothing innate or inevitable in the national character

that prevents Canada's businesses from being just as innovative and productive as those of other nations," the Expert Panel on Business Innovation report states.

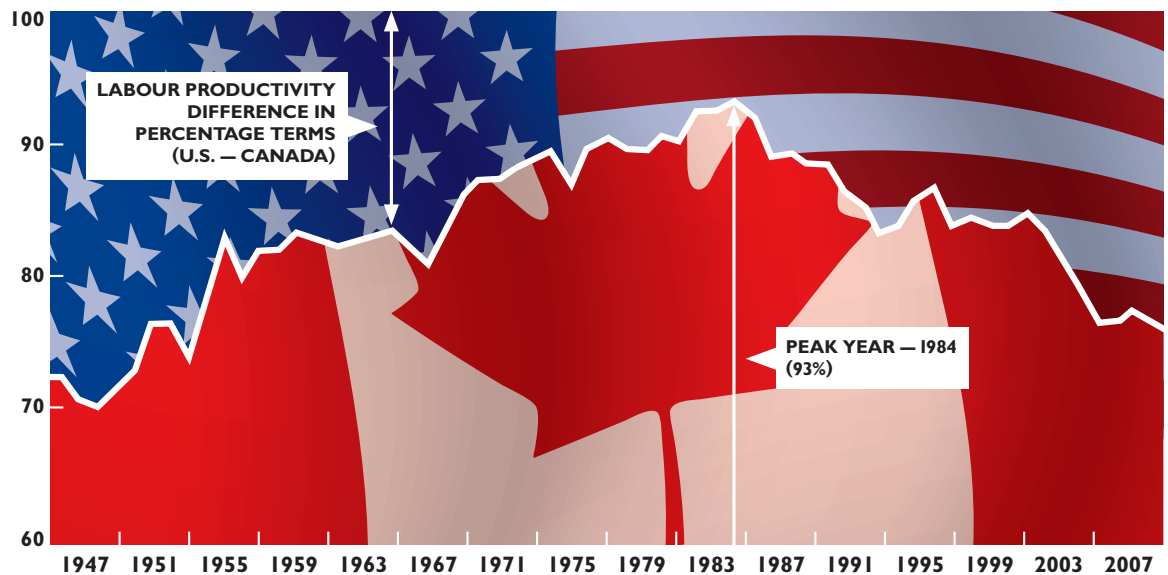
The panel, appointed by the Council of Canadian Academies, identified several strategies for improving productivity, which include boosting investment in advanced machinery and equipment (especially in information and communication technology); promoting a stronger export orientation;

and improving the climate for research-driven ventures.

Policy makers are partly responsible for improving innovation and productivity, but the starting point has to be improved business strategy. As the report notes, a key factor is "business ambition (e.g., entrepreneurial aggressiveness and growth orientation)."

For more information on the report, titled *Innovation and Business Strategy: Why Canada Falls Short*, please visit [www.scienceadvice.ca/innovation.html](http://www.scienceadvice.ca/innovation.html) \$

**REAL GDP PER HOUR, CANADA AS % OF U.S.**



Source: *Innovation and Business Strategy: Why Canada Falls Short*



## THE ROYAL TREATMENT

# 7 ways to crown cash as king in your business

Cash truly is king in difficult economic times. When conditions turn harsh, it's essential to stay on top of your company's finances and boost your cash generation.

Here are seven ways to find more cash in your business.

### 1 Develop a cash-flow planner and track cash throughout the month

Using a software tool or a spreadsheet, record your month-opening bank account balance and all anticipated cash inflows and outflows. This kind of budget allows you to assess your situation, examine risks and plan for problems, such as the loss of a key customer. Then, track your cash as it comes in and goes out throughout the month. That will help you stay on top of problems and make adjustments, such as delaying discretionary payments.

### 2 Closely monitor financial statements

Examine monthly financial statements line by line to look for red flags. Keep a close eye on key indicators of your business's health, such as changes in the gross margin and inventory turnover.

### 3 Look to relationships with your customers and suppliers

Good customer and supplier relationships can help you wring more cash out of your business. For example, you can turn sales into dollars faster by offering discounts to customers who pay early. Suppliers can help by extending payment terms. However, it takes two to tango. Work on improving customer service and make sure to pay suppliers consistently.

### 4 Focus on inventory management and product offerings

If sales are down and inventory turnover is slowing, you have to be aggressive in clearing out stock. While you're at it, analyze your product lines to see what's selling and what's just taking up space. Look to your sales force to help you reduce inventory and weed out unprofitable product lines.

### 5 Get tough with deadbeats

This is no time to play Mr. or Ms. Nice Guy when it comes to collections. You need to be conscientious in pursuing late bills. Customers have to pay or else you're just financing their business.

### 6 Use debt to protect your working capital

It's important to avoid paying up front for long-term investments, such as equipment purchases or a building expansion; that will just tie up working capital. You're better off using debt to finance these projects. Also, consider refinancing fixed assets to free up capital.

### 7 Cut waste and streamline operations

Boost your company's productivity and profitability by eliminating bottlenecks, overproduction, inefficient equipment and other sources of waste. Employees are your best source of ideas, so get them involved. \$

## NOT ENOUGH HOURS IN THE DAY?

*It's time to share the load*

Many small businesses fail because entrepreneurs try to micromanage and become overwhelmed as the business grows. To be an effective leader, you have to make sure your time management skills are growing with the business.

"So much of this is about delegation," BDC consulting partner Rony Israel says. "People make the mistake of hiring someone to do things, but forget to give that person the authority to make decisions."

By delegating, you're not only managing your time effectively, but also developing employees. That's a key to the long-term stability of your business, particularly in tough times.

"A typical day sees the business owner interrupted every 10 minutes to help solve problems," Israel says. "As your company grows, you have to learn how to be more selective about what you get involved in and how you're involved."

The goal is a fundamental shift from daily firefighting to managing the company's overall objectives and communicating shared goals with conviction and passion. \$

**28 million**  
Number of  
**Canadians online**

(Source: www.internetworldstats.com)

**More than 600,000**  
Estimated number of **small businesses** in the U.S. and Canada that will be using social media such as Facebook and Twitter by the end of 2009  
Number in 2008: 260,000

(Source: Sage Software and Allii-Partners)

**Facebook (87%)**  
**MySpace (33%)**  
**Twitter (13%)**  
Dominant **social networks** among Canadians who have tried social media

(Source: com.motion-Pollara Social Media Barometer)

**9% to US\$2.2 billion**  
Estimated growth in worldwide **social network advertising** in 2009

(Source: eMarketer)

**40%**  
Percentage of **Canadian firms** that fear losing customers to competitors who have embraced social media

(Source: Coleman-Parkes Research)

# social NETWORKING

**56%**  
Percentage of **online Canadians** who have a profile on an online social network

(Source: Ipsos Reid)

**250 million**  
Current **Facebook membership** worldwide

(Source: Facebook)

**Responding to customer questions**  
Most popular social **media activity** of small businesses in North America

(Source: Sage Research)

**7%**  
Percentage of Canadian **business leaders** who see social media tools as a fad

(Source: com.motion-Pollara Social Media Barometer)

## BY THE NUMBERS

**89%**  
Percentage of Canadian businesspeople who feel such tools create the perception of a **forward-looking company**

(Source: Avanaide)

**70%**  
Percentage of Canadian **business leaders** who say it would be a mistake to cut back on social and digital media spending in tough economic times

(Source: com.motion-Pollara Social Media Barometer)

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LOOKING FOR FINANCING AND BUSINESS ADVICE?  
YOUR SEARCH STARTS HERE: **www.bdc.ca**

- > **Business projects** (services and articles to help you grow your business)
- > **Tools** (business plan, Ask a professional, eProfit\$ newsletter and more)

# BDC News

## Record-breaking lending to entrepreneurs

### CRUCIAL SUPPORT IN TURBULENT TIMES

As the economy begins to show signs of recovery, BDC is doing more than ever to help entrepreneurs get back on their feet and take advantage of growth opportunities. With 1,800 employees across Canada, we offer entrepreneurs a knowledgeable, patient and flexible approach to financing, venture capital and consulting services. Here are some things you should know about our recent support for entrepreneurs.

- > We generated a record increase in loans to businesses across Canada during our first quarter. To the end of June, the total dollar value of loans accepted by BDC's clients was just over \$1 billion. That is 37% higher than the figure for the same period last year.
- > The increase was due largely to our participation in the federal government's Business Credit Availability Program (BCAP). In partnership with Export Development Canada and other financial institutions, we are helping make an estimated \$5 billion in financing available to creditworthy businesses.
- > We have also launched the Operating Line of Credit Guarantee™ program that allows participating financial institutions to increase a client's operating line of credit, or in some cases maintain it, by guaranteeing

80% of the incremental portion of the line of credit. If an entrepreneur and his/her financial institution agree that an Operating Line of Credit Guarantee™ could be a solution to relieve temporary pressure on their cash flow management, the financial institution must contact BDC to make the request.

A Statistics Canada study has found that our clients' businesses generate greater revenue, add more employees and survive longer than other businesses do. Their revenues are even higher when our clients combine BDC financing with our consulting services.

We have been serving Canadian entrepreneurs since 1944. That's 65 years of experience supporting businesses through good times and bad. \$

## SMALL BUSINESS WEEK®

October 18–24, 2009



**Take part in activities  
organized in your region!**

**For more information:**  
[www.bdc.ca/sbw](http://www.bdc.ca/sbw) | 1 888 INFO BDC



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**MACLEAN'S**





# Get the Edge

**CUT COSTS AND BOOST  
PROFITS IN UNCERTAIN TIMES**

EMPLOYEES ARE KEY  
TO IMPROVEMENT

Chris Wood admits he felt some apprehension before deciding to change the way his company produces stamped metal components for car manufacturers. >

**CHRIS WOOD**  
PRESIDENT, MARWOOD  
METAL FABRICATION LTD.



- > But with the auto sector in crisis and entire production lines being cancelled without advance notice, Wood knew he had to reduce the odds that his firm would find itself stuck with inventory his customers no longer wanted to buy.

So Wood and his company, Marwood Metal Fabrication Ltd., turned to a lean management philosophy known as Kaizen—Japanese for continuous improvement—to help them usher in a more efficient way of producing their components.

“I thought we were going to have a lot more trouble with buy-in on the shop floor—I was worried there’d be resistance to change,” says Wood, president of the 200-employee firm based in Tillsonburg, Ontario. “But people really liked the new system.”

### Changing to survive

Wood says the changes in production methods brought in as a result of the exercise have saved the company millions of dollars and helped it survive the recession.

Key to the successful transition was involving staff from every level of the company—from senior management

to the shop floor—in analyzing how the production system worked and how it might be improved.

That’s a central tenet of the Kaizen approach to operational efficiency—a philosophy pioneered in Japan by Toyota Motor Corp. in the 1940s whose influence has spread worldwide.

Kaizen is one of many lean management techniques—including such ones as just-in-time inventory management and value-stream mapping—that companies can use to boost the efficiency of their operations and cut costs.

A recession can be a good time to introduce such reforms, says James Womack, founder of the Lean Enterprise Institute, a non-profit organization based in Cambridge, Mass., that promotes lean production methods.

“It focuses your mind to have your back to the wall. That’s not the way life is supposed to work, but that’s often the way life does work.”

In times of crisis, Womack explains, employees are often open to change and eager to help. Still, he cautions that if Kaizen is used only as a way to finesse staff cuts, employees will see through the ruse, and the entire effort will fail. A basic level of trust between employer and workers, he says, is a must for Kaizen to succeed.





*“It focuses your mind to have your back to the wall. That’s not the way life is supposed to work, but that’s often the way life does work.”*

### **A method that works**

Kaizen methods are applicable not only to manufacturing; they can also be used to improve operational efficiency in a variety of sectors, including by streamlining administrative work flow.

For example, BDC consultant Anselm Almeida is helping Wood’s company use Kaizen to improve the company’s system for accounts payable and receivable.

He’s also using the technique to eliminate excess paper by automating operating instructions for machines in the company’s plants, and to monitor how well those machines are doing their job.

Already, Almeida says, he has brought together employees from throughout the company to get a better fix on the true costs involved in producing its stamped metal components—based on actual, rather than theoretical, run times, and taking into account bottlenecks and delays. “We discovered through that process that some projects the company had taken on were not profitable.”

### **A worthy achievement**


As well, Almeida has used Kaizen to improve production scheduling and to set up a product life-cycle management

system that takes into account the costing of last-minute engineering changes.

A key area where Kaizen has helped Marwood has been in integrating databases. Previously, says Steve Spanjers, the company’s vice president of operations, the company “had a lot of disjointed databases that didn’t talk to each other.” Now, everyone works on a single, integrated database.

But to achieve that, rather than simply imposing the change from above, Marwood seized the occasion to involve staff from throughout the company to analyze office work flows and suggest ways they could be made more efficient. The result, Spanjers says, has been not only to integrate disparate databases into one seamless system, but also to improve the efficiency of the entire operation.

Unlike many companies, Marwood has used Kaizen since it was founded in 1990. Initially, says Spanjers, it was required by the Japanese-owned automakers that bought its components.

“But now we’re actively doing it on our own. It’s still mandated by our customers, but even if it wasn’t we’d still do it because it’s good value.” 

## **THE TECHNIQUE BEHIND THE TOYOTA MIRACLE**

Kaizen involves taking small groups of workers from throughout a company and having them brainstorm intensively about the way they do their work, to identify waste and cut out processes that add cost but not value.

The idea is to achieve incremental changes that can be swiftly implemented.

Kaizen teams always involve a cross-section of the company, from shop-floor workers to senior managers who are freed from their duties to participate in the workshops. Typically, half will come from the area of the firm where the improvements are being sought; the rest come from throughout the company. All decisions are made by consensus.

Toyota Motor Corp. pioneered the technique. According to James Womack, a world authority on lean manufacturing methods, Toyota made its biggest leaps forward with Kaizen during times of economic turmoil—starting with a labour crisis that led the company to the verge of bankruptcy in 1950,

through the oil shocks of the early 1970s to the deep downturn of the early 1980s and the global recession of the last year.



**YOEL FARZAN**  
CO-OWNER OF FAB CLOTHING

# The New Frugality

## HOW TO MARKET TO THRIFTY CONSUMERS

When your customers include Halle Berry, Goldie Hawn and Alanis Morissette, you know your merchandise is on target.

But Yoel Farzan, co-owner of FAB Clothing, also knows that retailers need more than the right product mix and celebrity visitors to make it when consumers are slashing spending in uncertain economic times.

Two years ago, Farzan and his wife, Anne, opened their premium denim store in Vancouver's chic Kerrisdale district.

"The first 10 months were fine, then the economy tanked," he says. "It was a really scary time and it's so unpredictable right now. Like all the retailers I know, it's difficult to maintain sales."

FAB's response to the New Frugality has been to focus on long-term customer relationships and the shopping experience when selling \$200 to \$500 designer jeans to young, label-conscious buyers.

"Our staff has good product knowledge and an eye for style," Farzan says. "They offer customers only what looks good on them."

"We also have a tailor on site to do alterations, and a classy decor, and we even choose the background music to suit the mood and time of the day."

FAB also keeps in regular online contact with more than 6,000 customers and carefully maintains its exclusive brand. Rather than discount premium merchandise, the store offers its best customers gift certificates and invitations to cocktail evenings.

### Consumers far more discerning

There's no doubt it's a tough time to get dollars out of purses and wallets. And that means entrepreneurs have to go the extra mile in marketing their businesses.

"There's been a significant decline from the strong spending growth of 2005–2007, where we had increases of close to 4% annually," says economist Pedro Antunes, director of national and provincial forecasting at the Conference Board of Canada. "People have been hard hit by this recession

*“It’s now more important than ever to give exceptional customer service, tell people about it, and follow up sales with thank-you calls or notes.”*

and are very frugal, which has made a huge difference for businesses.”

BDC consultant Jennifer Galley says FAB, which has received both BDC financing and consulting services, is making the right moves in responding to newly cost-conscious consumers.

“When times are tough, the first instinct for many companies is to hide, not be creative and not invest in marketing,” Galley says. “They just try to weather the storm doing what they’ve always done.

“But it’s now more important than ever to give exceptional customer service, tell people about it, and follow up sales with thank-you calls or notes,” she says. “It comes down to having your own style, being able to build trust and celebrating your success.”

In the era of New Frugality, it’s important to remember that thriftiness has come to the forefront. People want to show they’re thoughtful consumers.

### **Appeal to the price conscious**

“This may require changes in your brand marketing,” Galley says. “For example, if you run a spa, before the recession, you could promote luxury and self-indulgence. But now it may be more applicable to talk about health, wellness and the need to de-stress in difficult times.”

Galley says companies can even apply this tactic to items like designer jeans, by promoting them not as a luxury, but as an investment in a wardrobe staple.

At the same time, Galley is wary of the temptation to cut prices as a way to maintain cash flow in the short term.

“Once you start discounting, you’re on a very slippery slope,” she says. “Discounting changes perceptions of your brand and trains your customers to hold off for cheaper prices. It’s better to add value by offering a gift with purchases or a low-cost complimentary service.

“When you’re back in the money, you can start to wind down on these services, but the value of your brand stays intact. In fact, it might even be increased by the services and customer satisfaction you provided.”

## **TIPS FROM THE EXPERTS**

- 1 Focus on customer service and the shopping experience.
- 2 Show your style. Make sure your business is memorable.
- 3 Adapt your message to the times.
- 4 Reassess your goals. Accept that your profits may take a hit, but invest for the long term.
- 5 Look for low-cost, high-impact additional services. Try to establish complementary alliances.
- 6 If you have great customer success stories, talk about them. Everyone loves a winner.
- 7 Watch your inventory. If a product is not selling, get rid of it fast.
- 8 Find ways to increase spending levels among existing customers.
- 9 When times improve, make sure you add value to justify higher prices.

McGill University management professor Karl Moore says he’s less concerned about brand damage from discounting, provided the business readjusts its offering as the economy recovers.

“Everybody’s looking for bargains these days and very few categories aren’t on sale,” Moore notes. “When the economy turns around, you can introduce new products at a higher price point and retrain your customers by adding something of value that justifies them spending up again.”

As a consultant to leading international firms, Moore has studied the global recession’s effects on consumer behaviour and the rise of the New Frugality.

“Whether it’s a long-term trend or whether we’ll snap back to our old ways will depend on how long the recession lasts and how deeply it bites.” \$



WEST WIND AVIATION

# Entrepreneur's diversification strategy takes off



When founder Dennis Goll got West Wind Aviation off the ground 25 years ago, it was a one-aircraft operation fuelled by high ambition. Today, the president and CEO has transformed this humble business into Western Canada's largest general aviation services company, employing more than 250 people.

**DENNIS GOLL**  
PRESIDENT AND CEO, WEST WIND AVIATION

*“Don’t worry about numbers and let’s think about customers first.”*

“Diversification has always been our key growth driver,” says Goll, whose Saskatoon-based company now operates a fleet of 21 aircraft and has been recognized as one of Canada’s 50 Best Managed Companies. “We’ve identified underserved markets quickly and honed in on those opportunities. Our goal is to be a market leader in every segment we serve.”

West Wind began as an air charter business serving corporate clients. Goll decided to expand and diversify by building facilities in Saskatoon and Regina to provide fuel, hangar services and ground handling services.

“We’ve always been creative when it comes to identifying potential growth areas and making acquisitions,” he says. “Although we’ve expanded rapidly, we’ve also moved prudently, taken the time to do due diligence and stayed within our realm of expertise.”

West Wind has also delved into other aviation businesses, such as a service to fly crews to and from northern mine sites. “The resource sector in northern Saskatchewan has really helped us take our business to a new level,” Goll says.

In 2004, the company launched ExpressAir, offering quick and convenient business-class service between Saskatoon and Regina. Shortly thereafter, Pronto Airways, a regional commuter airline serving the North, made its debut.

After nearly three decades in the business, Goll attributes West Wind’s staying power to “embedding customer service in our culture. It’s not just idle talk here. I’ve often said, ‘Don’t worry about numbers and let’s think about customers first.’ That makes some accountants cringe, but I really believe in investing in customer service.”

For example, the company is committed to ongoing, mandatory customer service training for everybody in the company, from maintenance staff to accountants. “Topics include anticipating client needs, learning how to deal with people with respect and dealing with upset customers,” he says. West Wind is also focused on building long-term relationships with clients to develop more business. “We believe in retaining our clients rather than spending a lot on advertising dollars to attract new ones.”

## LESSONS LEARNED

- 1 When diversifying your business, act promptly but prudently.
- 2 Target underserved markets that have real growth potential.
- 3 Look for opportunities that enable you to stay in your realm of expertise.
- 4 Build long-term customer relationships and develop business there.
- 5 Give your employees training to make customer service meaningful.
- 6 Build alliances that can help you grow.

Another factor that has contributed to West Wind’s success is the company’s exemplary safety record.

“Our no-compromise attitude toward safety has helped us maintain our competitive edge. Our employees get state-of-the-art training,” says Goll. For example, West Wind owns a Fresca 242 flight training device, allowing it to provide training to pilots that exceeds Transport Canada’s minimum requirements.

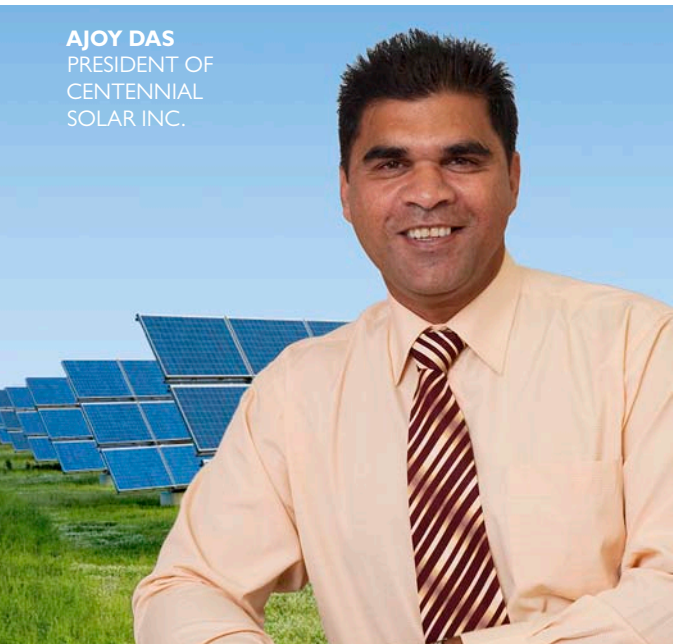
As well, the company prides itself on building close alliances with First Nations partners. The purchase of West Wind shares by the Meadow Lake Tribal Council and Prince Albert Grand Council is a model for partnerships with First Nations in Canada. “That alliance has helped us expand, and build on the strengths of our management team and employee group,” Goll says.

“Over the years, we’ve never lost sight of our strengths, such as connecting with local communities, customer service, safety and a strong diversification strategy. That has enabled us to make the transition from a local company to a true regional presence.” \$

# Entrepreneur sees sunny future

## A TERRIBLE ACCIDENT SET LIFE ON A DIFFERENT COURSE

**AJOY DAS**  
PRESIDENT OF  
CENTENNIAL  
SOLAR INC.



Ajoy Das is president of Centennial Solar Inc., a fast-growing manufacturer of solar panels. Since arriving in Canada from India in 1988, Das, 43, has built a series of businesses including a pair of well-reviewed restaurants and a booming call-centre operation. A horrible accident in 2000 put his life on a different course that led to Centennial Solar. The company is benefitting from renewable energy subsidies and now exports to 15 countries. There's more opportunity ahead, with a push for solar expected in North America. Das lives in a solar-powered house with his wife and two children in Toronto, travelling twice a month to Centennial's Montréal factory.

**I DECIDED TO GO INTO THE SOLAR BUSINESS AFTER MY ACCIDENT.** I was given a second life and I wanted to do something with it.

**A VAN I WAS TRAVELLING IN BLEW A TIRE** on the highway near Prescott, Ontario, on July 17, 2000. It flipped and rolled. Five people died. I was lucky to survive. My body was completely broken. I had neck and spine injuries and am still only 80% recovered.

**I DECIDED MONEY IS NOT EVERYTHING IN LIFE.** I said to myself, "If I go into solar, I can be successful, but I can also do something to help the environment. This way I'm doing my part, and maybe with others we can change the world."

**MY WHOLE FAMILY IS IN BUSINESS:** my father, who has a textile business in Calcutta, my brother, everybody is in

business. That's in my blood. So when I came to Canada, I started to look around for something.

**I WAS A STUDENT IN MANAGEMENT** at Concordia University and I started my own business, importing garments from India and Bangladesh. After I made a bit of money, I went into the restaurant business.

**I WAS A PRETTY GOOD POOL PLAYER** and that actually pushed me to go into the restaurant business. Every time you go to play pool, you're in the bar; you're in restaurants and meeting people, talking to people. I felt that if I opened a restaurant, I could meet different kinds of people.

**ONE THING I LEARNED WHEN I GOT INTO THE RESTAURANT BUSINESS** is that your time is no longer your own. You have to be mentally prepared to not have any days off.



*"It flipped and rolled. Five people died. I was lucky to survive."*

**I WENT WITH MY WIFE TO A RESTAURANT ON MY FIRST ANNIVERSARY** and I got a call from one of my guys saying, "The restaurant is packed and we need people." So I had to go to the restaurant. And I found that very difficult to deal with, even though she excused me for those two or three hours. It was really hard for me to continue in that business, so I sold the restaurants.

**I WANTED TO DO SOMETHING DIFFERENT, SO I LOOKED AT THE CALL CENTRE BUSINESS.** When I opened the call centre, I only had 12 people, because I didn't have all the equipment I needed. So after a little bit of success, I went to BDC, and that's when I started doing business with BDC. We basically restricted ourselves to working with insurance companies and banks, where call centres in India cannot compete. We brought the business to 470 employees in seven years.

**IF YOU WANT TO BE AN ENTREPRENEUR,** you have to take chances, and taking chances is not so easy. You have to be brave enough to take chances.

**YOU DO YOUR HOMEWORK FIRST.** You say, "Okay, there is an opportunity. And I think I can capture this opportunity if I work hard and plan it well."

**THIS IS HOW I RUN MY BUSINESS:** For any company, employees are the key to success—that's what I believe.

**I TELL MANAGERS THEY ARE NOT ALLOWED** to let the employees know that I'm an owner or CEO of the company. In the call centre business, they used to know me as an accountant for the company. I used to sit down with them in the cafeteria, and I'd find out if they had issues or a problem with the management team.

**MY ASSOCIATE, SAM MYLES, HAS OVER 30 YEARS OF EXPERIENCE** in the solar business. In 2003, I was looking for a new business and I asked a mutual friend to introduce us. We met in a bar in Old Montréal. After I talked to him for 20 or 30 minutes, I said, "You know what? I'm in." And I hired him right away. >

## OPERATING LINE OF CREDIT GUARANTEE™

### More support for entrepreneurs

#### **Aimed at operating lines of credit between \$400,000 and \$40,000,000**

The Operating Line of Credit Guarantee™ (OLCG) is designed to help financial institutions provide their creditworthy clients with the financing they need to remain competitive and continue to grow in challenging economic times.

The OLCG enables participating financial institutions to increase a client's operating line of credit, or in some cases maintain it, by guaranteeing 80% of the incremental portion of the line of credit.

#### **How to obtain the guarantee**

If you and your financial institution agree that an OLCG can be a solution to relieve temporary

pressure on your cash flow management, your financial institution must contact BDC to make the request.

To be eligible, your business must be commercially viable, have an operating line of credit secured by short-term assets (i.e., accounts receivable, inventory) and meet other eligibility criteria that will be assessed by your financial institution.

#### **Guarantee term and conditions**

The guarantee is valid for a period of 12 months and can be renewed annually. BDC provides the guarantee to your financial institution. No security is required from you directly in favour of BDC.

#### **For more information, call your financial institution.**

A list of participating financial institutions is available at [www.bdc.ca/olcg](http://www.bdc.ca/olcg)

1 888 INFO BDC



> **WE HAVE SOLAR PANELS FROM 5 TO 230 WATTS.** So we have a wider range than anyone else here in Canada or in Europe. Only a few Chinese companies have that kind of range. We use four solar cell technologies supplied by other companies and assemble the panels in Montréal.

**I HAVE BEEN IN SO MANY COUNTRIES,** and once you say, "This is a made-in-Canada product," people look at you and say, "Okay, this is genuine." Our price will be a little bit higher, but you can be guaranteed our quality will be better.

**WE EXPERIENCED A BIG SLOWDOWN IN 2008.** In January, we sat down and said, "What should we do?" We decided that instead of selling only solar panels, we would sell full systems. That's helped big time. We reduced the price of the solar panels and made less profit. But we added other products and made money on those other products. We doubled our sales in the second quarter of 2009 over the second quarter of 2008.

**THE DOWNFALL OF PEOPLE IS OVERCONFIDENCE.** When they start a business and it's doing well, they think it's going to do well every month. They're not prepared for when the slowdown comes. They borrow too much money and take on too much overhead.

**I USED TO BE A CRICKETER IN INDIA.** But there's no cricket in Canada, or not much. So I golf. That's my passion.

**MY WIFE IS A MORAL SUPPORT TO ME.** And without her, I wouldn't have achieved anything of what I have achieved.

**YOU CANNOT JUST SAY "I HAD AN ACCIDENT" AND STOP WORKING.** That actually gave me a way to motivate myself. Whatever situation you're in, do what you can. Don't stop. You can do it. \$



**You have difficulty paying  
off your line of credit**  
**You're funding your  
clients' unpaid bills**  
**You don't have  
cash to grow**



## Improve your company's growth and profitability COMPASS PROGRAM

Does any of this sound familiar? If you're having trouble getting a handle on your company's finances, BDC now offers COMPASS, a program designed to help your business improve its liquidity and profitability. Our consultants will work with you to identify problem areas and rapidly find concrete ways to improve your bottom line—at a price you can afford.

For more on COMPASS and how it can point your company in the right direction, call a BDC consulting professional today.

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