

ESSENTIAL INFORMATION FOR ENTREPRENEURS

# profits\$

BUSINESS DEVELOPMENT BANK OF CANADA  
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## Risk and Reward

**MINIMIZE ONE,  
MAXIMIZE THE OTHER**  
ENTREPRENEURS TELL YOU HOW

## GREEN MARKETING TIPS

GET THE JUMP ON COMPETITORS  
WITHOUT TAKING A FALL

## EVEN OBAMA LOVES MRS. PALMER'S HEALTHY SNACKS

ENTREPRENEUR TURNS  
ADVERSITY INTO TRIUMPH



**IRENE GILLESPIE**  
PRESIDENT,  
INDABA  
TRADING LTD.

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## The Risk-Reward Tightrope

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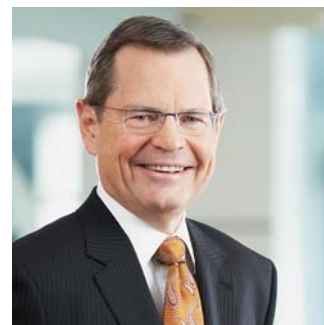


## PRESIDENT'S MESSAGE

# ACTION HEROES

Thanks to their courage, optimism and hard work, entrepreneurs have made an impressive contribution to the resilience of the Canadian economy through the tough times of the last two years.

But it certainly hasn't been easy for many businesses, and the race never ends. For the sake of their families, their employees and the country, entrepreneurs have to become ever more agile and fleet-footed.



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

For those who look at the big picture on the Canadian economy, it's clear why improvement is so necessary. Canada faces a daunting list of challenges, including lacklustre productivity, low-cost production from Asia, an aging workforce and a volatile currency.

Thankfully, we have all the tools to meet our challenges and win the global race for prosperity. These include a skilled workforce, an economy open to trade and a rich resource base. But even beyond these advantages, we have entrepreneurs who are willing and able to overcome problems.

In this issue of *Profit\$*, you will read about some of those entrepreneurs. They have made bold and forward-looking decisions to guide their businesses to success even in these most difficult of times. They are our country's true action heroes.

I'm proud to say we at BDC are doing our part to support entrepreneurs. We have lent more money to businesses over the last year than at any time in our 65-year history. In the first half of this fiscal year, clients accepted \$2.3 billion in loans, a 54% increase over last year. We have often achieved these results in close cooperation with other financial institutions as part of the Government of Canada's Business Credit Availability Program.

For entrepreneurs, there's lots of work ahead. We pledge to be there for them so that together we can give it our all. \$

# Ready. Aim. Hire.

## Attracting and keeping the best employees

The job market may be slack in many sectors of the economy these days, but entrepreneurs shouldn't get lulled into a false sense of security.

The economy will recover, and competition to hire and retain top employees will increase. The exodus of baby boomers from the labour market in the coming years will turn up the heat on business owners even more.

Here are seven tried-and-true tips for recruiting and retaining the cream of the crop and remaining an employer of choice.

### 1 Actively market your company and build presence in the community.

Spend more time on your public image and gain visibility through online advertising, trade shows and recruitment fairs. If your company is eco-friendly, for example, be sure that potential employees know that.

### 2 Use social networks such as LinkedIn, Facebook and Twitter.

Posting recruitment messages on group profiles, for instance, can give you a much broader geographic reach and attract a wider pool of candidates.

### 3 Make sure your employee orientation efforts make a good impression on new hires.

Avoid overwhelming workers with a deluge of presentations. Be sure new employees meet your senior management team, and spread orientation activities over a period of several months to create a lasting impact.

### 4 Put training on the top of your priority list and develop employees from within your organization.

Assess the core skills you already have in-house and be sure you're building on them, especially with top performers. Employees who feel they have a career path in your organization are more likely to stick around.

### 5 Give your employees feedback and make sure you have a means to assess their performance regularly.

Employees who feel they have a positive impact on a company's performance are more likely to feel motivated to do their best.

### 6 Be innovative with compensation and rewards.

Give loyal and productive employees an incentive to stay, such as extended vacations or other job perks. Consider profit-sharing programs. And find ways to reward employees who refer candidates your organization later hires.

### 7 Focus on providing employees with work/life balance.

Offer more flexible work arrangements, such as telecommuting, and special leaves of absence for family time or education. Help your employees deal with stress by providing, for example, gym memberships and money for team-building celebrations. \$





# The golden rule of generating sales leads

Help yourself  
by helping  
your customer

The golden rule—do unto others as you would have them do unto you—just may hold the key to a stream of high-quality sales referrals from your customers.

Many salespeople are reluctant to ask customers for referrals because they don't feel they've earned the

right to do so. But how about starting from the other direction? Get the ball rolling by referring business to your customer first. Referring first will set you apart from 99% of other salespeople, who are looking to take business first, not give it.

Offering referrals first ensures you adopt a referral mindset while sending a message to your client that referrals are an important part of your business. It also deepens your relationship with the customer.

To refer first, you will need to know a bit more about your customers'

needs. Your questions should focus on getting them to talk about their customers. Listen carefully and you will not only be able to provide well-qualified referrals, but you will also learn more about your customers' business and key relationships.

People naturally want to reciprocate when given a lead, so your conversation should inevitably shift to the topic of your business.

"And is there anyone I could refer you to?"

"Well, now that you mention it..." \$

## MANUFACTURING A comeback

Canada's manufacturing sector is sometimes portrayed as an industry in a long, agonizing decline. In fact, Canadian manufacturers have proven to be remarkably resilient over the decades despite a barrage of challenges—recessions, trade liberalization, competition from Asia, exploding resource prices and a fluctuating Canadian dollar.

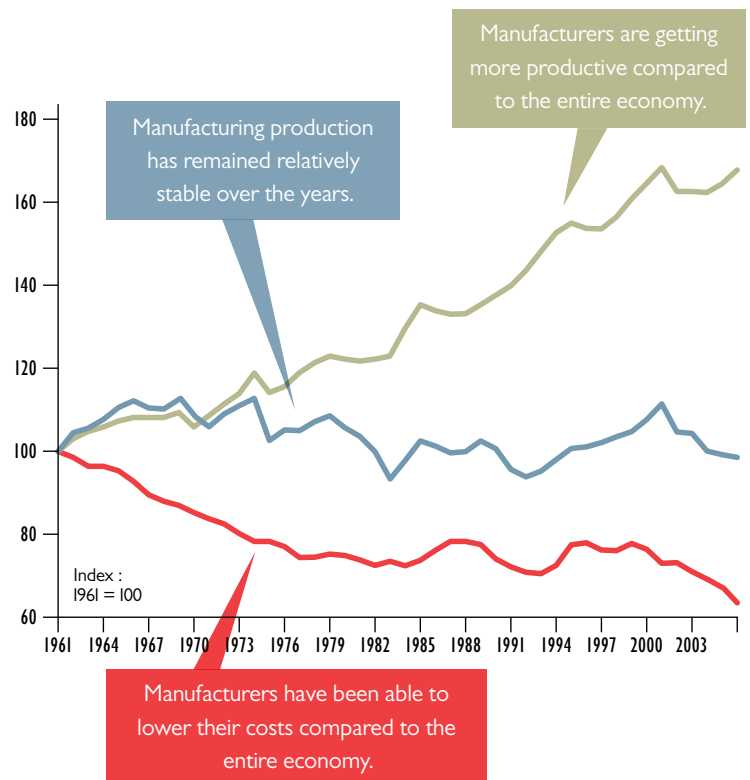
A new Statistics Canada study has found that manufacturers have notched a steady 1.1% annual average growth rate in output—the number of widgets produced—since 1961. That matches the rate of the economy as a whole.

Manufacturers have seen a steady, long-term decline in their share of employment in the economy, and their goods now account for a smaller portion of Canada's gross domestic product. However, the sector also has one of the most successful records of improving productivity.

Manufacturing is more cyclical than the rest of the economy—more than 200,000 jobs were shed in the 12 months after the recession started in October 2008—and closely tied to economic fortunes in the U.S.

However, these facts also suggest that as the economy recovers, manufacturing is likely to rebound strongly.

The Statistics Canada study, entitled *The Canadian Manufacturing Sector: Adapting to Challenges*, can be found at [www.statcan.ca](http://www.statcan.ca). \$



# TRANSPORTATION NATION

US\$1,790

**Cost of shipping** a 40-foot container from Montréal to Shanghai in fall 2004.

(Source: Beacon International Despatch Limited freight forwarders)

US\$2,430

**Cost of shipping** a 40-foot container from Montréal to Shanghai in fall 2009. Most of the increase is due to fuel surcharges.

(Source: Beacon International Despatch Limited freight forwarders)

3,150

January 2010 level of the **Baltic Dry Index**, which tracks international shipping rates, considered an indicator of future economic growth. The index dropped to 663 in late 2008.

(Source: Baltic Dry Index)

C\$2 billion

Amount of **trade that flows daily** across the Canada–U.S. border.

(Source: Foreign Affairs and International Trade Canada)

62%

Percentage of Canada–U.S. **trade that is transported** by truck, by value.

(Source: Canadian Trucking Alliance)

547,000

**Number of people employed** in the transportation sector in Canada—4% of the nation's total workforce.

(Source: Statistics Canada)

Air: 0.5  
Marine: 70  
Rail: 225  
Road: 518

The **amount of goods shipped** by various modes of transport within Canada in 2006, as measured in millions of metric tonnes.

(Source: North American Transportation Statistics Database)

Air: 5  
Marine: 0.4  
Rail: 0.2  
Heavy trucks: 2.6

**Amount of energy**, as measured in megajoules, needed to move one tonne of freight, for each mode of transport.

(Source: Natural Resources Canada)

6.7 million

Estimated number of **one-way truck trips** across the Canada–U.S. border in 2009.

(Source: U.S. Department of Transportation)

1 hour

Average increase in **transit time** for trucks crossing the Canada–U.S. border after the 9/11 terrorist attacks, as of 2004.

(Source: Transport Canada)

C\$290 million

Estimated annual **cost of extra border delays** to the Canadian trucking industry, as of 2004.

(Source: Transport Canada)

86%

The percentage of Canadian **workers who used a car** to transport themselves for all or part of their commute to work in 2005, as opposed to using public transit, walking or bicycling.

(Source: Statistics Canada)





# The Risk-Reward Tightrope

**BOLD OR CONSERVATIVE?  
IT'S ALL IN THE TIMING**

FINANCIAL FITNESS IS KEY TO SUCCESS

BY ALEX ROSLIN

Irene Gillespie's business wouldn't have survived if she hadn't taken a major risk five years ago. She had come to a crossroads with her Vancouver Island-based homeware wholesale company, Indaba Trading Ltd.

She saw she was outgrowing her accounting system and would need to upgrade to handle increased volumes. She also wanted to find a new warehouse because she wasn't happy with her dealings with the owner of her existing space, and Indaba was bursting at the seams.

Gillespie took a gamble by purchasing an advanced accounting system that was difficult to implement and learn—but which allowed her to automate her sales and inventory management. At the same time, she moved her stock to a much larger, better-equipped warehouse that allowed her to automate her back-room operations.

Both changes cost enormous amounts of time and money. And Gillespie didn't know whether they'd pay off. In the end, coupled with implementing a new model of pre-season selling, taking these risks helped her double sales to close to \$3 million annually and transform her business from a small-town venture to a major industry player.

And when the recession hit last year, her company was so flexible she didn't have to lay anyone off and her profit margins remained steady.

"I'm a risk taker. But I never do it blindly. I mainly do it because I have to," says Gillespie, whose company has received BDC Financing and Consulting services. "If I hadn't taken those risks, I wouldn't be in business today."

The delicate balance between risk and reward is always in the minds of entrepreneurs and never more so than in a slow economy. The added pressure of tough times can push business owners to make decisions that either lead to renewed growth or turn into costly mistakes that threaten their survival.

How can a business mitigate its risks and position itself to maximize rewards? Guy Champagne, a senior partner with BDC Consulting, says there are three key strategies: bankability (staying financially fit), flexibility (being nimble and adaptable) and capability (engaging the whole team and having a business plan).

## Going on the offensive

In a downturn, Champagne says, a common mistake is to circle the wagons and micromanage operations. "A lot of businesses close in on themselves," he says. "But the owner who retrenches and tries to control everything is often at greater risk."

He adds, "A key risk-mitigation strategy is to try not to carry the whole thing on your own shoulders."

Champagne learned this lesson the hard way. He started his first business when he was still at McGill University in Montréal and went on to run a succession of small companies for 30 years before joining BDC Consulting.

Like many entrepreneurs, he had built most of the key client relationships in his businesses and felt very possessive of them. "I hoarded them," he says. "I discovered at one point I had to give up those clients to key staff, who could often develop better and deeper relationships than I could. It freed me up to look at the bigger picture."

This lesson is especially important in a tough economy, Champagne says. "Sharing the load can often lead to better options in a downturn. If you let people in, you are encouraging them to be part of the solution."

It's a message Gillespie understands well. One of her main hiring criteria is how well recruits will gel on a personal level with her team of eight employees.

"I recognize my people and build up a family," she says. "By getting a real cohesive team effort happening, we've had a lot of success. Our employees are very engaged."

It paid off when the recession hit. "Our core people were more versatile and integrated because of our team philosophy. We could work together to adapt."

Now, Indaba Trading—which caters to homeware retailers with unique items imported from China, Vietnam, Thailand and India—is gearing up for the economic recovery by investing in marketing, sales and distribution. While a team of sales representatives continues to cover the country, Gillespie's company recently made the transition to selling online.

Brian Will is another entrepreneur taking action to position his company for a recovery. With his two sons, Will owns a Calgary-based machine shop, BRC Engineering Ltd., that designs and builds sophisticated machinery for oil and gas

> companies, with sidelines in making surgical equipment and high-performance go-kart engines used by some of the world's top racers.

Will is an old hand at navigating risks and rewards when business is hurting. He was a drilling contractor in the gold sector when precious metals prices collapsed in the 1990s. Then he survived a crash in oil prices that hit just after he started BRC in 1996.

### Time to rethink your organization

He says being less busy during the current slowdown has actually offered a welcome chance to rethink his company's operations. "This is the best time to start initiatives that will help us be more profitable when we come out the other end," he says. "You don't have the same time pressures."

For example, BRC has taken advantage of the recession to improve operational efficiency by implementing lean manufacturing practices with the help of BDC Consulting.

The firm is working to achieve American Petroleum Institute quality certification, again with BDC Consulting. Will has also invested in R&D and training programs for employees.

Five years ago, Will made another especially risky move that ended up paying off handsomely. With sales growing fast, he realized he had gotten ahead of himself and couldn't accommodate orders with his customary eye to detail.

He evaluated his clients and decided to cut loose the "bottom 50%." "I had more work from my preferred customers because I had more capacity for them. And I had more repeat work, which is more lucrative. We were trying to minimize our risk."

When weighing major risks and rewards, Will says, it's important to let the head rule, not the heart. And a little math doesn't hurt. If Will is thinking of buying a big new machine, he says he does a mini-business plan in order to nail down his costs and potential sales.

"The biggest risk in business is always financial," says Will, whose company is also a BDC Financing client. "You better go into projects well prepared."

Gillespie agrees. "A certain amount of risk is inevitable. But most of my risk is fairly calculated so it's not going to be devastating." \$

*"I'm a risk taker. But I never do it blindly. I mainly do it because I have to. If I hadn't taken those risks, I wouldn't be in business today."*

## THREE WAYS TO BALANCE RISK AND REWARD

### 1 BANKABILITY

Staying financially fit is crucial at any time in business and is an important way to cut risk and be well positioned to seek out rewarding opportunities, says Guy Champagne of BDC Consulting. Years of work on improving her cash flow and getting financially lean helped Irene Gillespie reduce risks when the economy went south and put her company, Indaba Trading, in a better position for the recovery.

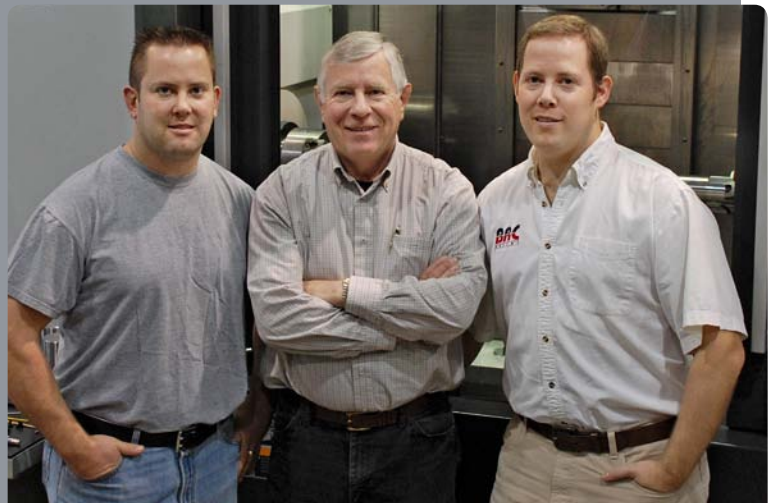
### 2 FLEXIBILITY

A nimble company can more easily tackle problems, pursue opportunities and embrace change, especially during an economic slowdown. Brian Will reduced risk and boosted his business by focusing on his best customers and dropping those that were less financially solid or offered fewer opportunities for growth. Irene Gillespie did something similar two years ago when she stopped selling to U.S. retailers in order to concentrate on the higher-yielding Canadian market.

### 3 CAPABILITY

Engage your whole team and unify them around a business plan. Giving employees more of a stake in the company's success is a key way that Gillespie has minimized her risks and grown sales.

Brian Will, president of BRC Engineering, with sons Riley (left) and Carter (right).





# BDC News

## Young Entrepreneur Awards Highlight Week of Activities

### CELEBRATING THE 30<sup>TH</sup> ANNIVERSARY OF SMALL BUSINESS WEEK®

This past year marked the 30th anniversary of Small Business Week®, BDC's tribute to entrepreneurs and the vital role they play in our economy. Entrepreneurs participated in more than 280 learning and networking events across the country as part of Small Business Week. As usual, a highlight of the week was the Young Entrepreneur Awards gala, held on October 20, 2009, in Ottawa, where outstanding business owners aged 19 to 35 were celebrated.

We offer our congratulations to the award winners and to all the candidates, as well as our thanks to the judges. We also wish to thank all those who participated in Small Business Week events, our partners who helped make them happen and the BDC employees who worked to make the week such a success.

Here are the winners of the 2009 Young Entrepreneur Awards.



#### YUKON

Julien Plourde, 27  
TECHNICAL SOLUTIONS  
COMPANY



#### BRITISH COLUMBIA

Daisy Leslie Orser, 30  
Adam Orser, 35  
THE ROOT CELLAR  
VILLAGE GREEN GROCER



#### ALBERTA

Chris Baines, 27  
Mike Baines, 22  
Steve Baines, 31  
Matt Baines, 30  
ENVIRO FOAM  
INSULATION



#### SASKATCHEWAN

Charla van den Berg, 34  
Johan van den Berg, 33  
PLAINS POWDER  
COATING



#### MANITOBA

Wade Barnes, 34  
Curtis MacKinnon, 33  
FARMERS EDGE PRECISION  
CONSULTING



#### ONTARIO

John Carbrey, 27  
INTRAFINITY  
*Mr. Carbrey, founder and co-owner of Intrafinity, also accepted the Export Development Canada (EDC) Export Excellence Award on behalf of his company.*



#### QUEBEC

Patrick Grégoire, 35  
BORÉAL— INFORMATIONS  
STRATÉGIQUES (BORÉALIS)  
*Mr. Grégoire, co-founder and vice-president of Boréal— Informations Stratégiques (Boréalis), also accepted the Deloitte Corporate Social Responsibility Award on behalf of his company.*



#### NEW BRUNSWICK

Allain Ouellette, 34  
CITY GLASS & LOCKS



#### NOVA SCOTIA

Bang Gia Dao, 31  
Kim Hong Dao, 27  
Niem Gia Dao, 26  
TALAY THAI  
RESTAURANT



#### PRINCE EDWARD ISLAND

Eireann Rigby, 34  
UFIT



#### NEWFOUNDLAND AND LABRADOR

Peter Ollerhead, 28  
CYCLE SOLUTIONS

# Greening your marketing plan

BY RICHARD ANDREWS

## HOW TO BENEFIT WITHOUT FEAR OF A BACKLASH

In the tough forest-products industry, BSL Wood Products President Gino Ouellet stands out as an entrepreneur who has made his fortune by going green.



**GINO OUELLET**  
PRESIDENT,  
BSL WOOD PRODUCTS

Since buying a small sawmill in 1995, Ouellet has expanded his enterprise to seven plants, where 210 employees produce hardwood flooring, decorative mouldings and eco-friendly heating logs. All products are made from recycled timber and are extensively promoted as green and sustainable.

“Recycling is the secret of our success and nothing is wasted,” says Ouellet, 44. “We use low-cost material usually reserved for wood chips or pallets and turn it into attractive flooring.”

BSL Wood Products, a BDC Financing and Consulting client, also recycles wood scraps from its flooring production to manufacture the SmartLog—a hot seller that is cleaner burning and more energy efficient than conventional fireplace logs.

Based in Mont-Joli, Quebec, the company has a green image that is not a marketing gimmick; it’s a total commitment to the environment that has paid off in both higher sales and lower production costs from sources such as energy savings, Ouellet says.

That’s a game plan an increasing number of Canadian entrepreneurs are following and they’re making the right move, according to a new study by the Conference Board of Canada. It predicts that a green marketing strategy will be the most important source of competitive advantage for companies in the future.

### Companies under a microscope

“Widespread acceptance of climate change, oil dependency and water scarcity [as problems] has caused many consumers to look at the environmental impact of the business world,” say Michelle Thomson and Michael Bloom, authors of *Turning Green into Gold*. “Many organizations are overwhelmed by the complexity of adopting a green strategy and nervous about the potential cost, but firms that move quickly can gain a tremendous competitive advantage.”

Quoting a 2005 study, the report says one in five U.S. consumers fit into the “lifestyle of health and sustainability” category—a market totalling US\$209 billion annually. Similarly, a Canadian survey found that 88% of women and 71% of men evaluated the environmental impact of their purchases.

However, fully three-quarters of Canadian consumers believed that “environmental claims were often just marketing ploys” and 65% said the term “green” had been used so often “that it did not have much meaning anymore.”

*A green marketing strategy will be the most important source of competitive advantage in the future.*

"Consumers are skeptical of the term 'green'," the Conference Board report says. "Some even see it as simply an excuse for companies to charge more for products with no environmental benefits."

Therefore, marketing claims must be backed by solid facts. If they aren't, companies can leave themselves open to charges of greenwashing—the practice of misleading consumers about the environmental benefits of processes, products or services.

The report warns, "The repercussions of greenwashing can be immense and can easily tarnish a company's reputation."

But even if a company is recognized as genuinely green, it's no guarantee of success. According to the report, "Many green products have failed because consumers thought they were ineffective, expensive, difficult to find and hard to use."

BDC Consulting Manager Ian Turpin agrees that companies must ensure their environmentally friendly products and services are competitive with conventional options before launching a marketing strategy.

### Consumers demand value

"Everyone is for virtue, up until the moment they have to pay for it," Turpin says. "Consumers will all say the environment is important, but their commitment varies greatly."

"While going green is a growing market segment, product performance and price are still the key drivers of consumer decisions," he says. "That's especially true when marketing to baby boomers because many are now retiring and facing reduced incomes."

"On the other hand, the children of the baby boomers, or the Y generation, are more likely to give priority to the environmental attributes of products and services."

To avoid charges of greenwashing, Turpin recommends that companies seek quality certifications such as ISO 14000 from a recognized and independent environmental authority.



These certifications offer credibility based on concrete, measurable performance standards.

"At the same time, you don't have to be completely green and absolutely virtuous to use green marketing," he says. The product or service itself doesn't have to be inherently green. What's important is that you're sincere about mitigating the environmental impacts of your business and conserving resources.

"It just makes good business sense. You don't have to be a tree hugger to want to reduce costs while gaining better market access." \$

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Entrepreneurs first

Canada



G.E.M. FISHERIES

## Oceans of opportunity

BY ROSS ROGERS

The sea cucumber is an ocean-dwelling creature that few North Americans have ever seen, much less eaten. But for the president of G.E.M. Fisheries Ltd., Roger Foulem, this little-known bottom dweller is both a lucrative business opportunity and a symbol of his innovative approach to a traditional business.

Looking for more growth in his Saint-Simon, New Brunswick, lobster processing plant a few years ago, Foulem turned to sea cucumbers, a delicacy in some parts of the world that happens to be rich in essential omega 3 and 6 fatty acids.

"We realized that the Chinese were hungry for this product and our Atlantic waters provide a plentiful source," Foulem says.

It's just one of the forward-looking ways his company has diversified its product line. "We've always been creative and pushed ourselves to do things differently, whether it's tackling new markets or R&D," says Foulem, who opened his processing plant in 1983. "Not only have we managed our company through rough times, we've been able to grow significantly."

The company has grown its revenues to \$25 million annually from \$1 million its first year. But those 26 years saw their fair

share of ups and downs in the volatile Atlantic fisheries industry. Initially, the company processed ground fish such as cod and haddock. However, with a federal government moratorium on cod fishing in 1992, Foulem's business hit heavy seas.

### Changing to survive

Determined to keep the company afloat, he made the switch to lobster processing, investing \$8 million to revamp the production line. "We had to dip into our own profits to make those big changes in our plant. But I've never been afraid to invest money to make money."

More recently, G.E.M. Fisheries has been working hard to develop business in the international arena, with the goal of becoming less reliant on the U.S. market, where it now exports 95% of its product.

In 2000, Foulem had the foresight to start developing new markets in China, which he hopes will eventually represent 25% of his revenues. "The Chinese have shown a strong interest in our frozen lobster products that are used in giant restaurant chains," he says.

The company has attracted Chinese customers through trade missions and trade shows. "It's really important to get to know your customer, especially outside your country," says Foulem, who travels to Hong Kong, Shanghai and Beijing



**ROGER FOULEM**  
PRESIDENT, G.E.M.  
FISHERIES LTD., WITH  
HIS TWO SONS,  
ERIC AND STEVE



### THE SEA CUCUMBER

*Holothuroidea* are a class of marine animals (phylum *Echinodermata*) with an elongated body and leathery skin, which are found on the sea floor worldwide. Many holothurian species and genera, informally known as sea cucumbers, are targeted for human consumption. The harvested product is also referred to as trepang, bêche-de-mer, balate or sea slug.

Source: Wikipedia.

*“I’ve never been afraid to invest money to make money.”*

regularly, most recently in fall 2009. “The Chinese were interested in seeing how we cook lobster and appreciated our enthusiasm for our products.”

It was also in 2000 that G.E.M. jumped on the opportunity to develop a sea cucumber business, which has enabled the company to keep its plant open 10 months of the year. “The lobster processing happens between May and December and the winter months are now devoted to processing sea cucumbers,” Foullem says. “We’ve been able to create jobs for people year round and reduce unemployment in the area.”

### Help from researchers

The company has also invested in R&D with the Fisheries and Marine Institute of Memorial University of Newfoundland and the Canadian Centre for Fisheries Innovation in St. John’s to develop new technology that will mechanize the process of stripping the skin and meat off sea cucumbers. “Right now, G.E.M. Fisheries is processing this product manually. This equipment shows promise to improve their productivity,” says Joe Dunford, food process engineer at the institute’s Centre for Aquaculture and Seafood Development. “They are definitely on the leading edge in this industry.”

## Lessons learned

- > Be creative and diversify your business to support growth.
- > Invest in new technology in order to expand your products and services.
- > Explore international markets to become less reliant on U.S. customers.
- > Build a strong rapport with your international clients by visiting them on site.
- > Work closely with universities to conduct R&D and gain a competitive edge in your industry.
- > Keep tight control of your finances, particularly cash flow and expenses.
- > Plan the succession of your company to secure its future.

It’s an exciting time for G.E.M. Fisheries but, like most exporting companies, the firm has felt the impact of the fluctuating Canadian dollar. And last year, the plant saw a dip in sales because of the global recession, especially a downturn in lobster prices because of belt-tightening south of the border.

To get through that tough period, the company went to BDC to refinance its debt. “We’re a long-term client and we had already earned the bank’s confidence by showing we were not sitting on our laurels,” Foullem says.

The company also recently hired a controller to ensure its finances are tightly managed. “It’s so important today to watch your cash flow and expenses. We’ve learned that vigilance is crucial to growth and keeping your company healthy.”

The next big step for Foullem, now 65, will be succession planning. He eventually intends to hand over his business to his son Steve, who handles buying for the company, and his son Eric, the plant production manager. “I’m not ready to go just yet,” says Foullem, who describes himself as a workaholic. “As a family, we’ve worked hard to build our company, and I want to be here as we make this transition. I know that when I retire, my business will be in good hands.” \$



**BRENDA PALMER**  
PRESIDENT,  
MRS. PALMER'S PANTRY

# Mrs. Palmer turns adversity into triumph

## THE INSPIRING STORY BEHIND ENTREPRENEUR'S HEALTHY SNACKS

With four small children, little money and a crumbling marriage, Brenda Palmer decided one day she had to take control of her destiny. She began by making and selling jars of antipasto at malls and fairs. Over the next 15 years the business grew into Mrs. Palmer's Pantry, a booming manufacturer of baked pita chips in Cranbrook, B.C. Palmer employs 17 in her factory, and her chips with unique flavours like parmesan and garlic have won legions of fans, including Barack Obama. Riding growing demand for healthy snacks, sales are up 65% this year. Now Palmer, 49, is working hard to open new markets in the U.S. and Asia.

**BABY NUMBER FOUR WAS ONE MONTH OLD AND IT WAS VERY, VERY DIFFICULT.** One day I was literally digging through the couch for change and I crumpled to the floor and thought: "You know what? I can't live my life like this. I have to do something to change my life and to change my kids' lives."

**I TOOK MY CHILDREN AND GOT MY OWN PLACE AND THERE WERE SOME BUMPS.** But I knew I had to stay focused and do what I had to do. I didn't want to be at the whim of somebody else or at the mercy of others.

**I READ A BOOK THAT SAID: "FIND SOMETHING THAT YOU LOVE TO DO AND DO IT** with your whole heart." I loved to cook and I loved to entertain. Antipasto is kind of a sharing thing and I had this recipe that when I would make it, people would say: "That's so good, can you make me some?" And that's how it started.

**AFTER I PUT THE KIDS TO BED, I WOULD MAKE ANTIPASTO.** On the weekend I would sell it at farmers' markets, malls, at craft fairs—anywhere that I could.

**MY FIRST SALE WAS AT A SMALL MALL IN THE CROWSNEST PASS IN ALBERTA.** I put up a table and my jars of antipasto and people just started buying it.



*"I didn't want to be at the whim of somebody else or at the mercy of others."*

**I DIDN'T WANT TO IMITATE WHAT WAS OUT THERE.** I want to lead the way. You have to have a dream and a vision of your own. So I created different things. One of our pepper jellies is hot peach and pepper, and we have a wild huckleberry compote with brandy—they are all just different, unique.

**I HAVE ONE DAUGHTER AND THREE SONS.** Part of what has kept me focused is that I wanted my kids to see that hard work and taking pride in what you do can get you places.

**I WENT TO A MAJOR AIRLINE AND I SAID: "I'VE GOT THE PERFECT SNACK ITEM FOR YOU."** It was a little individual serving of antipasto and crackers with a tiny spoon and a wet nap. They said: "We love it; we'll take a million units a year." I thought: "Oh my God!"

**I REALIZED I WAS SPENDING WAY TOO MUCH MONEY BUYING CRACKERS FOR THESE KITS.** I said: "I'll just invent something." And I started working on pita chips. Then the airline did a shuffle and a new buyer decided not to carry our product. We had these chips, so we carried on and launched them as a stand-alone item. And before I knew it, the chips had just totally taken over.

**THROUGH AGRICULTURE AND AGRI-FOOD CANADA, WE WERE INVITED TO GO** to Washington, D.C., with 34 Canadian manufacturers. A chef who works with the White House came over, tasted the pita chips and was just raving about them. He said: "Send me a box to my home. I'll put it in Barack Obama's hands."

**NOW THE CHIPS ARE ON AIR FORCE ONE** and they've ordered them for Camp David.

**OUR TIMING IS VERY NICE AND WE'RE VERY FORTUNATE BECAUSE HEALTHY SNACKS** are such a hot button right now, including trying to get healthier snacks for kids into schools. We've gotten our product approved for schools, so the timeliness of it is really wonderful.

**A FIRST NATIONS AGRICULTURE ASSOCIATION IN KAMLOOPS** has bought my entire jarred line [of sauces and jams] and all my equipment and they're going to use our business to teach the next generation how to run a business. I think that's just so beautiful.

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> **H.J. HEINZ HAD A THEORY THAT I REALLY TRY TO IMPLEMENT HERE.** He said: “Heart power is stronger than horse power.” If you treat your employees with kindness and respect, they’ll work hard for the company because they’ll want to—they’ll work from the heart. I’ve got a great, great team. And I have a wonderful spouse, who helps with the company, even though he has his own job.

**MY GOAL IS TO BE A MOTIVATIONAL SPEAKER FOR OTHER WOMEN** who find themselves in difficult situations. They can dig deep into their souls and find their way out of it.

**BDC REALLY WANTS TO WORK WITH ENTREPRENEURS** and I went to them and got a small loan and it just started from there. When we were ready to launch the pita chips, they were very, very supportive. They have consultants, and no matter what the issue I may run into, they can help.

**OH, WE’RE DEFINITELY EXPANDING OUR U.S. MARKET.** I think that our U.S. market will quickly become the larger portion of our business because they’re so much bigger, obviously. And our Asian contacts are doing very well. We have already sent six shipments to Hong Kong. We are also looking at other potential markets.

**IN BUSINESS, I THINK SO MUCH IS JUST COMMON SENSE AND NOT BEING SO STUCK** in your ways that you’re not willing to improve. And sometimes the smallest improvements can have a big impact.

**I HAVE A MOTTO: GO HARD OR GO HOME.** And that’s how I do things. I didn’t have any training but I did know that I could make antipasto and that people loved it. And I knew that without a doubt. And it just kept growing and growing. 



AS TOLD TO DON MACDONALD



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