

ESSENTIAL INFORMATION FOR ENTREPRENEURS

profits\$

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ONLINE MAGIC

INTERNET MARKETING
THAT CLICKS

**YOUR
SUCCESS PLAN**
HOW TO POWER AHEAD
OF THE COMPETITION

THE CANDY MAN
A SWEET CAREER AT
CANADA'S OLDEST
CANDY COMPANY



PHILIP MURAD
PRESIDENT,
PHILIP AND HENRY
PRODUCTIONS INC.

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PRESIDENT'S MESSAGE A WINNING STRATEGY



JEAN-RENÉ HALDE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

At BDC, our ambition is for Canadian entrepreneurs to not only ride out the recession but to emerge even stronger in the recovery that appears to be underway.

There's no doubt that running a business is a tough, all-consuming activity. But if there's one thing we have learned during the recession, it's that the future doesn't necessarily belong to the largest but, rather, to the most adaptable.

The world has changed a lot in the last two years and to be successful, your business has to be ready to constantly change too. You need to plan, invest and seek out new markets while controlling costs, even during difficult times. Properly balancing defensive and offensive initiatives is the key to success.

At BDC, we understand the risks and challenges that entrepreneurs face every day. And we are ready and willing to help you prepare your business for the future. We lent more money in our last fiscal year than at any time in our 66-year history because entrepreneurs needed our help to get back on their feet and take advantage of growth opportunities.

In this issue of *Profit\$*, you will read about entrepreneurs who are using their ingenuity to build successful businesses in industries as diverse as printing, tourism and entertainment. Follow their example by taking the time to identify a winning strategy. And then act.

You can do it. We're here to help. \$



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SIXTY-SECOND
COACH

PIERRE PARÉ
PRESIDENT OF KORITE
INTERNATIONAL AND
CANADA FOSSILS

THE BEST ADVICE I EVER GOT

The best piece of business advice I ever got was from René Vandervelde, who was my partner for 27 years before he passed away three years ago. His advice to me was: “Always be ready for a downturn.”

We asked ourselves: “Can our business survive if revenue suddenly falls by 30 or even 40%?” And we disciplined ourselves over the years to keep at least 30% of our profits in the business and build a war chest. We never wanted to be over-leveraged. When you want to expand or make acquisitions, you should have enough money to afford it. Otherwise, you are taking a big risk and, if your timing’s not right, you can lose everything.

Once you’ve survived the downturn, you will be in a

position to take advantage of some great opportunities and then you can become aggressive. It has worked for us. We’re proud of what we’ve achieved in this downturn, because it was not easy in the jewellery business and we were affected dramatically. We had to act quickly to make cuts and we did. But now we have less competition and we’re looking at acquisition opportunities. I see a fair amount of growth for us in the next five years. \$

Pierre Paré co-founded Calgary-based Korite International in 1979. Korite mines rare ammolite gemstones and turns them into jewellery for sale around the world. Canada Fossils, a sister company, restores dinosaur skeletons and fossils and sells them to museums. BDC financed the companies’ 3,000-square-metre building in downtown Calgary.

WHAT’S IT ALL ABOUT?

ENTREPRENEURS DEFINE SUCCESS

A survey of BDC’s ViewPoints online panel of professionals and entrepreneurs asked the question: As an entrepreneur, how do you define success? What do you associate success with?

34%	A profitable, growing and healthy business
27%	A balanced work and family life for both owners and employees
23%	Financial independence
17%	Setting goals and achieving them
13%	Strong customer satisfaction
12%	Having a sense of accomplishment
11%	Doing what you love, loving what you do
11%	Peer and employee recognition

Entrepreneurs were asked to rate their own level of success (based on their own definition). The average score was 6.3 out of 10.

BDC is currently recruiting Canadian professionals and entrepreneurs to join the ViewPoints panel. Apply at www.bdcviewpoints.com.

Create an inspiring business presentation

Audiences want more than dull speeches and confusing slides



Whether you're speaking to an audience of business leaders, addressing a client or leading a staff meeting, you face the same problem: how to convey complex ideas so they will stick in your listeners' minds and prompt them to act. You have to be both memorable and convincing.

You've probably heard that people in an audience remember only 10 to 20% of what they hear. Add some slides to your talk and retention jumps to about 30%, which explains why business leaders have taken to slideshow-creation programs the way kids lap up sugared drinks.

But you don't have to settle for 20% or 30% retention. Forget dull

PowerPoint slides filled with bullet points. There's no limit to your ability to hold people's attention if you can engage their imaginations and inspire them with images and ideas that leave them buzzing afterwards.

In her book *Slide:ology: The Art and Science of Creating Great Presentations*, design consultant Nancy Duarte

talks of adding S.T.A.R. moments to your talks: "Something They'll Always Remember." Duarte gained prominence for helping Al Gore develop his compelling presentation on climate change, *An Inconvenient Truth*.

Think through your next presentation, and you may spot S.T.A.R. moments of your own. Look for funny stories, especially with surprise endings; anecdotes involving famous people and your industry; graphic statistics that can help people see a situation in a different light; or an emotional story about how your product has changed people's lives.

Without such memorable connections, your presentations may fall on deaf ears—if any ears are still in the room. But if you learn to leave your audience inspired and energized, your presentations will make a difference. \$



SALES FUNDAMENTALS

SEVEN WAYS TO WIN THE GAME

John Wooden, winner of 10 national championships as UCLA's head basketball coach, is a great believer in preparation and in executing on fundamentals—right down to putting on your socks properly to avoid blisters.

"There is no replacement for sound fundamentals and discipline," writes Wooden, who has been recognized by *Sporting News* as the greatest coach of all time.

Entrepreneurs can learn a lot from Wooden's philosophy, and perhaps nowhere more than in sales. Most businesspeople know the basics, but too few actually follow through when the game is on. Here are some best practices to help your salespeople better manage their time and increase sales.

1 BE SYSTEMATIC ABOUT GENERATING LEADS

The first step is to ensure your company systematically generates sufficient sales prospects on a weekly basis. You need to have specific goals for the number of prospects that should be in the funnel at any given time.

2 PLAN AHEAD FOR SALES MEETINGS

Rather than improvise, prepare your sales presentation beforehand. Consider key points, such as the meeting's objective, your responses to client objections and next steps.

3 QUALIFY PROSPECTS FIRST

Talking to contacts other than decision-makers robs you of valuable time. Seek out prospects who have the authority to make an order. Then ask the right questions up front to ensure potential clients need your product or service. For example, are they satisfied with their current provider or ready to change?

4 DON'T RUSH POTENTIAL CLIENTS

If you rush prospects, they may quickly ask you to send them a proposal, which is often a deflecting technique. Instead, take the time to win their confidence first. Showing an in-depth understanding of their needs will earn you business.

5 ASK FOR THE ORDER

Specifically ask for the order during the sales conversation. Over 50% of all sales calls end without an explicit request for business.

6 BE PERSISTENT

The top 10% of salespeople make at least six to 10 contacts to close a sale.

7 REFERRALS RULE

Ask for referrals from satisfied customers and even prospects. You could even consider offering modest incentives for referrals (bonuses are better than discounts). Referrals can shorten the selling cycle and enhance the chances you'll get the sale.

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Canada

ONLINE MAGIC

TRANSFORM CLICKS INTO SALES

DRIVING TRAFFIC TO YOUR SITE
MEANS DOLLARS ON THE BOTTOM LINE

BY LOIS CARSON



PHILIP MURAD
PRESIDENT,
PHILIP AND HENRY
PRODUCTIONS INC.

Entrepreneur Philip Murad is as passionate about Internet marketing as he is about magic. Murad, who started his own business performing magic at age 9, refers to Internet marketing as his new bag of tricks. But there's been no magic in his success. It has required an investment of time, energy and dollars.

Building on a background in magic and ventriloquism, Murad, 40, launched Philip and Henry Productions Inc. 10 years ago in Vaughan, Ontario.

Murad makes bookings for a network of magicians across North America. The business has been growing by 30% year over year and about 70% of his revenue is generated through the Internet.

He is quick to point out that you have to work at driving traffic to your website if you want to effectively generate sales leads and turn them into new customers.

Murad advertises his business through accounts he has set up with search engines such as Google and Yahoo, buying keywords through a bidding process and then paying for results on a cost-per-click basis. Using a combination of free and paid tools available through search engine providers, he carefully tracks every aspect of his Internet marketing efforts.

"The beautiful thing about marketing through the Internet is that you can track its effectiveness," says Murad, a client of BDC Financing and Consulting. "We know, for example, that when we send a specific number of clicks to our website from a specific batch of keywords, we will generate a specific amount of dollars."

Although he advises entrepreneurs to work with professionals to help get their Internet marketing off the ground, he adds they have to remain involved in this aspect of their business.

"They really have to delve into it and understand it."

BDC Consulting partner Rony Israel notes that Murad is successful because he's a true believer in Internet marketing.

"Philip spends time every day tracking where visits to his website are coming from and what the conversion-to-sales rate is," Israel says. "Too many entrepreneurs look at Internet marketing as just gravy and don't give it enough attention. They should treat Internet marketing as a virtual sales

representative, checking constantly to see who has been to the site and what the results are."

The website itself is an important part of the equation. Judith Madill, a professor at the University of Ottawa's Telfer School of Management, says that research recently conducted by her and a colleague indicates that Canadian entrepreneurs could be getting better results from their Internet marketing efforts.

"They need to look at Internet marketing as another way of running their business, not just an add-on," Madill says. "That starts with defining what they want their website to do for them. Is it to provide information, to facilitate e-commerce, or to establish and maintain relationships?"

"Once you know what your goal is, you can decide where to spend your dollars. To attract consumers, a website needs to be up to date, user friendly and professional."

Murad says free tools such as Google Website Optimizer can help entrepreneurs improve their online effectiveness by testing different content and design alternatives and monitoring which combinations lead to the highest sales rates.

Entrepreneurs should also keep in mind that their site will appear higher on a search engine's results if it has been updated recently. Refreshing a site and providing new content on a regular basis will attract more visitors.

Petra Cooper is another entrepreneur who is making the most of online marketing. When she set out to create a website for Fifth Town Artisan Cheese Company, she wanted to do more than just promote her company's unique cheeses.

"I wanted to start a conversation and engage with people about broader food-based issues," says Cooper, who opened her business near Picton, Ontario, two years ago.

"I decided to use my website as a platform to change the way that people think about cheese."

By offering interesting, useful information and using a variety of web applications, she's succeeding in her goal. Today, she generates 50 to 60% of her retail traffic through her website and social media applications.

Cooper, a BDC Financing and Consulting client, is an example of the way entrepreneurs can successfully market their businesses by building their credibility as a trusted source of information and advice in their field. *Continued on next page*

Cooper e-mails a weekly e-newsletter to wholesalers and a quarterly one to retail consumers who have visited the store and signed up for the newsletter. She also maintains a presence on a number of social media sites, including Facebook and LinkedIn, and has tried her hand at blogging. As well, people can download videos from her website.

Offering advice and other valuable information to customers is an important way for entrepreneurs to attract and keep business at a time when consumers are savvier than ever about tuning out pure marketing and advertising messages.

“Early on, I started a blog,” says Cooper, “but it wasn’t getting much attention. I learned that people are much more receptive to information about your business if it comes from a third party.”

She also decided to provide downloadable content—such as videos, photos and articles—in a “cool downloads” section of her site that is targeted at bloggers.

“This helps them to make their blogs more interesting with minimal effort and brings our company to the attention of their readers.”

Cooper adds, “Too many entrepreneurs make the mistake of thinking that sites like Facebook and Twitter are for kids.

“When you join social media sites, you become part of a bigger community. You connect with like-minded people and build a strong rapport with them,” she says.

For example, Cooper communicates with a community of some 200 people on Facebook. “I provide ‘insider’ information, such as advance news about when a new cheese is coming out.”

Cooper encourages entrepreneurs to seek feedback from visitors to their website as a way to both improve the user experience and build credibility with the public.

She stresses the only way to truly understand value-added online marketing is by becoming a user yourself. Join Facebook, read blogs and e-newsletters, and watch online video content and listen to podcasts, then assess how best to use applications like these for your own products and information.

“As an entrepreneur, you have to take advantage of value-added web applications,” says Cooper. “That’s the way marketing is being done today.” \$



PETRA COOPER
CEO, FIFTH TOWN
ARTISAN CHEESE
COMPANY

“Too many entrepreneurs make the mistake of thinking that sites like Facebook and Twitter are for kids.”

7 INTERNET MARKETING TIPS

1 Make your website an integral part of your business strategy, not just an add-on. Give it the time and attention it deserves.

2 Work with professionals, but stay closely involved. Strive to improve your e-marketing expertise.

3 Make sure to track data such as how many clicks you are getting and the number of leads and sales you are generating. Use tools like Google Website Optimizer to help you improve your online effectiveness.

4 Make sure your website is up to date, user friendly and professional. Remember, you’re going up against competitors online.

5 Use value-added content like e-newsletters, blogs, webinars and videos to attract and keep customers by establishing yourself as a trusted authority in your field.

6 Get onboard with social networking sites like Facebook where you can build a community interested in your business’s products or services.

7 Make sure you are keeping up to date with web applications by using social networks, reading blogs, and accessing online video and audio.

BDC News

Vital support for entrepreneurs RECORD LENDING IN THEIR TIME OF NEED

Canada's economic recovery appears to be taking hold, but conditions are still difficult for many entrepreneurs. BDC continues to provide critical support to Canadian entrepreneurs. We are more than a bank. We are a knowledgeable and patient partner in our clients' efforts to build stronger, more profitable businesses. Our 1,800 employees across the country offer flexible financing, venture capital and consulting services. Here are a few things you should know about our recent support for entrepreneurs.

In the first nine months of our fiscal year 2010, the total value of loans accepted by our clients climbed to \$3.4 billion. That's 51% higher than last year and a record in BDC's 66-year history.

This increase was principally due to our participation in the federal government's Business Credit Availability Program (BCAP). BCAP is a collective effort involving BDC, Export Development Canada and private sector financial institutions. Created in January 2009, its goal was to ensure that at least \$5 billion of incremental financing was available for Canadian business to ease the effects of the recession. That sum has now been surpassed.

In a recent report, the Conference Board of Canada highlighted the critical role played by public sector financial institutions such as BDC in acting as shock absorbers during the financial crisis and recession. The report says BDC and other public financial institutions "stepped up to the plate and provided exceptional credit support in a time of crisis... Collectively, these organizations have helped to speed the healing of the Canadian financial system."

We are here for Canada's entrepreneurs, as we have been since 1944, in good times and bad. \$



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KISSISSING LAKE LODGE Success in the wilderness

BY RICHARD ANDREWS

Despite a tough economy, high fuel prices and the rising Canadian dollar, Curt Enns and his wife Juanita have expanded their northern Manitoba wilderness lodge into a multimillion-dollar enterprise.

JUANITA AND CURT ENNS, OWNERS,
KISSISSING LAKE LODGE AND
WINGS OVER KISSISSING



The couple has been able to thrive in troubled times for the Canadian tourism industry by diversifying their business and working hard on marketing. A key move was to build on their lodge business four years ago by purchasing an air charter company that serves remote areas.

“As the tourist industry declined, we saw the writing on the wall and didn’t want to keep all our eggs in one basket,” says Curt, 37, the organization’s president. “The lodge and airline businesses go hand in hand up here. We now run one of the largest and most popular lodges in Manitoba, together with a fleet of 14 light aircraft.”

With up to 60 employees in the summer, Kississing Lake Lodge and Wings Over Kississing cater mainly to a North American market. About half the airline business comes from freight delivery, government departments and mining, with tourists accounting for the other half of hours flown.

“Eighty-five percent of lodge clients come from the U.S.,” says Curt, “but it’s been a hard market to crack. We spent a lot of time travelling to the U.S., visiting trade shows and drumming up new business.

"We take more time with our guests and try to create a family atmosphere."

"We've used all forms of traditional marketing methods and are now moving toward the Internet as a principal means of marketing."

Special packages for couples, guys' getaways, father-and-son retreats and other niche targets have attracted many visitors. The natural beauty of the area is a major selling point of the lodge, located about 550 kilometres northwest of Winnipeg near the Manitoba–Saskatchewan border.

"While the U.S. has some wilderness regions in Alaska that rival north central Canada, we have an abundance of remote undeveloped areas and animal species not found in the U.S.," Curt says. "That gives us a distinct advantage."

The couple, who are clients of BDC Financing, are now looking beyond the U.S. to the European market and recently attended their first Sportsmen's Expo in Germany. They are also increasingly using the Internet to generate interest overseas.

"Personalized service and good people skills are especially important in such a remote location," says Curt's partner Juanita, 38, who hires and trains the seasonal staff. "We're dealing with clients looking for something different and more intimate than they find in large resorts in more populated areas."

"We take more time with our guests and try to create a family atmosphere. Throughout the summer, we spend weeks at the lodge, and regular visitors have watched our four daughters grow up. They often ask after them when they return."

According to Curt, niche marketing and customer service are as important for the air charter business as for the lodge.

"We're far from WestJet or Air Canada," he says. "We don't fly airport to airport but specialize in bush flying off the beaten track. We offer flexible hours and pick you up where the road, rail and most other airlines end."

Familiarity with the owners and employees of competing lodges has enabled Curt and Juanita to convert these contacts into a network of customers for air services.

"We created an identity for the airline separate from the lodge to avoid confusion of the two enterprises," Curt adds. "Our good understanding of the lodge business, including our knowledge of the challenges lodges are facing, has given us a leg up."

Curt says those challenges have provided valuable lessons for successfully running the lodge and airline. One lesson is that the right team is crucial.

"In a remote area, we depend on our people a lot and team building is very important. Some key members of our team are younger people who have moved to Canada from England, Germany, South America and Belgium within the last 10 years. They provide valuable insight into our services and how best to adapt them to the travel habits of countries outside North America."

The son of a lodge operator, Curt learned early about running a business in the wilderness.

"My advice is to keep your ego in check and don't think of yourself as a superstar CEO," he says. "Juanita and I are very hands on. We've done everything from guiding to flipping eggs to making beds and cutting the grass."

He cautions that success has its own pitfalls, and expansion of a flourishing enterprise requires a clear-eyed approach.

"Find your niche. Don't allow yourself to be distracted. Don't start chasing rabbits and doing things you're not good at."

And what of the future of wilderness tourism? Curt is optimistic.

"As the population becomes more urban, I don't think that quality time in the wilderness or people's desire to have a personalized experience will be on the decline any time soon." \$

LESSONS LEARNED



YOUR SUCCESS PLAN

HOW TO POWER AHEAD OF
THE COMPETITION



BY ALEX ROSLIN



ROGER BLANCHETTE
PRESIDENT,
QUADRISCAN GROUP

When the recession hit, Roger Blanchette couldn't have found himself in a tougher industry. Blanchette is president and co-owner of Montréal printing company Quadriscan Group. Printing was among the hardest-hit sectors in the recession—first, because of the collapse in advertising dollars in print media, and second, due to a longer term migration of readers and advertisers from print to the Internet.

But while many other printing firms have folded or endured painful contractions, Blanchette, with his 75 employees, has managed not only to survive the recession, but also to be nicely positioned for the recovery.

He credits strategic planning with turning his business around a few years ago and helping it manoeuvre ahead of the competition during the downturn. The planning led to a refocusing of the company and a forward-looking investment to build Quadriscan's digital printing services.

"In the year after we did our strategic plan, we moved from red to black," says Blanchette, whose company has received BDC Financing and Consulting services. "If we hadn't invested, we would have been in big trouble now. While the rest of the sector declined significantly during the recession, we have grown."

Strategic planning is one of those chores that harried small and medium-sized business owners find easy to put off. There never seems to be a good time. "In a small or medium-sized business, the president is often fighting fires on a daily basis and doesn't have time to look at the bigger picture," says Theodore Homa, a managing partner at BDC Consulting in Montréal.

However, strategic planning is critical to a business's success, Homa says. And this is especially true in a tough economy. "Without planning, your business is not going to grow. It's going to stagnate, and the competition will most likely outpace you."

"If we hadn't invested, we would have been in big trouble now."

Andrew Maxwell agrees. He teaches entrepreneurship and innovation at the University of Toronto and the University of Waterloo and is director of business partnerships at the Canadian Innovation Centre.

"CEOs who have survived the downturn are very good firefighters," Maxwell says. "It's very difficult for them to stop fighting fires and take the time to think how they can reduce the number of fires in the future."

Getting started is probably the toughest part of strategic planning. Experts recommend putting the ball in motion with a meeting of the company's top three to five team members outside the office, such as a weekend retreat. Another suggestion: bring in an external advisor such as a consultant or board member who can help guide the process.

The three parts of any strategic plan are an in-depth look at the existing business, a vision of where the company should go and an action plan.

The first part involves reviewing everything from financial results to company history, internal strengths and weaknesses, how competitors are changing, trends affecting customers, and any relevant macro-economic issues. "Summarize all that, and things will pop out at you," Homa says.

Part of the review should involve talking with customers about their challenges and how you can help them, Maxwell adds.

Next comes a vision for the future. "You need to try to work out what's going to happen in the market in the next five years and what will change that you can take advantage of," Maxwell says. New business can come from a new product or technology—or doing something differently with your current resources and offerings.

But don't jump on the first opportunity you identify. Rather, try to identify at least four or five options and weigh them against your existing business capacity.

Last comes the action plan—how to achieve that vision. This includes a timeline for what to do and when, with clear and measurable objectives and a budget. Also vital: Explain the plan to employees and get their buy-in.

Strategic plans are usually prepared for three to five years forward, with the first year or two sketched out in more detail. The president is usually responsible for keeping tabs

on progress, and it's a good idea to review the plan quarterly or biannually and update it at least annually.

Back in Montreal, Blanchette decided to do a strategic plan when he realized that even though his business volume had grown, the company was running a loss. With the help of an advisor from BDC Consulting, he and his team reviewed the business and realized that the printing market was changing rapidly; they had to bring Quadriscan fully into the new digital era.

They had invested in new digital printing technology several years before, but it had remained a sideline. Now, they decided to promote the higher margin digital services as their main business and add finishing services as a new value-added sideline.

Thinking ahead is now business as usual for Blanchette. He has just embarked on another shift in direction in a slow economy, creating a print-on-demand venture to target the Quebec book market.

"To be well positioned for the future these days, you have to have a much bigger vision than you did before." \$

STRATEGIC PLANNING 101

1 Evaluate your existing business: Take an honest look at finances, company history, strengths and weaknesses, the competition, and trends. Don't forget to talk with customers about their needs.

2 The vision thing: Look at what's likely to happen in the market in coming years and how you can take advantage of developments.

3 Action plan: Lay out how you'll accomplish your vision, with a timeline and budget. Don't forget to get employees on board. Revisit the plan regularly to do progress check-ups and updates.

THE CANDY MAN A SWEET CAREER THAT HASN'T ALWAYS BEEN SMOOTH

DAVID GANONG
CHAIRMAN,
GANONG BROS. LIMITED



One of David Ganong's fondest childhood memories is accompanying his grandfather through the family's candy factory during the autumn rush. Four floors buzzed with activity in anticipation of the Christmas season. Candy mixture, caramel, fudge, nuts, chocolate—it was the stuff of boyhood dreams.

But, soon enough, Ganong was facing the hard realities of the confectionary business. At just 34, he became the fourth generation of Ganongs to lead Canada's oldest candy company, taking over from his uncle. He guided Ganong Bros. Ltd. through 30 turbulent years, marked by the advent of free trade, a risky move to build a new state-of-the-art plant and the devastating impact on candy exports of the rapid rise of the Canadian dollar.

In 2008, he handed over his duties to the first non-family president in the company's history, Doug Ettinger, a veteran food industry executive. Ganong Bros., a BDC Financing client, employs 400 and makes products under both its own brand and for others, including the venerable Laura Secord chain. Almost one-third of production is exported, mostly to the U.S.

David Ganong, 66, remains the chairman and controlling shareholder of Ganong Bros. A member of the Order of Canada, he lives in an apartment with his wife Diane atop the old factory building in downtown St. Stephen, New Brunswick—now converted—that he visited with his grandfather all those years ago.

I WAS BROUGHT UP ONLY A FEW HOUSES AWAY FROM THE CHOCOLATE FACTORY and my grandfather lived even closer than that. Each morning at five minutes to eight, ten to eight, and then at noon, the steam whistle would blow to warn people when they should be at their work station or take their lunch break. That permeated the entire town.

MY GRANDFATHER ARTHUR GANONG INVENTED THE CHOCOLATE BAR. We've lost a lot of market share since then. [laughs]

I REMEMBER, IN THE FALL, WE WOULD PICK APPLES OFF THESE TREES AND THROW THEM UP TO CANDY-MAKERS on the second floor of the factory, and they'd dip them in caramel, let them cool, and throw them back down to us.

“During the time I was president, the company grew on the order of 20 times.”

DURING MY UNIVERSITY SUMMERS, I WORKED AS A LABOURER ON THE PLANT FLOOR. I would unload boxcars of sugar. In those days, it used to come in railcars in 100-pound bags, which was pretty rugged work, especially when they were piled right to the ceiling.

MY FATHER AT ONE POINT TOLD ME: “YOU CAN BE A BIG FISH IN A SMALL POND and come back and work for Ganong’s or you can be a small fish in a big pond and go out and find the world.” Ultimately, I suppose the heartstrings won out in terms of making that decision. But it was never a predetermined destiny in my mind.

I PROBABLY WAS YOUNGER THAN I SHOULD HAVE BEEN WHEN I BECAME PRESIDENT. I was 34 and it probably would have been better if I had been 40.

IN A COMPANY THAT IS CLOSE TO 140 YEARS OLD, THERE IS AN ENORMOUS BAGGAGE THAT YOU CARRY, particularly as a family member. You carry a very vibrant and positive history, of course, but you also carry an enormous responsibility for carrying it forward in a different world, in a rapidly changing environment.

MY DAD SPENT MOST OF HIS CAREER WITH THE COMPANY, FIRST IN SALES AND THEN AS PURCHASING AGENT. But, as happens with many family companies, my dad did feel he was more qualified to be the president than his brother. And that created friction over the years. I tried to take a very neutral position. My uncle, Whidden, was my boss and my dad was my dad.

IN THE CANDY BUSINESS, IF YOU CAN’T PROVIDE A TASTY, PLEASING, PLEASANT PRODUCT, all the rest of the things you do—quality control, buying commodities right, managing people appropriately, a pretty brochure to sell a product—don’t mean a thing.

WE HAD DEVELOPED A VERY STRONG MARKET IN THE UNITED STATES. AND WE DID IT BASED ON THE 65-CENT DOLLAR. In a few short months, the dollar blew through to \$1.10 U.S. Enormous amounts of business were lost over an 18-month period. Five of 13 major factories [of competitors] disappeared in Canada. It called for a lot of shifting strategies and challenging financial management. That’s a very vivid memory etched in my mind.

Continued on next page



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THE PHILOSOPHY OF ARTHUR GANONG WAS, WHEN MANAGEMENT AND OWNERSHIP ARE THE SAME, they need a board of directors to protect them from themselves. The advice I've received from my board of directors has been invaluable. And I think a lot of entrepreneurs fail to recognize the kind of advice that can come from a good advisory board.

AS A MANUFACTURER, YOU NEED TO SET YOUR SIGHTS ULTIMATELY ON BEING A GLOBAL

COMPETITOR in order to compete in your own market. And once you reach that stage, in order to justify the capital costs associated with modern, high-speed equipment, you really need to develop business outside the Canadian market.

DURING THE TIME I WAS PRESIDENT, THE COMPANY grew on the order of 20 times.

I HAD BEEN PRESIDENT FOR 30 YEARS, WHICH IS PROBABLY LONGER THAN A CEO SHOULD STAY IN THAT JOB to begin with. I was reaching age 65, and I had had a hard-working career. Two of my children are involved in the business and doing very well. But it was premature for them and I think the feeling was—it's time for new ideas, for some new energy at the top.



THE FUNDAMENTAL PHILOSOPHY IS THAT WE NEED THE BEST PERSON TO RUN THE BUSINESS THAT WE CAN FIND. And if that individual is a family member, great, hooray! If it isn't, then fine. Doug Ettinger was the right guy to take the reins. Ultimately, the board of directors along with Doug are going to make decisions and determinations as to who the next CEO is going to be if Doug should take ill, or if he should quit or go straight through to retirement.

I'VE ALWAYS JUST TRIED TO DO WHAT I THOUGHT WAS THE RIGHT THING TO DO without trying to think too much about legacy. \$

AS TOLD TO DON MACDONALD.

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