

ESSENTIAL INFORMATION  
FOR ENTREPRENEURS

# profits\$

BUSINESS DEVELOPMENT BANK OF CANADA  
SPRING 2012 | VOL. 32 NO. 2 | BDC.CA

## LISTENING TO YOUR CUSTOMERS

**HOW TO FIND OUT  
WHAT THEY WANT**

## WEBSITE BOOT CAMP

GET YOUR SITE IN SHAPE FOR SALES

## NORTHERN EXPOSURE

AN AMBITIOUS ENTREPRENEUR'S  
YUKON ADVENTURE



**NANCY SIMONEAU**  
PRESIDENT  
GROUPE SIMONEAU

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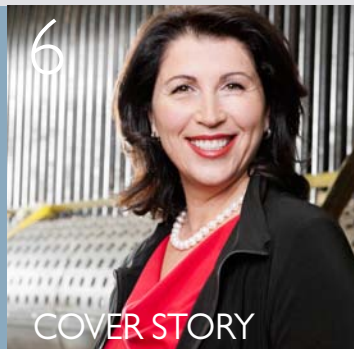
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**Profit\$**® is published by the Business Development Bank of Canada (BDC). Its purpose is to provide entrepreneurs with information of interest and to inform them about BDC products and services.

Profit\$® articles may be reprinted when permission is obtained from the editor and credit is given to BDC. ISSN-0711-0316

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**Publisher:** BDC

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(BDC Public Affairs)  
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**Address:** Business Development  
Bank of Canada  
Public Affairs Department  
5 Place Ville Marie, Suite 400  
Montreal, Quebec  
Canada H3B 5E7

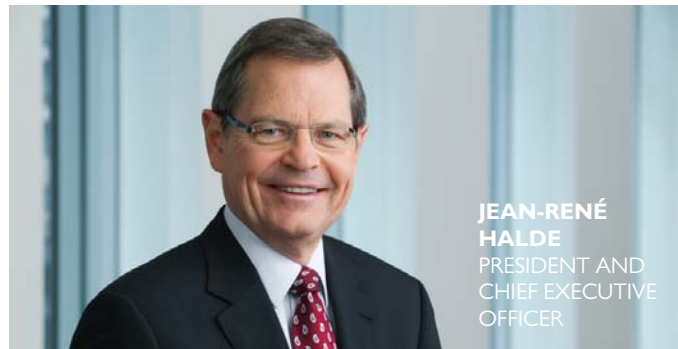
**Telephone:** 1 888 INFO BDC (463-6232)

**Website:** bdc.ca

Printed on 100% recycled paper.

## PRESIDENT'S MESSAGE

# MAKING A DIFFERENCE



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

In my job, I meet many young entrepreneurs from every part of the country. When I ask why they're in business, they tell me they love the freedom of being their own boss and the ability to make a difference.

To turn their dream into reality, many have to build a business from the ground up, often starting with little more than hard work, ingenuity and determination. They relish the challenge and take pride in seeing customers respond to what they have created.

I am also told by young entrepreneurs that they find deep satisfaction in providing a livelihood for employees and contributing to the health of their communities. In many cases, their business is nothing short of the embodiment of their deepest hopes for creating a better world.

To recognize, encourage and support these young Canadians, we have organized a bold, new format for the 2012 edition of our Young Entrepreneur Award competition. We invited young entrepreneurs, aged 18 to 35, to apply and submit a short video, presenting an innovative project designed to make their business more successful.

Finalists selected from across Canada are competing for the \$100,000 BDC Grand Prize for Innovation and a second prize of a \$25,000 Internet Strategy from BDC Consulting.

I encourage you to learn more about this competition and some of Canada's most outstanding entrepreneurs by visiting our Facebook page ([www.facebook.com/BDC.ca](http://www.facebook.com/BDC.ca)) or our special website ([www.bdc.ca/yea](http://www.bdc.ca/yea)).

Why do we believe it's so important to support innovative young entrepreneurs? Because Canada needs them now more than ever. They make our communities stronger and improve our standard of living. They help to build a more competitive, productive and innovative country.

Young entrepreneurs love the opportunity to make a contribution through their businesses. Let's celebrate their achievements and encourage them to reach their full potential because when they succeed, Canada succeeds. \$

# NETWORKING BASICS FOR ENTREPRENEURS

## STRATEGIES TO DEVELOP STRONG BUSINESS TIES

WITH THEIR BUSY SCHEDULES, ENTREPRENEURS rarely make enough time for networking. But building mutually beneficial associations should be a priority for every business owner, says Bonnie Elliot, Partner, BDC Consulting.

“You need to understand it as an investment, not a cost,” Elliot says. “Relationships are vitally important and extremely helpful.”

She says strong business relationships can lead to new customers, improved management skills and the discovery of new ideas.

A frequent mistake is to approach networking in an ad-hoc way, Elliot says. At the beginning of the year, when working on their business plan, entrepreneurs should also look at their networking strategy and answer questions such as: Whom do I want to meet on a regular basis? With whom do I want to do business this year?

At the end of the year, assess how you did in meeting your goals and how relationships with people in your network helped your business.

People are uncomfortable at networking events because they feel like they’re “walking into a party without knowing anybody,” Elliot says. “The reassuring fact is that everybody else is in the same boat.”

Connecting with peers in your own industry is the first step in a networking strategy, but it shouldn’t stop there, Elliot says.

“Meeting people from outside your industry can bring a fresh perspective to your business.” \$





60-SECOND  
COACH

## MY BEST ADVICE

With more than 25 years of experience as an entrepreneur, I've learned that the secret of a successful business is to know your limits. If you aren't able to deliver on your promises, you shouldn't be in the business. For example, when we're doing a live show, if it is announced at 8:00, it has to start at 8:00, not at 8:10.

It is in our nature, as entrepreneurs, to want to grow fast. And this is a good thing. But there are so many details along the way that can break a company, especially in periods of rapid growth. You have to admit that you have a limitation and recognize when you hit it.

**PETER HENDRICKSON**, PRESIDENT  
OF TOUR TECH EAST



We work in a people business and some of our biggest deals have been done on handshakes. I've learned it's a long and painful experience to re-establish the trust of a partner or client once it's broken.

You also have to hire people who have the skills you may not possess and who share your vision. When the company is successful, you have to share the successes with them. Alan Barret is our Warehouse Manager. He works tirelessly and probably puts in more hours than I do. To reward his dedication and long-term commitment, I gave Alan 10% of the company. I reduced my ownership by 10%, but the return has been immeasurable. \$

*Peter Hendrickson, 51, is the President of Tour Tech East (TTE), an event company based in Dartmouth, Nova Scotia. With its 50 employees, the company provides sound, lighting, video and staging rentals for the entertainment industry, as well as facility rentals for the film industry.*

## TACKLING CANADA'S EMERGING SKILLS CRISIS

Canada's shortage of skilled labour is the leading economic challenge confronting the country and it will be so for years to come, according to the Canadian Chamber of Commerce.

Canada is developing a skills crisis and resolving it is key to the success of businesses and the economy, the Chamber says in a new plan called *Tackling the Top 10 Barriers to Canadian Competitiveness*.

Emerging labour shortages are the result of two major trends. The first is the aging of the population and the departure of baby boomers from the workforce. The Conference Board of Canada's long-term economic outlook projects that by 2025 one in five Canadians will be 65 or older.

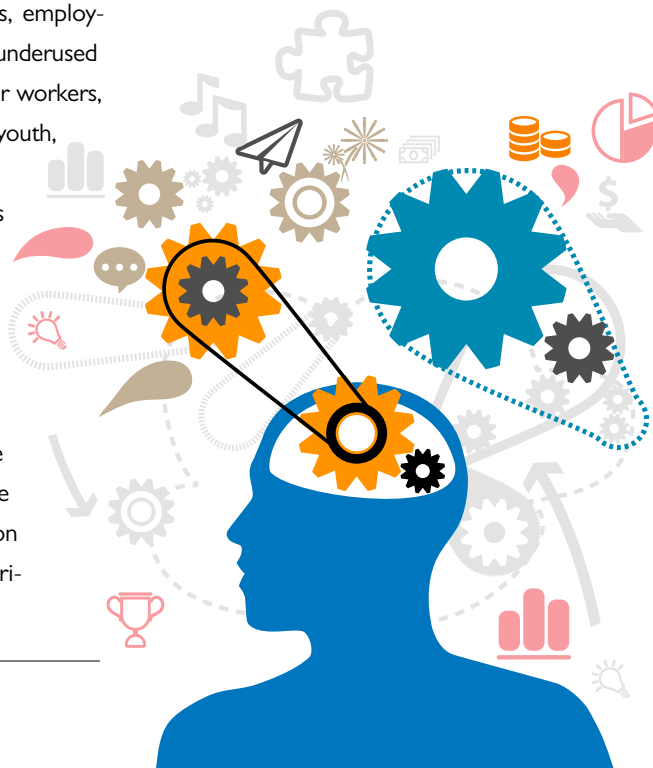
The second trend is that jobs are becoming increasingly specialized, which, in turn, demands more educated and skilled workers. "Developing domestic skills and improving access to foreign

workers are vital to the continued success of Canadian businesses and our economy," the Chamber says.

In addition to attracting immigrants, employers should look for skilled workers in underused segments of the market, including older workers, Aboriginal people, disabled people and youth, the Chamber recommends.

Among other barriers to Canada's international competitiveness, the Chamber has identified the need to increase business investment in technology, reform the tax system and break down internal barriers to trade.

Over the next several months, the Chamber plans to tackle each of the top 10 barriers, with a special focus on addressing the skills issue with various initiatives. \$



6:07

100%

## SOUND MANAGEMENT REQUIRES CONSTANT ATTENTION

It's the management team's responsibility to implement good business practices to guide the company's operations and meet corporate growth objectives, particularly in today's increasingly complex business environment. Here is a checklist of 10 proven general management practices to help you navigate this complexity on a daily basis and stay the course during difficult periods.

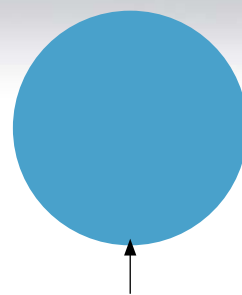
## MANAGING COMPLEXITY: A CHECKLIST

- 1 The company's mission, vision and values have been drafted and disseminated so that employees and clients understand them.
- 2 The company's results and performance are assessed regularly and compared with the targets in an annual business plan. The plan is adjusted accordingly.
- 3 Each year, the company develops a strategic plan covering major investments and other goals for the next two to five years in consultation with the various department heads.
- 4 The company has a detailed, up-to-date organizational chart.
- 5 The allocation of the main operational responsibilities among managers is clear and respected.
- 6 Policies and procedures have been clearly defined and drafted, and are updated periodically.
- 7 General staff meetings take place regularly to update employees on the company's status and on recent developments.
- 8 Management has a process to regularly gather employees' opinions on operations, the company's direction and growth, and development projects.
- 9 To ensure unity, the company's executives, managers and supervisors meet regularly to assess the company's situation.
- 10 The company has a board of directors or advisory board that meets regularly. \$

## SMEs BY THE NUMBERS

Small businesses account for 98% of all Canadian companies. If they can compete better and grow, they will contribute even more to building a strong national economy.

Source: Statistics Canada data for 2010, except GDP data, which are for 2005.



98%

1,116,423 small businesses  
(1–99 employees)



1.7%

19,630 medium businesses  
(100–499 employees)



0.2%

2,708 large businesses  
(500+ employees)

64%

Percentage of private sector employment accounted for by SMEs

54%

Percentage of all jobs created by SMEs in the private sector in the 2001–2010 period

54.3%

Percentage of gross domestic product in the business sector that is produced by SMEs \$



# A CUSTOMER-DRIVEN COMPANY

## SUCCESS FLOWS FROM UNDERSTANDING WHAT CLIENTS NEED AND WANT

BY DON MACDONALD

**NANCY SIMONEAU**  
PRESIDENT  
GROUPE SIMONEAU

YOU WOULD BE HARD PRESSED TO FIND A MORE TRADITIONAL and glamour-free business than manufacturing industrial boilers. That's why it's surprising to hear Nancy Simoneau compare her boiler company to the world of fashion when explaining the importance of keeping up with customers' evolving tastes and needs.

*"It's so important for us to stay on top of what our clients want. It's a matter of survival."*  
— Nancy Simoneau

"People in the fashion industry understand you have to be open to new things. You have to network, travel and see what's going on elsewhere," says Simoneau, President of Groupe Simoneau. "It's the same for us. It's so important for us to stay on top of what our clients want. It's a matter of survival."

A customer focus and commitment to innovation have produced remarkable results

at the boiler repair and manufacturing company founded by Simoneau's father, René, some 30 years ago.

The company, which employs 85, has worked hard to make its boilers more compact and energy efficient—qualities prized by industrial and commercial customers, who use them to make hot water and steam for heating and other uses. Sales have hit almost \$20 million,





PHOTOGRAPHY:  
YVES LACOMBE

up from \$1.5 million in 1996, when the company in Boucherville, Quebec, just southeast of Montreal, moved from mainly servicing boilers to manufacturing them.

Regardless of the industry, a key to building a strong, innovative business is digging to uncover what customers want—maybe even before they're aware of it themselves.

In the case of Groupe Simoneau, the company keeps in close contact with clients—"listening to them and working hard to understand the irritants and difficulties they are experiencing," says Simoneau, who took over leadership of the company from her father in 2001. (Younger sister Maud is Director of Operations.)

But it doesn't stop there. The company is also diligent in monitoring its industry for emerging trends and opportunities. Simoneau travels frequently, notably to trade shows in Europe, to keep up with developments in the business.

She says the boiler industry had become set in its ways at the time her company moved into manufacturing. However, pressure for change was building, principally because of rising energy costs and tighter environmental regulations on emissions.

### Pushes Team

To make the most of those opportunities, Simoneau has pushed her engineering team to continually rethink boiler design in response to emerging customer requirements.

In one case, a client asked Simoneau to produce a boiler that met the lofty goal of 80% efficiency in converting energy into steam.

"The engineering team came back to me and said: 'Nancy, we're at 79% and we can't make it to 80,'" recalls Simoneau. "I told them, 'I don't know what you're going to do, but I sold 80% and I'm not going to install something below that in hopes the client won't notice. You have a week. Find a solution.'"

The team looked at the problem and found a way to recover more heat from the boiler's exhaust. Once the boiler was installed, energy efficiency hit 82%, representing \$300,000 in additional annual savings for the customer. From there, the team was able to further refine the design, bringing efficiency to 85% and making it a mainstay of Simoneau's product line.

Jean Joncas, a BDC Business Consultant, says it's critical to listen to your customers, build strong relationships with them and strive to anticipate their needs. Often, this is the way to avoid following competitors or trying to create demand where none exists.

"It's not rocket science," Joncas says. "You have to work at understanding what your clients need, instead of presuming you know. You have to ask them."

A good place to start is with a customer satisfaction survey in which you ask customers to provide feedback on your products and customer service. You can also use the opportunity to validate your ideas for new products and services. Social media and other free or low-cost online tools are increasingly being used to solicit this kind of feedback from customers and prospective customers.

It's also essential to collect and analyze customer comments and complaints made to staff or online. This is often valuable intelligence for improving your products and services.

You can then move on to focus groups and one-on-one conversations in which you seek out ideas or validate the merit of yours.

### Decode comments

But Joncas cautions you have to work to "decode" customer comments to find out what they really want. This is because they're frequently unclear about their real needs or desires. To get around this problem, businesses need to dig deep—by asking probing questions, observing and thinking about customer behaviour, and then testing different hypotheses.

Once you're at the stage of testing a new product or service, it's often smart to enlist the help of your best customers.

That's what Groupe Simoneau, a client of BDC Financing, does when it's come up with a major innovation. After designing and building a prototype at its plant, it seeks the help of a trusted client. The company offers to install the unit for free or on favourable terms in return for the client providing feedback and allowing Simoneau engineers to observe the prototype's performance.

"If you work closely with clients, you increase the chances your new products will succeed," BDC Business Consultant Normand Coulombe says. "As well, customers sell to other customers through word of mouth. And that can help you with what is often the hardest part of innovation—the marketing, the selling."

The company is now looking for a lead customer to test the unit before rolling it out to the market at large.

Simoneau says the project is just the latest milestone for a company that is ambitious, forward looking and customer focused.

"We have a long-term vision for the business," Simoneau says. "Innovation is how we achieve growth and continuity. And innovation is all about satisfying client needs." \$

### May not work

Still, even after all the research and testing, Coulombe says entrepreneurs have to be prepared for failure.

Simoneau agrees. "Sometimes it doesn't work," she says. "Innovation comes with the understanding that it might not work. If you're an entrepreneur and you're not ready to lose some money, you're not in the right business."

She says the key is to take the necessary steps to maximize your chances of success. And that's just what her company has done with a new product called Energy Box—a unit that burns wood pellets to produce heat for commercial buildings.

Simoneau is confident there will be strong demand for the product, especially in regions that are currently dependent on heating oil. But she isn't relying on instinct to gauge potential demand.

The company has studied the market and talked at length to potential customers about their needs. The result is a product with a lengthy list of attractive features including high energy efficiency, reasonably priced fuel and clean, carbon-neutral emissions.

## IT STARTS AT THE TOP

Here are some tips to improve your business's customer-focused innovation.

**1.** As the president, it starts with you. Keep an open mind about change and improving your business. Attend trade shows, read widely and talk to customers often. Make innovation a part of your business plan, get your employees involved and be open to their suggestions.

**2.** Systematically follow up with customers after sales to ensure they are satisfied with their experience and to ask how it could have been improved. Also, conduct regular customer satisfaction surveys to ask about your products, customer service, and ideas for new products or services. Explore inexpensive online tools for soliciting feedback.

**3.** Seek out market research. Organize focus groups and hold one-on-one meetings with customers to gauge the merit of your ideas for new offerings. Then, work with your team to decode customer comments and anticipate their desires, remembering that customers often don't know what they want until they see it.

**4.** Enlist the help of customers to test products, provide you with feedback and give you the opportunity to observe the products being used in the real world. Then align your marketing messages with the value proposition your customers are looking for.



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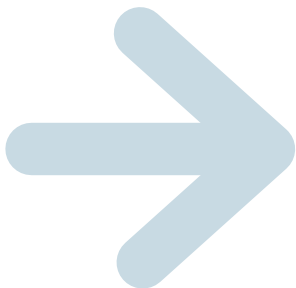


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# INTERNET SALES SURGE

## HOW TO BOOST CUSTOMER VISITS TO YOUR WEBSITE

BY ALEX ROSLIN

SednaVoice had a problem that's not uncommon for small and medium-sized businesses these days. Its website wasn't attracting the attention of enough customers. That all changed when the company got serious about optimizing its online presence.

**SHA NADARAJAH**  
CEO AND FOUNDER  
SEDNAVOICE

PHOTOGRAPHY: YVES LACOMBE

IF YOUR BUSINESS OFFERS PHONE SERVICES VIA THE INTERNET, you better make sure people can find you easily on the web. On that score, SednaVoice wasn't doing well. The Toronto company offers low-cost business phone systems that use Voice over Internet Protocol—a way to make calls over the Internet.

But ironically, SednaVoice's website wasn't getting noticed on the web. That's because it hadn't been optimized to attract attention from search engines.

In Google searches, the SednaVoice site ranked 25th when Internet users looked for the type of services the company offers. That meant it was on the third page in Google search results and virtually unseen.

Sites that appear on the first page of Google results attract over 90% of web search traffic, according to a recent study. Second-page rankings attract about 6% of web traffic, while sites ranking even more poorly do worse.

It was clear that many potential customers were missing SednaVoice.

"The Internet is where people are looking for service these days—everything from a barber shop to phone services," says Sha Nadarajah, CEO and founder of SednaVoice. "But we weren't getting out to people on the web."

It's a common problem for entrepreneurs. In the Internet era, if your business can't be easily found on the web, it may be losing huge opportunities. "Most companies don't think about their 'findability' on the web," says Ravi Dindayal, BDC's Director of Internet Services. "Even big brands have the same problem."

The good news, he says, is that it's fairly simple to improve your search engine performance. "There are easy initiatives that most companies can take," Dindayal says.

### Keywords Rule

The key to improvement is search engine optimization—making sure your website and social media efforts are optimized to attract attention from search engines.

The first step is to choose 20 to 50 keywords that describe your business. Using these words in the text on your sites will get them noticed when Internet users search for those terms via search engines such as Google, Bing or Yahoo.

Your keywords should be specific enough to capture how your business stands out and what needs its products or services satisfy. Terms that are too general or vague won't do much to improve your search engine rankings because they leave your site competing against high-traffic sites that offer similar services.

Also keep in mind that people tend to search with words that correspond to the need they are trying to fulfill. So think about what those terms would be for your products when choosing keywords.

"You need words that set yourself apart. Ask yourself: 'What is unique about us?'" Dindayal says.

Companies should use these keywords as often as possible in content on their website and in social media, such as posts to Facebook, Twitter, LinkedIn and blogs.

Also, choose some main keywords to include in the most prominent spots on your sites, such as introductory text at the top of your website homepage, Dindayal says.

Search engines don't see words within images, so any keywords there won't improve your ranking. Be sure to place keywords within text.

### Compelling Content

At the same time, Dindayal says, keywords shouldn't be overused to the point that they distort content and make it unreadable.

In fact, an important consideration for search engine optimization is having interesting and useful content on your sites that visitors can share with others.

That's because the more your content is shared and linked to on other sites, the more your site will get noticed in search engine results, Dindayal says. Search engines rank a site higher if there are lots of links to it on other sites—especially high-traffic sites.

For this reason, social media has revolutionized search engine optimization. Sites like Facebook, Twitter, YouTube and LinkedIn give businesses free platforms to get content shared on the web, Dindayal says. "These days, search engine optimization isn't just about ranking high in Google results, but also being found across the Internet, including on social media sites and blogs."

But remember: a hard sell is a turn-off for social media users. Instead, focus on informative content, such as how-to articles, educational videos and industry news updates. Update content regularly to help ensure repeat traffic.

To guide your efforts, Dindayal recommends developing an online content strategy integrated into your overall business strategy. It should spell out how and when to use your keywords and a plan for coming up with compelling content that gets shared on the web.

You may also want to buy keywords from Google or another search engine company as part of a "pay-per-click" campaign. This is a way to buy an ad for your business that appears above or beside free search results that include those terms. You then pay each time your link is clicked. Competition is stiff for keywords so if you don't have a big budget, you will have to focus on your niche.



*“Wow! It was very exciting to see SednaVoice ranked on the first page.”*  
— Sha Nadarajah



**SHA NADARAJAH**  
CEO AND FOUNDER

**ASHOK PARAMESWARAN**  
CHIEF TECHNICAL OFFICER AND FOUNDER

### Getting on the First Page

Back at SednaVoice, Nadarajah has put many of these lessons into practice. Last July, he hired a BDC consultant to optimize SednaVoice's site to improve its search engine ranking. At the same time, he took the opportunity to have the site redesigned to make it easier to navigate.

His goal: to get his website on the first page in Google search results for non-branded keywords (meaning search terms that don't include his company's name).

The consultant helped SednaVoice come up with a list of keywords such as “business phone system” and “hosted PBX” with the help of a free Google AdWords service called Keyword Tool. The consultant then peppered the keywords throughout the site's content.

SednaVoice also attracted links from other sites by distributing a newsletter to high-traffic industry websites, which included a link back to its own site.

The improvement came gradually but steadily. By the late summer of 2011, SednaVoice had edged up from 25th to 15th place in the Google results. It hit the first page in December. “I was like, ‘Wow!’ It was very exciting to see SednaVoice ranked on the first page,” Nadarajah says.

The improved ranking translated into a 48% increase in the number of people visiting the company's site when searching for a non-branded keyword. These visitors also spent three times more time on the SednaVoice site than before.

And, most importantly, sales via the company's website in December 2011 were 20% higher than those in December 2010.

Nadarajah's next goal is to further improve his search engine ranking by developing social media sites and a website optimized for mobile viewing.

“It was a big undertaking and involved a lot of time and effort. But it has paid off.” \$

## FIVE WAYS TO RANK HIGHER IN SEARCH ENGINE RESULTS

### PRECISE KEYWORDS

Make a list of 20 to 50 keywords to sprinkle in your content. Choose terms that help you stand out and include them in text—not just in images, which search engines don't see. Use the terms frequently but not so much that they detract from readability of your content.

### SOCIAL MEDIA

Search engine optimization today means not only ranking well in Google searches, but also getting noticed on social sites such as Facebook, Twitter and YouTube. Post compelling and informative content to encourage others to share it, which in turn will help you rank higher in search results.

### CONTENT STRATEGY

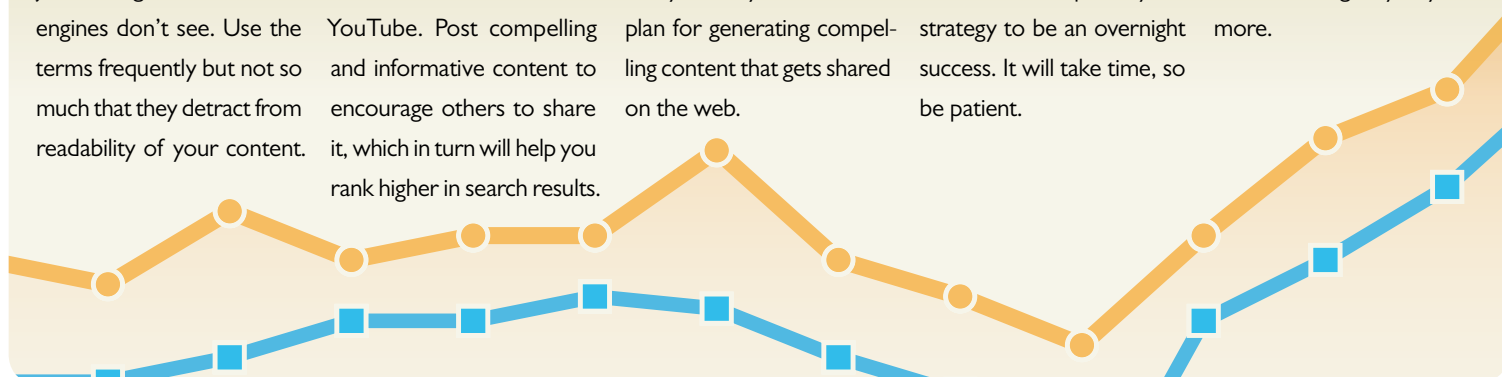
Develop a content strategy for all your web properties that aligns with your overall business strategy. It should include how and when to use your keywords and a plan for generating compelling content that gets shared on the web.

### WEBSITE DESIGN

Be sure your website is well designed to accommodate the new traffic. For help, go to [bdc.ca/smarttech](http://bdc.ca/smarttech) for a free website assessment. But don't expect your strategy to be an overnight success. It will take time, so be patient.

### MEASURED RESULTS

Google Analytics is a free service that gives you statistics on the behaviour of your visitors—how they found your site, their location, how long they stay and more.





# MANITOBAH MUKLUKS

## SEAN MCCORMICK MAKES THE TREK TO A GLOBAL BRAND

From humble beginnings, Sean McCormick has turned his Aboriginal footwear business into a global enterprise. Along the way, Manitobah Mukluks has provided much needed opportunities for Aboriginal craftspeople.

BY ROSS ROGERS



**SEAN MCCORMICK**  
PRESIDENT  
MANITOBAH MUKLUKS

PHOTOGRAPHY: CURTIS COMEAU



FIFTEEN YEARS AGO, SEAN MCCORMICK'S COMPANY WAS A four-person shop manufacturing Aboriginal-designed mukluks and moccasins. Today, the President of Manitobah Mukluks employs 50 people, and his products are on the shelves of 800 retailers across Canada and sold in 22 countries around the world. Hollywood celebrities are regularly spotted wearing his footwear and his brand has even graced the pages of *O, The Oprah* magazine.

When it comes to success, a lot of entrepreneurs would like to be in Sean McCormick's shoes. "I started out slowly but eventually I opened my eyes to what was possible on a global scale," McCormick says.

In 1996, he first set up an operation in Winnipeg, where he swapped leather and furs for handmade mukluks made by First Nations' women. McCormick, who is Métis, soon saw that retailers couldn't get enough of the beaded, animal skin footwear, and the idea for a company was born.

After developing a business plan with an Aboriginal youth entrepreneurship program offered at the time by BDC, he secured financing and decided to set up his own manufacturing operation in 1997 at the age of 23.

His products proved to be a hit with gift shops. In 2007, McCormick met his business partner Josh Fine (now Vice President, Sales and Marketing) and together they created the brand Manitobah Mukluks to pursue sales opportunities in the much larger footwear industry.

### Competing with giants

At just 37, he is now competing with giants such as Australian sheepskin footwear maker Uggs that can afford multi-million-dollar advertising campaigns to entice fickle customers.

"We're small and we don't have that kind of budget for advertising and marketing," McCormick says. "Instead, we spend a lot of time with our retailers to make sure they understand our products and the story behind them.

"Our footwear designs are based on techniques that go back thousands of years and celebrate Canadian Aboriginal heritage. Our

beading and lacing, for example, are done by hand and our footwear is made with traditional materials, such as rabbit skin, sheepskin and deerskin."

Still, the company has updated traditional footwear to appeal to urban dwellers. For instance, boots are now fitted with high-abrasion rubber soles that are more suitable for pavement.

McCormick says a key to his company's success has been ensuring it has sufficient capital to grow.

BDC financed the expansion of its Winnipeg facilities. And in 2010, the company also benefited from an investment from the CAPE (Capital for Aboriginal Prosperity and Entrepreneurship) Fund, a \$50-million private equity fund launched by former Prime Minister Paul Martin and 21 partner companies to promote Aboriginal entrepreneurship.

"They had confidence that we could generate financial returns. The timing was great for us," says McCormick, who used the money to buy inventory and train employees.

For Manitobah Mukluks, recruiting from the Aboriginal community has been a top priority.

"We see ourselves as contributing to an economic renaissance in the Aboriginal community. It's an integral part of how we run our business."

### Hires Aboriginals

His company has hired a large number of its employees through the Centre for Aboriginal Human Resource Development in Winnipeg.

In 2010, the company also launched a profit-sharing program with Aboriginal craftspeople called the Storyboot Project, which produces premium boots in limited quantities. Profits are shared with the elders and artisans involved in their creation.

Manitobah Mukluks is doing brisk business but, like most companies in the retail sector, the firm has to deal with an unpredictable economy, the fluctuating Canadian dollar and changing consumer tastes.

## LESSONS LEARNED

Work with a comprehensive business plan and update it as the market evolves.

Invest time with retailers to create buy-in for your product.

Recruit young talent to energize your company.

Be sure your products and services stand out in a crowded market.

Secure the capital you need to grow.

Get the objective point of view of a coach to guide you in your business.



To overcome these obstacles, McCormick has made a point of polishing his management skills and seeking the advice of a coach from BDC Consulting.

"I've had to accept that I can't control everything," he says. "I've had to remove myself from the day-to-day business and rely on experts."

#### Invaluable coaching

He says the coaching and mentorship he's received have been invaluable in his development as an entrepreneur.

"You find somebody you trust and you learn from them," he says. "It's great to get an objective point of view on your business. You can become so consumed by it that it's hard to see straight sometimes."

"I've worked with my mentor to update my business plan and prepare our company to roll with the punches, whether it's through better forecasting or improving production processes."

"Running this company is all about continuous learning. I don't think you can take anything for granted, and that's what makes it exciting." \$



*"We see ourselves as contributing to an economic renaissance in the Aboriginal community."*

— Sean McCormick



## LET US GUIDE YOU TO GROWTH

Opportunities are plentiful in the tourism and hospitality industry, but your business faces local and industry-wide challenges in an uncertain economy.

BDC's consulting and financing specialists have the skills, experience and industry-specific knowledge to help your business undertake projects to improve your profitability and competitive position. At BDC, it's entrepreneurs first.



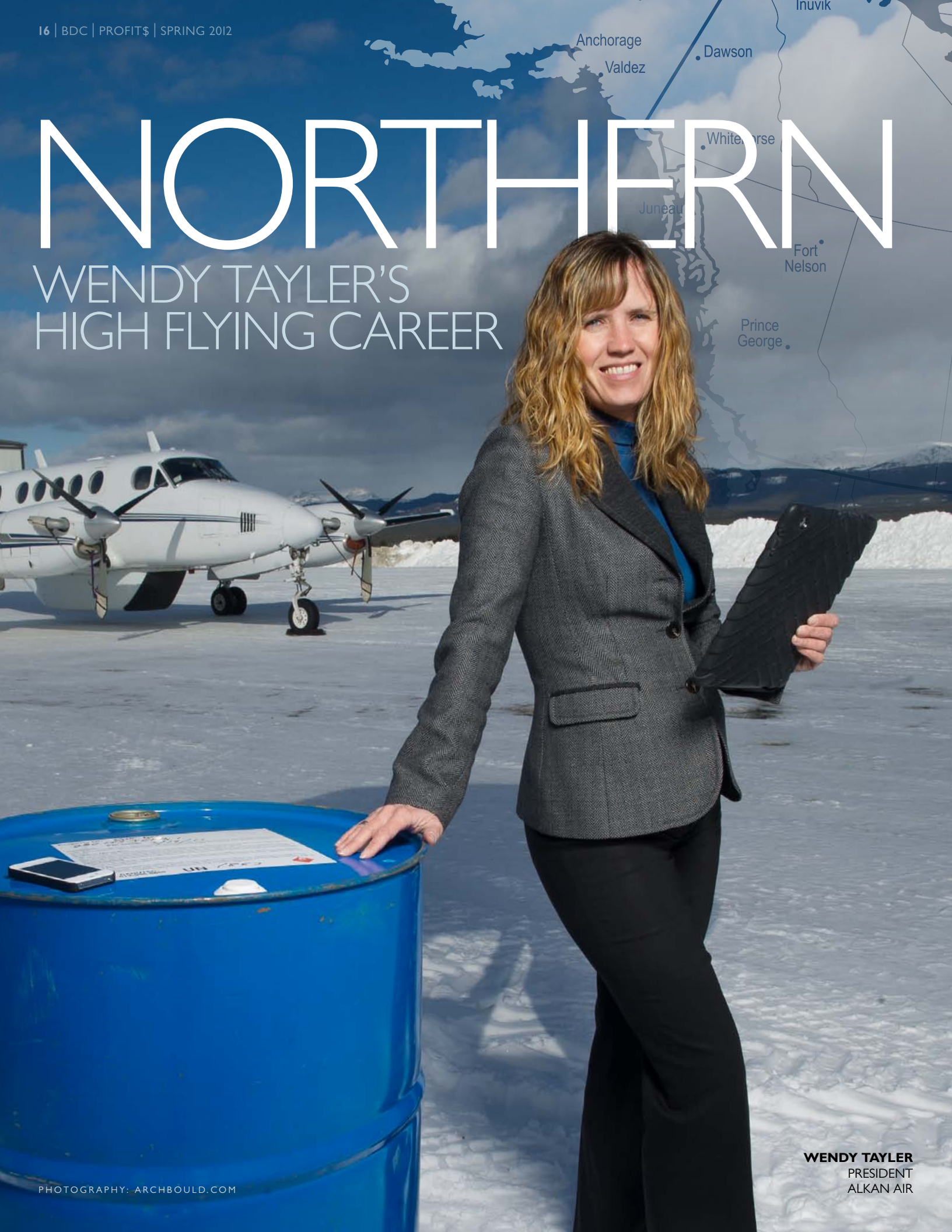
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Canada



# NORTHERN

## WENDY TAYLER'S HIGH FLYING CAREER



## EXPOSURE

WENDY TAYLER KNEW BY THE TIME SHE WAS 11 years old that she wanted to be her own boss. Now, at just 38, she's an owner of not one, but three, growing businesses generating sales of \$30 million in Whitehorse, Yukon. Besides running a chartered airline, a car dealership and a hotel, Tayler finds time to raise her three daughters, compete in marathons and even pilot a private plane.

A chartered management accountant, Tayler has recently taken majority control of Alkan Air Ltd., a client of BDC Financing and Subordinate Financing. It uses 11 aircraft to ferry mining workers and prospectors to remote sites in northern Canada and Alaska, and another three aircraft to provide air ambulance service in the North. Tayler has been working for Alkan since 2000 and bought into the company in 2007.

She is also majority owner of Yukon's only Ford dealership and owns 40% of a boutique hotel in downtown Whitehorse—the Edgewater, both of which are also supported by BDC Financing. The three companies employ more than 100 people.

Tayler says she has developed strong partnerships over the years that help her manage all the responsibility. But she couldn't have become the outstanding entrepreneur she is today without a good dose of ambition and determination.

**I was born and raised in Yukon.** *I love the territory. When I was 5, my mother went to the University of British Columbia in Vancouver to get her PhD in English rhetoric. We returned to Whitehorse when I was 13. I've got a nice blend of the two worlds: the big city and the territory.*

**There were financial challenges in our home,** *not that my mother ever shared this with me. She was a single mom raising me and my sister while doing a full-time PhD. It was tough.*

**The drive has always been in me,** *but a big part comes from watching my mother accomplish everything she did in very difficult conditions.*

**By the time I was 11, I knew I had to become a business owner.** *I wanted to control my financial reality.*

**I thought that becoming an entrepreneur meant freedom.** *I didn't realize back then it meant far less control over your days. Only later did I realize that the business owns you more than you own the business.*

**As a teenager, I never thought I would stay in Yukon.** *It wasn't until I had my first child that I started to appreciate the value of a smaller community.*

**When thinking of Yukon, people imagine harsh climate and bare lands.**

*My reality is different. I walk out my back door and all I can see is mountains. I live near a lake, six minutes away from each of my businesses and the arts centre—where I sit on the board of directors. It's great.*

**I started working at age 16 for an accounting company and quit at 20, when I had my first daughter.** *With one child at home and studying at night to become a certified management accountant, I joined Alkan Air's accounting department. Eventually, I moved up to helping run the aviation company with President Hugh Kitchen, who is still my partner in all three of my businesses.*

**I left Alkan after seven years.** *I wanted to take an ownership interest in the company, but there wasn't an opportunity at that time. I joined the Hougen Group of Companies—a family business that owns numerous companies in Yukon. Over the next seven years, I ran their cable company and their radio station, oversaw the real estate operations and the Ford dealership. I first became a business owner in 2004, when I bought 18% of the car dealership.*

**In 2007, Hugh Kitchen came to me with an offer.** *One of his Alkan partners was selling his shares. He knew that aviation had always been in my blood and asked me to step in.*

**Hugh has been with Alkan for over 30 years and is now ready to retire.** *We share an email address and an office, and we finish each other's sentences. Realizing how well we work together, I found myself asking how I was going to run the company without him. He has been my mentor.*

**With Hugh retiring, I will bring in another two partners at Alkan.** *One of them will take over Transport Canada regulatory standards and the other will bring in a strong technical background. Both of them have been with us for over five years.*

**Building strong partnerships helped me operate in different industries.** *I spend almost all my time at the aviation company. I have an excellent partner at the Ford dealership who runs the business autonomously.*

**To be successful, you have to accept your weaknesses.** *I'm strong in finance, planning, processes and strategy. But I need technical, detail-oriented people around me.*

**The first month after getting ownership in the hotel three years ago, I worked on the line in the kitchen, did housekeeping and ran the front desk.** *For almost a year, I served in the hotel's restaurant. But my limited knowledge of the hospitality industry still makes it challenging.*



**I say I have six children—my daughters and my businesses.** A company needs constant care and—exactly like a child—it will dictate your life to a large degree.

**I'm always home for dinner and I am focused on spending time with my daughters.** I work with daily lists. If it's not in my BlackBerry or in my inbox, it probably doesn't happen.

**I've started long-distance running when I was 11.** I went back to it when I was 30 as a fitness regime and started running half-marathons.

**Three years ago I made the leap to full marathons and I have run three so far.** When in training, I run five days a week, up to 70 kilometres, during a four-month period. After the first hour of running, I free my mind from the day-to-day chaos.

**Running a marathon is a bit like running a business—a lot of mental strength is involved.** The ability to go for 42 kilometres straight occurs in your mind.

**I've just earned my private pilot's licence.** Flying has always been my dream.

**I fuelled an airplane at minus 40 and thought I was going to lose my fingers.** I have been stranded for an hour with a flat tire on an airstrip in Whitehorse, while an Air Canada plane was circling in the air and waiting for me to get off the runway.

**It's easy to sit in a warm office, get a phone call from someone in the field and say: "We'll get there when we can."** Even if I still have to say that, I now have a better understanding of what my crew is experiencing out there.

**Now I'll start working on my commercial pilot's licence.** If I am to become the majority owner and the President of Alkan, I can't afford having key components of the business where I don't have in-depth knowledge.

*"You have to be able to visualize success."*

— Wendy Tayler



**At Alkan, our business growth is dictated by the highs and lows of the exploration industry.** Last year, we saw 50% more hours flown than in 2010. The entire Yukon was staked. We will still be busy this year, but I believe that spike was a one-off.

**BDC's Business Centre in Whitehorse has been fantastic.** When a financing deal fell through, BDC came to the table and was able to put together a deal in record time.

**You have to be able to visualize success.** Many people have a strong desire to be successful and the ability to do so. However, without a clear vision and the ability to "see yourself" signing the document, crossing the finish line or making your acceptance speech, it is very difficult to get to where you want to be. It also doesn't hurt to have some old-fashioned gold-rush luck.

**My goal is for my businesses to be renowned for their excellence** and for my people to be engaged and proud of their work. For my daughters, I hope they will find a place in life where they are happy, no matter where that place is, just as I have. \$

AS TOLD TO ALINA PAHONCIA

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# Ask a Pro

**Q** I'M THINKING OF AN ISO CERTIFICATION, BUT I DON'T KNOW HOW TO CHOOSE THE RIGHT ONE. WHAT IS THE DIFFERENCE BETWEEN DIFFERENT ISO STANDARDS?

**A** ISO certification provides a set of international standards of quality management practices and is used by leading businesses worldwide. More than 19,000 standards have been developed to date on a variety of subjects. Here are some of the most required ISO standards:



- **ISO 9000** is dedicated to developing quality management systems. It can be adopted by any business and helps you show that you can provide products or services that are focused on total customer satisfaction.

- **ISO 9001** covers the design and development of products or services and includes the greatest number of requirements. It was meant for companies that design new products and services.

- **ISO 14000** is designed for environmental management, measurement, evaluation and auditing.

- **ISO 22000** was created for the food service industry. The system ensures consistent quality control at all critical points in the food chain.

- **ISO 31000** provides principles and generic guidelines on risk management.

Every business has its specific needs. If you need more information, a great place to start is ISO's website—[www.iso.org](http://www.iso.org). Also, BDC Consulting has assisted more than 3,500 companies with ISO certification mandates and can help your business become ISO compliant.



**Q** WE'RE LOOKING TO ACQUIRE A FRANCHISED BUSINESS. ANY TIPS OR DUE DILIGENCE PROCESSES THAT MAY VARY FROM THOSE FOR ACQUIRING A NON-FRANCHISED BUSINESS?

**A** The due diligence is the same as that for any other comparable business; however, there are some franchise-specific issues. You will want to thoroughly review the franchise agreement, and you should also have it reviewed by a good commercial lawyer who specializes in franchises. Before signing a franchising contract, you should be able to answer the following questions:

- Does the franchisee have an exclusive territory?

- Is the franchise transferable? How long is left on the existing franchise agreement?

- Is the franchise renewable? For how long?

- Is it renewable at the franchisor's or the franchisee's option?

- What am I getting for the franchise fee? Accounting systems? Operating systems? Lower prices on supplies?

- What exactly am I buying? Am I buying the right to use the name? Is the building part of the deal, and do I own the real estate? Will I be paying rent?

Confirm that the current franchisee is in good standing with the franchisor, and talk to other franchisees within the group to ensure that there are no hidden issues with the franchisor. \$

Put your business question to a BDC Consulting expert through our free Ask a Pro service by visiting the Advice Centre at [bdc.ca](http://bdc.ca). You can also consult previous questions and answers, and sign up for our online newsletter, *eProfit\$*, with its monthly selection of original articles to help you manage your business—and yourself.

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