

# profits\$

ESSENTIAL INFORMATION  
FOR ENTREPRENEURS

## THE E-COMMERCE REVOLUTION

*MAKE THE MOST OF  
YOUR ONLINE SALES  
OPPORTUNITIES*



## THE FUTURE OF MANUFACTURING

*POWERFUL GLOBAL  
TRENDS FUEL  
A COMEBACK*



## SIGNING UP FOR GROWTH

*AN AMBITIOUS  
ENTREPRENEUR'S  
WINNING IDEA*



**MURRAY WALL AND LYNN SOUCIE**  
OWNERS / BEDDINGTON'S BED AND BATH



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## COVER STORY ONLINE SALES SURGE

A focused approach to online sales is paying big dividends for business partners Murray Wall and Lynn Soucie and their **BEDDINGTON'S BED AND BATH** chain of stores. Learn how your business can make the most of the e-commerce revolution.

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More than 100 years after his great grandfather founded a general store in Montreal, the business is still in the hands of **BERNARD SAURETTE Jr.**'s family. But everything has changed. He has reinvented it as a high-end caterer, serving 650 events per year and more than 120 corporate clients.



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**JOEL PINEL** endured refusals, disappointments and failures before finally hitting on a business that would reward his drive and ambition. Pinel's idea to take that business to the next level won him the 2013 BDC Young Entrepreneur Award.







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

# YOUR LEADERSHIP CHALLENGE

RUNNING A BUSINESS IS A BUSY, DEMANDING JOB. IT'S ALL TOO EASY TO GET CAUGHT UP IN DAY-TO-DAY OPERATIONAL ISSUES AND LOSE SIGHT OF THE FACT THAT **THE WORLD IS CHANGING OUTSIDE YOUR DOORS.**

It's critical to make time to step back from the daily hustle and bustle and ask the big questions about your business. How are your customers changing? What are the big trends reshaping your industry? How will your business keep pace, innovate and grow?

In this issue of *Profit\$*, we meet entrepreneurs who have asked those questions and are now successfully responding to the evolving needs of their customers with innovative products and services.

In the cover story, we read about a pair of talented retailers who have created an online store that extends their brand's reach and appeal. Another article tells the story of an entrepreneur whose commitment to R&D, customer service and international expansion has allowed him to build a prosperous manufacturing company with a bright future.

Given the challenges, the president's office can be a lonely place for an entrepreneur. That's why it's important to be able to call on trusted advisers who know what it takes to run a business and have your best interests at heart.

BDC can be a trusted ally in all the projects you take on. The proof is in the numbers. A recent Statistics Canada study found BDC clients achieved better results than non-clients on such key performance indicators as sales growth, productivity, employment and survival rates.

In one set of findings, BDC Financing clients had up to 14% higher sales growth than non-clients between 2001 and 2010. Clients that received both financing and consulting from BDC performed even better, with up to 25% higher growth than non-clients in those years.

I invite you to read the study at [www.bdc.ca/en/documents/other/bdc\\_economic\\_impact.pdf](http://www.bdc.ca/en/documents/other/bdc_economic_impact.pdf).

At BDC, we are constantly striving to improve how we serve entrepreneurs as they confront challenges and take on new projects. Our mission is to help you succeed. \$

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Canada

# ARE YOU REAPING THE FULL BENEFITS FROM YOUR TECH INVESTMENTS?

## INTENDED VERSUS ACTUAL BENEFITS

INTENDED ACTUAL



**IMPROVE  
PRODUCTIVITY**  
82% vs. 74%



**INCREASE  
SALES**  
49% vs. 34%



**REDUCE  
COSTS**  
44% vs. 44%



**GAIN  
COMPETITIVE EDGE**  
42% vs. 31%



**FACILITATE  
COLLABORATION**  
26% vs. 25%



**IMPROVE  
SECURITY**  
21% vs. 19%

**Before making a technology investment, it's important to plan. This includes determining how you will evaluate the success and return on investment of a given project.**

A recent BDC survey found that more than four out of five entrepreneurs (83%) had obtained a positive return on their technology investments. However, the benefits sometimes fell short of what the respondents had anticipated when they made the investment, the survey suggests.

What are the reasons that prompted your company to invest in technology?

What are the actual benefits you have observed?

To learn how your company can get the most from your technology investments, visit the Smart Tech section of our website at [www.bdc.ca/smarttech](http://www.bdc.ca/smarttech).

**Source:** A survey of BDC's ViewPoints panel. BDC is currently recruiting Canadian professionals and entrepreneurs to join the panel. Apply at [www.bdcviewpoints.com](http://www.bdcviewpoints.com).

## MANAGEMENT TIP THE NUMBERS GAME

**Jack Dell'Accio is CEO of Essentia, a fast-growing manufacturer of natural foam memory mattresses with stores in 11 North American cities and online. He offered this management tip.**

■ You need to know your numbers. Quarterly reviews are not enough. We look at the figures monthly and I check sales every two days to see whether we're ahead or behind of where we planned to be. ■ Instead of rolling the dice and saying we hope we're on track, we see how we're actually doing. If something within a two-week span was not what we expected, we'll try to do something to compensate to make sure we're in line with where we want to be, based on our projections. We're good at projecting sales because of this. ■ If you're not tracking, you can't control the outcome and usually you're left explaining history—whether good or bad. If you want aggressive growth, you have to be completely aware of what's going on.



**JACK DELL'ACCIO**  
CEO OF ESSENTIA

# TIME MANAGEMENT SECRETS

*TIME IS YOUR MOST PRECIOUS RESOURCE—LEARN TO MAKE THE MOST OF IT*

It's critical for entrepreneurs to organize their days to make sure they're doing the right things at the right time. That takes discipline—but the payoff will be less stress and a better managed, more successful company. "As an entrepreneur, time is the one element you can't buy or borrow," BDC Consulting Senior Partner Rony Israel says. "It's a resource you have to manage very carefully."

**01 PLAN YOUR DAYS AHEAD** Before leaving the office in the evening, take time to create a detailed to-do list for the next day. You should assign blocks of time for working on specific tasks and activities on your list. The next morning, you'll be ready to hit the ground running.

**02 EXPECT THE UNEXPECTED** You know they're coming: those unforeseen events that eat up your time. Israel recommends reserving one hour in the morning and one hour in the afternoon for putting out fires. But to make it work, you have to resist the temptation to drop everything to deal with emergencies and wait until the time you've set aside to attack them.

**03 BLOCK OUT TIME FOR STRATEGY** At the beginning of the year, you should reserve time in your calendar for weekly, monthly, quarterly, semi-annual and annual planning sessions.

- › Friday afternoon is a good time to look at what you've accomplished during the week and look ahead to next week's activities.
- › Monthly and quarterly sessions are for digging progressively deeper into the company's finances, looking to understand the reasons for variances from budget and planning how to adjust. You should also be reviewing operations, product development, customer feedback, employee performance and competitor activities.
- › Semi-annual sessions are for updating the strategic plan, and once a year it's budget time.



**04 GET TOUGH WITH DISTRACTIONS** Email and the telephone are constant sources of distraction and temptation. Checking your inbox or calling an associate are often procrastination disguised as work. These activities break your concentration, interfering with the important work you have to do. Israel recommends you reserve 10 to 15 minutes an hour for email and phone calls.

**05 PROFIT FROM LUNCH** Many entrepreneurs, especially those with an introverted nature, prefer to eat their lunch at their desk or slip away for a solitary bite. Israel says that's a mistake. Lunch is a time when you can learn from and deepen relationships with people who are important to your business. Israel says entrepreneurs should make the effort to break bread each day with a varying cast of people, including employees, customers, suppliers, competitors and potential partners.

**The bottom line is that to be successful, entrepreneurs have to become good managers, and that starts with managing oneself.**



# PITCH PERFECT

## HOW TO IMPRESS A FOREIGN CUSTOMER

BY LYNN CÔTÉ

If you're meeting a prospective foreign customer for the first time, you likely won't seal a deal on the spot. But you can make sure you stand out from the crowd and set the stage for winning the business.

Here are six best practices for making the most of a matchmaking meeting with a foreign buyer.

### 01 KNOW YOUR AUDIENCE

Typically, matchmaking meetings are structured to give you 15 to 30 minutes to capture a buyer's interest—so preparation is key. Make sure you do some online research on the buyer, tailor your pitch to their needs and cover what you've been asked to address. You need to focus on the value your company can bring to the customer. And leave some time at the end for answering questions.

### 02 UNDERSTAND THE MARKET

You probably already have a sense of the opportunities in the buyer's market. But do you also understand the competition you'll face there, and the country's latest economic or political challenges? You should also know how to avoid cultural gaffes during your meeting, and be aware of general customs and legal implications for your product—and the impact these might have on your decision to export to that country.

### 03 KEEP IT SHORT AND SIMPLE

Most potential customers don't have the time to sit through a lengthy sales pitch, especially when they are hearing 10 or so a day on a buying trip. Keep it brief and focus on what makes your offering unique and advantageous to the buyer.

### 04 SELECT THE RIGHT BUYERS

You will want to make the best use of your time, so it's important to choose your meetings wisely. Do you really meet the buyer's criteria? Has your prospect indicated a clear need for your product or service? Are you ready to invest resources to pursue a potential deal?

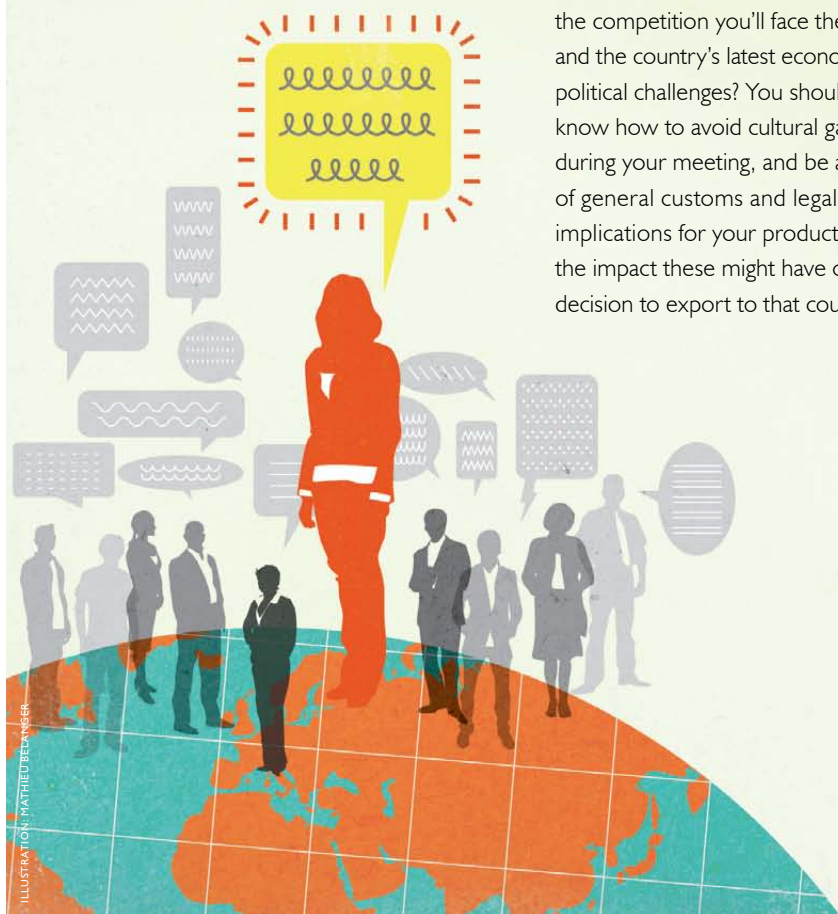
### 05 DELIVER A WINNING PRESENTATION

A good presentation is not just what you say; it's also how you say it. Write it down, record yourself and make adjustments. Preparation and practice will let you project a positive image of yourself and your company—one that convinces your audience that you will be a trusted business partner.

### 06 SAVE THE DEMO FOR LAST

Create a little suspense. Of course, your buyer will want to see or test your product, but jumping straight into your demo can be counterproductive. Instead, use a brief opening to build a relationship and help buyers understand how they can benefit from your offering.

Lynn Côté is a sector adviser with Export Development Canada (EDC). This article was adapted from EDC's *ExportWise* magazine ([www.exportwise.ca](http://www.exportwise.ca)). Watch a video at [www.edc.ca/pitch](http://www.edc.ca/pitch).



# IS YOUR ONLINE MARKETING SUPPORTED BY A SOUND STRATEGY?



**Annie Bellavance**  
President, Souris Mini

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Canada 



# ONLINE SALES SURGE

E-COMMERCE SUCCESS IS WITHIN YOUR REACH › *BY ALEX ROSLIN*

PHOTOS: YVES LACOMBE



**LYNN SOUCIE AND MURRAY WALL**  
OWNERS / BEDDINGTON'S BED AND BATH



## IT'S EASIER THAN EVER FOR BUSINESSES TO EXTEND THEIR REACH WITH E-COMMERCE APPLICATIONS. BUSINESS PARTNERS MURRAY WALL AND LYNN SOUCIE HAVE LEARNED VALUABLE LESSONS IN ADDING A GROWING ONLINE SALES DIMENSION TO THEIR BEDDINGTON'S BED AND BATH CHAIN.

It was 2005, and e-commerce was all the rage. PayPal, the online payments firm, was on track to hit \$1 billion in annual sales for the first time. Internet retailer Amazon was closing in on becoming the biggest book vendor in the U.S.

In Ottawa, entrepreneurs Murray Wall and Lynn Soucie were anxious to get in on the action. The business partners own Beddington's Bed and Bath, a fast-growing retail chain of 14 stores in the Ottawa, Toronto and Kingston areas, specializing in quality bed, bath and home decor products.

Soucie and Wall knew the Internet was the future, but they had concerns. Could e-commerce even work for bedding products?

"We didn't think people would want to buy duvet covers if they couldn't touch them," Wall says.

They decided to take the plunge anyway, figuring the venture would be more cost effective than opening another retail outlet. Also, they had inventory on hand, and staff in their warehouse and office that could manage the online operation.

"We wanted to get on the bandwagon," Soucie says. "We thought, 'Why not give it a shot?'"

The gamble took several years to pay off, as Wall and Soucie, who are clients of BDC Financing, worked to learn the ins and outs of e-commerce.

### STRONG SALES GROWTH

But today the online operation is generating more sales growth than the company's physical stores. Online revenues have doubled in the past two years and now account for 6% to 7% of total sales, up from 2% to 3% in 2010.

And the partners believe this is just the start. "Our web business could be as big as our brick-and-mortar stores—or even bigger," Wall says.

E-commerce has revolutionized the way firms do business. Canadian companies sold

\$122 billion in goods and services online in 2012, double the 2007 figure, according to Statistics Canada.

That growth means if your business doesn't get involved in e-commerce, you risk losing customers to competitors who are, says Ravi Dindayal, BDC's Director of Internet Consulting.

"It's the future. You have to do it."

Yet, in Canada, entrepreneurs have been slow to embrace e-commerce, with just 10% of small businesses and 20% of medium-sized companies selling online in 2012, according to Statistics Canada.

### EASY TO GET STARTED

The good news is that it's far easier to get started in e-commerce than it was when Wall and Soucie first got involved, thanks to new services that make the process much simpler and cheaper, Dindayal says.

And small and medium-sized businesses are uniquely positioned to take advantage of e-commerce because it gives them the ability to punch far above their weight in attracting customers, whether their clients are consumers or other businesses.

With a well-designed website, a smaller business can reach as many people online as a much-larger company. Plus, Internet marketing tends to be cheaper than traditional methods.



If you're in a business-to-business field and think e-commerce won't work for you, think again. Sales over the Internet can give B2B companies a "huge competitive edge," Dindayal says, because of the convenience of online ordering. They also help streamline order processing and fulfillment, reducing costs and errors.

"The more convenience you create for clients, the more affinity they have to your brand," says Dindayal, whose team of BDC consultants advises businesses on all aspects of online sales and marketing.

Back when Wall and Soucie decided to get into e-commerce, they had to pay a sizable amount for a designer to create an e-commerce website. (Today, a variety of free and low-cost services are available that make it much easier to start selling online. See page 11.)



## MANY PEOPLE JUST PREFER THE CONVENIENCE OF BUYING ONLINE. THE POTENTIAL IS HUGE.

### SOUGHT OUT AN EXPERT

They also ended up spending more than expected on online ads to draw traffic to their website. They were paying Google for online ads that would appear in search results when Internet users went looking for certain keywords relevant to Beddington's products.



The problem was they hadn't chosen correctly targeted keywords. The online ads weren't drawing the attention of enough web visitors actually interested in buying Beddington's products.

Yet, Wall and Soucie still had to pay Google whenever someone clicked on their ads—whether or not that person bought something.

Finally, to help them manage their growing e-commerce operation, the partners decided to bring in an online marketing expert, hiring Shawn Pringle in 2010.

He used Google's free AdWords Keyword Tool to optimize the company's online ads to target them better to Internet users most likely to buy Beddington's products. He also overhauled the company's website to improve its ranking in search engine results, so that it wouldn't have to rely so much on paid ads. The overhaul also made it simpler for customers to make a purchase.

### EMAIL LIST IS CRUCIAL

Most importantly, Pringle helped Beddington's double the number of people on its email newsletter list, which now stands at 40,000 subscribers. The company encouraged customers to sign up to the list both online and in-store, as well as via company contests.

Soucie says the newsletter is Beddington's best online marketing tool. "Collecting email addresses is one of the most important things you can do," she says. Wall agrees: "People who know us and shop with us respond much better to our marketing than those who don't know us."

The newsletter features not only promotions but also value-added information, such as tips on caring for linen or a guide to thread count.

The next steps for Beddington's include focusing on social media and hiring an email specialist to further boost the newsletter list.

"We're amazed by how much business we have online from Toronto and Ottawa, where we have stores," Wall says. "Many people just prefer the convenience of buying online.

"And we're still in our infancy. The potential is huge." \$





# TIPS FOR E-COMMERCE SUCCESS

Here are some tips for getting started in e-commerce and making sure it pays off. As you begin, consider hiring outside help, says Lynn Soucie of Beddington's. "We waited far too long and could have been so much further ahead if we had hired the right people in the first place," she says. To help ensure you're hiring the right person, Soucie recommends checking references thoroughly.



**PLAN** THE FIRST STEP IS TO TAKE STOCK OF YOUR COMPANY'S GOALS AND BRIEFLY MAP OUT A STRATEGY, SAYS RAVI DINDAYAL, BDC'S DIRECTOR OF INTERNET CONSULTING. ■ NO NEED FOR ANYTHING FANCY OR OVERLY DETAILED. SIT DOWN WITH KEY EMPLOYEES AND HAMMER OUT SOME BASICS: YOUR ONLINE GOALS, TARGET AUDIENCE AND CONTENT STRATEGY, INCLUDING KEY MESSAGES.



**CREATE A SITE** NEXT, YOU'LL NEED A WEBSITE WITH AN ONLINE STORE THAT PULLS IN VISITORS AND TURNS THEM INTO PAYING CUSTOMERS. MANY OPTIONS EXIST, DEPENDING ON YOUR BUDGET. IF YOU ALREADY HAVE A SITE, YOU CAN ASK A WEB DESIGNER TO ADD AN E-COMMERCE COMPONENT. ■ THERE ARE ALSO FREE OR LOW-COST E-COMMERCE SERVICES THAT OFFER READY-MADE TEMPLATES FOR A BASIC WEBSITE WITH AN ONLINE SHOPPING CART. ALSO AVAILABLE: AN ONLINE PRODUCT CATALOGUE, OPTIONS FOR CUSTOMER REVIEWS AND FEEDBACK, AND DATA ON YOUR SALES TO HELP YOU TRACK PERFORMANCE. ■ FOR B2B COMPANIES, THE BEST OPTION IS PROBABLY TO ASK A WEB DESIGNER TO CREATE A CUSTOMIZED E-COMMERCE WEB PORTAL, KNOWN AS AN EXTRANET. SUCH A SITE LETS CUSTOMERS LOG INTO THEIR ACCOUNT, FIND PRODUCT IMAGES AND PRICING, AND PLACE ORDERS ONLINE.



**FOCUS ON THE USER EXPERIENCE** YOUR SITE SHOULD FEATURE ATTRACTIVE PRODUCT IMAGES, CLEAR DESCRIPTIONS AND AN EASILY NAVIGABLE LAYOUT. TEST THE SITE YOURSELF TO MAKE SURE IT'S EASY FOR CUSTOMERS TO CREATE AN ACCOUNT AND BUY SOMETHING. ADJUST CONTINUOUSLY AS YOU LEARN HOW VISITORS ARE USING YOUR SITE.



**DON'T FORGET MOBILE** CONSUMERS THESE DAYS ARE INCREASINGLY SHOPPING WITH SMARTPHONES AND TABLETS. BE SURE TO OFFER A MOBILE-FRIENDLY VERSION OF YOUR E-COMMERCE SITE, AND CHECK TO MAKE CERTAIN IT CAN BE VIEWED ON THE MOST COMMONLY USED KINDS OF MOBILE DEVICES. ■ YOU CAN ALSO GO FURTHER AND CREATE A MOBILE APP FOR YOUR E-COMMERCE SITE. AN APP LETS VISITORS INSTALL AN ICON ON THEIR MOBILE DEVICE THAT LETS THEM ACCESS YOUR SITE WITH A SINGLE CLICK, INSTEAD OF SEARCHING FOR IT EACH TIME.

For more advice, download BDC's new free eBook, *Boost Your Sales with Online Marketing: A Guide for Entrepreneurs* at [www.bdc.ca/onlinemarketing](http://www.bdc.ca/onlinemarketing).





# MADE IN CANADA

A NEW KIND OF MANUFACTURER  
TAKES ON THE WORLD › *BY DON MACDONALD*

CANADA'S MANUFACTURING SECTOR IS REBOUNDED AFTER A DIFFICULT DECADE. YOUNG SO'S **FLAIR FLEXIBLE PACKAGING** IS THE KIND OF INTERNATIONALLY COMPETITIVE COMPANY THAT HAS A BRIGHT FUTURE IN TODAY'S GLOBAL ECONOMY.





**YOUNG SO**  
PRESIDENT / FLAIR FLEXIBLE PACKAGING

Many supermarkets have more than 40,000 items on their shelves, each vying for shoppers' attention and dollars. The competition is such that 90% of all new food products in the U.S. will fail in the first year, according to Nielsen.

So it's important for food packaging to entice consumers with vibrant, inviting images. But it has to do much more than that. It also has to keep what's inside the package safe and tasty through rigorous distribution processes and a lengthy shelf life.

To do the job, today's packaging requires a sophisticated mix of design, chemistry and printing to meet the exacting demands of food companies.

That's why Flair Flexible Packaging employs seven professional packaging engineers and has spent more than \$1.5 million on a R&D laboratory at its Calgary plant. Last year, Flair sold more than 15,000 tonnes of flexible packaging—bags and pouches—to food companies, including such giants as Hershey's, Smucker Foods and Jack Links.

"We are essentially an engineering firm," says Young So, President of Flair Flexible Packaging. "We offer global packaging technology to customers in North America and South America."

In the early 1990s, So was working for a Calgary food broker when he noticed a growing and under-served market for multi-layer flexible plastic packaging. In 1992, he began Flair in his Calgary home with just one employee, importing film and bags for food packaging from South Korea.

By 2012, sales had hit \$80 million, double their 2008 level. Flair now employs 150, including 90 in Calgary. Two years ago, the company opened a new manufacturing plant in Houston, Texas, to supply its growing business in Latin America. It also has distribution centres in Wisconsin and Washington state, as well as an operation in South Korea responsible for quality control for products made for Flair.

So, who emigrated from South Korea with his family when he was 13, recognized early on that the Canadian market couldn't provide enough growth for Flair over the long run. That's why he opened the distribution centre in Vancouver, Washington, the year after he started the company.

Flair, a client of BDC Financing, is an outstanding example of a new breed of Canadian manufacturers—companies that are linked to global supply chains and able to compete in international markets based on their innovative products.

BDC Chief Economist Pierre Cl  roux says Canadian manufacturing is far from a sunset sector. In fact, he says, the future is

bright for companies that have survived a painful decade of adjustment and are now ready to benefit from powerful trends favouring Canadian manufacturers.

In the early 2000s, the manufacturing sector was rocked by the rapid appreciation of the Canadian dollar, which made its products more expensive for foreign buyers. Then, it was dealt another blow by the financial crisis and recession that began in 2008 and was particularly serious in the U.S., Canada's No. 1 export market.

By last year, manufacturing represented just 11% of Canada's economic output, down from 17% in 2002. Employment had dropped to 1.8 million workers in 2012 from 2.3 million in 2002.

The good news is that survivors have emerged leaner and better equipped to compete, Cl  roux says. But it's not just the companies that have changed. He has identified four trends in the world economy that are creating new opportunities for Canadian manufacturers.

➤ **Global value chains**—Companies are buying components from around the world. "Even in China, 40% of their inputs are coming from outside China," Cl  roux notes.

➤ **A new middle class**—Economic growth in developing countries is creating a new middle class that will be 1 billion strong by 2030. This army of consumers is hungry for products and has the money to pay for them.

➤ **More technology**—Manufacturers are using more technology and automation to improve processes and products. "You see fewer blue-collar workers and more computer screens and robots," Cl  roux says.

➤ **A narrowing cost gap**—Costs are on the rise in China and other developing countries. This trend, combined with more efficient Canadian factories, means it's more attractive to keep production at home.



"Our company has spent a great deal of money and resources keeping to our terms, our delivery expectations," So says. "We spend hundreds of thousands of dollars on air shipping just so we look after our customers. That has been one of the critical aspects of building the business with customers' trust."

Flair still has lots of growth ahead, So says. It's moving into branded packaging, starting with a product called Titanium that's ideal for large rice bags. The bags are engineered to have several

Now it's up to manufacturers to take advantage of these trends, Cl  roux says. (See page 15.)

Cl  roux and Jayson Myers, President of Canadian Manufacturers & Exporters, agree that manufacturers have already learned a lot about how to compete.

For example, they are offering more services to help customers make the most of their products. And their operations are not only more high-tech but also more flexible, allowing them to produce smaller batches and offer more variety and customization.

But change costs money, and that's where many companies are feeling the pinch coming out of a difficult decade, Myers says.

"A lot of companies are asking, 'Where are we going to get the financing for the investments in technology, equipment and innovation?' And, of course, that's where BDC plays an important role," Myers says. "At the same time, they've had to figure out how to improve efficiencies and generate more cash flow. And that's where lean manufacturing is critical."

In Calgary, Flair is positioned to benefit from the trends identified by Cl  roux. It designs packaging for clients all the way from plastic composition to graphics. It then sends the specifications to South Korea, where suppliers are equipped to produce sophisticated plastic film and apply high-quality images with rotogravure presses.

Flair brings the film to North America, where it cuts and forms it into various styles of

bags, finishing them with key parts, such as zip locks from the U.S., valves from Switzerland and other attachments from Europe.

"We service all sizes of companies," So says. "But our main target is the mid-sized companies that need to improve their packaging to compete against larger players."

Customer standards are high because packaging is an essential part of a food company's production and in-store presentation. Customers are demanding not only about quality but also about delivery, given the requirements of just-in-time inventory systems.

advantages over traditional paper bags, making them difficult for competitors to match. The company also plans to begin producing its own proprietary film for its branded products in the near future.

So also wants to expand further into South America, building on momentum that's taken the company as far as Venezuela.

"I'm a believer that if the concept and the platform are strong, the dollars will follow," he says. "I'm interested in building a ship that can sail through any kind of storm. For me that's the fun, the sense of accomplishment." \$

I'M INTERESTED IN BUILDING  
A SHIP THAT CAN SAIL THROUGH  
ANY KIND OF STORM.





# HOW CANADIAN MANUFACTURERS CAN COMPETE GLOBALLY

## 01 JOIN GLOBAL VALUE CHAINS

Think of how an airplane is made—parts from around the world are assembled into a finished product. Canadian manufacturers should seek to supply multinational corporations—not only in North America but also on other continents. On the other side, they should buy from top global suppliers to make their products more competitive.

## 02 PRODUCE MORE VALUE

Move from being a maker of parts to being an integrator that designs and assembles finished products or systems. As well, offer more services. Instead of selling a product, sell a system including advice, design, installation and maintenance. “Instead of selling you an air conditioner, I’m selling you the service of providing you with air conditioning,” says BDC Chief Economist Pierre Clérout.

## 03 EXPLORE EMERGING MARKETS

Growth rates have slowed in North America and Europe, and that means future growth opportunities for many manufacturers will lie in developing countries in Asia, Latin America and elsewhere. There is a burgeoning middle class in these regions, creating a booming market for goods.



JOEL PINEL  
CEO / WOW FACTOR MEDIA

# ALL THE RIGHT SIGNS

AMBITIOUS BUSINESS OWNER WINS BDC  
YOUNG ENTREPRENEUR AWARD › BY LOIS CARSON

**JOEL PINEL HAS HAD TO OVERCOME MANY OBSTACLES TO MAKE HIS DREAM OF BECOMING AN ENTREPRENEUR A REALITY. NOW, AN INSPIRED IDEA TO TAKE HIS COMPANY TO THE NEXT LEVEL HAS WON HIM THE 2013 BDC YOUNG ENTREPRENEUR AWARD AND ITS \$100,000 GRAND PRIZE.**

From the time he was a kid selling soft drinks to classmates, Joel Pinel knew there was only one road for him. He had to run his own business.

But getting started wasn't easy. Pinel endured refusals, disappointments and failures before finally hitting on a business that would reward his drive and ambition.

"I was turned down so many times," he says. "I learned you have to take 'No' for an answer a million times and just keep going. To be an entrepreneur, you have to have a thick skin and be persistent.

"But for me, there was never any other option."

In 2009, Pinel and his sister were selling reusable bags in their hometown of Moose Jaw, Saskatchewan, when they came up with the idea of tabletop advertising for cafés and bars, a new concept in town at the time.



"Then a customer asked us to do a banner, and we started getting more requests for other print jobs," Pinel says. "That was the beginning of WOW Factor Media."

Today, WOW Factor Media is a printing and marketing company that produces everything from business cards to promotional wraps that go around entire buildings to branding strategies for businesses. It has 15 full-time and two part-time employees, and offices in Moose Jaw, Regina, Saskatoon and Edmonton, with customers across Western Canada.

Pinel, 28, reached a new summit in his business career when he won the 2013 BDC Young Entrepreneur Award contest. He will use the \$100,000 Grand Prize to equip WOW Factor to get into what's known as the directional sign business—making signs that point people to elevators, cafeterias or conference rooms, for example.

### CAPITALIZES ON BOOM

The ability to create those signs will position WOW Factor to capitalize on a construction boom in Western Canada.

"There are 100 high-rise buildings going up in Western Canada, and every one of them will need directional signs. It's an exciting opportunity for us," says Pinel.

With the purchase of a computer numerical control (CNC) router and laser engraver, the company will be able to cut wood and plastic to produce directional signage and eliminate the need to outsource work.

"Competition in our business is very strong," Pinel says. "We differentiate ourselves through hard work and dedication to our customers. Our customers know we will deliver even when the timeframes are very short. They trust us to always have their back."



Nine finalists from across the country participated in this year's online BDC Young Entrepreneur Award contest. The finalists asked for the public's votes based on a proposal to take their business beyond a turning point in its development.

Max Jenke, of Endeavor Design in Vancouver, was the runner-up, receiving \$25,000 in services from BDC Consulting. Jenke plans to scale up marketing in order to secure a bigger share of the U.S. market for his three complementary brands of snowboarding-themed products.

### LANDS BIG BREAK

WOW Factor's big break came in 2011 when Mosaic Potash, which had the naming rights to the Moose Jaw arena, hired the company to create all the associated print material. "We worked night and day and we really nailed it," Pinel says. "That project gave us visibility and soon the print jobs began rolling in."

“OUR CUSTOMERS  
TRUST US TO  
ALWAYS HAVE  
THEIR BACK.”

Pinel says Moose Jaw is ideally located between Regina and Saskatoon. He appreciates the ease of doing business in a city where costs are low and getting around is hassle free.

He's also conscious of the importance of reputation in this tightly knit community. "When you run a business in a small city, you

won't go far if you're known to be a bully—on or off the job. You need to earn people's respect and build community goodwill."

Community goodwill paid off for WOW Factor during the BDC contest. The local paper ran a daily ad urging people to vote for WOW Factor and the Moose Jaw population rallied behind Pinel to help him collect the highest number of votes.

Pinel depends largely on word of mouth and face-to-face meetings to promote his company. While WOW Factor serves clients of all sizes, it looks to large corporate clients for repeat business. It has a social media presence, but Pinel believes that face-to-face meetings are essential to his success.

### A FAMILY AFFAIR

Pinel's inspiration for becoming an entrepreneur came in part from family members who are in business and supported his ambitions. He says WOW Factor's first workplace was his mother's basement. "She provided a lot of hot meals in the early days," he says with a laugh.

As the business grew, more family members became involved, and now Pinel's wife, three sisters and brothers-in-law are all partners. "I'm proud that we are all making a living from the business. We get along really well. Who can you trust more than your own family?"

Controlling growth is now Pinel's biggest challenge. "As we've expanded, we have been re-investing," he says. "But we have to be careful about investing too much, too quickly. It's a balancing act between growing the business and paying day-to-day expenses."

For Pinel, one of the secrets of being a successful entrepreneur is "knowing where you are and where you want to be."

Right now, he's on solid ground and preparing to seize a potentially lucrative business opportunity. And where he wants to be?

"My ultimate dream is to make WOW Factor Media a national print and media marketing company serving customers from coast to coast." \$

JOEL PINEL'S LESSONS LEARNED >>





# LESSONS LEARNED

01 WHEN STARTING OUT, DECIDE WHAT YOU WANT TO ACHIEVE, AND THEN PERSEVERE. BE PREPARED TO HEAR “NO” AND LEARN FROM YOUR EXPERIENCES. 02 MAINTAIN A GOOD REPUTATION TO BUILD RESPECT AND GOODWILL THAT CAN RESULT IN COMMUNITY SUPPORT, REFERRALS AND MORE BUSINESS. 03 BE READY TO SEIZE NEW OPPORTUNITIES THAT ARE A GOOD FIT WITH YOUR COMPANY’S EXPERTISE AND WILL TAKE IT TO THE NEXT LEVEL. 04 AS YOUR BUSINESS EXPANDS, CAREFULLY MANAGE YOUR RE-INVESTMENT FOR FURTHER GROWTH.

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**BERNARD SAURETTE Jr.**  
PRESIDENT / BERNARD ET FILS TRAITEUR

# BERNARD ET FILS TRAITEUR CATERING TO A SOPHISTICATED CLIENTELE

BALANCING TRADITION  
AND INNOVATION TO  
FORGE A FLOURISHING  
BUSINESS

It started as a small general store operated by Bernard Saurette Jr.'s great grandfather, who made deliveries by horse and cart. More than 100 years down the road, the business has evolved into one of Montreal's trendiest and most innovative caterers. Each of the four successive generations of Saurettes who've taken the helm has brought something new to the table. Fifty years after it opened, the general store became a producer of salt-cured meats, then a butcher shop. After buying the business from his father in 1997, Bernard Saurette Jr., 48, reinvented it yet again, this time as a high-end caterer. Today, Bernard et Fils Traiteur has a workforce of 40, including 25 cooks, and serves some 650 events per year and more than 120 corporate clients. Saurette oversees the administrative side of things at the east-end Montreal business while his sister, Lily, manages meal creation and production. The secrets to a successful family business? Saurette has a ready answer: hard work, a clear vision and common goals.







I began working in my father's butcher shop when I was 12. On weekends, I helped wash the dishes.

I spent a lot of time with an old butcher, one of my father's employees. At the start, it was all a kind of game. But I soon realized that I liked the work and, what's more, that I was good at it. When a customer asked for a four-pound roast or seven steaks, I was the one who would get the order ready.

I was about 15 when my father noticed my interest. He quickly "promoted" me from dishwasher to butcher.

I knew the job inside out. Walking around behind the counter with a hip of beef slung over my shoulder—I loved that stuff.

I bought the business from my father in 1997. My sister has been on board right from day one as well. She's our executive chef and works with four other chefs.

We began by preparing small buffets. Instead of waiting for clients to come to us, we went looking for them. And that's how the butcher shop closed its doors for good to make way for Bernard et Fils Traiteur (catering).

Sales quickly increased and our workforce expanded accordingly. We were soon short on space. And keeping quality staff became a problem.

For a while, we used delivery trucks or the living rooms of employees who lived nearby to prepare our products.

We kept on like that until we just couldn't do it anymore. We'd reached our limit but didn't want to rent space.

To me, owning your own space is the only way to go. It's a big plus when you're seeking financing. In 2006, with the support of BDC, we bought our current headquarters.

We grew and diversified. Versatility is key in our line of work. Whether we're making breakfast for five or serving a 2,000-person convention, our service has to be the same.

We can do up to 5,000 meals per day during peak periods. And we're able to handle multiple events at once.

We've catered for the Formula 1 Grand Prix, Pink Floyd and U2 concerts, and all the big festivals in town, including the Jazz Festival, Just for Laughs and Montreal High Lights. We also do gallery openings, conventions, receptions, weddings and film premieres.

A kitchen is like a military operation. We have four maître d's who work with us for big events. They're like army generals. They show up and take charge, setting up the rooms and overseeing the service.

We've been in numerous competitions, to see how we measure up and where we stand. Has this led to more contracts? I'm not sure. But it's been excellent motivation for our staff.

We were the first Quebec caterer to be among the four finalists of the Catersource Ace

Awards 2012, an international competition held in Las Vegas.

It's a bit like the Oscars of catering. We were up against firms from over 40 countries, some of which do 10,000-person events practically every day.

Doing business today is more stressful than when we first started out at the end of the '90s. There's more competition, and having higher sales figures doesn't mean the business runs itself.

In terms of management, the challenge is to get more done without adversely affecting service. Technology is what makes the difference.

For many companies, cost is a big deterrent to investing in technology. It eats into profits. But if you don't, then you lag behind. The firms at the head of the pack in terms of profitability and efficiency are those that harness the latest technologies.

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Three years ago, we hired a supplier to integrate all of our programs and processes into a single system. It went very badly. The project cost us \$150,000 and put us back by one year.

BDC helped us find a solution. They advised us on choosing a different supplier for our enterprise resource planning (ERP) system. We are still in the implementation phase, but we think we've found a system that meets our needs.

I used to work 100 hours a week and I was going crazy. Today, I average 35 to 40 hours

can play havoc with your growth plans.

I stay focused on the positive. Instead of laying blame, I prefer to find a solution or ensure the same issue doesn't arise again.

I exchange ideas with other entrepreneurs who aren't necessarily in the same field. These discussions are always rewarding and help me stay on track.

My father, who's 83, still works alongside my sister, even though he retired long ago. He's going to die in his boots.

a week at the office, though the phone calls and emails are non-stop. In our field, it's 24/7. There's no downtime.

The biggest challenge in being an entrepreneur is having to constantly reinvent yourself. Even with the best planning, the unexpected

Two of my nephews work with us. All of our family and friends have worked here at some point or another. Having a strong family has always been a huge advantage; we've worked hard, and we've always been honest with one another. We'd love to have a fifth generation take the helm at Bernard et Fils.

Family members who work for us are treated like any other employee. That's how we've managed to stay in business for over a century. And we're not stopping here.

A year ago, we launched a new line of healthy products: Collection Pure. These are individual, ready-to-eat meals made with natural ingredients that are low in fat and contain no salt or additives. It's a line that targets consumers who seek a healthy, balanced diet.

We're always looking for ways to expand our product line to better serve our customers. Keeping our ear to the ground and anticipating our customers' needs gives us our best chance for success. \$

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# CANADA: A POWERFUL BRAND

*CANADIANS HAVE A REPUTATION FOR BEING A MODEST PEOPLE. BUT WHEN IT COMES TO SELLING THEIR PRODUCTS, ENTREPRENEURS WOULD DO WELL TO TRUMPET THEIR MADE-IN-CANADA CREDENTIALS.*

**PIERRE CL  ROUX**  
BDC CHIEF ECONOMIST

A new survey conducted for BDC found that Canadians are inclined to buy locally produced goods and services, and are willing to pay a premium to get them. That's a little-noticed trend that should have more entrepreneurs wrapping themselves—or at least their products—in the flag.

What's more, Canadian-made products have an excellent reputation internationally, and that could give many companies the edge they need to begin exporting or to take their international efforts to the next level.

Two key concerns appear to be pushing a buy-local mindset among Canadian consumers. The first is a desire to use their spending power to support their local economy. The second is a belief that Canadian-made products are safer and greener alternatives to imports.

The BDC survey of more than 1,000 Canadian consumers, conducted by Ipsos,

selection factor, while 41% said buying local products was a key selection factor. These two criteria topped a list of social factors motivating buying decisions.

Canadian consumers are increasingly aware of the impact their spending has on the economy. They take pride in helping Canadian businesses create jobs and economic activity. They also want to buy products that are safe and environmentally sustainable. In the minds of many consumers, buying Canadian fits the bill on all counts.

Food products are a good example of the trend. Increased concerns over food safety in the wake of recent contamination incidents are encouraging consumers to seek locally produced food. According to a separate Ipsos survey, 86% of Canadians consider food that comes from Canada to be safer than food from abroad, while 82% say they make an effort to buy locally grown and produced food.

But too many businesses underestimate the power that made-in-Canada messaging can have in attracting and keeping customers. And the opportunities don't stop at the Canada-U.S. border.

Market research indicates that Canada is perceived by foreigners as "a model country" with a clean environment and open, trustworthy people, according to Agriculture and Agri-Food Canada. They associate Canada with safe, high-quality products.

Three words—made in Canada—could help your products and services stand out from the crowd, both here and abroad. Canada is a powerful brand—let's use it. \$

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## THREE WORDS—MADE IN CANADA— COULD HELP YOUR PRODUCTS AND SERVICES STAND OUT FROM THE CROWD HERE AND ABROAD.

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indicates that 45% of respondents had made a specific effort to buy Canadian in recent months. Additionally, 24% said they had made an effort to buy goods made in their province.

More than half of respondents (55%) rated buying from local stores as a key

Of course, many Canadian industries won't want or be able to use made-in-Canada marketing, either because they import their offerings or they are dealing with customers who don't see national origin as an important purchasing factor.



# IT'S NOT IN THIS AD THAT YOU'LL COME ACROSS WAYS TO MAKE YOUR BUSINESS STAND OUT FROM THE COMPETITION.

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