Ideas, insights, inspiration for entrepreneurs

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profits

The right time to invest

Better productivity, faster growth

Vincent Tourigny and Dave Couture
DaVinci Compass

bdc

Improve your financial management
How to stay in control

Wired for growth
An entrepreneur's drive to succeed

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Ideas, insights, inspiration for entrepreneurs

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Michael Denham
President and Chief Executive Officer

Introducing BDC's new look

A fresh look for *Profits* magazine is part of a new brand identity at BDC. We want Canadian entrepreneurs to know us better and understand all we offer to make their businesses stronger.

We have given *Profits* a new look but kept the focus squarely on entrepreneurs and the challenges they face in running a business.

The new *Profits* is just one part of a much larger project to reintroduce BDC to Canadian entrepreneurs with a fresh brand identity. As you know, your brand is critical to the success of your business. It goes far beyond your logo or slogan to how customers feel about your company at every stage of their relationship with you.

We look at our brand in the same way. That's why we have kept entrepreneurs uppermost in our minds during our journey to create our new identity. We asked: What do you need from us? How can we make it easier for you to do business with us? How can we inspire our employees to serve you even better?

We are proud of our new look. It's modern, it's accessible and it will help us to reach more Canadian entrepreneurs just like you. That's important, because we have a lot to offer and high aspirations for you and your business.

We want to make Canadian entrepreneurs the most competitive in the world. To do so, we need more business owners to get to know us and understand what we have to offer. And that's why you will be hearing a lot more about us in the months and years to come.

We are a different kind of bank and that difference is reflected in our new signature: *financing. advising. smarts*. These three words sum up our unique approach. It goes beyond dollars and cents to encompass know-how—the smarts—to help you make the right decisions for your business, get stronger, grow and succeed.

We are Canada's business development bank and we are excited about this new beginning. Together, we will make a difference! *

5 tips on making a profitable acquisition

Making an acquisition can be a great way to grow your business. After all, you're buying an established operation with staff, assets and customer relationships.

However, you have to be careful to buy a company that's a good fit for your business and reflects your strategic plan. You also have to be able to buy it at a price, and with a financing structure, that doesn't put your personal or business finances at undue risk.

"You have to understand why you want to make an acquisition, and develop criteria for what you're looking for and how much you're willing to pay," says Matt Price, Managing Director with BDC's Growth & Transition Capital team in Vancouver.

Here are some tips to keep in mind as you shop for a business.

1. The right business

"Go beyond financial statements to ask lots of questions about the business," Price says. Start with the most basic: Why is the current owner selling? Is there a hidden problem or is the industry headed for a cliff? Is the company overly dependent on a few customers or suppliers? Are customers loyal to a charismatic current owner and likely to slip away to competitors when he or she is gone?

2. The right fit

Make sure the business you're buying has a culture that's compatible with your own. For example, a company with a free and easy T-shirt and flip-flop approach might clash with another that has a buttoned-down business suit style. Conflicting cultures can quickly sour an acquisition.

3. The right price

Do your homework on how much businesses are selling for in your industry and region. "It's important to be disciplined about how much you pay," Price says. "Overpaying will reduce your financial returns and increase your risk of default."

4. The right financing structure

Remember to finance your acquisition in a way that maximizes repayment flexibility. Besides a loan secured on assets of the company, you should typically seek financing from the existing owner. Vendor financing usually comes with a reasonable interest rate, flexible repayment terms and no personal guarantees. To round out the package, consider mezzanine financing, because it also features flexible terms and usually requires limited or no personal guarantees.

5. The right mindset

It pays to be patient as you search, especially if you're in a hot market. Many baby-boom entrepreneurs are expected to retire over the next 10 years. That should tip the balance in favour of buyers.

ILLUSTRATIONS: SÉBASTIEN THIBAULT

Passport to profits: How to visit a foreign market

When seeking customers or business partners abroad, there's no real substitute for travelling to the market.

Here's how to make your visit a success.

→ Allow enough time in the country to start building relationships with potential customers.

→ If you're not already familiar with it, learn the essentials of the local business culture—for example, its attitudes toward punctuality, formality and styles of negotiation.

→ At least two people from your company should travel to the market. Your party should include senior executives with decision-making powers.

→ Make sure you can answer detailed questions about such matters as price, production capacity and delivery times.

→ If your product is complex, you may want to bring technical staff to answer questions from potential buyers.

→ Follow up with all promising contacts, ideally within 24 to 48 hours.

→ Remember that combining a visit to the market with participation in a trade show can be an especially cost-effective strategy.

Before you go, check the list of Export Development Canada's overseas offices to see whether EDC has a representative in that market. These experts can help you find your way around and introduce you to decision-makers, and may be able to match you with local business prospects.

You should also contact the Trade Commissioner Service office in the Canadian diplomatic mission located in the target country for information and help with contact searches.

This article was adapted from EDC's ExportWise website at exportwise.ca.

Up front

By Mallika Kazim

As an entrepreneur, conducting market research helps you make better business decisions and avoid costly mistakes. You can gather data on such topics as product design, branding, advertising concepts, sales channels and customer service.

A guide to market research

Help for making better decisions

It's critical to have a well-designed market research plan that will lead you to ask the right questions, in the right way, of the right audience. Poorly designed or shoddily executed research can produce results that steer your business in the wrong direction.

Common market research mistakes

Here are three common missteps we see as we work with entrepreneurs.

1 Relying on free data from the Internet
The web is a great starting point, but often this information is incomplete, outdated or too superficial to be relevant to your business decisions.

2 Surveying your personal network
Again, it can be a great starting point to talk to friends and colleagues. However, for truly meaningful insights, you need to hear from sales prospects, customers, suppliers and other stakeholders in your business.

3 Relying only on anecdotal feedback
Businesses often receive feedback from customers and other stakeholders, but a few data points are not enough. Business insights need to be collected in a systematic way.

So how can you conduct market research in a timely, cost-effective manner?

Mine your internal information sources

Within your organization, there are several resources that can provide valuable information. Sales, customer service and other frontline employees, for example, can provide insights into the competition, customer reaction to products, new product ideas and potential new markets. Although this information will be anecdotal and subjective, employee feedback gathered in a regular, systematic manner can provide valuable information that you can then use as a basis for further investigation. It's also important to analyze your sales data. For instance, a review of your customer records may highlight you're doing more business in certain geographic regions or during certain seasons.

Look at the big picture

Although it may seem counterintuitive, your market research plan should start with a scan of published information. Data from secondary research will give you a high-level overview of market opportunities. It typically consists of previously collected information on consumer demographics, industry trends, market share and so on.

Dive deeper with primary research

Primary research (or field research) refers to the gathering of original information—through surveys, interviews, observation and other first-hand methods, specifically about your product or business.

Primary research gives you control over the type of questions you ask and information you gather. While the results can be extremely valuable, the research is often time consuming and costly.

Given the investment and technical requirements for designing and conducting primary research, we recommend you employ a market research professional or company if you decide to undertake it.

Rigorous, well-designed market research can help you make better business decisions. Not only can it help you determine whether or not there's a viable market for your products, but it will also help you hone and tweak your products to fit customer needs and desires.

For more insights bdc.ca/blog

By Alina Pahoncia

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The investment imperative

Why the time to invest in your business is *now*


PHOTOS: YVES LACOMBE

Dave Couture and Vincent Tourigny know investing in their company is the key to improved productivity, stronger growth and higher profits. It's essential for your business too.

When Dave Couture and Vincent Tourigny decided to invest in new equipment, the timing seemed far from ideal.

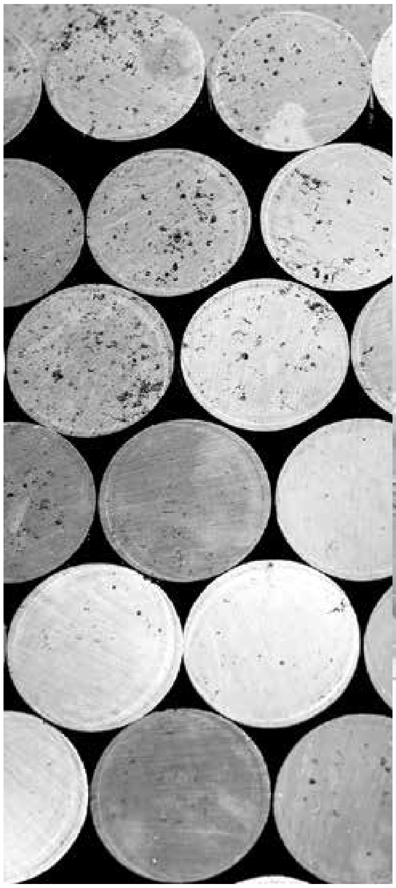
It was the fall of 2015 and the Canadian dollar had fallen to US$0.75. That made their investment 25% more expensive than they'd initially expected.

Many companies would have decided to put off the investment, hoping for a stronger Canadian dollar to return.

But the owners of Sipromac, a manufacturer of equipment for the food industry, decided to go for it. They reasoned that even if they paid 25% more for the equipment, the return on investment would be significant once the equipment was up and running.

"Our machines were stuck in the '80s," Tourigny says. "Our competitors were delivering within four weeks, while our delivery times were six weeks. We had to push forward."

Dave Couture and Vincent Tourigny
DaVinci Compass



Sipromac, which Tourigny and Couture bought in 2011, manufactures vacuum packaging and food processing equipment in Drummondville, a manufacturing town in central Quebec. With two later acquisitions, the entepreneurs created the DaVinci Compass group of companies.

After weighing the pros and cons of the investment, the two entrepreneurs decided to go ahead with the purchase of a laser-cutting machine and two pieces of digital equipment for machining parts. The bill? US$764,000 or around C$1 million.

Was it worth it? “Every cent of it,” says Couture, President, CEO and co-owner of DaVinci Compass, with Tourigny, the group’s Vice President. “The investment will pay for itself within three years.”

The Achilles’ heel of Canadian business

According to BDC research, Canadian entrepreneurs don’t invest enough in their businesses, and it’s hurting their productivity and ability to compete. A mere 10% of businesses were responsible for 75% of business investment in 2015.

“Deciding to invest isn’t easy,” says Martin Champagne, Assistant Vice President, Business Development at BDC. Champagne worked with Tourigny and Couture to finance their equipment purchase. “Investing can put pressure on a company’s resources in the short term,” Champagne says. “However, the future belongs to entrepreneurs who invest.”

Indeed, a BDC survey of 4,000 entrepreneurs across Canada showed that businesses that invest have superior growth prospects, more employees and greater international success.

“More small and medium-sized businesses need to see investment as the way to accelerate their competitiveness,” Champagne says.

The good news is that the time is right to invest. The cost of borrowing is at a historic low and will remain so for some time to come, according to BDC Chief Economist Pierre Cléroux. Business credit is abundant, and despite ups and downs in the global economy, Canada’s economy remains strong.

A major return on investment

The decision to invest certainly paid off for Sipromac, which sells food equipment to clients in more than 70 countries.

Couture and Tourigny’s decision to buy the equipment shaved two weeks off the company’s delivery times to customers—a huge gain in productivity.

> “If you don’t have the tools to compete, your business has no future.
>
> —Vincent Tourigny

“We are delivering in four weeks instead of six,” Tourigny says. “Now that we’re able to deliver faster, our sales have gone through the roof. We’ve seen 23% sales growth since the installation of the new equipment.”

What’s more, the new equipment allowed the company to eliminate subcontracting, bringing all work in house. That’s allowed Sipromac to not only cut costs but also improve quality.

It no longer has to pay subcontractors and can better control the purchase price of raw materials, primarily metal. Doing away with subcontracting has also allowed the company to reuse scrap and save on material costs.

“Our manufacturing costs went down by 5%,” Tourigny says.

Investment and continuous improvement

Since 2011, Couture and Tourigny have frequently invested in machinery and equipment to make the company more productive and efficient.

Thanks to these investments, and efforts to improve Sipromac’s operational efficiency, the company has grown 25% to 35% per year and taken market share from competitors—quite a feat in a mature industry.

In 2014, Tourigny and Couture decided to buy a second company, Picard Ovens, a maker of pizza ovens and kitchen equipment with facilities in Victoriaville, an hour northeast of Drummondville.

A second acquisition, Lambertson, a Nevada manufacturer of stainless steel products for the food industry, was made in 2015. That allowed DaVinci Compass to add a distribution network on the U.S. West Coast, benefitting all three companies in the group.

DaVinci Compass generates over $20 million in sales and sells approximately 2,000 machines a year through a network of dealers that sells them to clients in the food industry and to restaurant and grocery chains, such as IGA and Metro in Canada, and Whole Foods in the U.S. About 55% of its sales are in the U.S., and 15% in other countries outside Canada.

Fostering employee loyalty

Couture is in charge of production, product development and product engineering management, while Tourigny oversees finances, administration and sales.

The owners have reserved 20% of the shares in each of the three companies for key employees. “We transferred 10% of the stock to two long-time senior executives from Sipromac and Picard Ovens,” explained Tourigny. “We also set aside 20% of Lambertson’s shares for employees there. This keeps people motivated and engaged.”

The group is currently building a new factory in Drummondville, where Sipromac and Picard will move their operations in the fall of 2016. This $3-million project will double the current area to close to 5,000 square metres (53,000 square feet), in addition to a 3,000-square-metre (32,000-square-foot) factory in Nevada.

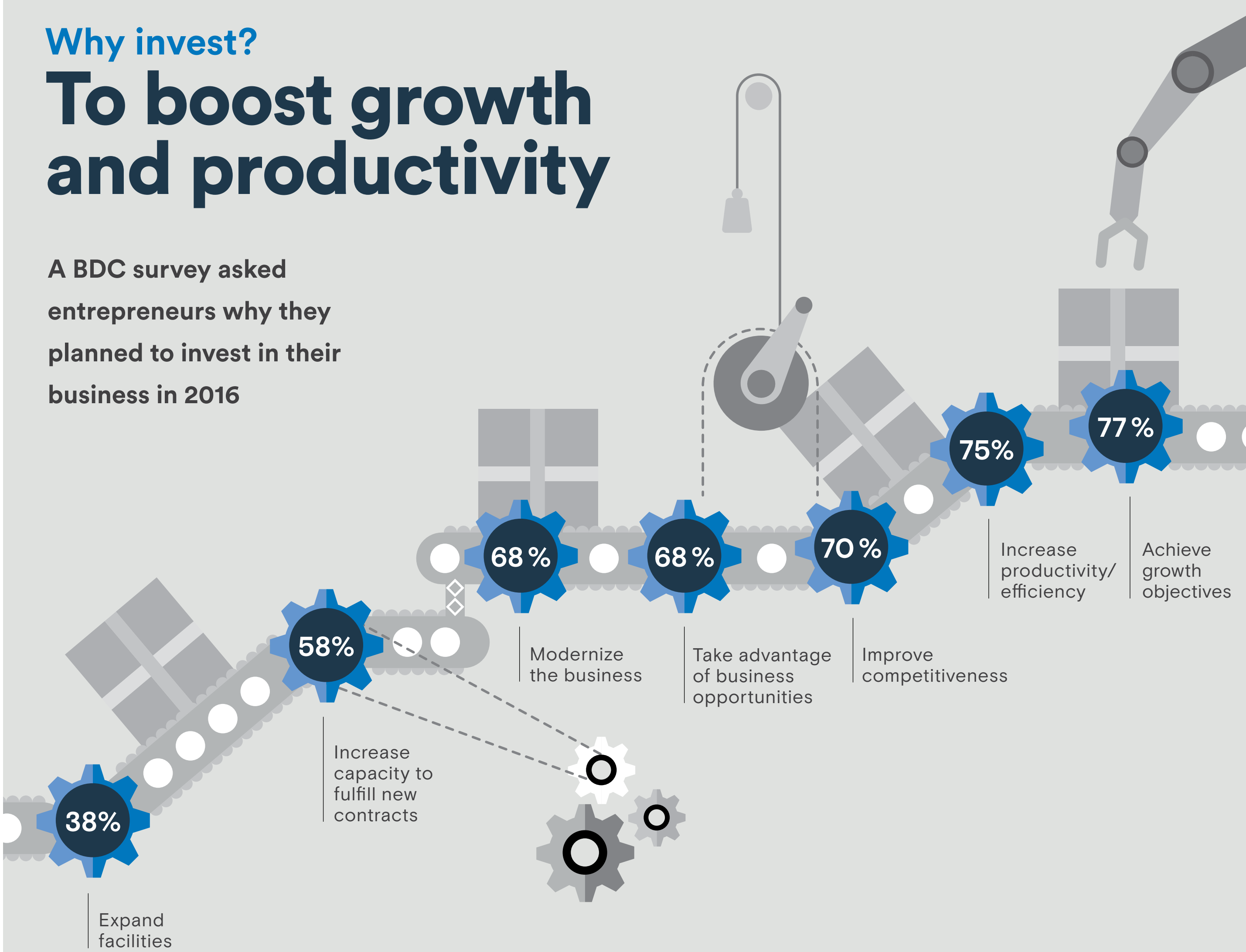
Couture and Tourigny have big plans for each of the companies in the group. They want to be world leaders in their markets.

"We are up against companies from the U.S., Europe and around the world, most of whom make their products in China," Tourigny says. "We chose quality and customer service. If we don't invest to update our technology, we can't win. If you don't have the tools to compete, your business has no future." *

Why invest?

To boost growth and productivity

A BDC survey asked entrepreneurs why they planned to invest in their business in 2016



Source: *Investment Intentions of Canadian Entrepreneurs: An Outlook for 2016.* (BDC, January 2016)

3 ways to put investment **at the core of your business**

1. Take the time to evaluate your business's efficiency. A good way to do this is by benchmarking your performance against similar companies in your industry.

2. Look at your business closely to identify the improvements that will have the biggest impact. Consider hiring an operational efficiency expert to help you.

3. Make it happen. Whether it's machinery, equipment, technology or your employees, investing is a crucial ingredient for ensuring growth and staying competitive.

Feature story

By Don Macdonald

Get control of your finances

Better information, smarter decisions

PHOTOS: DANIEL ALEXANDER

Colleen Rodi
Visiontec Systems

Colleen Rodi had achieved impressive growth at her company, but cash squeezes threatened its stability. She took decisive action to get a handle on the situation. Learn how you can too.

Colleen Rodi had just won the biggest contract in her company's history. It should have been a time of pride, excitement and renewed confidence for Rodi and her company, Visiontec Systems.

Instead, she remembers late 2013 as a dark period of worry and sleepless nights.

The pace of growth was squeezing cash flow at Visiontec, an integrator of security systems in Mississauga, Ontario. And Rodi knew she didn't have the skills to manage the finances of her increasingly complex business.

"The financial pressure and stress were terrible," she says. "That large contract changed who Visiontec was, and I knew we were very quickly going to grow outside my capability to manage it."

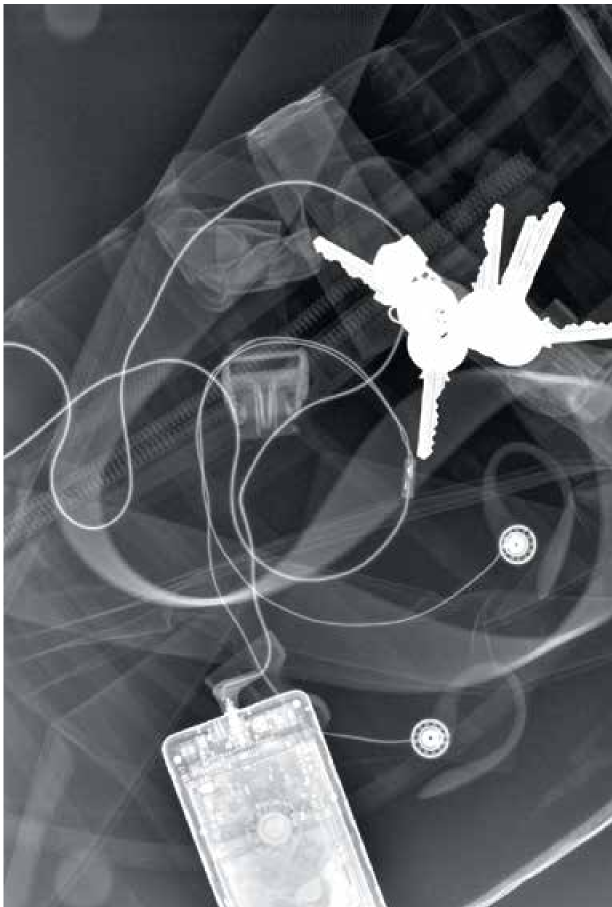
Visiontec offers a wide range of security equipment and systems, including x-ray scanners, metal detectors, protective suits, and gear to detect chemical, biological, radiological, nuclear and explosive threats. The company not only supplies the equipment but also designs, installs and maintains security systems in a variety of government and private sector buildings and installations.

Experiencing rapid growth

Growing terrorism threats, combined with the emergence of new technologies and the need to update equipment purchased after 9/11, have led to a surge of new business in recent years. The company's sales hit almost $11 million in 2015, up from $2.5 million in 2012.

However, that torrid pace of growth threatened to swamp the company. Rodi says she was pouring all the company's money into hiring employees, buying inventory and managing projects.

That led to frequent cash flow squeezes made worse because, as she now knows, she was making contract bids that didn't leave enough leeway for cost overruns. She also had large customers who were consistently late in paying bills, she says.



Easy-to-use tools allow business owners to monitor financial data and use it to make better decisions.

Her line of credit was stretched to the limit and she withdrew money from her RRSP to fund her business. That's when Rodi turned to a BDC financial management coach for help. A working capital loan from BDC provided the breathing room she needed to make much-needed improvements in managing the business's finances.

"I probably didn't realize how bad it was. After we turned the corner and took off, you could look back and say, 'My God, we were not in good shape.'"

Facing a cash crunch

For Alka Sood, it's a familiar story. Sood is a BDC Business Consultant who works with business owners to improve their financial management skills. She sees many entrepreneurs faced with recurring cash flow crunches.

"They're having trouble keeping cash in their hands," says Sood, who advises business owners in the Toronto area. "They say, 'I'm growing but I just can't figure out where the money is going.'"

Sood helps business owners make sense of their financial statements and the jargon used by accountants and other advisors. Then, she sets up some easy-to-use tools that allow them to monitor financial data and use it to make better decisions.

The first of these tools is a cash flow planner. For smaller businesses, Sood gets entrepreneurs to enter into a spreadsheet projected revenues and expenses for the following 13 weeks, figuring out when money will come in and go out, and then update it each week. Larger businesses with stable cash flows can make their projections on a monthly basis, she says.

Anticipating tight cash flow

With the cash flow planner, business owners get a handle on when payments from customers are expected versus when payments to suppliers must be made. Then, they can anticipate times of tight cash flow and plan for projects and financing needs.

"It allows them to say: 'Okay, I'm going to be $5,000 short four weeks from now," Sood says. "There are no red flags or bells going off. I know it's going to happen. So, I can hold a sale, or get some breathing room from a supplier, or put it on my line of credit. But I know. I'm less worried.'"

Being forced to plan

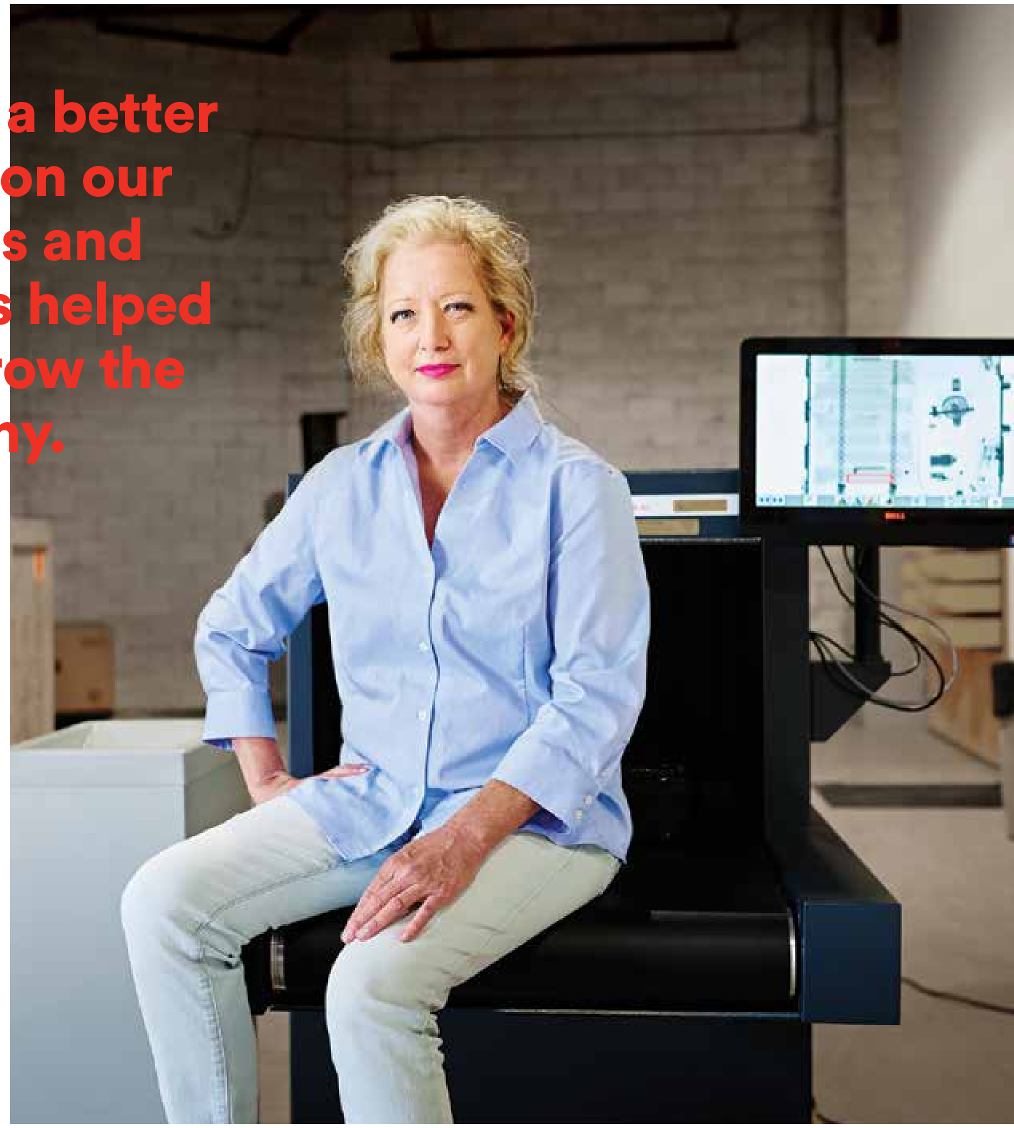
"It forces you to sit down and think ahead," she adds. "You can plan your projects, such as hiring a new person or buying a piece of equipment, and then go to the bank and get a business loan."

The second tool is a financial dashboard. It shows you at a glance four or five key performance indicators on the financial health of your business.

These indicators would typically include your sales pipeline, average days collection (for your accounts receivable) and average days payable outstanding (to your suppliers). Other indicators will depend on what type of business you are running. Some examples are inventory turns for a retailer/wholesaler, exchange rates for an importer and percentage project completion for a construction company.

In larger companies, the issue is often pulling data together from a variety of systems in the company so that management can make timely decisions.

Once the cash flow plan and financial dashboard are in place, Sood typically looks at the company's cost structure and product pricing—two areas where many businesses are leaking money.



“We got a better handle on our finances and that has helped us to grow the company.

— Colleen Rodi

Available Online
bdc.ca/manage finances

An attitude adjustment

Part of what Sood does is help business owners adjust their attitude toward money and numbers. “The numbers tell you the truth about your business. You need to embrace them,” she says. “It’s your company; that’s your responsibility.”

At Visiontec, Rodi admits her primary expertise was sales and she had a hard time understanding financial statements or the financial ratios her bankers talked about.

Her coach helped her to build the financial acumen and confidence she needed while getting Visiontec’s cash flow under control. The result was a more solid company, better positioned for growth.

Rodi also felt a lot less stress. “We got a better handle on our finances and that has helped us to grow the company.”

More help with growth

She recently worked on streamlining the business’s operations with another consultant and signed up for a second round of financial management coaching, now that the company has grown so much.

“As a business owner, you don’t have all the answers and it’s lonely,” she says. “You really need someone on the outside looking in who has your best interests at heart.” *

3 ways to improve your financial management

1 Create a cash flow planner

On a spreadsheet, record projections for inflows and outflows of cash. For smaller businesses, BDC Business Consultant Alka Sood recommends making the projections for a rolling 13-week period. Larger companies with stable cash flows can do it monthly. Your plan allows you to forecast periods of tight cash flow and plan for financing needs and projects such as buying a piece of equipment.

2 Set up a performance dashboard

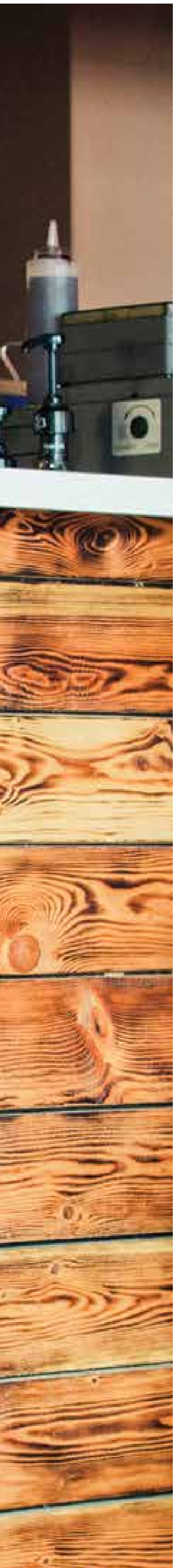
Create a dashboard where you can monitor four or five key performance indicators (KPIs) for your business. Typically, the KPIs will include your sales pipeline, average days collection and average days payable outstanding. Other indicators will depend on what type of business you are running. For example, a construction company will want to keep a close eye on percentage project completion.

3 Review your cost structure and pricing

Many companies could be doing a better job of controlling their costs. One way to do this is by getting three quotes from different suppliers for all your important costs, including overhead items. Another is by making sure you're being diligent in bill collections, and taking the maximum number of days to pay your bills (without being late). In pricing, Sood says many companies fail to take all their costs into account when setting prices and end up losing money—or, worse, not knowing whether they're making a profit.


PHOTOS: ANDREW QUERNER

By Samuel St-Pierre Thériault



The right recipe

Bringing a unique product to market was a rewarding choice for this ambitious entrepreneur

Through hard work and perseverance, Sharon Bond found the right recipe for her business. She now owns two cafés and has plans to franchise her brand.

For three years, Sharon Bond had spent her evenings, weekends and summer vacations selling bannock—a traditional bread—from a roadside stand in West Kelowna, B.C. Bond was digging herself out of debt so she could get the bank loan she needed to start her own restaurant.

When she was finally approved for a loan by the All Nations Trust Company, an Aboriginal-owned financial institution, she could begin renovating a rented space to open her restaurant.

Even though Bond had always dreamed of being her own boss, she was still plagued by self-doubt as the big day approached.

"Am I doing this right? Is this going to work? Does anyone even know what Aboriginal food is?" Bond remembers asking herself. "I tried to find someone like me so I could look and see what they were doing. But I couldn't find anyone."

Her fears seemed to be coming true when a badly installed gas meter meant the restaurant was without cooking fuel for two weeks. Bond and her staff were forced to cook on an electric skillet when they opened their doors in the summer of 2009.

"We were trying to keep up making bannock and our menu while they were working on the gas coming into the store," Bond says. "It was just like, 'Wow, this is crazy.'"

The joy of bannock

Bond can now look back and laugh at the early bumps. She's expanded her Kekuli Cafe to a second location. And she's even taking steps to franchise Kekuli with its original take on bannock and fun slogan, "Don't panic… We have bannock!"

Also known as fry bread, bannock is a staple of Aboriginal cuisine in many parts of the country. It's made with a simple flour-based recipe and can be pan fried, deep fried or baked. Bond puts her own twists on bannock with such toppings as maple glaze and Saskatoon berry cream.

Sharon Bond
Kekuli Cafe


EXIT

"We created a bannock that is soft and fluffy and can be had with a coffee or latte."

Building the right team

Bond says an early challenge was learning how to manage her staff. She says she and her husband, Darren Hogg, were doing an inordinate amount of work.

"At that time, we didn't really have much experience in HR," Bond says. "It took us six months to realize why we were doing all the work."

She eventually made manuals explaining every aspect of running the business, including training for every position, policy procedures, dress codes and detailed instructions on how to use the equipment.

"Once we had some really good systems in place, we were able to train people a lot better and we found a great person who was able to manage the store for us. That's really allowed us to work on our second location."

In 2014, Bond moved from Kelowna to her hometown of Merritt, B.C., 125 kilometres to the west, to open her second Kekuli Cafe with the help of a loan from BDC's Aboriginal Banking Unit.

Active involvement in the community

Once back in Merritt, she became involved in the community, something she says is helping raise her business's profile. She has served as a band councillor with the Nooaitch First Nation since 2015, and she sits on the board of the Merritt and District Chamber of Commerce.

She's also on the board of Aboriginal Tourism BC, where she represents the Thompson Okanagan region.

Bond has simple advice for aspiring business owners: "Be ready to work. It's 24/7 until you can trust enough to let your staff take care of it."

"We've got great people working for us, so we can let go and focus on other things. But we're always ready to jump in at a moment's notice to problem solve and troubleshoot."

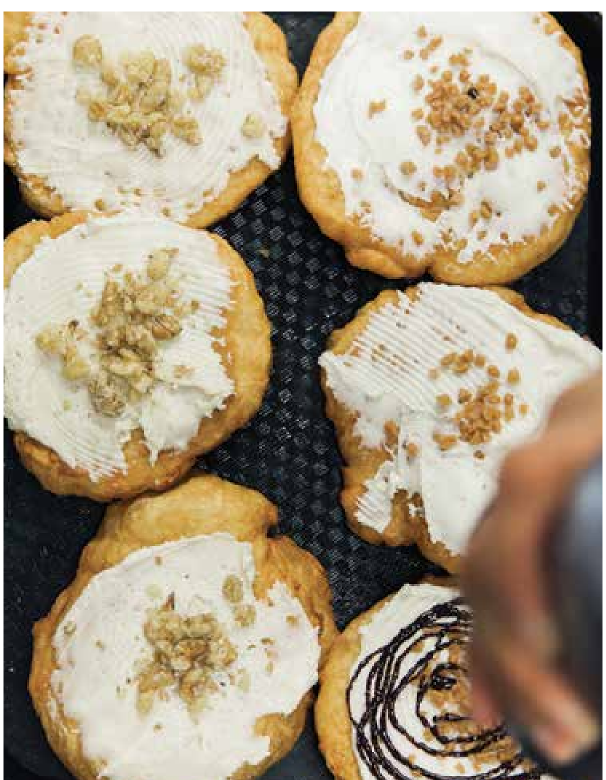
She also credits her husband for sharing the burden of running the business.

"Darren is all about numbers and analyzing everything. It's really great to have someone who is kind of the opposite of you to make sure the business is balanced."

Putting customers first

Along the way, Bond has also come to understand that the relationship between her staff and customers has been a key part of her success. "People love coming back for our staff because they are good and friendly. People love it when they have that connection."

> **"Be ready to work. It's 24/7 until you can trust enough to let your staff take care of it.**
>
> — Sharon Bond



To maintain that special touch when she franchises her business, she has worked with a BDC sales and marketing consultant to clarify her company's core values and create mission and vision statements. The focus is on her commitment to put customers first.

"We want to be a place that people will remember. So we try to make every person who works here empowered enough that they can bring them back."

It's time to be proud

As a First Nations business owner, she says she has a responsibility to fight stereotypes and serve as the example she was looking for when she got started in business.

"If you're Aboriginal, the entrepreneur is there inside you. You can start up your own business, whether it be a retail store, a restaurant or anything.

"Being Aboriginal doesn't stop you from doing anything. We are creating jobs for people. We are taking care of ourselves. So it's time to be proud of First Nations in Canada. It's amazing. It's good." *

Lessons learned

① Establish procedures and systems.

Standardizing how you work will help you train new employees and ensure you can scale up your business.

② Delegate responsibilities.

Designating team leaders and managers will allow you to take a step back and focus on the big picture.

③ Empower your employees.

Your employees are your connection with customers, so give them the tools they need to create a special experience.

④ Be active in your community.

Giving back to your local community will raise your profile and make people care about your business.

⑤ Be ready for hard work.

No matter how great your team, you always have to be ready to jump in at a moment's notice.

In his own words

By Alex Roslin

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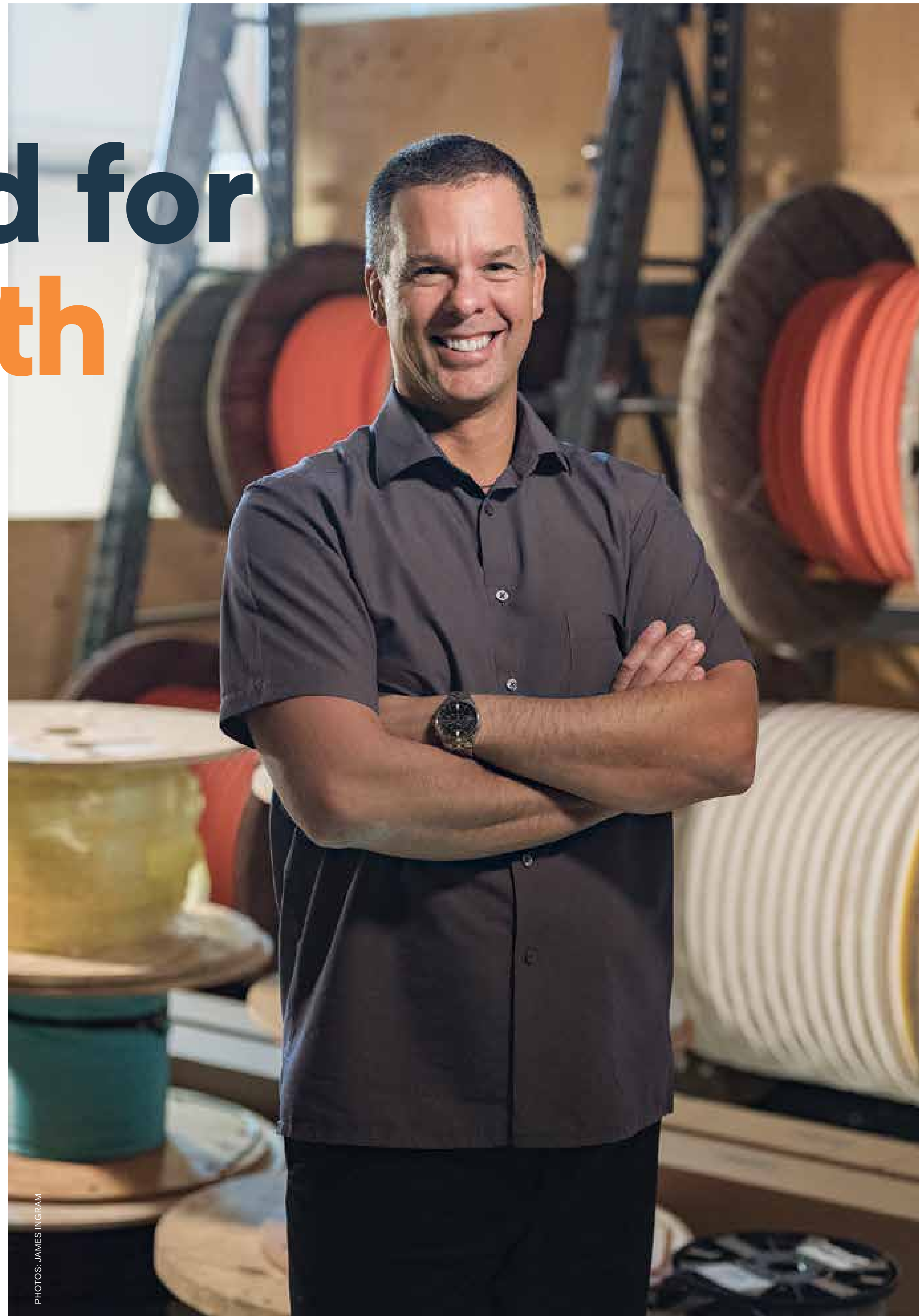
Wired for growth

He took his business from the basement of his house to 150 employees. But it wasn't a smooth ride



PHOTOS: JAMES INGRAM

Shawn Kersey
Data Wiring Solutions

From a humble start in the basement of his home in 2002, Shawn Kersey has built Halifax-based Data Wiring Solutions into a thriving telecommunications company with 150 employees across Atlantic Canada and Ontario.

Along the way, Kersey has shown remarkable resilience in the face of a series of setbacks. He ran into crippling cash flow problems when he bought out his partner while pursuing an acquisition and major expansions. Around the same time, his finance director died and his wife was diagnosed with cancer.

Thanks to his determination—and some smart decisions—Kersey managed to pull through and go on to win an Ernst & Young Entrepreneur of the Year Award.

I was born in Halifax in 1966. At the end of high school, I didn't quite know what I wanted to do. I decided to take electronics at the local vocational school. I went the first day and it wasn't for me.

I went back to high school to upgrade my marks, and then applied to Dalhousie University. Day 1 at Dal, looking at what subjects to take, I said, "No, this isn't for me either."

I worked for a year, and that was a big reality check. I worked as a labourer for a tile and marble company. I was laid off after about eight months and realized I had to get a trade because the unemployment thing wasn't fun. I took a two-year electronics course, graduated in 1988, and that year got a job with a communications company based in Toronto.

For the next two and a half years, I travelled across Canada with them doing communications cabling, fibre-optics splicing, terminations and testing, and really gained a lot of expertise.

I decided to go out on my own and started a communications cabling company in 1992, doing fibre-optics splicing. I ran that for seven years and then sold it to a local power utility.

I stayed on as a director for a little over a year and realized that working for a big corporation wasn't for me. I just wasn't happy. It was really stifling.

In September 2002, I started Data Wiring Solutions with two partners. After focusing on the residential market for a year, we decided to switch to commercial cable work for voice/data systems and immediately started landing much bigger jobs. It just took off from there. We started in the basement of my house for the first two years. We then moved into a 150-square-metre (1,600-square-foot) office and just kept growing from there.

After a few years, my original partners decided to move on and another partner came into the business with me. Over the ensuing years, it was clear that our vision and management approach were diverging, and in 2011, I realized the best thing for the company was to buy him out.

In March 2012, I completed an acquisition of a small structured cabling company in St. John's, Newfoundland. Around that same time, because of our growth, we needed a new head office in Halifax. We found a 600-square-metre (6,500-square-foot) space and did leasehold improvements, growing it to 1,100-square-metres (12,000-square-foot) from May to September 2012. That put pressure on our cash flow.

At the same time, we won a contract in Ontario and had to expand into that province with 18 to 20 technicians and a couple of managers. Locally, in Halifax, we were also expanding by 10 or 15 technicians. All this growth put more strain on our cash flow.

When you're in growth mode, it's hard to have full control over everything that's happening, including costs. Our focus was getting technicians and trucks, but we neglected the financial part. Growth can be tougher than downsizing.

In fall 2012, my director of finance took ill and ended up having a brain aneurism and dying. And during the summer of that year, my wife was diagnosed with breast cancer.

At the same time, our cash situation was facing very strong pressure from the buyout of my former partner, growth, hiring and expansion. I brought my senior management together to look at ways to reduce costs. We looked at several areas of the business where it was easy to cut costs and quickly trimmed the fat. We also made the tough decision to close a couple of divisions that weren't doing well. And in December 2012, I hired a new vice president of finance.

We had loans from BDC for my partner buyout and our office expansion. They helped out with some payment holidays, and we were able to work with them on extending terms.

I also went to several of my key managers and looked for investments from them. I ended up bringing on four new shareholders, which helped stabilize cash flow and let us get the business back on track. I was very up front with them about the "state of the nation," but everyone I went to decided, yes, they were buying in. We had the business; we just needed to right the ship.

In December 2012, my wife had her surgery for breast cancer and we closed that chapter. Everything's been fine with her ever since. But it was quite an ordeal there for a period of time—a lot on the go personally and in the business. There were some dark days. You wonder if you're going to work through it. And we did.

By March 2013, our cost reductions and operational righting paid off, and our finances had become stabilized. And from then on, we've continually improved year over year. In 2015, we had our best year in the history of the company. We're expanding again in Ontario, and locally, we're looking to add 10 or 12 new technicians.

What helped me get through it was to surround myself with good, strong people. When you're in trouble, you need to be able to reach out and call somebody. Those are the people you don't forget. I didn't get here by myself. It was a team effort.

I never set out to be an accountant, but I must say since my VP of finance came in, I've learned a tremendous amount about the financial side of the business and now have a stronger vision of where we should go. I think that's one of the biggest things I've learned in the last few years.

It's also important to understand who you are and what business lines you're in. We got out of a couple of lines that weren't our core, where we weren't doing a good job. Sometimes that's tough for companies to do. But you've got to know when you have failed and move on.

What's been really nice is that in October 2015, I ended up winning the Ernst & Young Technology and Communications Entrepreneur of the Year Award for Atlantic Canada. Just to be recognized for what you've done is a nice feeling for me and the company, after everything we've been through. *

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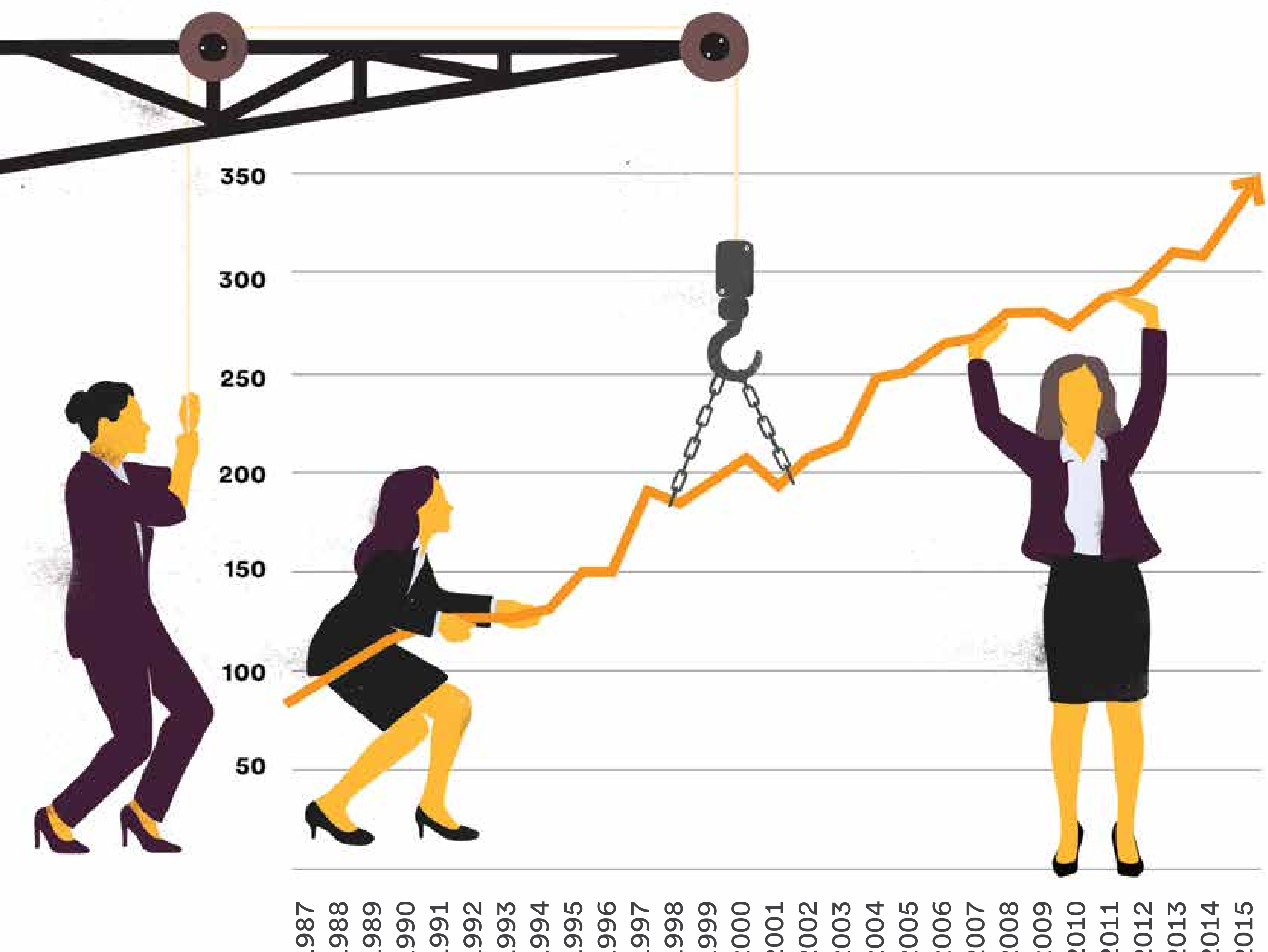
Women entrepreneurs: On the move

The number of women entrepreneurs has more than doubled over the last 20 years, according to new data from Statistics Canada. Women business owners tend to be more educated, to be younger and to have less business experience than their male counterparts. And about one in four women business owners are immigrants.

To learn more bdc.ca/woman

The number of women business owners is growing



Self-employed women with an incorporated business (thousands)

By Pierre Cléroux

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Millennials: Drivers of a new consumer era

Members of the millennial generation are now between 16 and 36 years old and have reached their prime consumption years. Born between 1980 and 2000, Canada's millennials number about 10 million and are profoundly changing the consumer landscape.

If you're in the business of selling to consumers, or supplying businesses that do, you need to understand what makes millennials tick. They're all the more important because of their role as trendsetters, influencing the buying habits of other generations.

Our research indicates that a critical factor in understanding millennials is comprehending their enthusiasm for the Internet. In a country that's among the most connected in the world, Canadian millennials are especially active online. It's no wonder they've been dubbed "the connected generation."

They've embraced online shopping and social media—hence, their power to influence younger and older generations.

Devoted to smartphones

One striking feature of millennials' online behaviour is their devotion to their smartphones. Millennials spend half of their online time on one. They're using their smartphones to shop, review companies and pay for purchases. The lesson is clear. It's no longer enough to just have a website. Your company needs to have a mobile-responsive site to be part of this consumer revolution.

At the same time, millennials are all about experiences and less about owning brands. In fact, they prefer sharing products and services to owning them.

Uber and Airbnb are only the most visible examples of this phenomenon. Our research indicates that 45% of Canadians are willing to rent their belongings to others and 42% are open to renting from others.

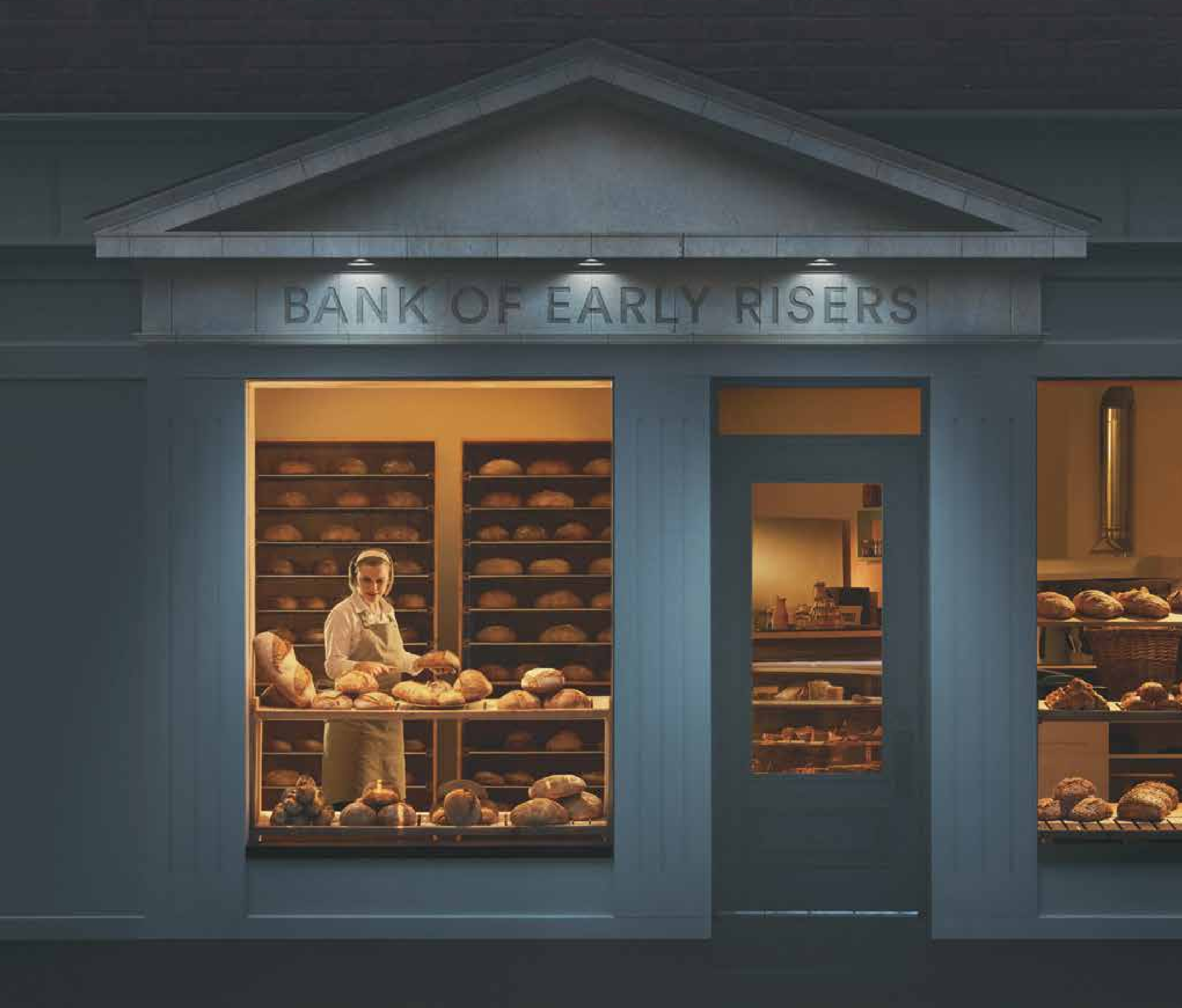
Attracted to sharing

Because sharing is becoming mainstream, businesses would do well to join the trend, rather than ignoring it or fighting it.

You can evaluate opportunities to work with other businesses to reduce costs for consumers or offer additional value. You can also assess the possibility of sharing your resources with other companies, including such things as space, skills and digital assets. For example, a retailer might consider lending space to another vendor in return for the use of space in their location.

Consumer values and trends evolve constantly. The most successful entrepreneurs understand these trends and adapt their products, services and client experience in response to the opportunities they present.

The millennials are shaping a new consumer economy in Canada. What steps can your company take to make sure you're riding the wave rather than being crushed by it? *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