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Ideas, insights, inspiration for entrepreneurs

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Your first step to a more productive business

At BDC, we have thousands of interactions each week with entrepreneurs. We see first hand how improving your business's productivity can boost its resiliency, growth and profitability. Our experience shows that the first step on your journey to better productivity should be to benchmark how you are doing compared with other companies in your industry.

You can't fix a problem you don't know exists. That's never more true than when it comes to improving your company's productivity.

Unfortunately, too few entrepreneurs measure their company's performance. In fact, a BDC survey found half of Canadian businesses don't measure their productivity levels at all, and only 6% comprehensively measure their productivity and benchmark themselves against competitors.

That's why we have developed an online tool to help you take this critical step. It is a first in the world and is free, easy and fast to use.

All you need is your federal tax return. You plug in some numbers and discover how your business is doing compared with other similar companies in your industry on five key indicators: overall productivity, revenue per employee, profit per employee, labour productivity and capital productivity.

Once you know where you stand, you can invest in the equipment, technology and advice you need to become more efficient and productive. Here again, we can help.

We have financing offerings specially designed to help improve your operational efficiency and boost your productive capacity. We can also offer consulting advice on how to improve your productivity and increase your use of technology.

With the world becoming ever more competitive, you can't afford to stand still. You need to constantly improve your business by making it leaner, more innovative and better positioned for growth.

I invite you to go to **bdc.ca/productivity** and try our benchmarking tool. It will get you started on your journey to making your company the best it can be. *



Valuation is obviously a key issue for entrepreneurs seeking to exit a business. Establishing a fair value for your company isn't easy, but the sale price you come up with will be an important focal point of your transition plan.

Because of the complexity and stakes, it's helpful to hire a professional valuator to help you set a selling price and determine whether a buyer's offer is reasonable.

An outside evaluation will hold more sway with potential buyers than numbers generated in house. The process may also help you identify weaknesses in your organization and find ways to maximize its value.

Earnings are key to valuation

The most common method used to determine a fair sale price for a business is to calculate a multiple of EBITDA (earnings before interest, taxes, depreciation and amortization), which is a measure of a company's ability to generate operating earnings.

The multiples vary by industry and could be in the range of three to six times EBITDA for a small to medium-sized business, depending on market conditions, says Catherine Tremblay, a board member at the Canadian Institute of Chartered Business Valuators.

Many other factors can influence which multiple is used, including goodwill, intellectual property and the company's location, Tremblay says.

After arriving at the EBITDA-based figure, a valuator typically seeks to confirm it by applying other valuation approaches—first, calculating the value of the company's tangible and intangible assets and, second, checking what comparable businesses have sold for, says Tremblay, who is a Montreal-based partner and National Leader of Valuations at accounting firm MNP.

Requires judgement

If the three valuation approaches yield different numbers, the valuator investigates why and may adjust the EBITDA multiple, if appropriate. "A lot of judgement and estimates are involved," Tremblay says. "It's part science, part art."

Your business may also be more valuable in pieces than as a whole. For example, a buyer may find your real estate holdings more attractive as an asset than the entire business.



n a knowledge-based economy, your ideas are often some of your most precious business assets. As an entrepreneur, it's important to understand tools such as trademarks, patents, copyright and industrial design. Here's a quick overview.

Patents

Essentially, through a patent, the government gives you the right to exclude others from making, using or selling your invention from the day the patent is granted to a maximum of 20 years after the day you filed the patent. Preparing and filing a patent application generally requires a patent agent who understands patent law. A trained agent can save you from headaches such as a poorly drafted patent that doesn't adequately protect your invention.

You are not actually required to register your trademark, since using it for a certain length of time gives you common-law ownership. Still, it's highly recommended.

Copyright

Copyright gives an owner the sole right to copy his or her work or permit someone else to do so. A copyrighted work is

an original literary, artistic, musical and/or dramatic work. Copyright usually lasts for the life of the author, plus another 50 years, giving you the exclusive right to stop someone else from reproducing your work.

An original piece of work is generally protected automatically by copyright the moment it is created, and that protection extends to most other countries. You can also register your copyright with CIPO.

Trademarks

A trademark is a word, symbol or design used to distinguish the wares or services of one person or organization from those of others in the marketplace.

You should conduct a search of existing trademarks before filing a trademark application. To ensure a thorough search, you can hire a trademark agent to do the job. You will find a list of agents in the Trademarks Database tutorial on the Canadian Intellectual Property Office (CIPO) website, as well as guidance on how to search the database.



How to protect your

business

eas A primer on intellectual property

For detailed information, visit CIPO's website.

Industrial design

An industrial design can be a shape, configuration, pattern, ornament or any combination of these features. Protection of an industrial design lasts for a maximum of 10 years in Canada.

Nearly any product that catches your eye when you walk into a store has an element of industrial design to it—your product's visual features that give it a competitive edge in the marketplace and set you apart from your competition.



Find the best approach for your company

Here are five strategies you can use to enter a foreign market, depending on what you are selling and the market you are targeting.

1. Sell directly to customers

The most obvious entry method is selling directly to customers. This approach can be advantageous because it excludes middlemen, allows complete control over sales transactions and keeps your firm close to your customers.

Your company must, however, find ways to make its products or services known to customers abroad and market them in a way that will appeal to the tastes and values of a different culture. You must also find efficient distribution methods, often in places where logistics are difficult and expensive, and deal with issues such as returns and warranties.

2. Use a representative

There are several alternatives to direct exporting. One is to build your export strategy around using a representative—an agent or distributor, for example—in your target market.

For a newer exporter, however, finding a reputable and effective representative in an unfamiliar market can be a challenge. You can look for good representatives by attending trade fairs. The Canadian Trade Commissioner Service and industry trade associations can also help. As well, some companies are willing to share information with other firms about their experience with particular representatives.

3. Partner with a larger company

Many smaller companies become successful abroad by building a strategic partnership with a larger company that already has a foothold in international markets.

Such partnerships can take many forms, from contributing to a supply chain to providing a custom product tailored to the larger partner's needs. While there may be some loss of control for the smaller company, this is usually far outweighed by the opportunity to achieve sales growth and diversification outside Canada.

4. Follow your customer into the market

If your company sells to a Canadian business that operates in other countries, there may be an opportunity to follow that customer into their international markets.

Finding such ready-made international customers can eliminate much of the risk of entering a new market. A second advantage is that your business with the affiliate will help you to familiarize yourself with the local market and give you a presence there, which in turn may help you find other local customers.

5. Partner with a local company

Companies can also look beyond Canadian partners and instead work with local companies already operating in a particular market. Local partners can provide on-the-ground knowledge and contacts, which are valuable when entering a market abroad.

This article was adapted from Export Development Canada's publication Diversify Your Market, One Step at a Time, available at edc.ca/diversify.

Tips on creating a winning sales plan

How to set and reach your goals

You're halfway through the quarter and one of your sales representatives isn't delivering. You want to correct the situation but have nothing on paper setting out the person's targets. You may be making a common error—trying to increase sales without a sales plan.

A sales plan focuses you and your team on reaching specific goals, whether it's by acquiring new business or by growing your existing business.



Here are some pointers on how to put together a winning sales plan.

- → Make sure your plan is simple, concise and easily revised. Keep in mind that it's a document you need to revisit regularly to track ongoing performance.
- → Stick to what is measurable, so you can easily monitor progress. For example, you could track such metrics as number of calls, leads, prospects, account reviews and client referrals.
- → Along with a company-wide sales strategy, be sure that every sales team member has an individual sales plan. Consider factors such as the nature of the representative's territory and sales experience. Adjust goals accordingly.
- → Ask sales team members to devise their individual sales plans. This ensures they are accountable for their commitments and helps them set realistic and attainable goals.
- → Ensure each sales team member lists specific tactics, such as the following: "I will hold 12 seminars to attract 120 potential clients" or "I will send 35 letters this month to existing clients to offer them our new product."

- → Ensure your salespeople have "stretch" goals that challenge them personally and keep your business growing.
- → Your plan should have the right balance of "hunting" activities, which are aimed at acquiring new business, and "farming" activities, which are aimed at developing business with current clients.
- → Don't forget the skills development component of your plan. You should identify the skills your salespeople need to improve so they can bring your company more business. For example, a team member might need stronger presentation or negotiation skills. They can then seek out courses or other learning opportunities to develop those skills.
- → Take advantage of sales plan templates on the web to get started.





Karl Wirtz WG Pro-Manufacturing

"I just bulled ahead and built this plant-signed leases, created the company and hired people," he says. "I remember about six months into it, I'm walking through the plant and a forklift drove by me. I stopped and looked at that forklift and thought: I'm in a plant I own, holding a clipboard and checking efficiencies on a production line. Wow."

Wirtz says he was fearless in the early years of building WG Pro-Manufacturing, a Brampton, Ontario, company that packages products on behalf of manufacturers and also operates a bakery. He now employs 245 workers and will generate sales of about \$16 million this year from five production locations.





Superman mentality

"When you're in your twenties, you've kind of got a superman mentality," he says. "Risk didn't bother me at all. I was very adventurous."

Now at age 53, Wirtz admits he's a different man. He's still eager to grow his business, but with so much more on the line, he's become more cautious. His family, employees, suppliers and customers are all counting on him to make the right decisions.

"You think: I don't want to make a mistake and risk the downward cycle of our business, or risk having to lay off employees, or risk going out of business, God forbid," he says. "So it's amazing how fear tends to be very present in my mind where it wasn't when I was much younger."

Wirtz's change in mindset hasn't stopped him from embarking on a series of growth initiatives, including purchasing the bakery and targeting the U.S. market for its wares. He's also opened a new packaging plant in Calgary to serve the Western Canadian market.

He's found the confidence to make these bold moves by carefully researching the best growth opportunities available to his company and then planning how to capitalize on them. He's done so by following a methodology devised by BDC's Growth Driver Program, which is designed to help ambitious CEOs like Wirtz grow their companies faster and better.

Fearful of risk

Many entrepreneurs avoid growth projects because they're uncertain about the risks involved in investing money, hiring staff and expanding operations. BDC Executive Advisor David Schincariol says the fear is understandable but can be overcome by doing the necessary research, strategic planning and follow-up.

"You don't want to lose your house. So you need to feel that what you're doing has predictable results, even if there are still risks," says Schincariol, who advises Wirtz as part of his participation in the Growth Driver Program.

Schincariol, who built and sold his own successful company, says the program is unique in that participating CEOs benefit from an ongoing relationship with an executive advisor who has experience leading a growing company. "The program is not just about growing the company, but also growing the CEO," he says, adding support continues through the implementation phase, when many growth plans go off the rails.

Wirtz says he signed up for the three-year program because he wanted to do a better job of identifying projects that would generate substantial profits. In the past, he admits he's been too ready to jump at opportunities as they presented themselves—"saying yes to everything."

He explains, "I was tired of turning over dollars—growing and making a good income but not really a high profit. We needed to focus."

As a first step, the BDC team researched the company, its industry and potential avenues for growth. Wirtz and his senior managers then participated in a series of workshops that helped them come up with 10 top growth opportunities.

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I was tired of turning over dollars—growing and making a good income but not really a high profit. We needed to focus."

— Karl Wirtz





Promising options

After more research and discussion, these were winnowed down to the three most promising options:

- targeting the U.S. market for WG's baked goods, especially to benefit from its capability to produce nut-free products
- → growing WG's co-packing business in the underserved Western Canadian market rather than in Ontario, where it is already strongly positioned
- → increasing its business in co-packing for export to the U.S., allowing customers to benefit from Canada's lower dollar, skilled labour and cross-border access

These initiatives form the backbone of a three-year strategic plan that will guide WG Pro-Manufacturing. The company is now implementing its first-year action plan with such moves as hiring a U.S. sales director and opening the plant in Calgary. Senior management has a series of milestones and key performance indicators to monitor progress and make adjustments as necessary.

Schincariol says smaller businesses may not have the resources to plan with this level of sophistication but all entrepreneurs can benefit from strategic planning.

"It's taking the time to do some research and get some perspective," Schincariol says. "What are the opportunities? Can we quantify them? What are the risks? How can we define them?"

Outside advice

Wirtz encourages other entrepreneurs to get outside advice on planning their company's growth.

"Entrepreneurs tend to think they can do everything," he says. "But if you take a serious, hard look at yourself, you will quickly know where you're strong and where you're weak. Surround yourself with good-quality people who will make you stronger in areas where you are weak."

WG Pro-Manufacturing was already in a strong competitive position thanks to investments in high-tech machinery and the quality certifications it has obtained for the safe handling of food and confections, where it does the majority of its business. The company also packages a wide variety of other products, including electronics, cosmetics and pharmaceuticals.

Wirtz also points to the high quality of his workers, many of whom have been with him for more than 20 years, as a key strength.

He says the new growth projects are off to a strong start. He's already thinking about finding a larger space for his Calgary operation to meet demand, and the push into the U.S. for his baked goods looks to be a winner.

Renewed confidence

"I eliminated that ever-growing fear in my mind: 'What if we make the wrong choice?'" he says. "It's like: 'No, this is the right choice. We need to be here. We need to do this. This is where we're going to go and how we're going to do it.'

"It's given me the confidence to boldly go forward." *





Research

With your team, brainstorm growth opportunities. Be creative and bold. Explore areas outside your normal business. Now, reduce the number to a few top choices. Research each of these options carefully. Build business cases that include financial projections.



Diversify

Aim to diversify your company. A BDC study has found that diversification—whether measured in terms of products and services, geography, or number of customers—correlates strongly with financial success.



Get outside help

Advisors can bring fresh insights and ways of doing things that reduce risk and give you confidence.



Liquid Gold

How a focus on customer experience can help retailers flourish





A personalized customer experience keeps customers coming back. Myrna Burlock and Bill McArthur found the secret to retail success with a novel approach to selling olive oil.

yrna Burlock reached into her kitchen cupboard one day and discovered she was out of olive oil. That fateful moment launched her out of retirement and into an unexpected, astonishingly successful business venture.

The olive oil Burlock had run out of wasn't just any old brand from the corner store. It was a high-quality extra virgin olive oil from Provence, in southern France. And it smelled and tasted just like the olive oil she fell in love with as a child, when her mom used to smear it on Burlock's skin to treat eczema.

But after calling suppliers, she discovered the oil from Provence wasn't available in Canada. She had bought hers at an olive oil tasting bar in Arizona, where customers could sample various types of oil before buying.

That's when inspiration struck. Maybe there was a market for the same thing in Canada. Burlock could order some for herself and at the same time turn her love of olive oil into a business. She and her husband Bill McArthur put the idea to the test when they opened the Liquid Gold Tasting Bar & All Things Olive, in Halifax's upscale Hydrostone Market.

Took a big risk

Burlock and McArthur knew they were taking a big risk. Liquid Gold's launch in 2010 coincided with a rough economy and declining sales for many retailers.

Myrna Burlock and Bill McArthur Liquid Gold Tasting Bar & All Things Olive





And the couple had just lost a large chunk of their life savings while living in Arizona, when their bank closed during the U.S. financial crisis. The setback forced them to return home to Nova Scotia.

"We were quite nervous about opening the store," says Burlock, 59, whose previous jobs included designing kitchens, driving a school bus and running a cleaning business. "We had no idea how to be merchants. Many people thought we were crazy."

But the store was a success from day one. Business grew so quickly that customers had to wait in line outside to get into the busy store during its first Christmas shopping season. Burlock even ran out of oil to sell.

The couple has since expanded to five stores across the Maritimes and also opened six smaller boutiques offering their wares in other shops.

The couple's secret has been a highly personal touch, with an emphasis on educating consumers about their products, which include balsamic vinegars. "Once you taste a good olive oil, you're hooked," Burlock says. "You will never reach for store-bought oil again."

Focus on customer experience

Liquid Gold is a bright light in an otherwise gloomy time for brick-and-mortar retailers, facing fierce competition from e-commerce businesses. Its success highlights important lessons for retailers in today's quickly changing, ultra-competitive market, says BDC Business Consultant Chris O'Shea, who advises entrepreneurs on marketing.



They've really understood personalization... They make it a fun experience from the moment you walk in.

- Chris O'Shea, BDC Business Consultant

Most important, he says, is creating a memorable customer experience, focused on personalization. "They've really understood personalization," he says of Burlock and McArthur. "They make it a fun experience from the moment you walk in."

The desire for a personalized experience is one of the most important trends driving consumer behaviour today, according to a BDC report titled *Five Game-Changing Consumer Trends*.

"Consumers increasingly demand the personal touch," the report says. "Targeting consumers with customized messages and personalized experiences significantly improves results."

Personalization influences purchases

Close to nine in 10 U.S. consumers say personalization influences what they buy, the report says.

"A one-to-one approach to customer interaction allows businesses to provide higher value to their customers," the report says.

The secret to personalization is to understand your customers, why they spend money on a product and how to reach them, O'Shea says. "You have to own your niche and form a relationship with your customer."

O'Shea says Liquid Gold "has hit the right notes and tone" in its pursuit of personalization. O'Shea is a convert himself. He regularly shops at the Liquid Gold outlet in Halifax and gives its products as gifts. "You get a special experience that you won't find elsewhere," he says. "Trying before buying allows customers to make an informed buying decision. It's the choose-your-own-adventure mindset."



The desire for a personalized experience is one of the most important trends driving consumer behaviour today.

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We're old-school merchants—find the best products, become experts and share your knowledge with customers.

- Myrna Burlock



Customers become ambassadors

Burlock and McArthur seem to exemplify the personalization trend. It's not unusual for them to spend up to 40 minutes with a customer, expounding upon olive oil's health benefits and fascinating history (olive cultivation is older than writing).

Customers also get a lesson in how to sample olive oils using a technique called *strippaggio*. Akin to tasting wine, it involves smelling the aroma, then slurping the oil and savouring its fruity flavours and pungency.

The couple spends a lot of time on the road travelling between stores, making sure employees are educated on new products. The staff includes chefs and nutritionists. "We're very careful about who we hire. They have to have an interest in healthy food and living," Burlock says.

When the couple was approached with offers to franchise their outlets, they rejected the idea because they didn't want far-flung cookie-cutter stores that lacked their personal touch.

Lots of TLC

"We want to be sure our presence is felt in every store as much as possible," Burlock says. "There's an awful lot of TLC involved in making sure our stores are on their toes all the time."

The company supplements its physical stores with an attractive website that features an online shop and educational content on olive oil. Each store also has its own Facebook page, with about 4.000 followers in all.

However the in-store experience is what fuels the business. The wife-and-husband team works hard to keep things fresh with constant innovation in products and merchandizing.

"We're old-school merchants—find the best products, become experts and share your knowledge with customers," Burlock says. "We love that experience." *



See our consumer trends study at bdc.ca/ consumers



Entrepreneur perspective

By Samuel St-Pierre Thériault



Growing step by step

A sustainable approach to building a tech company



Gurmit Dhaliwal Celayix Software

Gurmit Dhaliwal has repeatedly been approached by investors interested in his company, Celayix Software. However, with the right strategy, he has managed to build a successful business while keeping full control.

urmit Dhaliwal remembers a time in the early 2000s when he thought his company had nailed down the perfect employee scheduling software.

His Vancouver-based firm, Celayix Software, had just completed a major customization project for a security company in Winnipeg. He could use that work to offer other clients the capability to create schedules, communicate them to employees, and track time and attendance.

Dhaliwal was confident he was in a strong position when he pitched the software to a large company for an important contract.

"We thought we had this software that does everything," Dhaliwal recalls. "In the presentation, they asked us: 'How would you handle a split shift?' At that moment, we realized we didn't understand the business well enough to compete effectively because we didn't know what a split shift was."

The meeting was a key turning point—one that would set the stage for Celayix's future success.

Dhaliwal realized he and his team had been working so hard on software development, they hadn't focused enough on the HR problems they were trying to solve. They also hadn't been keeping track of who their competitors were and what they were offering.

An 'a-ha' moment

"It was sort of an 'a-ha' moment for us," he says.
"From 2005, we started researching our key markets and adding features so we could actually compete with others in the marketplace."

The Indian-born entrepreneur first went into business providing IT services during the Y2K era. A client of his had acquired a software company, but only wanted the firm's workers, not its HR scheduling application. Dhaliwal made a deal with his client to acquire the software.

For years, Dhaliwal focused on adding features to the software. However, it only really started to get traction in the market after he put together a skilled team that completely rebuilt the product.

The technology introduced at that time still forms the core of the product today—even as Celayix has moved to the cloud and added features, including employee self-scheduling and a variety of employee tracking and communication tools. With these additions, the company has been experiencing 20 to 30% annual growth since 2011. It has 35 employees in its Vancouver headquarters.

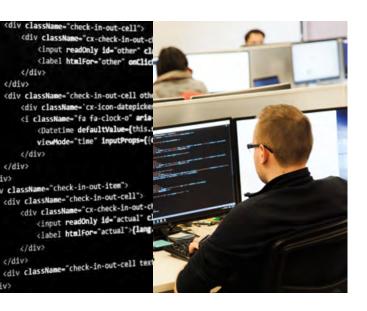
Helps control costs

Most of Celayix's sales are in the U.S., where its software is used by companies in more than 20 sectors. Clients benefit from being able to better control their labour costs, while employees enjoy more flexibility and choice over their work hours.



You have to find something you feel passionate about and then work your butt off to win.

- Gurmit Dhaliwal





Even though he's had many offers, Dhaliwal has shied away from taking venture capital. Instead, he has reinvested profits and turned to BDC for term loans to bolster his working capital.

Different types of financing can be appropriate for a tech company, depending on its stage of development. However, many entrepreneurs aren't aware that business loans may be available for their growing company.

A key advantage of using loans is you avoid the ownership dilution that comes with equity financing. Even companies with limited revenues and physical assets may be able to leverage intangible assets such as intellectual property to obtain a loan.

Uses debt financing

Working with BDC has allowed Dhaliwal to protect his cash flow while he grows his business. He says this has helped him focus on his company without having to please investors.

"We've got folks who would give us money and take equity in the business. I think that is always tempting, but the risk/reward isn't there for us, yet," he says.

"People say go big or go home, but I don't necessarily think that's true, because going big also means a huge amount of risk for the business." Dhaliwal credits a group of technology and biotechnology CEOs in the Vancouver region for helping him to successfully navigate his company's growth. The group, called Acetech, meets regularly to share experiences and discuss solutions to problems.

Solving shared challenges

"As the CEO, you are kind of banging your head against the wall trying to come up with solutions for everything," he says. "With Acetech, there is this group of people who are facing similar problems. Many of them have solved these problems, gone past them and grown tremendously."

For example, Dhaliwal often had difficulty finding the right people for his team. Working with Acetech helped him come up with a more systematic hiring approach, dramatically improving his staffing decisions.

"If you want to be the top dog, you have to innovate," Dhaliwal says. "How do you innovate as a technology company? You need to have great people and that's what we have."

Dhaliwal also started using key performance indicators (KPIs) to monitor his company's performance. He says they have given him and his employees a better idea of the true health of the business.

He has also worked to improve his internal communications to break down silos between departments. The firm now holds daily huddles, weekly meetings to review KPIs and monthly company-wide meetings to clarify targets, goals and company vision.

"It's created a lot of transparency for the teams and people feel good about knowing that they are working towards a bigger overall goal."

Dhaliwal says he could never have created a successful, growing business without being deeply passionate about it.

"You don't have to be the smartest person; you don't have to have the greatest idea. You have to find something you feel passionate about and then work your butt off to win." *





The art of recycling

He's saving 50,000 trees a year and helping refugees from his native Syria



Raed Bechara Industrie de Palettes Standard



Raed Bechara is helping to save the planet—one industrial pallet at a time. His Laval,
Quebec, company, Industrie de Palettes
Standard (IPS), has turned recycling into a fine art. It repairs used wooden pallets and sells them to businesses, saving 50,000 trees a year by Bechara's estimate.

Bechara's environmentally friendly business has earned him a major prize for sustainable development and led to rapid growth at his company. However, Bechara hasn't forgotten his roots as an immigrant from Syria. Last year, he hired 15 Syrian refugees and arranged for them to learn French during paid work time.



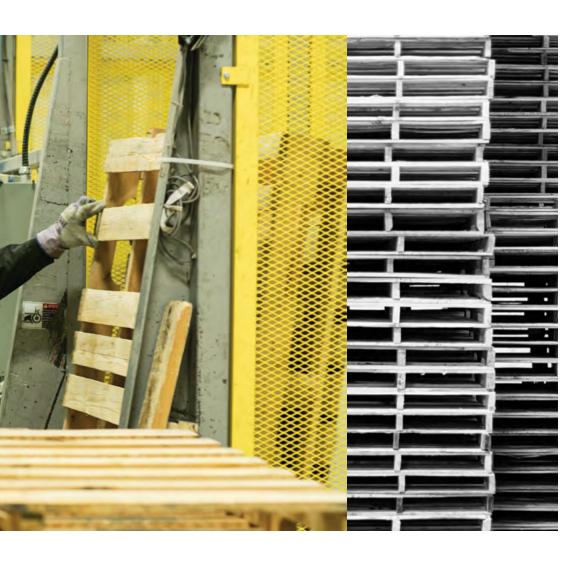


came to Quebec from Syria in 1987 when I was 16. It was hard to leave everything behind. I didn't know any French or English. I didn't have friends here. But my parents wanted me and my two younger sisters to have a better life.

At our company, we gave jobs to 15 Syrian refugees last year and arranged for them to have French courses in our facility during paid work time. I didn't want them to live through what we went through when we moved to Canada. I wanted them to have good jobs and to know French.

We didn't have a lot when we arrived. My father took three jobs to support us. I was able to go to university, where I studied biochemistry. I wanted to become a pharmacist.

At the time, I was working part time in customer service for Industrie de Palettes Standard. It was a small company that recycled used pallets—3,000 per week.



At some point, the company went bankrupt, and I bought it for a small amount. I was a student and hardly had any money of my own, but I was able to raise it from friends and family. The company had some accounts receivable, so I was able to bring it out of bankruptcy and sell it not long after with enough profit to pay off my student loan.

Afterwards, I kept working at IPS part time until I finished my bachelor's degree in biochemistry. When I graduated, I started looking for a job in my field. I told IPS I was going to leave, but the man who had bought the company said he wanted me to stay on. He offered me shares in the company.

I saw it had potential that hadn't been exploited. I had an entrepreneurial spirit, so I agreed. I obtained 24% of the company, and that was the end of my efforts to become a pharmacist.

We were selling barely half of the pallets we took in. The rest were in too poor condition to be repaired or were a size we couldn't sell. Instead, they went to the landfill or for incineration.

The environment has always been very important to me. I had a professor who always told us that recycling was the industry of the future. I thought we could find ways to recycle more pallets.

In 2007, my partner passed away. I bought his shares from the estate and became the company's sole owner.

As the business grew, it became more than just repairing and reselling pallets. Instead, we evolved into offering integrated pallet management services. The diversity of our business activities is what made us strong as a company.

Most of our clients use large quantities of pallets every day. We may deliver a bunch of recycled pallets and then pick up their broken and damaged pallets to bring back to our facility for repairs.



In 2015, we won a Desjardins Entrepreneurs prize for sustainable development.

We've added more and more services. For example, some businesses—suppliers and distributors—have pallets they don't need. We buy and sell them.

We also have clients who ask us to warehouse their pallets—say 20,000 or 25,000 of them—until they're needed. We pick them up, inspect and repair them, and then warehouse them until they're needed again.

As we've grown, we have also pushed recycling to the extreme. In 2009, I invested \$450,000 to acquire a shredder. This machine allows us to shred the pallets we can't repair and sell the wood chips and residue. Our shredder also separates out the nails, which we sell for the metal. Every time we sell our wood chips, we save a tree.

When the financial crisis hit, we were able to grow because our recycled pallets are 30 to 50%

cheaper than new pallets, and companies were looking everywhere for ways to cut costs.

Two years ago, I made a \$7-million investment in a larger facility. Now, we have a 3,700-square-metre (40,000 square foot) facility and a 19,000-square-metre (200,000 square foot) yard.

Before our move, we shredded the entire pallet if it couldn't be repaired. Now, if some parts are in good shape, we keep them to re-use and shred the rest. Instead of shredding a good two-by-four or a plank, we now re-use it, which has led to significant savings.

Also, we now have machines to recycle our clients' cardboard and plastic waste. Before, we had to pay someone to take that off our hands. Now, we have equipment to put it in bales, and we can sell it, so we are recycling even more. We're trying to be a one-stop recycling shop.

In 2015, we won a Desjardins Entrepreneurs prize for sustainable development.

The business has grown substantially. We've gone to a weekly turnover of 65,000 pallets from 35,000 a decade ago. I now have 65 truck-trailers, and we have 44 employees, up from 20 two years ago.

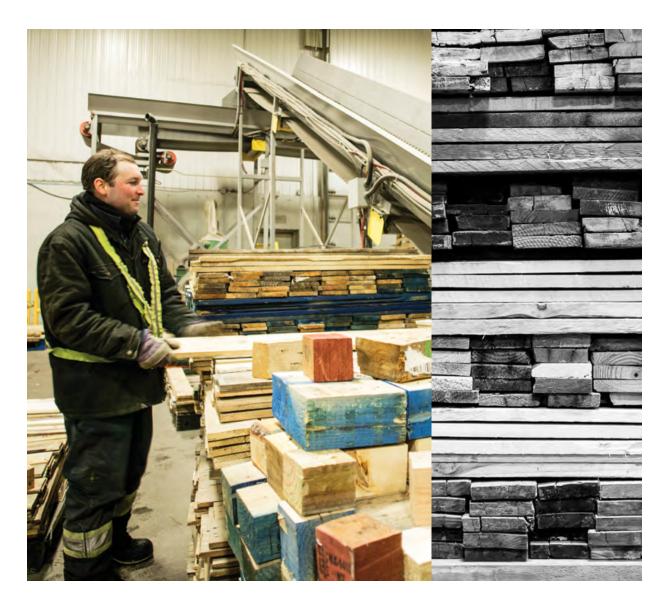
I'm proud to help the Syrian refugees we've hired. They needed help, and I believe if you can help, you should do so.

At first, it wasn't easy for some of them. Many had lost their homes or businesses in Syria. But I remind

them that at least you are safe here with your families. You can't put a price on that.

My advice to other entrepreneurs is to be determined. When I acquired my partner's shares in 2007, the company lost two large clients who had gone bankrupt. I remember being worried. When I went home, I said to my wife, "We may have to move into my parents' basement."

But we ended up finishing the year with a profit. It showed me the importance of not being discouraged, even when things are challenging. Find the positive in all situations. *





Entrepreneurs are ready to invest

BDC study indicates renewed optimism across Canada

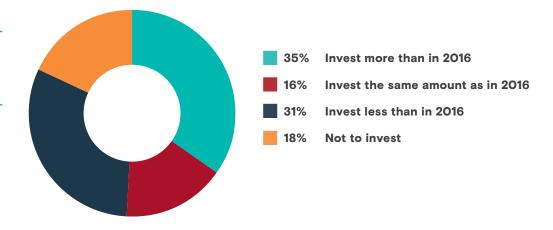
A majority of Canadian entrepreneurs intend to invest in their businesses this year, according to a BDC survey of almost 4,000 Canadian small and medium-sized businesses. The study found eight in 10 entrepreneurs plan to invest in their business in

2017, including more than one in three who intend to increase their investments.

Overall investment intentions will total \$96.6 billion in 2017, representing an increase of 1.6% over preliminary numbers for 2016.

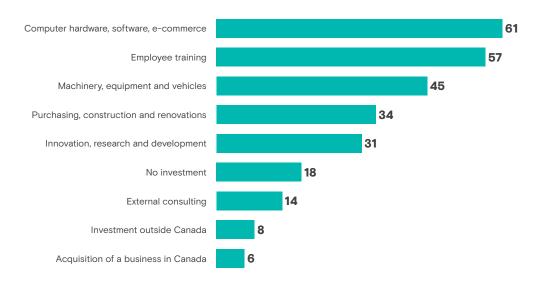
More than one in three businesses will invest more in 2017¹

Investment intentions: Businesses that plan to do the following in 2017 (n = 3,988)



Canadian businesses plan to invest primarily in projects to improve their efficiency and productivity¹

Primary investment projects in 2017



^{1.} Source: SOM, Investment Intentions of Canadian Entrepreneurs: An Outlook for 2017.

The Trump administration:

A time for concern but also optimism

U.S. stimulus program could benefit Canadian entrepreneurs



conomic growth in Canada appears to be gathering steam after two sluggish years caused by the slump in oil prices. Now, many entrepreneurs are asking themselves whether the election of President Donald Trump could slam the brakes on the Canadian economy. While it's still early, an analysis suggests there are some risks but also reasons for optimism.

Let's start with Trump's aggressive economic stimulus plan. Announced during the election campaign, the plan includes large cuts to personal and corporate taxes and massive infrastructure spending. We don't know how much of this stimulus package will actually be implemented or when. However, stronger economic growth south of the border is normally positive for the Canadian economy because it leads to increased demand for Canadian products and services.

On the other hand, the deep corporate tax cuts proposed by Trump would make the Canadian tax system less competitive compared to that of the United States, a situation that could be compounded by the new President's intention to slash business regulations. Together, these policies could encourage businesses to set up shop in the U.S. rather than in Canada.

Pressure on interest rates

Another risk is higher interest rates on both sides of the border. With an unemployment rate of just 4.8% and wages

heading higher, many observers believe that the U.S. economy is already running at or near full capacity. Therefore, Trump's plan to stimulate demand could drive inflation higher, leading the Federal Reserve to increase interest rates faster than expected to cool the economy. Higher interest rates south of the border might trigger an increase in Canadian rates, even though most observers don't expect the Bank of Canada to raise its key interest rate before the end of this year.

The U.S. and Canada have developed close trade ties over the years, and these have been strengthened by trade agreements. Approximately 75% of Canadian merchandise exports are bound for the United States. Canada's share of U.S. exports is smaller at 19%, but we remain nevertheless the U.S.'s top export market. Therefore, it's in both countries' interest to preserve good trade relations.

Fundamentals remain strong

What's the bottom line for Canadian entrepreneurs? The new reality for many businesses operating in the U.S. market is that they will have to learn how to manage through the changes of policy of the new administration. However, economic fundamentals remain very positive. The U.S. economy is among the most vibrant in the world and global economy as a whole is growing. Canadian entrepreneurs should continue to invest in their businesses and seek export opportunities, in the U.S. and beyond. *



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