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In Fashion

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The media had barely finished filing their reports on the fall Toronto Fashion Week before organizers were hard at work on the spring event.

“The fashion industry never sleeps,” says Robin Kay, president of the Fashion Design Council of Canada.

She should know. Before taking over as head of the organization that promotes Canadian fashion, she ran her own successful knitwear business.

“We have so many gifted designers,” says Kay, “and so much emerging talent.”

Laurie Belzak of the City of Toronto Economic Development Office agrees.

“We have a tradition of great design,” says Belzak, pointing to successful designers such as Lida Baday, Brian Bailey and Franco Mirabelli. “Their fashions sell alongside those of Donna Karan and Calvin Klein at prestigious retailers such as Bergdorf Goodman, Jacobson’s and Saks Fifth Avenue.”

Belzak also notes that Toronto founded companies like Club Monaco, M-A-C. and Roots have global followings.

Despite those successes, both Kay and Belzak contend that too few of our designers are household names.



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Quick custom-made retailing demands high-tech solutions

If the image you have of apparel manufacturing is one of cramped quarters, designers sketching at drawing boards, cutters wielding scissors and rows of operators bent over sewing machines, it's time to think again.

Increasingly, today's apparel manufacturing facilities are not only bright and spacious, they also incorporate innovative state-of-the-art technology in every step of the process.

And it's not just the manufacturing end of the business that has embraced technology.

"It has permeated the business from manufacturing to distribution," says Ellen Réthoré, Danier Leather's vice president of marketing, who points to the challenges of just-in-time delivery as the main impetus.

"It's all about responding quickly to consumer demand," says Réthoré, who notes that everyone in her organization – from the store managers to the marketing people – has to be proficient in new technologies.

Gary Hummell, general manager for Greenbud Manufacturing, the manufacturing arm of Roots, agrees. "Even our sewing machines are computerized," he says.

It all starts at the retail end, where smart retailers are using technology to track what's selling and what's not, enabling them to order from manufacturers, on a daily basis if need be. Knowing what their customers like and don't like about their products also makes it possible for retailers to call for design changes, which can then be executed quickly by their manufacturers.

The changes are e-mailed to the manufacturer, where a pattern maker – often a college fashion graduate with additional industry training – calls up the original design on the computer. The changes are made in minutes and automatically graded for all the sizes being manufactured before going to the marker. Markers, too, are computer-generated by highly trained operators using complex programs that optimize the use of the fabric, eliminating as much waste as possible.

"Fabric accounts for 40 to 50 per cent of the cost of an article of clothing," says Hummell, "so automated marking has been a real boon to the business."

Marker information is fed online to a computerized cutting machine – which can cost up to \$350,000 – that cuts the material with great precision, again, eliminating waste.

From there, the panels of cloth are loaded onto a unit-production system. Often operated by a mechanical engineer, this system feeds panels to individual sewers – and there are often a couple hundred of them, based on how long it takes each one to sew a specific piece. When a sewer finishes one piece, another automatically arrives. If a sewer picks up speed or slows down, the unit automatically responds. The unit-production system also incorporates hanger intelligence-tracking mistakes and returning them to the correct sewer for repair.

Once finished, garments are boxed, loaded onto trucks and shipped to the appropriate locations – thanks to advanced information technology systems – usually within days of the original order.

"We're always looking at ways to improve the efficiency of the system," says Hummell, who employs mechanical engineers to do workflow studies aimed at helping to improve the company's competitive edge.

What this means is that, today, there's little room in the fashion/apparel industry for people who aren't highly trained. Leading-edge companies such as Danier and Roots employ graduates in a number of disciplines, including engineering, business, fashion, marketing/communications, fine arts and information technology.

"This is a great business for anyone who has any of those backgrounds coupled with an interest in fashion," says Réthoré.

Coppley Apparel Group



Taking the leap



Elena Conte designs

Elena Conte is ready to make the leap from the warm environment in the Toronto Fashion Incubator (TFI) to her own studio space in the competitive world of fashion.

Company: Elena Conte

Sector: Fashion

Location: Toronto

Contact: elena.conte@fashionincubator.on.ca

After three years at the TFI and extensive business experience, she is a confident young designer. A graduate of Sheridan College's fashion-design program, Conte has done a variety of jobs within the fashion industry.

"I took on extra work as a graphic designer at a public-relations firm," she says. "Getting that extra experience in different businesses has benefited me. It might seem like a waste of time when you're doing the extra work, but it's positive in the long run."

The energetic Conte later set up a custom-design business with a partner. It was successful, but when her partner moved on, Conte gave up her studio space in Toronto's fashion district.

"It's difficult to work on your own," she says. "I jumped at the chance to get a spot in the TFI, because the creative environment here is very positive."

She sees a lot of other advantages in working in the incubator, including the business advice that is available and the design and production equipment.

Growth has been steady for the Elena Conte label. With two collections per year, and a month and a half of selling time for each, Conte's design, production and management time is under pressure.

"Selling takes a lot of time, so I'm looking to hire a sales rep soon," she says. "I want to start exporting to the U.S., to reach a larger market and to get better exposure at home. Eventually, I'd like to open my own retail outlet."

Every person has their individual style. One may be most comfortable in a designer dress or custom-made suit. Another will wear only jeans and t-shirts. Someone else will closely follow all the latest trends. In Ontario, fashion designers and garment manufacturers regularly turn out the clothes to meet all of these different needs. Increasingly recognized as a world fashion centre, Ontario's clothing industry is thriving.

In this issue of *Ontario Business Report*, we celebrate the gifted designers and emerging talent that advance Ontario's tradition of great design. We look at the clothing manufacturers who take innovative designs from the drawing board through the processes of pattern making, cutting, sewing and shipping. And we look at the importance of the industry to Ontario's economy and its potential for the future.

Currently, Ontario's clothing industry is growing faster than most apparel clusters in North America. More than 550 clothing manufacturers account for shipments of about \$2 billion wholesale annually. Collectively, they employ about 25,000 people, with another 30,000 working in retail and fashion-related industries. Ontario's fashion industry is respected for its well-designed, well-made products – and designers such as Lida Baday, Brian Bailey and Franco Mirabelli who sell their creations alongside powerhouse designers at prestigious retailers across North America and around the world.

Our government is committed to the continued growth of this fast-paced and exciting business. Ontario schools turn out talented, well-trained individuals eager to make their mark. We co-operate in the development and implementation of training programs to enhance the skills of those working in the industry. And our economic policies, including lower taxes and reduced red tape, are in place to encourage strong business success. I commend the fashion industry for aggressively promoting Ontario talent at home and abroad. Toronto Fashion Week has taken its place in the international fashion calendar alongside similar events in New York, Paris and Milan, and Toronto-based television programs such as "Fashion Television" and "Fashion File" are effectively spreading the good word about Ontario's fashion industry worldwide.

Fashion is constantly evolving and changing. Season after season, Ontario designers and clothing manufacturers successfully anticipate and manage this change. Our government looks forward to the important role this innovative industry will continue to play in Ontario's economy, job growth and style, in the years to come.

David Turnbull
Associate Minister of Enterprise,
Opportunity and Innovation





Mercy looks beyond Canada

Company: Mercy
Sector: Fashion
Location: Toronto
Contact: (416) 703-6635

Mercy is a successful label developed in the Toronto Fashion Incubator, where Ryerson fashion grad Jennifer Halchuk started work in 1994. Two years later, she was producing innovative designs from her own studio in Toronto and selling them to personal customers and select retailers across Canada.

In 1997, her fellow Ryerson alumnus Richard Lyle joined her as a partner after a two-year stint in London, adding his design and promotional skills to the Mercy label. Mercy's designs often feature hand-painted or hand-dyed fabrics, fur and leather, and are described as "handwritten clothing with a story behind it."

"One day, out of the blue, a Japanese company placed an order," says Lyle. "We decided that if the Japanese were interested, why not the U.S. and the U.K.? And, of course, once you start exporting, your sales in Canada go up."

Mercy is following a strategy of steady, controlled growth. The two partners do virtually everything themselves, from design to production, although some work is sent out to carefully selected contractors. To keep costs low, Halchuk and Lyle share workspace with an interior designer in Toronto.

"We do everything ourselves," says Lyle, "which isn't always good, because it limits the time we can spend designing. We will eventually employ people but we would rather have slow, stable growth over the long term."

Mercy sells to Holt Renfrew in Canada but currently exports about 75 per cent of its production, mainly to Japan and the U.S. The label has hired a Japanese company to handle its sales for Japan and North America.

"Our ultimate market is a global market," says Lyle. "We may not sell a lot in each area, but in total the sales all add up to a good number."

Mercy

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Kay's organization, along with the City of Toronto, is determined to change that with initiatives aimed at promoting Ontario talent at home and abroad.

Fashion Week is one such initiative. Started in 1991 with support from the City of Toronto, it takes place within the international fashion calendar, along with New York, London, Paris and Milan. Twice a year, Toronto Fashion Week showcases the industry and promotes sales and exports. With three full days of runway shows, fashion installations where designers display their latest creations, and numerous off-site events, it regularly attracts more than 20,000 buyers, members of the media and guests over the two weeks, and generates more than \$2.5 million a year in publicity.

Toronto Fashion Week also attracts the attention of Citytv's "Fashion Television," which covers it, just as it covers the larger, more established centres. With millions of viewers

in more than 100 countries worldwide, "Fashion Television" is spreading the word about Ontario's fashion industry. So is CBC's "Fashion File," another popular Toronto-based internationally broadcast fashion program.

"Finding talent, including young new designers, has never been a problem for Fashion Week's organizers," says Kay. Ontario, in particular Toronto, is a learning centre for the industry. Ryerson University; George Brown, Seneca, Humber and Fanshawe colleges; and the International Academy of Design have been turning out graduates for years, training them in design, technical skills, merchandising, production and management.

Another initiative is the Toronto Fashion Incubator (TFI), the first of its kind in North America and created to help young fashion entrepreneurs develop necessary business skills. TFI provides business advice and infrastructure. (See *Help Wanted*, on page 10.)

design by Progressing

Joeffer Caoc has a wide range of experience for someone who has been in the fashion business for less than a decade. Well known for his Misura by Joeffer Caoc label, Caoc first attracted attention as a student at Ryerson University in 1993, when his “wearable teepee” turned heads at the Smirnoff Fashion Awards. Fresh out of Ryerson, he worked as a studio assistant to Lida Baday, another Ryerson grad already well established in the world of fashion.



Joeffer Caoc designs

*Company: Misura by Joeffer Caoc
Sector: Fashion
Location: Toronto
Contact: Misurainc@aol.com*

“I learned an incredible amount from Lida,” says Caoc. Besides the business side of the work, “I learned a lot about how important technical things like tailoring can be to your success.”

The Toronto Fashion Incubator (TFI) was the next stop for Caoc. He established his own label, Misura by Joeffer Caoc, and soon attracted financial partners who provided the capital needed for promotion in Canada and a high-profile launch in New York. Misura quickly outgrew the TFI.

“We got a lot of press in the beginning, and that has really helped in the long run,” says Caoc, whose creations are known for edginess and meticulous attention to detail. Although designing is an art, “as soon as you get things to market, it’s a business, it’s not an art,” he says.

When Caoc’s partners decided to move on, he had to decide whether to take the plunge and go out on his own or move back to working for another designer.

“I bought back the company a year and a half ago,” he says. “It was a good decision.” It’s tougher, he says; it takes money to properly market the line, and travel expenses are high. “But we’re doing it in a targeted, controlled way. We don’t have the money for a shotgun approach.” The company does two fashion shows a year for promotion.

Caoc has seven employees working at a 2,500-square-foot facility on Spadina Avenue in Toronto. Misura’s sales are mainly in Canada, but the company is planning another push into the U.S. market for autumn 2003.

“It’s all been a great learning experience,” says Caoc, “and it will help me in my goal to have a company that is more export-focused.” He also wants to eventually add a mass-market line of clothes.



Ontario apparel manufacturers have a reputation for turning out well-made, well-designed clothes

Ask anyone in the apparel industry and they'll tell you it's a tough business to be in.

Fashion is constantly changing and evolving, driven by consumer demand, which is frequently fickle and always subject to economic conditions.

Add to that constantly shorter delivery times, ever-changing trade rules and increasingly sophisticated competition from low-wage offshore producers... you get the picture.

But as Bob Kirke, the executive director of Apparel Ontario points out, despite the many challenges, Ontario's industry is doing well. How well?

According to a recent consultant's report done for the City of Toronto, Ontario's industry is growing faster than most other apparel clusters in North America. The manufacturing sector of the industry employs about 25,000 people – most of them are in Toronto, where the industry is concentrated – which is an increase of more than 60 per cent since 1994. Another 30,000-plus are employed in retail and fashion-related industries such as design, media, modeling, hairstyling and photography.

The province's 550-plus manufacturers, which range from large multinationals to smaller niche-driven companies, account for shipments of over \$2 billion wholesale annually. And exports have risen from five per cent ten years ago to 45 per cent today.

There are three key reasons for the industry's current success, says Kirke.

First, there's our reputation – built on more than 100 years of experience – for producing a well-designed, well-made product and doing it very quickly.

Second, there's free trade. It has given Ontario manufacturers easy access to the large U.S. fashion market. It has also provided U.S. retailers access to Ontario companies and a competitive Canadian dollar. Nearly all the major U.S. clothing retailers – L.L. Bean, JCPenney, Gap, Bloomingdale's, Wal-Mart and Target, to name just a few – use Ontario-based manufacturers to produce apparel for them.

Finally, Ontario manufacturers have proved to be remarkably agile at responding to the rapid pace of change within the industry.

In recent years, manufacturers have invested in technology, incorporating computers to help with everything from pattern making to cutting and sewing – allowing for greater flexibility in production and dramatically reducing the amount of time it takes to produce a finished garment. Investments in training have also risen.

But faced with two new challenges – the federal government's elimination of all import duties and quotas on apparel from 48 least developed countries, which became effective January 1, 2003, and the World Trade Organization's upcoming lifting of all garment export quotas on January 1, 2005 – Kirke warns that long-term success will depend on Ontario manufacturers' abilities to become even more innovative and to refine their value-add.

"Manufacturers are going to have to continue to make smart investments in technology and training," he says. "But, just as important, they're going to have to understand the market and how it's changing and think of themselves as merchandisers, not just manufacturers."

He adds, "At the same time, we're also looking to federal and provincial governments to ensure that their policies help with the industry's adjustment to new market realities."

Coppley Ontario-made customwear since 1883

Company: Coppley Apparel Group
Sector: Fashion and Apparel
Location: Hamilton
Web site: www.coppley.com

In business for 120 years, the Coppley Apparel Group turns out a custom-tailored suit faster than anyone in North America.

The Coppley Apparel Group's Web site declares it's the "dead horse that won't die." In fact, the Hamilton-based company – which has been making men's suits since 1883 – is charging ahead and doing better than ever.

Like most North American apparel manufacturers, Coppley has been in a battle to maintain its competitive edge in the face of changing fashions, just-in-time delivery demands and increased competition from offshore producers.

The company has successfully carved out a niche for itself by making a specialty of producing small or single-run orders of custom-made suits delivered to retailers all over North America.

Last year, Coppley's 650 employees – who can cut, sew and finish a suit in just 28 hours –

produced 100,000 top-quality jackets and sports coats and 275,000 pants under various labels, including Cambridge, Warren K. Cook, Matteo Maas and Keithmoor.

They did it by combining old-world craftsmanship with high-tech cutting, sewing and pressing. And because Coppley does all its own manufacturing – nothing is contracted out – the company can retain its reputation for quality.

While Coppley's executive vice-president and managing director, Warwick Jones, credits much of the company's success to its employees, he also points to free trade and access to the large U.S. market.

"The transition period was difficult, but free trade has made a huge difference for us," he says. "We export a lot of our product to the U.S., where our sense of fashion, creativity and speed are well appreciated."



Danier Leather creates modern classics

Company: Danier Leather
Sector: Fashion and Apparel
Location: Toronto
Web site: www.danier.com

Say the name Danier and you'd be hard pressed to find anyone in Ontario who doesn't know the leather apparel retailer. What they might not know is that Danier is also the designer and manufacturer.

The Toronto-based company was founded in 1972, at a time when the market for leather and suede apparel was served by retailers at either the upper or

lower end. Danier made a conscious decision to go after the middle segment of the market by producing high-quality fashionable leather clothing and accessories at reasonable prices.

Critical to the company's success has been its vertical integration. Danier controls the design, manufacturing, distribution and sales of all its products, which means it can achieve cost savings by eliminating middlemen and responding quickly to

the latest market trends. Savings are passed on to the consumer.

"We make modern classics," says Ellen Réthoré, Danier's vice-president of marketing. "Our clothes and accessories appeal because they're good-quality, fashionable pieces at accessible prices."

Réthoré says the company really took off in the mid-'80s, when it market-tested leather sportswear in colours. It was an instant hit.



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Apparel Industry Development Corporation Focuses on Training



Available skilled labour is critical to success for Ontario's fashion and apparel industry. That's why the industry recently formed the Apparel Industry Development Corporation (AIDC). Loosely based on New York's successful Garment Industry Development Corporation, AIDC is a non-profit agency supported by all levels of government and includes representatives from industry, industry organizations, labour, colleges and universities.

It's charged with strengthening the garment industry by increasing the pool of skilled workers – a tall order in a sector that's so diverse and changing rapidly.

"So far, our industry has been successful in adjusting to increasing international competition because we've been innovative and resilient," says Bob Kirke, the executive director of Apparel Ontario. "But to stay competitive, we need to increase the number of skilled workers and ensure their skills keep pace with the changes taking place within the industry."

Gary Hummell, the chair of AIDC and general manager of Greenbud Manufacturing, agrees. "Our industry has a reputation for cutting-edge style, high-quality materials and workmanship, quick turnaround and reliable delivery. We've achieved it, in large part, thanks to investments in technology that have enabled manufacturers to control costs and streamline production."

But, as Hummell points out, the skill sets required for supply-chain management and technology-based manufacturing are sophisticated, hence the urgent need for training at all levels, both for those entering the industry and those already in it.

AIDC will build on work already in progress.

For years, a number of Ontario's post-secondary institutions, along with privately operated schools,

have offered fashion/apparel programs. For years producing talented graduates in design, technical skills, merchandising/marketing, production and management. Many individual firms have also instituted their own on-site training programs.

AIDC will work closely with the schools, industry organizations, manufacturers and consultants to develop and deliver programs to meet industry's changing needs. Quality control and supply-chain management are two areas that have already been targeted.

And to ensure that there are enough qualified individuals armed with both the necessary technical skills and adult-education techniques, AIDC will develop a train-the-trainer course for people working in the industry.

There's also a need to encourage more young people – particularly those interested in high-tech careers – to enter the industry.

"Unfortunately, the perception of garment manufacturing is one of people bent over sewing machines, which is why so many young people interested in the fashion industry gravitate toward the design end," says Hummell.

"The reality is so different. Our manufacturing facility uses state-of-the-art high technology across the board, from pattern-making to shipping. Our workers have to be highly trained and skilled."

He adds, "These are good jobs and that's an important message we have to get out."

Coppley Apparel Group



That's the Spirit!

Spirit Wear & Things

Name: Spirit Wear Designs

Sector: Custom and original knitwear

Location: Shégouandah, Manitoulin Island

Web site: www.spiritwearandthings.com

Shelley LaFortune and her husband Joe, both therapists, settled on Manitoulin nearly four years ago.

Eager to explore her creative side, Shelley developed a line of aromatherapy and personal-care products she called Spirit Care. Soon a line of art cards, handmade paper and frames followed. From there, Shelley decided to pursue a craft that as a child she found frustrating and difficult: knitting.

Self-taught as an adult, she learned to knit and create original designs using graph paper, a calculator, different skeins of wool and textures. "I didn't know that I had broken a number of so-called rules," admits Shelley. "I was lucky and the design worked beautifully."

Today, the Spirit Wear line is about high-quality original and custom knitwear that uses only natural fibers. Each piece is hand-knit, crocheted, knit-woven or machine-knit. And there are some unique combinations of fibres and designs. A Mongolian Steppes hat uses multicoloured knotted strands of wool in a brimmed design that is both fashionable and warm. An accessories set (hat, scarf and mittens) made from natural-undyed Welsh mountain wool is attractive, warm and weather-proof. Materials are sourced locally on the island and from as far away as Nova Scotia.

Recycling is important to Shelley. She is experimenting with knit-weaving using scraps from old denim jeans that are stripped with a rug-hooking tool. The finished products are sturdy hats, bags and vests.

Shelley is enthusiastic about her creations. It shows from the moment a design idea takes shape, through the knitting process and ends with the finished product. This commitment to quality is also reflected in the relationships she has made her customers. "I like to have the direct customer contact and feedback," says Shelley. "I like to tell them what type of wool it is and whether it has been dyed." Personal contact has led to commissions for knit-woven bags and personally named hats like the Katrine.

Shelley sells Spirit Wear on the Internet and at Manitoulin's farmers' markets and craft shows during the high-traffic summer months. "There are people who are hungry for items made by hand," says Shelley. "There are others who are simply looking for a little gift like a baby hat."

Shelley admits she has more ideas than she has time to explore. For a business owner, that's an enviable claim.



Spirit Wear Designs



Help wanted

Want to be your own boss in an ultra-competitive industry known for long hours and high stress? Would-be fashion designers do, and they get the help they need at the Toronto Fashion Incubator (TFI).

Organization: Toronto Fashion Incubator
Location: Toronto
Sector: Fashion business development
Contact: www.fashionincubator.on.ca

Housed in a renovated coat factory in the less-trendy but lower-rent reaches of Queen Street West in Toronto, the Toronto Fashion Incubator helps creative young designers develop the business acumen they need to survive and even thrive in the tough business of high fashion. TFI has produced many of Canada's most successful designers, created thousands of related jobs and reinforced

Toronto's image as a world fashion centre.

Like a successful college or university, TFI owes part of its impressive track record to very high admission standards. Applicants must meet several stringent criteria before they are admitted to the incubator's resident program. In addition to demonstrating innovative design talent, they must have a three-year business plan, with a detailed cash-flow analysis and a minimum of \$25,000 of initial financing in place.

"They also must be able to communicate well and present themselves properly," says TFI's executive director Susan Langdon, whose previous experience ranges from head designer in a large fashion house to designing and producing her own line. "And they must have the personality to work in a co-op environment, because we don't have room for any prima donnas. A designer must have all of these qualities to get accepted here."

"I'd rather leave a space empty than have someone who doesn't have what it takes," says Langdon.

Designers who win one of the 10 spots in the incubator's resident program are rewarded for their efforts. In return for a flat monthly fee, they receive a range of services that includes a semi-private studio, the use of production equipment, a professional showroom, office facilities and a receptionist, a resource centre and, most importantly, business advice. Outreach members, who work off-site, can also access TFI's resources.

Usually, recent graduates of fashion programs at Ryerson University, Seneca, George Brown and Sheridan colleges or the International Academy of Design, many TFI neophytes have never sold a single garment. Once accepted into the resident program, they are expected to post sales of \$12,000 – \$15,000 in their first year, \$25,000 in year two and \$50,000 – \$75,000 in year three.

"They should be doing at least \$100,000 by the fourth year," said Langdon. "Several of our grads are in the range of \$500,000 to \$1.5 million at the high end. By then, they have created several new jobs."

Langdon recently analyzed TFI's job-creation efficiency using a benchmark established by the National Business Incubation Association. Businesses served by TFI have created 2,508 jobs since 1988, at a gross cost per job of \$826. The average cost per job created for incubators in the U.S. was well over \$1,500.

The Toronto Economic Development Corporation (TEDCO) is the incubator's prime sponsor, investing more than \$2 million since 1990. Corporate sponsors include Smirnoff, Bain de Soleil, Tridel and many other companies that see the value of a brand association that appeals to a younger, trend-conscious audience.

TV's "Fashion Television" and "Fashion File" regularly profile the work of TFI designers, and the concept has been imitated by such fashion centres as New York, Los Angeles, Sydney, Cape Town and Dublin.

An instinct for marketing

Company: Arthur Mendonça
Sector: Fashion
Location: Toronto
Contact: info@mendonca.ca

Arthur Mendonça is the latest addition to the Toronto Fashion Incubator (TFI), but he'd already seen how the incubation process works while employed by Toronto designer David Dixon. After graduating from Ryerson University's fashion-design program, Mendonça worked with Dixon at TFI and saw him move on to create a successful independent fashion house.

"Working with David taught me a lot about getting established in the business, and I saw the development process first-hand," says Mendonça, who moved into the TFI in April 2002. "When I decided to go out on my own, I knew that the TFI was the place for me."

Mendonça credits the development of his comprehensive business plan to TFI's rigorous admission standards.

"We wrote business plans as assignments in school, but this is the real thing and it's hard

Arthur Mendonça designs

to think three years ahead," he says. "I'm not following it to the letter, but it's really good to know what to expect, especially in areas like cash flow. It also forces you to have your financing in place."

Mendonça premiered his 2003 spring collection for women and men during Toronto Fashion Week in October 2002. Reviews were very positive, and he is receiving a lot of attention. His design skills are well supported by an innate sense of effective marketing.

"I went on my first sales trip to Montreal, Ottawa and Vancouver after the show," he says. "I made some press kits, put the samples in the car and went cold-calling. Actually, I looked at it as a promotional tour, and any sales were a bonus." He made a lot of contacts, and all are interested in seeing future designs. "It's so much better to meet people in person than trying to sell to them over the phone."

Next year, he'll try to sell in New York and Los Angeles.

TFI has been highly successful in developing the drive and talent that eventually produces successful small businesses. (See *Help Wanted*, on page 10 for more about the Toronto Fashion Incubator.)

Arthur Mendonça designs

top heads from sailors to royalty

A Tilley hat is known for its versatility. It wards off rain and sun. It floats. It won't shrink. It ties on behind the head and under the chin. It has a secret pocket, comes in 13 sizes and is guaranteed for life.

"Travellers wearing Tilley hats will greet each other," says Alex Tilley, founder and sole owner of Tilley Endurables. "Friendships have been launched because of this hat." So has one very successful business.

*Company: Tilley Endurables, Inc.
Sector: Retail
Location: Toronto
Contact: www.Tilley.com*

Alex Tilley, a keen sailor, had been unable to find a cotton sailing hat that both looked good and was practical. As a project, he designed one that fit his needs. Within a year, the new Tilley hat was selling by the hundreds at boat shows across North America.

Alex Tilley's next project was developing properly designed sailing shorts (with a double layer of material in the seat). Soon customers began asking for trousers of a similar practicality, but for travel purposes instead of sailing. In 1984, Tilley Endurables, Inc., was born.

"The majority of our clients are aged 50 and up who have the time to travel and really appreciate the quality of our work," says Tilley. Hats remain the cornerstone of the business, with the company also offering a full line of travel and adventure clothing and accessories. "We aim for clothing you can launder in a hotel sink in the evening, hang to dry and wear to breakfast the next day."

Tilley Endurables has four retail stores in Canada, including two in Toronto (Tilley's home base) and one each in Montreal and Vancouver. All clothing, with the exception of their "unholey" socks, is manufactured in Toronto. Tilley products are sold in more than 2,000 stores in 17 countries, including 350 stores in England and 1,500 in the United States. Products can also be purchased by mail order or on the Internet.



David Turnbull, Associate Minister of Enterprise, Opportunity and Innovation (left), with David Kappel, Tilley's director of North American wholesale, during Turnbull's recent visit to Tilley Endurables, Inc., Toronto.

It can take several months to develop a new piece of Tilley clothing. "We use an outside design company, but we critique each item and make it our own," Tilley says. "And we're always looking for ways to make our clothing better. The other day, I read about new techniques to repel stains from fabric and we'll be looking at whether that would work for our clothes." Tilley himself also happily acts as guinea pig and plans to test four different shirt materials during an upcoming sailing trip.

Tilley hats are provided to the Canadian military and have been photographed on the heads of royalty. And Tilley continues to look at bringing his products to more people. "But we're doing very well in England, so I think we could also do well in France and Germany," he says. "Travellers everywhere have a right to dependable clothing that can withstand whatever the world has to offer."

Silvert's:

Meeting special clothing needs

Buttons, zippers and shoelaces: simple devices used in the process of getting dressed. But for people who are elderly or who have dexterity issues, doing up a button or zipper can be a frustrating task.

*Company: Silvert's
Sector: Specialized and adapted clothing for the seniors market
Location: Concord
Web site: www.silverts.com*

When Silvert's opened as a small Ingersoll department store nearly 73 years ago, it didn't expect to carve a comfortable niche as North America's largest supplier of special clothing for seniors. However, as Silvert's retail customers began to age, their needs changed, too. Physical challenges in dressing due to less mobility, arthritis, scoliosis or incontinence arose. Relying on its retail experience, Silvert's management slowly closed its chain of stores and switched its focus to elderly-care clothing almost 22 years ago.

Although Silvert's sells clothing for seniors, their consumer is not typically a senior. "Our consumer is a caregiver or an advocate who purchases on behalf of the frail elderly," says Jeff Alter, president of Silvert's. "Our consumer can be anyone from 38 to 90 years of age."

Frail elderly consumers have special clothing needs. To assist both caregivers and the elderly, Silvert's night-gowns, dresses, shirts and pants open at the back to make dressing and undressing easier. All openings are larger to make dressing simpler, and VELCRO® and snap closures are used. Many pieces can be slipped on from a seated position. Footwear accommodates swelling or wide widths. Full-figure sizes, extra oversizes and conventional clothing are also available for both men and women.

Feedback is important when developing the company's new lines. With 70 per cent of sales in women's wear, careful attention is paid to style and colour. A research-and-design department consults with stakeholders.

"Baby boomers as caregivers are buying our clothes for their parents. They are choosing colours and styles they like and know that their parents will like, too," says Alter. "Above all, our clothes must be comfortable for the wearer and easy for the caregiver to use."

Reaching a broad public means creative selling. Since 1987, Silvert's twice-yearly shop-at-home catalogue has grown to reach over 100,000 customers. Online shoppers increasingly access the Web site. "Mobile stores travel throughout the province, visiting nursing facilities and setting up stores on site," says Alter. "People can touch and feel the clothing, which helps in the decision-making process."

Silvert's head office and a 1,200-square-foot retail location are located in Concord, Ontario. From there the company reaches its primary Canadian market. A U.S. sales force is being considered to target this growing market. Much of the clothing Silvert's sells is manufactured exclusively for the company.

By taking the effort out of a simple task most of us take for granted – getting dressed – Silvert's will continue to lead this market.



Cobourg

Celebrating business opportunities
in Ontario's municipalities

The Town of Cobourg was founded in 1798. Originally called Hamilton, it was renamed Cobourg in 1819 to honour the marriage of the popular Princess Charlotte of England to Prince Leopold of Saxe-Coburg (now part of Germany).

Today, residents can point to numerous historic buildings that reflect the community's proud heritage.

Cobourg (population 18,000) is nestled along the northern shore of Lake Ontario, midway between Toronto and Kingston on Highway 401. More than 1,000 businesses make up its diverse economic base. "Our prime location and ready access to the 401 has helped us become the regional hub for the retail commercial sector," says Joseph Sheffer, the director of community development and tourism for Cobourg. "We also have a strong manufacturing base, which we actively work to retain and enhance."

Manufacturers including Kraft, Horizon Plastics and Weetabix, have long-standing operations in Cobourg. The municipality has an established industrial park and is finalizing the acquisition of another 147 acres of serviced industrial land with approximately one million square feet of new manufacturing space. Both parks link

into main-line CN and CP rail service and have easy access to major thoroughfares.

"The business community is drawn to Cobourg's small-town charm, safe communities, skilled workforce and fine amenities," says Sheffer. "We are also experiencing a boom in residential growth and have approval to build 1,000 new homes." Sheffer emphasizes the quality of life in Cobourg and points to the natural beauty of the landscape, as well as golf courses, live theatre and the waterfront with a marina and white sand beach as principal attractions. Local educational institutes include Sir Sandford Fleming College. The new \$46.5 million regional hospital, Northumberland Health Care Centre, will be located in Cobourg and is currently under construction.

Cobourg is actively marketed as Ontario's Feel Good Town. More than 70 alternative health-and-wellness practitioners have located in the community. "We've put together packages that combine spa services with local inns, bed-and-breakfast establishments and transportation," explains Sheffer. "Wellness is a popular and growing segment of our economy." This tradition of good health goes back to the 1870s, when Cobourg was thought to have the second-highest ozone levels in the world and as a result became a fashionable summer resort for Canadians and Americans who came to "take the airs."

"We are pursuing an expanded role for tourism to take advantage of Cobourg's many amenities. We are also working closely with the provincial government and other eastern Ontario communities to promote the area and attract new business growth," says Sheffer. "Cobourg is committed to a strong, diverse economy, while still maintaining its friendly, small-town atmosphere."

For more information, visit www.town.cobourg.on.ca or call (905) 372-5481.





Model mogul represents real people

At age 14, Ben Barry decided to help a friend who had spent \$3,000 on a modeling course but received no work. He forwarded her photographs to the fashion editor of a local Ottawa magazine. Three weeks later, Barry received a call from the editor who wanted to hire the model, and assumed Barry was her agent. "I had to ask my mom if I could use the fax number at her office," he recalls. "But I set up the job. It went well. And I never looked back."

*Company: Ben Barry Agency, Inc.
Sector: Fashion
Location: Ottawa/Toronto
Web site: www.benbarry.com*

height, weight and clothing size." Ben Barry Agency models range in age from five to 75 and work in fashion capitals around the world.

Barry built his Ottawa agency in an unconventional manner, through library research and talking to people in the industry. "It all just seemed to happen," he says. The launch of the Toronto office this past September was more traditional. Barry developed a business plan with the help of his accountant. "Toronto is more competitive, and we are following the plan quite strictly," he says. "It has been very effective so far."

His staff of four help him operate his agency while he juggles a full-time second-year business management program at the University of Toronto. He is attending on a full National Millennium Scholarship.

"Young entrepreneurs are often told to finish school before they put their business plans into action," says Barry. "There is no reason to wait. Young people have a lot of ideas, a lot of energy and they can be successful now. I firmly believe that the more a person does, the more they can do."

Barry has received significant recognition of his success, including being named 2002 bizSmart Student Entrepreneur of the Year. This coveted award is presented annually to a full-time Canadian university or college student running his/or her own business. Barry frequently acts as a keynote speaker for youth and entrepreneurship conventions, and was named one of "Twenty Teens Who Will Change the World" by *Teen People* magazine.

Barry intends to continue along this forward path and grow his company internationally. "I want to change the face of fashion," he says. "I want to see models of all ages, all sizes, all races on the covers of the leading fashion magazines, so that all people are well represented and can feel great about who they are and how they look."

Today, the 20-year-old University of Toronto student and owner of Ben Barry Agency, Inc. represents 200 models through his Ottawa and Toronto offices. It provides models of all shapes, sizes, ethnicities and abilities.

"When I was in high school, I clearly saw the negative impact that the stereotypical model image had on my friends. It affected their self-esteem and confidence," says Barry. "Our agency represents the real demographic. We stress the personality and individuality of our models over

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Danier Leather creates modern classics

Today, Danier – the world's second-largest publicly traded specialty leather apparel retailer – has 93 stores across Canada and two in Long Island, New York, with plans to expand further into the U.S. The company also sells through e-commerce and corporate catalogue sales.

Future plans call for adding more accessories to the line, growing the corporate gifts-and-incentives program and enlarging the high-end European-inspired couture line.

"Our reputation has been built on our unique combination of manufacturing expertise, exceptional design and strict quality control," says president and CEO Jeffrey Wortsman.

An 83-year family passion for fashion: Cat's Cradle

Tucked among the retail eccentricities of the world's longest street is a fashion store with a history.

Company: Cat's Cradle
Sector: Retail
Location: Toronto
Contact: (416) 920-8216

Third-generation clothier Mark Citron relates the history of Cat's Cradle with

pride. "My grandfather, a tailor, started the family business in 1919 as Dominion Clothing at 596 Yonge St. He bought the building in 1947. In 1955 the name changed to Mr. Norman's after my father, also a tailor."

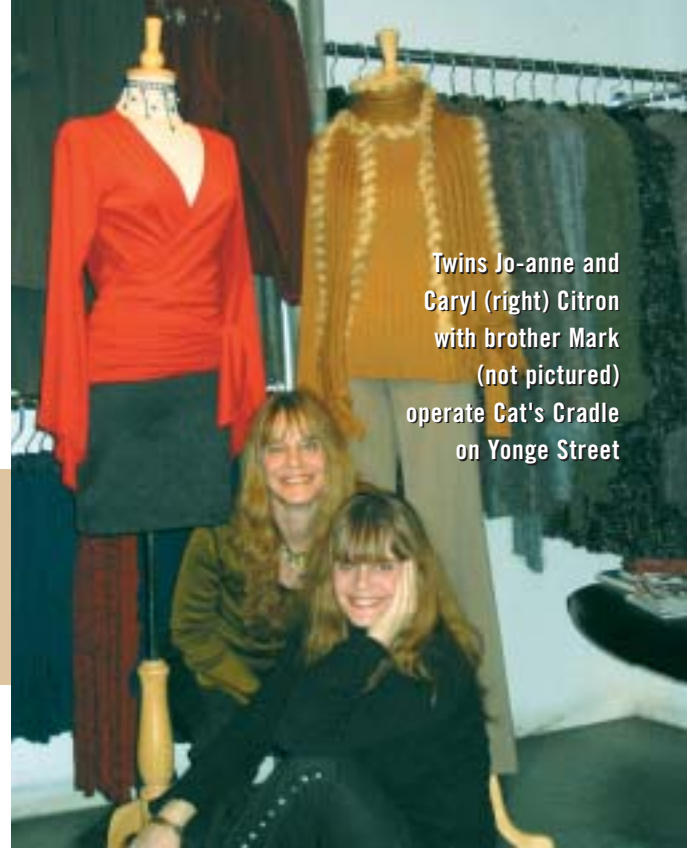
When Yonge Street's flavour changed during the swinging 70s, the Citron's focus changed from menswear to a trendy unisex shop. But a name change was needed to reflect the times. An employee at the time was reading Kurt Vonnegut's novel *Cat's Cradle* and suggested it would be an excellent name. The Citron's agreed.

Today, the eclectic shop designs and sells one-of-a-kind womenswear with experienced and loyal staff. The same knitter and tailor have been on board for 20 years; manager Richard Pritchard has 33 years under his belt.

It's a labour of love for the Citron family. After a travel hiatus, Mark's sisters Jo-anne and Caryl are back in the fold as designers and buyers. Their love of fashion is evident. A Cat's Cradle piece is "classic and vogue" in style and wears well from the office to dining out. Jewelry is important not only as accessory but as star with unique pieces sourced from as far away as Israel.

Location really counts. Customers run the gamut from fashion-conscious professionals to a hip younger crowd. Intrigued by one of the store windows (a tribute to the Stratford Festival's anniversary), renowned actor John Neville purchased an antique-style mauve choker for his wife to celebrate their wedding anniversary.

Customer service is a strength, and everyone at Cat's Cradle goes the extra mile. Richard has been known to repair jewelry when needed. Seven-year employee



Twins Jo-anne and Caryl (right) Citron with brother Mark (not pictured) operate Cat's Cradle on Yonge Street

Shazia comes from a retail background. "We give great service," she says, "better than couturiers."

After surviving the 1990s, Mark remains passionate about the economic potential of small business. "The heart and soul of Toronto is small business. It's the future."

As for competition, there really isn't any "since we design and make all our clothes." In fact, "we welcome more clothing shops in this area," says Mark. "More shoppers would see our unique designs, and that would keep them coming back."

OBR THE Ontario BUSINESS REPORT

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 Ontario

