



SMALL BUSINESS BEAT

Giving Students *a Global Edge*

Ontario students are gaining an international advantage this summer through Global Edge—a pilot program offered by the Ministry of Small Business and Entrepreneurship.

The program helps post-secondary students develop a broader understanding of the global economy through a work assignment abroad. Placements range from two to four months and are with well-known multinational corporations across the Americas, Europe and East Asia.

“Global Edge has given me the opportunity to work in my field with a market-leading institution while living in and experiencing another country and culture,” says Cathy Janecka, London Ontario resident who is working with ICICI in London, England. “It’s exciting, challenging, and an incredible learning opportunity.”

The goal of Global Edge is to broaden understanding of the global economy by providing international business experience to enterprising students so that they can “think global” whether they start their own business or join an existing firm.

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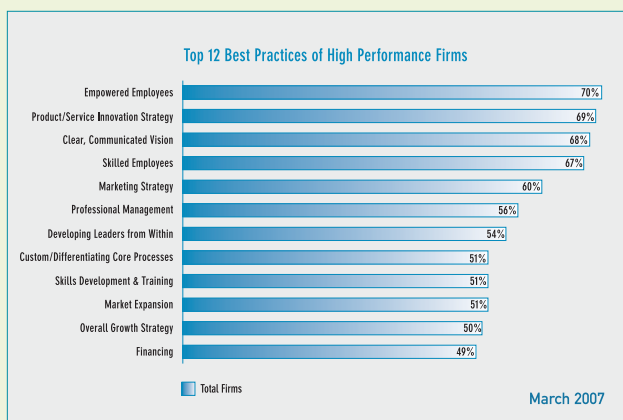
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Report Gathers Data, Tips for Small Business Growth



Ontario has about 350,000 small and medium-sized enterprises (SMEs). Together, they employ about 2.8 million Ontarians and account for over \$120 billion in economic activity. They operate across all sectors of the economy and all regions of the province. And each firm charts its own path to success.

The Ministry of Small Business and Entrepreneurship recently released a report *Defining Success: Learning from the Best Practices of Ontario's High Performance Firms* that gathers data demonstrating the importance of SMEs to Ontario. In addition, the report focuses on a subset of SMEs—high performance firms (HPFs)—and highlights best practices and other factors that have contributed to their strength and growth.

“Owners and operators of high performance firms are often asked how they built their companies,” says Harinder S. Takhar, Minister of Small Business and Entrepreneurship. “This report compiles key information and lessons they have learned that have helped high-performing SMEs become major contributors to jobs, innovation and investment, and magnets for talent.” Roughly 9,000 of Ontario’s SMEs are designated as high performance companies, with sales growth of at least 50 per cent in three of the last five years, between 10 and 500 employees, and a global head office in Ontario.

The report is based on interviews with a comprehensive sample of HPF leaders across Ontario. Highlights of the report are as follows:

> Best practices

HPF leaders identified the top 12 best practices with the highest impact on the growth of their firms. These include ensuring empowered employees (70 per cent); product or service innovation strategies (69 per cent); and a clear, communicated vision (68 per cent). The study further groups the 12 best practices into three broad categories: business strategy, organizational capabilities and organizational commitment, and discusses each one in detail.

> Key challenges

HPFs leaders also identified key challenges facing their firms over the next one to two years. Leading issues include attracting and retaining talented employees, particularly at more senior levels (42 per cent); managing growth (33 per cent); and competition, particularly from Asian markets (22 per cent).

> Valuable lessons

The report shares valuable lessons HPF leaders have learned as their firms have grown. Thirty-four per cent of respondents cited the importance of defining and focusing on the needs of customers and markets. They noted the importance of networking and ensuring strategies are in place to attract the right talent. When it comes to financing, firms with secured financing or with assets to borrow against (typically manufacturing firms) were seen to experience fewer challenges. HPFs across all industries cited the importance of employees in their success.

“Our government wants to help all small and medium-sized enterprises realize their potential,” says Takhar. “Identifying common success factors for high performance firms can provide guidance to other SMEs as they seek long-term growth and success.”

Defining Success is available on the Ministry website at www.sbe.gov.on.ca.

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“Our modern global economy has reached a point where it is no longer valuable to have international experience, it’s a prerequisite,” says Lucas Jewitt, from Thunder Bay who is working at SBI Capital Markets Limited in Bangalore, India. “Through Global Edge I have been given a rare opportunity to learn about Indian culture and business practices first hand. I hope to utilize this knowledge going forward to create Canadian-based entrepreneurial ventures able to recognize opportunities and succeed in one of the world’s major emerging markets.”

Although many post-secondary business programs offer an international placement, there are only limited opportunities in entrepreneurship programs. Global Edge addresses this gap and adds an international dimension to the successful domestic youth entrepreneurship programs offered by the ministry.

“Young entrepreneurs and their participation in the global economy are critical in the development of local and regional prosperity across Ontario and Canada,” says Harinder S. Takhar, Minister of Small Business and Entrepreneurship. “We live in a global economy and we need to ensure that Ontario’s future business leaders receive the skills and experience they need to compete in the global marketplace.”

Participants are full-time post-secondary students aged 19–29, who have previous entrepreneurial experience running or starting their own business or are pursuing entrepreneurial studies at college or university.

“Global Edge has really given me an amazing opportunity to work with Royal Bank of Canada,” says Mississauga resident Aarti Ruparell, who is working with RBC in Miami, Florida. “Everything, from the people to the city and the company, has offered an amazing opportunity for personal and professional growth and has really expanded my horizons in the world of banking.”

The partner companies represent a wide range of industries, including Canadian and international banks, information and communication technology firms, as well as companies operating within the construction, transportation and aerospace sectors. These partner companies offer engaging and challenging placements that provide students with a first-hand experience of international business practices.

“This isn’t just a great opportunity for our students,” says Takhar. “It’s a great opportunity for the partner organizations. Ontario students are among the brightest in the world. They’ll deliver results and show how hardworking and innovative our young workforce is.”

Website: www.sbe.gov.on.ca/ontcan/sbe/en/youth_global_en.jsp

Companies hosting Global Edge students this summer are:

AECON (Ecuador)

Bombardier Aerospace

(Toronto with travel to the Americas)

Bombardier Transportation

(Mexico)

BMO/Harris Bank (United States)

Cisco Systems (Ireland)

Daimler Chrysler

Financial Services (Germany)

ICICI Bank (England)

Infosys (India)

RBC (United States)

SBI Capital Markets Ltd. (India)

Scotiabank (Mexico)

Minister’s Message



Summer is a time to relax, to read a few good books, to enjoy friends and family. For small business owners and entrepreneurs, it is also a prime time to strategize for a busy fall. It is a time to monitor company performance and to identify the people, technologies, capital and processes that are needed to strengthen a company and to support long-term growth objectives. It is a time to take stock and ensure that your business is on the right path to continued growth and success.

This issue of *Small Business Beat* helps business owners and entrepreneurs steer toward a successful future. We introduce a new research report that outlines best practices and lessons learned from some of Ontario’s highest performing small and medium-sized enterprises (SMEs). We urge firms to consider the Ontario government as a potential new client for their goods and services, and we outline new measures to help SMEs become successful government suppliers. We also look at the Small Business Agency of Ontario and the work it is doing to champion the interests of small business.

Our government has taken many steps over the past four years to create a strong business climate for SME growth, innovation and investment. We provide numerous programs and services to help entrepreneurs start up and grow their businesses. And we are proud of our work to encourage Ontario’s young entrepreneurs. Most recently, I introduced our new pilot program—Global Edge, which pairs enterprising post-secondary students with corporations that provide international training and experience. We look forward to seeing how these students, and all young entrepreneurs, make their mark on Ontario’s future.

The government fully appreciates the enormous contribution of Ontario’s small businesses and thousands of entrepreneurs. We understand this province’s economy, innovation, job creation, trade and prosperity rides on the strength of our small business sector. Our priority is to help you succeed, now and in the future.

Harinder S. Takhar

Minister of Small Business and Entrepreneurship

Korry's: a *Fixture*

on Toronto's Danforth Avenue

For close to 50 years, Korry's on Danforth Avenue has been one of Toronto's best-known and most successful clothing stores. Ask most Torontonians and they'll tell you it's an institution.

And it almost never came to be.

It was in 1952 that 18-year-old Saul Korman arrived in Toronto from Rouyn-Noranda, Quebec. He got a job right away working as assistant manager for Famous Players theatres. But shortly after he started, he had a disagreement with his boss and quit right on the spot.

"I needed to find something fast," says Korman. "My older brother was working in a menswear store downtown, and he recommended I get a job in one, too."

Korman went to work in a store at Danforth and Broadview. He didn't know anything about menswear. He hated it at first, but he was newly married and needed to work, so he hung in and learned the business. In 1958, when the chance came to buy a Tip Top Tailors outlet at Danforth near Pape, he decided it was time to open his own place. In what he describes as one of his best selling jobs ever, he talked a local bank manager into loaning him \$10,000 on good faith alone—this, at a time when many retailers on the Danforth were struggling—and Korry's was born.

For the next few years he worked hard to build up the business, still pretty much hating every minute of it. But in 1963 he got a call from local hair stylist, Christopher Beacom, asking him to make a suit for John Gilbert, a well-known radio personality who had agreed to take part in an event Beacom was holding to illustrate that bald men can look fashionable.

It led to an invitation from Gilbert to appear on his radio program and answer questions on men's fashion. Korman agreed. It was a turning point, both in terms of the business and for Korman personally. As a result, he created his "Wardrobe Analysis," a tool that helps determine a customer's needs, and he fell in love with the power of radio—and with the menswear business.

Today, Korman's unique, off-the-cuff radio ads can be heard on four Toronto stations, and Korman says they're



Saul Korman of Korry's on the Danforth

a big drawing card for his business. He also spends a number of hours every day at his store, interacting with his customers, and he holds six "trunk shows" a year to showcase the latest fashions. Korry's carries only top-quality designers, including Roberto, its own private label, Canali, Pal Zileri, Hugo Boss and Copley.

Korman also credits his 1998 renovation, which gave the store the look of a Milan boutique, for an upturn in business.

"The look of your store is important," he says. "In my case, it's helped me attract more of the kind of clientele I'm catering to. Sales have never been better."

At 73, Korman is still going strong and has no plans to retire. Has this self-made man ever regretted not expanding to other locations? "No, I like running a unique operation. I make a good living and I love my customers."

Website: www.korrays.com

Cooking Up a **STORM** in Southampton

At a time when many people their age are easing into retirement, **Elsbeth Macgregor** and **Glenn Conlan** are working overtime at their new store, **The Cook's Cupboard**, in Southampton, Ontario.

"We love the work," says Elspeth. "We enjoy talking to our customers and it's satisfying to see them excited by the products we carry."

It's an exciting challenge for a couple who've already had successful careers, Elspeth in physiotherapy, Glenn in engineering.

But food had always been a bit of a passion for both of them, and they knew they wanted to be in business for themselves. So, in 2005, when the opportunity came up to buy into the General Store in Saskatchewan's Cyprus Hills Provincial Park, they went for it. They operated the Cyprus Hills General Store—and opened two additional stores—for two seasons before returning to Ontario in the fall of 2006, eager to create another successful retail experience.

“After being in Cyprus Hills, we knew we couldn't live in a metropolitan area again,” says Elspeth. “We wanted to establish a business in small town Ontario, something along the lines of the espresso bar, offering specialty foods, we'd had in the Cyprus Hills store.”

Elsbeth and Glenn got in their car and drove all over southwestern Ontario looking for the right location. They knew they'd found it when they arrived in Southampton and walked down its beautiful main street that runs into the shores of Lake Huron.

But, as they soon discovered, the main street already had a bustling espresso bar. Interestingly, though, the building next to it was for sale.

"It had a beautiful, traditional storefront," says Elspeth. "We decided we could take advantage of its great location and open a specialty store for people interested in food and cooking."

Elsbeth and Glenn put an offer in on the building and started researching their market. They talked to other retailers in

the community as well as to the local Small Business Enterprise Centre staff who provided information on income levels and shopping habits on the Saugeen Shores to help the couple develop their business plan.

Elsbeth and Glenn took possession of their building on March 1, 2007 and opened The Cook's Cupboard on Easter weekend in the midst of a four-day blizzard. "Despite the weather it was a very busy weekend for us," laughs Elspeth.

In fact, it has been a good season so far. Business in April, May and June was triple what the couple had estimated in their business plan. And the rest of the season looks just as promising.

"We're so pleased we decided to open our shop here in Southampton," says Glenn. "The business community has been very welcoming and it's a town in which we feel very at home."

The Cook's Cupboard carries gourmet and specialty foods, including frozen entrees, and has a selection of organic and gluten-free products. It also carries upscale pots and pan, knives, table linens, dishes and other kitchen accessories.

Telephone: (519) 483-8000

**Glenn Conlan and
Elsbeth Macgregor of
Cook's Cupboard**



The Ontario Government Could be Your Next Big Client

Small and medium-sized enterprises (SMEs) can be successful vendors to the government—and the Ontario government is working hard to get that message out.



"The Ontario government is a huge potential client," says Gerry Phillips, Minister of Government Services (MGS). "We want small and medium-sized firms that aren't doing business with us to know that we welcome new suppliers."

The Ministry is introducing a number of measures to help SMEs learn how to do business successfully with the government.

Topping the list are "Procurement 101" training and information seminars. The seminars are held in collaboration with business organizations and Small Business Enterprise Centres across the province and include representatives from the Ontario government, the federal government and MERX, Canada's largest electronic tendering service.

The seminars cover what's involved in doing business with the government, including procurement policy, requirements and process, how proposals are evaluated and how contracts are awarded. SMEs are also given a primer on how to use MERX to find opportunities of interest to their business.

"Billions of dollars in public sector business opportunities are posted each year through MERX and 80 per cent of our customers are small and medium-sized businesses," says Pam Kunopaski at MERX. "It's a great service for SMEs."

The seminars began last fall and so far have been held in 26 locations across the province.

"The seminar provided our local businesses with essential tips on how to tap into potential government business opportunities," says Mark Hanley, manager of the Entrepreneurship Centre in Kingston. "Response and feedback from the participants were overwhelmingly positive and I look forward to hosting future seminars on this topic."

Michael Brown, President & CEO of MGB Global Financial Solutions, who attended the recent session in Toronto, was equally enthusiastic. "We're an independent consulting firm that provides financial advice and internal audits for clients that include the Bank of Montreal and TransAlta," says Mr. Brown. "Since these are essential services, the government needs similar solutions to ensure best practices across all divisions. I attended the seminar to find out how I would go about getting business with government departments."

"It was very interesting and informative," he says, "and I think it will definitely help me get future business."

The Ontario government will soon be implementing other initiatives to encourage SMEs to bid on government contracts. These include developing more outreach materials to alert SMEs to the opportunities the Ontario government presents.

"Our government is working hard to give SMEs opportunities to thrive and be more competitive, says Harinder S. Takhar, Minister of Small Business and Entrepreneurship. "And through a more competitive expanded pool of qualified bidders, we're also making government operations more efficient and effective."

More information on doing business with the government—visit: www.mgs.gov.on.ca under "Doing Business with Government" or call 1-866-320-1756 or by email doingbusiness@ontario.ca.

SBAO

Advocating for Ontario's Small Enterprises

● Members on the SBAO

1 Jean-Marc Lalonde (Chair)

Parliamentary Assistant to the Ministers of Small Business and Entrepreneurship and Economic Development and Trade
Rockland

2 Pamela McDonald (Vice-Chair)

General Manager, CD Warehouse
Kanata

3 Marilyn Wood

CEO, Mikro-Tek Inc.
Timmins

4 Mary-Carolyn Hart

President, Lazer Graphics
Peterborough

5 John Johnston

President, Grafton Canada Ltd.
St. George

6 Claude Boudrias

Manager, Commercial Banking
BMO-Bank of Montreal
Hawkesbury

7 Judith Andrew

Vice-President, Ontario Canadian Federation of Independent Business
Toronto

8 Ian Howcroft

Vice-President, Ontario Region Canadian Manufacturers and Exporters
Mississauga

9 Stuart Johnston

Vice-President, Policy and Government Relations
Ontario Chamber of Commerce
Toronto

10 Ashley McClinton

Director, Government Relations (Ontario)
Retail Council of Canada
Toronto

11 Wayne Arthurs

Parliamentary Assistant to the Minister of Finance
Pickering

12 Jim Brownell

Parliamentary Assistant to the Minister of Tourism
Cornwall

13 Vic Dhillon

Parliamentary Assistant to the Minister of Government Services
Brampton

14 Kevin Flynn

Parliamentary Assistant to the Minister of Energy
Oakville

15 Jeff Leal

Parliamentary Assistant to the Minister of Environment
Peterborough

16 Bill Mauro

Parliamentary Assistant to the Minister of Northern Development and Mines
Atikokan

17 Mario G. Racco
Parliamentary Assistant to the Minister of Labour
Thornhill

18 Maria Van Bommel
Parliamentary Assistant to the Minister of Agriculture, Food and Rural Affairs
Wallaceburg

19 John Wilkinson
Parliamentary Assistant to the Minister of Research and Innovation
Stratford

● Outreach meeting locations

Timmins
Peterborough
Stratford
Hamilton
Sault Ste. Marie
Hawkesbury
Cornwall



The Small Business Agency of Ontario (SBAO) was created in 2005 to champion the interests of small and medium businesses (SMEs) in Ontario.

As you can see from the map above, the SBAO is composed of 10 Parliamentary Assistants who have business related portfolios, four representatives from leading business organizations and five individual small business owners/operators from varied regions and industries.

With the creation of the Ministry of Small Business and Entrepreneurship (MSBE) in May 2006, the SBAO became the key advisory group on several important initiatives. After undertaking outreach meetings across the province to hear directly from business owner/operators, the SBAO has focused its efforts on a number of priority areas to facilitate and improve interaction between the government and SMEs.

Three of the SBAO's key priorities have been to work with the Ministry of Small Business and Entrepreneurship and the Ministry of Government Services to:

1) Reduce the paper burden placed on businesses

2) Increase and facilitate government procurement opportunities for SMEs

3) Create an online regulatory registry to assist businesses

To date, 24% of the government business forms across seven key ministries have been eliminated and, wherever possible, the remaining business forms of these ministries have been placed on a government central forms repository (www.forms.ssb.gov.on.ca). Small businesses hoping to sell goods and services to the Ontario government will be pleased to see that most of the 11 recommendations from the 2006 *Doing Business with the Ontario Government Task Force* have been implemented. The SBAO has also helped implement a Regulatory Registry (www.ontariocanada.com/registry) where businesses can find out about and comment on proposed government business regulations. The Registry is the first product of its kind in Canada and has received over 102,000 visits since its launch in October of 2005.

SMALL BUSINESS ENTERPRISE CENTRES HELPING YOU CHOOSE THE RIGHT PATH FOR YOUR BUSINESS

Small business Enterprise Centres focus on providing support to start-up and small enterprises during their initial years of development and operation.



Entrepreneurs are provided with easy access to business consulting services and information covering management, marketing, technology and financing. The Ministry of Small Business and Entrepreneurship, in partnership with local municipalities, operate Small Business Enterprise Centres in communities across Ontario. There are 44 full-service and nine satellite SBECs located at 53 locations throughout the province. A list of **Small Business Enterprise Centre locations** is available on the Ministry of Small Business and Entrepreneurship's website.

"These offices are just another example of how the Ontario government, municipalities and local business communities are working together to build a stronger Ontario," said Harinder S. Takhar, Minister of Small Business and Entrepreneurship. "Together, we are encouraging small business, promoting entrepreneurship, and ensuring Ontario is a great place to live and do business."

How Small Business Enterprise Centres Can Help You

Each Small Business Enterprise Centre offers you one-stop convenience for a wide variety of support resources including:

- Free consultations with a qualified business consultant.
- Review of business plans.
- Consultations through our lawyer/accountant referral service.
- Up-to-date, leading-edge information that's yours for the taking—booklets, pamphlets, brochures, and articles—all geared to the needs of the entrepreneur.
- Access to current resource materials, including directories, trade indexes and books that you can peruse on-site.
- Workshops and seminars.
- Guidance on licenses, permits, registration, regulations and other forms and documents required to start and build a business.
- Import and export information.
- Information on patents, copyright and trademarks.
- Mentoring and networking opportunities.
- Internet and computer access for business research and planning.

For information on the services offered on the Ministry of Small Business and Entrepreneurship's website visit: www.sbe.gov.on.ca

ONTARIO SMALLBUSINESSBEAT

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The focus of this newsletter is on business—successes, news, trends, opportunities, challenges and issues affecting Ontario's small and medium-sized business climate. Information is drawn from ministries and agencies across government and from other public sources believed to be reliable. All efforts are made to ensure timeliness and accuracy.

La version française du *Ontario Small Business Beat* est disponible sous le titre *Coin des petites entreprises de l'Ontario*.

We want to hear from you.

Comments and contributions are welcomed. Please write us by mail, fax or e-mail.

