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Access West

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Celebrating Entrepreneurial Innovation



For the past 20 years, the end of October has had a special significance for small business owners across Canada. This is the time of year when the Business Development Bank of Canada (BDC) and the Canadian Chamber of Commerce, together with other sponsors, organize **Small Business Week**.

This event began on a modest scale but with a lot of good will in British Columbia, and has paid tribute to entrepreneurship ever since. It now attracts tens of thousands of business people every year to events held in every region of Canada during Small Business Week – **October 22-28, 2000**.

In the early years, BDC branches in the lower Fraser valley were approached by the leaders of some small businesses and decided to pool their resources. In 1979, they organized information sessions about small business management under the theme Small Business Week. Although at the beginning the main reason these branches got together was to save money and optimize limited resources, it did not take them long to realize that they had put their finger on a remarkable phenomenon.

Small business leaders wanted everyone to realize how much economic weight they had, how many jobs they created, which products they developed and which new markets they were exploring. Above all, they wanted to tell people that small businesses were here to stay, and that their leaders were just as

determined, daring and innovative at the leaders of large companies.

Following their success in 1979, the British Columbia branches organized the 1980 Small Business Week and tripled the number of sessions offered to local entrepreneurs. They were so successful that the demand grew and in 1981, BDC organized a nationwide event with the support of the Canadian Chamber of Commerce.

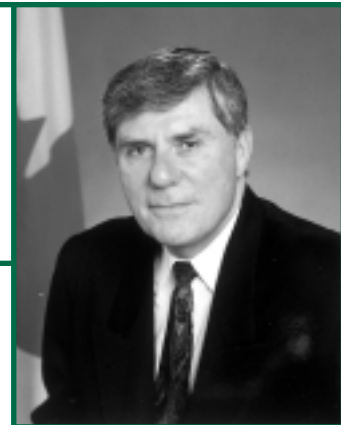
Since then, the BDC, in conjunction with the Canadian Chamber of Commerce and local organizations, have organized trade fairs and shows, workshops, seminars, lunches, awards ceremonies and many other activities.

Every year, Small Business Week chooses a theme that focuses on the current problems facing small businesses. The theme this year is "**Innovation**" @**SmallBusinessWeek2000**. This year is designed to emphasize entrepreneurs' use of their innovative talents while putting them to good use to see their businesses thrive in an economic that is in a state of constant change.

For more information on Small Business Week activities in your area, contact the nearest BDC branch at **1-888-INFO-BDC (1-888-463-6232)**, check out the fall 2000 issue of Profit\$ magazine, or visit the local information section on their Web site at www.bdc.ca.



"I welcome the opportunity to include in each issue of Access West a column which allows me to share some of my thoughts on what the Department is currently involved with and some insight on its future undertakings," Ronald J. Duhamel, Secretary of State for Western Economic Diversification.



Technological advances have altered our economy at an unprecedented pace. E-business has already transformed the business world as we know it. And e-business is more than just the purchase and sale of products — it also means customer service and collaboration with trading partners. It goes beyond mere sales on the Internet — it corresponds with a new global vision for companies rather than an additional business activity.

Here in the West, I'm convinced that the winning competitive edge will go to businesses of all sizes that are prepared to take up the challenges of e-business.

The federal government is actively accelerating this transformation and our goal is to help capture 5% of the world share of e-business for Canada.

E-business is big business — and good business — no matter what the size of your business. Three University of Alberta graduates Val Pappes, Shane and Evan Chraplo started DocSpace several years ago. They worked long hours, paid themselves no salaries and took credit card cash advances to pay their assistants. Their efforts paid off. Earlier this year, the company which provides secure environment for file management, was bought by a Silicon Valley giant for \$850 million Canadian.

Canada's largest Internet marketplace, Canadashop.com, is also a success story from the West. Based in Edmonton, the Internet mall has grown from seven vendors to 70 in less than a year.

Recently, at an e-business conference in British Columbia, I had the pleasure of inviting businesses to submit Expressions of Interest under a new shared-cost funding program called the **CANARIE E-business Virtual Clusters Program**.

This competitive program is designed to assist small and medium sized enterprises improve their productivity and develop a strong competitive position in e-business. The \$10 million program will focus on projects that involve the creation of collaborations, or "virtual clusters", involving associated but geographically dispersed organizations that will undertake specific e-business development projects.

WD helped organize and also participated in a series of e-business seminars and conferences for small businesses in each of the four Western provinces. I had the opportunity to meet with many of those who are doing business on the net or who are interested in doing it. I am convinced that the West is well-positioned to take advantage of the opportunities offered by e-business to participate fully in a global knowledge-based economy. We must rise to this challenge. We have what it takes to succeed.

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Celebrating Entrepreneurial Innovation Young Entrepreneurs Award

For the twelfth consecutive year, BDC will reward Canadian young entrepreneurs of outstanding merit at the national launch of Small Business Week, which will take place this year in Ottawa on October 17. There is a Young Entrepreneur Award for each province and territory. Each winner will be matched for a full year with a prominent business leader under a mentor program. One of the award winners will also receive the Export Development Corporation's Export Achievement Award.

The BDC Young Entrepreneur Awards recognize the achievements of entrepreneurs **aged 30 years or younger**. The awards are given to 13 companies, one from each province and territory, during an awards ceremony.

Each BDC Young Entrepreneur Award winner will be recognized and applauded by the entire business community across Canada. Further, each winner will receive substantial help with the management and growth of their business by being matched with a business leader for a year-long mentoring relationship. Mentors act as guides and knowledgeable counsellors, helping the young entrepreneurs to broaden the scope of their business acumen and network of contacts.

Winners also receive a trophy and an all-expense paid trip to the awards ceremony.

E-cruitment? It's Here, and Your Next Employee May Be Just a Click Away

by Quinn A.C. Nicholson

So, your business has begun to stabilize and satisfied customers are returning to your services. Profits are slowly climbing, your clientele is expanding, and your market awareness is growing. You feel that it's time to hire some new talent – but where to start?

While placing an ad in the newspaper or hanging a "Help Wanted" sign from your business' window may be all that is required to find a suitable candidate, it is very difficult to communicate your company's needs or expectations clearly or effectively in such a limited manner. Revising a page-long job description to fit a one-inch space of newsprint is a formidable task for even the most experienced editor! Furthermore, such hiring methods tend to attract all comers, so much time is lost weeding out the potential candidates from the rest of the field.

However, new methods of hiring are becoming available to those who know where to find them, and the Internet has become a literal beehive for potential workers. For many savvy businesses seeking the ideal job candidate, beginning the hiring process has become as simple as point-and-clicking a new recruit.

The advantages of **e-cruitment** or **Internet Hiring** are numerous:

- You can clarify your company's purpose, goals, and needs, so as to attract only qualified and interested candidates
- Fees, if applicable, are generally one-time-only for registration/access
- It provides an ongoing, customizable potential labour pool to draw from
- There is little to no risk of wasting time with "obviously undesirable" candidates at both the contact and follow-up stages of hiring
- A preliminary interview or questioning process can be started by e-mail, at your convenience
- The Internet's "Global Village" provides access to a much wider labour market than by conventional advertising means

Before advertising your job on the net, however, you most likely want to consider exactly how to accurately and effectively phrase the new job position. You may be hiring a new secretary, but is that a Financial Manager, a Human Resources Manager, a Purchasing Manager, or an Information Systems Manager that you're after? A good place to begin your job market research is at the Labour Market Information service, found at <http://lmi-imt.hrhc-drhc.gc.ca/>

Is Anybody Out There?

After you've determined the specifics for the position that you're advertising, it's time to get that information out on the

Internet. There are several ways of doing so. If you have a business Web site, you may want to post a "Join Our Team" type of link, but this is only really effective if your Web site has a high level of daily traffic. A better start might be to post to the Government of Canada job bank, which is located at <http://jb-ge.hrhc-drhc.gc.ca/> and provides browsers with a listing of both student and professional jobs, organized by province, and searchable by job title, classification code, or description.

To post to the Job Bank, head over to the nearest government centre and complete a Job Order Form. Within 24 hours, your job will be on-line and accessible to anyone on the web. An even newer e-hiring site is the Electronic Labour Exchange at www.ele-spe.org/, an easy and intuitive on-line system that matches suitable candidates skills directly to company job postings, anonymously, and completely free of charge.

Another useful starting point is Chapter 5 of the Guide to Government of Canada Services and Support for Small Businesses, (available online at http://strategis.ic.gc.ca/sc_mangb/smeguide/) which lists and outlines all of the different human resources and internship programs sponsored by the federal government (links for contacting each individual program are also provided on-line). Such programs include the First Jobs in Science and Technology program, the International Trade Personnel Program, and the National Graduate Registry, among others. A number of Hire-a-Student programs also have or are in the process of creating on-line sites; you can contact your local government centre for more information about this program and how the local Hire-a-Student posts their job bank.

Still can't find the perfect employee? Several commercial Web sites allow you to post job descriptions and browse candidate resumes. Examples of just a few are: www.workopolis.com, www.activemploi.com, www.careermosaic.com, and www.positionwatch.com. However, prices for commercial Internet Recruitment services range from nothing to \$200, so be sure to consider just how wide your audience needs to be, and what kind of labour these services are best at targeting. As with all commercial Web sites, be careful to assess their authenticity and credibility before investing your money in their resources. Look for on-site contact information (phone or e-mail) so that you can ask questions and discuss your needs with the site's management.

An Eye on the Future

As technology continues to progress and the Internet becomes larger and faster, the e-cruitment trend will continue to grow and refine itself. Even if your company isn't currently in the process of hiring, it will likely be well worth your time to keep an eye on the Internet for the potential future employee. That winning resume could be just a click away.

Building the Bottom Line: Increasing Company Profitability

by Quinn A.C. Nicholson

You've diversified into three new fields, expanded your product line, and doubled your sales. Unfortunately, the only part of your business that isn't growing is your profit.

In fact, it is very easy for gross revenue to increase while net profit barely rises at all. So where is all the extra money going? And how can you get it back? Outlined below are 4 different areas you might want to consider if you have a profitability problem.

1. Proper analysis of finances:

Value analysis is a method of increasing profitability by finding lower cost substitutes for materials or processes. To begin this process, you must first have a solid idea of where your company's finances are being spent.

Try the following:

- i) Break your product or service down into each of its component parts, and quantify the worth of that part, as assessed by your customer. Knowing the value of each part to the customer will help you to better identify value mismatches in what you are paying for that part, what you require, and what you are getting for your money.
- ii) If you market many different items, consider each product or service that you offer, and decide on an acceptable profitability margin for that item. Then decide on a time frame over which you will measure the profitability and sales trends of that item. If the item consistently fails to live up to the margin, it might be time to consider dropping it, or finding an alternative or replacement product or service.
- iii) Don't forget to take into account whether an item influences other products or services you are selling. While Item A may be a poor seller, it may be a necessary loss to maintain profitability of Item B.

Finally, check your sources for ways to decrease indirect and overhead expenses. Wholesalers often have a vested interest in promoting your business—after all, more business for you means more business for them. Many wholesalers offer different services for retailers, including product promotion, cooperative buying, service, and/or technical assistance, among others. Discuss with your wholesaler ways that they can help support and encourage your business.

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2. Access to current information sources

Having access to current information sources means more than just being hooked up to the Internet. You need to examine what exactly your company requires to maintain the most up-to-date information about whatever product or service you sell. Information is THE competitive edge in today's market.

Computers can reduce labor (not to mention material) costs in storage, printing, accounting and research. You not only want to maintain a current inventory and purchasing database, but also an up to date client list that can help tell you who's purchasing what, when they're going to need more, and how to contact them if the need arises. A customer will be far more likely to be drawn to your store if she knows that rare printer ribbon will be in stock whenever she walks in. People will always be willing to pay a little more if they don't have to wait for something.

Keeping up to date on information, techniques, and pricing can be a preventative measure too. Think about the last time that your company was blindsided by some unexpected expense, an expense that knocked a large chunk out of your bottom line. What caused that expense? Could it have been prevented if you had the proper instructions, or the right connections to deal with it? If the same problem arose in the future, would you be equally susceptible to it?

3. Be careful where you cut costs

Indirect or overhead costs are usually the first target for profit-increasing cost cutting, since they don't pertain directly to the finished product. Some examples include lighting, office supplies, and telephone usage. **Beware of potentially short-sighted cost-cutting measures like these.** What many employers forget is that such cost-cutting often inconveniences the people responsible for the product, ie: the employee, which can lower morale and hurt productivity.

A happy employee is a more efficient and effective employee, and is motivated to promote your product or service both inside and outside of the work environment. An unhappy employee is going to be saying things about the company, whether true or false, that you don't want potential customers to hear. While you may need to cut business luxuries, be sure that you're skimming off fat, not trimming down muscle. Above all, discuss potential cutting with your employees first. Then, at the very least, you can make them aware of the reasons for such cuts.

Note: It is almost always more advisable to instead focus on win-win budget trimming, such as improving labour efficiency to reduce work hours. Most business formulae only allow for a reduction in indirect expenses of 1-2% to increase profitability; sales can be continually increased, but overhead cannot be continually cut.

4. Ensure customer loyalty

Perhaps the easiest and most efficient way of increasing profitability. Every manager knows the "It takes 12 good impressions to counter a bad one" maxim, but many don't realize the little details that can annoy customers and make them less inclined to purchase from you a second time.

It is extremely important to maintain good communications with customers at all times. If a product is shipping late, or there are complications, let your customer know. While it may be that nobody might have noticed the delay had you not contacted them, if they did notice it, they're going to be angry at coming to your store and not getting what they're paying for.

Don't hide behind company policy. If your company has a policy, there should be a good reason for the policy, and it should be a reason that you can explain to the customer. It is frustrating for a customer to hear: "We can't do that sir/madam. It's company policy." You're effectively saying: "We don't do that, and we're not telling you why."

These are just a few potential methods for increasing your company's profitability. For further information, we encourage you to contact your local **Community Futures Development Corporation (CFDC)** or **Canadian Business Service Centre (CBSC)**, available at over 100 locations throughout Western Canada. You can also get in touch with the specific expertise of **Western Economic Diversification's** highly trained professionals by phone at **1-888-338-WEST (9378)** or on the Web at **www.wd.gc.ca**

Dealing With Unacceptable Employee Behaviour



Successfully dealing with unacceptable employee behaviour is an important element of running your business. Dealing with the situation quickly and fairly will increase the chance of successful resolution.

When discussing the behaviour you want an employee to alter, discontinue or adopt, be specific. You cannot assume the employee is aware of your frustration. For example, your receptionist is habitually late. This is a behaviour you as an employer cannot tolerate, because your published hours of operation are 8:30 a.m. to 5:00 p.m. It is imperative that your employee understands how important it is that your customers know they can reach a representative from your company during those hours.

You cannot assume the employee knows you consider this behaviour unacceptable. Here's why: As the old adage goes, "Actions speak louder than words." When this employee arrives at 8:42 a.m. (and you know this because you're calculating every second), you are sitting at the reception desk prepared to

answer the phone calls. S/he runs in saying, "Sorry I'm late," and you say, "It's okay, anything major happen?" The employee replies, "No, nothing major."

You begin to feel angry. So, you walk to your office and shut the door. In your mind you are reminiscing the interview with this employee. You specifically remember the conversation about the importance of timeliness in this position. How could s/he have forgotten that? Then, once you have calmed down you open your door and try to pretend nothing happened.

Actions speak louder than words: Your action of covering for this employee when it was his/her responsibility to be there, says to the employee, "It's okay to be a few minutes late, my boss will cover for me."

One recommended option for dealing with a situation like this is: Set a time to speak with the employee as soon as possible after the occurrence. Ideally, deal with it immediately or as soon as possible. **Do not** delay speaking with the employee

about this matter. Allowing too much time to pass may allow your frustration to subside, but when the situation re-occurs, your anger may actually heighten. This does not create a positive working relationship.

You need to find out why this employee is having trouble making it to work on time. If you are new at dealing with disciplinary issues with employees, you may feel like you are prying. You are not prying. It is your right to know what an employee is doing when s/he is or should be working.

Remember: There may be a legitimate reason for the habitual tardiness. However, if being at work by 8:30 a.m., ready to work, is a requirement of the position, this is an issue you will have to work out. If the tardiness is due to waking up late, etc., excuses are unacceptable and **MUST** be remedied.

If you have not managed people before, it would be extremely beneficial for you to enroll in a "How to manage people" seminar or course. If you have managed people, you may be wondering why you didn't seem to have trouble managing them at your old job, but now it seems to be different. The important thing to remember is that **you as the boss** is very different than **you as the owner**. Even loyal employees (as you may have been) do not have the same commitment as the person who you are now with much more to gain or lose in this business venture.

In most major cities, there are human resource consultants who specialize in helping companies manage employees and human resource processes. For specific advice on this issue, you may wish to contact a specialist in your area.

Other problems with employees, such as motivational problems and lack of attention to detail, may be due to underlying problems or frustrations. In order to uncover these problems or frustrations, you need to communicate with your employee. As in the interview, ask open-ended questions, not ones that are easily answered with a "yes" or "no." **Remember:** You have a right to know and understand why a person is not doing their job at an acceptable level.

You also have a responsibility to be completely honest with your employee. If you tell s/he that your conversation is in strict confidence, you **MUST** keep your word. By maintaining their respect, you are more likely to win their loyalty. Relationships are built on trust. And just as you need to trust your employee, s/he needs to trust you.

When speaking with an employee about unacceptable behaviour, you must be genuinely concerned and confident this relationship can continue. If you do not believe the working relationship can be salvaged, it is very likely that your employee will recognize your lack of commitment. If this happens, you have not gained anything. In fact, your employee may have even less commitment to improving the bad behaviour, at your productivity expense.

If the employee is unaware his/her behaviour is unacceptable, together you can outline what behaviour, attitude, etc. must be changed and how the employee plans to bring the behaviour to an acceptable level over a realistic time period.

If an employee is aware of his/her behaviour and wants to work at correcting it, set measurable boundaries and milestones. For example, the employee mentioned above says, "I know I have been tardy a few times. But since you didn't say anything, I thought you didn't mind answering the phones for 10-15 minutes in the morning." You will need to make it clear that you answering the phone is not the issue. The issue is that the employee is not meeting a minimum job requirement (based on the reasons mentioned above).

Once you have spoken with the employee and documented the desired and required behaviour. Review progress regularly. Celebrate goals reached.

For habitually unacceptable behaviour, termination may be the only solution. Since you have documented the desired behaviour with timelines and predetermined retribution, you make the disciplinary process fair and the employee accountable for his/her actions.

Documentation of progress and regress are extremely important. **Remember:** Document positive and negative milestones. Keeping track through written records will help you remember the details of events. In the unfortunate circumstance that you need to terminate the employee, these records become official documentation.

Most instances where unacceptable behaviour has been dealt with properly and fairly result in a positive employer-employee relationship. And, that's a real benefit to your customers and your business.

Please note: *These tips do not apply to an employee who has committed an illegal activity.*



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To E or not to E

E-business has been the buzz everywhere over the last few months, and Western Economic Diversification (WD) is no exception.

Throughout the last quarter, lots of effort and excitement went into hosting Roundtable Meetings in each province, publishing the Western Canada research that WD commissioned, as well as the work underway on a full e-business strategy. The WD Web team has been working hard over the last few weeks to bring together information and content for the Web site that supports WD's work in the area of e-business. A new e-business section has been created on the WD web site with a starting line-up that includes:

- Research undertaken by KPMG on behalf of WD, as well as a link to the Boston Group Report, "**Fast Forward**".
- An **e-video** presentation by Ron J. Duhamel, the Secretary of State, for Western Economic Diversification, discussing Western Canada's role in the new economy.
- A section with links to external sites that cover a wide variety of e-business topics, including **Assessment Tools and Tutorials, Registering a Domain Name, as well as Security and Trust.**

Check out this section online at
<http://www.wd.gc.ca/eng/default.htm> or
<http://www.wd.gc.ca/fra/default.htm>

Work is underway to add e-business information such as...

- E-business **Frequently Asked Questions** are currently under development with guidance from a number of client service officers, to assist businesses who have some basic questions about e-business and what it means for them.
- A **What's New** section will be added to the site to highlight some of the events, news articles, program announcements that are of interest to the business community in Western Canada.
- We want to explore the potential of an **e-newsletter** to communicate with businesses and others regarding issues, challenges and information re: e-business in the West.

Although we are at an early stage in developing this portion of

the site, it will continue to grow and evolve as WD becomes further involved in supporting and encouraging the development of e-business in Western Canada.

We would appreciate any feedback, suggestions or ideas that you might have to help us make the Web site a more useful tool to assist you in running your business. Please feel free to forward it directly to deb.hogg@wd.gc.ca or call at (306) 975-5944.

DID You Know?

Access West is available on our Web site in a .pdf format at <http://www.wd.gc.ca/eng/mediacentre/default.htm>. Scroll down until you see the Access West title and click on the edition you are interested in, then click on either the main portion or regional inserts from each of the four western provinces, whichever you would like to read.

We are developing an online database of readers who would like to receive an e-mail notice as each new edition is posted to the Web site. The .pdf file will not be sent to you, only the notice as to where it can be accessed. Readers can download a hardcopy to your own computer, or read the articles from your monitor at your convenience.

If you would like to receive an e-mail notice each issue, please fill out the form posted at the posted Web address. Your name and e-mail address will be added to our system. You will be notified when each issue is posted.

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