

Champions

› Breakthroughs and Resources for Women Entrepreneurs



To Grow or Not to Grow?

With new data from Industry Canada suggesting that the economic success of women business owners lags behind men, a debate has emerged. Are women less interested in business growth? Or do they approach growth differently? And do they require different supports and resources to pursue a fast-growth track?

There may be no single answer because, as women entrepreneurs, you are a diverse lot indeed. At one end of the spectrum are some who pursue rapid growth, enjoying rewards like greater challenges and financial gain; at the other end are those who choose to stay small, usually for family reasons. Many in the middle often struggle with taking their business to the next level.

“As a group, women entrepreneurs are ambiguous about growth and, on the

whole, are growing businesses at a slower rate than their male counterparts - sometimes more slowly to balance family obligations and sometimes not,” says **Ruth Bastedo**, President of Women Entrepreneurs of Canada. “Growth can yield rewards that are incredibly affirming and ultimately very manageable.”

An example is **Lynda Powless**, a 2005 *RBC Canadian Woman Entrepreneur Award* winner, who continues to successfully expand her newspaper business while raising three sons. “For many women, growth is not just a question of money. We have to balance growth with the time needed for family and children, which is very important.”

In pursuing expansion, it’s critical to weigh the opportunities vs. the downside risks before you begin. But bear in mind that no one makes the decision to grow with 100% clarity. To grow or not to grow often comes down to courage. ■

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Comment

If your business is in growth mode, or you are wondering how to propel it to the next level, this issue of *Champions* will give you food for thought. It shares insights from successful women entrepreneurs on the paths they’ve taken, highlights rewards and risks of growth and directs you to practical tools, resources and research to help you.

I hope you will use this information to assess your growth potential and plan for success, just like that achieved by the amazing women profiled in these pages!

Kristina Depencier

National Manager, Small Business and Women’s Markets
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The sky is the limit

for Sherri Stevens and her industrial staffing firm

Client | Profile

Sherri Stevens

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“RBC’s Momentum Award is perfect for us – our business has had momentum for the past decade and it just keeps going and going.” That is **Sherri Stevens’** reaction to winning the first-ever RBC Momentum Award as part of the **2005 RBC Canadian Woman Entrepreneur Awards**. The award recognizes an outstanding woman who has successfully overcome obstacles, adapted to changing market conditions and capitalized on opportunities to deliver long-term, profitable growth.

Sherri started her temporary and permanent staffing business in 1990 as a one-person office focusing on clerical and administrative staffing. With increasing requests for industrial placements, she researched and adapted to the new area.



Sherri and RBC's David Darby

Today, close to 85% of Stevens’ business is in placing production assembly workers through its 10 Ontario branches. The company generated \$16 million in revenue in 2005, with 48 employees, and is preparing for expansion into the U.S. Sherri’s target by 2008: \$25 million.

Driven by challenge

Her need for constant challenge fuels her decision to keep expanding, but she attributes much of the growth to her dynamic team. Firmly believing in the collective strength of people, Sherri discovered early on that another key to successful growth is delegation.

“There comes a point when you don’t have a choice; otherwise, you won’t grow.” Regularly communicating her growth plans brought her team alongside. “It’s important to not only share your vision if you want to grow, but also to show what the growth potential will mean to your employees.”

Early this year, Sherri created a business expansion team of key managers who meet quarterly to map out short- and long-term growth. “Everyone brings a different perspective, so it really opens up the dialogue.” The results have been good for her. “Now I can be away from the business, confident that my team is running it just fine.”

A planner extraordinaire

Another aspect of successful growth is

accessing the financing to support it, emphasizes Sherri. “When I started out, I had no money and was lucky enough to get a \$1,000 overdraft,” she recalls. “At night, I would work as a freelance graphic designer so I could pay my employees.” As her business went through its growth spurt, she switched banks, approaching RBC for support. “They’ve been great and really helped us.”

Prior to each branch opening, Sherri does extensive planning which has helped her get the growth capital required. “She does a tremendous amount of background work and is probably one of the most thorough planners I’ve seen,” says **David Darby**, her RBC account manager (david.darby@rbc.com). “Sherri puts the numbers together and she tracks from a sales, gross margin and bottom line perspective. That’s quite impressive. A lot of business owners talk that talk but not a lot of them carry through.”

Expanding to U.S.

Her thorough research and planning contributed to the success of a particularly challenging branch expansion in London, Ontario in 2003. This branch handles 100% of an automotive plant’s HR outsourcing through a sister company she set up late in 2002, called Quality Systems & Innovations. “Almost the entire labour force of that plant is her responsibility – from hiring through to training and HR management – and there are huge expectations that the



(l-r) Stevens' Controller Chris Clarke, Sherri Stevens, RBC's David Darby, and Stevens' HR Manager Darren Goble

› RBC's Momentum Award is perfect for us – our business has had momentum for the past decade and it just keeps going and going.

Sherri Stevens

employees must perform,” explains David. “It’s been a great success and is allowing her the opportunity to go into the U.S. to do similar work for this company.” Sherri is applying the same methodical approach to expansion south of the border. She has hired a Business Development Manager to open a branch in Indiana in late 2007. After that, “the sky is the limit!”

Time for herself

As her business continues to grow with momentum, Sherri thinks it’s important to find some personal time; however, that can be a struggle for busy women entrepreneurs. Her advice? “Take a day once in a while when you don’t contact the office and you don’t check your e-mail.” Her home is her refuge, where she

loves to cook and garden and be with her husband and their three dogs. Once a month, she even takes a spa day with her mother, who was her first employee.

Sherri is thrilled and appreciative to be honoured as an *RBC Canadian Woman Entrepreneur Award* winner – both for herself and the team behind the entrepreneur who work so hard. “This is almost like an Oscar!” she laughs. “It’s wonderful that RBC is recognizing the achievements of Canadian women because there are a lot of us here in the trenches making great strides.” Many are proud of her and share her delight, including her account manager. “Well deserved!” insists David. “It’s a very impressive company that she has built and she deserves credit!” ■

Sherri Stevens: 2005 RBC Momentum Award Winner

Her Biggest Growth Risk: Finding good people due to a looming labour shortage.
Her Response: Outreach to more diverse communities, including recent immigrants and seniors who still want to work.

Her Biggest Growth Rewards: “At first, money was a driver because I had none, but it’s not about the money anymore. It’s about challenge, recognition for a good job and helping people realize their dreams, whether my team or the temporary employees we hire. What’s most satisfying for me is to know I’m leaving a legacy and helping people along the way.”

RBC CANADIAN WOMAN ENTREPRENEUR AWARDS

“It’s a wonderful award for achievement over the years and so nice to be recognized this way.” Wendy McDonald, BC Bearing Engineers Ltd. (2005 Lifetime Achievement Award Winner)

As lead sponsor of the RBC Canadian Woman Entrepreneur Awards (CWEA), RBC Financial Group is proud to showcase the tremendous talents and accomplishments of successful women entrepreneurs right across the country. Watch for the next issue of *Champions* and the winners of the 2006 Awards who will be announced at a gala ceremony in November.

For more on the Awards, visit www.theawards.ca and www.rbcroyalbank.com/sme/women/canadian-women-award.html



Four Perspectives on Growth

These successful clients from across Canada share their insights

Vivianne Gravel

Taunya Woods Richardson

Patricia Gibson

Linda Wilson

Vivianne Gravel

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Despite the challenge of developing a tech company in Canada, faced with stiff competition from around the world, LIPSO, which specializes in software to send text messages over wireless networks, generated \$1 million in revenue this past year – with \$2.5 million as this year's target. Its big breakthrough came when Rogers and Star Académie, a French version of Canadian Idol, signed a deal in 2003 to utilize LIPSO software so that viewers could vote for contestants via their cell phones.

“When you want to be number one in the new economy, you have to work with number one people.”

On Growth: “I want to generate \$10 million in three years and ultimately \$100 million or more.” It's rewarding for Vivianne Gravel to reach the goals that she sets for herself and to deliver on the promise that she made to the people around who invested money, time or their talent into the company. Her growth strategies include a strong Board of Directors of industry pros, attracting venture capital, forging partnerships with prestigious customers, and hiring great talent.

Growth Tip: “As entrepreneurs, we often see through rose-coloured glasses, so it's important to have a good coach and a number of mentors who are the best in their field from whom you will learn and grow.” ■

Taunya Woods Richardson

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Taunya Woods Richardson feels there's no limit to the growth potential of her business, built on a social entrepreneurship model. “In Canada, there are 2.5 million small business owners, 87% of whom will not succeed without the right support.” Through Powerhouse Inc., a member-owned organization that provides access to peer advisory boards, Taunya is committed to strengthening economies and communities by empowering the independent business owner. In addition to owning equity, members participate on the boards to help drive the growth and profitability of their businesses.

“You can't build a business powerhouse without a board.”

On Growth: “The entrepreneurial journey is about consistently seeing the bigger picture, continuously innovating and subjecting yourself to risk, and of course you can never give up!”

With offices in Calgary and Vancouver, Powerhouse is poised to expand to Ontario this year and Taunya plans to go international in five years. She believes her business model is scaleable and can work in foreign markets. “Regardless of age, gender or geography, entrepreneurs around the world grapple with the same issues – cash flow, how do you sell? how do you keep growing? – just on a different level.”

Growth Tip: “Women will often get stalled because of the fear of rejection, failure or even delegation. It can be helpful to have men as mentors and advisors as well and benefit from their different perspective on growth.” ■

Patricia Gibson

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Patricia and her husband, Larry, started their commercial floor covering business “in desperation”, back in 1988, after his employer closed its flooring division. Today, Install-A-Flor is Atlantic Canada’s largest independent flooring company, with wholesale and retail divisions, and even has branch offices in Bermuda and China. With 70 employees and 150+ subcontracted installers, it boasts sales of over \$20 million. And Patricia did it all while raising two children.

“Find a business partner to help fuel growth.”

On Growth: “The biggest reward is to see the whole growth span we’ve created. We started this business with two people and have grown it into something that benefits more than 100 families of our employees and the subcontractors who depend on us for work. At the end of the day, I like knowing that we are successful and that we are making money at what we love to do. But it’s not just the money, it’s also about satisfaction in having done a good job.”

Growth Tip: “Find a business partner to help fuel growth. It’s more difficult if you are totally alone and don’t have someone to bounce ideas off.”

One Woman’s Choice to Stay Small

Linda Wilson

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Linda Wilson’s consulting business, specializing in research and insightful strategic and business plans, marketing plans, feasibility studies and labour-market studies, is purposefully not in growth mode. “I’ve chosen to work shorter days because I want to spend time with my son and I want the flexibility to do other things.” Another conscious decision for Linda is living in Northern Ontario, with its slower pace and spacious, affordable housing. “For me, it’s always been about quality of life and only working as much as I need to have the lifestyle that I want, save for retirement and balance that with the time I have with my son.”

“I have an awesome quality of life that my work sustains.”

Trade-Offs: In her line of work, Linda believes it’s easier to be competitive when you’re smaller. “Larger firms often have to charge more because they have higher overheads,” she says. “At the end of the day, it’s all about trade-offs. I could choose to be bigger, go after more work, put in longer hours and be more lucrative, but at what price? I choose to stay small and have an awesome quality of life that my work sustains.”

Benefits: Linda says she can offer better quality to clients, develop closer relationships with them and partners, and get more involved in community and business associations. “Big is not always best, nor more profitable. When I put a project together, I can instantly bring together colleagues with different skill sets to do a portion of a contract. I get their full commitment...and with no overhead!” ■

For more detailed profiles of these dynamic women, visit www.rbcroyalbank.com/sme/women/profiles



How to Plan a Winning Growth Strategy

1 Assess Your Readiness

“A key ingredient to successful expansion is being crystal clear about your goals,” emphasizes **Kristina Depencier**, National Manager, Small Business and Women’s Markets, RBC Royal Bank.

“Write them down to help you focus on the road to growth, not on the obstacles, and also to engage those around you.”

Be sure the drivers of growth are visible in your business as this will help you determine if you are ready to take the next step. **Some good reasons to expand are:** market demand, increased profitability, competitive pressures, and personal and staff growth. **Red flags include:** lack of capital, market uncertainty, and lack of personal readiness and management capability.

2 Weigh the Upsides and Downsides

Pursuing growth can bring many business benefits, including **new challenges**, **increased profile** and **financial gain**. There are also risks to high growth, but these can be mitigated with careful planning. Here are a few examples:

Risk: Excessive time demands

Solution: Delegate well and create a business expansion team.

Risk: Cash flow crunch

Solution: Prepare a contingency plan to deal with delayed payments so that cash reserves are not drained to meet the demands of fast growth. Introducing progressive billings on large projects can even out cash flow.

Risk: Stretched HR capacity

Solution: If you or your existing staff lack the skill set to push and sustain fast growth, you may need to bring in new talent with competencies that will take you to the next level.

*For more valuable tips, ask your RBC business account manager for a copy of the articles “Risks and rewards of growing your business” and “Leading your business through times of growth”. And see page 8 to order *The Definitive Guide to Managing for Growth*.*

3 Consider the Options

If you’re ready to take your business to the next level, here are three ways to ratchet up your growth:

› Diversify your products/services.

Keep in mind your core competency and look for opportunities that make sense. The President of Atchison and Denman

Court Reporting Services, **Carol Denman** (carol.denman@stenographers.com), expanded her company’s traditional court transcription services to include

› Ask yourself what your life would look like if you grow your company. What’s most important is to make personal choices.

Linda Wilson, entrepreneur

Choosing Slow or No Growth: Pros and Cons

Big is not necessarily seen as better by all. Some women prefer not to pursue high growth. They cite the **biggest benefits** as more time for family and closer working relationships with customers, employees and suppliers. On the flip side, be aware that slow or no growth may not sustain you in certain industries and economic environments.

Some risks you face include: stronger competition, financial insecurity and loss of good talent if you are unable to provide employees with opportunities for their own growth.

Did You Know?

The top 100 Canadian women entrepreneurs have combined sales of over \$2 billion! Are you ready to grow? A multitude of associations, programs and resources exist to help. Check them out at www.rbcroyalbank.com/sme/women/resources

objective minute-taking for boards concerned about corporate governance.

› Establish strategic alliances.

Whether your business is small or large, this can be a cost-effective way to generate business growth. **Deborah Sheppard**, President of thedog8it! which produces organic dog treats (deb@thedog8it.com), found a non-competitive company that targets similar accounts in the U.S. They now swap useful market information, use the same customs broker, share warehouse space in the U.S. and even combine orders to reduce shipping costs.

› Expand internationally.

Entering new markets opens the door to a whole new and potentially untapped customer base. **Wendy McDonald** (bcinfo@bearings.com) grew BC Bearing Engineers Ltd. from a single-location, small machine shop in 1944, into a global group of companies with over \$200 million in sales. Over 60 years later, she still has a growth goal – to penetrate China next.

For more examples of how women drive their business growth, visit www.rbcroyalbank.com/sme/women/growing_your_business ■

In the News



[l to r] RBC client **Cheryl Kerr**, President, MedEx, with RBC's **Rina Pillitteri**, Vice President, Commercial Markets - Mississauga, and **Andrea Law**, Branch Manager, Brampton, celebrated the launch of the *2006 RBC Canadian Woman Entrepreneur Awards* at a spring reception in Toronto.

Two of the many events that took place during International Women's Day in March:



(above A) **Deanna Rosenwig**, Chair of Women's World Banking's (WWB) Advisory Committee, outlined the role of WWB (www.womensworldbanking.org) at the *2006 Rotman International Women's Day Lecture...* (above B) **Wanda Samborska** [left], Consul & Trade Commissioner of Poland in Toronto, who hosted a reception marking the day, with **Gail Morris**, VP, Organization of Women in International Trade-Toronto (www.owit-toronto.ca).



RBC Financial Group hosted the *6th Annual Women's Legal Education and Action Fund (LEAF) Equality Day Dinner* in Toronto in April. Shown [l to r] is **Beth Atcheson**, LEAF National Board Chair, **Audrey M. Johnson**, LEAF Executive Director, and **Charlie Coffey**, Executive Vice President, Government Affairs & Business Development, RBC, with guest speaker **Donna Dasko**, Senior VP of polling firm Environics Research Group, who gave insight on what the public thinks about equality and other issues. LEAF (www.leaf.ca) is a national non-profit organization to advance the equality of women and girls through litigation, law reform and public education.



Women Entrepreneurs of Canada (WEC) is repositioning itself to strengthen the voice of women entrepreneurs in Canada and to support research and policy (www.wec.ca). Above, **Karen Hughes** [left], author of *Female Enterprise in the New Economy*, with WEC President **Ruth Bastedo**, at the WEC-hosted book launch (see page 8).

The Women Presidents' Organization has increased its Canadian presence with the launch of a Montreal chapter. With 54 chapters in the U.S. and Canada, the organization serves women with over \$1 million in annual revenues. (www.womenpresidentsorg.com)

Resources



The Definitive Guide to Managing for Growth

Turning an entrepreneurial business into a larger, successful entity eventually demands new and different talents. This guide includes a workbook on assessing growth as well as tips on cultivating leadership, building a vision, motivating a team and financing growth.

You can order a free copy at www.rbcroyalbank.com/business/definitiveguide or call 1-800-ROYAL® 2-0(1-800-769-2520). Contact your account manager to discuss how we can help you grow your business and assist you with your business banking needs.

Female Enterprise in the New Economy

This new book by **Karen D. Hughes** (karen.hughes@ualberta.ca) of the University of Alberta explores the social and economic phenomenon of women's entrepreneurship. It examines why women's entrepreneurship is soaring, type of work pursued, satisfactions

derived, risks and rewards, and policies needed. To order, contact University of Toronto Press, Tel 1 800-565-9523, or visit www.utpress.utoronto.ca.

Journal of Small Business and Entrepreneurship

This special edition (March 2006) showcases a comprehensive research project on women entrepreneurs by the University of Ottawa, Carleton University and the University of Regina. It documents diversity in start-up motives, firm size, structure, capitalization, performance and learning. Guest editors **Dr. Barbara Orser** (orser@management.uottawa.ca) and **Dr. Judith Madill** (Judith_madill@carleton.ca) hope the findings will assist women in the decision to start and grow their firms. Visit www.ccsbe.org/jsbelspecial.htm

The Woman's Advantage: 20 Women Entrepreneurs Show You What it Takes to Grow Your Business

Entrepreneur **Mary Cantando** provides a strategic roadmap to position your business for breakthroughs and growth. The book highlights overlooked resources and shares lessons learned from female owners of multi-million dollar companies, including Canada's Marnie Walker. To order, contact Kaplan Publishing, Tel 1-800-245-BOOK (2665), or visit www.kaplanpublishing.com.

Visit Us Online

You'll find more news, upcoming events, tips and resources...a single source of information for Canadian women interested in growing their businesses.

www.rbcroyalbank.com/sme/women

Women's Market Champions

For further information on RBC Royal Bank services and on local initiatives for women entrepreneurs, please contact the Champion coordinator in your area:

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