



Mr. Suleyman Odemis' focus has always been one of taking an idea and applying extreme discipline to create a sound business strategy. His action orientated skills resulted in the development of The Tile Shoppe concept.

The Tile Shoppe Mississauga store opened in 2007 to liquidate marble, stone and tile products that were not being sold as quickly as necessary at Suleyman's wholesale import company, Marme Canada. The Tile Shoppe quickly identified its consumers' reaction to the discount pricing on the high quality products being sold. Immediately, upon reading the consumers' reaction, The Tile Shoppe seized the opportunity to increase the product line dramatically.

In addressing The Tile Shoppe's consumer demand, management has identified special high quality, trendy floor and wall tile products to sell at deep discount prices. This extensive product list includes porcelain, natural stone, ceramic tile, natural stone travertine, mosaics random strips, cobblestone, mixed stone, copper stone, glass tiles, metal (stainless steel) mosaics, random glass and metal (stainless steel) strips, random stone and metal (stainless steel) strips, mouldings, wall-cladding, medallions, marble natural stone as well as high quality bathroom vanities with mirrors, contractor installation materials, and high quality do it yourself shower kits.



THE TILE SHOPPE CONCORD

CONCORD

150 Caldari Road
(Jane & Rutherford)
905.760.8500

The Tile Shoppe's mission statement "is to provide informative consumer service with high quality products that are available at the best prices in the market". Management's vision is to become Canada's leading retailer of kitchen and bathroom backsplash products.

Offering a lower price does not mean The Tile Shoppe is providing their customer with a lower quality product. The fact that The Tile Shoppe is able to provide high quality products at discount pricing is its competitive advantage.

MISSISSAUGA

3345 Laird Road
(403 & Dundas St.W)
905.828.5666

“ To provide informative consumer service with high quality products that are available at the best prices in the market ”



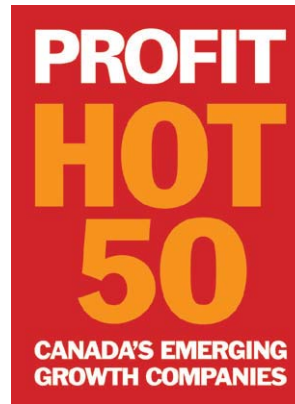
THE TILE SHOPPE CONCORD SHOWROOM

The Tile Shoppe's pricing strategy is based on the Cash n' Carry business model that means products are sold FOB the store (no delivery) and with no returns or refunds offered. This pricing strategy enables their consumer to benefit from prices that are at least 30% below the market (the prices charged at major chain stores and other tile retailers). The target consumer for The Tile Shoppe is the home-do-it yourselfers.

Management has invested a great deal of time and money on the development of technology. The purpose of this technology is to assure that products are available, store inventories are at a minimum and that ordering products respects the current trends to satisfy the needs of today's customer.

CALGARY

3414 9th St. SE
(Blackfoot Trail SE
& 42n Ave. SE)
403.287.0967



2 0 1 0



www.tileshoppes.com

CONCORD
MISSISSAUGA
NEWMARKET
CALGARY

THE TILE SHOPPE INC. IS SELECTED FOR PROFIT MAGAZINE'S TOP 50 CANADA'S EMERGING GROWTH COMPANIES - OCTOBER 2010.

The Tile Shoppe has identified the key to providing effective merchandising that showcases its products to enhance consumer sales. The key marketing strategy is to offer recognizable deep discount sales twice a year and to participate in local home shows.

The Tile Shoppe's sales have increased since 2007 to annual sales in excess of Ten Million Dollars in 2009/10. Since 2007 The Tile Shoppe has been profitable every year, even throughout the recent deep recession of 2008/09. The Tile Shoppe recognizes that this lucrative concept must be expanded quickly across Canada. To accomplish this, The Tile Shoppe is embarking on an aggressive expansion program that is a combination of company operated stores and franchised stores. To meet customers' needs there are five locations now open in Toronto, Concord, Mississauga, Newmarket and Calgary.

Suleyman Odemis recognizes to achieve the status of being a "Star Entrepreneur" is not easy. His ability to recognize there was a specific "niche" for The Tile Shoppe concept in the floor and wall tile retail market that was not being addressed in North America. His persistence established the strategic tactical plan to capture this opportunity and to be competitive and sustainable in not only uncertain and difficult times, but all the time. The basics of The Tile Shoppe concept evolve around having high quality trendy products, available all the time at a great price.

NEWMARKET

17867 Yonge St.
905.898.6242
1119 Ringwell Dr. Unit 2
905.853.9569

WIN MORE CLIENTS!

7 ways to turbocharge
your sales team P.66

KEEP MORE CLIENTS!

How to really listen
to your customers P.52

PROFIT

GUIDE TO BUSINESS SUCCESS

11th
ANNUAL
RANKING!

HOT 50

CANADA'S TOP NEW GROWTH COMPANIES

- The 5 essentials
of successful
startups
- Launch lessons
from Canada's
hottest company
- Top sectors and
best practices

◀ How Mark Cahsens
rode the Zipfy to
2,277% growth P.32

\$4.95 October 2010
PROFITguide.com



PHOTO: JAMES

OVERVIEW

CANADA'S HOTTEST STARTUPS

The young growth stars of the PROFIT HOT 50 didn't let a little thing like a global economic slump hold them back **BY JIM McELGUNN**



The economy has been in such a sorry state for the past two years that you can't expect companies to have done much more than stay afloat. Businesses that have had to contend with an international financial crisis, followed by a bruising recession and a pale

imitation of a recovery, have done well to eke out only modest revenue growth. Try telling that to the PROFIT HOT 50. The firms on PROFIT's 11th annual ranking of Canada's Emerging Growth Companies haven't merely survived in the most perilous economy in decades, they've flourished. The HOT 50 have shown that even in

a Great Recession, you can go great guns. The proof: over the past two years alone, the country's hottest young businesses have achieved average revenue growth of 548%. Eight of them have recorded growth rates in excess of 1,000%. And the HOT 50's dramatic expansion hasn't come at the expense of their bottom lines. Despite the high up-front costs and tough competition most startups face, a great majority (82%) of these companies turned a profit in their most recent fiscal year. What's their secret? Canada's next generation of entrepreneurial bright lights has shown a keen eye for exploiting under-

served niches, a willingness to take risks, a ruthless attention to cost control and, above all, a passionate commitment to delivering value to their customers. Their success stories offer inspiring examples of how companies of any age can thrive amid bleak times. To generate the supercharged growth needed to crack the HOT 50, you have to do a great many things right. But a few of these stand out as especially important. Above all, you have to pay close attention to HR. When the HOT 50 chief executives were asked to rate the factors crucial to their fast growth, they scored recruiting and retaining good staff well ahead of any others. The CEOs also gave very high scores to factors such as capital generated by the business, strategic sales and focusing on a narrow niche market. You can't build a growth star without capital—usually far more than you think you'll need. The overwhelming majority of the HOT 50 (92%) drew on the founders' own capital, and a solid majority (60%) on bank financing. Beyond these two, they turned to a wide variety of sources, such

as friends and relatives, various forms of assistance from the federal government—and their credit cards. It's no surprise that the HOT 50 includes companies in obviously hot sectors such as software development. Yet who would have predicted that the fastest-growing firm—Great Circle Works Inc., with two-year growth of 2,277%—would be a toy and sporting goods manufacturer? (See "Not-So-Wild Child" on page 32.) The ranking also shows you can generate go-go growth in sectors as varied as tile retailing, pet spas and prefabricated pipe assembly. While the HOT 50 firms were all over the map in terms of their lines of business, their CEOs shared plenty of common ground in their experience of running a successful startup. When asked to reveal their biggest surprise with launching a business, the CEOs repeatedly cited one of two answers: "How much work it was" and "How much fun it was." And when asked what they'd do differently the second time around, most CEOs offered one of two responses: "Nothing" or variations on an inspirational theme

put best by one HOT 50 leader: "I would have dreamed bigger." When HOT 50 CEOs look back on their firms' short histories, they don't focus on the troubled economy. Rather, they see an environment so rich with opportunities that if they have any regret, it's not having chased those opportunities even harder. **How we ranked them** Entries were ranked by two-year revenue growth, with revenue and net income verified through financial statements. All growth rates were based on base-year revenue of at least \$50,000. For details about the ranking procedure and eligibility criteria, visit PROFITguide.com/awards. Entries were solicited through an entry form distributed in PROFIT and at PROFITguide.com, and through targeted direct mailings to qualifying companies. The nomination drive was also promoted through *Canadian Business*, *Maclean's*, the PROFIT-Xtra e-newsletter and several major Canadian business organizations. The information in this issue and on PROFITguide.com is the only data that PROFIT will release on the HOT 50. ■

SNAPSHOT

548%
AVERAGE 2-YEAR REVENUE GROWTH

82%
PROFITABLE FIRMS

\$5.4 MILLION
AVERAGE REVENUE, 2009

33
AVERAGE NUMBER OF EMPLOYEES

RETAINING GOOD STAFF

HOT 50 CEOs rate the factors crucial to their fast growth, on a scale of 1 to 10

Retaining good staff	9.3
Recruiting good staff	9.3
Capital generated by the business	8.3
Strategic sales	7.9
Focusing on a narrow niche market	7.8
Personal experience in your current industry	7.7
Strategic marketing	7.3
Personal funds	7.3
Personal contacts in your current industry	7.2
Having a good business plan	7.1

SUPER SEVEN The most widely used HR practices of the HOT 50

- 92% BONUSES FOR INDIVIDUAL PERFORMANCE
- 92% INTERNAL OR EXTERNAL TRAINING
- 68% BENEFITS PACKAGE
- 62% FORMAL PERFORMANCE APPRAISALS
- 46% FORMALIZED FLEX-TIME PROGRAM
- 46% OPEN-BOOK MANAGEMENT
- 46% PROFIT SHARING

HOT SECTORS
Industry-by-industry breakdown of the HOT 50 (number of companies)

- 8 SOFTWARE DEVELOPMENT
- 7 MARKETING SERVICES
- 6 HUMAN RESOURCES SERVICES
- 5 MANUFACTURING
- 4 FINANCIAL SERVICES
- 4 INFORMATION-TECHNOLOGY SERVICES
- 4 RETAIL
- 3 CONSTRUCTION
- 2 BUSINESS CONSULTING
- 2 CONSUMER SERVICES
- 1 LEAD: BUSINESS COMMUNICATIONS SERVICES, ENGINEERING SERVICES, ONLINE MEDIA, SAFETY SERVICES AND URBAN PLANNING

GROWTH FUEL
The top dozen sources of financing for HOT 50 firms

- 92% FOUNDERS' OWN CAPITAL
- 60% CANADIAN BANK
- 34% FRIENDS AND RELATIVES
- 30% SREED FEDERAL TAX CREDIT
- 28% CREDIT CARDS
- 24% LEASING
- 18% ANGEL INVESTORS
- 14% BUSINESS DEVELOPMENT BANK OF CANADA
- 14% INDUSTRIAL RESEARCH ASSISTANCE PROGRAM
- 10% CUSTOMERS
- 10% PRIVATE INVESTORS (NON-ANGEL)
- 10% SUPPLIERS

WHAT THE JOB PAYS CEO compensation in 2009

6% UP TO \$50K
6% AT LEAST \$1M
\$262,000 AVERAGE COMPENSATION

CEO PROFILE
Fast facts about the HOT 50 leaders

37 MEDIAN AGE

60 AVERAGE HOURS PER WEEK WORKED

58% HAVE FOUNDED AT LEAST ONE OTHER COMPANY

26% BORN OUTSIDE CANADA

CANADA'S EMERGING GROWTH COMPANIES

PROFIT
HOT
50

RANK	COMPANY LOCATION CHIEF EXECUTIVE(S)	REVENUE \$	REVENUE GROWTH %	PROFIT MARGIN	EMPLOYEES	EXPORTS AS % OF SALES	INSIDE TRACK (STOCK SYMBOL)		
	INDUSTRY WEBSITE	2007	2009		2007	2009			
26	Spark Internet Marketing Corp. Toronto Clie Lobo Search engine optimization and marketing www.sparkinternetmarketing.com	317,273	1,413,854	346	0-10%	4	9	25	Key client sectors: leisure/travel, health care, heavy machinery, enterprise mobility/RFID and retail/consumer marketing
27	CONASYS Consumer Assurance Systems Inc. North Vancouver, B.C. James Christensen New-home buyers can use its online manual, for example, to find out where to have an environmental test. (Photo: iStockphoto.com)	136,166	550,672	233	Loss	6	16	0	
28	The Tile Shoppe Inc. Vaughan, Ont. Suleyman Odemis Discount tile retailer www.tileshoppe.com	2,400,027	9,897,071	312	0-10%	19	29	0	Says that its "no middleman, no refunds or returns" model allows it to sell tiles for at least 30% less than key rivals do
29	Crystal Creek Homes Inc. Calgary Justin Bobler Builds high-end custom homes www.crystalcreekhomes.ca	2,140,100	12,907,710	250	0-10%	4	24	0	Uses eco-friendly materials as much as possible to build custom homes priced from 200,000 to 2.7 million
30	Vayyo Inc. Ottawa Shailesh Kaul Wireless software for field workers www.vayyo.com	149,885	549,215	266	>10%	5	14	20	BlackBerry-equipped field workers use its vPost software to capture and email pictures, video, audio, text and GPS data
31	H4 Systems Inc. Toronto Somen Mondal Safety inspection and compliance software www.fieldid.com	167,290	601,884	260	Loss	3	14	95	Field ID, its sole product, combines software, handheld devices and the Internet to automate safety-compliance inspection
32	Groupworks Financial Corp. Winnipeg Laurie Goldberg Delivers custom employee group benefits programs www.groupworkscorp.com	3,848,206	13,688,443	256	0-10%	40	165	0	Its clients include ABW, Four Seasons, the University of Alberta and the Toronto Transit Commission (TSX: GWC)
33	Arrow Professional Services Inc. Toronto Sam Ibrahim & Shaemin Ukani Staffing agency www.arrowprofessionals.com	622,384	2,190,964	252	0-10%	4	10	0	Hires staff who have the skills for every aspect of customer service so clients deal with just one person
34	Voices.com (Interactive Voices Inc.) London, Ont. David Ciccarelli Online marketplace for voice-overs and other audio www.voices.com	447,177	1,466,248	228	0-10%	6	10	90	Thousands of clients, including NBC, Bell, Microsoft and the U.S. Army, have used Voices.com to find voice-over talent
35	VMG Cinematic (Viral Media Group Inc.) Toronto Mark Campbell Online commercials and social-media marketing www.vmgcinematic.com	176,837	538,871	205	0-10%	6	6	0	More than 160,000 people have watched "Style Agent," its web TV series for the Vaughan Mills mall north of Toronto
36	Dynamysk Automation Ltd. Calgary John Lisoway Designs and installs industrial-automation systems www.dynamysk.com	2,980,273	9,048,442	204	0-10%	33	32	70	Sets up instrumentation and control systems at industrial facilities such as natural-gas plants and wellhead pipelines
37	Deco Window Repair Inc. Calgary Matthew Home Runs a chain of mobile windshield repair kiosks www.decorrepair.com	530,075	1,524,560	188	>10%	13	35	0	Post-secondary students repair windshield chips at its more than 90 tents in mall parking lots in Western Canada; see Hotline, right
38	Canada's Best Store Fixtures Inc. Vaughan, Ont. Bud Morris Manufactures and distributes retail fixtures www.canadabeststorefixtures.com	7,831,219	22,443,666	187	0-10%	10	40	2	Shoppers Drug Mart recently awarded it a \$15-million-per-year program for fixtures for the chain's Beauty Boutique
39	Orchestra Consell Inc. Montreal Louis Fournier E-business software integration www.orchestra.com	805,728	2,173,731	170	>10%	13	25	15	Modified iGA's e-commerce platform so that blind and other visually impaired people can order groceries online
40	General Bio Energy (Clean Power Concepts Inc.) Regina Michael Shenher Refines canola for eco-friendly manufacturing www.cleanpowerconcepts.com	297,382	793,025	167	>10%	4	12	70	Crushes canola seed to yield oils used to make lubricants, animal feed, biodegradable plastic and other products (OTC: CPOW)
41	Alberta Land & Investment Brokers Inc. Edmonton Darvin Zurluh Brokers asset-backed private investments www.albertafinancialsolutions.com	797,367	1,993,935	150	>10%	17	46	0	Offers average families investment alternatives to mutual funds, such as real estate, oil and gas, and mortgage funds
42	GeoSource Energy Corp. Kelowna, B.C. Rod Torres Installs geosource heating and cooling systems www.geosource.ca	1,094,846	2,486,443	127	Loss	13	27	0	Drills holes up to 400 feet deep for systems that transfer heat to or from the ground to heat or cool the building above it
43	Burger Shoppe Quality Meats (BQM Diner Inc.) Toronto Saeed Mohamed Gourmet burger restaurants www.burgershoppe.com	464,283	1,038,860	124	>10%	7	16	0	Its restaurants offer burger lovers a neighbourhood atmosphere and food made from top-quality local ingredients
44	True North Mortgage Inc. Calgary Dan Eisner Retail chain of mortgage brokers www.truenorthmortgage.ca	688,781	1,425,245	107	>10%	3	8	0	Uses salaried employees at retail outlets rather than the industry norm of independent or commissioned agents
45	Westlake Industries Inc. Burlington, Ont. Richard Westlake Prefabricated pipe assembly www.westlakeind.com	16,514,157	33,235,995	101	>10%	89	185	8	Provided most of the prefabricated piping and pipe supports used to build a major new power plant in Brampton, Ont.
46	Dominion Lending Centres Inc. Port Coquitlam, B.C. Gary Mauris Mortgage broker and equipment-leasing network www.dominionlending.ca	6,892,611*	13,662,108*	98	0-10%	6	25	0	Has a network of 1,800 mortgage brokers who offer homebuyers a choice of mortgages from more than 90 lenders
47	Meridian Fire Protection Inc. Edmonton Kevin Mozak Installs and services fire-protection equipment www.meridianfireprotection.com	1,061,771	2,027,375	91	0-10%	6	12	0	Generates half its revenue from installing industrial, residential or commercial fire-detection/protection systems, and half from servicing them
48	CITYTREND (Romanesky Urban Planning and Management Ltd.) Calgary Bryan Romanesky Urban planning consultancy www.citytrend.ca	265,747	503,065	89	Loss	3	6	0	Helps developers and landowners obtain approvals from municipalities, and helps municipalities develop regulations
49	Clean Sheet Communications Inc. Toronto Catherine Frank & Neil McOstrich Advertising and internal communications agency www.cleansheet.ca	1,515,595	2,844,451	88	0-10%	12	28	0	New wireless carrier Wind Mobile chose Clean Sheet over three of Canada's largest ad agencies for its launch campaign
50	Q4 Web Systems Inc. Toronto Darrell Heaps Corporate and investor-relations website software www.q4websystems.com	469,209	852,173	82	Loss	13	18	20	Its software platform allows public companies to post news simultaneously to their investor websites, Facebook and Twitter

*FRANCHISOR REVENUES REFLECT CORPORATE REVENUE ONLY | TSX — TSX VENTURE | OTC — OVER THE COUNTER BULLETIN BOARD

HOTLINES



While many post-secondary students are content to spend their summers planting trees or bartending, others aspire to do something more ambitious. It's these proto-entrepreneurs who have helped Deco Window Repair Inc. (No. 37) expand rapidly across Western Canada. Deco's 92 mobile windshield-chip repair locations, which do business for four months each summer in mall and other parking lots, are almost entirely managed by college- and university-student licensees. Deco runs cheeky ads (pictured) on campuses each spring to appeal to students keen to run their own summer businesses. The model works for two main reasons. The students make a good income without any startup pains, which reduces the risk that they'll leave—or, worse, start a competitor. And because each student acts as an independent contractor, not a franchisee who owns the location, Deco can move ahead with its plans to expand nationwide and into the U.S. without giving up any control over its network. —DA