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# YOUR GROWTH PLAN

LAYING A SOLID  
FOUNDATION FOR  
YOUR AMBITIONS

BY ALEX ROSLIN

PHOTOGRAPHY:  
YVES LACOMBE

Many entrepreneurs dream of creating a profitable, fast-growing business. Suleyman Odemis has a turbo-charged version of that dream. His chain of discount tile retail stores, The Tile Shoppe, has tripled its revenues since Odemis founded it in 2007.

He has expanded his original outlet in Vaughan, Ontario, to six stores in Ontario and Alberta. And that's just the beginning. His ambitious growth plan foresees 50 stores across Canada in the next three years. "I like to take risk. I believe that how much I take risk is how much I can win," he says.

But Odemis has hit a roadblock. Finding the right people to manage his existing stores has proved tough. His model requires store

managers who can accept responsibility and are invested in the store's success, instead of seeing their work as just another job. To motivate managers and salespeople, Odemis has put in place some of his industry's highest commissions. But it's still hard to find people, he says.

Keeping tabs on six stores in two very different provinces has also proved harder than he imagined. How, he wonders, will he ever manage 50 outlets? "It's easy to open stores, but it's difficult to manage them. It looks easy on paper, but I didn't really know how to grow."

Odemis's problem of fast sales growth may sound like an enviable one to entrepreneurs just struggling to pay the bills. But ramping up a business can cause big headaches, too, and leads many small businesses to crash.

"A typical scenario for small companies is they experience rapid growth, but they are not prepared to handle it," says Kathy St. Jean, a BDC Senior Consulting Manager in Brampton.



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"They are in pain, and they are trying to produce as quickly as possible and running as fast as they can. A lot of them are not even stopping and asking, 'Am I making money? Am I profitable?'"

As revenues take off, experts say, it's vital for small companies to step back from the daily grind and ensure their fundamentals are in order. That means having a strategic business plan backed by empowered and motivated personnel, adequate financing, and the right information and communication technology.

In 2009, Odemis approached BDC Consulting for help with taking his business to the next level. Consultant John Brown first worked with him to develop a strategic plan. It consisted of three parts:

- > a detailed analysis of his company's existing operations, potential markets, strengths and weaknesses;
- > a vision for the company's growth; and
- > steps to achieve that vision.

The consultant also did a growth potential assessment, which involved taking a detailed look at the company's growth prospects and ways to sustain rapid expansion.

"Getting that fresh perspective on my business was invaluable," Odemis says. "I really have a better sense of where we're going now."

Out of all this planning came a solution to The Tile Shoppe's growing pains. The company will expand through franchises, instead of corporate stores. Running the new stores will be franchisees who put up their own cash and are directly invested in their outlet's success, more so than an employee could be.

The growth potential assessment also showed Odemis he needs to increase his company's internal capacity to support the new stores by, among other strategies, adding to his management team. He says he has filled only 10% of the key managerial positions in his company. That means far too much day-to-day management still falls on his shoulders. "We're still at the entrepreneurial stage as a company. The company still relies on me too much."

Delegating daily responsibilities to employees is, in fact, a common issue for entrepreneurs as their companies grow. Part of the problem, says St. Jean, is that entrepreneurs tend to wear many hats in small companies and have a hard time letting go of responsibilities and empowering employees to make decisions.

"Time management is probably one of the top factors that influence the success of growing companies," St. Jean says. "If you're out there loading trucks, you're misusing your time and energy. Stop working in your business and start working on your business."

Tony Perrotta realized the importance of delegating the hard way at his company, Greentec. His business of recycling ink and toner cartridges was a runaway success. And it was helping save the planet, which made the self-professed environmentalist even happier.

But Perrotta's sales success was costing him personally. In the late 1990s, not long after starting Greentec in Cambridge, Ontario, he was close to burning out—exhausted from working up to 14 hours a day.

Perrotta got control of his work hours by learning to delegate, but it wasn't easy at first. "Delegating was a challenge. I had to learn the hard way that you have to empower people and make sure they can deliver," he says. "It's very important if you want to grow. You're not going to be able to do everything yourself. You'll burn out; I came pretty close.

"A lot of it has to do with hiring the right people. The faster you grow, the faster you need the right talent."

Today, the company has 95 employees (up from three in 1995), and Perrotta envisages that revenues will expand by 75% in the next five years. "We've always had rapid growth, but you can only grow as fast as you can manage growth."

Ann Gray, a BDC Senior Consulting Manager in Kitchener, Ontario, who has worked with Perrotta, credits him with laying the groundwork for rapid growth early in the company's life. "He has built a healthy, open-minded working culture that allows employees to contribute," she says.

Perrotta took other steps to create a solid foundation for quick growth. For one thing, he was quick to realize the importance of strategic planning. Not long after he founded Greentec, he started to sit down for yearly strategic planning sessions with employees and his wife, Betty Pereira, the company's finance manager.

"Planning allows us to stay one step ahead of the competition. Just the fact that I know this is my vision, this is where I'm going, this is where I want to take this organization, that is the best feeling in the world for me," Perrotta says.

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