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FINANCIAL POST

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Learn about MBAs in Toronto, get advice from 'mompreneurs' in Windsor

Today Reversal of Fortune: A New Vision for Ontario's Economy, with Don Drummond, senior VP, TD Bank Financial Group, from 7:30 to 9 a.m., at the Toronto Board of Trade, (416) 366-6811 or bot.com **Tomorrow** Ontario Business Achievement Awards, from 6:45 to 9:30 p.m. at the Metro Toronto Convention Centre, (416) 482-5222 or info@occ.on.ca **Friday** Choosing Your Path: Motherhood

and Leadership, with Coquitlam mayor Maxine Wilson and Webnames.ca CEO Cybele Negris, from 9:30 to 11:30 a.m. at Ikea, 1000 Lougheed Highway, Coquitlam, (604) 319-2972 or momcafe.net. **Saturday** The CFA Franchise Discovery Day, from 10 a.m. to 4 p.m. at the Holiday Inn Select Am-

bassador Bridge, Windsor, cfa.ca • How Will the U.S. Investment Banking Crisis Affect MBA Enrolment in Canada?, from 11 a.m. to 5 p.m. at the Metro Toronto Convention Centre, (978) 451-4200 or thembatour.com **Eva Salinas, Financial Post**

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SMALL BUSINESS



Partners in business and life: CEO Gary Scholl and president Julie Anne Smedley place importance on maintaining partner loyalty and retaining valuable clients.

COMMENT

Now, let's see about those election promises ...

Common ground for bipartisan support

GARTH WHYTE
Independent Voice

It was encouraging that during the recent federal election campaign all major political parties were saying many of the right things when it came to small business.

But before getting carried away, we know only too well from experience that promises by politicians running for office are one thing; delivering on them is what counts.

Let's begin with Prime Minister Stephen Harper's personal pledge to small business that he announced during an address on the campaign trail. In his statement Harper said if re-elected, his government would raise the eligibility tax threshold for small businesses to \$500,000 from \$400,000.

This would be huge for small businesses as it would ease their tax burden and provide more money for expansion and job creation.

The Prime Minister also promised to index the lifetime capital gains exemption to keep it from being weakened by inflation — also very important for small business owners as it would assist them in preparing for retirement.

And he committed to try and reach a 20% reduction in the federal paperwork burden on small firms by the end of this year.

Easing that burden has been a Canadian Federation of Independent Business priority with governments at all levels for many years, as it is really time consuming and

extremely costly. Our research estimates at a minimum the total cost is \$33-billion a year. It was also heartening to see that in response to a questionnaire CFIB sent to all major party leaders, the Liberals told us they would "always be receptive to suggestions on how the regulatory and paperwork burden can be lightened for SMEs."

So there could be some common ground for bipartisan support on this issue. Another area where a few of the political camps seem to be in sync pertains to deficit spending.

This has long been a concern of small business owners, who have for many years consistently responded in surveys that they have a strong preference for spending restraint rather than spending increases.

On this issue the Harper government has vowed to stay out of the red on the balance sheet, while New Democra-

Harper reduce paperwork by 20% for SMEs

Leader Jack Layton told us his Party is firmly committed to balanced budgets.

And the Liberals joined in, saying if elected, they would not allow program spending to push them back into deficit.

Certainly sounds as though there is room for headway on this as well.

At least what they were saying is more responsible than what I regard as outrageous comments from a few bank economists who publicly de-

clared during the election campaign that deficit spending would not be a bad thing in a weak economy.

This is not to suggest our political representatives are about to see eye to eye on everything, or even perhaps on many things.

There are just too many ideological differences and competitive forces for that to happen.

But it does appear more and more politicians of all party stripes are realizing that doing right by small business is also right for their careers, their parties and the country.

This is a sector that accounts for nearly half the country's gross domestic product and historically it has been responsible for creating at least two thirds of all new jobs.

Furthermore, when things go awfully on Bay Street it's always small business that plays a leading role in maintaining stability on Main Street.

It is absolutely imperative the new minority government builds on the economic stability and job creation ability of the small business sector.

In other words, it will need to do more to unleash this entrepreneurial asset by introducing astute policies and removing impediments to their betterment wherever and whenever possible.

However, because this is another minority government, the parties in opposition also have a responsibility to back up their promises as they apply to the small business sector.

CFIB will be working hard to convince all of the political players that election promises should not depend upon who wins and who loses.

Because when small business wins everyone does. And that is something I can promise!

Financial Post

Garth Whyte is the executive vice-president of the Canadian Federation of Independent Business, which represents the interests of small and medium-sized business and lobbies on behalf of its 105,000 members at the federal, provincial and municipal levels.

FIRM'S SECRET TO LONGEVITY

POI'S 50 YEARS

By BARRY CRITCHLEY

Fifty years on, chances are Max Scholl, the founder of Prestige Office Interiors, would have been surprised at how his move into the world of office furniture and away from the smaller world of office supplies has evolved.

First off, there is the name change: It was shortened to POI, a move his son, Gary, now chief executive of the entity that generates about \$75-million a year in revenue, said was a trendsetter. "A few years after we changed, International Business Machines Corp. changed its name to IBM Corp.," said Gary Scholl, who joined POI in 1971 and took the reins 12 years later when his father passed away.

But chances are his father would be most impressed with what has been achieved. Privately held POI, which is hosting an event tomorrow night at the Four Seasons Hotel in Toronto with its clients, staff and suppliers, employs more than 150 people and operates from two major Toronto-area facilities: a 60,000-square-foot head office complex and a nearby 120,000-square-foot storage facility.

The company also has offices in the Ontario cities of Barrie and London.

It is likely Max Scholl would not have anticipated the extent of POI's development.

Loyalty to partners After 50 years it continues to be an authorized dealer for Michigan-based Steelcase, which was formed in 1912 and defines itself as "the global office furniture industry leader," with more than US\$3.4-billion in annual revenue and

13,000 employees.

"We consider each other as partners and have done so for 50 years without a written agreement. They have similar values to us and together we are the best at winning and keeping customers," Mr. Scholl said.

Rory Plant, regional sales director for Steelcase Canada, is also pleased with the relationship. "We are constantly in touch with POI and we work hand in hand. We sit down once a year and talk about our expectations and we move ahead on a joint basis."

POI also distributes furniture manufactured by The Global Group, which celebrated 40 years in business in 2006. Its furniture, aimed at the mid-market, "is a value alternative to the Steelcase brand," said Julie Anne Smedley, POI's president. "The Global products complement the Steelcase offering, such that POI has products to meet a variety of budgets," she said.

Customer retention POI continues to provide office equipment to several of its first customers. "One of our real keys has been customer retention. We have a blue-chip customer list and are committed to them. We will do anything to satisfy them," Mr. Scholl said. "It is much easier and less expensive to keep a customer than to lose them and try to find another to replace them."

The company's client list includes Bank of Montreal, Bank of Nova Scotia and Manulife.

"We are in a relationship business and we work hard to develop great relationships and keep them," said Mr. Scholl, who trained in business and law before joining POI.

As part of that commitment, POI surveys its customers after completing projects for them.

"That provides opportunities for improvement and sometimes sheds light on possible new opportunities for us," Mr. Scholl said. He focuses his attention on sales and client relations, while Ms. Smedley looks after internal matters.

Expansion Relocation services, which started about five years ago and is quickly growing, is a business area that emerged from a customer follow-up.

Asset management services is another relatively new service, hence the need for the 120,000-square-foot facility in Markham, Ont. "We manage our client's excess furniture inventories at our site using a very sophisticated tracking system," Ms. Smedley said.

Stay focused So what advice does Mr. Scholl offer other small business owners?

"Without a moment's hesitation, he said, "stay close to your customer. Stop doing that and you lose them to the next guy who pays more attention to them. It's how you react to customers and [to a given problem], and the sense of urgency you have."

As well, owners need to stick to what they do best. "The idea is to focus your people in doing what they do best," he said, noting one corollary of that point is owners should expand their business "into closely related fields that can complement what they already do and be of value to their customers."

Of course, small businesses have to keep a watchful eye on the economy. "You have to know when to reduce costs and have a plan on how that can be implemented quickly," said Mr. Scholl, whose time at POI has coincided with numerous economic ups and downs and various trends in office accommodation styles.

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baritchley@nationalpost.com