

"We take full advantage of all government programs that help exporters."

DEBORAH SHEPPARD

DEBORAH SHEPPARD, President
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Year Established: 2001
Employees: 7
Years Exporting: 3
Export Sales: 30%
Export Market: U.S.



Business Description: thedogbit! produces specialty dog treats using certified organic ingredients, the best quality animal protein and natural spring water from Central Newfoundland – presented in special, beautiful packaging that maintains freshness. Manufactured locally in a 3,200 sq. ft. plant with a warehouse facility in Buffalo, New York, the cookies are available in specialty pet, gift and health food stores across Canada and in the U.S. They are also sold online in the U.S. via amazon.com.

Deborah Sheppard combined her passion for baking and all things canine to start her healthy bakery for dogs after her own pets had been poisoned by commercial dog food contaminated with mouldy grain. Her treats proved to be such a hit in the U.S. that she opened a warehouse in Buffalo two years after start-up. Initially she focused on New York and the New England States where she sourced agents after attending the New York Fancy Food Show. It was there that she received her first U.S. order – for \$20,000 from Saks – after meeting one of the store's executives at the show.

U.S. EXPANSION

Deborah's goal is to develop a network of brokers, covering every single state. She is currently targeting the Midwest, starting with the Chicago market, where she has already done considerable research and participated in the Team Atlantic Canada Trade Mission to the Windy City this year.

At first, she was skeptical about using commissioned sales reps, "but I now realize it's a cost of doing business that I have to factor in." She looks for brokers who have compatible and complementary lines.

PRICING CRITICAL

Savvy about how to price products for the American market, Deborah's advice to others is to "Factor in all the worst-case-scenario variables – the Canadian dollar at par, waiting costs at the border, high margins expected by agents and specialty stores." She also recommends getting accounts receivable insurance from Export Development Canada (EDC) to cover any bad debts. "It gives you peace of mind," she emphasizes. "And you can go online and do a credit check on potential customers, which is very convenient and useful."

Deborah will continue to focus her exports on the U.S. until she blankets the market. Europe will likely be next. A firm believer in utilizing the various government resources and programs for exporters, Deborah will always tap into them. "I look at the Trade Commissioners as staff I don't have to pay," she explains. "Their mandate is to help me as a Canadian exporter – to assist in supplying market information, resolving border issues and ensuring I'm in compliance with regulations. Anyone who doesn't use the Consulate offices is really overlooking a tremendous opportunity to gather information and have the groundwork done for them!"

Lessons Learned

HOW TO MAXIMIZE TRADE MISSION SUCCESS

Deborah Sheppard's first exposure to exporting came when she joined a Team Canada Trade Mission to New York in 2002 and began to build her U.S. business. Through registering on WIN Exports and joining associations, she finds out about relevant missions in a timely fashion. Deborah has this advice for maximizing the benefits of the investment you make in such missions:

- ▀ **Set a goal.** Before going on a Chicago mission, Deborah set a goal to find a reliable agent who calls on the type of accounts she is targeting. Then she utilized the mission "matchmaker" to help her identify candidates, pre-screen them and set up meetings.
- ▀ **Utilize government resources to do your homework.** "It's critical to know your market as well as if you were physically located there." Deborah consults with trade officers in the Canadian consulates about the regions they cover. "These are people on the ground who really know their stuff and can be your eyes and ears." For example, through the Canadian Consulate in Chicago, she accessed "some remarkable reports on the specialty food market in the Midwest" as well as listings of brokers and reps.
- ▀ **Source potential partners.** Find synergies with other participants. Deborah found a non-competitive food and beverage company from Newfoundland that targets similar accounts. They now swap useful market information, use the same customs broker, share warehouse space in the U.S. and may even combine orders to reduce shipping costs.
- ▀ **Ensure thorough follow-up.** "If people you met on the mission requested more information, follow up quickly when you return home." Deborah also adds them to her database to receive news.

"We've tried different entry strategies in various countries."

SANDRA WILSON

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Year Established: 1994
Employees: 350
Years Exporting: 8
Exports Sales: 70%
Export Market: U.S., U.K.,
Europe, Australia, Japan



Business Description: Robeez is a world-leading manufacturer of soft soled leather footwear for newborns to four-year-olds. Designed specifically for children's developing feet, the soft sole allows freedom of movement and helps prevent slipping. The company carries over 70 designs and sells its high-quality products worldwide in over 4,500 specialty stores and boutiques as well as online. Robeez has been recognized as one of the fastest growing companies in Canada by *PROFIT* magazine and also clinched a spot in *iParenting* magazine for one of the hottest products in 2004.

Downsized from her airline job in 1994, **Sandra Wilson** decided to start a home-based business, allowing her to spend more time with her 18-month old son, Robert. She handcrafted a pair of brightly coloured leather shoes for him, pleased to discover that the soft soles improved his balance. Sandra named the shoes after her son...and, thus, "Robeez" Footwear was born.

When she took 20 hand-stitched pairs to a regional trade show, the response was overwhelming. In 1995, she hired her first sales rep and moved into commercial space by 1999. Three years into the business, Sandra began exporting to the U.S. The company also has distribution facilities in the U.K. and Australia, and a distributor in Japan.

ENTRY STRATEGIES DIFFER

"We've tried different entry strategies in various countries," explains Sandra. "For example, we initially worked with a distributor in the U.K. but decided to open our own distribution facility in Wales because we wanted to be closer to our customers. In Japan, we have a distributor because there are more complexities around culture, language and leather imports."

As it expands globally, the company's philosophy is to stay customer-focused, a key factor in its North American growth. "We don't want a middle man between Robeez and our customers."

CHALLENGES WORTH THE EFFORT

That customer-focused strategy has paid off and is being applied to new markets abroad, particularly in Europe and Australia. "As we are just in our infancy there, we are very focused on building those markets and upgrading our web site with multiple languages." Expansion into Europe does not come without its share of complexities. "Every day, we are discovering the challenges of language and currency issues," she reveals. Marketing materials must be translated for some European markets, and Robeez has invested in French-language customer service in its U.K. office and will soon be adding German.

"I think it's all worth the effort," maintains Sandra. "There's a huge market in Europe and high appeal for our products." Just as importantly, she is seeking to spread her export risk and "not have all our eggs in the big United States' basket" with its weakening dollar and border restrictions after 9/11.

Lessons Learned

FROM HER BASEMENT TO THE GLOBAL MARKET

Recipient of Rotman's 2004 Canadian Woman Entrepreneur of the Year Export Award, Sandra Wilson is an inspiration to every home-based entrepreneur. She shares her key success factors in making the leap from a basement business to a leading global manufacturer in the children's footwear industry, with an almost cult-like following for her products:

- ▀ **Tap into government programs.** Sandra's interest in exporting was piqued by attending NEBS (New Exporters to Border States program – www.dfait-maeci.gc.ca/can-am/export). "Since the U.S. is so big and so close, I decided I may as well start early and figure out all the issues related to duties and brokers." Sandra has also participated in trade missions.
- ▀ **Have a plan.** Doing your homework and developing an export strategy are critical first steps. "It's easy to be approached by distributors who want to represent you, but the fit may not be good or you may not be ready."
- ▀ **Focus on North America first.** "The U.S. is right in our backyard and it's pretty seamless to do business there. The complexities of exporting offshore are fairly significant."
- ▀ **Find good partners.** "Building an international business is a lot of hard work, long hours and perseverance and I could have thrown in the towel many times, especially during the first five years." The turning point came when Sandra moved the business out of her home and brought in her brother and another partner, who focus on international development and strategy.
- ▀ **Create a website for the international marketplace.** Sandra went online early. Today, Robeez has a multi-currency site (including dedicated urls for the U.K. and Australian markets) and is upgrading it to multi-language.