



As the U.S. market softened, OLIVUS turned its sights back to Canada, and introduced new value-added services to pick up the slack, says president June Finless.

VICTOR TURCO

As the global economic recovery sputters ahead, export-driven Chamber members describe how their businesses have changed over the past few years

A new world for foreign-focused businesses

» By Stefan Dubowski

Eight years ago, the business of Ottawa training company OLIVUS Inc. was based mostly in the U.S. Today, 90 per cent of its business is in Canada.

Timing has a lot to do with it, said June Finless, president of OLIVUS.

"Training tends to be cyclical in nature anyway... a five- to 10-year cycle where companies rely on outsourced partners to help them get their training where they need it to go," she said. "As you develop that and enhance the training organization, they tend to bring it internal for a while, maintain it, and then they cycle it back out again."

As it happens, a number of OLIVUS's U.S.

clients were poised to bring their training systems in-house just as the financial crisis took hold beginning in 2008. Those customers have since stayed away, as they strive to contain costs while the global economy finds its feet again.

Luckily OLIVUS had already begun the shift towards the domestic market.

"We started to move our business-development focus to more Canadian clients prior to the downturn," Finless said. "That really helped us.... Canadian companies and government continued to invest in training through the downturn."

Inasmuch as the recession hampered many Ottawa businesses, companies selling into the

U.S. or overseas might have felt the impact even more than others. With their customers rocked by the recession, these organizations' revenues could have plummeted, leaving global-focused firms scrambling for sales.

Chamber members that sell goods and services abroad seem to have developed different coping mechanisms designed to help them succeed while the market upheaval continues.

NEW STRATEGY

OLIVUS not only started focusing on the domestic market, but it also expanded its overall strategy.

As the firm shifted to serve Canadian customers, it began developing training-consult-

ing services and human resources services—placing people with specific expertise, such as instructional design and project management, for instance, with clients for periods of time.

As well, “we started delivering instructor-led workshops to the public... on communication, leadership, management and development,” Finless said. “The diversification really helped us. If we’re quiet in one area (of the business), then we’re busy in the other areas.”

Vincent Delisle is founder, director and CEO of Novabrain Technologies Inc., a content-management software provider. He said his company has a handful of clients in Europe, and the recession had a significant impact across the entire business.

“We were about 12 staff members last year, and we’re down to six this year,” Delisle said. “Most of our contracts were cancelled last year.”

“But everything has recovered this year,” he added. “Sales are back up. We haven’t rehired as quickly as we laid off, because at this point we can sustain the sales we have.”

The company will rehire, but slowly. “We want to make sure the sales are there, the economy will sustain, and the contracts we have, we’ll hold,” Delisle said.

Even prior to the recession, Novabrain planned to operate globally. But its first ex-Canada target wasn’t supposed to be Europe. It was meant to be the U.S. The European customers that the company has today are not the result of any particular sales strategy.

But now, Novabrain is getting ready to start its strategic push into the States and wants to hire a U.S. sales leader to drive the effort, Delisle said.

GLOBAL SALES

What’s more, the company plans to change the way it operates to support more global sales. Whereas Novabrain has been offering products and services, it plans to hand the services piece off to partners that specialize in that sort of business, enabling Novabrain to focus on product sales primarily.

“We want to operate through the web—redo our website and make sure we have visibility on the net,” Delisle said.

Focused on product sales, Novabrain should be able to increase its sales volume and lower its price, Delisle said.

The company plans to focus on the U.S. for this, because the U.S. is ahead of other markets in terms of content-management software usage, he said. But because this is an online undertaking, “it’s going to be a world-wide effort.”

Ruth Sirman is also ramping up a world-wide effort. The president of CanMediate International Inc.—a conflict resolution services company headquartered in Almonte—recently opened a U.S. bureau. Her team of mediators is beginning to branch abroad, making connections and delivering presentations at conflict resolution conferences in places like Australia, Hungary and Ireland.

While other organizations were battering down the hatches, it seems CanMediate was expanding. The new U.S. office has a lot to do with the availability of specific talent, Sirman said.

“It wasn’t so much what I was looking to do as who I wanted to bring on board,” she said, explaining that Michael Lang, a respected conflict resolution expert with whom she’d wanted to work, was available, making this the right time to expand.

“Now we’re looking at how we can leverage the fact that he’s down there, and I’m up here, and we have complementary skill sets, which allows us to make inroads into the international market in a way we haven’t yet been able to do individually.” Joining forces “gives us a depth of knowledge and experience in the organization that would be hard to match.”

On the domestic front, business has been booming. “We’ve actually had more business in the last two years than we have at any point since we started back in 1996,” Sirman said.

The state of the economy might have had something to do with it.

“Stress levels are certainly higher. There are people coming out of retirement because their investments crashed and they can no longer retire. There are people who may be staying in jobs they aren’t particularly happy in because they’re afraid that if they leave... it won’t be as easy to get a job in the current economic climate.

“In addition to that, there’s been a huge shift in mindset in senior management and employers, and an increased focus on trying to create workplaces that are actually work-healthy workplaces,” Sirman said. Organizations are more open to hiring mediators now than they were a few years ago, and there’s greater recognition that workplace issues affect employee productivity and, ultimately, the bottom line.

Asked if the recession’s end spells an end to the stressors that cause workplace conflicts—the very conflicts that drive CanMediate’s business—Sirman said conflicts will always arise, although the reasons for them will be different. “The stressors will change.... There doesn’t seem to be any shortage of people fighting.”¹⁷

Selling to the U.S. government

Companies may well believe that selling to the U.S. government would be one sure-fire way to boost revenues and expand their markets beyond Canada’s borders. But according to one government business expert, it’s not for the faint of heart.

Judy Bradt is principal and CEO of Summit Insight LLC, an Alexandria, Va.-based business consultancy specializing in helping companies do business with the U.S. federal government.

She said it’s expensive and time consuming for businesses to deal with the U.S. federal system. Referencing a study from credit card company American Express, she notes that it takes the average small business 20 months to win its first federal contract, at a mean average expenditure of \$86,124.

“It is not a small amount,” Bradt said.

But in the grand scheme of things, it’s not astronomical either.

“Let’s say \$80,000, 20 months—that’s \$4,000 a month,” she said. “Investing \$4,000 a month in new business.... If you think about what it costs to go to two tradeshow, do one marketing campaign or hire one person, it’s nothing.”

One of the questions she gets most often from Canadian and U.S. companies has to do with contracts: how does a business go about getting a GSA number?

GSA numbers represent the standing-offer contracts that companies have already signed with the government. It’s similar to a national master standing offer that businesses sign with the Canadian federal government.

Bradt said businesses would do well to visit her website, www.summitinsight.com, where they’ll find details about GSA numbers and schedules, available for free.

She said doing business with the U.S. government takes at least as much care and attention to detail as any other contract.

“Selling to government is not backing a big truck up to a cavernous door and dumping your things on a loading dock. You’re selling to people. This is the ultimate relationship market. People buy from people they trust and ... people they like.”

Bradt is optimistic about government spending on goods and services.

“Even though the U.S. President asked federal agencies to trim a total of \$40 billion (in spending) off a base of \$550 billion, that’s still over a period of time—it’s only five per cent. Government is going to continue to spend; the ocean will continue to rise.”