



THE MOCCASIN TELEGRAPH

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Summer 2001

Message from the General Manager

George R. Vass

Saluting Success Issue

This is the second issue of "The Moccasin Telegraph" and in this issue we wish to recognize those Metis business people in our community that have proven that hard work and dedication pays off. These entrepreneurs have gone through many difficult times and endured many setbacks and yet they pressed forward, learning from their mistakes. They are an inspiration to all Metis who are considering starting their own business.

There are many resources to help people get started in business today that were not available a few years ago. One specific resource is the Metis Business Development Corporation, located in Edmonton. If you are interested in getting started in a business and require assistance in developing a business plan or general business information, give them a call. It may be the most rewarding call you have ever made.

Contact the Metis Business Development Corporation at (780) 408-4844. E-mail: lewanchuk@powersurfr.com

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Leroy Flamond - Leroy's Motor Inn

Fighting his way to success

STRATHMORE - At the very east end of Strathmore you will find Leroy's Motor Inn. In addition to accommodations, the business boasts one of the best restaurants in Strathmore. Leroy and Vi Flamond have operated this motel since 1974 and now, with their son Fraser, this family owned and operated business is looking at expanding.



Fraser, Sandi, Vi & Leroy Flamond.

But this is just the latest part of the story of Leroy Flamond. Nothing came easy for Leroy. At the age of fifteen, this streetwise kid went into training to become a professional boxer. After 10 years on the circuit and 53 wins out of 65 fights, Leroy finally hung up his gloves. At the height of his career, Leroy was ranked fifth in the world as a light middleweight champion. He fought many of the top ranked boxers of his day and even after he hung up his gloves, Leroy kept in touch with the sport through promotion and management. In 1972 Leroy brought the great Muhammad Ali to Calgary. The Calgary Corral was literally packed to the rafters. The one key motivator that kept Leroy in the sport was his dogged determination to be a good fighter. Once he had proven that to himself, it was time to move on.

By 1962 Leroy was ready to settle down and in June he married Vi Sipos. Leroy was working as a surveyor for the City of Calgary and like a true entrepreneur he put

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Getting into Business - Purchasing a Franchise

Pinnacle Business Services Ltd.

Franchises are becoming increasingly popular as a method of getting into business and the trend into the 21st century is for increased emphasis on the franchise business model. Franchising in North America began after World War II with automobile manufacturers, oil companies, soft drink bottlers and breweries being the first major industries to try their hand in franchising. Today, the role of franchising has expanded to many different industries throughout the world.

During the 1990's it is estimated that over 40 percent of all retail sales in North America (\$432 billion in 1998) resulted from franchised operations. The Canadian Franchise Association estimates that today this figure is approaching 60 percent. Estimates of franchise sales in Canada approach \$100 billion from more than 1,300 franchise systems and over 65,000 franchised outlets. With the increased proliferation of franchising in Canada, particularly in consumer oriented retail and service businesses, it is important to consider the pro's and cons of franchising as an option for anyone considering this means of self-employment.

WHAT IS FRANCHISING?

Franchising is usually defined as a system of distribution in which the enterprise (the franchisor) grants to another (the franchisee) the right to carry on business in a specified manner under the franchisor's trademark within a defined geographical area. By purchasing the franchise, the franchisee obtains the right to use the successful formula of the franchisor. In order to maintain the success of the franchise system, the franchisor will require each franchisee to adhere to strict standards of operating and quality control.

ADVANTAGES OF FRANCHISING

Reduced risk of failure - Statistics indicate that a typical franchise has an 80% chance of success. Contrast this with the chance of failure for most small businesses of between 60-80% in the first year of operation.

- Known market brand - Good franchises should offer the franchisee solid brand identification in the chosen market and proven market acceptance. This should shorten the duration of the initial opening stage of the business when the market is being developed and resulting revenues are lower. In fact, many fast food franchisors often tell beginning franchisees that sales for the first month of operation may be larger than the typical month for an established franchise as new consumers are drawn by the initial market/brand appeal of the franchise.

- The franchisor may offer many services to support the franchisee, including:
 - ✓ Assistance in selecting a site and negotiating a suitable lease;
 - ✓ Construction and/or purchase of site, buildings and equipment;
 - ✓ Standardized methods of operating providing the new owner the benefit of profiting from the franchisor's experience;
 - ✓ Pooling of advertising which allows for a small store to benefit from a large national advertising and promotional program;
 - ✓ Financing assistance - many franchisors have established financing programs with the Chartered Banks making it easier for franchisees to obtain the necessary financing to get started;
 - ✓ Training - franchisors will often require new franchisees to undergo extensive management training in the operation of the franchise thus shortening the learning curve of the business;

DISADVANTAGES OF FRANCHISING

Despite the known benefits of franchising, the most obvious being the increased chance of success, it is important to note that franchising is not for everyone. There are numerous documented cases of franchise failure and franchisee disillusionment. Some of the disadvantages of franchising are:

- Lack of Independence - Many franchisees get into the business to 'have the freedom to run their own business' only to be disappointed in the lack of true independence they have to run their own show. By signing the Franchise Agreement, the franchisee promises to abide by the policies and procedures developed by the franchisor. Franchisees are restricted from deviating from these standard operating procedures and policies.
- Cost - Not only are franchisees required to pay an initial franchise fee (which can range from anywhere from \$1,000 to ten's of thousands of dollars) the franchisee may pay ongoing royalties based on sales (typically 5- 10% of sales). This may leave the franchisee wondering who are they working for?
- Unfulfilled promises - many franchisees get into a franchise enticed by the franchisor's promises. Such promises may include training and management support, national advertising programs, and over exaggeration of the market potential of the location. Franchisees may be left disillusioned as many promises go unfulfilled.

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PANAGO® A Go In Peace River

PEACE RIVER - How does one go from working in the oil patch to owning & operating their own franchise pizza business? This is exactly what Rick Findlay did as he left a job as a cementer in the oil patch to start his own Panago® Pizza franchise in Peace River. "In the oilfield industry you work long hours and are away from home a lot of the time", recalls Rick from his storefront in downtown Peace River. "With my business, I am still working long hours but at least I am working side-by-side with Christine."



Rick Findlay & Christine Nolette at their store in Peace River

Rick approached Pinnacle Business Services in the Spring of 2000 to assess the viability of opening a Panago® franchise and to prepare the business plan. Ken Balcom of Pinnacle made several trips to Peace River to discuss the market and financial feasibility of the project. It also involved working hand-in-hand with the Panago® area representative to discuss potential sites, lease arrangements, start-up costs, and average sales for other stores in smaller communities. In small towns such as Peace River, with a population of approximately 6,500, you do not see too many well known fast-food franchises, however Panago® has a history of success in small centres, including High Level, Drayton Valley, Rocky Mountain House and Olds. "They have a formula for success and expect you as the franchisee to stick with it", reports Rick.

The business plan was completed and subsequently the project received financing approval from a local Chartered Bank in the Fall of 2000. The first order of business was for Rick to give notice to leave his job in the oil field. Christine also left her job as a travel agent and they

packed up the truck and traveled to Abbotsford, B.C. for a six-week training program.

While they were in B.C. the store was being built, such that by the time they returned from their training, they were ready to start right into their own store. It's difficult to do any business activity during the Christmas period, however Rick and Christine worked through it and officially opened their business with very little promotion, on a good night - New Years Eve!

To date the business has been well received by the community...living proof that franchises can succeed in small towns. As for the long hours...Christine replies, "Even when you are home we are always thinking and working the business, from catching up on paperwork, to organizing and planning promotional programs...we can't expect anyone else to put in the same time, energy and heart into this business as Rick and I."♦

"They (Panago®) have a formula for success and expect you as the franchisee to stick with it."

Message from the GM, continued from page 1

We would also like to take the opportunity to express our appreciation to the individuals who volunteer their time and expertise to sit on the Apeetogosan Board of Directors. You can read about two of these individuals, Nelson Caron and Sid McDougall in this issue.

With the 73rd Annual Assembly being in Bonnyville this year from August 9-12, 2001 we hope many of you will have the opportunity to drop by our information booth and get acquainted with our staff. A copy of the Apeetogosan "Annual Report" will be available. ♦

NELSON CARON, NELRO SERVICES LTD.



EDMONTON - Life growing up in Batoche and St. Louis, Saskatchewan was much different than the life Nelson Caron now has as a self-made businessman in Edmonton. After graduating from St. Louis High, Nelson moved to Prince Albert, Sask. and went to Business College. In 1960, he married his high school sweetheart, Bea. He eventually took a job with Domtar and in 1965, he

was transferred to Edmonton. While in Edmonton, Nelson enrolled in evening courses at the University of Alberta, Faculty of Commerce. After achieving a career in his chosen profession, law enforcement, Nelson decided to make a career change. With the support of Bea, they took out a mortgage on their personal residence and started Nelro Services Ltd.

Nelro Services Ltd. is an Edmonton based flooring, renovations and tenant improvement company primarily

servicing property management companies. The initial stages of development of this fledgling company were difficult, especially during the early 1980's. Interest rates were higher than they had ever been in banking history and both small and large businesses were failing every day. It wasn't until the mid-80's that Nelson and Bea felt all their hard work was starting to bear fruit.

Today, Nelro Services Ltd. boasts a client base throughout Western Canada. The company employs between 40 and 50 people at varying times of the year and is ranked as one of the larger suppliers of floor coverings to property management companies in Alberta. While Nelson is President of Nelro Services Ltd. and oversees the general operation from all aspects, he is releasing the reigns to his nephew, Trevor Vey. Ever since the tender age of fourteen, Trevor has shown a definite interest in working for Nelro and after having completed his degree at the University of Saskatchewan in General Sciences, he came back to work full-time for Nelro. Trevor is now the company's General Manager and works closely with Nelson on all corporate issues.

Nelson Caron has had quite a varied career since graduating from St. Louis High School. We are very proud to have Nelson as a Board Member of Apeetogosan. Prior to his current position as Treasurer of our Board of Directors, Nelson sat as a Trustee for Apeetogosan. As a Board Member, Nelson has provided management and staff with invaluable assistance and support and he has consistently shown his dedication to the principals and values by which Apeetogosan is guided. ♦

SID McDOUGALL, PEPCO TUBULAR SERVICES LTD.



EDMONTON - Sid McDougall is President of Pepco Tubular Services Ltd., a pipeline service provider. He is also a Director for Apeetogosan (Métis) Development Inc. and has been active in this role since his re-appointment in 1998. Sid had been on the Board previously from 1992 until 1996. His years of experience in managing his own business, in addition to his knowledge of the pipeline industry and heavy equipment, have been invaluable in his role as a Board member.

Sid was born and raised in Batoche, Saskatchewan. After school he eventually hired on with Bannister Pipeline Construction and in 1956 he was transferred to Alberta. The pipeline industry has been in Sid's blood all his adult life. He later hired on with Shaw Pipe Protection and traveled to various parts of the western hemisphere including Texas and Venezuela, finally settling down in Montreal as Manager of Coating Operations. As Sid put it, he graduated with honours from the "School of Hard Knocks", and in 1981 he felt it was time to venture out on his own and become his own boss.

Pepco Tubular Services Ltd. was formed and the company grew from Sid's experience in the industry, as well as

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Ray's Grip 'n' Rip GOLF Centre

14103 - 140 Street
(South of 137 Avenue next to Leon's)
Edmonton, AB
Telephone: 475-9326

Driving to Succeed

Not Just Self Employment, But a Lifestyle

EDMONTON - Ray Pearson, owner of Rays Grip 'n' Rip on 137 Avenue and 140 Street in Edmonton, used to work the graveyard shift in a gold mine in the Northwest Territories. On his weekends he would enter professional golf tournaments and play for money when one day a buddy encouraged him to seek his golf-pro certification. At about the time Ray attained golf-pro status in 1994, the gold mine in the Northwest Territories shut down and Ray was subsequently laid off. It seemed that the time was right for Ray to aggressively pursue more passionate ambitions.

Ray came to Apeetogosan in 1998 for a loan to help him set up his business. As Ray remembers it, it wasn't easy at first, but now he cannot imagine doing anything else. Recently we had a discussion with Ray on entrepreneurship and asked him, "Ray, as a golf driving range owner for 2 years now, what does self-employment or, entrepreneurship mean to you?" He replied that, "entrepreneurship is not just about ownership and

associated obligations, its about creativity and how you live your life in what you do." We asked if he might explain this thought further and this is what he wrote:

"For as long as I can remember, I had two real desires in my life; golf and self employment. Hi, my name is Ray Pearson, and I own Ray's Grip 'n' Rip Golf Centre. This is my story, a story without an ending.

Because of my love of golf and business, I knew that no matter what other job or field I was employed in, I would never feel completely satisfied. With Apeetogosan's help I was able to begin a dream journey of being self-employed in the golf business. I soon realized that being self-employed was not the completion of a goal, but actually the beginning of one.

My business is like a building. I began with the foundation, the driving range. It was a great start, but, like anything else, it needed to grow and expand. Consequently, I began to develop new aspects to compliment the driving range (adding new levels to the foundation of the driving range). For example, I now provide golf lessons, make custom fitted golf clubs, and do all sorts of club repairs. I also have a putter that I invented that I market on the Internet. I have a golf instructional booklet that I wrote, and when the golf season is over here in Edmonton, I spend the winter down in Arizona working as a caddy at a private golf course. My point is that being an entrepreneur is not simply working for yourself, it is a lifestyle, where your business is an integral part of who you are. Accordingly, I don't think of entrepreneurship as a means to an end, rather, I think of entrepreneurship as a journey that by my own creation, continuously evolves without ending."



Ray's message is simple: entrepreneurship is doing something you have a passion for, while at the same time satisfying a market need or want. It's a calling that Ray thinks everyone has, but few have figured out. Kudos to Ray, for finding his "groove" and sharing with us his passion for golf with his aptitude for business. ♦

"My point is that being an entrepreneur is not simply working for yourself, it is a lifestyle where your business is an integral part of who you are."

Leroy's Motor Inn, *continued from page 1*

in long hard hours to make a new life for Vi and himself. The Flamond's have two grown children. Sandi, their daughter, works out on the west coast with BC Ferries and their son Fraser manages the general day to day operation of the business in Strathmore.

In 1974 the Flamond's traded off a new duplex that Leroy had just built, for a dilapidated motel in Strathmore. Over the years, the Flamond's have worked at building up the motel to what it is today. The motel currently boasts 39 modern suites with a full service gas station, convenience store, campground, and as mentioned earlier, an excellent restaurant. Leroy is a typical entrepreneur and he has actively invested in numerous projects over the many years that he has been in business. Always in the background, it is Vi who ensures that the finances are available to support the various projects that interest Leroy.

In 1995 Leroy was honored by the City of Edmonton and presented with a certificate that commemorated his name being added to the Honour Roll in recognition of his exemplary boxing career. Interestingly, Leroy had spent part of his youth sharing accommodations with the current mayor of Edmonton, Mayor Bill Smith. We

asked Mayor Smith if he could recall some incident from this time period that he could share with us. He remembered that during this period, five young men shared meager accommodations; he was working on his football career and Leroy was working on his boxing career. In a moment of spontaneity, Bill jokingly challenged Leroy to a sparring match in front of the others in the room. As they were putting on the gloves, he asked Leroy to take it easy on him because he didn't want to have anything disrupt his fledgling football career. Once they started sparring, Bill unexpectedly caught Leroy with a left hook and immediately proceeded to remove his gloves in fear of retaliation from Leroy. As Mayor Smith put it, Leroy was well respected for his boxing abilities and he didn't really want to feel the effects of it.

We at Apeetogosan would like to express our great respect for this man who has fought adversity from the tender age of fifteen and worked hard to set goals for himself. Leroy Flamond is a true entrepreneur and we are honoured to have had the opportunity to work with him. ♦

Consultant's Corner, *continued from page 2*

CONSIDERING PURCHASING A FRANCHISE?

If you are considering purchasing a franchise make sure you investigate the franchise opportunity thoroughly prior to making a financial commitment. Just as the franchisor will want to know everything about you as the prospective franchisee before granting you the franchise, you should do everything possible to investigate the franchising company. Some things you should investigate are:

- Franchisor's credit background - Who are the owner's of the franchise company? Check with a local bank to see if they have an approved financing package for franchise stores.
- Request and analyze the franchisor's most recent financial statements and obtain sales for typical stores in the franchise system. Franchisors in Alberta are required to file a prospectus with the Alberta Securities Commission, which will include historical financial results, and typical projected operating results for stores in their system.
- Request a list of all franchisees with their locations and telephone numbers. Talk to a few franchisees in market locations that mirror your own.

- Request a copy of the standard Franchise Agreement. Here you may learn what restrictions you will have in operating, length of term, and costs of subsequent franchises;
- Does the franchise you are considering have true brand awareness and acceptance in the market place you have chosen? Just because a franchise has proven success in other markets (including other Provinces and the U.S.) does not necessarily mean this success will be translated to your market location. You may be paying substantial amounts of money in franchisee fees, advertising fees, and royalties which go to support other franchises in the system but which provide little benefit to the 'pioneer' franchise in a new market. ♦

Ken Balcom is a Certified Management Consultant and the Senior Business Consultant for Pinnacle Business Services Ltd., a subsidiary of Apeetogosan (Metis) Development Inc. Feel free to phone Ken to discuss a business idea you may be considering. He may be reached toll-free at 1-800-252-7963.

THE HILL AND HOLLOW CAMPGROUND

FAUST - The Hill and Hollow Campsite is located 4 kilometers east of Faust on the Lesser Slave Lake. Adjacent to Highway 2, it is a relative newcomer in the RV Facilities business, although the business has been in operation for five years. It is approximately one mile away from Lesser Slave Lake and uses Strawberry Creek as its access to the lake.

The owners are Ed and Denise Astle. They purchased the Lakeside Hotel in Faust in 1987. Tourism was just starting in the area of the lake around Faust and they soon realized there was a need for campsites in the area. At that time there were campsites in Jousard and Kinuso, but nothing in Faust. They purchased this 60-acre parcel in January 1995 and began construction in May. Ed designed the site and supervised all construction. They used local contractors and opened for business in the spring of 1996. Each year, other than 1996-97 when the bottom stalls were flooded under water, business has grown steadily.



The Astles enjoy meeting people and Ed has always been an avid fisherman with a good knowledge of the lake and the species of fish in it, and he's happy to share this knowledge with others. The creek is about 70 feet wide and between three and five feet deep from the campsite to its mouth. During rough and windy weather patrons can still fish in the mouth and up the creek to and past the campsite. Boats can be moored right beside the camping stalls. The Hill and Hollow Campsite has approximately 80 stalls, of which 40 are on the hill with a great view of the lake and forty are in the hollow beside the creek. Additionally, 20 of the stalls are equipped with 15-amp power. In the future they hope to add additional paddleboats for rent, as well as offering boats and kayaks for rent or boat tours for sightseeing or fishing.

When asked to comment on their personal experience in starting their own business they replied, "Anyone interested in starting their own business must first have an understanding and passion for whatever it is. And then when they are lucky enough to turn it into a business, they can wake up every morning and be happy to be at work. Loving what you do shows in your business, with the pride you take in that business. We enjoy this business and can see our selves in this business up to and past our retirement years."

"Thanks to Apeetogosan we have been able to add more amenities to our campsite in the past year. They were very approachable, friendly, and knowledgeable. And I would recommend them for financial assistance, once you have a sound business plan in hand. Good Luck to all starting their own business! Remember, all good things take time and so does establishing a new business!"♦

Contact the Hill and Hollow Campsite at:
Box 7 Faust AB T0G 0X0
Phone: (780) 355-2225
Fax: (780) 355-2500

"Anyone interested in starting their own business must first have an understanding and passion for whatever it is."

Strathcona Moving and Storage

EDMONTON - Strathcona Moving and Storage has been in business in the greater Edmonton area for nine years. It is owned and operated by Ronald Bruchet who originally came from Lethbridge. Ron's background was in radio advertising and management for South Alberta Broadcasting. He was enticed to Edmonton to organize the launching of the new radio station CISN, where he worked as the sales manager for three years.

In 1989 he bought a small moving company whose chief activity was the delivery of newly manufactured kitchen cabinets from the warehouses to new homes under



Drivers, Mike Frame & Rob Southern

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Strathcona Moving & Storage, continued from page 7

construction. Within two years Ron purchased an Atlas Van Lines agency from an operator who was having trouble making a success of it in the Edmonton market. He has merged and grown the businesses and today operates one of the largest van line agencies in the Edmonton area.

The company has continuously increased its share of the commercial relocations in Edmonton. Relocation for government departments such as the federal Department of National Defense, the RCMP and provincial departments are also regular occurrences. The company recently completed the relocation of the Griesbach base from north Edmonton to the new south Edmonton location. To ensure that household moves are as worry free as possible, the company also offers packing and unpacking services, as well as a tidy-up services after the move out. Short-term and long-term storage is available in large secured premises.

Strathcona Moving & Storage maintains a quality rating that has been in effect for the past three years. Only the top 15% of Canadian Atlas agents are awarded this standard of excellence, which recognizes the Strathcona agency as one of the leaders in terms of growth, low incidence of damages, and strong references from happy families who have made their move with Strathcona.

Anyone needing information about a relocation can call Tina, the office manager, at (780) 451-4774, 1-800-220-0191 or email to strathco@telusplanet.net.

See their full-page advertisement in the Yellow pages. ♦

Pepco Tubular Services, continued from page 4

through his understanding of the necessity to keep one step ahead of the competition. The company now services all four Western Canadian provinces and has done work as far east as Quebec and into the US and Cuba. Pepco provides pipeline services and holds the Canadian rights to the Zap-Lok(tm) system, which replaces the requirement for welding on pipelines.

Apeetogosan is grateful to Sid and all of its directors, for all the time and effort they have given to the corporation. ♦

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SERVICES
LTD.



Apeetogosan (Métis) Development Inc.
is committed to providing profitable
and sustainable financial services and
support to clients who seek the means
to attain economic self-sufficiency.



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INTERESTING WEB SITES BUSINESS FRANCHISES

- Industry Canada website, quick search:
franchising
<http://strategis.ic.gc.ca/>
- Canadian Alliance of Franchise Operators
<http://www.cafo.net/>
- Canadian Franchise Association
<http://www.cfa.ca/>
- Franchise Opportunities: Directory of
franchise businesses for sale
<http://canada.franchiseopportunities.com/>
- Canadian Business Franchise magazine
<http://www.cgb.ca/>
- Business Tips: Franchising checklist
[http://www.mindconnection.com/library/
business/franchise.htm](http://www.mindconnection.com/library/business/franchise.htm)
- A Consumer Guide to Buying a Franchise
[http://www.ftc.gov/bcp/conline/pubs/invest/
buyfran.htm](http://www.ftc.gov/bcp/conline/pubs/invest/buyfran.htm)

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