

April's fool

Last April Fool's, Sandra Schulze discovered that plumbing had played a cruel joke at her Hard Disk Café. "A pipe from our dishwasher burst overnight. Our place was flooded, completely and totally soaked," she says of her business that catered to corporate caffeinistas with office necessities, including photocopiers and meeting rooms.

That evening, a large business meeting was scheduled to be held at Hard Disk and a birthday party was booked for the weekend.

Schulze, 48, had only recently moved to the 17th Ave. S.W. location, which she had leased and refurbished. What she hadn't considered was whether the insurance was adequate to protect her against disasters.

A soaking wet café was only the beginning of Schulze's problems. When a clean-up company vacuuming the water cut through waterlogged walls and panelling, workers discovered pre-existing mould. That's when Schulze discovered insurers never cover mould and, in fact, her insurance policy only included content damage. To make matters worse, her landlord's insurance didn't cover water damage. "I felt pretty bad that I had no clue, in the case of a disaster, what to actually do," she says.

In the end, neither policy covered much of the damage, with estimates totalling \$45,000. Hard Disk shut down two months later.

IN RETROSPECT:

Schulze, who now owns Schulze & Ogilvie, an advertising agency, says she knows when leasing business space that she needs a good insurance policy to cover flood and fire damage. Also, she will now check the type of insurance the landlord carries.

Digging his own grave

For four years, Chris Cooper worked behind the scenes on TV reality show *Survivor*, building the challenges that weeded out the weak. He constructed the giant puzzles and the torturous races contestants used in exotic locales: Panama, the Cook Islands, Brazil and Guatemala.

"We'd build the whole thing to completion, then we'd get the camera crew, directors, and a team to test it," says Cooper, adding several laborious changes were always inevitable.

The experience prompted Cooper to start a landscaping company, Sunfoot Inc., in 2006.

Ironically, the ambitious 28-year-old almost

didn't survive his own business, which has seven seasonal employees. Used to being a hands-on guy, he enslaved himself to the grunt work, putting in, as he says, "absolutely ridiculous hours." Sodding, shovelling and bulldozing for 12 to 14 hours a day meant long lag times in returning clients' phone calls and generating new customers; in short, he neglected managing the company and lost many prospective contracts.

"I was torn both ways, trying to do so much actual work and trying to maintain these new staff, doing contracts, etc.," he says. "I reached a breaking point. I needed to stop being out there on the tools, to focus more on the operational side of the business. I was trying to wrap my head around that transition for so long, but didn't know how to do it."

IN RETROSPECT:

After two exhausting seasons, Cooper realized his staff was up to the challenge of, er, hoeing the line. By delegating work, he concentrated on business operations. Now, clients receive timely service.

The loan groan

At ACA AV Productions, owner and president Ric Bentkowski encourages his employees to have a hand in his company's future.

For several years, the multimedia communications company has been rapidly growing. So much so, it was recently on the cusp of a major expansion, with plans to purchase new equipment, including a sound stage. "I had a date circled on the calendar because we were only going to do this once we got out of bank debt," Bentkowski says.

Bentkowski, 55, was proud when his debt-free date arrived. "I walked to the bank, kind of chest all puffed out, because it had been a long grind." Or so he thought. After all, that's the information he thought he entered in his computer five years ago.

After thanking the bank's business manager for the so-called five-year loan, the banker was stunned. "What do you mean you're done? You've got another year buddy!" he told Bentkowski, who in turn thought it was a joke.

"It was a shocker when he looked at me," Bentkowski says. "It was a shocker when I looked at the papers, and it was a shocker when I told my wife and all the boys."

"They just kind of looked at me and went 'Whaaaa? That's kind of fundamental isn't it?' Well yeah, as a business owner, it should be.

So I had to sing and dance and put seltzer in my pants and put a positive spin on it."

IN RETROSPECT:

This was just a goof, Bentkowski says. As for advice, he says businesspeople should stick to their knitting. When you're running your own business, you've got lots of balls in the air, but money, marketing, personnel and revenue are the four key balls to watch. Some others will bounce to the ground, some will break, but those aren't the ones you've got to keep your eye on.

Tightwad turns over

His business card flashes a bright orange goldfish on a hook, and to catch big ideas for clients' businesses, his unofficial job title reads: "Idea hooker." But snagging staff for a pittance hasn't been bountiful for Kevin Franco. In fact, several years ago he learned hiring subcontractors on the cheap left his reputation drowning.

A homebuilding company hired the advertising and marketing consultant eight years ago to build a website. He was spreading himself thin with too much other work, so he decided to hire a subcontractor to handle the job.

"After starting the project," Franco relates, "my subcontractor decided to quit. So I had to find another subcontractor. I found one and negotiated a price, and he got started on the project, which took forever, and eventually I had to fire that contractor and get yet another contractor."

While hiring each subcontractor, Franco, now 40 years old, negotiated the cheapest pay. He later discovered that the cut-rate pay prompted those designers to push Franco's work aside when they received a better offer. To make matters worse, Franco lost thousands of dollars on forfeited deposits when the hired designers didn't deliver what was originally agreed upon.

"It seemed at the time that every person I brought in was just a disaster. I found trying to nickel-and-dime the rate isn't really a good idea," declares Franco. "I ended up paying full price and got it done exactly how it should be." The client grumbled about the repeated delays, tarnishing Franco's business reputation.

IN RETROSPECT:

Now, Franco no longer negotiates pay rates. In fact, when he hires new staff he asks them what they are worth. If he agrees, he'll pay it. ■