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Entrepreneurs, get out of your basements

SEAN STANLEIGH - The Globe and Mail

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Living above a pizza joint doesn't cut it

In a profile by The London Free Press, the founder of Echidna Solutions Corp., Andrew McClenaghan, argues tech entrepreneurs need to get out of their basements to spur the growth of their businesses.

"There is no risk, there are zero dollars" with a home-based venture, he says.

In 2002, after graduating from the University of Waterloo, Mr. McClenaghan spent eight months on a project for a Toronto-based web company while while living in an apartment above a pizza joint in London, Ont. After a few more contracts, he moved into a duplex, which the Free Press dubbed a "version of the geek's basement."

Repeat calls from businesses started to come in, and Mr. McClenaghan says he realized it was time to move into a proper space. "I was looking for a big change. The duplex was not real. It was too sheltered, like a half attempt."

Experts love to tell entrepreneurs to get out of their comfort zones. Mr. McClenaghan is a poster boy for having actually done it. He found what he says was the only building in London's core selling for under \$200,000, he bought it in 2008, he did a lot of the renovation work himself, and three years later he has outgrown the space and is already moving into a new one.

"It gave us credibility that we were not going to disappear tomorrow, which is part of the problem with this industry. If it takes zero dollars to start, it takes zero dollars to close."

Echidna has a staff of 14, and Mr. McClenaghan is aiming for 30.

Emulating the work of a number of small and mid-sized cities across Canada, London's city council has "approved the idea of creating a hub and incubator in the core that would house small technology micro-businesses in a heritage building," the Free Press reports.

It's a positive step, a nice bridge between the basement and a full-scale separate location, which can be expensive and intimidating for a micro business.

Economy devastates small businesses in Greece

Small shops, in many ways the lifeblood of the Greek economy, which relies on domestic demand, are shuttering by the day, the Economic Times reports. The heightened speculation that Greece might have to return to the drachma has given new impetus to the flood of money leaving Greek banks, destined to be deposited outside the country, stashed away in a house or car, and most certainly not spent. The Times leads with a jewelry shop owner named Tasos from a working-class Athens neighborhood who has not had a sale in more than three months, and who can no longer afford to pay his electricity bills. The effect on his small business, which he says may have to close, has been devastating. His customer owe him 14,000 euros and those he actually still sees are looking to pawn family heirlooms.

Take necessary steps to prevent poaching

A team of startup employees "must possess a more entrepreneurial spirit as they are not always large in size or have big budgets to fall back on," Morgan Norman, founder and CEO of WorkSimple, writes in a guest post for Mashable. There are a ton of work-related benefits, he says, including the opportunity to dive into a variety of business functions, and there's usually a lot of feedback and flexibility. The downside can include a lack of job security and less financial compensation. So, Mr. Norman asks, how can small businesses prevent their employees from getting poached?

- Train them so that they don't feel lost and get fed-up quickly
- Work as a team on identifying and prioritizing individual goals.
- Individuals are expected to be self-starters, so help them improve and learn from mistakes.
- (Provide employees with the resources to better their professional reputation.

EVENTS AND KEY DATES

The Globe's Small Business Summit is Tuesday

Sourcing capital, tapping into immigrant talent, and staying current in the technology space are among the dozen sessions at The Globe and Mail's Small Business Summit on Tuesday in Toronto. The event is designed to take your business to new heights and to help foster your own personal success. Sessions will be lead by a combination of experts and veteran entrepreneurs. Maxime Bernier, Minister of State for Small Business

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and Tourism, will present the opening keynote address. Tickets are \$199 for a full day of learning and networking, click here to register. You can follow the proceedings on our live blog on Tuesday, hosted on the Report on Small Business website, or use the #globesbs11 hashtag on Twitter.

Enhance the value of your business

If you own a private corporation with annual sales ranging from \$2 million to \$150 million, SBLR Chartered Accountants is putting on a complimentary breakfast seminar designed with you in mind. Hosted by one of the firm's partners, Mitch Silverstein, and Chris Nobes, managing director of Campbell Valuation Partners, topics include how to measure the value of your private company, strategies for enhancing the value of your business, tax savings through the multiplication of the capital gains exemption, maximizing family income through new income splitting techniques, and protecting assets through holding companies and family trusts. The seminar takes place Nov. 29 in Toronto, starting at 7:45 a.m.

EDITOR'S PICKS FROM REPORT ON SMALL BUSINESS

Make programs relevant to female entrepreneurs

Women's entrepreneurship is falling short in Canada, according to a task force report issued Monday. Only 16 per cent of all small and medium-sized businesses are majority female-owned, according to the latest data from Industry Canada. Moreover, the average annual revenue of those firms is roughly \$563,000 versus \$1.12-million for majority-male-owned businesses. "Hundreds of thousands of Canadian women seek to grow their firms, and I think there rests the gap," said Barbara Orser, chair of the Canadian Task Force for Women's Business Growth, and a business professor at the University of Ottawa. The report says Ottawa needs to consolidate existing small-business programs to prevent overlap and to ensure those services are relevant to women entrepreneurs.

FROM THE ROSB ARCHIVES

Helping women owners connect with big companies

WEConnect, which has several chapters across Canada, offers an official accreditation program for female-owned companies. The independent, not-for-profit organization began operating in Canada in March, 2009; it is modelled on a U.S. parent, now in its 13th year. To become a WEConnect member, a company must be at least 51-per-cent owned by women. Once certified, member firms get the chance to supply goods and services to some of the world's biggest companies and to bid on U.S. and Canadian government contracts. At the time of the story, 67 certified companies were certified in Canada and another 24 were currently going through the application process.

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