

Making Headway

Reporting on the Financial and Consumer Services Commission's Fullsail Capital Markets Initiative

Fully Grown in New Brunswick



FINANCIAL AND
CONSUMER SERVICES
COMMISSION

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Editor's Note: Looking to our province's success stories

At FCNB we have a mandate to foster fair and efficient capital markets, and develop confidence in those markets. We collaborate on initiatives that provide education and resources to improve access to capital for entrepreneurs and businesses in New Brunswick.

We were one of the first securities regulators doing this in Canada and our experiences have led to conversations nationwide around how others can support and grow their capital markets.

This edition of *Making Headway* completes our series on Growing in New Brunswick. We focus on three companies that are established and successful. We thought it would be timely to remind our readers that there are many successful companies that are Home Grown right here in New Brunswick.

For over 10 years FCNB has been working with many of New Brunswick's business leaders. Throughout that time we have gained from their valuable insight and wisdom. You will see some of that wisdom repeated throughout the articles in this edition, much of it comes down to best practices that start-ups and in fact companies in all stages of development should consider implementing. Some of these best practices include:

- Stay focused. Know what you want to achieve and base decisions on achieving those outcomes.
- Live and breath your mission and make sure staff know what that is. It is okay to say no to jobs that don't fit.
- Your employees are your most valuable asset, treat them as such. Provide good pay, benefits, training and a supportive company culture.
- Don't be afraid to talk to someone outside of the company. Having conversations with people who have been in similar situations, or have an outside perspective can provide clarity and insight.
- Technology changes things all the time. Consider if a new technology will pay off, however don't lose sight of what is already working.
- Know your competitors, know your consumers, and know your own strengths and weaknesses.

I hope you enjoy this edition as much as we've enjoyed developing the content. From molasses, to wood manufacturing, to pet food - New Brunswick has some very unique enterprises and very dedicated business leaders building and sustaining their businesses.

Enjoy!

JEFF HARRIMAN, SENIOR ANALYST, CAPITAL MARKETS, FCNB

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WE WANT TO HEAR FROM YOU

Tell us what you'd like to read in the next edition of *Making Headway*. You can submit your story or send us an email telling us about something great that is happening in New Brunswick's capital markets.

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Corey Nutrition: 35+ years of innovation and nutritional excellence



For over 35 years, Corey Nutrition has remained family-owned and operated in New Brunswick with nutritional integrity at its core.

Humble roots

Raised on a dairy farm in New Brunswick, Lee Corey grew up knowing the meaning of hard work, the importance of being on time and not letting others down. It instilled in him an industrious attitude and entrepreneurial drive.

In 1982, after working as a marine biologist for the New Brunswick government, Lee's entrepreneurial spirit mingled with his desire to bring safe, trusted nutrition to fish and family pets.

And so, Corey Nutrition Company was born. The company began producing high-quality aquafeed and entered the pet food market in 1991. It now produces three lines of dog and cat food at its facility in Fredericton.

Growing in New Brunswick and beyond

The need to export became critically important as New Brunswick's local market was not large enough to sustain growth.

One of Corey Nutrition's first supporters was the Atlantic Canada Opportunities Agency (ACOA); Lee's was the first file through ACOA when it was first formed in 1987. Other partners include Post-Secondary Education Training and Labour (PETL) and the Export Development Council (EDC).

In export markets, "you need folks who speak the language and understand the culture to gain trust in the country where your product is being shipped," says Lee. "It's all about building better relationships. The EDC is critical

Corey Nutrition – continued

to vetting those relationships before we embark on developing them further.”

Changing landscape of business

Lee indicates that new digital technologies have detracted from the value we place on human-based skillsets.

“It seems like people forget that not everything is created on a computer. Without people like plumbers and mechanics, we wouldn’t get anywhere. Skilled workers could decide to leave New Brunswick at any time to get a higher paycheque elsewhere, so I focus on creating an environment where people want to stay,” Lee states.

Lee realized early in his career the importance of mentorship in gaining perspective. He hired Paul Levesque, owner of Delta Electric,

as his personal mentor. “He was tough as nails, but honest. He always started by asking me about my family. And his mantra was to make money, have fun, and do business with people you like.”

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This advice really spoke to Lee who, as an entrepreneur, puts in many long hours. Lee believes focusing on these three things can really help people keep a healthy perspective during stressful days. The advice also helps him focus on what he’s building for – and with – his family.

A new generation of family-owned business

Two of Lee’s four children now work full-time for Corey Nutrition. The entire family played a role as he built the foundation of the home-grown company. In his position as Chair of the New Brunswick Business Council, Lee sees more and more family businesses examining and prioritizing their own succession strategies.

As the next generation follows in Lee’s footsteps, Corey Nutrition’s core values remain unchanged: optimum nutrition, maximum food safety, and customer service excellence. His personal values are persistence, integrity and constant improvement. Lee always asks himself and his team: What can we do to be better? How do we become the best?



Crosby Molasses Company is all about family – an interview with James Crosby

The sweet smell of molasses surrounds you when entering the Crosby Molasses Company. Crosby's is a fifth-generation company started in Yarmouth 140 years ago. It has been in Saint John since 1897. We sat down with the President, James Crosby to talk about the company's history and how his family has managed to adapt and grow with the times.

James indicates that mentorship is critical for a business leader as you can learn from people who have been on similar journeys. His father serves as his mentor; as well, he works with a former business executive who has been an invaluable resource as he prepared to take on more leadership within the company.

"Entrepreneurship can be lonely and it's really important to not isolate yourself," he said. "Anyone thinking of running their own business would definitely benefit from talking to other people who have been down that road - there are so many opportunities to learn from their experience."

James participates in peer groups with the Wallace McCain Institute and the Young President's Organization (YPO). These groups provide business leaders with a confidential environment where they can share challenges and gain insight.



An interview with James Crosby – continued

“The customer is at the centre of everything we do,” shared James. “Looking after our employees is critical to us being able to achieve that goal. We are deliberate about where people want to grow personally so we can train and develop along that path. We want our company to be an enjoyable place to work, so our employees can give their best to our customers.”

James attributes the company’s success and longevity to the fact that it is a family business. James and his management team, which includes his father Jim and brother William have built a long-term strategy to gain a better understanding of the consumer mindset.

“More consumers are concerned about the impact of processed sugar on their health and are looking for natural alternatives that support sustainable practices,” James said. Consumers have an increasing interest in alternate sweeteners such as maple syrup, honey, and agave. James believes Crosby’s is well situated to meet these demands. “With our unique flavour profile, no added ingredients, and the fact our product is sourced from a single mill, we are confident that those new to molasses will be pleasantly surprised by its properties and versatility.”

Its diversity is what makes it so appealing. While more people are cooking less and less at home, Crosby’s is tapping in to its family roots to sell the experience of slowing down, spending time with family and friends to bond over home cooked meals.

“One of my favourite holiday memories is making homemade gingerbread men with my siblings and cousins,” shared James. “The memory of my mom taking the sweet and spicy dough out of the fridge and all of us gathering around to make our own has stayed with me for over 30 years – I want others to share these types of experiences.”

While Crosby’s has been operating for over a century, James indicates that it’s important to always look to the future.

“It’s about understanding where we’ve come from, and anticipating changes that are coming. You can’t be on your back foot if you want to succeed.”

“I like being able to be in control of my own destiny,” James says about being an entrepreneur. “It’s about understanding where we’ve come from, and anticipating changes that are coming. You can’t be on your back foot if you want to succeed. We want to serve our customers better than anyone else in the market and that requires being agile, looking to the future and expanding our reach into larger markets.”

Groupe Savoie : “It took courage fuelled by necessity”



Groupe Savoie was founded in 1978 when Hector Savoie and his son Jean-Claude purchased two saw mills. The Savoie’s had a tough start to their enterprise when two years later, one of the mills was devastated in a fire. They really had to dig deep to keep the company alive and through their perseverance and initiative they were successful. Now, the organization is thriving as a leading producer of a wide range of hardwood products.

In fact, it was their innovation in wanting to include more of a value-added process to their manufacturing of hardwood that led them to be one of the biggest pallet manufacturers in Eastern Canada producing up to 2 million pallets a year.

Groupe Savoie currently exports up to 50,000 tonnes of pellets

a year from Belledune to the U.K. Their business has grown internationally by intentionally focusing on seeking out these customers.

In 1988, they worked with an equipment designer to build a traditionally unused type of sawmill that would saw four-foot lengths. This was revolutionary, because traditional mills only allowed for 15 percent of the tree to be used and 85 percent ended up being pulp with no market. To ensure sustainable forest practices, they have now invested in wood processing equipment to help facilitate using all of the trees they harvest, becoming one of the first hardwood suppliers to have this implemented. By having a vision of maximizing the use of the trees and then resourcing ways to do it, the company flourished.

“If we had stayed with a conventional sawmill, we wouldn’t be here,” shared Alain Bossé, President and Chief Operating Officer. “It was a tough business when the Savoies started out – it took courage fuelled by necessity. Now, we employ 600 people, and are truly able to give back to our community – a value that is critical to our organization.”

When Mr. Bossé was asked about the best tip for future entrepreneurs, he said:

“Our biggest asset is our people. We have a group of young people who are devoted, creative and loyal. Mills, equipment, anyone can have those but good quality people are hard to find, so we focus on how we can create an environment where they will want to stay.”

In addition to supporting their staff, they also are actively involved in fundraising activities throughout the year through the Hector Savoie Foundation, which helps people in their community.

As a family business a solid succession plan is critical to long term success. Nathalie Savoie, who grew up in the saw mills run by her father is set to take charge. This preparation will keep the company in good hands.

The management team recognizes the struggle of where they came from and use their vision of adding the maximum value to available forest resources to direct them in the company’s future.

Leading the way: tips to succeed in changing times – an interview with Adrienne O’Pray



Over my past 20 years in business almost every year was THE year of unprecedented change. Each year was faster than the one before, this year’s technology was ‘the’ game changer and, the old adage that the “only thing you can count on is change.”

So really what does it take to thrive as a business in these ever challenging and changing times?

In my work with the leaders of the NB Business Council, I am fortunate to hear their stories of challenge and success, change and growth. So, when asked the question “What does it take to succeed in New Brunswick?”, a few themes come to mind.

If I had to choose the top three distilled from these many conversations and my own experience it would be: **Tenacity**, **Collaboration** and **Reflection**.

Tenacity: the ability to roll with whatever comes your way and move toward the challenge to overcome is critical. Everyone has a story of tough times that required courage and determination – the failed technology, the loss of a major client or an industry that is turned on its head seemingly overnight. Stories of resourcefulness, pushing through to find a better way, a better market, a better product are heart wrenching and inspiring at the same time – yet they prevail.

Collaboration: I love the description of networking in New Brunswick – ‘1 degree of separation.’ When people come to our province and share their experiences, one of my favourites is about how easy it is to meet, connect and get help from the people here. People are willing to make connections, share honest advice and give others a chance. Don’t get me wrong...collaboration is hard work but the desire to build a relationship that is beneficial for all involved is the hallmark of our region. It’s what makes working here one of the best places to do business – the people and their generosity of spirit, so that all can win.

Reflection: Susan Forward, author of ‘Fierce Conversations’, has a great concept she explores “Gradually then Suddenly....”. This concept brings home the point that if we had really taken time to step back, pause and reflect, then what seemed to just happen overnight was happening all along, we just chose not to see it. For the leader, building time to reflect is building your business. The discipline of pausing, asking questions, looking for feedback from those around you is a skill that, in these ‘crazy busy times’ could be the marker of success for a leader of tomorrow.