

# Business NEWS & VIEWS



## AFSC

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## Tantalized tastebuds translate into big business

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THERE ARE MANY POSITIVES ASSOCIATED with the ability to travel around the world relatively inexpensively and quickly. But one of the more enjoyable positives is the ability to sample the culinary delights of other countries.

Even more exciting is the chance to enjoy authentic cuisine right here in Alberta. And so it is with one Alberta company that specializes in samosas, those wonderful pyramid-shaped appetizers from the Middle East.

Samosas are one of the most treasured appetizers of all snacks, and the premier product of Sherwood Park's Aliya's Foods Ltd., under the brand name Chef Bombay. Even though the company started up only two years ago, it has already realized a 300 per cent growth due to the popularity of this snack food.

"Our vision is to become the authentic east Indian provider of east Indian foods, from starters to desserts," says Noorudin Jiwani, Aliya's founder and co-owner. "So we thought the best place to start was at the starters – samosas."

In just two short years, the company has expanded from two employees to 27 full time and four part time, working two shifts six days per week. Aliya's markets their product from coast-to-coast in Canada, in Safeway, IGA, Save-On Foods, Calgary Co-op and others. Chef Bombay's samosas are also gaining popularity in the United States, marketed to Costcos in the northeast regions, Sam's Clubs, a division of WalMart, Fiesta supermarkets in Texas, Larry's supermarkets in Washington and Rajah Foods in the Chicago area. New markets include Sam's Clubs in Mexico and Puerto Rico.

With the increased popularity of the product came the need to expand Aliya's production capabilities. And that's where Agriculture Financial Services Corporation (AFSC) has stepped in. AFSC Commercial has been with Aliya's since the beginning. According to Jiwani, AFSC was willing to stand behind the company – and their product.

"The other financial institutions did not believe in our product," notes Jiwani. "But AFSC believed in our business plan and believed in our strength, and stood behind a product that was never tested. I think it was their strength and their foresight that helped us to get where we are today."

*"AFSC believed in our business plan and believed in our strength, and stood behind a product that was never tested. I think it was their strength and their foresight that helped us to get where we are today."*

So when it came time for Aliya's to expand, they called once more on AFSC, which stepped in to provide funds to help Aliya's expand their premises by 30 per cent. With new freezers and two new bays, the company is set to continue and perhaps increase its production capabilities in order to satisfy a growing market for samosas.

So what advice would Jiwani give to other businesses wanting to expand?

"Anybody who is going to go through this should have a good and strong business plan, with realistic financial information included," he notes. "In our case, I measure where we are now compared to what we had projected in our business plan, and we're not far off. I think that lends credibility to an organization in the long run, because now AFSC believes what I have to say."

AFSC Commercial serves as an alternate source of financing for small business across Alberta. Business News & Views was created to meet your information needs and is published four times a year by AFSC's Corporate Planning and Communications Department.

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### Do you have a question or comment?

We'll make an effort to address them in upcoming issues of News & Views. Please mail your questions to:

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# Advice plants seeds of ideas

THIRTY YEARS AGO, TOM AND EMMY DROOG had a dream. Today, the couple has realized their dream; yet they are cognizant of the fact that it took a lot of hard work and persistence to get where they are today.

It all started in 1982 near Bow Island, Alta., when the couple created Alberta Sunflower Seeds Ltd., which packaged and marketed birdseed. From this humble beginning, the ideas started to form. In 1988, the Droog's expanded their operation and started Splendor Seeds Inc., to market top quality sunflower seeds for human consumption under the brand name Spitz. It took only a few months for Spitz to become a huge marketing success across Canada.

Today, the Droog's continue to expand their markets for sunflower seeds, as well as other snack foods. Tom's marketing savvy, as well as his down-to-earth nature, makes it all work. So much so that Tom loves to help other people develop value-added agricultural products in Alberta.

"Somebody gave me some help in the beginning, and now I love to help other people," he says. "And exporting raw products isn't the way to go, as far as I'm concerned. We have to do something with our products – secondary processing, that's the way to go."

Agriculture Financial Services Corporation (AFSC) has been involved in the success of Alberta Sunflower Seeds Ltd. and Spitz Inc.

almost from the beginning. Today, the company retains AFSC Commercial on a consulting basis, asking them for advice and suggestions to help Alberta Sunflower Seeds and Spitz continue to expand and improve. According to Tom Droog, AFSC provides a much-needed service for his business.

"We deal with Jim Cooper (Commercial Manager) for advice, and he really adds value," notes Tom. "And that's what we need – we need to add value. If you can't add value, there's no use having the advice."

The Droog's are constantly looking at new projects for their businesses, and with the coaching AFSC provides, they're able to look at things in a way they might not have on their own. For instance, Tom says they are expanding into China – but first, they went to AFSC for their advice.

"I like to bounce off ideas on Jim. He looks at things completely different than I do, from a completely different angle. We need this information, and he's the guy who can provide it in a practical, no-nonsense way.

"At times, Jim recommends that we add other professional advisors to our team to look at specific projects. The encouragement to do this – to add the team skills required – is very beneficial."



*Emmy and Tom Droog  
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To get where they are today, Tom says it's not enough to have an idea, nor to have advice. Rather, a person has to believe in a project before it can even start being successful.

"While it's crucial that advice be sought, it's also important to stick to your own ideas, to your own principles," says Tom. "So now when there are other projects that we want to get into, the first thing I do is go to Jim at AFSC. He provides really valuable information and gives me the straight goods. In the end, I always use some of his advice."

*"Somebody gave me some help in the beginning, and now I love to help other people."*

## Customer satisfaction is top priority

*Carolyn and Jim Nienhuis  
Foamco Industries Inc.  
Red Deer, AB 403.314.1318*

IT'S ONE THING TO PROVIDE A SERVICE. It's quite another to maintain loyal customers who return time and again.

But that's just what a small business in Red Deer is doing. Foamco Industries Inc. has so loyal a following, that they rarely have to advertise.

The company, owned by Jim and Carolyn Nienhuis, provides and applies polyurethane insulation, a remarkable product that over the years has taken the place of pink insulation in many applications.

In Alberta in particular, polyurethane insulation provides excellent coverage for pipelines, oil tanks and other oilfield installations.

"Back in the mid '80s, we realized there was a market in the oilfield for our product," says Jim Nienhuis. "We started doing skids, undersides of buildings, pipelines – it's a sprayed on application, therefore it adheres to any surface."

Since starting Foamco in 1985 with his wife Carolyn, Jim's business has grown by over 1,000 per cent, and now employs eight full time staff.

Jim learned the process of working with and applying polyurethane insulation from his dad, who also had a similar business. When his dad retired, Jim picked up the reins and continued on.

Today, Foamco has expanded its business into the recreational vehicle market, providing and applying polyurethane insulation to RV's, vans, car undercoats, etc. Today, their customer base includes Woody's RV, Flint Canada, Mobil Oil, Calpine and Collicutt Hanover, just to name a few.

And while other companies have started up in the polyurethane business in recent years, Foamco remains the company of choice, for several reasons.



*"Our bank actually recommended us to AFSC. And AFSC had confidence in us."*

"It's our service mainly," notes Carolyn.

"Sure, we could have gone with the bank we've dealt with for the past 20 years, if we put 20 per cent down," says Carolyn. "But our bank actually recommended us to AFSC. And AFSC had confidence in us."

"The business is run by us, and we're hands-on. You can get hold of us 24 hours a day, seven days a week, and our location is very accessible."

The company's accessibility is where Agriculture Financial Services Corporation (AFSC) comes in. Previously operated mainly as a mobile business, the significant increase in requests for motorhome and trailer insulation caused the Nienhuis's to look at purchasing a building in which to service these customers better. AFSC Commercial was able to provide Foamco with financing to purchase two condo bays in Red Deer, as well as some working capital.

"They (AFSC) were excellent to work with," adds Jim. "There was no beating around the bush. It didn't take long at all to say yes."

Being prepared with all the required paperwork, says Carolyn, made the job of dealing with AFSC that much simpler. Armed with a checklist from AFSC's Dave Savage, the Nienhuis's prepared their business plan and financial package in a very short time.

"It made it so much simpler than the bank," notes Carolyn. "And with them, I felt confident when I walked in there, because they were just so helpful."

# Keeping crops in top shape is focus of business

ALBERTA IS WORLD-RENOWNED for the quality and quantity of its grain crops. But it isn't enough to grow and harvest an excellent crop. Ensuring the crop stays in top-quality condition prior to shipping is as important as planting and reaping.

And that's where Miller Hopper Bottoms comes in. The nine-year-old business manufactures grain storage products and accessories, specializing in hopper bottom storage for new and existing bins.

The Sherwood Park-based company is owned by Kelly Sparrow and Shawn Beamish, two relatively young entrepreneurs who know the value of providing the best product and best service possible.

"We work with customers to design and manufacture customized products to satisfy their specific requirements," says Sparrow, 41. "We just recently installed a 20,000 bushel hopper bin, 27 feet in diameter, for a commercial feed operation."

The company's success in the agriculture sector recently prompted them to look at expanding into other industrial and commercial types of businesses. And they've done just that, starting up Canadian Mat Systems Inc., which manufactures interlocking rig mats and road mats for the oil industry. They have also patented the new interlocking system.

"We feel it's going to revolutionize the industry," notes Sparrow.

In the meantime, over the past three years, Miller Hopper Bottoms has doubled their sales, prompting them to expand their facility at Sherwood Park. When they needed the financing, they turned to Agriculture Financial Services Corporation (AFSC) for help. According to Sparrow, the borrowing process was painless and smooth.



*Kelly Sparrow and Shawn Beamish  
Miller Hopper Bottoms  
Sherwood Park, AB 780.485.8000*

"After we bought a new building, we needed some new equipment, and that's where AFSC came in," says 36-year-old Beamish. "Within a few weeks, the whole deal was done (capital sourcing), and we had cash readily available to go ahead with our expansion."

Moving into their new facility at one of the busiest times of the year was a cause for concern for Sparrow and Beamish, but AFSC Commercial's speed and efficiency helped the transition go smoothly. Working with Milt Lanes, the business partners provided the needed information on a spreadsheet, and within two days, their loan was approved.

"They were very hands-on when it came to dealing with us," says Sparrow. "Milt came in and got to know us – and our business – and he helped us put the format together that would gain acceptance."

Being reliant on the farming industry can mean busy times and quiet times throughout the year. Making payments during the slower times can be very tricky, but AFSC Commercial is willing to change payment schedules to suit businesses needs.

"We never actually required that from AFSC, but it was made very clear to us that we could customize our financing payment schedule," says Beamish. "That's something you don't see from other lenders."

With more space for manufacturing and a ready cash flow for supplies, Miller Hopper Bottoms is ready to tackle new projects both within the agriculture industry and in other industry.

*"We never actually required that from AFSC, but it was made very clear to us that we could customize our financing payment schedule."*

# Start-up Success

THERE IS NO ONE SURE TICKET to start-up success. Entrepreneurship is a delicate balance of domain expertise (what you do), business knowledge (how you make money at it) and leadership (how you get it done). The following eight keys can greatly increase your odds for early wins.

1. **Know Yourself** – The reality is: you're the #1 asset. You need to be very clear on what your capabilities and limitations are.
2. **Focus on What You've Got** – Leveraging your strengths and assets will get you further than trying to compensate for weaknesses. Try to do everything and you'll end up doing nothing.
3. **Start Within Your Comfort Zone** – Scalability is critical. Start "small" and allow yourself the flexibility to build domain expertise, business knowledge and leadership skills. This will get you on the path to your vision without trying for the low probability "home-run shot."
4. **Get in the Game** – Make your first dollar and get the business engine running – don't wait for everything to be perfect.
5. **Manage the Risk** – You can control costs but you can't control revenue. Be careful on risking the farm, this will take longer than you thought.
6. **Keep the Control** – You're an entrepreneur because you don't want to be a slave to someone else, so don't be a slave to your business, your partners or your clients. That means don't over-commit or set expectations you can't meet or leave yourself over-stretched.
7. **Forget the Competition** – For now, at least. Success or failure will start with you – not them.
8. **Treat it Like a Career** – Entrepreneurship is a career like any other. It takes commitment, dedication, training and support to maximize success.

*Rob Briscoe has worked as an advisor, strategic consultant and coach to over 200 entrepreneurs across Canada in building their ventures. For more information, visit [www.theventureinstitute.com](http://www.theventureinstitute.com) or call 403.265.7945. You can also email [rob@theventureinstitute.com](mailto:rob@theventureinstitute.com).*



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## AFSC INSITES

AFSC LAUNCHED ITS NEW WEBSITE last summer, containing relevant information for Alberta business.

### Visit us at [www.AFSC.ca](http://www.AFSC.ca)

Not only does our website outline the various Commercial financial services we offer, it also is an excellent resource for Alberta's small businesses.

Under the Business Loans section, you'll discover financing topics such as export financing, leasing services, term debt financing, syndicated loans and technology to business. You'll also find a complete list of our financial services, including capital sourcing, consulting services and financial restructuring. A list of our publications is included, and you'll have access to information on making payments, our office locations and reporting fraud.

Found under our Related Links button at the top of our site, you will find many useful links to various Provincial Chambers of Commerce and other entrepreneurial sites.

In addition to our Commercial services, you can find the information you need about AFSC's Crop Insurance, Disaster Assistance, and Farm Lending programs.

We invite you to visit our site often, to keep up-to-date with what we're doing, and to learn more about how we can help you.

If you have come across sites you have found beneficial to your business, please e-mail our Website Coordinator at [AFSC.webmaster@gov.ab.ca](mailto:AFSC.webmaster@gov.ab.ca), so we can include a link on our site.

[www.AFSC.ca](http://www.AFSC.ca)

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[www.AFSC.ca](http://www.AFSC.ca)**

## ASK THE COACH

### Sourcing Capital:

***Is accessing capital to start or grow your business a problem?***

EVER WONDER WHY SOME BUSINESS ideas turn into viable business operations, while others do not?

The reason you often hear is that there is no capital/money available for small business operators. In reality, there is no shortage of capital, but accessing adequate capital can be a problem. The main reason? Many entrepreneurs fail to prepare a well thought-out business plan for how they intend to operate the business.

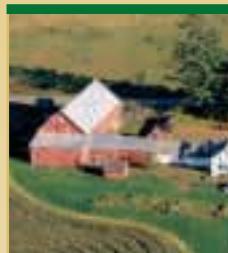
Business owners often fall short in providing a complete picture of their current situation and the projected status of the business in a framework appealing to lenders, and/or private investors. In a number of cases there is a failure to create the impression that management knows how to grow the business; and a failure to deliver an effective sales pitch. Quite often a proper feasibility analysis (a process of discovering whether a business idea is likely to succeed) is not completed prior to the full business plan being prepared – describing operational, organization, marketing and financial growth plans – and submitted for consideration. The business plan itself then leaves the reader with many questions.



*AFSC Commercial's Jim Cooper  
Commercial Manager, Camrose*

At AFSC Commercial, our experienced staff can provide you the required coaching in areas of feasibility analysis and business plan development; and our consulting services can assist you in accessing capital required to turn your 'opportunity into enterprise'.

*Jim Cooper is AFSC's Commercial Manager for Camrose. Jim, with 34 years of finance experience, has been with AFSC for 17 years. You can call Jim at 780.679.1306 or email him with any questions you may have at [jim.cooper@gov.ab.ca](mailto:jim.cooper@gov.ab.ca)*



## AFSC at a glance

AFSC IS IN THE BUSINESS of providing unique financial services to Albertans in various areas, helping to contribute to business development and growth in the province. To remain competitive and relevant to our clients, we continue to create innovative ways to deliver responsive lending, insurance, risk management and safety net products and services.

### AFSC Commercial

AFSC offers a unique portfolio of innovative financing options to help Alberta's small business sector secure the financing they need. We take a personal approach to lending, taking the time to understand our client's needs to create a financing solution to help them succeed.

### AFSC Farm Lending

AFSC takes a long-term approach to farm lending by offering loan products with competitive interest rates (usually fixed for the life of the loan), incentives to reduce Beginning Farmer Loan principal or payments, and flexible repayment terms. Financial counseling services are available to farmers needing help when their financial situation changes.

### AFSC Crop Insurance

AFSC continues to improve its insurance programs to address Alberta farmers' concerns about the volatility of weather and commodity prices. Offering a total of 140 plans for over 60 different crops through crop insurance (including hail endorsement), straight hail insurance, forage insurance, and waterfowl and wildlife damage compensation, AFSC has the most comprehensive set of risk management tools available in Canada.

### AFSC Farm Income Disaster Program

FIDP provides income support for actively farming Alberta producers when, for reasons beyond their control, there is an extreme reduction in their farm income. This is a whole-farm safety net program. There is no annual premium and all agricultural commodities are eligible.