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Asking for help is a strength

School's Cool gets U.S. distributor

Rick Spence, Financial Post



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Once social worker Gena Robertson created her School's Cool learning program for preschoolers, she naturally hoped it would expand across Canada. But since she had no money and no business experience, you can probably guess what happened.

Robertson just signed a deal with a major U.S. educational distributor to carry her product across North America. Within three years, she expects sales to hit \$750,000, and is negotiating

with potential distributors in Australia and elsewhere.

Robertson did something not enough entrepreneurs do. She asked for help. And she got the resources she needed to turn intermittent one-off sales into a slick, profitable package.

As founder of SIRCH (So It Really Can Happen) Community Services in Haliburton, Ont., she sees herself as a social entrepreneur, working with diverse partners to pull together innovative programs for pregnant women, new mothers, children and the elderly.

Through her work, Robertson noticed that the children of parents who had trouble in school also tend to struggle. To break the cycle, she developed a 24-session course to help three-to five-year-olds develop the communication, problem-solving and other skills needed in kindergarten. Once School's Cool was tested and found effective, SIRCH priced the course materials at \$350, and began selling it Canada-wide. By which we mean, Robertson promoted it at conferences and responded to inquiries. "If somebody called, we'd help," she says. "We didn't have any money or marketing skills."

Realizing that the more disciplined the marketing effort, the more people she could help, Robertson contacted the Innovation Synergy Centre, a business advisory centre in Markham, Ont. There she met business mentor Reza Alavie, a Seneca College advertising instructor, who helped turn School's Cool from competent course to saleable product.

Alavie identified the big problem: Robertson was practically giving away her product. And by selling the course without mandatory training, she was losing control of the in-class product, when research shows properly trained instructors are the key to its success.

"Reza told me, 'You have to make money,' " Robertson says. "I said, 'I have to think about that.' In the non-profit sector, you want your program to be as cheap as you can make it so everyone can buy it. But now I realized it had to be a viable business."

Today, the course materials cost \$700, with additional facilitators' manuals priced at \$50. To build recurring revenue, Alavie also helped Robertson develop a \$30 backpack for each student filled with items needed for success: kids' activities, a parents' guide to kindergarten and a teddy bear T-shirt.

Alavie helped Robertson create a business plan that analyzed the market potential and gave her goals to shoot for. Then, she passed Robertson on to business consultant Jim Stewart of Toronto-based ProfitPath. Working through the ISC's Investment Network program, his job was to help School's Cool attract investors.

That meant figuring out what the business would look like, and especially how it would source, warehouse and distribute its wares. It also meant preparing Robertson to pitch her business to potential angel investors. "That was painful," Robertson admits. "When you work in social services, you play down what you do. You share the credit. When you pitch to investors, you have to say, 'This is what we do, this is how great we are.' "

Fortunately, Robertson only had to give her pitch twice: a rehearsal at the ISC, and a formal presentation to investors. There's a rule in life that once you take action, good things start happening, and that's what happened to Robertson.

One ISC staff member at the rehearsal was the husband of the Canadian chief executive of FlagHouse Inc., a major U.S. distributor of fitness and education supplies. FlagHouse was setting up an early childhood division, and looking to sell programs in addition to the 20,000 products in its catalogues. It was a marriage made in heaven.

After six months of negotiations, Robertson got a deal that gave FlagHouse exclusive North American rights to School's Cool. That solved several problems. Since she no longer has to worry about warehousing and distribution, she no longer needs an equity investor. Her job now is to help FlagHouse understand and market the product, provide Web-based training, and sell overseas.

The deal is contingent on FlagHouse meeting performance milestones, which ensures everyone's objectives are aligned. While the partnership is young, Robertson credits her mentors for putting her in a position to negotiate successfully with a global company. "I learned it's a process you both need to win," she says. Clearly, the school of hard knocks is cool, too.

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