

5. Chinook Traders Thank-You Business

Product Positioning

Student Entrepreneurial Spirit¹

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How do you take a successful local businesses and move to a national and international scale? Everyone seems to think that the 2010 Olympics will provide an opportunity to do just that. Janet Harvey and Clara Arnold, the co-directors of the Chinook Traders Thank-you Business, have been told repeatedly that they are facing the opportunity of a life-time. Politicians and Aboriginal business leaders see the tourism associated with 2010 as a wonderful opportunity for local Aboriginal businesses to tap into new markets. But how do you take a little business initiated to help build Aboriginal business skills to the next level? Or would it would be better to follow the old dictum, "stick to your knitting"?

Early Days

The Chinook Traders initiative² was started to provide Aboriginal high school students with an opportunity to learn about **entrepreneurship** by participating in business activities. The co-directors, both Aboriginal women with business education and experience, started by evaluating other entrepreneurship programs.³ This led to the idea of engaging a team of high school students in a summer workshop with follow-up team meetings via conference calls. The summer workshop provided an overview of the steps

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² Initial funding support for the Chinook initiative was provided by Terasen Inc. <http://www.chinook.com>.

³ The National Foundation for Teaching Entrepreneurship was a helpful source: <http://www.nfte.com>.

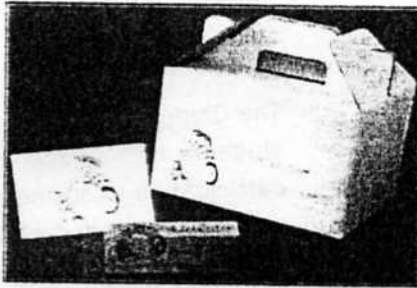
involved in starting a new business (Appendix A). The Sunday evening conference calls, particularly in the early weeks, focused on identifying new business ideas. Dozens of products and services were considered, but none of the initial ideas seemed to provide the potential needed for success.

The Breakthrough

The products selected for the new business were foil-covered chocolate coins and cards. The breakthrough came when the business idea was seen not as selling candy and cards, but as selling *thank-you's* (or *máhsie*, in Chinook, the traditional language of trade. This business would not involve kids standing outside supermarkets selling candies one by one. Rather, the customers would be all the people and organizations that need a small gift to say thank-you to friends, employees or customers. The business would involve selling thank-you's by the box.

Start-up

With the business idea defined, the next step was to find suppliers for the needed products and packaging. Who could supply chocolate coins with the Chinook logo embossed? Who could supply high-quality greeting cards, and who could supply the packages and printing needed? The criteria used to select suppliers were quality, cost, and business values that emphasized customer service. After evaluating a dozen firms, the team decided to use Charlie's Chocolate Factory, the Great Little Box Company, and Mountain Printing & Graphics Inc.



Left: A box full of *thank-you's*: 10 boxes of chocolates and 10 cards/envelopes
Top: Five boxes of foil-covered chocolate coins
Bottom: Ten cards and envelopes



In addition to providing good products and good prices, each of these suppliers welcomed the opportunity to help a group of high school students get a new business off the ground.

With products in hand it was time to find some customers. For a practice run the team

headed for Vancouver's Granville Island Public Market. By the end of a day at the market, everyone on the team was comfortable talking to customers about the products and the Traders project, and it was clear that the business had potential.

As the thank-you business got rolling, it became clear that both corporations and Aboriginal organizations were enthusiastic customers. As hoped, these customers have many occasions when they want to say thank-you, and see it as a real convenience to have a supply of nicely packaged gifts. The packaging tells the story of the business and of the students' plan to use business proceeds to contribute to the annual Aboriginal Elders Conference. A nice gift. A nice sentiment. Happy customers.

The next challenge was to identify ways to communicate with customers, and to establish dependable means of processing orders and making deliveries. The high school students participating in the project are from various parts of British Columbia. This is both an advantage and a disadvantage. On the positive side, it provides a natural sales force spread around the province. On the other hand, managing transactions and inventories needs extra care.

So What About 2010?

The 2010 Olympics seems to be an ideal opportunity for all local companies. In making their decision, the business managers will need to answer many questions. Starting with thinking about current customers, questions to consider include the following:

1. Make a list of the type of organizations that likely buy thank-you gifts. How do organizations such as these purchase thank-you gifts?
2. Who in the organization is likely to be involved in the purchase of thank-you gifts?
3. What sources might they use when purchasing thank-you gifts?
4. What communications could Chinook Traders use to get the attention of these customers?
5. What steps could be taken to make it easy for these customers to buy from Chinook Traders?
6. What price would you recommend for the box of thank-you's (10 boxes of chocolates and 10 cards)?
7. What costs and volumes would make this an interesting venture?

When considering how their understanding of the current customers would apply to customers resulting from 2010, the business managers will also need to consider the following:

8. Who would be the new customers that could be attracted because of 2010?
9. What communications could Chinook Traders use to get the attention of these new customers?
10. What steps could be taken to make it easy for these new customers to buy from Chinook Traders?
11. What is the estimated total cost of attracting these new customers?
12. Does this look like a promising opportunity for Chinook Traders?

Appendix A – Chinook New Business Planning Guide

1. VALUES

What **values** guide your business planning?

What **vision** & goals do you hope to achieve?

2. IDEAS

What is your business idea?

What product/service will you offer?

What price will customers pay?

Where will customers buy it?

What will you name your business?

How will you be better than competitors?

3. CUSTOMERS

Who will your customers be?

What do they look for in your type of product/service?

Where do they currently buy your type of product/service?

How many customers are there in the area you will serve?

How many of these customers do you hope to attract?

How do you intend to attract these customers?

What market research do you have about customers?

4. PROFITS

How much money will you make on each unit sold?

Selling price per unit?

Variable costs per unit?

Contribution margin per unit?

What will be your day-to-day expenses that not included in your variable costs?

What will be your one-time expenses to get started?

5. RESOURCES

MONEY: One-time expenses to get started? (equipment, deposits, inventory, salaries)

SKILLS: Special skills needed? (What skills needed? Who will provide these skills?)

ENERGY: People available to day-to-day work? (What day-to-day work? Who will do it?)

6. STEPS - PROJECT PLANNING

Steps to get the business running?

What major steps are needed?

What deadline to complete each step?

Who is responsible for each?

Questions For Discussion:

1. How important is mentorship in achieving success for new entrepreneurs?
2. How important is the quality of the chocolate to the success of the venture?
3. Does a business or the consumer decide a product's category?
4. How do consumers differentiate between products in a product category?

Glossary

Entrepreneurship—talent for recognizing business opportunities and the abilities to develop them into profit-making companies.

Values—the guiding principles and beliefs a firm demonstrates in achieving its business goals.

Vision—an idealistic description of what success for the firm would look like.

Web Links

www.sbinfocanada.about.com, sponsored by the Government of Canada, provides a variety of resources to new business and entrepreneurs.

www.canadaone.com, the website for *Canada One Magazine*, provides resources for small businesses. Federal and Provincial government resources are made available to young entrepreneurs at **www.canadaone.com/magazine/loan_programs.htm**.

www.cbsc.org, sponsored by the Government of Canada, provides links to the various government programs, services, and financial assistance available to young entrepreneurs.

www.yea.ca, the website for the Young Entrepreneurs Association of Canada, provides peer mentorship opportunities and resources to young entrepreneurs.