



Believe BC: Innovators and entrepreneurs

March 23, 2002

British Columbia is home to thousands of innovative and independent people who have worked hard to create successful small businesses.

Out of all the provinces in Canada, B.C. has the highest percentage of gross domestic product attributed to small business.

In 2000, almost 900,000 B.C.'ers were employed in small businesses – that's 58 per cent of all private sector jobs.

Abebooks: From a scribble on a notepad to worldwide success

In 1995, Keith Waters, then a government web programmer, was scribbling on a notepad, thinking about how his wife Cathy often talked about how tough it was to get out-of-print books for customers at her used bookstore in Victoria.

He came up with Advanced Book Exchange Inc., or abebooks.com, where a small group of booksellers started to list about 5,000 used book titles for sale in 1996.

Now, abebooks has almost 10,000 international booksellers listing 36 million used book titles on a huge searchable database accessible from its website. It's the world's largest business-to-business exchange, and the leading source for rare, out-of-print and collectible books.

The tremendous success has even taken the founders by surprise, says Waters, now abebooks CIO.

"We hoped it would grow to about one or two per cent of where it's at now," he says. "Almost 10,000 booksellers later, it's still growing, and it's still fun."

Basically, abebooks gives independent booksellers the technical, marketing and business support they need to sell their books on the Internet in exchange for a monthly fee based on the number of books they list on the site.

By using the abebooks site, these small businesses can access a worldwide market and compete with the big booksellers.

Despite winning accolades for its incredible e-commerce success, a lot of people in B.C. still don't know about abebooks, says Brent James, abebooks CEO.

"We're the best-kept secret on the Internet," he says.

In November, the company, which employs about 80 people, came up big at the Canadian Information Productivity Awards, the largest business awards program in Canada for information management.

Abebooks won recognition as the best of show, the best e-commerce and for excellence in information technology.

Forbes magazine has rated abebooks "best of the best" in the rare book category of its Internet awards, Maclean's magazine has recognized the e-commerce company, and the Boston Consulting Group has named it one of the most profitable dot-coms – putting it in the minority of '90s start-up companies.

"We've focused on customer service and on data processing. We've always run abebooks as a business first. We've been profitable since

Small business in B.C.: Did you know?

- B.C. has the highest proportion in Canada of Gross Domestic Product, 28 per cent, attributed to small business.

- Small business accounted for approximately 98 per cent of all businesses in British Columbia in 2000.

- 58 per cent of all private sector jobs in B.C. were in small business in 2000 – that's 893,300 employees.

- Young entrepreneurs, between 15 and 34 years old, made up 21 per cent of small business owners in B.C. in 2000.

- Almost 38 per cent of B.C. small businesses were owned and operated by women in 2000 – the highest rate in Canada.

- From 1995 to 2000, the fastest growth of new small businesses was in high tech companies, which expanded at an average annual rate of seven per cent.

Statistics from BC Stats

day one,” says James.

“There are very few companies in B.C. that have the success that abebooks has.

The site has thousands of loyal customers, and gets an average of 1.5 million hits a day.

There’s no advertising at abebooks.com, and the focus of the site is an attractive, easy-to-use search function.

Clients can choose to buy the books over the Internet, with abebooks handling the transaction, or to contact the bookseller directly.

“We go to a book fair, and people come up to us and say, ‘I love your site, but I hate your site’ because they end up spending money on all the books they find there. It’s very inspiring to know we’re providing that service,” says James.

While the large majority of booksellers at abebooks are based in the U.S., there are also some from Canada, the U.K., Australia and New Zealand.

Last October, the company acquired JustBooks, a large European used-book Internet business, and now has offices in Germany and offers services in German and French. Abebooks also recently signed on its first bookseller in Nepal.

“Imagine, now a customer in Canada can browse a bookstore in Nepal,” says James.

Even though the company has started operating overseas, there are no plans to leave B.C.

The beauty of an information processing company is it can be operated anywhere as long as there’s a reliable pipeline to the Internet, says James.

“Victoria is fantastic. The climate, the lifestyle – the people who work at abebooks enjoy what beautiful B.C. has to offer.”

Simply Country: Simply loving it

Sheryl Gilding is in love with what she does for a living.

Gilding and her employees at Simply Country have been making custom furniture out of reclaimed lumber at a shop in Victoria for the last six years.

“The furniture turns out beautifully,” says Gilding. “We try to keep the old character and it ends up being gorgeous.”

Gilding was inspired to start Simply Country when she began to help a friend who was working as a carpenter. One of her coworkers built a beautiful cabinet out of some old, grey, ugly lumber that was lying around, and she decided to start the company.

Since then, workers at Simply Country have incorporated old timber, windows, moldings, and hardware into most of the furniture they build. “It already has such character, but I think it’s knowing that it has such history that makes it feel different.

All that old, ugly lumber was probably three or four hundred years in the making. With that kind of history I feel I had better create something very wonderful with it.”

Gilding has learned a lot about refinishing old wood simply by researching and doing it. She’s especially hooked on old fir, and while her company does build some pieces out of new lumber, she prefers to work with the reclaimed lumber. But it’s getting difficult to find, she says.

“It’s hard to find old, scrap wood now. People are preserving old homes and buildings. I drive around and look for buildings being torn down, but there aren’t as many as there used to be.”

Simply Country has experienced some great successes so far.

The company got about \$20,000 in orders after a recent homebuilders’ show, six stores in New York want to sell the furniture and another \$20,000 order will be heading to a store in the Queen Charlotte Islands over the summer.

But Gilding says her greatest successes are having great employees and selling her first piece of furniture. “We sold it to a customer in Phoenix, sight unseen, and a birthday present at that. They loved it. We have sold a lot more since then, but that was our first.”

The biggest challenge for a small business like hers is getting the message out because advertising is so expensive, says Gilding. "You can have a fabulous product but it has to have a new home to go to."

Gilding's enthusiasm for Simply Country is infectious. She says she enjoys the atmosphere at the shop because everyone loves what they are doing, including her father. Some of her employees could be making more money doing something else, but they're working at Simply Country because they like it.

"We're putting out good stuff and we're proud of it," she says.

Air Games: Young and adventurous

Air Games Wireless has come a long way in two years.

In 2000, three young entrepreneurs started the Vancouver-based company that designs, publishes and distributes entertainment software so people can play games on their mobile phones and wireless handsets.

"When we started, all we had was our ideas and our business plan," says Fred Ghahramani, one of the founders.

Now, Air Games has more than 30 products, a customer base in four continents and contracts with 13 mobile networks worldwide, and has just started looking for another round of investment.

"It's quite a remarkable difference," says Ghahramani. "We're now inundated with partnership and business opportunities on a daily basis."

Ghahramani and his partners Bryce Pasechnik and Vince Yen recognized there was a lot of potential for an entertainment software provider for cell phones and wireless handsets when they were still at Simon Fraser University, leading them to start Air Games.

"What inspired us was the realization that we could take the lead on a very lucrative market opportunity, one that would redefine the mobile telephone experience globally," he says.

Stepping out on his own and starting a business is nothing new for Ghahramani, a natural innovator. "I've always been an entrepreneur. Even in grade school, I would get a thrill out of working to trade up my boring egg sandwiches for chocolate cookies.

Every new venture or deal has been yet another opportunity to experience that same thrill. It's intoxicating."

Even though Air Games has been so successful, Ghahramani says they still feel as if they're just starting out. The market for their product is still young, and they're focused on achieving their vision for a world-class enterprise. And B.C. is a great place to attain that goal, he says.

"B.C. is a great conduit to many of the larger markets abroad. For example I can pick up the phone and almost immediately make a cultural connection with an American customer. Then 15 minutes later, my partner can pick up the phone and make a cultural connection with one of our customers in Singapore. Our province's diversity, and academic strength, is what makes B.C. a good place to operate a company."

All this makes Ghahramani optimistic about business in B.C. But he does face some challenges and has learned a lot over the past two years.

"I've made some of the classic mistakes that every entrepreneur does when moving from concept to company. Most importantly, my biggest challenge has been learning to know when I'm getting in over my head, and not being afraid to admit a mistake."

Overall, the entrepreneur experience is a rewarding one for Ghahramani, who seems to enjoy the challenges almost as much as the successes – not to mention the long hours. "The flexibility of being able to choose which 18 hours in any given day that I will work is also a bonus," he jokes.