

MAY 2013

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Savings and Investments Course

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NEWS



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**RUN, DON'T WALK.
LEAP, DON'T JUMP.**

“ Take risks: If you win, you will be happy; if you lose, you will learn to be wise. ”

Conformity is the jailer of freedom and the enemy of growth.

John F. Kennedy

CONNECT...LEARN... SHARE...TEACH

■ “Who is your mentor? That person or network that guides your professional career or business? Developing a professional network with persons who can inspire, guide, coach, challenge and support you through challenges is not just a nice thing to have, it is a critical personal and business development strengthening tool. A stronger you makes for a better you and better business. ■ Who are you mentoring? With whom are you sharing what you have learnt along your journey? When you teach you learn, when you share you grow... So if you are not mentoring anyone, **START NOW!**

Editor's Note, SLW

NATURE AND NURTURE - CREATING ENTREPRENEURS

Essence of Nature and the ECCB Entrepreneurship Course - A Case Study *by SLW*

Are entrepreneurs born ‘perceived’ lack of entrepreneurial instincts; this or are they created? What distinction between small business owners and entrepreneurs is one that we need to seriously consider when assessing the direction and potential of small businesses in the region, and crafting policies for their re-direction, development and growth.

Luanne Teoh, reminds us of this distinction in her June 3, 2011 article, “Difference Between an Entrepreneur and a Small Business Owner”:

Is it nature or nurture?

In discussions on entrepreneurship there is always this position that is tabled - We (*in our part of the world*) are not natural risk takers; many of our small businesses are born out of necessity (*to make a living*) and not necessarily out of a drive to innovate, create, shape our own future and take calculated risks in the process. While I don’t share the view that ‘in general’ we do not have the entrepreneurial spirit running through our veins and propose instead that environmental influences and our socialisation have had significant impacts on our

Objectives & Views	Small Business Owner	Entrepreneur
1. Primary Motivation	To Make a Living	To Make a Change and Impact
2. Personal Financial Goal	Regular Income	Exit Value of Company
3. Career Objective	Self-Employment	Financial Freedom
4. Financing Strategy	SBA or Bank Loans	Investors
5. Business Strategy	Creating More Sales	Providing Value
6. View of Assets	Real Estate and Inventory	Employees & Customers
7. Risk Taking Profile	Stability	Willing To Fail
8. Employee Compensation	Market Rate or Below	Will Pay for Top Talent
9. Work Environment	Extension of Owner’s Home	Fast Paced and Growth Focused
10. Investment Profile	Main Investor/ Owner of Company	Investor/Involvement in Different Businesses
11. Daily Actions	Day to Day Manager	Strategy, Growth and Collaboration
12. Work Style	Long-Term and Enjoys Repetitive Tasks	Short-Term and a Serial Innovator/Inventor

Such entrepreneurial application of energy and attributes are captured in passion towards the definition of creation and entrepreneurship posited by Kuratko & Hodgetts, 2007:

“Entrepreneurship is a dynamic process of vision, change, and creation. It requires an **application of energy and passion towards the creation and implementation of new ideas and creative solutions.** Essential ingredients include the willingness to take calculated risks - in terms of time, equity, or career;

the ability to formulate an effective venture team; the creative skill to marshal the needed resources; the fundamental skill of building a solid business plan; and, finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion.”

In light of the foregoing, the critical questions are as follows: Can the right interventions tip the scale in the entrepreneurial direction? Can persons be nurtured to become entrepreneurs? How can we create more entrepreneurs and less small business owners to propel our businesses and region forward? These are the questions that should make small business owners restless as they strive to exchange their small business owner hat for the hat of an entrepreneur. These are the questions that should keep policy makers and technocrats charged with entrepreneurship development



up at night. These are group of small business owners, the story is being certainly the questions that drive the ECCB Mentorship Programme currently being written one nurturing session at a time. Check out **Essence of Nature - Basseterre, Saint Kitts and Nevis** on Facebook. emanating from the ECCB Entrepreneurship Course.

The story of “**Essence of Nature**”, the first assignment, is now a duly ‘protégé’ business licensed company operating in participating in the St. Kitts and Nevis focused on the mentorship programme, is the production of organic one that is enfolding and local herbal teas and other while we (*course developer, herbal tea related products. facilitators, collaborators, The packaged teas are mentors and sponsors*) can’t currently being sold in the break out the champagne five outlets of Ram’s just yet to celebrate the Supermarket, the federation’s nurturing of a group of largest supermarket chain and entrepreneurs rather than a the owners are pursuing other

strategic business contracts.

Since April 2013, these budding entrepreneurs have been meeting with a different business mentor each month to shape their outlook on a particular business issue. The following comments from the team, following sessions with their first mentor, speaks volumes about the importance and benefits of the mentorship programme:

“On behalf of the EoN team I would like to inform you that the mentorship sessions with Mr. Arthurton were very helpful to us. He was able to provide guidance with regards to operating as wholesalers and retailers in the same market space which was one of the challenges we didn't quite work out a formulae for. He also extended access to his farm in Nevis which we visited this past Saturday...

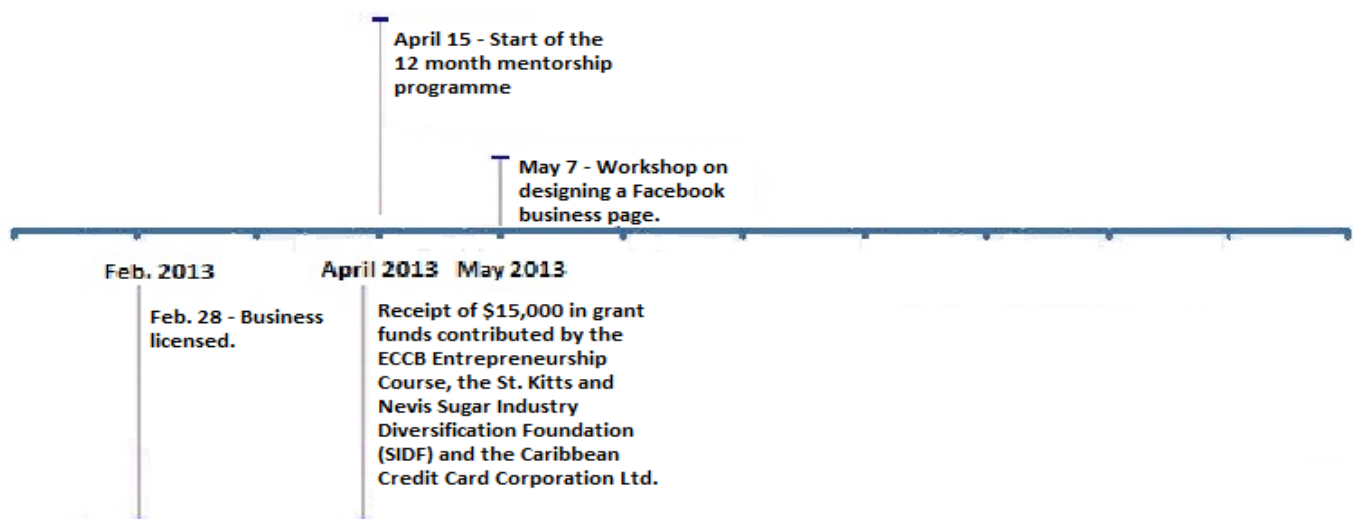
The team is very excited at this point as we are becoming very clear and focused on the

way to grow the business.

We were a bit skeptical as to workings of the mentorship program at first but, we now see how beneficial it is to our management team as we maintain an open mind to suggestions and business realities that are applicable to us. We look forward to meeting with the next mentor.”



February - May 2013 Timeline: Essence of Nature



Meet the Mentors

- **Daniel Artherton:** Adviser, ECCB and Business Owner (Agri-business)
- **Rodney Browne:** Managing Director, e-Caribbean Ltd.
- **Jessel Gadsby:** General Manager, Caribbean Credit Card Cooperation Ltd.
- **Percival Hanley:** Deputy General Manager, ECEF
- **Christopher Herbert:** Director, Department of Technology, Government of St. Kitts and Nevis
- **Genelle Howell:** Systems Analyst, ECCB
- **Faron Lawrence:** CEO, St. Kitts Nevis Homes
- **Judith Rawlins:** Founder and Owner, Brown Sugar Designs Inc.
- **Sybil Welsh:** Adviser, ECCB



"To know the road ahead, ask those coming back."

—Chinese Proverb

ST > RT-UP

After more than 25 years working as an employee of which 18 were spent as a central banker, Arthur Campbell launched out into the world of entrepreneurship in 2000 in the island of Grenada. His businesses (Home Pride Inc.) include a bakery, a supermarket, a deli (*where all of the food preparation takes place and doubles as an outlet for the baked goods*) as well as a MoneyGram service operating from inside the supermarket. In this interview, Arthur shares his journey into entrepreneurship with us.

Your Financial News (YFN)

How long before you started the business that you had this idea and was the idea as concrete and expansive as it is now?

Arthur Campbell: The short answer is no. I basically had in mind a bakery as an attempt to give me some independence in coming back home to Grenada. I didn't want to have to function as an employee any longer. In doing the preparation for the bakery, I thought the supermarket was a

natural complement so in my planning for the physical space I did envision a supermarket as part of the operations. The Deli came as a process of trying to streamline and control the activities of these two earlier projects and expand the offerings of my operations.

YFN: Moving from employee status to employer/entrepreneur, what was going through your mind in that transition?

Arthur: Ironically, I had taken a firm decision earlier on in life never to have a business of my own.

YFN: Why?

Arthur: Because I feared having to dismiss people. I feared having to send someone home to their family even if at times he/she had warranted that and I did not want to be part of that process. However, as an employee I was put in leadership positions early and often, 'sometimes even when I didn't crave it' and I realised that I still had to face some of those decisions.

Over a period of time my mind softened and I learnt that it was not me doing anything to such persons, they were doing it to themselves.

YFN: Was there any concept in your mind, having worked for an extensive period at one job as an employee, that you would consider going into another job as an employee?

Arthur: I would go into another job as an employee only out of necessity. Given the choice, I would have preferred not to go. The length of time I worked at my last job didn't bother me. I traditionally worked for long periods in the same job and the last job that I had I didn't think that I needed to leave it. In fact, I liked the job but I think I had reached the point where I wanted to get back home and get back home with some independence. In terms of the actual job, I thought I liked the job...I enjoyed the job.

YFN: What was the time frame in transitioning from employee to employer and what were the challenges, if

any, that you had to confront?

Arthur: I left my job in June 1999. I incorporated the company in November 1999 and started the construction work for the business in January 2000. The business commenced towards the end of August 2000. Before I started the business I went on vacation so I had a long period of reflection.

YFN: Why a bakery? What skill sets did you have to start a bakery?

Arthur: I had no practical skill sets to start a bakery. When I left the ECCB I got myself attached to a bakery for about a month. I worked at the bakery at night and read about baking in the day.

YFN: Why gravitate to a bakery given that you had no natural skill sets and no technical training in operating a bakery? What about a bakery that said to you that this is your calling.

Arthur: Apparently, some time before I had given it some consideration and had my wife look into it when



To Answer Before Starting
On The Path Of Entrepreneurship

Do I want to be an entrepreneur or not?

Which business should I start ?

How will my business earn revenue?

When will I break even ?

she was in another country. I got a bad report on it and so left it there for a while. Fortunately, I had discussed the idea with a relative and he rekindled the idea in my mind because he knew I wanted to come back home. He reminded me of my dream and I took it from there and started the research. That led to me to make the decision to leave the job and move in that direction. In terms of doing the research, I had advice from persons who were knowledgeable in the matter. I had very good advice.

YFN: Did you sit down and draw up a business plan at the start?

Arthur: When I spoke to the person who gave me advice, we did a little bit of work together and he prepared the business plan document. All I had to do was adjust the financials to make them more conservative

(given my background in accounting and finance and my conservative nature). What I took to the bank was a plan that I understood and a plan that gave me a pathway to where I wanted to go.

YFN: So you are starting up the business, what were the challenges, if any?

Arthur: There were a few challenges and great realisations. The fortunate thing is that I had just moved from an environment where planning was particularly important, as well as the ability to see things unfolding and to prepare for them.

My greatest challenge in setting up the business was dealing with the persons who were building for me. They didn't understand my urgency at that point in time. The other challenge was staffing; in terms of getting people to understand that this business is more than a job. That is still a challenge in some cases but I think it is less now.

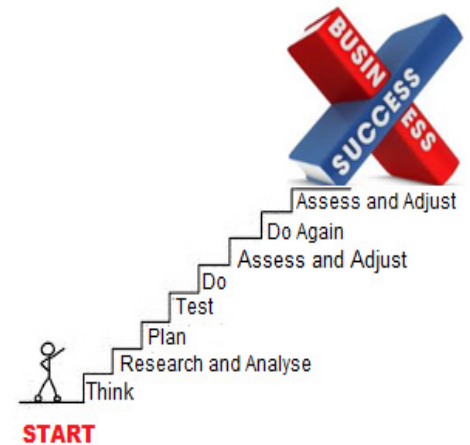
I did not have problems in raising finance, I did not have problems in gaining acceptance in the industry or in the business community.

I guess persons were already familiar with me from the ECCB and there was some level of expectation in terms of my ability. In the context of the bakery, I had made significant investments in the business, which showed that I was serious about the business. It showed confidence. So I did not have many challenges from that standpoint.

YFN: In relation to your bakery's offerings, how many products do you have now and how does that compare to what you started out with? What did you learn?

Arthur: An early realisation was that bread was a cultural thing. The bread that would be sold and consumed in St. Kitts Nevis may not be the same type and size that is consumed and demanded in Grenada.

My initial approach in selecting the baked items was to keep it simple even though I had acquired the equipment to do specialised items. The strategy revolved around doing the basic products well and efficiently. Because the existing basic products showed room for improvement. So I thought if I did the basic products well and



efficiently I would be able to compete on the basis of quality, accepting the price of the market and the cost structures that were there. That was the initial approach. A few items were added and some cut and sometimes as I recruited persons and they came with ideas I adjusted my offerings based on their skills and how the market went. So my strategy was basically based on responding to the market. There are a few products that one may find only at my bakery even though that is changing as some bakeries are now including some of those products in their offerings.

I also had at the back of my head that I wanted to be closer to healthy so there are some products that I do not produce because I am of the view that they have in too much saturated fat. So even though persons

clamour for such products, I do not offer them.

YFN: You moved from a bakery into a supermarket. At what point in time did you make that move?

Arthur: It took me about seven years.

YFN: Were there any adjustments that you had to do moving from a bakery to a supermarket.

Arthur: One of the lessons I learnt early in getting into business is that you use the expertise of the people who know. I recognised that and was able to do ok in my first business even though I did not have the technical skills in the area. So I determined that collaboration with places and people who know the business may be the best approach.

In establishing the supermarket, I collaborated with Food Land, a major supermarket chain in Grenada. They also have a distribution arm so I entered into a quasi-franchise arrangement (*not a full franchise*). I carry the name and get certain support from them.

YFN: What gives your business a competitive edge?

Arthur: My competitive edge comes from selecting the most appropriate items for my area and my opening hours. We open from 7:00 am-10:00 p.m. every day except Sundays and public holidays during which time the opening hours change to 9:00 a.m.-9:00 p.m.

“ **One of the lessons I learnt early in getting into business is that you use the expertise of the people who know.** ”

YFN: When did the Deli open?

Arthur: The Deli opened after the supermarket. Prior to the supermarket, the bakery's offerings were sold from a small shop right at the end of the premises. When the supermarket came into play, that outlet was subsumed into the supermarket but eventually the bakery's offerings were moved out of the supermarket.

YFN: Why did you want to make a distinction between the supermarket's products and the bakery's products?

Arthur: The first reason was control; the second reason was to increase the baked offerings (*I had to build a separate kitchen*); the third reason was that the supermarket operated in an air conditioned environment which was not compatible with cooking and the fourth reason was based on the recognition that there were times when we would want to offer certain goods and not operate the full supermarket.

YFN: So you had the bakery, supermarket and the deli. Where did MoneyGram fit into your business offerings?

Arthur: The company that I collaborated with for the supermarket is an agent for MoneyGram so it was an easy extension.

YFN: What were you trying to achieve?

Arthur: I was more facilitating the area and the distribution strategy of the company with which I collaborate on the supermarket.

YFN: Did you think it was a good fit?

Arthur: Immediately. There was no downside to this and I felt that if persons came to the supermarket to collect their money they would probably spend some in the supermarket.

YFN: After some 13 years in operations, looking back and assessing how you have transitioned in the business versus your twenty five plus years as an employee and knowing what you know now, do you wish that you would have left the corporate world earlier than you did?

Arthur: Things happen in their own time and I believe my time in the corporate world was preparation for this time. Now, if I had all the knowledge upfront, I would have wanted to leave the corporate world earlier but I believe that I am able to enjoy this stage because of the foundation that I had and all my experience.

If the question is whether I am satisfied that I made the right decision, the answer is that I am truly satisfied. But I don't think for one moment that the time I spent as an

employee were wasted years. They were preparation.

YFN: What does the future hold for you, business wise?

Arthur: My focus is now in putting in structures and systems so that the business can run effectively without me.

YFN: What advice would you give to persons who are employees but who have a dream and a vision about moving on to their own business?

Arthur: First of all, know exactly why you want to move. If you are about trying to make some money and make it quickly you may be influenced by different things. In my case I wanted independence and I wanted to be able to make a living and that was my start. It means my expectations were different.

The second thing is that you have to prepare and recognise that things may not be what they seem. I had plan A, B, C, etc. If one did not work out then I had others I could have pulled out. Also, if one is married make sure the family is on board because starting a

business can be a trying thing especially if you are short on financing.

The third thing is not to mistake the inquisitiveness of persons as long term customers. For example, you open a business and some people just pass to see what is there. They take a pass and they buy. But that does not mean that they will come back... especially if they did not have a good experience. When you are running a business you have to understand this issue.

And finally the fourth thing is to remember that some 'babies' i.e. businesses grow faster than others, so one must be wary of doing crazy things when the business still has the 'baby fat' only to find out that once the baby fat is gone, the business has problems.

