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Bruce Linton and Mohamad Fakih participate in a panel discussion while the Globe and Mail's Andrew Willis moderates at the Globe and Mail Small Business Summit in Toronto on May 9, 2017. JENNIFER ROBERTS/THE GLOBE AND MAIL

# Leading Canadian entrepreneurs share secrets on building a global business

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Expanding your business beyond Canada's borders can be daunting, but it can also be the best way to grow your company. Before you take the leap, though, check out these tips from successful entrepreneurs who spoke at the recent [Globe and Mail Small Business Summit](#).

**To find opportunity, look at where you are in the cycle of a big wave.** When Bruce Linton, chairman, chief executive and founder of diversified cannabis supplier Canopy Growth Corp., laid out his business plan, it was essentially one page, and at the top of it was "exiting prohibition."

Because Canada is at the forefront of a potentially global movement to legalize pot, he says, "companies here that are doing well have a pretty good chance in other geographies." Already, Canopy has expanded into Germany and Brazil with its curated cannabis strains in dried and oil extract forms.

The United States is missing from that list, Mr. Linton says, mainly because marijuana is illegal under U.S. federal law. But that means there are also no American competitors for Canopy. "I'll take that trade all day long," he says.

**A 'Canada-first' approach isn't always the best solution.** Mohamad Fakih faced criticism when he expanded his Middle Eastern food and restaurant chain, Paramount Fine Foods, to England before setting up a location in Edmonton. "Why wouldn't you build your footprint across Canada first and then expand internationally?" people asked.

Mr. Fakih's response: "Why would I focus on a market of 700,000 when I can focus on a market of \$40-million?" An added benefit: by expanding beyond Canada's borders, you cut your risk. "If something happens in Canada, now we have other regions making us money," Mr. Fakih says. "I will get to Edmonton eventually."

**Get detailed intelligence on your target market.** When entering a new market, you should understand the nuances of the legal environment and how it affects the structure of your business, says David Hogan, chief economist at Richter, one of the event's sponsors.

"I've seen clients who have set up their business in what they thought was the right way and are now facing an 82 per cent tax rate," he says. And when shipping goods, an improperly structured company can trigger import or export duties. The upshot: it pays to get good advice from the beginning.

**Your choice of partners will change your life.** Those first franchise partners are key to your success when opening up a new market. And because you find different regulatory requirements, cultures and supply chains, "it's crucial that your partners are from the local market and understand it well," says Mr. Fakih.

He takes a methodical approach to finding the right candidates. First, he seeks out local restaurant chains that are a close cultural fit with his own (such as Tim Hortons in Canada, and Pret A Manger in Britain), and then he approaches executives and franchisees who might be interested in joining Paramount.

Once he has a team assembled, he sends it to Canada for at least a month's training to ensure "everything is run the same way no matter where it is in the world."

Those trainees can eventually become instrumental in training others in a new market. For example, when Mr. Fakih was invited recently to expand his restaurant chain to Iraq, he called on his Lebanese master franchisee to get things up and running.

"That achieves three things," says Mr. Fakih. "First, it gives the master franchisee more money. Second, he feels he has a bigger leadership role in the company. And third, I don't have to go to Iraq."

**Raise financing in several rounds.** Growing a company internationally takes cash – and often a lot of it. Rather than coming up with an outrageous valuation meant to ensure you get all the money at once, resign yourself to doing several rounds of financing, says Mr. Linton.

"I always think in terms of 'how can we make it so people make money every time?'" he says. "If they do, the next time around they're far more likely to return your call."

**International partnerships can drive innovation.** Shamira Jaffer's first international partnership was with a company in Dubai, and she admits that when it first contacted her, "I didn't really take them seriously."

Ms. Jaffer, founder and CEO of Signifi Solutions, didn't want to jet off to Dubai on the off-chance of selling one of her company's high-tech vending machines that incorporate software and robotics. "But I took a chance," she says.

The client ordered five machines immediately and Ms. Jaffer now has clients in Nigeria, South Africa, Dubai and Britain. She is, she says, “passionate about international business,” mainly because those clients “really push innovation.”

In customer service-oriented Dubai, for example, clients wanted a screen on their vending machines that would connect users face-to-face with a customer-service rep. And clients in South Africa (where theft is a big problem) sought a security feature that would see police notified immediately of a machine break-in.

As Ms. Jaffer sees it, she is not only exporting her product, she is “importing innovation.”

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