

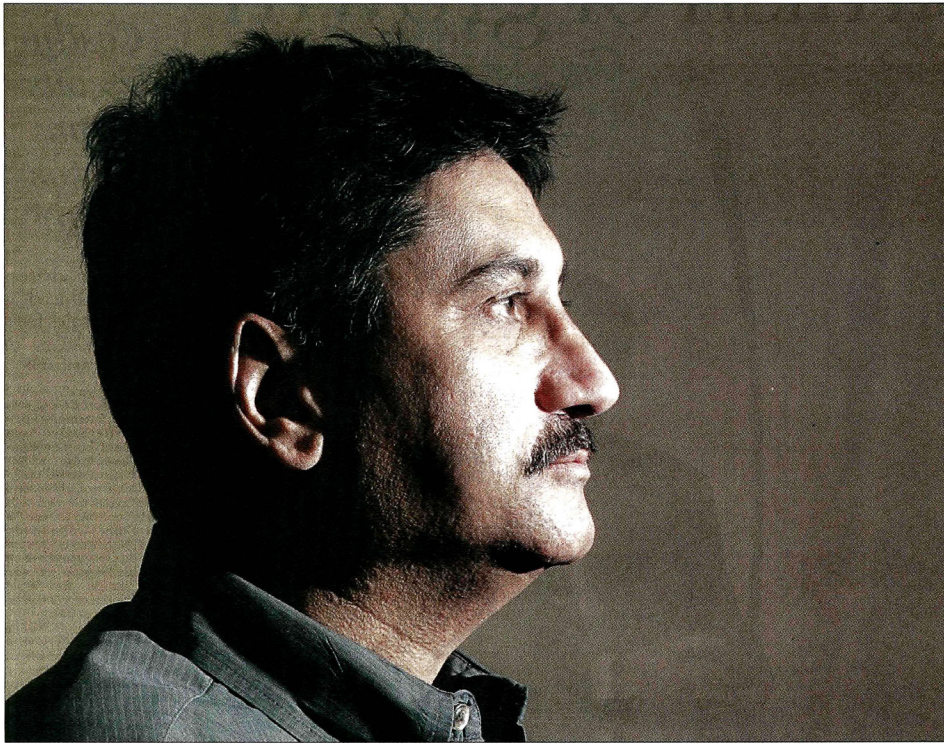
STRATEGIES FOR SMALL AND MID-SIZE BUSINESSES

FP ENTREPRENEUR

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NEW CANADIAN BUSINESS



Canada is one of the best places in the world for entrepreneurs, says Ashok Kalle, president and founder of Pathway Communications.

PETER REDMAN / NATIONAL POST

Two years after selling the technology firm he started, Ashok Kalle returned

On the right pathway

BY DAVID COBAN

Imigrant entrepreneur Ashok Kalle felt as though he had sold his soul, he says now of the day he accepted a bid for the Internet service provider he built from scratch. In less than five years, he had turned a two-person startup into a profitable company with 100 employees.

So the effect when he bought his brainchild back out of bankruptcy two years after selling it was electrifying for him and for its employees. "I walked in," he says, "and there were just 22 of them left — all with blank, frightened, shocked looks on their faces."

Mr. Kalle, a personable man with a pronounced sense of humour, says he had been at a loss as to what he really wanted to do with his life.

It was that restlessness that brought him to Canada in 1988, one of Asia's better-heeled migrants. He, his wife, Aruna, and their two young sons were flown here first class by American Express to take up a new post as human resources director for Canada.

From the moment they stepped on to the tarmac at Toronto's international airport, Mr. Kalle and his family were delighted with his transfer from India. They felt none of the uncertainty and anxiety that dog many newcomers from across a cultural divide.

"We were very lucky," Mr. Kalle says. "Making the transition to the Canadian way of life was easy, compared with the experience of most other immigrants. I came as an expatriate, on a great salary, with excellent perks, in a job with a prestigious company."

"We embraced the system enthusiastically: schools, friends, an improved standard of living — even though we lived very well in India — the weather, annual vacations, malls, shopping, fast food, video games, swimming lessons for the children..."

But after two years, Mr. Kalle was asked to choose between a transfer

to Hong Kong or a transfer back to India. He refused, quit and quickly found himself pounding the streets among a polyglot multitude searching for work.

Three dispiriting months later, he landed a job as human resources director for an insurance company, a highly structured organization demanding less and paying less, while offering such rewards as lifetime employment and separate dining facilities for officers.

Mr. Kalle had no appetite for a sinecure or for compromised complacency. His boyhood at Mayo College, a hardy seedling of England's iron-disciplined public schools, rooted in the scorched plains of Rajasthan, had instilled in him an inextinguishable taste for risk.

Many immigrants don't see starting a business as a real opportunity — they see it as too risky

Rational risk-taking, he knew, is the essence not just of good business, but of a meaningful life. So he cast his eye and his mind beyond the boredom and dissatisfaction of his job and found a new direction.

"The Internet was emerging as a new technology. It caught my attention and I began to research starting a business as an Internet service provider. A friend had started a successful printing business and encouraged me to take the plunge."

Mr. Kalle had no background in computers and just \$15,000 in savings, plus a general interest in technology, on which to build a new company from an entrepreneurial vision.

"Like most entrepreneurs," he admits, "I had only a vague idea of the real challenges involved in starting a technology company. Had I foreseen

the ensuing chaos, I probably would have thought the better of starting it."

But he quickly established that the Internet was growing rapidly, that there were few providers, few barriers to entry, enormous price variations, that service "was terrible" and that the industry was unregulated in Canada.

"I guess," he says, "I was in the right place at the right time."

That place was a small rented office in downtown Toronto, where Mr. Kalle and his staff — one student — started Pathway Communications in June, 1995, with one server, one router and one bank of modems.

"I paid a consultant to set up the system," Mr. Kalle recalls, "and found later he had made some fairly significant set-up errors. Fortunately, we managed to put these right before

from a single source, with one bill."

At that point, Mr. Kalle was approached by a number of players in the recently deregulated telecom market. He turned down most offers, but succumbed to a bid by Optel, which bought Pathway for an eight-digit sum and then re-launched itself as Axcent.

"The divestiture was a successful financial exit for me," Mr. Kalle says, "and I gave a significant percentage of the sale proceeds to the staff of the company." Although he declines to be specific, the gift was nearly \$2-million.

It was a successful, but not a final, farewell. In less than two years, Axcent was bankrupt. Mr. Kalle bought back the company he created at a strong discount, with a sense of relief verging on redemption.

Since then, Pathway Communications has increased sales by more than 400%, rebuilt the staff to more than 100 on two continents, diversified into software products, IT support and business process outsourcing, and established an offshore call centre in India.

"What's next? 'I'd be delighted,'" Mr. Kalle says, "if I could encourage 20 others to start businesses. Canada is one of the best places in the world for entrepreneurs, but unfortunately too many immigrants here are displaced, disillusioned and disenchanting."

"They don't see starting a business as a real opportunity — they see it as too risky. Getting and keeping a job is usually their primary goal. But a job can vanish overnight. Starting up on one's own, though, is an attractive alternative."

"There is little or no corruption in Canada and few systemic obstacles to starting a business. The government encourages entrepreneurship, banks will lend entrepreneurs money and innovation is rewarded. An entrepreneur can't ask for much more than that."

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fpentrepreneur
@nationalpost.com

THE ART
OF BUSINESS

How often do you fail to follow through?

HONOUR COMMITMENTS

BY SAMY CHONG

Have you ever waited for a call or held off on a decision until you heard from a third party, only to find that — even after you follow up — there is no response?

Today, most organizations define their commitments to customers and employees through mission statements, codes of ethics and publicly issued procedures. This makes everyone outside the company aware of their standards and purpose, and employees can share a common objective. As a result, they become accountable for meeting or exceeding the standards.

There is another level of living up to commitments that many of us face on a daily basis. This entails how well we live up to commitments we make and how well others live up to the commitments they make to us. Often our ability to move a project forward requires commitments that go beyond our own control. We may be waiting for a supplier to provide confirmation of parts availability or a client to confirm an appointment before we can make decisions on other matters. On the other hand, how often have we said to others phrases such as "Yes, I'll send you that information" or "Call me and we'll chat" without following up? When we make personal commitments, we're often not aware of how important these words may be to someone who is holding on to those words to fulfill their own commitments.

The following three methods allow us to view our own commitments, and those made by others to us, from a new perspective. The first is for each of us to clean out our area of responsibility. As is the gardener, so is the garden. When you step back and think about commitments you've made to your children, spouse, friends, employees and business associates, how do you measure up in honouring your words? Once you increase your awareness of the commitments you make, you will be able to honour them more consistently. When others see your actions, they will honour their commitments to you. This is the first step in understanding the law of Karma.

Secondly, if information you have requested is not forthcoming, you may wish to stand back and examine the situation. Could this be a reminder that this project or task is not going to lead you in the direction that you wish? Re-examine what other options are available to you. Many times the universe has a way of giving us a sign to prevent us from moving down the wrong path.

Lastly, we need to practice not being attached to the outcome. This can be very difficult, as we often count on certain outcomes, even though we have no control over what will happen. The ability to let go of a desired outcome will give us peace and, in turn, empower us. Our faith in knowing that everything happens for our highest good will help achieve this end.

Here are some questions to get you on track:

1. What commitments have you made and not followed through on? What is preventing you from acting on them now?
2. What method will you use to be mindful of your commitments?
3. What understanding or learning can you take away from the Biblical quote "As you sow, so shall you reap?"

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Samy Chong is a Certified Executive Coach and inspirational speaker.
SamyChong@CorporatePhilosopher.com