



# Q & A = SUCCESS FOR OFA

Attendees were involved from the minute the Ontario Fabricare Association opened its Annual Convention on September 15 in Toronto's Metropolitan Hotel. Every speaker received a barrage of questions both during and after a presentation. In my many years of attending conventions, I have never witnessed such lively audience participation.

Following a very successful convention in 2011, the OFA board has again managed to hit the 'hot buttons' of the dry cleaning industry, crafting a program with speakers whose messages were obviously very relevant to the industry. President Brad Maxwell in his opening remarks announced a new OFA membership benefit: legal advice by phone. As he pointed out, one call could be worth the cost of membership.

Other subjects covered in Maxwell's remarks included the news that a new provider is being sought to replace Seneca College, which has presented Ontario's mandatory certification program for several years.

## SURPRISE AWARD

At the close of the business meeting, Malcom MacGregor of Browns Cleaners, Ont. presented an Award of Excellence to *Fabricare Canada* publisher Marcia Todd for her years of dedication to the industry in producing this magazine. The tribute was followed by pictures from infancy to the present, marking career highlights.

## ENVIROMENTAL UPDATE

Jacquelyn Stevens of Willms & Shier law firm reminded delegates of their perc reporting obligations includ-

ing the provincial February 15 deadline for submitting the Generator Registration Report, and the City of Toronto Chemtrac report due on June 30 for operators in that city.

On the federal level there is the requirement for all perc users to submit a report on April 30 on the amount, date of purchase, and date of disposal of hazardous waste. She reminded listeners that a government inspector may ask to see copies of this report at any time. Inspections, followed by warnings, fines and prosecutions are increasing around the country.

Reporting perc spills, according to Stevens, is a grey area. What constitutes a spill? A teaspoonfull? A cup? A gallon? A bathtub full? The Province of Ontario wants a spill reported if it discharges perc into the ground. Having drain plugs and an adequate containment tank are basic ways to minimize a spill. If a spill is dis-

charged into the ground, it must be reported. She suggested an owner negotiate a reasonable time frame and an achievable schedule for achieving the cleanup. "Do not make a blanket commitment for completing the clean-up spill within a set time frame without careful research," she advised.

## WCB ADVICE

Pushpa Poisson of Safety Solutions at Work, a consulting firm advising businesses on Workers Compensation Board issues, reviewed some of the ways employees take advantage of WCB protection and the burden this imposes on businesses. She pointed out the WCB always favours the employee. To solve the problem of an employee abusing the system, she advised that this employee be terminated with a severance package.

## NEW LEGAL BENEFIT

Jas Basra of DAS Canada

SPEAKERS



JACQUELYN STEVENS



PUSHPA POISSON



JAS BASRA



DINO KANTZAVELOS



JORDAN COHEN



MATTHEW ZUK



MICHAEL BELL



BRIAN HATT



TONY KANTZAVELOS

Opposite page: Top row, left to right: Scott Wallis and Andreas Schnitker, Miele; Larry Stillwell, Ford of Canada, major sponsor; Brian Hatt, Harco. Bottom row: Jason Wiesner, Wiesner Insurance; Robert Kuenzlen, GreenEarth; and Thomas McDonald, CentiMark.

explained the 24/7 legal advice now available to OFA members for just \$70 a year. This enables members to pick up the phone at any time for instant advice about environmental problems, employee disputes, licence protection and tax-related information. Coverage includes a \$200,000 limit per claim for up to five claims per year. Non-members may buy the coverage for \$100 per year.

#### WET CLEANING

Dino Kantzavelos of TSC Wetclean in Toronto described the transition from a perc operation to 100% wet cleaning. Since the changeover, his business has grown 40%. He gave four steps to successful wet cleaning.

1. The wet cleaning machine must be very flexible to provide the proper temperature, agitation and extraction for all types of fabrics.
2. Detergents and conditioners must be carefully chosen to protect garments in all categories.
3. The dryer must be fully programmable to dry to the percentage of moisture retention required.
4. Tensioning equipment is necessary to pre-condition garments for final pressing.

In conclusion, Dino stated that the move to 100% wet cleaning has been the "greatest thing we've ever done, and it's only going to get better." The plant is able to achieve good production and to provide one-hour service when necessary.

#### BUYING AND SELLING A BUSINESS

Jordan Cohen and Matthew Zuk of Macdonald Sager Manis LLP reviewed the steps necessary for a successful sale (or purchase) of a dry cleaning plant. First is a letter of intent in which the purchaser covers preliminary agreements and understandings. In this letter of intent, key issues such as the time frame, purchase price, employees and terminations are defined.

Following this, the purchaser will perform due diligence, searching for any problems within the company, its ownership and real estate. This includes possible environmental problems. When this search is concluded to the buyer's satisfaction, the transaction of assets vs. shares must be determined and a strategy for lifetime capital gains exemption can be explored. When a price has been established, such alternatives as cash on closing, vendor take-back, and earn-out provisions must be documented.

This summary only skims the surface of the detailed presentation given by this team, but it brought home forcefully the need for skilled legal advice at every step of the process. The speakers also reviewed the steps in succession planning, so that both generations involved receive the maximum benefits from the transaction. Once again legal guidance is vital in the process.

#### DIVERSIFICATION

This panel started with an inspirational talk by Michael Bell, who formerly owned Bell Furs. His message was that there is more to life than business. He described selling his business and finding his horizons expanding through volunteer work. His message was that one is limiting his or her potential by merely focusing on the road ahead.

Believe in yourself, try new things, be the star of your own drama. Life is supposed to be fun.

Brian Hatt of Harco Company spoke next on some of the diversifications he had seen in his travels around the country. These included wash-and-fold service, key service, shoe repair, selling lottery tickets, acting as a Sears pick-up location and selling retail items.

Tony Kantzavelos discussed the growth of his leather cleaning business and the importance of knowing when to stop serving some marginal retail customers. He mentioned his newest diversification of handbag cleaning and confessed he had never realized how strong a woman's affection was for her favourite designer handbag, until he launched his service. He has also diversified into rug and drapery cleaning.

His advice for those hoping to expand their business was to have a vision of where you want to go, be determined to reach your goal, get funding and ask for help when you need it.

#### VENDORS FEATURED

Ford of Canada was the main corporate sponsor. Larry Still-



Malcolm MacGregor presents Award of Excellence to Marcia Todd, publisher of Fabricare Canada.

well, representing Ford, had a delivery van model on the main floor of the venue because it could not be displayed in the below-ground location of the convention. In a brief talk to the group, he described the new sizes, new body styles and the availability of individual graphics to be applied to vans. Attendees visited his main floor display to view this latest model.

All other vendors were also given podium time to describe their company and what it had to offer OFA members. These included Thomas McDonald and Mike Lalonde of QuestMark; Robert Kuenzlen of GreenEarth; Lou Mignardi and Nick Mazzoli of Dalex; Scott Wallis and Andreas Schnitker of Miele Professional; and Brian Hatt of Harco. ■

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