



# A Measured Approach to Expansion Pays Off for Uniform Company

Will Melnyk never thought he'd be serving markets beyond his own backyard when he launched Uniform Works Limited in 2001. Back then, the Dartmouth, Nova Scotia company – which supplies uniforms to transit, postal and public safety organizations – was a one-man enterprise operating out of a tiny office.

"I was working in this small room that served as my boardroom, my warehouse, my administrative office, my everything," recalls Mr. Melnyk, president of Uniform Works. "And since there was only me in the business, I did everything as well."

Today, Uniform Works is a thriving organization that employs nine workers and enjoys double-digit revenue growth year after year. The company, which has built its reputation on service and an ability to provide off-the-shelf as well as custom-made uniforms, has clients across Atlantic Canada and in Ontario, Manitoba and Alberta.

In the fall, Mr. Melnyk and his team will be moving into a 12,000-square-foot facility that will house Uniform Works' offices and warehouse.

"Our warehouse capacity will increase by 400 per cent and we will also have a boardroom and two floors of offices," says Mr. Melnyk. "This is a really exciting time for us."

Like most entrepreneurs, Mr. Melnyk is driven by ambitions of business growth and success. But he's also guided by a simple principle that he applies to every strategic business decision: slow and steady wins the race.

"Success can kill you if it happens too fast and too soon," says Mr. Melnyk. "In my experience, it's better to grow at a steady, moderated pace and to step up to the next level when you're ready for it and when the business demands it."

Karen Fischer, a business consultant and partner at RK Fischer and Associates in Uxbridge near Toronto, agrees. When their sales start to grow, entrepreneurs sometimes start making rash decisions. They might hire more employees than they can afford to pay, stockpile inventory or get items manufactured without actual orders. Some expand their office space, pushing up monthly rent or mortgage costs.

"If a business is starting to grow very fast, that is when they need to stop and make sure they have a handle on their business as it is today," advises Ms. Fischer. "Are they collecting their payables in a timely manner and paying their own payables on time? Are they serving their current clients well and paying off loans and any debt? If a business is concerned about any of these issues today, they will have greater difficulty if they are growing faster than they are able to handle."



For Will Melnyk, president of Uniform Works, a strategy of slow and steady growth has proven profitable- with revenues increasing by 70 per cent last year alone.

With his guiding principle of steady and moderate growth, Mr. Melnyk has certainly been able to handle Uniform Works' many successes. He toiled alone until he won a large contract, about a year after he launched the company. Even with the lucrative new business, Uniform Works continued as a two-person operation for three years.

Uniform Works expanded its payroll one employee at a time, at a pace of one new hire each year. Last year, after landing clients in Western Canada and Ontario, Uniform Works opened a small distribution centre in Toronto, where Mr. Melnyk hired a local sales representative.

As part of his thoughtful and deliberate approach to growth, Mr. Melnyk often seeks the advice of his accountant, bank manager and employees.

"Even when I already know what I want to do, I find that getting input from people with different points of view helps me make a truly informed decision," he says.

Thirteen years after it sold its first products, Uniform Works is well on its way to becoming a key player in Canada's uniform industry. Last year, as it entered new markets outside Atlantic Canada, the company saw revenue jump by 70 per cent.

"I used to think that, being down here in Nova Scotia, we stood no chance of making it in the rest of Canada," says Mr. Melnyk. "But in the last year it's finally hit me that with a lot of hard work and a steady drive forward, going national is not a pipe dream but a reality."

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## CIBC Tips: Managing Growth Effectively

1. **Plan for growth** The growth of your business can outpace its ability to sustain itself if your existing infrastructure cannot fully support the expansion. So as not to be caught off-guard, ensure your business goals are clear and well planned. Assess all financial and operational aspects of the business and develop a detailed plan with clearly defined tactics, responsibilities and resource requirements that creates the right structure for growth.
2. **Time it right** With a well-thought-out system in place, track your performance to protect the quality of your offering and identify positive market indicators for growth. When demand seems high for your products/services, understand if the boom is long-lasting or just driven by short-term factors. To get ahead of industry trends and to avoid making rash decisions, be strategic in how you time your growth.
3. **Finance growth** As you expand, your business expenses will grow. Stay on top of changes to projected cash flows to ensure you have the funds required to run your business effectively. Talk with your banker about financing options that will give you access to the capital you will need to grow your business. If you see a cash crunch coming on, slow down growth so that your resources are aligned with your budget.

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