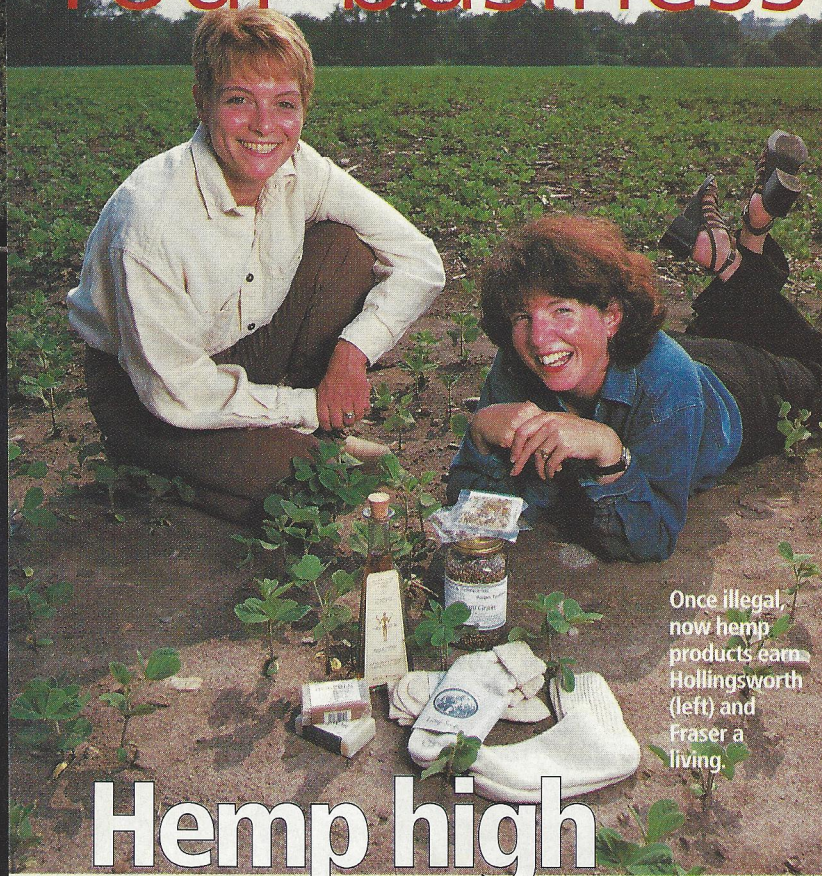


Your business



Once illegal, now hemp products earn Hollingsworth (left) and Fraser a living.

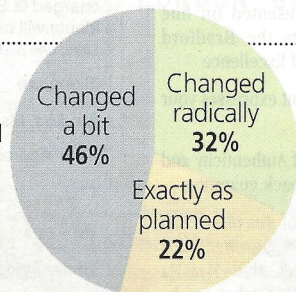
Hemp high

HOW TO

When Liz Fraser and Louise Hollingsworth try to introduce their product line to a new customer, they're inevitably asked, "Can you smoke it?" Their Thamesford, Ont., company, Fraser & Hollingsworth, wholesales and distributes fashions and other products made of hemp, which is a nonnarcotic form of cannabis and is the oldest and strongest of the natural fibres. Introducing a new product—especially a controversial one—requires a great deal of marketing savvy. So Fraser & Hollingsworth Hemp Merchants find themselves educating retailers and the general public. While curiosity usually gets them through the door, they also meet with opposition as customers associate their products with pot-smoking. "Our initial sales calls tend to be at least 40 minutes," says Louise. So they produced a brochure to fill in some of the blanks. If a buyer questions hemp fabric's quality, they suggest trying to rip it—an impossible feat. After clinching a sale, the partners send a press release to the local paper, which helps to educate and advertise. They continue to do grassroots promotion, such as addressing seniors at churches. Liz says, "We win them over when we tell them hemp oil lowers cholesterol!" **ANN SWERDFAGER**

Go with the flow

The successful learn to be flexible. In a survey of 500 small businesses, the majority of owners and operators said their companies had deviated from what they expected. Older businesses and those with sales over \$1 million noted the most radical change, and 78 percent of those reporting change said it was for the better.



Source: Royal Bank

A little goes a long way

HOW THEY DID IT

As female engineers, Linda Weaver and Dorothy Spence have faced their share of resistance. But they always find a way to overcome it. Just as they figured out how to finance a high-tech company on next to nothing. TecKnowledge, their Halifax health care company, brings specialized medical services to remote areas by linking an X-ray machine or an ultrasound to specialists hundreds or thousands of kilometres away.

When they began in 1995, Spence and Weaver had to manage the cash flow for \$1 million in sales on just a \$50,000 line of credit—secured through collateral mortgages, which their husbands had to co-sign.

Weaver explains, "We were up-front with people. We broke the rules. We asked for things we were told we'd never get"—like 50 percent payment in advance. They even requested a down payment on their first sale to Health Canada. They nailed an \$8 million contract from the Nova Scotia government. Next, they negotiated with suppliers, offering to pay a premium for late payment—essentially making



TecKnowledge's Spence (left) and Weaver.

creditors into financiers. One year later, they wanted to grow and needed more money. "As a knowledge-based company, we found there was no way to get money from banks. And venture capital money wasn't appropriate because they want quick return."

So they approached two companies with related businesses. They sold health care company Maritime Medical Care an equity share. This year, Maritime Telegraph and Telephone got a \$3 million piece—a minority share position. "Sooner or later, this market is going to blow wide open," says Weaver. "And since we were first in, we'll be the ones to dominate the market." **A.S.**

CALLING ALL ENTREPRENEURS Got a business you want to boast about? Topics you'd like to see here? Write: Your business, Chatelaine, 777 Bay St., Toronto M5W 1A7; fax: 416/596-5516; E-mail: yourbiz@chatelaine.com. Or visit Conversations (Work) on our Web site at www.chatelaine.com.