

‘Watch,’ Listen and Learn

Honorees Share Similar Experiences

By Tom Schuman

The following four companies call Northern Indiana home and they’re part of the 2013 Indiana Companies to Watch. Based on what they do, one might think the parallels end there.

The products and services range from food flavorings and online furniture to transporting passengers and selling “hamburger flippers.” But as four entrepreneurs met for the first time and learned about each other’s operations, the head nods and smiling “uh-huh” comments may have reached record numbers.

Sharing their stories and insights into growing a successful business are:

Participants:

- **Dave Bazzoni**, founder of Warsaw-based Sportula Products, maker of the self-described “hamburger flipper with a logo cut out of it.” Licensing agreements with colleges, universities and the National Football League, among others, have allowed for explosive growth since the company’s formation in 2009. www.sportula.com
- **Shannon Kaser**, president of Mishawaka’s Royal Excursion. Recently celebrating its 15th anniversary, the company offers charter bus and luxury motorcoach transportation in addition to fixed route services and packaged tours. www.royalexursion.com
- **Georgeann Quealy**, president of Integrative Flavors in Michigan City. The history dates back to 1938 and supplying Army rations during World War II. Today, soup bases, gravy mixes and flavor concentrates are the focus. Quealy has been involved in the company since 1990; she and her husband purchased it from her parents in 2005. www.integrativeflavors.com
- **John Webber**, owner of StrataShops. Started in 2008, the company’s office is in Elkhart but its customer base extends far and wide. A large variety of outdoor furniture products are soon to be accompanied by indoor goods and other furnishing accessories. www.stratashops.com

Moving to a higher level

The Indiana Companies to Watch program is for second-stage companies. That means they’ve moved past the start-up phase. In practical terms, they’ve brought on more people and the leaders are not doing everything themselves. That can be a tough transition for some.

Kaser describes it as very difficult when he had exhausted all his time and efforts being the person who answered the phone, drove the bus, cleaned it and more. All of a sudden others, particularly the drivers, “are the company at that time; they’re representing us.”

But he has learned there are many positives to “not working in the company but working over the company. Surround yourself with good people and you’ll be able to see the chips better, move things better and make better plans.”

Quealy terms it “working on the business instead of in the business.” As she transitioned to a more strategic position last year, she worried that employees would think “I was abandoning them or something. But in reality, I’m much more valuable to the company in this role.”

The realization that something had to change came to Webber when he ran out of time (undoubtedly not an isolated incident for entrepreneurs) and said to himself, “Look, if I want the company at this size, I’m perfectly fine to just keep rolling like we are. But if I actually want to hit that next million, or that next two or three or five million dollars, then this just doesn’t work. And I’m the only guy that can figure that out.

“That was one of the most difficult things I ever went through – the realization that I had to change. But once you’re on the other side of it, it’s way better. I love working on the business far more than I liked working in it, and I really liked working in it.”

Companies can’t do it all either

Another common, but not always easy to accept, theme is the understanding that the

company can't – and shouldn't – do it all.

In a written response on the Companies to Watch application, Kaser offered: "We're not looking to see how large we can grow but how good we can get." For Quealy, it was: "I have focused on what we do best instead of trying to do everything."

She expands on the thought during this discussion by noting that Integrative Flavors is in a highly competitive field and the differentiator at one point was to do whatever customers wanted and come up with new products, even if required distribution numbers were not anticipated.

"We repositioned ourselves (within the last year) to just doing the things that we do best and saying no to all the other things," she continues. "We have a few disappointed customers that we used to service. But it's far better for our company and our customers to channel our efforts in the right markets and not try to be everything to everyone."

For Sportula Products, Bazzoni says the company philosophy is clear. "We don't want to make a lot of products; we just don't. We want to make a few great ones every year."

That forces him to often say no to himself.

"There are a million good ideas out there; we come up with them every day. Saying no to the good ones, that's hard. And I'm the idea guy – I'll take an idea from a turtle on the road," he exclaims. "But oftentimes, I say no to myself. With a good idea, I'll write it down, and literally I'll put it in a drawer. Put it in there and just close it for now."

Tackling challenges

There are certainly other hurdles that have been overcome or are ongoing. For Webber, one is a result of his business model.

"The big thing on the Internet is that it moves and changes so fast. It really requires us to be continually keeping our eye on competitors. It's an increased competitive landscape online."

On a more personal level, there is the enhanced responsibility that comes with a growing enterprise.

"The decisions I make have a much bigger impact than they did in the beginning," Webber elaborates. "When I started out, it was just me in a room. If I didn't like what we were doing, I could drop it and start on something else. But now what we do and what we focus on have a lot more impact when you have employees whose livelihoods rely on you making smart decisions."

Kaser echoes those sentiments, terming it "learning on the way" and striving to maintain a high level of service while going through growth and change. And while Webber has the fast-moving Internet environment to deal with, Kaser and Royal Excursion are in a 365-day-a-year, 24/7 business.

"I want a team that can do these things not as good as me, but better than me. I want drivers who can do it better than I can; I want cleaners who can do it better than I can; I want people who can sell our business better than I can."

– Shannon Kaser
Royal Excursion



"That's good to a certain point. But sometimes it would be nice to shut down at two in the morning or Christmas afternoon. But we always have something going," he shares, also listing a heavy debt load due to very expensive equipment and high liability as part of caring for passengers while out on the road.

The original challenges for Sportula, Bazzoni admits, were no experience in the areas of licensing and distribution. How do you overcome that? Persistence and a love for what you do.

Working for a company in the textile rental business (washing dirty laundry and dropping off clean uniforms),

Bazzoni says he wrote his business plan on an 11x17 sheet of paper – a little bigger than the traditional napkin but close, he recalls. He also relied on the traits that made him a competitive pole vaulter in college at the University of Nebraska.

"I think the (parent) company (leaders) saw, 'Well, this isn't uniforms and this isn't mats; but, you know, with Dave as passionate about this as he is, maybe there's something to this.'"

And that passion extends throughout the Sportula team.

"We've got a fun group; we're all hyper competitive," he notes with enthusiasm. "You know, kind of a young, dumb, want-to-take-over-the-world type mentality."

Turning points

There's always something – or maybe two or three somethings – that any organization can look back on as defining moments along the way.

Integrative Flavors was able to move from its 6,700-square-foot home of 25 years to a new 28,000-square-foot, state-of-the-art facility. That would not have happened without strong strategic planning.

"It was sitting down when we bought the business and saying, 'This is where we want to be in five years; this is where we want to be in 10 years,'" confirms Quealy, who says that the annual focus at



"What's been really valuable for us is customer feedback. Hearing from the customers lets you see the business from start to finish and can help you make some good decisions."

– John Webber
StrataShops

year-end is on what was accomplished in the plan. "You've got to look at both. But take a step back and see what you did ... and then build on it from there."

Just to show that not all success stories are created equally, Webber has no strategic plan. In the Internet world, he fears it would be outdated by the time it was fully developed. A turning point, however, is still developing from a longstanding issue.

StrataShops relies significantly on relationships with vendors and shipping companies. Out-of-stock items, transportation delays and other problems prevent Webber's team from providing top service to its customers. A partial solution is a move to "import and warehouse our own specific brand of furniture" that is similar in style to one of its best sellers.



"Getting the first 20 or 25 employees right is critical because that sets your culture. 'A' players want to work with 'A' players, right? That's been important to us."

*– Dave Bazzoni
Sportula Products*

Bazzoni goes back to licensing. Sportula, he says, is one of less than 100 companies in the world with permission to "use the marks" of the NFL. Getting the license, then "delivering on that, far beyond what they expected from a first-year licensee" was critical.

Kaser acknowledges the contracts and customer referrals in building the business, but operates on the philosophy of always wanting more. After riding out the peaks and valleys, he identifies a key lesson as "not to get comfortable. There's always another threat out there. It's just a part of keep moving forward and looking for tomorrow."

Why Indiana?

These companies, like many in today's world, could be based in various states or regions. Location is important – both from a business and personal perspective.

"For manufacturing, it's proximity. It's one day's drive to 65% of the continental United States for distribution," Quealy shares. "Indiana is a progressive state; it's friendly for entrepreneurs."

Kaser cites friends, family and community, as well as tax benefits.

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Webber, in particular, could locate StrataShops anywhere. And other areas would offer access to a workforce with more experience in technology operations. But he's not ready to leave the people or the place that he calls home.

"If we can make it work here, we'll make it work here," he contends. Webber adds the lower cost of living and the Midwest work ethic as other strengths.

Count Bazzoni in on the last point.

"I do think the people in Indiana are just hard working. They're not only hard working but that goes with integrity and just being good people. There are good people everywhere, but I feel there are more good people in Indiana than other places I've been."

Several panelists list the influence of their parents. Kaser and Webber describe their fathers as "idea guys" who didn't have the opportunity to start their own companies. For Kaser, it's "maybe taking over some of that dream that he had that he didn't really get to fulfill."

Webber's desire to "be my own boss and call the shots"



also stems from a teen experience – playing with a hacky sack with a friend. "I liked it, went online to buy myself one and didn't really find any places that I guess I thought were cool at the time as a 15-year-old for this type of thing. So I figured I'd start it myself."

Quealy was able to witness both her parents purchase, plan and grow the company she leads today. A common denominator for many entrepreneurs, she says, is "not being adverse to risk – and liking it actually."

"I'd like the USDA labeling approval process to be much more expedient than it is. In order to get a food label through right now, it takes up to two months. So you have a customer that wants a product, you develop the product and they accept it – now we have to wait."

*– Georgeann Quealy
Integrative Flavors*

Looking forward

If this conversation is taking place five years from now, what will be the focus? What are the priorities for getting there?

Quealy lists four strategic areas: Leverage the company's

women's business enterprise status at the state and national levels, develop strategic partnerships with supplier diversity programs, increase business development activities and fill in distribution gaps. Achieve those and the rest will take care of

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itself, she says.

Kaser: “Ultimately, our goal is just to get better. If we don’t buy another bus, that’s fine. But there are many things we can do to be better. That’s pretty much our motto and what’s gotten us where we are today. Getting better and with the quality and the trust, growth comes.”

Webber: “Our goal today is to offer high-quality furnishings, a good price and really, really good service. In five years, I’d just like to see expansion of the business; that we’ve grown significantly through those core focuses.”

Sportula Products is just the beginning for Bazzoni.

“We’ve identified another brand that’s a children’s concept, and we’re going to grow that vertically,” he explains. “We’re going to grow Sportula Products vertically. Our company – iDNA Brands (‘ideas are in our DNA’) – that’s what we will be known as but we’re going to market our brands very independently.

“People are going to know Sportula Products and know the different brand names. But in five years from now we could have seven, eight brand offerings. That’s our strategic plan.”

In other words, more potential Companies to Watch honorees.