

LIFE LESSONS



MARK MAWHINNEY
Investment adviser,
Odlum Brown

Successful businesses have three ingredients

BY JEN ST. DENIS
JSTDENIS@BIV.COM

Mark Mawhinney started two businesses at an early age and now works with business students at the **University of British Columbia, University of Victoria and Royal Roads University** to help them hone their startup ideas.

Mawhinney thinks there are three elements every business needs to have in order to be successful: passion, the right skills and a strong economic model.

Mawhinney had early success at the age of 22 when he started a popular restaurant in Edmonton and then sold it to his partner a few years later.

But things didn't go so smoothly when he started his second venture, a computer support business called **PC Works**, in the late 1990s. He got the idea for the business after he had

a hard time finding computer help.

"Though it was profitable for the entire time I owned it, it was never hugely profitable," Mawhinney recalled. "I think my margins were around 10%, and every day was a struggle to get that 10% profit."

Not being passionate about computers was the first weakness. That meant he wasn't as knowledgeable as he should have been, and to make up for that lack of knowledge he needed to hire very skilled people to fill the gap. That proved to be a challenge.

"It took me 17 months to get to the point where I could assess the people and determine whether or not they were capable for what I needed them to do," he said. "It was one hire at the end of the day who in my view turned the company around, and he's gone on

Just because it's a cool product doesn't mean it can be a good business

MARK MAWHINNEY
INVESTMENT ADVISER, ODLUM BROWN

to start his own business and build it up successfully."

The business also did not have a particularly strong economic model – it took a lot of expensive labour to bring in revenue – and it was facing a lot of competition in the marketplace.

While Mawhinney was able to sell the business at a profit, he's never forgotten those important lessons.

"Now, when I work with student entrepreneurs and look at businesses from an investment perspective, I really look at

those three things," Mawhinney said. "What some entrepreneurs do is they will go and develop a cool product or idea. Just because it's a cool product doesn't mean it can be a good business. They'll develop solutions that don't necessarily have a market problem."

ON FOCUSING ON THE CUSTOMER | "What I get student entrepreneurs to focus on when they're building their plan and going out and executing is to get in front of customers as quickly as possible and get the customers involved. ... If you get the customer involved in the development of your product ... what you'll tend to have is something that's informed by the customers' needs, and you'll have something which will probably attract customers that will pay you a market rate." ■

Next Life Lesson: Marilouise Muller, director, Dynamic Management Solutions

Has a work or life challenge taught you a key career lesson? Contact Jen St. Denis at jstdenis@biv.com.

BUSINESS VANCOUVER

BUSINESS TO BUSINESS

COPY & DIGITAL PRINT SERVICES

VIVID COLOUR
POSTERS • SIGNS • BANNERS

We Can Print on:
Glossy • Satin • Uncoated
Vinyl • Canvas • Foam Core

M-F 8 am - 6 pm • Weekends 10 am - 6 pm • 1950 West Broadway, Vancouver

Tel: 604-731-7868
www.copiesplus.ca

Copies Plus
COPY • IMAGING CENTRE

More Than 
25 Years
Of Outstanding Service

BUSINESS INTERNET ACCESS

SKYWAY WEST
BUSINESS INTERNET SERVICES

- Full Internet Service Provider since 1996
- Now serving Canada, coast to coast

- Power-up your LAN with ADSL, Wireless or Fibre
- VPN, Bonding, VoIP, Co-locate, or Web Hosting

info@skywaywest.com

604-482-1225

HANSEN INDUSTRIES LTD.
PRECISION SHEET METAL AND MACHINED COMPONENTS FOR MANUFACTURING COMPANIES

- LASER CUTTING
- CNC MACHINING
- SHEET METAL
- WATERJET CUTTING
- WELDING
- METAL STAMPING
- TOOL & DIE
- SILK SCREENING
- PROTOTYPING
- ASSEMBLIES


ISO 9001
CERTIFIED SYSTEM

www.hanind.com

Space close:
September 21 for
the October issue

For more information
on advertising contact:

KATHERINE BUTLER
Ph: 604-608-5158
e-mail:
kbutler@biv.com

PUBLISHED MONTHLY BY
BUSINESS VANCOUVER

SOUNDING BOARD
THE OFFICIAL NEWSPAPER OF THE VANCOUVER BOARD OF TRADE AND ITS MEMBERS

The *Sounding Board* newspaper provides analysis and discussion of regional and national issues facing the business community, along with input from member companies, allowing them to raise their profile in the business community.

Sounding Board is read by leading business executives and their employees.

Distribution includes:

- all BIV subscribers,
- all Vancouver Board of Trade members,
- and members of the Burnaby and Surrey boards of trade