



# Riding the rollercoaster

## Despite some twists and turns, 2008 Nicol Award winner Christopher Carmichael is still going strong

Marc Andreessen, the legendary founder of Netscape, once said that being an entrepreneur is like riding an emotional rollercoaster – with plenty of thrills, chills, sudden dips and unexpected turns.

It's a ride that Christopher Carmichael is getting to know well. Only a year after capturing the 2008 Wes Nicol Entrepreneurial Award, Carmichael has already experienced more than his share of ups and downs. Far from becoming discouraged, however, the 21-year-old third-year student from Wilfrid Laurier University in Kitchener, Ontario, is more determined than ever to see his ideas succeed.

Carmichael's winning entry was a business plan for Campus Ink, a student-run venture that – in its original incarnation – offered high-quality ink cartridge refills at competitive prices. The equipment required to refill cartridges is inexpensive and easy to use, so Carmichael figured it wouldn't be hard to beat the established cartridge-refilling companies at their own game. Before long, he had enlisted the help of half a dozen other students on campuses in Ontario and Quebec. His aim was to offer turnkey franchises to young entrepreneurs across Canada, including options for custom labeling and packaging to reflect their specific mission and audience.

That's when Carmichael ran into his first obstacle. The problem with the franchise model, he realized, was that students tend to stay at a particular university or college for only a few years. Rather than trying to enlist a new batch of campus representatives at the start of each school year, he decided to import remanufactured ink cartridges from China and sell them himself through campus stores.

The idea seemed promising. In fact, Carmichael says that several investors approached him after last year's Nicol Awards and offered to buy part of the company. "One man offered me \$50,000 for half of the business. At first I thought, 'Holy cow, that sounds like a lot of money.'" In the end, though, Carmichael decided that he didn't want to surrender that much control. He turned down the offer and set out to find another source of financing.

That's when he encountered obstacle number two. An elderly relative offered to lend him \$25,000, but only on condition that he drop the idea of importing ink cartridges and find another product to sell. "He didn't want me running the ink business because he thought it was too unpredictable," Carmichael says. "When you ship an ink cartridge to a campus store it's on consignment. As the importer, I'd be taking all of the risk. I might not get paid for several months, and if the cartridges didn't sell I'd be stuck with old inventory."

After scouring the Internet for other ideas, Carmichael settled on the idea of importing custom-designed lanyards equipped with USB flash memory drives. He tracked down several Chinese companies that could manufacture the lanyards to order and ship them to Canada within two to four weeks. As with the ink cartridges, Carmichael would have to pay for each shipment up front – but since the lanyards were designed according to the customer's specifications, he could be reasonably assured of receiving payment within 30 days. "I spent the entire summer of 2008 trying to get the product into campus stores," Carmichael says. Looking back, he adds, "I learned more that summer than I'd ever learned in business school."



## The Nicol Entrepreneurial Award

The issue wasn't that the lanyards weren't popular, because they were. Almost immediately, however, Carmichael ran into logistical and marketing problems. He wound up having to pay for one \$4,000 order twice because of a mix-up involving a freight forwarder. He also landed in hot water when one of his largest customers objected to being used as a reference in Carmichael's email advertising campaign. "It was an honest mistake on my part, but they cancelled their order and blacklisted me as an unethical vendor. I had to do damage control for about three weeks. That really hurt, but it taught me to be a lot more careful about what I say when I'm approaching new customers."

Despite those setbacks, Carmichael has managed to close \$35,000 in lanyard sales so far – enough to convince him that it's the right product at the right time. Recently, he's been focusing his efforts on creating a website that will allow customers to design their own USB lanyards by uploading a logo and selecting the colour, material, width, quantity and any optional accessories, such as a belt clip, whistle or bottle opener. The site, BuildMyLanyard.com, is expected to go live shortly.

"I know there's demand for it because I see lanyards everywhere, plus there's more margin and less risk than with ink cartridges," Carmichael says. At the same time, "I don't regret the ink business because it's what gave me the experience to get started in this. I learned how to import and I learned how to use business terminology."

Carmichael credits the Wes Nicol Entrepreneurial Award with helping him to refine his business plan, as well as widening his circle of business contacts. Introduced in 1997, the award recognizes the importance of the entrepreneurial spirit and its key role in the success of a business. The annual prize is named for Wes Nicol, a successful Ottawa-based lawyer, residential developer, angel investor and philanthropist.

"I found the experience of the judging to be really useful," Carmichael says. "At the time I was excited about all these cool products I could import and sell to campus stores, but the judges advised me to zero in on one product and try to master that business." In the end, that's what he did – except the product turned out to be lanyards rather than ink cartridges. The media coverage he received after winning the award came in handy, too. "I got a ton of press attention, and that really helped to build my credibility."

What does the future hold for Chris Carmichael? He admits he isn't sure, but the twists and turns of the past year have in no way dampened his enthusiasm for entrepreneurship. "Right now I'm really optimistic about the lanyard business," he says. "As for what I might be doing five years from now, I definitely know I want to travel and to look for new products that I could bring to North America. I love selling, and I love learning about new business opportunities."