

Second Chance

by *Ellen Roseman*

Cet article explique comment une femme d'affaires de 76 ans a survécu à une faillite et mise sur pied une nouvelle entreprise.

Ginger Eisen scored an instant hit when she opened a tiny boutique in Toronto's Yorkville area in 1961, carrying stylish European bathroom fixtures and accessories.

By the late 1980s, as baby boomers installed brass faucets and marble tubs, Ginger's International Bath Centre employed 52 people and racked up sales of more than \$7 million a year. Then the recession hit, housing sales collapsed, and so did her business.

One gray morning in November, 1990, she found her store padlocked. The landlord put her into receivership after missing two monthly rent payments.

"It was the most devastating thing in the world," she says about going bankrupt. "I had suppliers I'd been dealing with for 30 years. Some of them were my best friends.

"My pride was smashed and I couldn't go anywhere. I hid for three months."

Today, 76-year-old Ms. Eisen is back in business. At an age when most entrepreneurs would be throwing in the towel, she's selling them again.

Ginger Eisen's Bathrooms in Yorkville's Hazelton Lanes focuses on a growing market, bathroom fixtures for the elderly and disabled—"the physically challenged," she calls them. Her business is not yet profitable, but she's determined to make it work, applying lessons learned from past experience.

"I had to prove you can do it twice—not to anyone else, just to myself. That's the lovely part of be-

ing 76. You do things for yourself."

With her vivid red hair and skirts slit to the thigh, Ms. Eisen's looks and energy belie her age. She is now happily remarried after her invalid husband died two years ago, and she heads up Women Entrepreneurs of Canada, a branch of an international organization based in France.

"She's tireless," say long-time supplier Mariza Pal, president of Bath Creations Inc. of Toronto. "She's my example of how you don't grow old as long as you keep working."

David Hanna, a Toronto-Dominion Bank vice-president who deals with Ms. Eisen, calls her "innovative, smart and tough. She knows her customers and what they need. By tapping a select market this time, I think she's found a niche."

To succeed in business after bankruptcy required an ability to shoulder blame and avoid making the same mistakes again. Ms. Eisen passes those tests easily.

Mistake number one, she says, was not anticipating the 1990 recession. Ginger's was supplying bathroom fixtures to several condominium projects that were halted. "All that inventory and no one to sell it to."

Mistake number two was not listening to her accountant. He said the business was in trouble and should be wound up. She swore she could turn it around.

"I threw away half a million dollars—literally threw it on the floor," she says of her attempt to revive sales with heavy advertising and discount pricing. "It was a terrible time. No one was buying."

When the business was put into receivership, she had been negotiating to sell it to Elte Carpets, an established Toronto retailer. The sale eventually went through, but Ms. Eisen was on the hook to the bank for \$2.25 million.

"The first thing I tell entrepreneurs

is never to sign a personal covenant. It's a bitter lesson I learned."

Elte bought the company's assets and took on most of the suppliers and staff. Ms. Eisen agreed to stay for three years, was given an office and found she had nothing to do.

"I lasted six months as a consultant," she says. "I was twiddling my thumbs."

Elte president Ken Metrick says he has great respect for Ms. Eisen's retailing skills. "She'd got great style and passion.

"But when you're running a business and someone else takes it over, it's always a difficult situation. Many things had to be changed at once."

Elte is making money with Ginger's Bath Centre, but times are different, Mr. Metrick says. Customers are more practical and buying \$600 shower heads instead of \$5,000 Jacuzzi tubs: "No one has time to take baths."

Ms. Eisen has never been back to the original store since she left in 1991. It would be too painful, and she's in the new store almost all of the time.

That's another lesson she learned: Keep your eye on the ball. It can be dangerous to rely too much on others, especially if they don't have a stake in the business.

"I got too busy," she admits. "I was travelling a lot and I was very involved with Women Entrepreneurs of Canada. I lost control.

"You can blame anyone you like, but in the final analysis you have to face yourself in the mirror and say, 'I didn't keep my finger on the pulse. I left too many things to too many people.'"

Ms. Eisen realizes she waited too long before hiring a strong financial manager. She stuck with her general manager of 26 years, who was a close friend.

The manager later sued Ms. Eisen,

who had guaranteed to pay her last year's salary if anything happened to the company. She eventually settled for \$65,000, plus legal costs.

"This time, I'll surround myself with people who have specific areas of strength and have money in the business, so they'll watch what goes on."

So far, however, Ginger Eisen's Bathrooms has only one full-time employee and five part-timers. The store is taking a while to find its market.

Ms. Eisen had come upon the idea while travelling through Europe, where she had seen many specialized products for the elderly—extra-low sinks and vanities, soft rubber tubs and grab bars for showers. She felt there was demand in Canada, but Elte nixed the idea.

Striking out on her own, she opened the Hazelton Lanes store in May, 1992. Her children, aged 49 and 51, were horrified.

"They said you can't afford to lose," she recalls. "I told them I was going in with a calculated risk and I can lose only this much."

Opening the store cost \$250,000, an amount that came from a refund of prepaid tax and a TD Bank Loan. She had no trouble getting credit from the bank and form suppliers, although most wanted cash on delivery at first.

Once the business finds its feet, Ms. Eisen wants to find a younger partner and spend more time with her new husband. Meanwhile, despite long hours and her decision not to take a salary, she finds joy in trail-blazing with a new concept.

"Most accidents happen in the bathroom," she stresses. "My idea is to have safe bathrooms for seniors that aren't institutional-looking."

"One of my customers was a blind woman, who had grab bars installed along the hall of her apartment. She was thrilled. It was the first time she could get to the bathroom all by herself."

February 7th, 1994. Reprinted with permission from The Globe and Mail.

Homework's the Key

by Ellen Roseman

Before you open a business, open a book. No matter what your needs or interests, you can find many excellent publications that give you the lowdown on managing your own company.

With corporate loan demand soft, chartered banks are courting the entrepreneurial market with informative brochures on small business, most of them free.

Bank of Montreal has a series of 14 *Small Business Problem Solver* booklets. Topics range from financing and marketing your business to buying computers and measuring performance.

Bank of Nova Scotia publishes a guide to choosing a franchise and one on developing a business plan. It calls planning "the fourth essential," after initiative, energy and a determination to be independent.

Royal Bank of Canada has a series of four books called *Your Business Matters*, covering business plans, sources of small business information, borrowing money and managing cash flow.

Many banks now offer loans up to \$250,000 under the federal Small Business Loans Act at their prime rate. (By law, they can charge prime plus 1.75 percent.) The National Bank of Canada has a toll-free line (1-800-387-7777) for entrepreneurs in Quebec, Ontario and Atlantic Canada to see if they qualify for a loan.

Governments offer self-help materials and seminars for entrepreneurs. For information in Ontario, call the toll-free *Small Business Startup Hotline* at 1-800-567-2345.

British Columbia has a small business information centre at 604-357-5777, as well as a Businesswoman's Advocate for women's interests.

Alberta's Department of Economic Development recently did a study on barriers faced by women in business and is compiling a list of women's business networks.

The Federal Business Development Bank has a wealth of booklets and programs, including a guide to financing for women entrepreneurs. The head office is at 800 Victoria Square, Tour de la Place-Victoria, P.O. Box 335, Montreal, H4Z 1L4, or you can call toll-free at 1-800-361-2126.

Vancouver-based Self-Counsel Press publishes *Starting a Successful Business in Canada* (\$39.95), a three-part package that includes a book, two audio tapes and a workbook. It is sold in book and stationary stores.

Finally, two useful magazines are *Home Business Report*, a quarterly that costs \$17.12 for a year (write to 2949 Ash Street, Abbotsford, B.C., V2S 4G5); and *Head Office at Home*, a newer and glossier publication, \$16 a year for five issues from Abaco Communications Ltd., 145 Royal Crest Court, Unit 2, Markham, Ont., L3R 9Z4.

September 7th, 1992. Reprinted with permission from The Globe and Mail.

Ellen Roseman is the money editor for The Report on Business.