



July 2018

Membership

We are pleased to welcome new members Mike Piche of Groulx-Robertson Venues from Pointe-Claire, Quebec as well as Diko Nahabedian and Sia Mizrahi of Canam-Appraiz Inc. from Toronto and Wanda Ackert of Krazee Klean Industrial Drycleaning & Commercial Laundry Inc. from Fort Henry, Alberta as new members. I look forward to seeing them at our upcoming conference. CFA continues to grow.

Dear Members It's that time of year when you want to mark your calendar to attend one of the dry cleaning industry's best events – Brainstorming with your fellow dry cleaners and allied trades representatives and learn from world class speakers and share information. This is a one of kind happening, and we hope you'll be able to join us.

Please fill out your registration form ASAP and return it to me. There is so much that goes into making our conference a success, one of the ingredients is making sure that there is sufficient room for everyone to insuring that there is sufficient food and drink available. As to the food part, I encourage you to attend our Gala Dinner on Saturday night and have included a line to indicate your choice of entrée for dinner.

We also want to insure that we have a good turnout to warrant the investment we make in putting on the conference and reward our sponsors and allied trades for supporting our association and all that we stand for.

As the Canadian Fabricare Association, we have an obligation to our customers to give them the confidence that our members are the most knowledgeable and experienced operators in the industry. Consumers should be comfortable knowing that when they entrust their garments to our members, that they will receive the best care available in the industry.

We are proud that we have become recognized as the leaders in the industry by government agencies, allied trades across Canada and the United States, media outlets and the public.

Special room rates are based on our allotment of rooms, so please reserve your room at the hotel ASAP. You only have to provide your credit card number to reserve. We have reserved a larger room to accommodate the larger attendance this year as we are partnering with a number of American sponsors who will be inviting operators from New York, Ohio, Pennsylvania, Michigan, and other states, as well as operators across Canada.

In a survey done in 2017, Premier Dry Cleaners was voted the Top Choice Dry Cleaning Service in Ottawa for the 2017 year.

Attention Members: Our members are from many provinces in Canada and states in the U.S.A. As an association that chooses to be proactive when it comes to promoting environmental safety, increased education and training, good customer and government relations, I am requesting your input as to what is of importance to you in your city, province, or state, as well as matters of importance to our fabricare industry. If you email or call me with your concerns, I will investigate and pursue solutions to these matters. As Executive Director, I subscribe to numerous outlets including matters before the courts, especially as it applies to employment in our industry in order to make our membership aware of current or future rulings. When I come upon any specific rulings of concern to

your city, province or state, I will advise you about it. As well, I would like to know about any awards or recognition you or your company receives so that I can share that information with others in our association. The more good things we know about our members, the more we can be proud of our achievements and share them not only among ourselves, but with our consumers, media, government agencies, and the public. So do not be shy. Send me the information and pictures if possible. I will include this information in our newsletters and on our website as well.

Due to privacy regulations, if I do not receive an email back advising me to remove your email address from my membership list, I will assume that it is okay to continue to send you important emails..

I would like to thank **Kim Sekleski, Wright Cleaner's Cotty's cleaners of Barrie** for bringing the problem of wrongly shipped garments to our attention.

Her question was "As an industry known for paying out a customer claim. Taken to the cleaner's" Where does our staff hold responsibility for their own actions, without the employer held captive or in fear over a reverse effect of a labour lawsuit upon termination.

Example. "Staff is busy at the counter serving customers. There is a line up. They either go to a rack that is alphabetized or numbered etc. sometimes overlooking that another item has gotten caught over a hanger and gone out the door with it. Then begins the infamous waiting game for the customer who has it, to return the item

Now, aside from giving out a pink slip with a copy of our training manual that covers this section of caring for our customers to the staff who carelessly didn't pay attention to the hanger count at check out. What other legal options do we have as employers? Is it the simple cost of doing business these days to allow our staff to make costly mistakes like this two or three times for us to fire them and start the process again? Would we not be able to have something done so in the event 2000k suit or leather coat, etc. Item goes out the door to the wrong "Smith".

Mistakes happen; we are only human after all. But the time has come where people need to be present at their job and accountable for these kinds of costly errors. Maybe it's just me. But an idea or suggestion from other members would be greatly appreciated."

I would like to hear from other members on how they have or are dealing with this problem. Please email me your response and I will publish it in a newsletter.

What Men Should Never Wear The following information was provided by a leading haberdasher:

Men should never use too much fragrance. Men should never wear clothes with large logos or side cut tank tops or deep V-neck T shirts. Men should never wear pointy, square toed shoes, UGG boots or Velcro shoes unless for physical problems. Men should never wear skinny or bling jeans, or baggy clothes. Men should not wear studded belts or a choker necklace. Men should not wear their dress shirts untucked or shiny club shirts, shirts with wings or flames on them, or pajama pants in public.

Remember what you look like is the first impression others see of you. Stand out from the crowd and differentiate yourself from your competition. Look the part, show passion, initiative, and courage. If you look the part and your business portrays the best image, you can charge more for your services

Always be aware of cyberattacks - It is critical that all users remain aware and educated about online threats. Users should always beware of malicious apps, even if downloading from Google Play. Look

for the comments left by other users, and only grant permission to information relevant to the apps' purpose. Also, remain aware of malicious advertisements; do not download anything unless you are certain it is coming from a trusted source.

In the last decade, the impact and extent of cyberattacks have skyrocketed, and no matter the magnitude of the company, one cyberattack can destroy consumer trust overnight. Security needs to be the top concern for businesses today. The growth and popularity of online networks, cloud and mobile devices continues to push more data beyond traditional IT security protections. Businesses must adopt new methods to secure information with a focus on prevention, not detection.

Encountering a cyberattack is probably inevitable, but adopting a proactive security posture will protect your network from damage if an attack happens. It's in every business' interest to invest in a 360-degree cybersecurity infrastructure that is equipped to take on today's fifth-generation cyberattacks. CheckPoint Software Technologies will be presenting at our upcoming conference and will be demonstrating how hackers get into your systems.

Key Issues in Determining the Worth of Your Small Business by Greg DePersio

You know your business's revenues, and you know its expenses, but do you know what it's actually worth? Knowing the value of your business can save you money if you ever decide to sell, merge, or otherwise dispose of it. Here are the key issues in determining the worth of your small business.

Why Know Your Business's Worth?

As long as your business is growing and making money, do you need to know its exact value? The answer is not always, but it never hurts. Sometimes simple curiosity sets in. You hear about a business sale in your industry and start wondering, "Hmm, I wonder what my business would sell for?"

Other times, there's a pressing need to know. A partner is moving on and wants to cash out. You're considering selling the business. You run the company with your spouse and divorce looms. In these situations, knowing your business's value can help you get the most out of the impending transaction.

Qualities and Qualifications of a Good Business Valuator

Valuing your business involves some advanced calculations. Some business owners have no problem with that. If you majored in accounting or math, you might decide to go for it. Others say "No way." If that's you, a business valuator can crunch the numbers for you.

If you're going to pay a business valuator, you want to go with someone who has experience and can do the job right. For many business owners, that means looking for someone with the CBV, or Chartered Business Valuator, designation, which signifies advanced training specifically in business valuation.

To locate a CBV near you, check out the Canadian Institute of Chartered Business Valuators. On its website, you can search by province for CBVs.

Your Business Valuator's Role and Responsibility

The services of a business valuator don't come cheap. You might be set back several thousand dollars. But if you're selling your company or negotiating the exit of a partner, a few thousand dollars is nothing compared to what you can gain from an accurate valuation of your business.

When paying that kind of money, though, you should know what the valuator is giving you in return. The best business valutors have strong backgrounds in math and accounting. They can handle advanced calculations such as discounting future cash flows and depreciating assets. In the end, you want to be sure the most accurate valuation gets assigned to your business.

Aside from fees and qualifications, another trait to look for in a business valuator is confidentiality. They shouldn't reveal the name of your business to anyone until a deal is on the table.

Rules of Thumb

In many industries, rules of thumb hold sway over business prices. These rules, some of which might seem esoteric, offer simple calculations to determine the fair selling price of a business.

A few common rules of thumb:

Retail apparel store: one-and-a-half times seller's discretionary earnings plus inventory.

Book store: 15 percent of annual sales plus inventory.

Retail auto parts stores: 40 percent of annual sales plus inventory.

Dental practice: 50 to 60 percent of annual gross revenue.

While these rules can provide a helpful starting point, they aren't the be-all-end-all. Consider two dental practices, for instance, both with the same annual gross revenues. One is buried in debt and untenable expenses. The other is debt-free and consistently profitable.

Would anyone thinking clearly bid the same amount for these two practices just because they have the same gross revenues? Of course not. That's why rules of thumb should be thought of as a guide and not a panacea.

Goodwill and Other Intangible Assets

Not all your business's assets are tangible. If you or your business valuator ignore intangible assets — particularly goodwill — you risk undervaluing your business. It is a good idea to mention goodwill and other intangibles to any business valuator you're considering hiring. That way you can make sure you're on the same page.

What is goodwill? It consists of your business's positive reputation, knowledgeable staff, customer relationships, and other intangible items that imbue it with favor or advantage.

Occasionally, you run across a buyer who claims they don't pay for goodwill or intangibles. Upon encountering such buyers, smart sellers lace up their New Balances and run in the opposite direction.

The Role of Buyer and Seller Perspectives

Sellers often perceive the value of their business in raw numbers — profits, earnings growth, and the like. But it's important to consider the ways a buyer's perspective can differ.

A few characteristics important to buyers:

Management and employee stability. Is the buyer going to have to replace the whole staff from the top down? If so, that's an added expense not captured in most valuation measures.

Growth prospects. Not just for the business, but for the industry as a whole. A Blockbuster Video franchise might have had great raw numbers in 2008. By that point, though, any savvy buyer should've seen the writing on the wall for the video rental industry.

Competition. A looming threat from a competitor, such as a popular chain coming to town, can depress the perceived value of your business to a buyer. Before you sell your business, cash out, or split with a partner, getting an accurate valuation is crucial. Knowing the steps to take and who to trust can save you a lot of money in a major transaction.

I have included an excerpt from a decision by the Superior court of Appeal for Ontario which was fully reported by Jacquelyn Stevens of Willms & Shier Environmental Lawyers, who is also a member and supporter of the Canadian Fabricare Association. I believe that this applies to our industry.

The Trial Court Decision – Appeal decision from Superior Court of Justice of Ontario

The OCJ convicted Sunrise Propane and its directors under the EPA for discharging a contaminant that caused or could cause an adverse effect and for contravening a Provincial Officer's Order.⁶ Sunrise Propane also received a conviction under the OHSA. **The OCJ found that Sunrise Propane and its directors failed to establish a due diligence defense. Sunrise Propane failed to take reasonable steps to prevent the discharge of contaminants.**

Companies Beware

Companies must keep abreast of changes in the law and use caution when relying on statements of regulatory representatives, in particular where, as here, a new regulatory document was published and in place.

The decision further confirms the importance of having a robust, well-thought out environmental management system, safety procedures, training protocols, and preventative maintenance in place in order to prevent and respond to accidents, and establish a defence of due diligence. This is especially so where the business in question is an "inherently dangerous one" where facilities must operate "in the safest conditions to avoid potential catastrophes." For the full article go to

https://www.willmsshier.com/docs/default-source/articles/article---significant-fines-upheld-in-sunrise-propane-explosion---jes-vc---june-4-2018.pdf?sfvrsn=f6f354d5_2

Worth Repeating – From DLI Hot Press

Pay your staff what they're worth

[Anne Rose](#) Wednesday, May 30, 2018

How do you calculate what to pay your staff? Anticipated revenues? Operating costs? What the market will bear? What the industry standard says this job is worth or what your state says is the legal minimum wage? Or something else?

Why not pay your staff what you think their job is worth? How much does the success of your business depend on the successful functioning of this person?

When you take advantage of someone and pay them the minimum expected or legally allowed, regardless of their value, guess what? You'll get the minimum expected work out of that employee in reciprocity as retribution.

I remember a scene from the movie "Scrooge" when he's just bought out a company. A young clerk asks if he'll still have a job with the new company, and Scrooge replies by asking him his current salary. And then he tells the clerk that he can keep his job for half that amount.

That's not just a book or movie character who does that. Plenty of companies operate with that same mentality: "Be grateful you have any job at any wage and expect to be paid as little as the company can get away with."

But is that ethical or even good business sense?

I know of some healthcare companies running senior living homes who charge their residents thousands of dollars per month for room, meals and help with the activities of daily living. Despite

charging the resident \$4,000 or \$5,000 or more per month for these services, these companies pay their nursing assistants — the ones who do the brunt of the work — minimum wage.

Why? Because they can. These are the staff members who perform the services that the retirement home is mostly charging for yet they are the least compensated — and the least satisfied with their jobs. And they prove it with high call-in rates and high turnover which, of course, costs the business money.

The executives' reasoning is that these staff are being paid the "industry standard." What if the industry standard is obscenely low?

If the company is charging \$5,000 percent month times 100 residents, for example, this company really can't afford to pay their staff above the industry standard? Perhaps if they paid their staff better, they would get better quality staff instead of the high turnover that is currently the norm in this industry.

I recently overheard a contractor complaining about the company that he was doing a job for. He said that company's management treated its employees terribly, and he was sorry for any employee stuck working for them.

He said he "got back" at that company by overcharging for parts and labor. Not to say that shortchanging one set of people by shortchanging another is ethical, but it frequently is the logical consequence of perceived injustices.

Another employee who felt they were underpaid added to his income by taking home company supplies. Another staffer felt justified in clocking in early and late (with plausible reasons to the boss) to get overtime pay to make up for her lack of raise.

Taking longer lunch breaks, taking extra rest breaks, goofing off on the job, doing personal work on the computer instead of company work, talking to friends on the phone....all these are ways in which people can compensate for what they believe is not getting paid what they're worth.

I have spoken with executives who point to these unethical behaviors of staff as a reason for not paying them more. But they overlook that the low wages were the reason they recruited poor staff to begin with.

If they had offered a truly competitive wage, not the minimum mandated by law or suggested by the industry, they would have a pool of really qualified candidates to choose from.

Imagine that the industry standard for cashiering in your locale is \$11 per hour. What if you offered \$16 per hour instead, because you've decided that a cashier is integral to your success?

That person has to be trusted with the company's money, handle transactions efficiently and accurately, conduct returns, perform superior customer service, smile and make every customer feel important and special — all of which are part of a very unique and uncommon skill set that is not easy to find.

If you offered a higher than average salary for this critical position, do you think you would have a large applicant pool from which to select those who most closely match your company's ethics and values? You might get applicants who are eager to invest their time and energy in your company's success and be with your company for the long-term, not a three-month gig before they're on to their next underpaid job.

So before automatically setting a wage based on the lowest denominator, think critically and honestly about the value of that job and pay accordingly. You'll get more than your money's worth out of that employee.

I am pleased to announce that Environment Canada will participate at our conference. They will have a Table Top and will answer your questions, as well as distribute up to date Compliance information. As well Cleaner's Supply will provide Gift Certificates which will be raffled off at the conference.

Check Point Software Technologies (Jodi Munro, Robert Falzon);
Dalex Canada (Ashlynn McConvey);
East Coast Laundry Systems (Peter Blunden);
Environment Canada (Pamela Finlayson) – Compliance Information
Extox Industries (Artur Keyes);
EZ Products (Diane Rue);
Green Earth Cleaning Canada (Robert Kuenzlen);
Harco (Rob Jackson);
Lavanett (Earl Eeichen);
Laundrapp (Miguel Galan Davis)
Ontario Laundry Systems (Craig Gibson);
Sanitone (John Regan);
Sparkle Solutions (Bruce Miller)



The following companies and individuals are sponsoring the conference in October:
Fabricare Cleaning Centers (Clark McDaniel) – Luncheon on Saturday
Green Earth Cleaning Canada (Robert Kuenzlen) – Coffee Breaks (2)
Check Point Software Technologies (Jodi Munro) – Overall Conference Support
Cleaners Supply – Gift Certificates
East Coast Laundry Systems (Peter Blunden) – Saturday night wine at dinner (co-sponsor)
Richard J. Rivard & Margaret Rivard - Saturday night wine at dinner (co-sponsor)
Newtex Cleaners (Michelle Krulicki & Donna Renault) – Sat. night wine at dinner (co-sponsor)
Sparkle Solutions (Bruce Miller) – Speakers Gifts
Dalex (Ashlynn McConvey) – Saturday morning breakfast (co-sponsor)
Harco (Rob Jackson) – Saturday night cocktail hour (co-sponsor)
Willms & Shier Environmental Lawyers (Jacquelyn Stevens) - Saturday night cocktail hour (co-sponsor)
Laundrapp (Miguel Galan Davis) – Co-sponsor Saturday morning breakfast



RMBC LIMITED & RIVARD INVESTMENTS

The following companies are sponsoring the conference on Friday as well as the Friday night cocktail party. There will be additional sponsors announced shortly.

Kemco Systems; G.A. Braun; Gurtler Industries Inc.; American Laundry Systems;



One of our speakers and Table Top Presentations will be from **Check Point***, a company that will be demonstrating how to protect your customers' information and to prevent hacking of our credit card systems. This will be very important to protecting the image of our members' businesses. They will demonstrate how hackers can attack your credit card systems and your customer information. They will explain the huge fines for non-compliance in protecting the credit and debit card information.

On behalf of the Canadian Fabricare Association, I would like to extend our sincere thanks to these companies for stepping forward to financially assist our association to conduct a great conference. When considering purchasing goods or services, please give your first consideration to an allied trade member. They are supporting us and we must continue to support them. We are awaiting more support from other companies and allied trade members.

What Employees really want? It all starts with Strong Leadership.

10 Traits of a Boss who is a Strong Leader:

- 1. They genuinely care and put the interests of their team first.*
- 2. They are not afraid to hire people smarter than they are. They aren't threatened or intimidated by the success of employees.*
- 3. They are quick to share and give credit.*
- 4. They empower employees. They set employees up to succeed.*
- 5. They take responsibility. They don't shift the blame.*
- 6. They are humble and welcome feedback even if it's not positive.*
- 7. They are fair and transparent. Their words and actions match. They walk the talk.*
- 8. They have high emotional intelligence. They show empathy. They don't take things personally, harbor grudges or easily get angry.*
- 9. They are good at solving problems. They are competent at what they do.*
- 10. They push employees to grow and develop. They coach and mentor employees.*

A bad manager can take a good staff and destroy it, causing the best employees to flee and the remainder to lose all motivation. A bad boss will intimidate, compete with and micromanage employees. The damage that can happen working for a bad boss is much more than just what happens by being mismanaged. Working for a bad boss can erode your self-confidence and increase anxiety and stress. They can even make work drudgery. A good boss on the other hand can make the worst of jobs tolerable and interesting. Life is too short to spend so much time under someone who frustrates and ill treats you. Employees are not asking for much. They spend over half of their lives at work. They just want to be in a healthy environment that supports and helps them to grow and develop. Build up employees and you build up the company.

When it comes to keeping employees motivated, there are a number of factors to keep in mind—from communicating goals and expectations to showing interest in your employees' professional aspirations. You can have all the team building exercises, engagement programmes and perks, but the number one incentive to keeping employees engaged and productive is having a good boss. That is the best incentive of all.

Canada: Through the Looking Glass (Ceiling): Ontario Passes New Act to Close Gender Wage Gap - Article by Dave McKechnie; McMillan LLP

Last week, the Ontario Government enacted the Pay Transparency Act, 2018¹ (the "Act"). Introduced on March 20, 2018, the Act progressed quickly to Royal Assent on May 7, 2018, surprising many who expected the Act's outcome to hinge on the upcoming provincial election in June. The Act aligns with recent changes to the Employment Standards Act, 2000 as well as the Federal Government's renewed focus on overcoming gender inequality in the workforce (which we wrote about here).

The new legislation will take effect on January 1, 2019.

The Act contains some important implications for Ontario employers:

Compensation history - Employers will be prohibited from asking an individual who applies for employment, either directly or indirectly, about his or her compensation history. Employers may seek information about ranges of compensation for a comparable position, and employers are not prohibited from considering or relying on compensation information that is voluntarily disclosed by the applicant or publicly available.

Job postings - Employers must include expected compensation, or a range of expected compensation, in each external job posting for a specific position advertised to the general public. However, the Act specifically exempts "help wanted" posters, recruitment campaigns and internal job postings from this requirement.

Pay transparency reports - Perhaps the most significant change for employers is the requirement that every employer of at least 100 employees must prepare a pay transparency report no later than May 15 each year. The form and content of the report will be prescribed by regulations, which are not yet available. The Act currently requires that reports include information about the employer's workforce composition and differences in compensation with respect to gender and other prescribed characteristics.

Employers with 250 employees or more must submit their first report by May 15, 2020. Employers with 100-249 employees must submit their first report to the Ministry by May 15, 2021.

Employers should note that reports must be posted either online or in a conspicuous place in every workplace of the employer where it is likely to come to the attention of employees. Reports submitted to the Ministry may also be published online.

Anti-reprisal provisions - Under the Act, employers may not intimidate, dismiss or otherwise penalize employees for asking the employer about his or her compensation, disclosing his or her compensation to another employee, inquiring about a report, providing information to the Minister about the employer's compliance with the Act, or asking the employer to comply with the Act.

Where an employer contravenes the anti-reprisal provision, an employee may have his or her complaint decided by binding arbitration (if a collective agreement is in force), or by filing a complaint with the Ontario Labour Relations Board. The burden of proof is on the employer to show that it did not contravene the anti-reprisal provisions.

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained. © McMillan LLP 2018

CALL THE POLICE - WHEN YOU'RE OLD, AND YOU DON'T MOVE FAST ANYMORE.

George Phillips, an elderly man from Walled Lake, Michigan, was going up to bed, when his wife told him that he'd left the light on in the garden shed, which she could see from the bedroom window. George opened the back door to go turnoff the light, but saw that there were people in the shed stealing things. He phoned the police, who asked "Is someone in your house?" He said "No," but some people are breaking into my garden shed and stealing from me." Then the police dispatcher said "All patrols are busy, you should lock your doors and an officer will be along when one is available." George said, "Okay." He hung up the phone and counted to 30.

Then he phoned the police again. "Hello, I just called you a few seconds ago because there were people stealing things from my shed. Well, you don't have to worry about them now because I just shot and killed them both; the dogs are eating them right now," and he hung up. Within five minutes, six Police Cars, a SWAT Team, a Helicopter, two Fire Trucks, a Paramedic and an Ambulance showed up at the Phillips' residence, and caught the burglars red-handed. One of the Policemen said to George, "I thought you said that you'd shot them!" George said, "I thought you said there was nobody available!"

Don't mess with old people

GETTING OLDER - A distraught senior citizen phoned her doctor's office. "Is it true, that the medication you prescribed has to be taken for the rest of my life?" "Yes, I'm afraid so," the doctor told her. There was a moment of silence before the senior lady replied, "I'm wondering, then, just how serious is my condition because this prescription is marked '**NO REFILLS**'..."

An older gentleman was on the operating table awaiting surgery and he insisted that his son, a renowned surgeon, perform the operation. As he was about to get the anesthesia, he asked to speak to his son. "Yes, Dad, what is it?" "Don't be nervous, son; do your best, and just remember, if it doesn't go well, if something happens to me, your mother is going to come and live with you and your wife...."

When you are dissatisfied and would like to go back to youth, think of Algebra!

One of the many things no one tells you about aging is that it is such a nice change from being young.

Ah, being young is beautiful, but being old is comfortable. First you forget names, then you forget faces. Then you forget to pull up your zipper...it's worse when you forget to pull it down.

Two guys, one old, one young, are pushing their carts around Wal-Mart when they collide. The old guy says to the young guy, "Sorry about that. I'm looking for my wife, and I guess I wasn't paying attention to where I was going." The young guy says, "That's OK, it's a coincidence. I'm looking for my wife, too... I can't find her and I'm getting a little desperate." The old guy says, "Well, maybe I can help you find her... what does she look like?" The young guy says, "Well, she is 27 yrs. old, tall, with red hair, blue eyes, is buxom...wearing no bra, long legs, and is wearing short shorts. What does your wife look like?" To which the old guy says, "Doesn't matter, --- let's look for your wife."

Love What's the secret?" Old man: "I forgot her name and I'm scared to ask her."

Today's Chuckle

I always have trouble remembering three things: faces, names, and - I can't remember what the third thing is. - Fred Allen