

Cathy Siskind-Kelly & Rob Kelly

AGE: Cathy: 40, Rob: 43
TITLE: Founders
COMPANY: Black Fly Beverage Company
EDUCATION: Rob: BA, University of Western Ontario
 Cathy: 2 years at McGill University, part-time at University of Western Ontario
MARITAL STATUS: Married, three children



A business partnership is much like a marriage. It depends on trust, honesty, and a shared vision, and it can be the source of phenomenal success and happiness. For Rob Kelly and Cathy Siskind-Kelly there is no better comparison. Founders of Ontario's first micro-distillery, Black Fly Beverage Company, this husband and wife team launched their family and then launched a family business, with products now available in locations across Canada. With continued dedication and support, both are growing up rapidly, but business, as with family, is not without struggle or compromise.

Both Cathy and Rob were entrepreneurs before they joined together in 2005 to start Black Fly in London, ON. Cathy had launched and managed a small construction company, while Rob had a similar experience with a landscape business. Rob's long-time dream, however, was to open a small microbrewery in London. After doing some research together, they decided to capitalize on the spirit market and embrace the idea of producing a premium Canadian cooler. "We looked at the industry itself and thought there are no small producers. It is all global companies, and there are lots of imports," says Cathy. They felt that they could provide something different to the market: a convenient, ready-to-drink cooler with natural Canadian ingredients that is less sweet than typical coolers. At that moment, the idea for the homegrown cooler was born, but the couple had many challenges ahead.

As the project progressed, they were faced with big decisions about packaging, promotion, and distribution—typical considerations for beverage industry experts, but ones with which the couple had little previous experience. "I guess everybody with an entrepreneurial spirit envisions and hopes that their fabulous idea will turn into something wonderful, but we were incredibly naive. We didn't know anything about our own industry," says Cathy.

Determined to make the project work and keep the possibility of a business partnership alive, Cathy and Rob did their homework on all levels of the beverage industry. Each aspect of their initial product was carefully researched and analyzed to provide the best cooler possible. As a result, the finished cooler is a uniquely Canadian product. It is the largest volume four-pack of coolers in Ontario with custom designed plastic bottles with resealable caps, a rarity in the cooler industry, but a choice they made for environmental and safety reasons. The resealable caps allow drinkers to enjoy the beverage without fear of spills, and the plastic bottles are recyclable and will not break should an accident occur.

After the first flavour, cranberry/blueberry took off, they introduced the equally popular black current/blueberry; both vodka-based coolers are made with real fruit juice and have no artificial flavouring. These flavours were specifically chosen not just because of their popularity, but also to represent the brand to a Canadian audience using locally sourced ingredients. The same is true of the company and beverage name, Black Fly, a pesky, but undeniable part of Canadian summers. The success of the flavours has created a large following of loyal Black Fly drinkers from coast to coast, with happy customers praising the fine ingredients, the avoidance of a "sickly sweet" taste, and the company's Canadian roots. Both Cathy and Rob say that the two flavours have been a hit so far and hope that their newest flavour strawberry/rhubarb, available only in a 12-pack, is just as successful. Black Fly also offers a unique ready-to-freeze cooler called Spiked Ice in three different flavours. This adult version of the childhood favourite Freeze is a great summer treat.

While they are now at the helm of a very successful business with a promising future for growth, Cathy and Rob know that being successful (and married!) entrepreneurs means dealing with many challenges, both expected and unexpected. One of Black Fly's main marketing strategies is word of mouth, something Cathy says is atypical of other micro-producers: "We originally thought we're going to be treated as a microbrewery where you would establish a local root market, hope to have a loyal brand following in your immediate area, and as you grew you could eventually look to the LCBO to get a listing. Well, we got our LCBO listing first, so we really had to work the opposite way to raise brand awareness immediately in order to achieve the sales that we needed to stay listed."

Another one of the challenges of starting the business was obtaining a distiller license. It took the couple a year-and-a-half before they received a license to operate, during which time they worked on building their business plan without any guarantee that it would actually be approved to develop and sell their product. "It's our understanding that we're the only small distiller in the province and the first in approximately 100 years," says Rob. "When you have absolutely no history in the industry whatsoever, and you just have an idea and ask for a licence, that's a pretty big request. It is a very highly regulated industry and we suddenly found ourselves facing challenges we didn't anticipate."

LCBO listing and distiller license in hand, the couple began producing their inaugural cooler—based on a recipe they created with an expert beverage creator. One major hurdle the couple had to overcome when they started bottling was finding a quick labeling solution. They found out that the labeling machine they had ordered did not work and was not compatible with the rest of their machinery. "We had tons of moments of complete and utter panic," says Cathy, "but the labeling machine was certainly a central one." Faced with a large number of orders, they did all they could do in a short period and called out for help. After many late nights and pizza orders later, the first 75,000 Black Fly labels were



applied by hand, by their family and friends. "It was brutal," says Rob.

Rob and Cathy say their biggest challenge today is being a less prominent company and trying to communicate to customers what is different about their product. "When you're the only small company and every other large company has the ability to communicate their messages on a mass scale, that's the biggest challenge," says Cathy. She credits many LCBO store managers and staff for their support by taking the chance and putting Black Fly on the shelf.

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The LCBO is one of the largest single purchasers of beverage alcohol in the world, offering more than 19,000 products from more than 70 different countries, and sales for the last fiscal year were in the billions. It is no surprise that there is intense competition for beverage companies to be featured in their stores, and Cathy says that the LCBO will only retain products on their shelves if they are top-sellers. Luckily, hard work and loyal customer support has translated into success for Black Fly: their products were only available in six LCBO stores when they started, but are now available in over 500 locations

across the province. Growth has also carried over into other provinces as they have expanded their product to the British Columbia, Nova Scotia, and Alberta markets.

Black Fly's popularity is even crossing boundaries between other beverage producers. "The whole industry has totally embraced us as a small producer. Even some of the small microbrewers that we've never met that know of us are going store-to-store saying: 'Where's your Black Fly?' We are very much rooting for each other and supporting each other," says Cathy.

This supportive atmosphere is embraced internally as well. Rob and Cathy know that their employees have personal duties outside of their jobs (their accountant Rose has quadruplets), so Cathy says their corporate philosophy is that family is the most important thing.

Rob and Cathy have three children of their own, so they understand the need for flexibility when it comes to juggling work and family responsibilities. They say it is still very much a balancing act but they make sure their kids are a top priority. "I attend all kinds of meetings in Mississauga and Toronto with suppliers and other contacts. If I'm going to meetings during the day, I'll head home instead of staying overnight," says Rob, adding, "I'd rather drive back and forth if that means I can be back here [in London]."



Alternating shifts and juggling responsibilities so that one of them can be home with their children may mean two shifts in one day and a lot of late night paperwork. Until recently, Rob worked most nights facilitating the production line until 2 a.m. in order to be home with the kids during the day while Cathy went to work, but they both agree that it was worth it. The flexibility of being their own bosses means they can set their own priorities, and family remains at the top of the list. "We know all kinds of people in London who are required not only to be at work, but at events and fundraisers. Everybody has those pressures, but we're lucky that we can focus our priorities where we choose," says Rob.

Both Cathy and Rob agree that when it comes to being a married couple and a business team, they are "incredibly like-minded" yet bring different skill sets to the business. "We learn what works for us individually and what works for us as a team," says Cathy. Taking into account their previous work experience and interests, Rob is responsible for more of the creative side of Black Fly, while Cathy is much more involved on the business and finance side. Their ability to work together and their relaxed, casual attitudes has made for a very enjoyable workplace.

However, one of the challenges they face as a couple is the lack of separation between work and home. "Even when we're together, if we haven't been able to talk during the day because we're busy doing different things, the first time we have to talk business might be at 11 o'clock at night when the kids are in bed. You're standing and you're looking at each other thinking: it's Friday night at 11 o'clock and we could have a bottle of wine, but instead we have to talk business," says Rob.

Another challenge they struggle with as a two-person team is not only dealing with communication between themselves, but also with staff. "We need to really start trying to talk to each other more, which is sometimes impossible. That way we can give direction without staff thinking well Rob said this, but Cathy said this," says Rob.

Despite still working out some kinks, Cathy and Rob are nonetheless very proud of the way the company has evolved. They have invested a lot of time and effort in creating a productive work environment and retain a very practical, down-to-earth attitude. Honesty and trustworthiness are characteristics Rob and Cathy expect from each other but also everyone who works with their company, including their partners, distributors, and suppliers. They look for partners who are not only business savvy, but also whose personal attitudes fit well with their close-knit corporate philosophy. "Whenever we're talking to anybody new, we bring them in and talk," says Cathy. "We'll talk for hours, and then we'll ask everybody: what did you think of that person as a person?"

As the business has grown, they have been approached by more and more large companies, but have remained loyal to their existing partners. "We don't take change lightly," says Cathy. "We understand more and more about the implications of changing direction and the implications of growth." Throughout their trials and tribulations, Cathy and Rob agree that Cathy's father has been a key mentor and business advisor for Black Fly. After 20 years as a lawyer, Cathy's father left the legal profession to pursue other business interests and to commit to volunteer and charitable work. They find inspiration in his career change and in his enthusiasm for entrepreneurship. "He's been a great resource on all levels, especially as we look at the day-to-day issues that arise and the larger picture of how we grow so that we can do the best job we can with this business," says Cathy.

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Black Fly's plans for the future are to expand the company and its brand nationally and internationally. Their first step is marketing the product on a global scale, but they are confident that their success so far in Canada will result in great sales in other countries. "We had 140 per cent growth last year and the LCBO's thrilled with this little producer coming out of nowhere and being able to actually sell products," Cathy says. "Ontario gives us this amazing base—if you can succeed in Ontario it opens up doors worldwide."

Cathy and Rob say that in the next 10 years they hope to hire additional staff to have more down time, and to be more active in the community. "I hope that as a group, as a family, and as a company, we have a little more freedom than we have now," says Cathy. Working and creating a business together has definitely given the couple a unique perspective on their roles as business partners and parents. They take the general principles they use in raising their children and apply them to the work environment. Their success is a direct result of their determination and belief that hard work will pay off, something they have passed on to their employees and children. According to Rob, "Once you have children, it makes you realize that there's unlimited potential in them. So I tell my children to work hard and play hard and just do it, whether people think you can or you can't. Just try. Start doing it and see if you can, and see where it takes you." ♥

Cathy Siskind-Kelly on:

MY OTHER DREAM JOB WOULD BE:
A photographer.

OUR BUSINESS STYLE IS:
Controlled chaos.

I AM SOMEONE WHO IS:
Passionate.

INSPIRATION COMES FROM:
Example and my dad.

I WANT TO BE REMEMBERED AS:
A loving, giving person.

Rob Kelly on:

MY OTHER DREAM JOB WOULD BE:
A rock star.

I AM SOMEONE WHO IS:
Persuasive.

SUCCESS IS:
Being surrounded by people that love you and that you love back. And to always be able to be challenged, to explore, and to be inspired to do things in life.

INSPIRATION COMES FROM:
Beauty.

I WANT TO BE REMEMBERED AS:
A kind, compassionate person.

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