

ROB KELLY and CATHY SISKIND-KELLY

Couple teams up to take a big bite out of the cooler industry

JENNIFER O'BRIEN
The London Free Press

Like anyone who's spent time in northern Ontario, Rob Kelly has his blackfly stories.

In one of them, he was lucky enough to miss an attack after deciding at the last minute to skip an early morning golf game with buddies.

"I was staying at a family cottage in Muskoka, and they came back from golfing at 8 in the morning. They were puffy and bleeding and all welted," he recalls, laughing at the memory.

"They were like, 'You're so lucky you didn't come . . . we got three holes in and we ran for our lives.'"

In different circumstances, that might be Rob Kelly's favourite blackfly story.

But he has a better one — one he shares with his wife, Cathy Siskind-Kelly.

Seven years ago, the couple opened a little vodka cooler company, and named it after Canada's infamous little insects so well known for their big bites.

Since then, Black Fly Beverage Company has exploded into a multimillion-dollar company, breaking through what appeared to be an already saturated cooler market — likely because of its unique "less sweet" taste — with expanded product lines.

Sitting in their Sovereign Rd. plant together for a recent interview, Rob and Cathy couldn't look more comfortable. They finish sentences for one another, whether the topic is home, kids or work. You'd never guess the parents of three children had never actually dreamed of working together.

"That was not the plan," Cathy says. "We did our own thing. We had our own separate businesses."

"This was Rob's baby," she says. "He is the creative driving force behind this."

"Cathy brings the business skills," Rob responds quickly. "She's quarterbacking for the company."

Perhaps it's ironic, considering Black Fly has become the couple's "fourth child," that the company was born out of Rob's desire to be home more with the family.

A chronic entrepreneur, he had been working at his own landscaping business, when it hit him.

"With a young family, I needed a change. I loved the creative outlet of landscaping, but winter nights were spent away, clearing snow . . . all night long sometimes."

He started getting creative, first planning to open a brewery, but then saw opportunity for growth in the vodka cooler market. They would just have to make their product different somehow, he knew. At the time, Cathy had her own contracting company, but it was tricky juggling the business with three young kids at home. Because of her strong business ties and background, it was only natural Rob began to turn to her.

"I pulled Cathy in," he explains. "And I never let her go."

In 2004, after months of research and lobbying, Black Fly became the first Ontario business to be granted a distillery licence in more than a century.

They opened the original Black Fly plant in an old bank building on Dundas St. across from the John Labatt Centre — creating a

downtown presence that helped with local marketing. Another boost to otherwise word-of-mouth marketing was the fact their company was featured on CBC-TV's *Venture* business program.

After opening their doors, the couple waited for an order.

"We waited by the fax machine for the first purchase order," Cathy says. "We waited, and when it came we were so excited."

That first order was for 600 cases, to be sold at six LCBO stores in London.

Meanwhile, there was interest — e-mails pouring in from Canadians across the country who had seen the CBC show and were asking when Black Fly was coming to the nearest liquor outlet.

To Cathy, one of the most important elements of Black Fly beverages is something they are not.

"We have always said, 'Not a me-too drink,'" she says.

In an effort to reach out beyond the traditional vodka cooler market, Black Fly is "way less sweet," she says. "It's 60% less sweet."

Black Fly products don't contain food colouring and use cane sugar rather than high-fructose corn syrup. The plastic bottle has a wide mouth — "big enough to put ice cubes in," Cathy says — and a resealable plastic cap.

It's those details and more that have helped the tiny company explode. Sold coast to coast in Canada and exporting to Hong Kong and Greenland, Black Fly continues to produce new flavours and products (look for the Tequila Sunrise and Black Fly Party Packs at LCBO stores), manufactured in a new, much larger plant on Sovereign Rd.

"That drink category came to life back in the days of Canada Cooler in the 1980s, then followed the Seagrams Wildberry (cooler)," says LCBO district manager Mike Warnuck, who has been dealing with the company for three years. "Rob and Cathy entered into the market but with a product very unique from the normal sweet coolers, something that appeals to a wider audience — male and female — and it's really unique."

Another notable feature of Black Fly is its focus on environmental packaging, Warnuck says. "They have a number of green initiatives which is a big commitment for a company like that to make," he says.

The recyclable plastic bottles eventually end up as plastic used in car trunks, according to Rob's research. Black Fly uses sparse cardboard packaging and biodegradable shrink wrap and sample cups.

"It's obviously important to them,"

Warnuck says.

Asked about the green initiatives, director of sales Mike Pearce says it's only natural for Black Fly to focus on the environment.

"This company was born on a dock," he says. "Anything we can do to preserve that essence, why wouldn't we?"

Maybe it's the detail and care going into their fourth child, maybe it's the taste, but more likely it's all of the above.

Of all the blackfly stories being swatted around Canada's north, this may be the greatest success so far.

"We all know the blackfly is a very small insect, with a very big bite," Rob says. "We are a small company that wants to come in and get a mighty bite."



Seven years ago Cathy Siskind-Kelly and husband Rob Kelly opened a small vodka cooler company. Black Fly Beverage Company is now a multi-million dollar operation, selling products across Canada and exporting to Hong Kong and Greenland.

SUE REEVE
The London Free Press