

A young serial entrepreneur serves up some good advice

An interview with Smoke's Poutinerie founder Ryan Smolkin.

Smoke's Poutinerie is one of Canada's hottest franchises, with outlets (and customer lineups) regularly popping up across the country. Founder Ryan Smolkin is a serial entrepreneur who's already built and sold two successful companies. Just three-and-a-half years after he opened his first restaurant in Toronto's club district, Smolkin is busy planning the company's imminent expansion into the U.S. and world markets. *Ontario Business Report* interviewed Ryan Smolkin by telephone during a roadside break from visiting franchisees in eastern Ontario.



Company founder Ryan Smolkin has used a combination of high-quality food and innovative "experience" branding to grow the company from a single Toronto outlet to 30-plus franchises across Canada in just over three years.

Ontario Business Report: *Given your age, some people might think that Smoke's Poutinerie is your first business. But you're a serial entrepreneur who started in university. What got you started as a businessman?*

Ryan Smolkin: I've had multiple businesses over my short career. My first major business came into being when I was 19. I was in a business co-op program at Wilfred Laurier, and got involved in the landlord business. I piled all my best buddies into a house to start. I kept financing and flipping properties, and by the end of university I was a developer. I knew nothing about being a landlord or a builder. I sold off those properties at their peak value in 2004-2005. At the time it was the double cohort year, which resulted in increased demand for housing.

In turn, I was selling the properties because I had started up another company, Amoeba Corp. It was a branding and design company that I started fresh out of school in 1996. Again, I knew nothing about graphic design or branding, but I had a couple of ideas for T-shirts. I needed some illustration and design done, so I found someone who did that. I said "I'll sell your services," and that's how I started up Amoeba Corp.

OBR: *Where's Amoeba Corp. today?*

Ryan Smolkin: It's doing very well. I started Amoeba by targeting the Canadian music industry, but it didn't take me long to realize there was no money in that particular industry (laughs). We ended up carving out a niche in youth branding, marketing and design. When I sold the company in 2007, my clients included some of the country's top brands (Nike, Maple Leaf Sports and Entertainment, YTV, Nelvana, Molson). I was pursued by several ad agencies, and ended up selling to John St. Advertising. Following that, I retired for about a year, hung out with my wife and newborn twins, and travelled. About three years ago I got the itch to get Smoke's Poutinerie going. I had come up with the idea about 10 years ago, but I was too busy at the time to get it off the ground.



Opening day lineups: Smoke's Poutinerie got a very warm welcome in Winnipeg's club district.

OBR: *All three of your businesses are somehow related to the youth market. Your housing and development company was aimed at students, your branding company was youth-related, and Smoke's Poutinerie is skewed towards a younger demographic. Is that part of a grand plan, or is it just coincidence?*

Ryan Smolkin: I'd say it's more of a coincidence. And most likely related to the stages in my life and the opportunities I've had. I knew nothing about the restaurant business when I started Smoke's Poutinerie. But now that you mention it, it is kind of eerie. Because when you look at it, I understood branding following 11 years of owning and running a design company. I was also familiar with property development, both commercial and residential, so that helped, especially in relation to our current expansion. So in a weird, strange way, it does all come together. It's almost sub-conscious. I guess Smoke the man had been communicating with me for the past three-and-a-half years, and I finally listened!

OBR: *What's your advice for young people who want to be entrepreneurs? Is it the old adage "do what you love, and the money will follow?"*

Ryan Smolkin: One hundred percent. And of course surrounding yourself with the right people. And then there's the hard work! It often feels like 'there aren't enough hours in the day,' where you wish there were 30 hours in a day, so you could get more done. It's a combination of commitment and surrounding yourself with the right people. And if you're like me, where you find yourself in an industry you know *nothing* about, you have to address your weaknesses. And then, of course, there is common sense. That's the toughest one to find, making the right decisions at the right time.

When you're a young entrepreneur starting out, you think you can control and master everything. That's likely to be the number one downfall of any entrepreneur. I'm not saying things were great from the start. Truth be told, I tried to control everything and do it all by myself. As it turns out, you have to let go if you want any growth. If you're not willing to give up any degree of control, it puts a cap on your growth. And that's often the toughest thing for an entrepreneur to do.

OBR: *That brings me to my next question. In all three of your ventures, you found the right people to help you grow. How did you find them?*

Ryan Smolkin: Hit the road, knock on doors, and find the right people. Mistakes will be made along the way. But you have to learn from those mistakes and keep plugging forward. For potential franchisees, we provide a very detailed application form. We interview them twice, before they even do a presentation. We ensure they're the right fit for Smoke's Poutinerie, and vice versa. It's a big commitment of time and money for both parties. For every city we go to, we sit down with three or four lease brokers and ask: do you 'get' our brand? Same with our contractors, designers and engineers. That's the mentality we want to filter right down to the customer. You have to have that same voice all the way through, that excitement, that passion and that experience. It's way more than fries, curds and gravy.

OBR: *How did you develop this franchise concept and business model?*

Ryan Smolkin: It's been a steep learning curve. Our first franchise was launched just three-and-a-half years ago, and now we have over 30 franchises. It was a franchise model from the very first restaurant. I've always had goals, so it was get 10 new franchisees in 2010, 11 in 2011, etc. Nobody believed we could do it. I was getting roasted in the first year. When we hit 20 franchisees last year, people started to believe me. Now when I say I'm going to double in size again this year and take it to 40 franchisees, people take me seriously. They know I'm going to do it.

OBR: *Did you use any companies as models, such as Subway? Or was this your own plan?*

Ryan Smolkin: Definitely my own plan. It may overlap and share similarities with others, but it's not because I followed any specific example. I did the same thing with Amoeba Corp. Because I didn't know anything, I had to make up my own rules and processes, and I did it my own way. There's usually a pattern to franchising. You might start with a nice local geographical expansion, and decide to cover an hour's drive radius. Our growth pattern is different. Right now, we are dotted across the country. We're in Vancouver, Halifax, St. John and several franchises in Ontario. We're in all of the major cities, which isn't the normal way to do things. So we will have growth from the existing franchises, with territories. Our advantage is that we have the start-up costs of the small franchisors, but offer the revenue dollars of the big boys.

OBR: *Do you always think long-term?*

Ryan Smolkin: Definitely. Premium ingredients are a crucial part of our popularity, and we have high standards to maintain. About a year ago, I signed national deals with several suppliers who share our vision for long-term growth. It's not all based on dollars. It's service levels, reliable supply — can I hit my demand looking ahead if I'm going to have 100 outlets across the country? I'm looking for partners who see that, and can handle that. It goes way beyond price.



The company uses social media and event-based marketing to reach its target demographic.

OBR: *Is the Smoke's Poutinerie brand your biggest asset? Obviously your food is good, but it seems to me that your brand is what really drives the company. How did you develop it?*

Ryan Smolkin: (adopts a mock serious tone) I have to be straight up with you. The brand was developed and visualized through Smoke himself. I'm just delivering it. Smoke is the real god of poutine. He's the man; he gave me all these ideas. I'm the only one he communicates with, so I help spread the word. But he's a bit of a shy guy who lives a reclusive life up in northern Ontario right near the Ontario-Quebec border. And of course he's stuck in the 1980s, so that's where this all came from. It's a passion for the 1980s. I'm just a front man.

Every single thing you see in our stores is brand related. Most people stop at a logo and a name, but it goes deeper than that. It's the wooden furnishings, the 1980s music and the stacked plaid bags that contain our Smoke's Poutinerie-branded PEI potatoes. It's also how the customer is greeted and how we explain the products. Even how the product is assembled is part of the brand, including the way it's handed to the customer over the counter. And, last but not least it's what's on the product. It's a wow factor: you're not going to be able to finish it, man! Customers are already planning a return visit before they've had their first bite. All these experiences, combined, help form the brand.

OBR: *How important is social media in building and maintaining your brand?*

It's all we use. We use absolutely zero traditional advertising. It's all social networking and event-based marketing. It's mediums like Facebook, Twitter, our website with interactive features, and events like Smoke's Poutinerie World Poutine Eating Championship. Now you see big chains like Wendy's and Burger King with huge traditional ad campaigns promoting poutine. They're spending millions of dollars, and I'm high-fiving them for it, because they're helping to build my industry and make it mainstream.

OBR: *What's your ultimate goal for the business?*

Ryan Smolkin: Global domination! Seriously, we're solidifying our franchises in Canada's bigger cities, then we're going to move into smaller centres as well as college and university towns. At the same time, we're planning to move into the U.S. market. I've already done the regulatory filings and the disclosure documents. I've set it all up and we're ready to roll. We've had inquiries from almost every U.S. state.

OBR: *So you're going to play the evangelist role, become the Steve Jobs of poutine?*

Ryan Smolkin: I'm becoming the CBO, the Chief Branding Officer, and I'm focused on building the brand. That's where my strength is now, so I've been able to step back. That's a big fault with a lot of young entrepreneurs, not being able to admit their weaknesses and focus on their strengths. I was asked to speak recently at the Canadian Franchise Association convention. They wanted me to talk about rapid growth and how to handle it, and I said, I don't want to talk to the industry veterans of 30 years from Tim Horton's and tell them how to manage growth and run a business. But I would be happy to discuss branding and brand development, so that's what I did, and it was very well-received. You've got to be the brand. I'm up there on stage with my plaid jacket and plaid backpack, playing my air guitar to "Nothing But a Good Time". That's my message: I'm living the brand.

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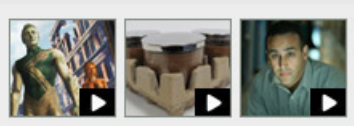
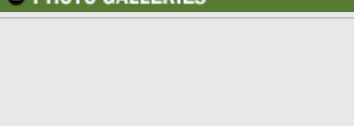


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