
Former Student Goes Into Business

by Sean McQuaid

As we are now smack-dab in the midst of the fall university semester, many young people are by now busy with their studies. One former UPEI student, though, has lately given up hitting the books in favor of selling them.

The former student in question is Jeff Smith, co-owner and manager of a new Charlottetown bookshop, the "Comic Hunter", a business Jeff started this year after putting his studies on hold for the time being. Why, might you ask, did this young man decide to jump into the business world? That's one question I asked him while interviewing him over lunch a couple of weeks ago, and he had various things to say about his motives. Basically, he says he is a person who likes to learn by doing things, rather than preparing for them in study. "I like to do it", he says. "I've come to believe that experience is worth its weight in gold....It builds confidence and ability." To sum it up, he says "the desire to learn how to run a business" prompted him to start one.

How, though, did he start his business? Another good question! It's a long and winding road to self-employment, and Jeff tried to more or less map it out for me as he travelled it. The idea came to

Jeff during his third year at university. A business major, Jeff had completed two years, keeping good grades, and participating in numerous extra-curricular activities. By third year, he was impatient to use what he had learned, and his own ideas, to attempt starting a business. He settled on the idea of starting a comic shop, as comics were something he had collected for years. After all, he reasons, it is extremely important for a businessman to know his products. That way, he

serves his customers as well as possible. He needed a partner, and found one in his friend Mike Ellis. Ellis was enthusiastic about the idea of a comic shop, and agreed to join Jeff in starting the business. They drew up an agreement and made their partnership official on April 1st of this year, a date which Jeff assures me has no hidden significance.

From the start, the two made a firm financial commitment to their plans. Jeff pitched in six thousand dollars, the bulk of his savings, and Mike contributed fifteen hundred dollars. Part of their money was used to buy out the stock of Darkside Comics, a Charlottetown business that recently folded. Combined with the books they had already, this gave them a good selection, and they bought books from other collectors in later months. However, the seventy-five hundred dollars they had sunk in wasn't enough to fully equip a business, and they sought help at the Business Institute, where they asked for a loan. The partners prepared a cash flow projection, a detailed prediction, of the expenses they predicted in running their business over the course of a year.

To their surprise, the Business Institute awarded them a substantial loan of five thousand dollars after studying their projections. This was their big break, and Smith referred to this as an example of good luck mixed with work paying off. Having already obtained their business license and registered the name of their business, the partners set about renting business space. For a time, they rented a temporary space in the Towers Mall, setting up a stand against a wall. This was sort of "market test", and they lost money on it, although they learned from it, finding what did and did not