

In this case, the caterer is the star

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LAZY LIKE A FOX: Lazy Gourmet founder-principal **Susan Mendelson** longed to spill the beans Tuesday. Not about her catering firm's 30th anniversary, which occurred Monday. And not on the floor of the 12,000-square-foot building at Fifth and Fir Street for which she paid \$1.4 million in 1996 and close to another million in renovations.

The bean-spilling would have concerned a big deal linked to the 2010 Olympics. That's already fertile territory to Mendelson, who will cater French House, GE and PricewaterhouseCoopers hospitality facilities, and assorted Vanoc receptions. But lawyers were still detailing the undertaking at press time. For Mendelson, meanwhile, Olympics activities echo the defunct Molson Indy auto race, which kicked in 20 per cent of Lazy Gourmet's up-to-\$5-million revenues.

Not bad for a Toronto-raised University of B.C. arts-and-social-work student, who graduated in 1975 to a \$350-a-month house manager's job at the Vancouver East Cultural Centre. Short of rent money, she made carrot cake, cheesecake, Nanaimo bars to sell during stage-show intermission. That led to occasional radio appearances. But when CBC suggested fortnightly airings, then-VECC boss **Chris Wootton** intercepted the call to say: "I'm her agent. When are you going to start paying her?" That gave Mendelson \$25 a pop for seven years.

Real money rolled in 1978, when late cultural animator **Ernie Fladell** urged her to cater the first Vancouver International Children's Festival. "I'm an artist, not a caterer," Mendelson replied. But Fladell pooh-poohed that. "So, I had six weeks to learn everything about the food business — supplies, health standards, etc. — and serve 250 breakfasts and lunches every day," Mendelson recalls.

Friend **Deborah Roitberg** helped. The upshot saw the two put up \$30,000 each to found Lazy Gourmet. "I got prime plus a quarter," Mendelson says of a TD-bank start-up loan. "I can't get that today, and I have money in the bank." In fact, she still deals at TD's 12th-at-Granville branch: "They wanted me to go downtown, but I said: 'We're a small business; I want to be in a small branch.'"

Not that small. "We were out of debt in our first year," Mendelson recalls of the Fourth-off-Balsam storefront Lazy Gourmet occupied until 1992. As for 1986-1990 satellite operations: "I didn't enjoy Granville Island because of the bureaucracy, and I didn't enjoy Thurlow-and-Robson because of the rent. It went from \$7,200 to \$120,000 a year, and that's when I had to learn to be a businesswoman." Especially after Roitberg left to have the first of four children.

Mendelson already had an innate



'I'm an artist, not a caterer,' Susan Mendelson said before co-founding the Lazy Gourmet firm in 1979.

grasp of promotion, as witness the Money-back-Guarantee Brownies customers could return if they weren't the best they'd tasted. "Nobody ever did, though," Mendelson says.

As for business skills, "I always hired people who were better than me," Mendelson says. "Chefs, bakers, service people, sales people — all better than me. And they'll all tell you that — with deep affection, I hope."

In the process, Lazy Gourmet's business changed from 90-per-cent retail to 100-per-cent catering by 2005. Three years earlier, Mendelson closed a 60-seat restaurant in her building. Early last year, she even considered vacating the building for one architect-husband **Jack Lutsky** was developing on Industrial Avenue. "But it was going to cost \$1 million, and I thought, 'I like this [Fifth-at-Fir] location.'"

Good job she did. The recession trimmed her March-to-August volume by 30 per cent. "But we've almost made up for it since. It's unbelievable."

Cannily, she spent \$100,000 instead on equipment, branding and suchlike

for a firm with 50 full-time-equivalent staff and twice that on call. She also launched the Everyday Gourmet division to offer same-quality but less-labour-intensive dishes at lower cost. Accounting for up to eight per cent of this season's business. "It should do more when we promote it," Mendelson says.

You can bet she will.

BUY AND LEASE: It was June when Canadian Western Bank Senior VP **Greg Sprung** said the Alberta-based outfit's next acquisition might be "a loan portfolio." The bank has picked up a couple of those since. A little earlier, it acquired Edmonton-based Adroit Investment Management with close to \$1 billion in managed assets.

Last week, CWB announced it would trade cash and common shares for 300-employee National Leasing Group Inc. The deal put a price of \$130 million — 10 times book value — on the Winnipeg-based group, which is privately held by management, staff and chairman **Robert Chipman's** family hold-

ing company.

For National Leasing, which has a commercial-equipment-leasing book value around \$650 million and a current-year profit of \$13.3 million, it means access to cheap money from CWB depositors. The bank, meanwhile, should roughly double its leasing portfolio with smaller-ticket items (average \$11,200) than the bulldozers, logging trucks, mining equipment and suchlike in there now.

"We have surplus liquidity and capital, so there was no issue with us managing this purchase through current resources," Sprung said. "We have enough capital to build the bank by \$2 billion without any changes to our capital base." Without raising more equity, that is.

With three to four months of liquidity, CWB is more able to withstand negative moves in the marketplace," Sprung said. As for U.S. and European banks still reducing their Canadian activities, "It creates opportunities that aren't normally here when the competition is stiff." For 37-branch CWB, that means a targeted growth rate of 10 per cent, compared to seven per cent last year.

Six months of negotiating the National Leasing acquisition, which should close Feb. 1, were "another example of the bank looking for opportunities in this economy to grow," Sprung said. "We are talking to several companies at any one time. Some come to fruition. Some don't."

HERE & THERE: Abu Dhabi's \$10-billion rescue of neighbouring Dubai this week didn't surprise **Larry Beasley**. The former Vancouver chief planner predicted it last week, when he returned from a 37th round trip to Abu Dhabi (figure his frequent-flyer points). He's presently designing three new cities there, with two smaller ones almost ready for the drawing board.

Comparing oil-rich Abu Dhabi to oil-poor-but-flashy fellow emirate Dubai 125 km away, Beasley counted on his fingers: "Abu Dhabi residential space [available]: zero per cent. Office space: zero per cent. Retail space: close to zero per cent. You're building to that demand." Such demand, he said, has two-bedrooms apartments renting for close to \$75,000 a year. Meanwhile, in building-rich Dubai, "Some have maybe five per cent occupancy."

Beasley spoke while seeing what University of B.C. architecture, landscaping, planning and transportation students had achieved at the UBC Metrocore Urban Design Studio he partly sparkplugged. Housed beside the Architectural Institute of B.C.'s Cambie-at-Pender headquarters, the unique multidisciplinary program resulted in what Beasley called a "breakthrough" design for Fals Creek Flats. He meant not only tripling industrial employment to the 20,000 range, but building for 10,000 residents. The latter might even enjoy a weir-controlled watercourse — shades of Dubai — reaching Fals Creek's original high-tide line at Clark Drive.