

**Client:** Sumas Clay Products Ltd.

**Sector:** Construction Materials  
**Service:** Leadership / Consulting  
**Duration:** 1 Year [2009-2010]

**Background:** Sumas Clay Products is one of Canada's oldest brick plant. This brick plant supplied bricks to the then colony of British Columbia and for the construction activities during that period. Built in 1911, it is the only First Nations owned brick company in North America.

In the June of 2009, the company had only \$2,000 in the bank, no credibility in the market place, and more than 1M in unsold inventory. One part-time employee worked at the company in June 2009.

**Engagement:** Rahul Lakhote was engaged to lead the business turnaround of Sumas Clay Products and put in place succession plans to sustain future growth.

Actions executed:

- Business Plan was developed and implemented.
- Old guard was let go strategically and a new operations leadership team was in place.
- New information systems, inventory control procedure were put in place.
- A new brand - "Se:math" - was launched.
- Marketing campaign based on "Buy Brick Direct" was launched.
- Social support - "emotional capital" - was built among First Nations community members and Elders to support the change of leadership and new direction for the company.
- Sumas First Nation youth's soccer team, called "Se:math Warriors" was sponsored to forge a relationship with local community and attract new workforce.
- Re-building of relationships with customers, suppliers, media and partners.
- Viral marketing campaign using Craigslist launched to target "Do It Yourself" market.

**Results so far:**

- Company saved from bankruptcy.
- *Just-in-Time* brick manufacturing launched and operationalized successfully. Sumas is the only company in Canada practicing *Just-in-Time* brick manufacturing.
- Better cash flow turnaround. Higher Liquidity ratio.
- New accounts being opened every week.
- Un-used Inventory down by 20% as a result of "Do-It-Yourself" market strategy.
- Successor in place. Successor expected to be the Chief of Sumas First Nation.
- Last 4 months sales equals 1.5 times of last year's yearly sales.
- 4 time increase in employment, highest in the last 5 years. Current employment, as of Mar 2010, is 10 Full-time employees - 90% from Sumas First Nation.
- New product line (Brick Mural) launched.



Brampton Bricks, Canada's largest maker of bricks, is losing money (Brampton Brick Ltd. (BBL-A.TO) reported a net loss of C\$2.3 million for the 4th quarter). In contrast Sumas Clay Products is experiencing increased sales activity, new manufacturing and expanded customer base, improved employee morale and continued hiring of workforce.

## Strategic Relationships, Product Placement & Media:



ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

*Exclusive private exhibition aimed at Architects Community in BC- Fall 2010.*

*Coverage by AIBC in Jan 2010 Newsletter aimed at architects community in BC.*



*MMPI Logo will be carved in bricks made by Semath and will be presented at a strategic location at the Buildex Vancouver tradeshow (21 Apr 2010).*



*National TV Coverage, 02 Dec 2009.*



*"This past summer brought many local buyers directly to its doorstep. That's a strategy lending itself to LEED builders and developers concerned about reducing their carbon footprint.", 13 Jan 2010.*



*"The Se:math Industries trio are now looking at other artistic ways to incorporate brick – for example, using coloured glazes – and to market the products over the Internet, at trade shows and through industry connections", 17 Sep 2009.*

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