

Retooling The Economy From Our Garage

Entrepreneurs are coming out of the woodwork, but they face several obstacles



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I recently met an entrepreneur from Beamsville who has a lot to tell us about the future of Niagara's economy. He's a little nervous about unwanted attention, so let's just call him Tom. Tom is an auto worker with a young family. Like many of us, Tom sometimes finds it hard to make ends meet; when daycare costs \$1,200 a month, even an auto worker can find things tight. So Tom launched his own small business from his garage.

Tom sells tires and rims for high-end American sportscars. It turns out that when new car buyers select upgrades for their vehicles, the factory-issued wheels come off and the upgrades go on. Tom buys those unused factory-issue tires and rims and imports them to Canada for resale. Advertising on free websites like Kijiji, he finds buyers all over Ontario who are thrilled to get new tires at a fraction of the retail cost. In his first year of operation, Tom sold about 200 sets, turning a profit of about \$150 on each set. Not bad for a part-time gig based in his garage.

Garages are a traditional place for business start-ups. Billion-dollar tech company TeraData was launched from a garage in Brentwood, Calif., while Larry Page and Sergey Brin launched tech giant Google from a friend's garage in Menlo Park in 1998. Garage start-ups are a proud California tradition – Hewlett-Packard started in a garage in Palo Alto in 1939 – but it happens everywhere. E-commerce giant Dustin AB was launched from a garage in Stockholm, Sweden and manufacturing icon Husky Injection Molding Systems started in a garage in Toronto. And Tom launched his venture from the family garage in Beamsville.

Garages have always been sites of underground creativity. The garage rock movement of the 1960s that later grew into punk rock is a high-profile example. But the rock stars of the 21st century are entrepreneurs; from Richard Branson's exploits to the decisions of the *Dragon's Den*, we follow our entrepreneurs closely. And the creativity being birthed from our garages today is not punk rock.

It's the future of our economy.

Rick Haldenby, the director of the University of Waterloo's School of Architecture, recently chatted with me about the garage entrepreneurship phenomenon.

“Drive around one of these new subdivisions on a warm summer weekend,” he suggested. “Look in the open garage doors. Nobody parks their car there anymore. It's like a whole series of medieval workshops...

this guy's doing some spot-welding, that guy's got stacks of supplies for his mail-order business. These are places that drive the economy of tomorrow.”

Haldenby thinks a whole generation of architects and urban planners have misunderstood the way we use our living space. Since our chat, I've been watching garages (including my own, filled with samples for a business importing European restaurant equipment).

I've seen small manufacturing operations, import/export businesses, antique dealerships, and, of course, Tom's tire business.

In some sense, these garage-based businesses are the future of our local economy. The storefronts and machine shops of tomorrow are quietly being born on leafy suburban streets all across Niagara. And who knows what Hewlett-Packards or Googles are slowly taking shape in some garage in Welland or Port Colborne? If entrepreneurship is going to drive the economy of tomorrow, then garages – at least in part – are the creative space in which that economy takes shape. And we're not doing such a great job of nurturing this new economy.

That's part of why “Tom” is reluctant to talk too openly about his business. When his insurance company learned that he was driving his truck once a month to the U.S. to pick up tires, they declared it a “commercial vehicle” and raised his premium from \$1,400 to \$4,000 a year.

Then they changed his homeowner's policy for using his garage for business purposes. Meanwhile, official municipal planning policies discourage this entrepreneurial activity in residential areas, and urban planners and architects are increasingly led by a kind of “group think” to see garages as an undesirable blight on the neighbourhood landscape.

In some sense, we've built garages into spaces where creative entrepreneurship can take hold, and where the spark of innovation can fan the flames of future economic growth. Either we need to find a way to ease the barriers to this activity, or we need to create alternative spaces where this activity can happen. The opening of nGen, the interactive media generator in St. Catharines, is a good step in this direction, providing small spaces for tech start-ups.

But unless we embrace the garage economy, we will never reap its benefits. Unless we provide entrepreneurs with creative, flexible, inexpensive and private space to tinker, we'll never see the positive results. Tom recently moved his garage business from Beamsville to a new home – and a new garage – outside Niagara. Let's hope he's not the start of a larger trend. BN

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