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AIMING TO ACHIEVE:

Polo-playing entrepreneur Bobby Genovese talks about strategy and success



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Business, personal adventure fills Bobby Genovese's life

BY KEVIN GALE

Entrepreneur Bobby Genovese is a polo-playing, scuba-diving venture capitalist who has been featured in his own cable TV reality show.

He grew up on a farm in Ontario and became a young entrepreneur distributing flower seeds and New York seltzer water. He later became an investor relations expert in Vancouver and now, at age 47, has interests in a wide-ranging portfolio of companies, including the Neptune Society cremation service.

The Business Journal interviewed Genovese at his Plantation office. The following has been edited for length and clarity.

What was it like growing up on a farm in Ontario?

It's just so different growing up on a farm. We were told to be home before dark, and away we went. The closest town was about a mile and a half away. We were all healthy, trying to get to our friends and back.

I think it was wise of my parents to give me the responsibility of looking after, at first, one horse and, after a while, three horses. I have probably shoveled more hay and swept more barn floors than any young man should do.

Why did you drop out of school at grade nine?

I was just not scholastically inclined, and my parents basically said, "If you aren't going to school, you can't live at home" – thinking I would go back to school.

Through the grace of God, I found an ad to teach riding at a very prominent riding stable in Toronto. I always looked older than I was, so I applied for the barn manager's position – and they actually gave me a place to live on the property. Working there, you quickly realize the people who had the horses had the money. I was on the wrong side of the horse.

What happened when you went to Vancouver?

There was an opportunity to get into the brokerage industry as a stockbroker. However, I quickly realized that, without grade nine math, it was difficult to get your securities license. I realized there was an opportunity in investor relations and created the Investor Relations Group at age 25. I grew that to about 40 people.



MARK FREERKS

Bobby Genovese's office has a collection of photos that show him enjoying polo.

Why did you sell the company?

The problem is that every CEO has the best intentions of what they hope their company will do. As an example, you would tell me you are very excited about the next quarter, things look great and "Bobby, can you get me in front of some of the largest portfolio managers in the country?" They like you, like me, but may or may not buy stock. More often than not, if they like the story and they buy stock, that quarter rolls around and results are not as good as expected. I was successful enough at that point that I would never let that happen again.

How did you find the Neptune Society?

One of our staff members just came back and said he found this incredible company, "but I don't want to tell you what it is." When I went through all the numbers, I thought it was unbelievable. When we bought it, they were in three states with six offices. Now, we are in 15 states with 51 offices. And we open a new office almost every six weeks.

What has been your biggest business challenge?

The most difficult business has been Clearly

Canadian – not realizing the true stranglehold that Coke and Pepsi and all their ancillary products have.

I have been able to diversify the company into different food product lines, but it's been a struggle – and those are no fun.

What were your feelings when Lehman Bros. and Bear Stearns collapsed?

First, I had a lot of friends in both of those firms, so you go through an emotional period as to what's going to happen to them. As you sit back, though, you recognize there are going to be some incredible opportunities – not only to hire good people from those firms, but also the fallout of the portfolios from those firms.

We hired a couple of great people. We recognized that everything happens in cycles. We heavily have and are still moving into real estate – commercial, some residential.

There was an opportunity to own many of our own 51 offices and buildings.

What advice would you give to a would-be entrepreneur?

Find a mentor. I have a couple of guys I respect tremendously.

Genovese goes from a bit player to star of his own realty show

Tell us about your partnership with Marco Markin, your CEO.

He really is 90 percent of the success we are having. I'm great at the 10,000-foot level, but he is the guy who can really crunch the numbers and he is truly blessed to look at a balance sheet and tell you in two minutes whether it makes sense or not.

How did the "Bobby G Adventure Capitalist" TV show come about?

I took control of Clearly Canadian, and a lawyer who has been with me for 16 years asked for the opportunity of going into the position of CEO and really making some money this time.

One day, he said: "You can't believe what I'm dealing with these days. The whole thing is like a reality show."

I phoned some buddies in L.A. They phoned

a week later: "We have the money to shoot the pilot." We shot eight episodes and, into the first episode and a half, the network came back and said the whole thing is getting to look like an infomercial for Clearly Canadian, "but who is this Bobby G who is flying in and flying out? Can we get him more involved in the show?"

In 2006, you had \$160 million in revenue and more than \$200 million in assets. Where are you now?

North of \$200 million in revenue and more than \$200 million in assets. Virtually no debt, thank God.

What's the impact of the recession?

Knock on wood, all of our businesses but one made money, which is a testament to Marco's ability.

Your last name is the same as a crime family. Does that cause problems?

I get that a lot. I joke and I tell them there were a lot more of us, but we keep getting shot.

So, there's no connection?

No, no. Are you kidding?

Do you have an exit strategy?

I genuinely love what I do. I look at these businesses, and I think we have 14 or 16 of them all together, and they are like children. You love to see them grow and prosper and get bigger and bigger. I hope I am building some sort of legacy for my children.

THE DETAILS

BG Capital Group of Companies

The group has two main affiliates, which are based in Barbados, although BG has offices in Plantation, Boca Raton, Nassau, Los Angeles, Toronto and Vancouver.

BG Capital Group Ltd.

A merchant bank specializing in small- and mid-cap investment services, such as mergers and acquisitions. It is also the largest shareholder in Clearly Canadian Beverage Corp., which has filed a plan with bankruptcy court in Canada to go private.

BG Capital Management Corp.

Owns 100 percent of:

- Neptune Society, cremation services, Plantation
- American DataSource, a trust administrative service provider to the funeral service field, Houston
- BG Capital Real Estate Holdings
- Vancouver International Polo Team, which also has a polo club in Argentina
- The Little School House, an early learning center, Nassau

Owns 75 percent of:

- Neptune Memorial Reef, an underwater memorial park off Key Biscayne

Owns 50 percent of:

- Jemi Holdings, a British Columbia land company
- M&M Engineering, St. John's, Newfoundland
- Tamarack North Ltd., builders and engineers, Port Carling, Ontario
- Bari Builders, Pompano Beach
- Nautic Distributors Ltd., a watersports products company, Richmond, British Columbia