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GROWTH STRATEGIES

This Dragons' Den sports table venture just might have legs

[Mary Teresa Bitti](#) | March 21, 2017 | Last Updated: Mar 21 8:54 AM ET



CBC Dragons' Den: TeamTables

Each week, Financial Post contributor Mary Teresa Bitti revisits the previous week's episode of CBC's Dragons' Den. She captures what the cameras didn't and in the process provides a case study for readers, zeroing in on what pitchers and dragons were thinking and what the challenges for the deal will be going forward.

The pitch Husband and wife Mike and Nicole Brajak and their business partner, Kevin Pacheco, entered the Den to pitch their sports-themed custom table company, TeamTables. After 18 months of development, the trio of sports enthusiasts had been selling the tables for about eight months when they entered the Den, with the majority of sales direct to consumer either through their website or at trade shows.

The three-legged tables feature an athlete's legs as well as a piece of equipment, such as a hockey stick or golf club, for example. The concept originated about 20 years ago. A friend's uncle had made them a Montreal Canadiens' side table. That friend gave it to Nicole who knew Mike, an avid Canadiens' fan himself, would love it. He did. Pacheco had the same reaction when he saw it.

"It became an instant conversation piece," says Nicole Brajak, a financial advisor by training. She began researching whether anything like it was on the market. There wasn't. "It made sense that this was a unique gift and that it could expand beyond hockey to other sports," she said. It could also expand across a broad retailer base: furniture, toy, gift and sports memorabilia stores. Her husband, a CPA, and Pacheco, a business owner, agreed. In February 2014, they got to work. They found a furniture designer who helped them improve the design, purchased the moulds — each table has 10 components — sourced suppliers and began assembling the tables in the Brajaks' home. Their initial investment totalled \$40,000.

"From the beginning we saw it as a product line as opposed to just one product," said Mike Brajak. They started by selling first at consumer trade shows and then at B2B shows. At their first appearance at the PGA Merchandise show in Orlando, Fla., TeamTables won best new product. They then began to focus on retailers. One of the first retailers to come on board was Hockey Hall of Famer Marcel Dionne, who owns a sports memorabilia store and diner in Niagara Falls. "One of his customers had purchased a table and told him about us," said Mike Brajak.

By the time the trio entered the Den, they had \$90,000 in sales and TeamTables was being carried in 20 independent retailers, largely in Ontario, with a few in Illinois and Minnesota. Tables retail for \$499 and up. "We went to the Den because we were looking for a strategic partner to bring us to the next level," said Nicole Brajak.

The deal The entrepreneurs asked for \$100,000 in exchange for a 25% equity stake, valuing the business at \$400,000. The money was targeted for marketing efforts and to move production into a separate facility. They fielded offers from Joe Mimran, who wanted a 10% royalty until he recouped his investment and Mike Wekerle, who settled on a 40% equity stake. They made an on-air deal with Wekerle. That deal did not close but it hasn't slowed the entrepreneurs. They've participated in the Toronto and Atlanta gift shows and have grown their retailer base to more than 60 stores, including Wayfair.ca and Canada's Wonderland sports

shop. The focus now is to streamline and bring down costs in order to improve their own gross margins, which sit at about 40%, and those of their retail partners. The Brajaks have purchased a new property that includes a workshop, where the tables are now assembled. They have partnered with a U.S. manufacturer and are now the distributor of its sports-themed mats. TeamTables hit revenue of \$200,000 in its first fiscal year. The vision is to grow across Canada before making a more concerted effort into the U.S. “We don’t want to grow too fast,” said Mike Brajak. “We need to bring our costs down.”

A dragon’s point of view Mike Wekerle was not available for comment at the time of writing.

An expert’s opinion Brad Cherniak, partner at Toronto-based business advisory firm Sapient Capital Partners, says the trick will be speed to market. “The race is on to get their costs and price down in order to enter the market in a big way before someone else becomes the brand for this. I’m not sure how much help the patent will be. It’s a three-legged stool, what would you patent?” Another concern? NHL licensing. “They sell NHL decals that can be put on the tables. What are the sales terms of the licence and how much is that costing them?” That said, he does like the concept and the product. “I think they are onto something. It is an interesting product but it’s going to be expensive to market it and carry enough inventory if they do get into big box retailers.”