

Edward Shepard

Small Dog Electronics

Age **36**



Favorite part of job?

Collaborating with creative, entrepreneurial Vermonters.

Most inspiring mentor?

My Grandmother, who founded and ran several successful businesses while also raising a family and maintaining a social and philanthropic network.

Who is your living hero?

The Dali Lama, for staying true to his principals and promoting understanding and compassion in the world.

Favorite downtime activity?

Reading

Favorite Vermont Escape?

Definitely hiking the high ridges, especially in the early autumn as the leaves are just beginning to change.

Favorite social network?

Facebook

Favorite website?

www.smalldog.com

Vermont Business Person you would most want to network with?

Lawrence Blanford, who is brilliantly overseeing one of Vermont's most incredible business expansions ever.

Career Highlights:

Small Dog Electronics - Vice President of Marketing

FableLab - Producer

Small Dog Electronics - Marketing Manager

Community Involvement:

Voices of the Lake project at Echo
Online mentoring of at risk children
Humane Society of Chittenden County
Volunteering for several environmental groups regionally



Legislation allows companies a sustainable path

By SARA WIDNESS

Mike McCarthy, owner of the Cosmic Bakery & Café in St. Albans, is passionate about the passage of recent legislation that he said solidifies Vermont's ability to assist well-meaning businesses in achieving the goals of their own mission statements.

Act 113 – the Vermont Benefit Corporations Act – was signed into law this past summer by Gov. James Douglas; it takes effect in summer 2011. In essence, it allows a benefit corporation to underscore, in addition to fiduciary benefits, those social and environmental benefits that accrue to the public as a result of its intended actions.

The force championing this legislation was the 1,200-member Vermont Businesses for Social Responsibility (VBSR), of which Cosmic Bakery & Café is a member. Its passage was a swan song for Will Patten, who retired as the group's executive director in September.

Said McCarthy: "It's in the spirit of what a lot of Vermont businesses are already doing, and it helps the state enshrine that."

He said his café, which is now a partnership, would benefit from the new act if it becomes a corporation.

"We'll have to see how it [the legislation] plays out in reality," said McCarthy. "The principle that the state will help businesses as they grow by helping to protect their social missions lays a foundation for businesses to maintain a long-term commitment to what sometimes is sacrificed to hit their bottom line.

"It will be an enormous boon to both the communities in Vermont and to the businesses themselves, [which] can market themselves based on their social mission with that much more strength. This is a way for business to really put its money where its mouth is."

Chris Bailey of Vermont Smoke and Cure in South Barre said his company joined VBSR over three years ago. As a mission-driven company, he said, "We are here to create value for Vermont farmers."

This is accomplished by offering U.S. Department of Agriculture-inspected processing services to over 50 regional farmers so that they can then sell their bacon, ham and other products. Another 600 Vermont farmers come here to process meat for home consumption. The company also maintains its own line of products under its name.

Should Vermont Smoke and Cure elect to be-

come a Vermont Benefit Corporation, the new legislation can help it expand by bringing in new investors. In a benefit corporation, directors are required to follow more than financial considerations: they're required to consider other factors.

Don Mayer is chief executive officer of Small Dog Electronics in Waitsfield, also a VBSR member. Its three-pronged bottom line measures people, planet and profit.

"I think that it [the legislation] sort of codifies our social mission and how we measure our success by the triple bottom line," Mayer said. "We see the for-benefit legislation as potentially a screen for those who would invest in our company in the future. It also positions us to provide a built-in for potential investors to our company."

He said he's been called on to raise capital for his business many times during the past 40 years.

"When I do so, I don't have time to thoroughly vet the people," he said. "Many times when there's conflict, it's about how to measure success. Is it just profit, or our mission of people-planet-profit?"

By shifting his company to a benefit corporation, people will see that its corporate charter includes a legal commitment and responsibility to the planet and people portions of its mission. There will be annual reports from outside directors overseeing such efforts.

"These are significant steps [in] solidifying our commitment to being that type of business," he said. His company employs 48, with stores in Waitsfield and South Burlington, and a Manchester, NH store that was scheduled to open in October.

Mayer has been on the VBSR board for 12 years and is currently chair of its public policy committee. "The effort to get this legislation passed was the responsibility of our committee," he said.

"It was not that difficult. The legislators understood the process and we had bipartisan support, including that of the governor."

He said it took a little educating to get the following points across: that the charter could be a screen for potential investors; it could serve to prevent a company from moving out of Vermont; and it could help prevent new business owners coming in "who would be out of sync with the Vermont way of doing business."

"It was a pretty easy sell," he said.

And, what does Mayer think is the Vermont way



of doing business?

"I think that in Vermont, we have the largest socially responsible business community in the nation and perhaps in the world—simply the largest. There are more members of Vermont Businesses for Social Responsibility than there are members of the Vermont Chamber of Commerce. There's networking, sharing of ideas and using resources together.

"We're definitely not hiding our light under a bushel," he said, noting there's room for growth. "Last time we did a calculation, the membership was responsible for approximately 15 percent of the Vermont economy, \$3 [billion] or \$4 billion in revenue and 35,000 to 45,000 employees. It constitutes a broad spectrum of different kinds of businesses."

Patten explained that a benefit corporation's fiduciary responsibility won't in any way be diluted, but the charter allows for concerns other than returns on investments to stockholders.

For example, if a company says it is going to end homelessness and that doesn't happen, it cannot be sued. Beneficiaries of a benefit corporation cannot bring action for failure to provide that benefit, according to the bill.

Jay Coen Gilbert, a spokesperson for B Corporation, a national organization, said a national advertising campaign is underway to help connect the dots between consumers and businesses that are B corporations. Gilbert said one of the campaigns will run in *Mother Jones* magazine. ❖

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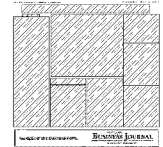
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PROVIDED

Don Mayer of Small Dog Electronics in Waitsfield said the firm’s three-pronged bottom line measures people, planet and profit.

Small Dog recycling effort yields 100 tons of electronics

SOUTH BURLINGTON — Early estimates indicate that Apple retailer **Small Dog Electronics**, recycled 100 tons of e-waste at its fourth annual E-Waste Event this year.

Cars filled with old TVs, computers and electronic peripherals lined up as early as 9 a.m. outside Ben & Jerry's corporate headquarters in South Burlington to recycle their electronics free. In the end, workers unloaded about 1,500 cars. All of the electronics collected will be processed in the United States by WeRecycle!

The eWaste event is part of Small Dog Electronics' mission of social and environmental responsibility.

"We have to find the best way to recycle what we sell, and educate our customers about it. Although manufacturing processes are improving, computers, monitors and other equipment have some hazardous contents like cadmium, mercury and chromium that can leach into the soil and contaminate groundwater. Our goal — and we've achieved this year — is to responsibly recycle more electronics than we sell," said Don Mayer, CEO and founder of Small Dog Electronics.

Small Dog recycles e-waste safely and responsibly all year-round for about 35 cents per pound, a standard fee.



What Vt. really needs

By PAUL MILLMAN

Brian Dubie, Republican candidate for governor, says he is business-friendly. He says he has a plan to promote business development in Vermont. I know Brian Dubie. He doesn't know anything about business development. I do.

I'm president of Chroma Technology Corp. in Bellows Falls. Together with our subsidiary, 89 North in Burlington, we employ more than 100 people at high-paying jobs in Vermont. These jobs come with company-provided medical benefits and a retirement plan.

Chroma Technology Corp. is a 100 percent employee-owned company. We started Chroma in 1991. In 2009 and 2010 we were on Inc. magazine's list of the 5,000 fastest-growing companies in the United States. Earlier this year, Inc. magazine named Chroma one of the 20 best small business workplaces in the United States.

Chroma was created and grown in the Vermont that Mr. Dubie blasts as a bad business climate. One of us is wrong. Chroma's success indicates that it's Mr. Dubie.

Mr. Dubie says that Vermont taxes discourage economic development. He's wrong. Taxes pale compared to the soaring cost of health care.

Mr. Dubie recently made the following statement: "I have not met a businessperson yet who says if we enact a single-payer health care system in Vermont that is going to be a boon for business."

Mr. Dubie knows better. He's heard my mantra annually at the governor's breakfast with the Vermont Busi-

ness Roundtable where I am a member; the cost of health care restricts business development much more than taxes.

Do the math. In 2009 Chroma's costs rose to nearly \$1.3 million. Our tax liability for fiscal 2009 was only \$226,000 on sales of more than \$20 million. Research and development tax credits reduced that number even further.

It's clear, and should be even to a non-businessman like Mr. Dubie, that the cost of health care has a much more profound effect on our ability to finance expansion than does the tax rate.

I think this is what they call a no-brainer.

During the last few years other Vermont business leaders and I testified that a publicly financed health care system would save our companies substantial amounts of money.

Mr. Dubie, do you not understand that saving substantial amounts of money equals a boon for business?

The lieutenant governor was never present during any of these legislative sessions. He could have been. He should have been. Perhaps Mr. Dubie doesn't want to hear the Vermont business leaders who call for a publicly financed system.

Mr. Dubie's concept of economic development is to lure big companies from other states.

He wants to use tax credits to entice them.

Oh, yeah? Think Husky. Where are the 2,000 to 3,000 jobs it promised when we gave it tax credits of \$17 million?

We can get a much bigger return on investment by supporting the growth of smaller companies already in Vermont. Think of this list: NRG Systems, King Arthur Flour, Small Dog Electronics, Ben and Jerry's, Green Mountain Coffee Roasters, Chroma Technology, Gardener's Supply, groSolar, Seventh Generation, Hubbardton Forge, Zutano and Lake Champlain Chocolates. These are all companies with both national and worldwide reputations. These are all companies that grew substantially within the current Vermont business climate. I'll go one step further: These are all companies that grew substantially because of Vermont's business climate.

My major criticism of Mr. Dubie is that he has been a terrible salesman for Vermont and he will continue to be so. I would never hire a salesman to sell a product he thought inferior. The voters of Vermont shouldn't either.

Paul Millman is president of Chroma Technology Corp. in Bellows Falls.

