



Oct 8, 2025

# Discovery Meeting - Chocolat on James

Invited Greg Kowalczyk danedwardshammer@gmail.com Chocolat OnJames

Attachments  Discovery Meeting - Chocolat on James

Meeting records  Transcript  Recording

## Summary

Chocolat OnJames is facing various challenges, including increasing traffic, establishing an online presence, improving website design for corporate orders, and addressing a decline in revenue due to a lack of marketing efforts by the previous owner. Chocolat OnJames and Greg Kowalczyk discussed strategies to improve these areas, such as implementing a marketing budget, developing a stronger online presence with pickup and delivery options, and creating a distinct brand identity focused on local community integration.

## Details

- **Initial Business Operations and Challenges** Chocolat OnJames shared their early experiences running "Chocolate on James," a third location for their chocolate business. They described typical 12-hour days involving learning production, store management, ordering, staff relations, CRA accounts, QuickBooks, and payroll ([00:00:00](#)). They acknowledged the business is currently "wild" and "a lot," with significant challenges in increasing traffic, establishing an online presence, and improving website design for corporate orders ([00:09:54](#)).
- **Business Partnerships** Chocolat OnJames confirmed that Sharon is part of the business primarily through their personal connection, offering help with design and register duties, but not heavily involved in the business side. They also noted

having a business partner who is financially involved but operates more behind the scenes, with Chocolat OnJames largely running the day-to-day operations and making decisions ([00:08:48](#)).

- **Sales and Revenue Overview** Chocolat OnJames provided insights into their sales figures, noting that weekday sales in the first week were around \$600-\$700 daily from walk-in traffic, with minimal phone or corporate orders ([00:11:48](#)). Weekend sales, including ice cream, were stronger, with Fridays and Saturdays reaching approximately \$1,500 and Sundays around \$1,000. They also mentioned that December sales could be two to three times higher than other months but found it difficult to predict normal monthly revenue due to recent historical declines, with the previous fiscal year's revenue dropping from \$450-\$500k to about \$350k ([00:13:08](#)).
- **Reasons for Revenue Decline** Chocolat OnJames attributed the decline in revenue from 2021 to a lack of marketing efforts by the previous owner, which resulted in a failure to attract new customers to replace those lost ([00:15:22](#)). They also cited the impact of the economy and increased chocolate prices as contributing factors, emphasizing the need to find new markets and avoid relying solely on existing customers ([00:16:32](#)).
- **Data Tracking and Inventory Management** Chocolat OnJames indicated that customer data is not systematically tracked, with no email or corporate customer lists available, despite using a Square POS system ([00:17:33](#)). Inventory management is also visual and manual, lacking any formal records or spreadsheets, making it difficult to track supplies and product stock without physically checking shelves ([00:18:40](#)).
- **Cost of Goods Sold (COGS) and Margins** Chocolat OnJames stated that detailed COGS per product are not calculated, with only monthly or yearly totals reported for accounting and CRA purposes ([00:20:01](#)). They noted uncertainty regarding profit margins, citing inconsistent COGS percentages reported in previous years (around 61% of revenue) and a questionable projected 40% for the current year, despite rising chocolate prices ([00:21:13](#)).
- **Financial Transparency and Opportunity** Chocolat OnJames acknowledged significant missing financial data and expressed a desire to establish a clear balance of income and expenses monthly ([00:24:51](#)). They currently operate with a limited budget for growth and marketing, focusing on easily accessible revenue streams to fund future improvements ([00:26:30](#)). Despite the challenges, they

perceive good opportunities for growth, noting the business has survived despite being "run very, very poorly" and historically achieved revenues of three-quarters of a million dollars ([00:22:32](#)).

- **Pricing Strategy** Chocolat OnJames explained that current pricing is based on the existing setup from the previous owner, with no specific rationale or detailed calculation of COGS plus markup. They rely on a "gut feeling" and observation of inventory to set prices based on what customers are willing to buy ([00:29:17](#)).
- **Marketing Budget and Strategy** Greg Kowalczyk suggested a marketing budget of 5-10% of revenue, which seemed substantial to Chocolat OnJames given that no marketing has been done previously ([00:30:14](#)). Chocolat OnJames plans to start small with online business, delivery, and marketing through social media (Instagram, Facebook), along with local marketing targeting universities and corporations in Hamilton ([00:32:08](#)). Greg Kowalczyk emphasized that marketing involves investing either money or time, and as the business grows, their time becomes more valuable ([00:33:23](#)).
- **Production Capacity and Sourcing** Chocolat OnJames identified staffing as the primary constraint in fulfilling large corporate orders, such as a \$20,000 monthly order ([00:37:09](#)). They are also still learning how to make the products. They explained that some products are outsourced and purchased wholesale due to the complexity of making them in-house or the need for specialized equipment ([00:38:47](#)). Wholesale products account for approximately 65-70% of the chocolate inventory ([00:40:14](#)).
- **Packaging and Presentation** Chocolat OnJames noted that while the current packaging is adequate, they desire improvements in presentation, favoring more elegant and neutral tones over the current colorful and inexpensive ribbons ([00:40:14](#)) ([00:43:17](#)). They also highlighted inefficiencies in using the existing ribbons and identified a large inventory of supplies like truffle boxes, which might last for years ([00:41:55](#)).
- **Customer Demographics and Marketing Assets** Chocolat OnJames speculated that their typical customers are middle-aged to older individuals with average to above-average incomes, drawn to the high-end nature of the chocolate ([00:47:18](#)). They noted a lack of specific customer data, including demographics or an understanding of their best customers, despite having an Instagram account with 14,000 followers, mostly believed to be local ([00:44:28](#)). Greg

Kowalczyk emphasized the importance of developing customer avatars for targeted marketing ([00:47:18](#)).

- **Corporate Relationships and Future Vision** Chocolat OnJames identified a lack of corporate customer lists and outreach, despite potential repeat business. They outlined plans to tap into specific markets like real estate agents and pharmacies for gift baskets ([00:49:52](#)). Chocolat OnJames also shared a dream of partnering with the Hamilton Tiger-Cats, creating football-themed chocolate products, and establishing a dedicated section in the store, aiming to get their products into the stadium ([00:51:15](#)). Greg Kowalczyk approved of these ideas, noting the large potential client base ([00:52:39](#)).
- **Community Integration and Brand Identity** Chocolat OnJames aims to build a strong community connection and brand identity for "Chocolat on James" as "Hamilton's chocolate," emphasizing the local vibe of James Street North. They plan to collaborate with local businesses and embrace the "Hamilton is Home" theme through merchandise like t-shirts, seeing the location as ideal for their business vision ([00:53:43](#)). Chocolat OnJames also noted unexpected opportunities like sympathy gifts for pet owners, highlighting the diverse needs they encounter ([00:55:39](#)).
- **Social Media Engagement** Greg Kowalczyk suggested producing user-generated content and videos to increase engagement on their Instagram account, as the current 14,000 followers show limited likes and comments due to a lack of video content ([00:55:39](#)). Chocolat OnJames also mentioned seeing social media counters that visually update follower numbers, which they find intriguing for encouraging engagement ([00:56:47](#)).
- **Future Goals and Work-Life Balance** Chocolat OnJames' 12-month vision includes achieving \$500k in annual revenue and improving work-life balance, moving from 12-hour days to 8-10 hours in-store, with at least one full day off per week ([00:57:55](#)). Their three-year vision involves a more hands-off management role, focusing on marketing, payroll, and behind-the-scenes business operations rather than daily retail tasks, while remaining involved in the production side ([01:00:13](#)).
- **Competitive Landscape** Chocolat OnJames is aware of some local chocolate competitors in Hamilton, including Laura Secord, Purdys, and Walkers Chocolate, as well as smaller, more specialized shops, some with limited operating hours or unique product offerings ([01:01:39](#)).

- Product Offerings and Market Differentiation** Chocolat OnJames specializes in chocolate-covered items like Oreos, sour keys, pretzels, and chips, in addition to caramels, cookies, popcorn, and toffee, which sets them apart from stores focusing on traditional chocolate. They also highlighted that their product range includes items purchased and covered, or made in-house and then covered in chocolate ([01:03:58](#)).
- Online Growth Strategy and Target Markets** Chocolat OnJames aims to start with online ordering for local pickup or delivery, targeting new condo buildings with younger crowds who frequently use online delivery services ([01:05:30](#)). They also identified university students as a potential market, suggesting a delivery model with designated pick-up times and locations on campus. Greg Kowalczyk affirmed the effectiveness of this marketing approach, emphasizing the importance of both organic and paid advertising to reach specific geographical areas and demographics ([01:06:49](#)).
- Online Store Functionality and Development** Chocolat OnJames envisions an online store where customers can view available products, place orders for in-store pickup, and eventually arrange for delivery ([01:09:09](#)). They also expressed interest in a "box builder" option for corporate orders or custom baskets, allowing customers to select specific items for inclusion. Greg Kowalczyk noted that implementing pickup and delivery options is a straightforward technical switch ([01:10:25](#)).
- Christmas Season Preparedness and Online Store Launch Timeline** Chocolat OnJames expressed concern about launching a full online store before Christmas due to potential stock management challenges with increased demand ([01:12:34](#)). They indicated that launching the online store in the new year is a more realistic timeline, though they are open to starting with a limited selection of easily available products like panned chocolates and truffles to test the system ([01:14:02](#)).
- Consulting Services and Website Management** Greg Kowalczyk explained their consulting services, which include providing detailed implementation plans and various strategies for business improvement, leveraging AI for efficiency ([01:15:16](#)). They also confirmed that their team can manage websites, but emphasized that clients learning to manage their own websites is the most cost-effective long-term solution, as business owners best understand their own operations ([01:18:07](#)). Greg Kowalczyk also highlighted the importance of

high-quality photography for online sales and offered to show ways to achieve this cost-effectively, potentially using AI ([01:21:22](#)).

## Suggested next steps

- ☐ Chocolat OnJames will increase traffic and flow of people coming to the store by focusing on online business, improving the website design for corporate clients, and exploring local markets.
- ☐ Chocolat OnJames will send Greg Kowalczyk a spreadsheet of CRA documents that details the net income over the years.
- ☐ Chocolat OnJames will find a way to track sales and inventory, and determine the profit margins for the business.
- ☐ Chocolat OnJames will break down the monthly expenses, including staff and salary, COGS, payroll, rent, utilities, insurance, POS software, marketing, and other costs.
- ☐ Chocolat OnJames will create customer avatars to better understand and market to their target audience.
- ☐ Chocolat OnJames will work on building the brand of the store to be known as 'Shakala on James Hamilton's chocolate,' emphasizing the community aspect.
- ☐ Chocolat OnJames will begin producing user-generated content for social media to increase engagement and following.
- ☐ Greg Kowalczyk will send a full summary of the meeting, along with quick wins for collecting emails, ideas for Christmas, and suggestions on how to improve Google visibility.

*You should review Gemini's notes to make sure they're accurate. [Get tips and learn how Gemini takes notes](#)*

*Please provide feedback about using Gemini to take notes in a [short survey](#).*