

Business Edge

News Magazine

ONTARIO

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**Building Wealth
Through Real Estate**
REDEV Properties
See Page 13

*Window to
Paradise*

See Page 7

Cellphone players to face increased competition

Wireless spectrum auction
could shake up pricing

By **Monte Stewart**
Business Edge

The federal government's decision to open more spectrum to the marketplace will change the face of Canada's wireless telecommunications industry, experts say.

"New entrants mean more choice for Canadians – and it means a challenge for the existing players," says Bernard Courtois, president and CEO of the Ottawa-based Information Technology Association of Canada (ITAC).

Both large and small operators are among a list of 30 companies that have bid to become new or expanded players in Canada's \$13-billion cellphone market.

The feds have set aside 40 megahertz (MHz) for new players and 65 MHz for existing wireless operators, limiting their growth capacity.

"The effect that the auction will have is, really, enhanced competition for the cellular guys," says Dorian Banks, president of Vancouver-based MetroBridge Networks Corp. "It's going to end up forcing Rogers and Bell and Telus to come off their . . . pricing, especially on the data front – much like has happened in the United States, where they have \$99 all-you-can-talk and all-you-can-use data plans now that are popular."

See **PLAYERS**

Page 4

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NEWSSTAND \$2

Making Connections



Peter McCabe, Business Edge

Enterprising approach

Stéphane Boisvert wanted to be an astronaut as a kid and he's still reaching for new heights as president of Bell Enterprise Group. Boisvert talks about some of the challenges facing the industry on **Page 8** of this Telecommunications Special Report.



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NATIONAL OFFICE
Suite 500
525 11th Ave. S.W.
Calgary T2R 0C9
1.866.216.3343
Fax 403.264.4439

ADVERTISING INQUIRIES
1.866.216.3343, ext. 25
ads@businessedge.ca

PUBLISHER
Rob Driscoll

EDITOR-IN-CHIEF
Terry Inigo-Jones

HEAD OF RESEARCH
Alexis D. Smolensk

CIRCULATION MANAGER
Alexis D. Smolensk

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Index

• **'NET CAN BE RISKY TRIP**
Computer hackers can make the information highway a dangerous trip for business travellers.
Page 6

• **20 QUESTIONS**
Bell Enterprise Group president Stéphane Boisvert looks to deliver high-powered service in the global telecommunications sector.
Page 8

• **FINANCIAL EDGE**
Schachter Asset Management Inc. president Josef Schachter sees spring as the time of season to wheel and deal in the oil and gas sector.
Page 12

• **STREET LIFE**
A deal with an L.A.-based music company for cellphone access to concert tickets has helped pump up Rogers Communications stock.
Page 14

• **TELECOM CHRONICLES**
Canada's role in telecommunications history hasn't been trumpeted over the years, but the Hall of Fame will shed new light on the sector.
Page 16

• **EDGE@WORK**
A looming IT skills shortage is casting a pall over Canada's technology boom and industry is looking for ways to correct the problem.
Page 18

• **OPINIONS**
Premier Dalton McGuinty's Ontario

government spent its recent tax windfall like drunken sailors, says columnist D'Arcy Jenish.
Page 20

• **TECHNOLOGY EDGE**
Not knowing the limits of cellphone data use can be more than just costly to the wallet, it can even land you in jail, says columnist Tom Keenan.
Page 22



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45 **When hiring, get your employees involved in the interviewing process.** In many cases, your employees will be more in tune than you with the type of attributes required of their future colleague. As well, because you want your employees to work well together if they are given input in the process, this will be more likely.

44 **Measure your marketing results.** You know you need to invest in marketing, but how can you be sure it's "working"? There are many different ways to approach marketing, including online social networking, advertising, blogging, and media relations, to name a few. Whatever you do, be sure to install measurable strategic indicators so that you stay focused on your goals, and retain a picture of which marketing strategies you should focus on.

43 **Re-negotiate your contracts to make your business recession-proof.** Now is a great time to re-negotiate with manufacturers who have seen a reduction in their sales volumes but in an effort to maintain economies of scale haven't yet reduced their production volumes.

42 **Consider ways to outsource manufacturing.** Outsourcing isn't the exclusive domain of the "big guys" any more. It is now possible for businesses of all sizes to outsource some or all of their manufacturing to other parts of the world, such as China, India or Mexico. However, if sustainable business practices are important to you, make sure you do thorough checks on the manufacturing processes used by your outsourced suppliers, whoever they are.

41 **Clarify your market position.** Ask yourself, do your customers clearly understand why your business is unique and why they need you? The answer to this question determines if they will continue to do business with you. Conversely, if you are seen as part of a homogeneous category of business, your selling prices will be dictated by your competitors - not a good thing in our current economic times.

To be continued...

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CRTC gives green light for BCE Inc. takeover

The Canadian Press

The Ontario Teachers' Pension Plan has cleared a major hurdle to completing the biggest takeover in Canadian history after the federal regulator approved its acquisition of telecommunications giant BCE Inc. (TSX:BCE).

The CRTC said the approval was subject to certain conditions, most designed to ensure the iconic company remains under control of Canadians.

In his ruling, commission chairman Konrad von Finckenstein said Teachers' must appoint six of the 13 directors, one more than under the agreement with its U.S. minority partners Providence Equity Partners, Madison Partners and Merrill Lynch.

As well, he said the chairman must be Canadian, as must the company's CEO, who is also on the board but cannot serve as chairman. "I have to make sure that both in law and effect, the company will be controlled by Canadians," von Finckenstein said.

Teachers' spokeswoman Deborah Allan says officials are reviewing the decision.

Bell issued a statement saying the only regulatory approval standing in the way for the deal to close by June 30

was approval from Industry Canada.

But the \$52-billion acquisition still faces questions over whether banks that had agreed to finance the deal will seek to back out in the face of the financial markets turmoil that has made credit riskier and hard to attain.

For the federal regulator, the key concern was whether Teachers', which is acquiring 51.6 per cent of Bell Canada's equity shares, had sufficient representation on the board of directors to ensure the company would remain under Canadian control.

The commission also insisted that the independent committee that would oversee programming on Bell's ExpressVu satellite network must be made of Canadians who are not affiliated with the U.S. partners.

And it increased the threshold for veto rights from \$100 million to \$110 million, five per cent of the value of the broadcasting assets.

Under Canadian law, foreigners cannot control more than 46.7 per cent of a broadcaster or telecommunications company.

The regulator's approval was not the only remaining hurdle. A group of Bell Canada bondholders has appealed an unfavourable lower court ruling of their challenge to the Quebec Superior Court.

Teachers' recently received approval from the Financial Services Commission of Ontario, which regulates pensions, despite the fact no pension fund can directly or indirectly invest in more than 30 per cent of the voting shares of a company.

But Teachers' was able to get approval from the Ontario regulator by arranging for a former executive, P. Morgan McCague, to hold the Teachers' 66.7 per cent of class A voting shares, a move that raised eyebrows at the CRTC.

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PLAYERS from Page 1

CRTC decision could mean fourth national wireless carrier

This marks the first time since 1995 that the federal government has made new spectrum available. Spectrum refers to wavelengths that transport voice and other wireless data, and this auction – which begins May 27 – is the first of its kind.

“There’s always been a question of the viability of wireless networks in Canada,” says ITAC’s Courtois. “We’ve had companies disappear or get swallowed up over the years, so it’s going to be interesting to see how that plays out.”

“It’s expected that at least some of the entrants will have substantial existing operations to back them up – so they should be sustainable.”

On March 31, Ottawa finished qualifying the bidders for future consideration. Wireless operators and industry analysts are waiting to see whether the Canadian Radio-television and Telecommunications Commission (CRTC) will provide enough spectrum to a fourth national wireless carrier, which could rival the so-called big three of Toronto-based BCE Inc. (Bell Mobility), Rogers Communications Inc. and Burnaby, B.C.-based Telus Corp.

Ottawa may also decide to allow more local and regional players to acquire spectrum.

“With the way the spectrum is set up, there’s a lot of room there that, if someone wanted to just pick up some spectrum in a particular region – or regions – someone could become a regional player,” says Mark Choma, spokesman for the Ottawa-based Canadian Wireless Telecommunications Association (CWTA). “There’s also room for someone to become a national player as well.”

Bell, Telus and Rogers are vying for more spectrum to enhance their existing, extensive networks across the

Quotable

“The wireless industry has never been price-regulated, so it’s always been driven by competition – fierce competition, for the most part.”

– Mark Choma,
spokesman for Canadian Wireless
Telecommunications Association

country. But some cable TV companies, including Calgary-based Shaw, and newspaper operator and printer Quebecor Media Inc. are hoping to enter the wireless world.

Winnipeg-based MTS Allstream Inc., which already offers wireless phone service, is also looking to expand its business base.

Newcomers include Toronto-based Niagara Networks Inc., which has made the largest deposit – \$881 million – among hopefuls, and SSI Micro Ltd., which has pledged \$80,000 for a Nunavut-based service.

After more spectrum was made available in 1995, both Clearnet and Microcell emerged as new national players, but they were later acquired by Telus and Rogers, respectively.

“I’m expecting a diversity of companies to be bidding,” says ITAC’s Courtois. “There’s quite a degree of uncertainty as to whether people will get national licences, or regional licences or local licences. All kinds of spectrum is being auctioned off in all these various formats.”

But one thing appears certain: Ottawa will not permit many more cellphone towers to be built, because of concerns about unsightly apparatus in communities.

That means newcomers will likely have to piggyback their services on existing towers operated primarily by the big three firms.

New players will be able to roam on other networks, but they will need

established networks of their own to start with.

“I don’t think the technology is a problem,” says Courtois. “The investment is significant, and you need to invest not only in a physical network, but you need to invest in a network of stores and that kind of thing. Some people have an advantage if they’re already in operation and already have retail stores. But building up a client base, building up retail outlets and building up a network in and of itself, those are significant investment challenges.”

Clearnet and Microcell affected the entire industry financially by introducing drastic price reductions, but

they couldn’t survive on their own. CWTA’s Choma says the auction will add another layer of competition to the industry, but increased competition is nothing new to the sector.

“The wireless industry has never been price-regulated, so it’s always been driven by competition – fierce competition, for the most part,” says Choma, whose group represents service providers and hardware sellers.

Local and regional players won’t be new either, he adds. Customers already have a choice of two dozen carriers, ranging from the big three national firms to regional operators MTS Allstream in Manitoba and SaskTel in Saskatchewan, and local firms such as Thunder Bay Tel and Kenora Municipal Telephone System in Ontario.

But the spectrum auction won’t result in the launch of a new firm right away.

“Really, acquiring the spectrum is just the first step,” says Choma. “It’s a very capital-intensive industry.”

Even a regional network will cost several million dollars. Since cellphones first came to Canada in 1985, he says, wireless carriers have invested \$22 billion in infrastructure.

See BIDDING

Page 5



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BIDDING from Page 4

Auction may not result in huge rate drop, analyst says

As a result, he does not expect the spectrum auction to widen the reach of wireless networks.

Approximately 98 per cent of Canadians, he says, already have wireless access.

"It's going to be especially good for the Ontario market, where Rogers really has quite a stranglehold on the cable-modem side and the cellular side," says MetroBridge's Banks.

MetroBridge, a fixed wireless service provided to offices and other buildings, is not bidding because

the spectrum does not fit its business model, which is based on transmissions that require considerable bandwidth.

Kirk Glaze, a Kitchener-based telecom consultant, does not expect the auction to produce drastically lower rates, because he says most newcomers will have to piggyback on other firms' networks.

"I don't think there's going to be a lot of room for them to really lower their rates," says Glaze.

"They're going to be, basically, buying their

rates wholesale off the other towers that they're roaming off of and reselling them at that point."

Bell, Telus and Rogers are, essentially, charging the same amounts, although they might package their rates differently.

"I don't expect (the increased spectrum) to change the industry overnight," says Glaze.

(Monte Stewart can be reached at monte@businessedge.ca)

Motorola to split handsets

The Canadian Press

Cellphone maker Motorola Inc. has announced plans to separate its struggling handset business from other operations, forming two separate, publicly traded companies after months of agitation from frustrated investors.

The suburban Chicago-based company has been under pressure from billionaire investor Carl Icahn for changes to revitalize its cellphone business. The cellphone unit has seen its sales and stock price plummet with the company unable to produce a second act to the Razr phone.

Motorola said the handset business will operate separately from another company that will encompass its home and networks business, which sells TV set-top boxes and modems, and its enterprise mobility solutions, which sells computing and communications equipment to businesses.

Chief executive Greg Brown said splitting the company would allow each unit to better focus on its own business, particularly improving the struggling cellphone division.

If the deal is approved, the two units would be separated in 2009.

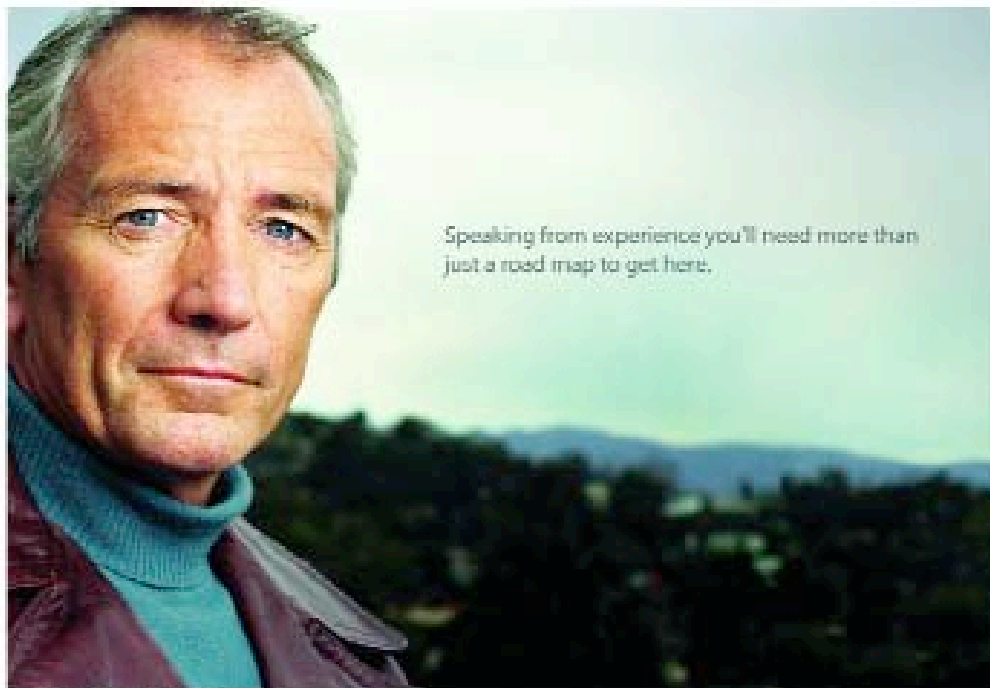
Brown said Motorola will launch a search for a new chief executive of the mobile device business as it works to regain favour with customers and its No. 2 position in the cellphone market. Motorola lost that spot last year to rival Samsung Electronics Co.

Finland's Nokia Corp. is the industry leader.

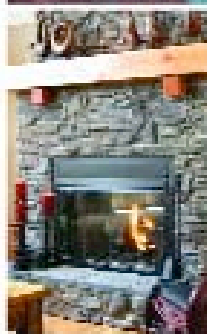
The announcement was just the latest shake-up at Motorola, which rode the success of the iconic Razr phone from 2005 to 2006, but has stumbled since amid stiff competition.

There had been talk in February that Motorola and Nortel Networks (TSX:NT), another ailing telecom equipment maker, would combine their wireless infrastructure divisions.

Negotiations were reported to have lasted about a month – separate from the possible Motorola divestment of its handset division – as part of a restructuring effort by Brown, promoted to CEO effective Jan. 1.



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Information highway can be risky trip

Hackers know all the tricks to gain access to travellers' computers

By David Hatton
Business Edge

Computer hackers can easily access confidential corporate documents or detailed personal banking information from unsuspecting business travellers while sitting in the comfort of a hotel lobby, according to experts.



"You would be surprised at how easy it is to do," says Brian Bourne, co-founder of the Toronto Area Security Klatch (TASK), one of the largest user groups in Canada

for computer hackers.

"Companies spend all kinds of money on securing their server and the corporate network, but the information is open and vulnerable when their executives are on the road."

Bourne says one of the most common ways thieves get access to that information is to set up a "rogue access point."

A hacker will sit down with a laptop in a hotel or busy café and pretend

Computer safety tips

Computer security experts say there are simple steps business travellers can apply when using unsecured networks in airport terminals, train stations and hotels:

- Ask the venue if they actually have a network available and what the access point is named. One method of computer hacking involves arranging a fake local area network using common names like Server or Home. If your wireless network card is set up with any of those names, it will instantly recognize the fake server and connect to that.
- When using a supposedly secure website, check the address bar for the initials https:// before the website name. The letter 's' stands for secure. If you get a pop-up window questioning the website's security certificate, stop immediately.
- Establish your own virtual private network (VPN) back at your office and access the Internet through that when you're on the road.
- Finally, use common sense. Be aware of what data you're using and how vulnerable you might be in that particular environment.

that computer is the actual server. When anyone attempts to log on to the server, they are actually connecting to that laptop. Any web pages they view – including banking websites, e-mails or online documents – is recorded on the rogue access point and can be accessed later.

The software tools to do it can be easily found and downloaded from the Internet, he says.

"Most hotels and open public hotspots don't use encryption. Everything going in and out (of your computer) can be seen by practically anyone," says Bourne, who adds his "day job" is president of Toronto-based CMS Consulting.

Bourne says using a wire-based connection for your computer versus a wireless network is generally safer. But hotel business centres set up with

computers and other amenities, however, are an even easier target for hackers.

"You could so easily have a key-stroke logger installed on one of those machines or any kind of a virus or malware. That's not safe in the least."

One of the most legendary hackers in North America is Mark Loveless, known among the largely online community as Simple Nomad. In 2006, he appeared at any industry convention and made a presentation called "Hacking the Friendly Skies at 30,000 Square Feet."

It explained how to spend time accessing other passengers' computer information while waiting in an airport departure lounge or flying at high altitudes. Loveless said the ideas started because of weather delays, cancelled flights, layovers, gadgets and toys and "idle hands," according to the copy of a PowerPoint presentation obtained by *Business Edge*.

It included instructions on how to change the screensaver image on all nearby laptops to pornographic images and loudly play an audio file saying: "Wow, this porn is hot."

See VULNERABLE Page 11



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20 Questions

Networking name of the game for Bell

Enterprise Group president looks to deliver high-powered service

By Monte Stewart
Business Edge

Don't call Stéphane Boisvert the president of Bell Enterprise Group – even though that's his title.

"I do not call myself the president," says Boisvert. "I believe that leadership is not a position. It's something that has to be part of the DNA of the business."

Accordingly, he has attempted to change the genetic fabric of Bell Enterprise Group, the part of Bell Canada Enterprises that builds, designs and operates networks for thousands of companies – large and small alike – across the country.

He is also working to help Canada overcome its IT skills shortage.

Business itself is in the Montreal native's blood . . .

1. What did your parents do?

"My father was a white-collar (employee) at Hydro Quebec. He was in the management ranks. My mother was an editor (and layout person) with *La Presse*."

2. What were some of your early interests?

"If you go back in the '80, (my main interest) was computers. I did a lot of programming, and I was passionate about getting into management as well. That was my early work – being able to solve problems for customers and sell solutions."



3. What about when you were growing up?

"Skiing. I would say skiing is, still today, a true passion. I like to take at least two trips a year on the West Coast. I recently went to Utah and discovered that place. It's beautiful. I've been many times to Whistler. I also love food – and food from a lot of different countries."

4. What was your boyhood dream?

"I wanted to be an astronaut, to be honest . . . a trip to look at the Earth from that vantage point. It must be fascinating to be in the cockpit or space shuttle, or working on any type of platform there."

5. What steered you toward a commerce degree?

"First, I wanted to learn English, so I went to McGill. Prior to getting to the university level, I barely spoke English, and I love business. I like running a division. I wanted to get into management."

6. Did you have an idea of what business you wanted to get into?

"I wanted to go to a corporation where I could get great training."

7. What did you do in your first job at IBM?

"Sales. Mid-market customers in the retail and consulting business in Montreal. That's pretty tough. A lot of cold calling. Then, later on, I got into financial services with two banks in Montreal."

8. What did those experiences teach you?

"IBM really shapes you in their relationship with customers – how you provide high-level satisfaction, how you maintain it, how you better understand needs . . . (I was there) 17 years. In my last job, I was in New York. I was in charge of marketing worldwide for small and medium-sized businesses. I was at many different levels of management (earlier) and executive positions for



Peter McCabe, Business Edge

Bell Enterprise Group president Stéphane Boisvert believes good leadership is intrinsic to the success of a company.

the financial services and entire services sector in Canada for IBM. I left Montreal for Toronto in 1992 and worked there for many years until I joined Sun (Microsystems) in 2002."

9. How did you end up joining Sun?

"Headhunters. I was working in New York. At that time, in 2002, the (share) price of Sun crashed by a significant percentage. The troops were down. They were unable to sell anymore. They had some product issues and they asked me to take on the Canadian operation as the president. At that point in time, there were 14 regions (within Sun) and we were No. 14. I was able by 2005 to become No. 1."

10. How did you do that?

"I rebuilt the team. A lot of sales management. A lot of speaking opportunities where I was able to tell the audience and the market the value prop (proposition) behind Sun Microsystems and their operation in Canada. I was absolutely clear about what we could provide to customers."

11. Sun is well known for its hardware. How did you introduce a new software element?

"We kind of (folded in) a software and business services side as well. We hired the talent. We had a hitlist of customers and we knew that our value prop in our software business would be ready to mix with them. We beefed up our professional-services practice and (were) able to hire top talent in the marketplace to do our professional services work. My background was such that I was able to bring those leadership elements in to foster a team that could focus on software and professional services. The previous management team was one that had tremendous success in selling hardware. That was their background. They had done amazing things with that background. There was a shift in the marketplace – less of hardware, more of software and services. I just jumped on it. A good (test) of leadership is to be able to understand market share and be able to get ready for it."

12. Did you reduce a lot of staff there?

"Yes, I did. They went from 370 to 200 and we built from there back to 300. We built to have fresh new blood – about 100 new individuals in the business."

13. Why did you decide to give up the Canadian helm?

"They offered me a position to be second-in-command of all sales worldwide. I had all the sales specialists. There was the core sales specialist who had the relationship with the accounts and there was the individual that would be covering our servers, storage and software products. There were two sales teams worldwide and I was in charge of the second one. Then they gave me additional mandates. They asked me to look at acquisitions they were making that year and do the (post-acquisition) integration. So I was in charge of post and (server, storage and software) sales worldwide. That was a bigger role . . . Keep in mind, I was commuting every week from Toronto to California. That was a bit of a drag. In the midst of thinking about moving to California, the Canadian team here of Michael Sabia (then BCE's president and CEO) and George Cope (now BCE's president and CEO, who was then chief operating officer) tapped me on the shoulder and asked me if I'd be interested in running this business."

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20 QUESTIONS from Page 8

Staying in Canada 'really struck a chord'

"It's another turnaround, because we were able, in a matter of 15 months, to provide growth at the profit level."

14. What made you ultimately decide to go to Bell?

"The turnaround proposition. Secondly, they did an extremely good job of saying, 'It's kind of a shame to have talent going to the U.S. instead of keeping the talent here in Canada.' I was still living here and that really struck a chord with me."

15. How does the Enterprise group fit within the whole BCE operation?

"Well, there's three businesses (within BCE). There's the mobility business, which is cellphones. Very easy to define. There's the residential market, (including) the phone and the Internet connection and, in our case, Bell ExpressVu, which is satellite TV. There is the small and medium-businesses (section) which (serves) mainly small. You know, your barbershop needs a line. And you have the enterprise (section) which, I would say, (caters to) the top 1,500

businesses in Quebec and Ontario, including governments. We sell connectivity services and IT services."

16. How are you looking to grow the Enterprise business?

"It's a question of pure understanding of our capabilities. We're doing a better job at educating our customer. In certain accounts, we are growing at double-digit rates. We do have a better, well-structured set of solutions that are in tune with the marketplace and professional services in terms of security solutions (and) contact-centre solutions as well as supply-chain and wireless solutions. What we find, too, is that more and more customers want to outsource in Canada to a partner like Bell, like the call centre. They have the agents, but they want to have the platform managed by us. It's a double-digit growth rate for us. Since we are the largest technology reseller in Canada - \$250 million - we get into building the



solution with our technology partners. That's a value prop we are putting out there as core to our business. It wasn't really the case in the past. It's truly the case now."

17. What do you see as the challenge for your company going forward?

"There is always competition out there - the Teluses, the Allstreams. This is true. The challenge is to make sure that our customers comprehend the value we bring by delivering high-powered networks. This is extremely key for us, because if we don't do that - sell the value - the benefits will collapse and we'll commoditize ourselves. Which is an

environment where you don't want to get to."

18. How would you describe the challenge faced by the IT skills shortage?

"Every single enterprise in Canada is facing a challenge and they tried to solve it in the past by themselves... Everybody is chasing the same talent. It creates inflation because of the pure law of demand and supply. Exposing the problem, the size of it (and) looking at what Germany and Ireland are doing in terms of how many individuals we need in X (number of) years, really is a way for us to solve this. It's a potential economic issue and a real impact on the GDP."

See ISSUE

Page 11

Stéphane Boisvert

- **Title:** President.
- **Born/raised/age:** Montreal/45
- **Education:** Commerce degree from McGill.
- **Family:** Married, son, 14, and daughter, 9.
- **Career:** After graduating from McGill, Boisvert began his career with IBM and spent 17 years there before joining Sun Microsystems, where he rose through the ranks to become chairman of Sun Microsystems Canada and senior vice-president of global client solutions sales. He joined Bell, in his current post, in 2006.
- **Moonlighting:** Boisvert sits on the boards of the Montreal Heart Institute Foundation, the Sainte-Justine Hospital Foundation and Wellspring, an organization dedicated to offering support to cancer victims, and the Canadian-American Chamber of Commerce.
- **Passions:** Business, family.



Stéphane Boisvert

Bell Enterprise Group

- **Brass:** Stéphane Boisvert, president Enterprise; George Cope, president and CEO, BCE Inc.
- **Profile:** Bell Enterprise Group provides technology platforms to small, medium and large private and public companies and governments. It designs, builds and operates network infrastructure on behalf of some of Canada's largest companies while also serving small and medium-sized firms.
- **Stats:** Bell Canada Enterprises (BCE), the parent company of Bell Enterprise Group, does not provide stats for Enterprise Group. BCE has 28 million customer connections across the country and Enterprise Group's clients are included among those.
- **Structure:** Bell Enterprise Group is part of Bell Canada Enterprises (BCE) Inc., which is this country's largest communications company. Its other interests include the *Globe and Mail* newspaper and TSN. The parent company is in the process of being acquired by the Ontario Teachers Pension Plan.
- **Website:** www.bell.ca/enterprise
- **HQ:** 1000, de La Gauchetière Ouest, Bureau 3700, Montreal, H3B 4Y7
- **Phone:** 1-888-932-6666

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VULNERABLE from Page 6

Challenge drives many top hackers, security expert says

Bourne says the vast majority of hackers are doing it for the challenge rather than for any gain. But regardless of why a business traveller's laptop is being accessed, it's still vulnerable.

"It's like parking your car in a high-crime neighbourhood overnight. Would you just leave it unlocked?" he asks.

Computer security expert and author Bruce Schneier, the founder and CTO of BT Counterpane, says one of the biggest problems is that computer information theft often goes unreported. "I mean, if you were a big bank and hackers were able to somehow get company information from one of your executives staying at a hotel somewhere, would you want the press to know?"

"As researchers, we want to learn about how widespread a problem this is, but nobody can really put their finger on how often it happens," he says.

Schneier explains users need to look at their entire computer network and where people are accessing certain types of data from. "I can put the best lock in the world on the front door of my home, but if my ground floor windows aren't secure or the back door then it won't do any good," he says.

"The best suggestion I have for people is to back up their data. Back up, back up and back up. More and more our businesses depend on information and that's one of the best ways you can protect it," Schneier says.

"Make sure you have the latest fire-wall and anti-virus software installed on your laptop, too," he adds.

Andrew Berkuta, whose business card lists him as a senior security evangelist/strategist with McAfee anti-virus software, says he's seen lots of examples of unprotected data.

"The new threat for businesses is at the data level. It's quite scary and the threat is quite real.

"I think one of the worst is data on a laptop that isn't even encrypted. Your laptop gets left in the back of a cab or stolen somewhere. If the data is encrypted then it's not that big of a problem," he says. "If it isn't encrypted, you're (in trouble)."

McAfee's Canadian head office is in the north Toronto suburb of Markham, but it also has a 25,000-sq-ft. research and product development facility in Waterloo where programmers are kept busy trying to stay ahead of the latest computer virus.

"Everything has vulnerability because it's made by humans. I would never say our software was a hundred per cent foolproof because the first time someone says that, guess what every hacker in North America will be trying to do?" he says.

"I believe you have to manage the risk. You have to take steps wherever you are to protect your data, on your laptop or on a memory stick or anywhere."

(David Hatton can be reached at hatton@businessedge.ca)

Coming Events

• **Eggs 'n' Icons** (April 11, 7:15 - 9 a.m.) – Speaker: Ontario Research and Innovation Minister **John Wilkinson**. Location: Sheraton Ottawa Hotel, 150 Albert St. Cost: Ottawa Chamber members \$30, others \$40. Info/register: www.ottawachamber.ca

• **Energy Cost Saving Seminar** (April 15, 1:30 - 4:30 p.m.) – Location: Synnex, 107 Woodlawn Rd. W., Guelph. Cost: Guelph Chamber members \$65, others \$75. Info/register: Irene Meecham at (519) 822-8081 or e-mail irene@guelphchamber.com

• **Financial Reporting on the Web** (April 16, noon) – Canadian Investor Relations Institute webinar. Cost: CIRI members \$99, others \$125. Info/register: www.ciri.org

• **Selling the Family Business** (April 16, 7:30 a.m. - noon) – Keynote speaker: **Garth Stephanson**, former second-generation business owner. Location: Holiday Inn of Oshawa, 1011 Bloor St. E. Cost: \$45. Info/register: www.oshawachamber.com

• **ICT Seminar Series** (April 16, 7:45 - 11 a.m.) Topic: Migration – Dying for a Killer App. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: non-members of BOT \$60. Info/register: www.bot.com

• **Empire Club** (April 17, noon - 2 p.m.) – Topic: Competing visions of America – the race to be the next U.S. president. Speakers **James Blanchard** and **Paul Cellucci**, former U.S. ambassadors to Canada, and **John Ibbitson**, Washington correspondent of *The Globe and Mail*. Location: Fairmont Royal York Hotel, 100 Front St. W. Cost: Members \$40, others \$55. Info/register: www.empireclubfoundation.com

• **Financial Executives International** (April 17, 7:30 - 9:30 a.m.) – Topic: The Greening of Corporate Finance – Developing long-term corporate sustainability. Location: Fairmont Royal York Hotel, 100 Front St. W. Cost: FEI members free, others \$60. Info/register: www.feicanada.org

• **Institute of Corporate Directors Breakfast** (April 17) – Topic: Managing Risk in Tumultuous Times – Best standards from a global perspective. Location: Fairmont Royal York, 100 Front St. W., Toronto. Cost: ICD members \$65, others \$85. Info/register: www.icd.ca

• **Oshawa Chamber of Commerce** (April 17, noon - 2 p.m.) – Speaker: **Paul Côté**, president of VIA Rail Canada. Location: Harpo's Restaurant, 44 Stevenson Rd. S. Cost: Members \$35, others \$45. Info/register: www.oshawachamber.com

• **Canadian Club of Halton and Peel** (April 17, 6 p.m.) – Speaker: **Harry Walker** of Walker's Chocolates. Topic: The History, Business and Joys of Chocolate. Location: Oakville Conference Centre, QEW and Bronte Road, Oakville. Cost: Members \$30, others \$40. Info/register: www.canadianclub.ca

• **Friday Business Matters** (April 18, 7:45 - 10 a.m.) – Topic: Waste Diversion Policies. Speaker: **Jay Stanford** of the City of London engineering services department. Location: C of C Meeting Centre, #101, 24 Pall Mall, London. Cost: London Chamber members \$25, others \$35. Info/register: www.londonchamber.com

(For more online listings of events, visit our website at www.businessedge.ca)

ISSUE from Page 10

Bell created coalition platform

19. How is Bell involved with the Canadian Coalition for IT Succession?

"I'm the leader of it. We started this research and this survey and the announcements with the Conference Board of Canada. We share it with our customers and we created this platform for the coalition. We just want to solve the issue and work with the private and public sector on policies and program initiatives to try and mitigate the 89,000 jobs that might go unfilled in about

three to five years. We have a charter now. We've become a legal entity. There's a role for academic partners, corporate partners and subject-matter experts."

20. If you weren't running Bell Enterprise anymore, what would you do?

"I would love to have a restaurant. Not full-time, but a few restaurants. I enjoy greeting people and having good food."

(Monte Stewart can be reached at monte@businessedge.ca)

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– Emilio James Trujillo, Haight Street Armchair Philosopher

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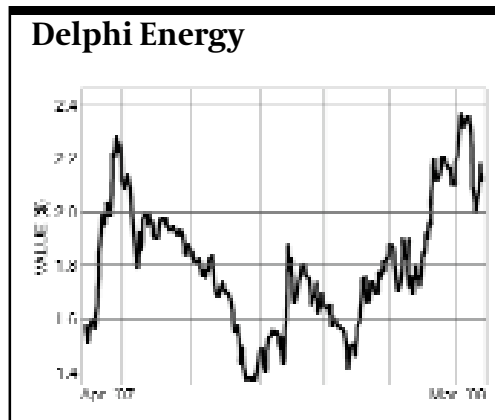
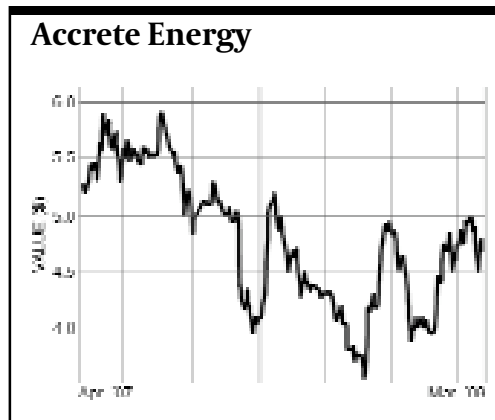
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CHIEF EXECUTIVES WORKING TOGETHER

See Page 10



Spring is Schachter's time for energy buys

(Business Edge writer David Hatton regularly profiles the top stock picks of some of Canada's most accomplished investment pros.)

By David Hatton
Business Edge

FEATURED PRO: Josef Schachter is president of Schachter Asset Management Inc., a Calgary firm that specializes in institutional research in the oil and gas sector.

Jason White, a researcher with Schachter Asset Management, provided some research assistance with the firm's investment strategy.

Investment strategy: "Right now (with current market volatility), it's a very good buying opportunity if you can look at the proper time horizon. You need to look at a lot of these companies as a long-term investment. This is also a good time of year to be buying. At the start of winter, everyone is



Josef Schachter

Pro's 3 Stars

thinking about heating their homes and oil and gas becomes popular. In the spring, when temperatures start to warm up, this is when you want to buy the right companies."

FIRST STAR

- **Oilexco Inc. (TSX:OIL)**
- **Recent Price:** \$14.20
- **52-Week High/Low:** \$17.92-\$7.21
- **Snapshot:** Oilexco Inc. is involved in oil and gas exploration, development and production.
- **President and CEO:** Arthur Millholland
- **Head Office:** Calgary
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 30.20; Revenue (last fiscal year), \$3.73 billion; Earnings Per Share, \$0.47; Market Cap, \$3.2 billion.

• **Schachter's View:** "Oilexco is currently trading at two-and-a-half times cashflow. They have shown great success at their Huntington site lately and a few others. This has always been one of our favourites. We currently have a price target of \$25 by 2010 and it can certainly go higher if they continue to build on their current successes."

- **Risk Rating:** Medium
- **Web Watch:** www.oilexco.com

SECOND STAR

- **Accrete Energy (TSX:GZ)**
- **Recent Price:** \$4.89
- **52-Week High/Low:** \$6-\$3.52
- **Snapshot:** Accrete Energy Inc. is involved in the acquisition, exploration and development of oil and gas properties.

- **CEO:** Peter Salamon
- **Head Office:** Calgary
- **Vital Stats:** Price/Earnings Ratio (ttm), 21.30; Revenue (last fiscal year), \$39 million; Earnings Per Share (ttm), \$0.23; Market Cap, \$80 million.
- **Schachter's View:** "We believe our 12-month price target of \$8 is achievable with Accrete. They're a small Western Canada-based oil and gas producer. The stock is currently trading at 60-per-cent net value. Claresholm and Harmattan (areas) are doing strongly. It's a well-run company with good potential."
- **Risk Rating:** High
- **Web Watch:** www.accrete-energy.com

See 3 STARS

Page 15

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Rogers pumps up volume with music launch

(Street Life is a regular feature that profiles what's playing in the stock market.)

By Nicole Strandlund
Business Edge

ACT I: CALL ME

- **The Player:** Rogers Communications (TSX:RCLB)
- **Action:** Up \$1.15 or three per cent in a day (from \$34.69 March 24)
- **Recent Price:** \$35.84
- **52-Week High/Low:** \$52.20/\$32.92

When the technology was first introduced, we used to ask, "You can do that with the Internet?" Now the question has morphed into, "You can do that with your phone?"



Rogers Wireless and L.A.-based music company Live Nation announced the launch of Wireless Box Office, a first in Canada, which allows a cellphone to become a wireless ticket to certain Live Nation concerts across our country.

To use the new service, a Rogers customer can scroll through phone menus to choose a concert, pay for a ticket using a credit card, and then receive a wireless ticket directly on their cellphone.

A barcode on the wireless ticket will then allow entry into the event through a special VIP entrance.

The product announcement helped boost Rogers' stock price to \$35.84, up \$1.15 on the day.

But only time will tell if the new generation of music-loving, text-messaging, photo-snapping phone users will create enough demand to push the company's shares back up to the \$52 highs hit last summer.

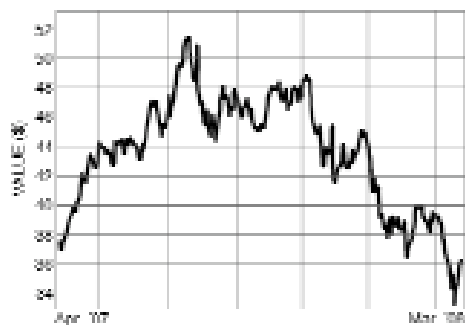
ACT II: TOUGH ACT TO FOLLOW

- **The Player:** Glentel Inc. (TSX:GLN)
- **Action:** Down \$1.58 or 14 per cent in two weeks (from \$10.99 March 12)
- **Recent Price:** \$9.41
- **52-Week High/Low:** \$12/\$7.03

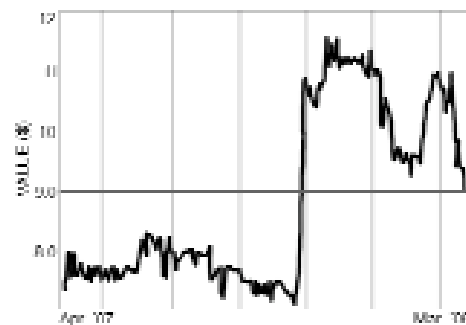
Hollywood may be fickle, but investors can be even worse.

Glentel Inc., a Burnaby-based wireless provider, had an outstanding nine months ending Sept. 30, 2007. In the fall, the company reported a 21-per-cent increase in sales for

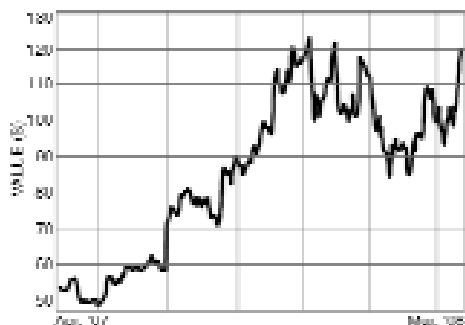
Rogers Communications



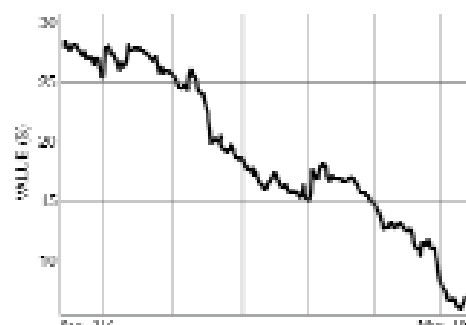
Glentel Inc.



Research In Motion



Nortel Networks



Street Life: Analysis

the period (to \$153 million from \$126 million in the same nine months of 2006), and a net income of \$5.8 million, up from \$3 million a year earlier.

Shortly after, the City of Burnaby and the Burnaby Board of Trade named Glentel "Business of the Year" for 2007. Glentel stock went berserk, climbing 42 per cent in three trading days (to \$10.80 Oct. 30 from \$7.59 Oct. 25).

But come Q4 and year-end announcements, and investors are disappointed with Glentel's 22-per-cent increase in annual sales (to \$222 million in 2007 from \$181 million in 2006), and 67-per-cent rise in net income for the year (to \$10.6 million

in 2007 from \$6.3 million in 2006).

Glentel shares have slipped back to around \$9.50, which must be making the company's management wonder what more they have to do to impress.

ACT III: ACRONYMS ABOUND

- **The Player:** Research in Motion (TSX:RIM)
- **Action:** Up \$9.86 or nine per cent in a month (from \$108.45 Feb. 25)
- **Recent Price:** \$118.31
- **52-Week High/Low:** \$126.34/\$48.49

The Canadian darling of the telecom world has done it again; soon "Crackberry" users will be able to surf, type, text, e-mail and otherwise entertain themselves even faster.

See STREET LIFE

Page 15

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STREET LIFE from Page 14

Nortel's India deal brings sigh of relief

In an interview in the *Financial Times*, Research in Motion (RIM) president Mike Lazaridis spilled the beans on the upcoming release of a BlackBerry with 3.5G mobile Internet access capability (a potential of 14.4 Mbps downlink speed).

Rumour has it he was speaking of the BlackBerry 9000 with HSDPA (high speed downlink packet access), tentatively scheduled for a European launch in May, but there has not yet been an official announcement.

A few days after the interview, RIM and T-Mobile USA announced the launch of the ultra-thin BlackBerry 8820 that features built-in GPS and Wi-Fi calling, and 1x EV-DO

(evolution-data optimized) technology (up to 3.1 Mbps).

All those acronyms must be sounding good to someone. RIM shares have been creeping back up near 52-week highs hit late in 2006.

ACT IV: A GLIMMER OF HOPE

- **The Player:** Nortel Networks (TSX:NT)
- **Action:** Up 33 cents or five per cent in a day (from \$6.67 March 24)
- **Recent Price:** \$7
- **52-Week High/Low:** \$5.84/\$28.70

It's hard to celebrate when one recalls buying Nortel stock at \$124.60 (I'm not naming names), but the company recently made an announcement that, if one dares to read the press releases, warrants

at least a sigh of relief if not a whispered cheer.

Bharat Sanchar Nigam Ltd. of India, a customer of Nortel since 2004, has made a deal with the company for a US\$100-million cellular network expansion in southern India.

Work on the GSM wireless lines is underway, and Nortel expects the project to be finished by the end of 2008.

U.S. Cellular, one of the largest wireless companies in the States, has also announced a five-year deal with the Canadian company.

U.S. Cellular will buy Nortel's CDMA switching, base stations and software (for an undisclosed



amount), and will receive emergency technical support, performance monitoring and other services.

Those announcements lifted the flailing stock 33 cents (from \$6.67 March 24). Only another \$1,239 to go to break even on that buy in 2000.

NOTE: The above is not intended as investment advice to buy or sell any mentioned securities. Investors should do due diligence before investing. Quotes are based on results through March 25, 2008.

(Nicole Strandlund can be reached at nicole@businessedge.ca)

3 STARS from Page 12

Firm cleans up its debtload

THIRD STAR

- **Delphi Energy** (TSX:DEE)
- **Recent Price:** \$2.09
- **52-Week High/Low:** \$2.40-\$1.27 (03/06-03/20)
- **Snapshot:** Delphi Energy Corp. is involved in the acquisition, exploration and development of oil and gas properties.
- **Vital Stats:** Price/Earnings Ratio, n/a (ttm); Total Revenue, \$95.18 million; Earnings Per Share, -\$0.19; Market Cap, \$157 million.
- **CEO:** David Reid
- **Head Office:** Calgary
- **Schachter's View:** "This is a similar story to Accrete (above) where you have a company operating at below NAV (net asset value). They recently swapped a long-life play area for some multi-zone assets in Hythe, northwest of Edmonton. Right now, Delphi is operating at about 60 to 70 per cent of NAV and is fairly cheap on cashflow. There was formerly a high debtload, but that's been since cleaned up."
- **Risk Rating:** High
- **Web Watch:** www.delphienergy.ca
- **Schachter's Edge Record (last 12 mo.):** 14 per cent. **Best Pick:** Oilexo (TSX:OIL), 57 per cent. **Worst Pick:** Real Resources (TSX:RER), -17.3 per cent.

NOTE: Schachter Asset Management provides research on the featured companies for Maison Placements Canada and members of Schachter Asset Management have positions in all three stocks.

(This feature is provided for informational purposes. Investors are advised to do their own research or consult a qualified investment professional before making investment decisions.)

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Telecom Hall of Fame to trumpet success

Chronicles project will safeguard treasure trove of historical materials

By Laura Severs
Business Edge

It's being described as one of the greatest Canadian stories never told. But this country's role in telecommunications history is about to get a boost through an ambitious undertaking by Canada's Telecommunications Hall of Fame.

The hall – actually a virtual entity at this point in its early history; it was launched in May 2005 – is initiating the Canadian Telecommunication Chronicles project.

When completed in 2010, the web-based hall of fame will include a new interactive, historical timeline of Canada's telecommunications industry from the 1840s to the present. An exhaustive venture, the goal is to digitize thousands of records and photographs from across the country and compile them so they're accessible and in one location.

"There is such a treasure trove of historical materials describing significant events and achievements in Canadian telecommunications that needs to be safeguarded," says Lorne Abugov, director and founder of Canada's Telecommunications Hall of Fame (www.telecomhall.ca).

"Currently, the material is scattered across Canada in filing cabinets, in basements and in old telco central offices and we feel the hall of fame is best placed to find the materials, pull them together and work with Canadian museums and institutions to digitize these precious historical artifacts and documents."

This project dovetails with the hall of fame's mission: To celebrate and promote the history of the telecommunications industry in Canada and to honour the pioneers, leaders and unsung heroes of the industry for their contributions. At the same time, it wants to educate Canadians about this country's telecommunications legacy.



Pat Pinotti, IPI Photo

Canada's Telecommunications Hall of Fame director and founder Lorne Abugov wants the industry's achievements acknowledged.

Abugov notes the Canadian railway industry has received a lot of historical interest and attention for its contribution to nation-building.

"By contrast, it's not really the same for telecommunications," he says. "The telegraph was critical to the nation even before Confederation. Then there's Alexander Graham Bell and the telephone in Brantford in 1874 – where would the world be without that contribution?"

"It goes right on through to the BlackBerry of today (Waterloo's Research In Motion), another Canadian technological breakthrough."

With the Chronicles project, Abugov hopes to provide Canadians with as much information as possible about the role Canada has played in revolutionizing the telecommunications sector.

"We think it will be an invaluable resource for students, researchers and those who, in turn, will go and further

chronicle some of the really fascinating untold stories that need to be brought to light about this industry," says Abugov.

Canada has always been recognized as a leader in telecommunications, he adds, noting the country was the first in the world to launch a commercial communications satellite, Anik 1, 36 years ago.

Other historical tidbits include:

- Reginald Fessenden of Quebec was the first man in history to transmit the human voice without wires. "People think it was Marconi, but it was Fessenden," says Abugov. "He made his famous broadcast on Christmas Eve, 1900, to ships at sea without wire."
- Donald Lewes Hings, of Burnaby, B.C., is widely credited as being the inventor of the forerunner of the walkie-talkie. Hings worked for the mining companies in Northern Ontario and his job was to try to develop a means of communication

for those in remote locations. By 1937, he built a rudimentary, but effective, portable emergency voice radio.

Both the Chronicles project and the hall of fame are important for the future of the Canadian telecommunications sector, industry officials say.

"We're in an extremely competitive environment – from a Canadian point of view we're a relatively small economy – and we need to compete on this global stage," says Peter Carbone, vice-president of service-oriented architecture (SOA) for Nortel Networks.

"Promoting ICT will drive our competitiveness, and ICT is embedded in almost everything we do."

Nortel, honoured by the hall of fame in 2006 for its role in pioneering digital communications, says reflecting on the industry's accomplishments through the hall of fame is even more crucial today.

"It's a really significant issue, given the bursting of the telecom bubble in the early 2000s," adds Carbone. "Some people were turned off on this sector as a whole. Having people encouraged to get into this sector . . . is more important than it's ever been."

Telecommunications entrepreneur Michael Kader agrees the hall and its projects are key to promoting Canada as a telecom sector leader.

"This is not just a resource-rich country, it has excellent people and talent," says Kader, who was inducted as a hall of fame laureate in 2007 for contributions that include the 1986 launch of Call-Net Telecommunications Ltd.

His company pioneered the alternative telecommunications service provider industry in Canada through its wholly owned resale subsidiary, Sprint Canada (now Rogers).

In the early 1990s, at long-distance regulatory proceedings, Kader was instrumental in a CRTC decision that ended Bell Canada's and provincial telcos' 100-year long-distance monopoly.

"There are so many aspects of telecommunications and IT that Canadians excel in," adds Kader. "I think that needs to be promoted."

(Laura Severs can be reached at laura@businessedge.ca)

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Business Edge

Aerospace company looks to soar with new president, CEO

Business Edge

Vector Aerospace Corp. (TSX:RNO) has named **Declan O'Shea** as president and CEO. **Donald Jackson**, previously chairman, president and CEO, remains chairman. O'Shea comes to Vector from SR Technics, where he was most recently executive vice-president for sales, marketing and business integration. Vector provides maintenance, repair and overhaul services for fixed-wing and rotary-wing aircraft operators around the globe. Its head office is in Toronto.

Former Molson Inc. CEO **James Arnett** is the new chairman of **Hydro One**, the giant Ontario government-owned transmission utility with 5,500 employees. Arnett replaces **Rita Burak**, who is stepping down after five years as chair of Hydro One. In 2007, Premier Dalton McGuinty appointed Arnett to review the salaries of public-sector executives in Ontario's energy sector after former Hydro One CEO Tom Parkinson quit amid an expense account scandal.

Cott Corp. (TSX:BCB) shares jumped more than 12 per cent after the company parted ways with **Brent Willis**, the CEO brought in to help rescue the soft-drink maker. Cott, which lost US\$76.8 million in the fourth quarter, said director **David Gibbons** has been named interim CEO. Gibbons was previously CEO of over-the-counter drugmaker Perrigo Co. Cott has struggled to maintain its private-label beverage dominance in the face of changing tastes and intensifying big-brand competition. To help counter the flattening popularity of carbonated drinks, Cott has shifted its focus to bottled water and energy drinks.

Scotiabank has hired **Derek Holt** as VP of economics at **Scotia Capital**. Holt has an extensive background in financial services and comes from another Canadian financial institution. Scotiabank said he would focus on fixed-income and equity markets, and also provide financial market forecasting and institutional-side analysis. Scotia Capital is a subsidiary of Scotiabank.

Labrador Iron Mines Holdings Ltd. (TSX:LIR) has made executive appointments for its direct shipping ore project in Newfoundland and Labrador near Schefferville, Que. **Marc Duclos** has been named VP of transport services, bringing more than 30 years' experience in rail, port and truck transport management. **Linda Wrong**, P.Geo., has been named VP of environmental and permitting affairs. She is a former senior exploration geologist with more than 20 years' experience in remote and northern locations. **John Rogers**, CMA, has been appointed controller.

Moving On

He was most recently controller of Ucore Uranium. Labrador Iron Mines Holdings is a resource development company focused on the Labrador Trough near Schefferville. Its head office is in Toronto.

Prizm Income Fund (TSX:QSR.UN)

CEO **John Bitove** is stepping down as head of the fast-food income trust and will be replaced by **Jeff O'Neill** on April 24. Bitove, who is also a major force behind Canadian Satellite Radio Holdings Inc. (TSX:XSR) and the XM Canada subscription-radio service, will stay on as executive chairman. O'Neill is currently the fund's president and chief operating officer. As well, **Steven Boyack**, former chief financial officer at West 49 Inc., will

become CFO following the resignation of **Peter Walkey**. The fund, which gets its revenues from KFC, Taco Bell and Pizza Hut restaurants that pay royalties based on sales, also named **Steve Langford** as president of KFC/Taco Bell effective immediately. Prizm has its head office in Vaughan.
— with files from *The Canadian Press*
(For more Moving On listings, please visit www.businessedge.ca)

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Edge@Work



Skilled IT worker shortage a major concern

Companies cope with surging demand and drought of available talent

By Tess van Straaten
Business Edge

Canada's technology industry is booming again, but when it comes to finding enough skilled workers the situation is a bust.

"It's not even close," says Sapphire Canada president Terry Power. "Demand far exceeds supply and companies are having a really hard time finding people."

One of the nation's largest technology staffing firms, Toronto-based Sapphire Canada is reporting some startling statistics on just how big the need for tech talent is.

Take Winnipeg, where demand for full-time technology positions has surged 125 per cent in the last year. Calgary, Edmonton and Vancouver all saw double-digit growth with even greater pressure expected in all four western provinces throughout 2008.

But it's not just the booming West that's busting to fill technology roles. Despite the economic slowdowns in Ontario, high-tech workers are in high demand in Toronto and Ottawa.

The nation's capital, thriving once again as a global technology centre, has hit an all-time high for tech employment. A record 82,000 workers are now plugged into Silicon Valley North – with even more positions available as employers struggle to find talent.

"We're hearing again and again that talent is becoming a key factor," says Jeffrey Dale, president and CEO of the Ottawa Centre for Research and Innovation (OCRI).

"What we've noticed in the last few years is a much higher increase in mergers and acquisitions and one of the key things around those mergers is actually acquiring the talent, getting the people they need who have the skills to get the job done."

With demand in Canada now at an all-time high, many believe the skills shortage is a national crisis.

"The problem is right across the country and it's extremely serious," Power says.

So serious, in fact, a national coalition has been formed to address Canada's shortage of IT professionals.

Led by telecommunication giant Bell Canada, the Canadian Coalition for IT Succession is made up of technology companies and major players in telecommunications, financial services, energy and transportation

Quotable

"We're hearing again and again that talent is becoming a key factor. What we've noticed in the last few years is a much higher increase in mergers and acquisitions and one of the key things around those mergers is actually acquiring the talent, getting the people they need who have the skills to get the job done."



– Jeffrey Dale,
president of the Ottawa
Centre for Research
and Innovation

who rely heavily on information technology to do business.

"Neglecting to take the necessary steps to significantly grow the pool of IT workers in Canada will have repercussions," says Bell Enterprise Group president Stéphane Boisvert.

"Each vacant IT position represents an average cost to the Canadian economy of \$119,000 a year ... failing to fill the 89,000 or so IT jobs that will become available over the next three to five years would represent losses in excess of \$10 billion – and this is a conservative estimate."

With such a potentially debilitating cost to business, it may come as a surprise that some executives are playing down the problem.

According to a new survey for Microsoft of more than 1,000 Canadian C-level executives, IT professionals and students, 90 per cent of respondents agree that there is a skills shortage. However, only 60 per cent of CEOs feel the shortage represents a serious concern for business – compared to 96 per cent of CIOs.

"I think we have a vicious circle at the moment with business leaders saying it isn't as bad as it is and underinvesting in the problem," says Strategic Counsel analyst Warren Shiau, who conducted the survey.

"When you have the business side saying it's not as serious, that tends to roll over onto the IT side and then budgets are limited and then when a student looks at that ... it has a direct

impact on whether they go into IT."

In fact, while Boomer retirements and industry growth account for part of the shortage, experts say the slump in IT enrolments at Canadian colleges and universities is an even bigger concern.

"Enrolment has really dropped since the dot-com bust, especially in what I call the tech programs – computer science engineering and computer engineering," says Rob Babin, associate director of the IT management program at Ryerson University's Ted Rogers School of Management. "We're now starting to see the effects of that, so enrolments really need to increase."



That's one of the issues the Canadian Coalition for IT Succession will be working to address because despite a hot technology market, many students – and their parents – aren't convinced it's a good career choice.

"We need to encourage students that this is a career option that is viable and when we see stories that Nortel is laying people off, parents think the tech market is still bad and it isn't," says OCRI's Dale.

"We need to change that misconception."

Rebranding technology jobs could also help businesses attract more people – especially women who are less likely to take on tech roles.

"We know that women need to see the roles differently than men do, so we may want to reclassify some of these positions – instead of an IT job is it more a finance or marketing role with a strong IT skillset?" asks Power. "Refining some of these roles could help attract more people."

Attracting skilled workers from overseas is also a key part of the solution. Without immigration, experts all agree Canadian companies will come up short.

"From 1995 to 2000, we doubled the number of people in the tech sector in Ottawa and we didn't do that organically, we didn't do it by all of a sudden ramping up school enrolments," Dale explains.

"We did that by being a destination of choice for some very skilled immigrants who wanted to move to Canada and Ottawa for some very exciting work."

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Page 23

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Thinking small could be the right call

Firms offering small-scale telephony systems come to SME's rescue

By Ian Harvey
Business Edge

Starting a small business, as any entrepreneur will tell you, is about doing more with less.

Take the phone system: You order a couple of lines, install some handsets and you're in business, right?

Wrong.

Can you afford someone in the office to answer phones? And, given today's mobile demands, chances are the visionary and their partners will be out beating the proverbial bushes for business or at least meeting with clients.

All of which demands a more sophisticated phone system, one with an automated attendant, one that combines fixed line with Internet telephony and one that can grow with the business to accommodate more extensions, more mailboxes and more features as things move forward.

The problem, as those same entrepreneurs will tell you, is that those phone systems are generally designed for 50-seat-and-up businesses and are priced out of range for a micro-startup with big aspirations.

That's exactly the challenge Jeff Strachan of Vancouver faced when launching Footprint Recruiting, a global English-as-a-second-language recruiting company.

"There are 15 full-time staff in Vancouver and I'm now in Australia with my wife and family," says Strachan, who jokingly calls himself a "pimp for teachers."

"We're expanding here and I also have two people in Korea."

He found Sutus, a brand new plug-and-play black box that doubles as a backup server and is designed for small businesses from two to 25 people. It's one of a number of products now targeting smaller businesses.

It's the size of Microsoft's gaming console X-Box and is the result of four years of development by Vancouver startup Sutus.

The company's nascent product, business central, is a bit of a magic box, combining file server, e-mail server, router, firewall, wireless access point, VPN remote access server, automated backup and a business-class phone system with the ability to simultaneously support both standard phone line and VoIP connections.

It also has two 250-Gb hard drives and is a platform for managed services such as voicemail to e-mail, remote phone/softphone support and, more importantly for Strachan, the ability to open offices in a new city by simply adding another phone number.

"The demand for teachers is insatiable," says Strachan. "We advertise

Quotable

"This market is so fragmented, so it's a challenge to say where things will go, but we see verticals like insurance companies with branch offices as a good segment, education, hospitals and travel companies, too. Traditionally, the systems on the markets are top down and for bigger enterprises. What we're doing is for the low-end business market, which is really price sensitive."

— Abdul Kasim,

Critical Links vice-president of marketing

on the web and get an overwhelming response, since we don't charge a commission and all you need to qualify is a degree and a good English-speaking voice."

The company gets 3,000 visitors to its website daily, generating 70 to 120 applications and 100 calls a day so it's mission critical the calls land at the right desk without the constant hassle – and wasted resource – of redirecting them.

Strachan said that after outgrowing its first system in 2003, the company searched for a simple plug-in solution.

"I actually bought a system for \$2,500 at auction, which sold for \$24,000 new and I thought I was the hero of the day," he said. "It had 44 handsets but no one was willing to work on it or install it. I think we sold it for \$500."

Now, he says, his staff simply dial his extension to reach him, regardless of which office he's in and incoming calls are quickly routed to the right counsellor. He's also impressed with the VPN (virtual private network) function, which allows him to securely and quickly access the office network and file servers.

"We also record the telephone interviews with the candidates, since we hire them based on qualifications and their voice," he says. "The clients want someone who has a clear, unaccented English-speaking voice. We don't meet 95 per cent of those we hire, it's all by phone."

Sutus's B200 is priced at \$3,995 for up to nine users and \$5,495 for 10 and more users.

"The idea was to create a product which was simple to use and simple to understand," says Sutus executive vice-president Shawn Shute, noting small to medium-sized businesses are an overlooked market.

Sutus is rolling out its services

through resellers and service providers, with the added value potential of being able to deliver a pre-configured box to a customer to make set-up as simple as plugging in power and cables.

Like Sutus, New Jersey-based Critical Links is also in the midst of launching edgeBOX, a similar solution for the same market. "This market is so fragmented, so it's a challenge to say where things will go, but we see verticals like insurance companies with branch offices as a good segment, education, hospitals and travel companies, too," says Abdul Kasim, Critical Links vice-president of marketing and business development.

"Traditionally, the systems on the markets are top down and for bigger enterprises. What we're doing is for the low-end business market, which is really price sensitive," says Kasim.

A basic 40-seat package costs \$1,200 to \$1,500, with add-on modules available.

The multi-service business gateway (MSBG) is emerging as a critical device

to fulfil the voice and data connectivity requirements of small businesses and enterprise branch offices, says Norm Bogen, director of research at In-Stat, a market research house based in Scottsdale, Ariz.

"The key components of these systems are the router along with the telephony," says Bogen, who estimates the market worldwide for these devices at about US\$615 million last year but rocketing to US\$2.6 billion by 2010. "It's about voice and data."

As well as Critical Links and Sutus, Linksys also has a product offering in the space, while both Cisco's and Nortel's products start at the 50-seat-and-up level.

Bogen says there are strong channels to get products to market since they can be set up as plug-and-play by tech-savvy entrepreneurs or sold through a reseller or service provider.

Far from disrupting the market dominated by Cisco and Nortel, they are carving out a wholly new segment, he says. Nortel's smallest-scale system, for example, is the Business Communication Manager 50, designed for about 50 employees or so.

Dave Berzin, owner and president of Nucleus in Calgary, Western Canada's largest independent Internet service provider with clients across Alberta and B.C., says having all the bells and whistles of a large company system gives his 30-person team a competitive advantage.

Nucleus also provides call-centre services to clients so when their customers call, they're unaware they're being routed to an outsource support desk, Berzin said. "We have people working from home doing customer support and it's all seamless to the clients," he said. "There are a lot of inbound features on the system."

He also likes the cordless handsets that allow him to move freely around the office and not miss calls.

(Ian Harvey can be reached at harvey@businessedge.ca)



Opinions

Ontario makes short work of tax windfall McGuinty keeps province at front of country's profligate governments

A strange thing happened in the province of Ontario last year. The economy performed so well, despite the loss of thousands of manufacturing jobs, that the provincial government wound up with an unexpected tax windfall of \$5 billion. But, like sand slipping through an hourglass, the money was being spent as fast as it was rolling in.

The Liberal administration of Premier Dalton McGuinty blew the entire \$5 billion on unbudgeted, unplanned spending. Finance Minister Dwight Duncan disclosed this startling fact in the provincial budget he unveiled on March 25, a budget that keeps Ontario at the forefront of this country's profligate governments.

Figures available in provincial and federal reports reveal that between 2000 and the current fiscal year, program spending in Quebec rose 35 per cent (from \$41.9 billion to \$56.9), 45 per cent in Alberta (from \$20 billion to \$29), 57 per cent in British Columbia (from \$22.5 billion to \$35.4), 59 per cent federally (from \$130.6 billion to \$208.1) and a whopping 64 per cent in Ontario (\$53.5 billion to \$87.3).

Times have been so good that some of these governments have been able to cut taxes even while spending like the proverbial drunken sailors. And prior to the release of the Ontario budget, federal Finance Minister Jim Flaherty repeatedly harangued the McGuinty government about the need to cut business taxes in order to attract investment. It did no good.

Ontario was in no position to heed the advice from on high. The government had spent its windfall and with it any latitude to cut taxes. The provincial economy is expected to grow more slowly this year. The budget calls for a \$600-million surplus but could easily wind up in a deficit if growth comes to a halt, or the economy slips into recession.

Meanwhile, the province remains saddled with an uncompetitive tax regime. The general corporate rate in Ontario is 14 per cent, well above Alberta's 10 per cent, Quebec's 11.4 per cent and B.C.'s 12 per cent. The province imposes a 12-per-cent tax on manufacturers, which puts it on par with B.C., but above the 10-per-cent rates in Saskatchewan and Alberta

and the rate of 11.4 per cent in Quebec.

Ontario could get away with high taxes if its manufacturing sector – once the foundation of its economy – were booming. But it isn't. We are in an economic cycle that favours resource-producing regions at the expense of those where manufacturing is pre-eminent.

Opinion



D'Arcy Jenish
Business Edge

The magnitude of this shift is evident from a report released March 26 by the Calgary-based Canada West Foundation. Entitled *State of the West 2008*, it provides a dramatic snapshot of the westward shift of economic activity and prosperity over the past five years.

By almost any measure, the West is winning these days, largely due to world demand for its energy, forest

products, minerals and agricultural output. Last year, unemployment in each of the four western provinces was, on average, below five per cent. In the East, it started at 6.4 per cent in Ontario and rose to 13.6 per cent in Newfoundland and Labrador.

The West accounts for 35.5 per cent of the country's gross domestic product with only 30.4 per cent of the population. Alberta leads the country in GDP per capita, a commonly used measure of overall economic well-being, at \$54,403, followed by Ontario at \$41,057. Saskatchewan is third at \$38,919 and B.C. fourth at \$36,649.

These western provinces are all enjoying resource-driven economic booms and, at the same time, have been reducing business taxes. Ontario's singular failure is that, even while faced with adverse economic conditions, it is doing little or nothing to make itself more attractive to investors.

"There's no doubt that the private sector in Ontario is slipping," says Colin Busby, a policy analyst with the C.D. Howe Institute in Toronto. "It's quite simple. You have a dollar that's closely linked to energy prices and you have high energy prices. That's good for Alberta, but it's undermining manufacturing."

"Those factors are beyond the control of the Ontario government. They have to look at other ways of getting around these problems. They have to look at creating a positive business climate. They should be giving private business a reason to invest."

Reducing corporate and manufacturing taxes is one sure way to do that. But Premier McGuinty and his cabinet have stubbornly resisted the obvious. Instead, they are relying on old-fashioned, largely discredited pump-priming and profligate spending.

(D'Arcy Jenish can be reached at jenish@businessedge.ca)

Cartoon Corner



Here's a little bit of website insight . . .

Hints to help business owners deal with their www.woes

With the advent of the worldwide web came an evolution in the way business is conducted.

The web has changed the way we attract customers because we put up an "Open for business" sign when we put up a website. Think of a website as being as essential to a business as a sign out front.

To many business owners, the process of launching a website seems time-consuming, complicated and tricky . . . and for most of us, best left to experts in such matters. But, take heart, it is possible to do a lot of it yourself if you are somewhat of a techie. Some insight and knowledge will go a long way toward website success.

No matter how simple or complex the website, there are steps and considerations involved:

- domain names, registration and site hosting;
- website goals;
- site plan;
- content;
- design and templates;
- programming, implementation and search engine optimization;
- maintenance; and
- costs.

The first thing to do is to stake your territory by registering domain names. Choose a domain name that is meaningful to your customers.

If your manufacturing company is "Totally Super Products Inc." then choose "totallysuperproducts.ca" and "totallysuperproducts.com." They will be easy for your customers to remember. If both .ca and .com versions are available, register both and set one up as the main site and have the other point to it. That way, no matter which one is typed in, your site will pop up.

To see if a domain name is available, check a website designed for this such as: <http://www.cadns.ca/cgi-bin/WHOIS.pl>

You can register .com names through an online registrar. Network-Solutions.com is the biggest one, but there are others.

To support Canadian companies, register both your .com and .ca names through a Canadian registrar. Find all certified Canadian registrars at: <http://ro.cira.ca/re-choose-en>

It costs \$10 to register a .ca domain name. CIRA is the Canadian Internet Registration Authority and its website is a good place to start.

Hint: It is a good idea to register the domain name in your company's name to avoid the hassle and extra costs of transferring domain name registrations later.

Once a name is chosen and regis-

tered, a host is needed to publish your website. Hosting services are provided by the registrars found on cira.ca

Before choosing which hosting option best suits you, the goals for the website should be determined. An online store, for example, needs different services than a simple brochure site.

Branding Business



Brenda McMillan
Business Edge



TELECOMMUNICATIONS
SPECIAL REPORT

Website goals include providing company, product, service and contact information (essentially an online brochure); a company blog to keep your clients up-to-date (digital newsletter); database building through surveys or contests (data harvesting); selling products (an online store); providing free information and forms for download (government agencies); providing a free service to users that is paid for through advertising (dictionary.com).

Planning is a major part of website development. A site map is the first stage in the development process and is a way to determine how best to organize the information.

It is a visual map of subjects in order of importance.

At the top is the home page. Dropping down from that are the click-on subsections, such as History, About Us, Contact, Galleries, Store, Catalogue, etc. Dropping from these subsections are additional pages related to each of them. Cross-page connections and outside links will also be noted.

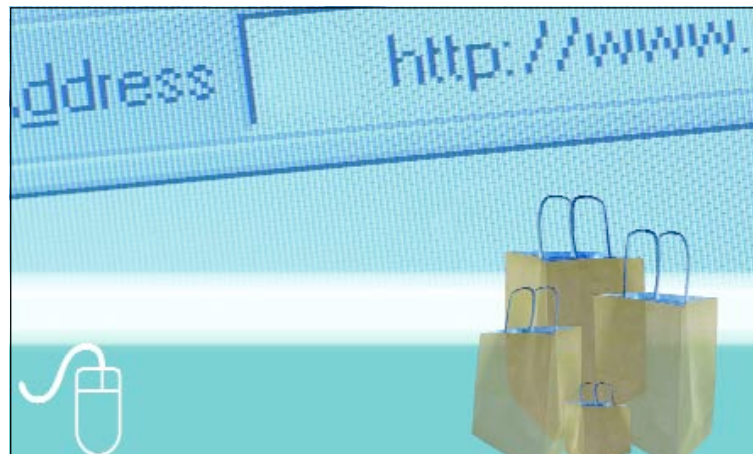
Hint: If a section is not vital, interesting and purposeful, then leave it out. A history that is six months long is likely not worth noting.

A site map requires knowledge of the company and a clear idea of website goals, but does not need to be technical . . . if you have a napkin and a pen, that is sufficient! Note that this is not the design (look) of the website, just the layout (structure). Once the structure is determined, web-hosting requirements are obvious.

We now need the content – words, photos, product shots, maps, etc. for this website. Someone has to write each of the sections . . . History, for example, needs to be a concise, interesting story. The overall content tone and language should be consistent, professional and suited to your target audience. The site should also contain keywords to make it easy to find by search engines.

Hint: A website is not the place for War and Peace . . . use executive summaries instead or you risk that your audience will click away.

Branding is essential. That means that your company advertising mate-



Business Edge photo illustration

How do you create a website that will grow your business?

rial – ads, brochures, business cards, stationery, forms and website should share a common look and feel. The same colours, fonts, logo and design should make them look like a cohesive, professional unit. It goes without saying that the website design should mirror other material. Use a professional to achieve this. As a less expensive alternative to custom design, many companies sell website templates. If this choice is made, ensure that your branding is consistent. Provide logos, specific corporate colours and other materials so that the template matches as closely as possible.

Programming a website is done by trained and talented developers who are as prized and popular as a neighbour with a snowblower. They are expensive, busy and hard to find. A recommendation is helpful, as is perusing websites until you are suitably impressed. Contact information for the company or individual who programmed it is often included on a page. Before contacting them, however, ask the owner of the website (contact info is on the website) how happy he/she is with the experience of working with the developer. If it " . . . is beautiful but took forever," "way more than quoted" or "doesn't do what we expected it to," then keep shopping.

More complex sites need more complex programming, and perhaps more than a few programmers. For the sake of time, many larger websites are worked on by teams of programmers. Custom flash animation, database development, shopping cart capability and CMS (content management systems) will add to the cost and time of development.

Search engines, such as Google, need to be able to find your site. Search engines find websites by regularly scanning ("crawling") a website, so it has to be built in a way that makes it easy to read. This is accomplished through a combination of

clean programming and careful content choices to include keywords everywhere.

Hint: Make sure your website is search-engine friendly.

Implementation involves uploading your website to a host server and doing what it takes to make it "live." It is like building a car, getting to the end, then turning the ignition. Hopefully your website roars to life and you have an effective online Porsche.

Hint: Make sure that your developer includes troubleshooting in their quote.

Your "Porsche" may require regular maintenance, especially if there are frequent updates.

Much maintenance can be done "in-house" by semi-savvy office techies if the site is programmed accordingly using a CMS. Make sure to specify in your site plan who will be doing the updates to catalogues, offers, contests, surveys, etc.

Hint: The person who designed the website is rarely also a brilliant programmer . . . the skillsets are dramatically different. An architect is not usually also the drywaller.

Expect to pay upward of \$50 per hour for specialized programming. Websites range in price from \$1,000 (or less) for template sites to many thousands of dollars for complex ones. For on-time and on-budget delivery, make sure your goals and site plan are final before work begins. Changes afterward will almost always cost more.

A website is a form of communication to your clients, prospective clients, suppliers and trade partners. Not everything has to be explained on a website, and not every detail about your company has to be there. Provide essential information and encourage people to contact you. The best business is still done between real people . . . the web gives us just one more way to promote this.

(Brenda McMillan can be reached at mcmillan@businessedge.ca)

Technology Edge

Knowing your mobile's limits a good idea

Stories of cellphone data use gone wrong are cautionary tales

Surfing the web from a mobile device can be a great business tool, or a costly mistake. It could even land you in jail.

It all depends on whether or not you really understand what you're doing.

Alykhan Jetha, president and CEO of business software developer Market-circle, Inc. in Markham, is quick to offer a cellphone data horror story.

"One of my friends, actually a customer of ours, by mistake turned on the EDGE (fast data-speed setting) and was checking mail and his bill came to \$1,700," Jetha reports. "He called and complained, so they (Rogers Communications Inc.) gave him a \$200 deduction."

It's not the sorriest tale of cellphone data use gone horribly wrong. Albertan Piotr Staniaszek, 22, signed up for Bell Mobility's promotional "unlimited data plan" for the iPhone-like HTC touchphone.

He figured that unlimited meant unlimited. So he downloaded data, music and high-definition movies through his cellphone to a laptop computer. Imagine his surprise when he got a whopping \$85,000 bill from Bell Mobility.

Staniaszek protested that he was never told he would be charged on a per-kilobyte basis for what he did. Bell adjusted the charge to \$3,243 – a hefty phone bill, even for a Fort McMurray oilfield worker.

Young Piotr's crime was something called "tethering" – using his mobile phone as a modem for a computer.

To be fair to Bell, that practice was explicitly excluded from the "unlimited data plan." To be fair to Piotr, "unlimited" has a common dictionary definition that doesn't include a surprise \$85,000 phone bill.

Doesn't anybody at Bell keep track of usage and cut you off when it gets obviously unreasonable? Or is it all about greed?

Jetha figures it's definitely greed. Canadian users generally pay higher cellphone data rates than, say, Americans, because, Jetha says, the carriers are "just too cozy with the current arrangement." He blames the CRTC for not pushing harder for better deals for Canadian consumers.

He also claims the real reason we haven't seen the Apple iPhone in Canada is because Apple requires carriers to have an unlimited data plan to sell the iPhone. Jetha should know, since his mainline business is creating billing and related software

for Apple platforms.

There's certainly no technical hang-up, at least for Rogers Communications Inc. and its wholly owned subsidiary, Fido Solutions. After all, Jetha spoke with me on a Canadian cellphone network with an unlocked iPhone that he bought in Buffalo.

For now at least, Rogers has the lock on the iPhone market in Canada, since it has the right (GSM) network for the current iPhones. Bell

and Telus use the CDMA standard. Every time I call Rogers to ask for a Canadian iPhone release date, the company has no comment.

Of course, just buying the popular BlackBerry with a data plan and grimacing while paying the bill every month is how most people deal with their mobile data needs. Almost every Canadian government official of any stature is constantly pecking at his

or her BlackBerry. Teenagers are now getting them, so their value as a status symbol may be waning.

As long as you're just checking e-mail and the boss is paying the bill, the BlackBerry is a pretty neat business solution. But if your business or

pleasure involves big downloads, media-rich surfing, or, heaven forefend, watching TV as a data stream, that \$6-\$12 per megabit really does add up.

BlackBerry maker RIM is well aware of this. Some of its new models allow you to switch from cellular to

WiFi to surf the web. Just find yourself a hotspot.

Hotspots are popping up in bookstores, coffee houses, and even mom 'n' pop retail shops. Many are free, or allow you to pay by the hour and can provide full web surfing, e-mail and even free VoIP calls. Whole airports and even city cores are becoming hotspots.

Being too lazy to get an unlocked iPhone, I'm still having fun with my Sony Mylo (found online for US\$210). This spiffy little device looks like a PlayStation Portable, so I just hang with the gamers sitting on the floor at the airport.

But while they're destroying alien invaders, I'm making free phone calls,

using Google Chat and checking e-mail, all with no contract and no monthly bill.

The screen is a little cramped but, hey, it works. One downside is the miniature pull-out keyboard. It would be especially suitable for a small child or a midget monkey.

Do be careful where you connect. The long arm of the law is starting to come down on those who piggyback without permission on open hotspots.

A bill proposed by Maryland state delegate LeRoy Myers, Jr. would make intentionally freeloading on WiFi a crime punishable by a fine of up to \$1,000 and up to three years in jail. He argues that an innocent person might be charged with hacking, when really it was that seedy character in the parking lot that did the mischief.

Myers, it should be noted, is the same legislator who sponsored a wacky bill to ban the display of fake "human or animal genitals, human buttocks, or human female breasts" on motor vehicles. He was apparently disgusted by fake bull testes hanging from a pickup truck. His Internet bill just got an unfavourable report by the judiciary, so it seems it isn't going anywhere either.

Singapore and the U.K. are way ahead of Myers, anyway.

Future/ Present



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Page 23

First Nations lag behind in connectivity

By Monte Stewart
Business Edge

Canada's telecom and broadband-service companies should be providing better connectivity to First Nations reserves, particularly those in remote areas, says a communications professor.

Greater First Nations connectivity was a priority of the Kelowna Accord, a proposed federal-provincial financing and rights deal with First Nations that was introduced by former Liberal prime minister Paul Martin, but was scrapped when Stephen Harper's Tories took office.

First Nations connectivity programs have slowed since then, says Richard Smith, a Simon Fraser University communications professor who studies First Nations telecommunications.

While Smith notes many First Nations in urban areas have access to broadband and cellphone networks, many in remote areas do not because they are not wealthy and do not make attractive customers for private firms.

"(Cellphone service) is not regulated like telephone services, where the companies have to provide service," says Smith. "It's just an optional thing. (Cellphone service providers) go where the money is to be made. So remote and small communities generally don't have any cellphone access – unless they just happen to be near a larger community or a big highway that big companies tend to provide service along."

He says companies have shied away from boosting cellphone access because it is not subsidized the same way as high-speed Internet access,

also known as broadband.

Telus spokesman Shawn Hall says it's true that most remote and small communities do not have cellphone access, but many are getting con-

nected, the technology is fairly new and still being rolled out – and costs have deterred expansion. In urban centres, the economies of scale exist to provide services more cost-effectively, he adds.

"An average cellphone tower can cost anywhere from \$500,000 to \$1 million-plus to bring in, so you have to have the economies of scale to make that work," says Hall, noting Telus tries to place antennae on existing structures.

The news isn't much better for Aboriginal people when it comes to the Internet.

According to a 2006 Canadian Council on Learning (CCL) report, many First Nations are still isolated. The CCL study found only 13 per cent of First Nations communities and 41 per cent of remote communities had broadband access while more than 60 per cent of urban communities and small towns had access to DSL, cable or wireless broadband services.

Bryan Hendry, a policy adviser for the Ottawa-based Assembly of First Nations, says greater connectivity can help grow small businesses, as well as education and health care.

"The overall community well-being benefits when you have access to the world, information-wise and business-wise. People don't have that feeling of isolation."

Many First Nations lack connections to the basic infrastructure – telephone lines, underground cables and cellphone towers – that are necessary to provide Internet and other communication services.

"There are still reserves where there are only one or two phone lines – and that's it," says Hendry. "Definitely, connectivity and phone access are still big concerns and big priorities."

Some provincial governments are trying to do their part. The Alberta government, working with Bell, constructed the Alberta Supernet, which ensures high-speed Internet access for about 430 communities in the province.

Under a deal with the B.C. government and local service providers, Telus spent \$117 million on broadband network upgrades that will link 119 of 151 unconnected communities.

"Many of those were First Nation communities, providing them with tremendous benefits," says Hall.

B.C. Premier Gordon Campbell's Liberals also provided a \$630,000 grant to the B.C. Community Connectivity Co-operative and the First Nations Technology Council (FNTC) to help communities conquer the so-called "last mile" connection to homes and businesses.

Norm Leech, a member of the FNTC, says his group hopes 55 B.C.-based First Nations will have "industrial-strength" Internet connectivity this year.

SFU's Smith predicts all First Nations will have high-speed Internet access within five to 10 years. "It's getting better," he says. "One of the encouraging things is First Nations themselves have made this a priority."

He praises the Ontario government for providing \$2.8 million to K-Net Services, based in Sioux Lookout, from the Northern Ontario Heritage Fund Corp. (NOHFC) to improve electronic delivery of essential services in 17 remote Nishnawbe Aski First Nations communities. K-Net is a department within the Keewatinook Okimakanak (KO) First Nations Council.

"When you start connecting rural and remote communities in Canada, then inevitably you start connecting First Nations communities," says Smith.

(Monte Stewart can be reached at monte@businessedge.ca)

@WORK from Page 18

Immigration bottlenecks compound skills shortages

While immigration is necessary, insiders say it's no longer happening as quickly as it needs to. Current average visa processing times for skilled workers from the United Kingdom is 42 to 48 months.

"I have people who tell me they've found someone, but they have to rescind the job offer because it just takes too long to get them here," Dale claims. "If we want to fix the skills shortage, we need to fix the immigration system."

In the meantime, employers can help stem the shortage by retraining employees they already have. In the ever-changing world of high technology, that might seem like a given, but experts say it hasn't been happening.

"In the tech industry, that's really a new concept for us," says Dale. "The first thought was to jettison the old skills that weren't needed anymore

and hire the new skills that were, but as the labour market gets tighter, employers are going to have to figure out how to take someone with the old skills and retrain them for the demands they have now."

With technology becoming more strategic and increasingly integral to a business's success, failing to do so could have big consequences.

"We're at a tipping point where if these challenges in finding people continue, the shortage could delay projects or a company's growth initiative and that will start impacting on the bottom line," Power says.

"The demand issues are here and they're not going away. For the next couple decades, perhaps longer, the demographics are that this will be a problem."

(Tess van Straaten can be reached at tess@businessedge.ca)

KEENAN from Page 22

'Piggybacking' can be costly

Garyl Tan Jia Luo, 17, was charged with tapping into a neighbour's Internet connection. He could have faced three years in jail, but in a unique Singaporean solution, volunteered to enlist early for the mandatory national service, where presumably his Internet access will be strictly controlled.

In London and Worcestershire, "piggybacking" on Internet connections has led to several arrests and a fine of £500. One woman even took the trouble to put cardboard on her car windows, but the light

from her computer gave her away.

Experts say the day will come when mobile Internet access will be ubiquitous and free, or almost free.

In the meantime, it's a good idea to think carefully about how you're connecting to the Web, what you're doing on your connection, and how much it's going to cost at the end of the month.

(Tom Keenan is a professor at the University of Calgary and an expert on technology and its social implications. He can be reached at keenan@businessedge.ca)





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