

Business Edge

News Magazine

ONTARIO

MAY 16, 2008 - Vol. 4, No. 10

**Building Wealth
Through Real Estate**
REDEV Properties
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Nuclear industry footprint expanding

Strong commodity prices sparking uranium interest

By Monte Stewart
Business Edge

Energy producers are calling for more nuclear power plants across Canada, despite mounting opposition to uranium exploration.

Bruce Power's plan to expand beyond Ontario into Alberta coincides with newly announced bans on uranium exploration and mining in B.C. and some First Nations territories in Labrador.

"We firmly believe that, in terms of meeting the ongoing demands for energy in the future, you can't close down any option," says Carmen Dybwad, president of the Calgary-based Energy Council of Canada. "Certainly, looking at nuclear is a viable option."

Canada is the world's largest uranium producer. Ontario is the lone province with nuclear reactors, while only Saskatchewan has uranium mines.

But strong commodity prices and several planned and proposed new U.S. reactors have prompted a flurry of new uranium claims across the country in recent years.

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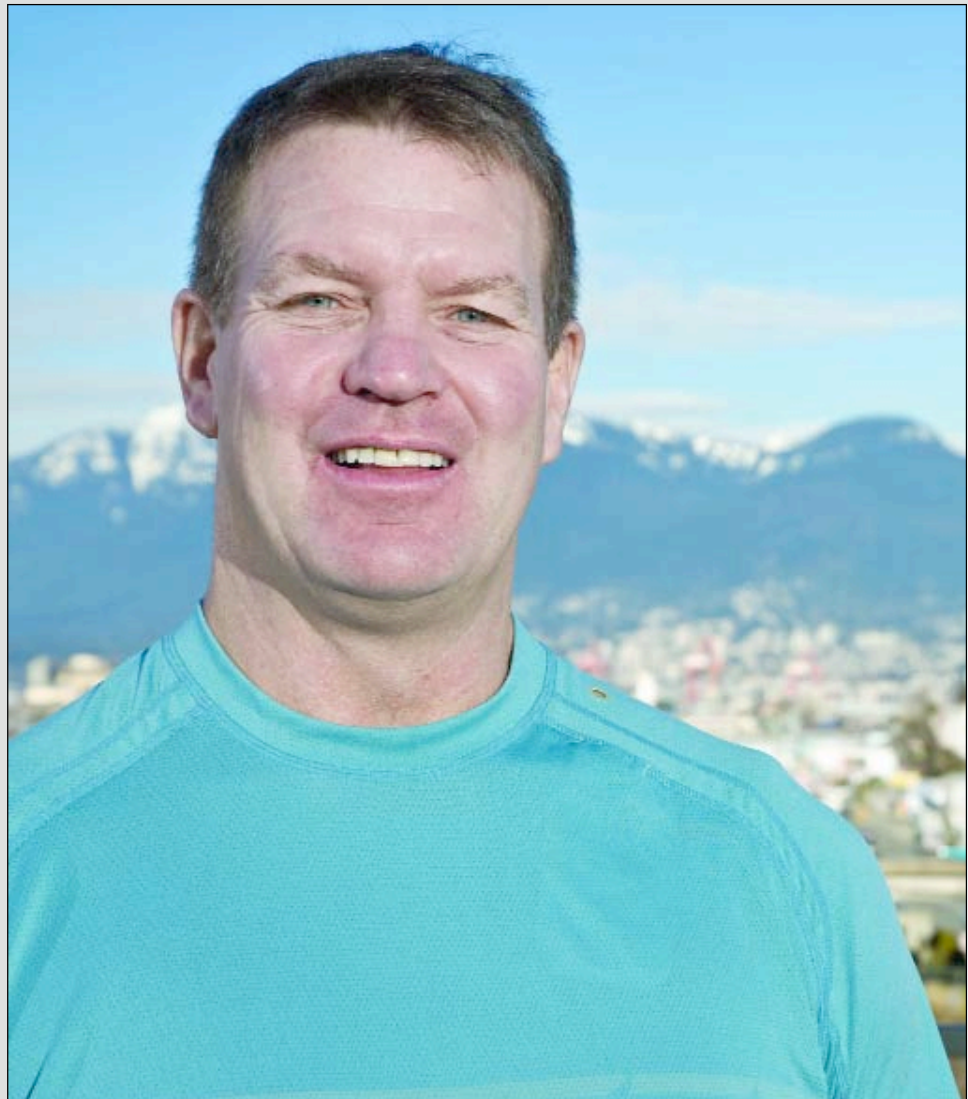
Ontario ISSN 1710-7857



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NEWSSTAND \$2

Zest For Life



Bayne Stanley, Business Edge

Stretching the corporate image

Lululemon Athletica founder and chairman Chip Wilson has been the driving force behind the phenomenal growth of the Vancouver-based sports clothing manufacturer. No stranger to controversy, Wilson discusses how he believes social trends and changes affect sports and the clothing market in **20 Questions** on **Page 8**.



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

for growing your business

Wardell Professional Development

35 **When hiring, promote your company's unique attributes.** There are people out there in the marketplace who are a perfect fit for your organization. The problem is they don't know it yet. And a recruiting ad that only states your company name and the position you're looking to fill isn't going to change that. So get a little creative and show off your true colors. Promote the unique attributes that set your company apart from your competition. This might include things like flexible work hours, a fun-loving atmosphere, professional development opportunities, and so forth.

34 **Develop leadership.** No company can grow its value significantly without leaders. These are the people who are willing to take a good idea, and run with it all the way to the finish line. Unfortunately, this is often the exclusive domain of one or two people at the top of an organizational chart, severely limiting the potential of the company in question. The solution is to give your people as much responsibility as they can handle, pushing them to sharpen their leadership skills on a daily basis. You may be surprised at how well they perform, given half a chance.

33 **Expand your product/service offerings.** Ask yourself, what products or services do your customers already consume in relation to your existing product/service offerings? Can you add any of these to your product line? For example, a client of Wardell who manufactures kitchen cabinet doors has employed this strategy to become a wholesaler for an exclusive line of hardware. They have had excellent results.

32 **Reduce your product/service offerings.** Conversely, consider ways that streamlining your product/service offerings will help you become more profitable. Make sure you are aware of your margins for each of your products and consider dropping or replacing those that don't make enough profit. Too many business owners only pay attention to their income statement as a whole (if at all) and don't take the time to drill down into the details, effectively leaving money on the table that should be theirs.

31 **Track and analyze your prospecting.** By properly tracking both your lead generation and your conversion rates (leads that become customers) you can develop a clear picture of the pace of business coming your way. This is critical for several reasons. (1) It helps predict production rates, increasing overall efficiencies. (2) It sends up a red flag when a drop in sales is coming, giving you time to do something about it. (3) It supports the setting of sales targets, helping to drive top-line growth.

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FACILITY from Page 1

Nuclear energy touted as secure electricity supply source

Bruce Power – a private nuclear generator that is a partnership among Cameco Corp., TransCanada Corp. and BPC Generation Infrastructure Trust – is trying to bring the mothballed Bruce Power A plant near Kincardine back into operation and also build a new facility at the same site.

Ontario Hydro shut down the Bruce A plant in 1997 after a government report called the utility's nuclear-safety operations "minimally acceptable," but the company is now attempting to restart its operation. The Bruce B generating station shares the same 2,300-acre site as Bruce A. Each holds four Candu reactors.

Company spokesman Steve Cannon says nuclear energy provides a reliable, more affordable alternative – and does not generate any greenhouse gases – at a time when Canada and other jurisdictions are seeking secure electricity supplies that do not contribute to climate change.

Lyle Krahn, a spokesman for Saskatoon-based Cameco – the world's largest uranium producer, which has stakes in six reactors, including about a third of the Bruce B plant – says nuclear becomes more favourable when considering the range of alternatives to fossil fuels.

"As the (fuel) price has gone up, and there's a renewed interest in the effects of climate change and global warming, people increasingly see nuclear as part of the mix that's required for the future," says Krahn.

Still, many groups, ranging from Greenpeace to the Green Party, remain strongly opposed to nuclear power and uranium mining. In early May, Support Citizens Against Radioactive Emissions New Brunswick (SCARE NB) called for a ban on uranium mining in that province.

However, a new group, Citizens for Bruce C, wants the Ontario government to put a proposed new reactor at the existing Bruce site.

Bruce's proposal for up to four reactors in the Peace River region in Alberta has prompted the provincial government to set up a panel to examine nuclear's potential in the oil-and-gas-rich province.

Bruce says its proposed facilities in Alberta will help the province meet an additional 5,000 kilowatts (KW) of demand by 2017 and an extra 11,500 KW required by 2027.

The energy council's Dybwad says the panel is "a reasonable approach" that will provide an atmosphere where people can discuss nuclear's benefits, burdens and costs.

But environmental groups have accused the panel, headed by former federal cabinet minister Harvie Andre, of being pro-nuclear.

Cannon says the Alberta panel will separate the facts from rhetoric about nuclear facilities.



Energy Council of Canada president Carmen Dybwad wants all energy options to be available.

"Nuclear is a new technology to Alberta and people aren't familiar with it like they are here in Ontario, where it's been part of the generation profile for many, many years," says Cannon.

The Alberta reactors, which he says will cost \$10-\$13 billion, might have implications in the oilsands, where a spate of new projects over the next decade is expected to drastically increase power demand.

Oilsands producers have traditionally relied on gas-fired co-generation plants, which are becoming too expensive as commodity prices hover around record levels and Canada wrestles with domestic environmental regulations and Kyoto protocol requirements.

George Leary, president and CEO of B.C.-based Bayswater Uranium Corp.,

says nuclear plants designed to serve the oilsands make sense, because they offer a significant reduction in carbon-dioxide emissions and they would spare the cost of carbon-sequestration technology, which has yet to be widely adopted by industry.

But Patrick Donnelly, a uranium-mining analyst with Toronto-based Salman Partners, questions whether the Alberta facilities will be built.

"People seem to think nuclear energy is the panacea to the world's energy problems," says Donnelly. "It is very expensive."

An average 1,000-megawatt (MW) power plant costs approximately \$3 billion. Regulatory approvals and construction take almost 11 years.

"If we do see it, I think it's going to be way down the road," he says. "I'd just like to see who's going to pay for it. I think that's the crux of the problem. Try to find a bank that's going to underwrite \$3 billion for a project that may get running 11 years from now."

Alberta's proposed nuclear plants raise questions about the need for the B.C. government's proposed \$5-\$6.6-billion Site C hydroelectric dam along the Peace River, which would be located just across the provincial boundary from the reactors.

However, the B.C. government's ban on uranium mining and refusal to adopt nuclear could deter more electricity trade between the provinces.

Meanwhile, the Inuit self-governing region of Nunatsiavut in Labrador has imposed a three-year moratorium on mining and milling on its land, which had an immediate effect as several companies saw their stock prices fall last month.

Vancouver-based Aurora Energy Resources saw its share price drop

almost in half to \$1.77 from \$3.50 and \$130 million in market value disappear – in one day – in April as more than 3.3 million shares changed hands on the Toronto Stock Exchange. But Donnelly, a former geologist who worked with the Inuit, notes exploration is still allowed in the region and predicts the First Nation will eventually allow mining once it better understands the market.

"Everywhere we go, people have misconceptions about uranium, and there's going to be a fair amount of negative backlash once you start talking about feasibility and production," says Bayswater's Leary, who saw his firm's share price drop even though its Labrador operations are outside Inuit territory.

Other explorers and producers have also been hit by technical problems that are slowing production.

For example, Cameco's long-delayed Cigar Lake mine project in northern Saskatchewan is shut down until 2011 because of water problems. The company is in the process of dewatering, or permanently sealing the mine from ground water, and fully intends to open it, says Cameco spokesman Krahn.


Meanwhile, Stephen Stanley, president and CEO of Vancouver-based junior uranium firm Hathor Exploration, says the strength of the current cycle of high oil, gas and uranium prices will determine whether more reactor projects are started within three to five years.

"But over the long term, over the next 15-20 years, (nuclear) is probably the direction that Canada has to go," he says.

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

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Competition helping cool produce prices

Canadian consumers still largely unaffected by soaring food costs

By Laura Severs
Business Edge

Soaring world food prices are not expected to take a major bite out of Canada's produce sector, industry officials say.

In fact, prices for fresh fruits and vegetables have dropped and producers believe an extremely competitive Canadian grocery marketplace means any potential price increases consumers face will be moderate.

"In this country, no one is going to increase their prices one dime," says John Scott, president and CEO of the Canadian Federation of Independent Grocers (CFIG). "Everybody is competing for the consumer dollar and no one is going to raise their price one penny (if they don't have to)."

This comes despite a global food crisis that has seen world food prices rise 45 per cent between August 2007 and April 2008, according to the Food and Agriculture Organization (FAO) of the United Nations.

The situation has been exacerbated by increasing fuel costs and farmers who have diverted corn crops from the food sector to biofuel production.

A strong dollar has also helped to insulate Canadians so far from higher produce costs.

Scott adds grocers are doing their best to absorb rising energy costs to limit any potential increases to consumers. "This market is just too competitive," he adds.

Prices for vegetables have fallen 11.6 per cent in the past year and the cost to consumers to buy fruit has dropped 6.7 per cent, says the Ottawa-based Canadian Produce Marketing Association (CPMA), which represents more than 665 international and Canadian members who are responsible for 90 per cent of the estimated annual \$8-billion market for fresh fruit and vegetable sales in Canada.

Any upward push on produce prices from increasing fuel costs has been kept in check, agrees CPMA executive vice-president and marketing director Ron Lemaire.

"That's only one piece of the puzzle," he says. "The rising cost of fuel in the supply chain impacts different levels at varying degrees. But at this point, it has not been significant enough to change the pricing for the consumer because the industry has been able to absorb the increases in the supply chain."

The CPMA says the retail model for Canada's produce sector was created to ensure price consistency to the consumer through contract pricing or switching to different global producers to get the right product for the right price. Barring drastic unforeseen changes, such as a freeze wiping out



AP Photo/Anjum Naveed

Families in Pakistan receive free food from a Rawalpindi restaurant as increasing food prices continue to fuel global hunger.

Florida's entire orange crop, produce prices are unlikely to go through drastic overnight changes.

Corn producers who have switched their production over to the biofuel sector, removing it from the supply chain for human or animal feed consumption, are also posing a challenge, says Lemaire, although not to the same extent in Canada.

"Right now, we're moving in the same direction where we see corn production moving globally," says Lemaire. "If a local producer makes a move to switch to biofuel production, there are others where we can turn in the global market. Is it an immediate concern? No. But it could be in the future."

CFIG's Scott says Canada is also in good shape in terms of other grocery prices. He says according to Agriculture and Agri-Food Canada, Canadian consumers only spend five per cent of their disposable income on groceries, among the lowest in the world.

"Are we doing well? You bet we are," says Scott. "This is not a panic situation."

But Canadian producers are also dealing with other concerns. Lemaire says one major issue is the growing consumer trend of going "green" – a push toward organic and environmentally friendly products – a topic raised at the CPMA's 83rd annual convention and trade show held this month in Calgary.

Green issues are not going to drop off the radar screen as they did in past decades and are a lot more complicated than they first appear, says Perry Graham, president of the Ottawa-based Graymor Group Inc., which

specializes in marketing consulting in the agricultural, agrifood and bio-products sectors.

"The whole discussion on global warming in the earlier part of the decade has taken this to a new level. Green issues are on the verge of becoming a permanent part of the decision set," says Graham, who moderated a Going Green business panel at the CPMA convention.

"We think organic is pure mainstream now, we think 'buy local' is very much the current topic with a lot of people and (we think) sustainability – providing for the world's popula-

tion without damaging the ability for future generations to provide for themselves – is where the pocketbook is going."

Graham says research shows the primary driver behind buying organic produce is a belief that the product is better for your health with the environment being a secondary purchasing concern.

Buying locally is driven by a conviction that freshness and quality is better when the produce is bought from a local producer, as well as an almost equal concern for environmental issues. Sustainability, on the other hand, is all about the need to save the planet.

Couple this with surveys that consistently show quality and price are the No. 1 and 2 prevailing decisions behind Canadian consumer purchases of fruits and vegetables – as opposed to a desire to buy locally or organic – and Graham says there is no simple solution.

Buying locally brings into question whether it's better to eat local produce instead of organic products that may have been shipped long distances.

And while products shipped from other continents would appear to create more of an impact on the environment, Graham says that is not necessarily true.

He points to a study by New Zealand's Lincoln University that showed countries importing New Zealand lamb or apples didn't create a larger carbon footprint – the measure of the impact on the environment in terms of the amount of greenhouse gases, or carbon dioxide, produced.

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Habitat for Humanity looks to build 'up'

Affordable housing group sees inner-city development in its future

By **Laura Severs**
Business Edge

A new affordable housing push could mean more units closer to Canada's downtown cores.

Instead of concentrating on single-family homes, Habitat for Humanity Canada is looking to build upward rather than outward.

Their plan is to update the traditional single-family home Habitat model to include partnering with residential developers planning highrises or larger projects such as urban villages – developments that include a mixture of highrises, lowrises, townhouses as well as retail and services.

"The traditional poster child for a Habitat for Humanity house is a single-family home with a white-picket fence," says David Hughes, president and CEO of Waterloo-based Habitat for Humanity Canada, a national, non-profit, faith-based organization that mobilizes volunteers and community partners to build affordable housing and promote home ownership as a means to breaking the cycle of poverty.

"That model and picture is out of date, but often that is what people associate with what Habitat builds."

Under Habitat's vision, developers would increase the density of their projects by adding storeys in low- or highrises that would accommodate a varying number of affordable housing units, which would then be made available to Habitat.

Habitat would bring in its own construction crews to work on the individual units once the developer has erected the building.

The group says developers win because they have units on higher floors that they can sell or rent for a premium, while families in need of affordable housing benefit because it will be cheaper for Habitat to get more affordable units onto the market quickly.

"Increasingly, we realize if we're going to be serious in solving affordable housing problems we need to find economies of scale just the way commercial builders do," says Hughes. "It's forcing us to be more innovative and flexible towards where and how we build."

Habitat has no plans to abandon the single-family model it builds across Canada. But Hughes says this strategy will allow families to be placed into homes more quickly, including areas it couldn't access before, such as downtowns where land was either unavailable or too expensive.

One of the first examples of how this new Habitat vision is beginning to unfold is in Edmonton, where redevelopment is about to change the Strathearn Heights apartment

complex. Brought together by community advocates, Habitat is now working with Edmonton developer The Nearctic Group.

The \$650-million community redevelopment will include 1,750 housing units, with four towers ranging in height from 20 to 23 storeys, approxi-

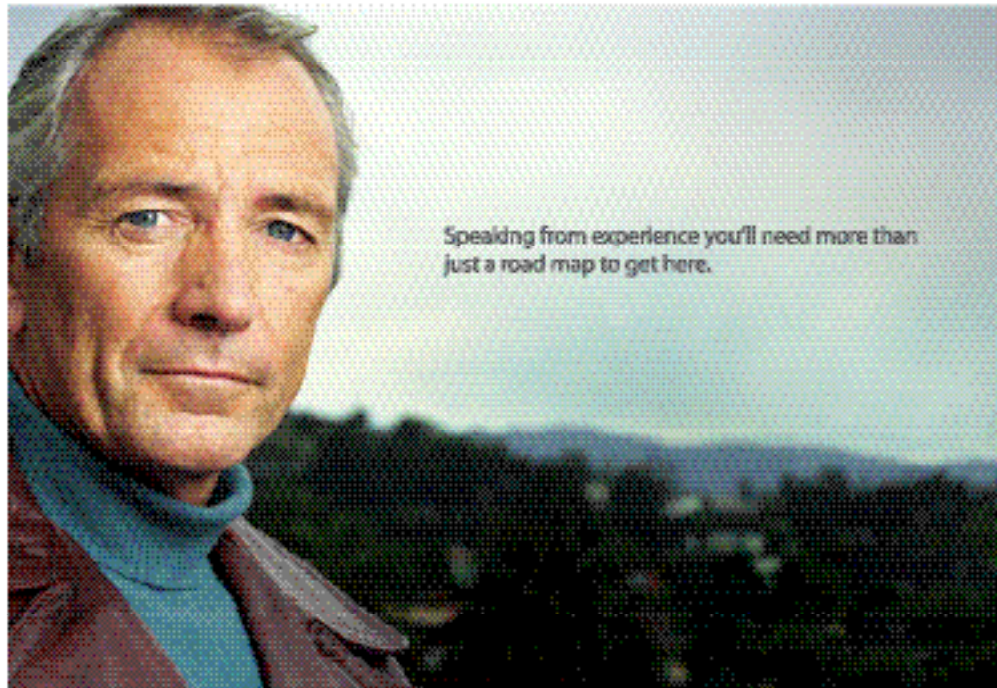
mately 14 buildings ranging in height from six to eight storeys with townhouses at street level, as well as 40,000 sq. ft. of retail space. Initial sitework is due to begin in the spring of 2009, with the first units ready for occupancy in late 2010 or early 2011.

Nearctic, which has been the land-

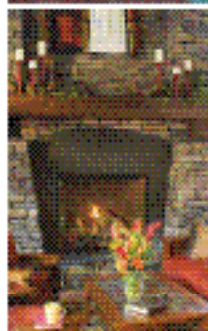
lord at Strathearn Heights for more than 50 years, says it wanted to be a responsible landlord when it introduced its plan for the site and the residential buildings that are already there.

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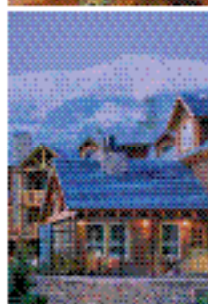
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Tariffs expected to exacerbate food shortage

By Romana King
Business Edge

A leading economist is predicting a global food shortage this year will affect all countries, all economies and all budgets.

While there are always winners and losers in a shortage, says Donald Coxe, he is concerned there will be more losers than winners.

"If there is a breakdown in food distribution and a continued escalation of food prices, we will begin to witness Engels Law – when food prices go up higher and higher, the effect is felt inversely to income. In other words the poor feel it worse," said the macro-economist while speaking at a Toronto CFA Society event in April.

With more than three decades of experience in the investment world, Coxe (who is based in Chicago) believes that the basic reasons for the shortage boils down to two factors: A rising global middle class that is adding meat and dairy to its diet, and an antiquated global agriculture system that relies on tariffs, subsidies and artificially suppressed production.

"Sure, there are people that say there is still enough food in the world, but that's rather like saying there is enough oil in the world, because they added in the oil in Russia, Venezuela and Kazakhstan," says the global portfolio strategist at BMO Financial Group.

He concedes that it is a good theory, but the reality doesn't prove the theory. Which is why Coxe is convinced that, despite political protestations around the world, a food shortage is starting to occur.

The "imposition of Hitler-style autocracy on the grain trade" is the

first signal of a shortage, says Coxe, referring to the export tax on soybeans in Latin countries, the quasi-embargo on exports in Thailand and the lifetime prison sentence imposed on anyone caught hoarding rice in the Philippines, to name but a few examples.

"We have never been closer to a free-market economy, but because the agriculture sector is crippled by autocracy, export bans and punitive taxes, we are moving away from the principles of a free market."

Coxe suggests returning to the supply-and-demand equation that often balances other sectors, although, he adds, "that might be a new concept for agricultural sectors."

Coxe played a leading role in implementing and developing agricultural programs 30 years ago, in conjunction with the Canadian federal government, and cannot be ignored.

As a result of that experience, Coxe is acutely aware of how large and how deep the subsidies to the agricultural sector go. "We pay farmers not to produce. That's where many of these subsidies go," he explained. Yet, with another 100 million people joining the ranks of the middle class in China alone, Coxe questions the rationale of subsidizing a lack of food production.

He also refutes recent arguments that the coming food crisis is due to worldwide droughts, high fuel costs or speculators. "There was only one drought (in 2007) and it had nothing to do with corn (or any other biodiesel-based grain)," said Coxe, who believes arguments that drought caused the shortage are "ridiculous."

Coxe lays more of the blame on green initiatives than weather.

China, Indonesia and Thailand recently asked the European Union

(EU) to stop production of biodiesel, because the redirection of soy and other grains to the production of biodiesel was hurting their diets – their people could no longer afford the high prices for commodities in order to make staples in their diet.

"The EU's response was to appoint a committee to investigate the situation," said Coxe. "And then continued their biodiesel program."

If the lack of political will in the EU was not bad enough, the matter isn't even on the table for discussion in the U.S. Coxe points out that Democratic Senator Barack Obama's home state, Iowa, is the second-largest producer of ethanol, yet this U.S. presidential hopeful is not the only politician ignoring the food-fuel link.

In fact, under current U.S. legislation, there "won't be much corn used for food, it will all go to ethanol" by the year 2015, says Coxe. "Now that's insanity."

Coxe suggests that all analysts begin to factor food and its associated costs into their forecasts. In this way, reports may actually rise above the bias, he says. Yet, even if that does not occur, he is confident the statistics will speak for themselves.

"Maybe 50 million people die from this (food) shortage. Can you live with those statistics?"

He also suggests that global governments begin to remove the barriers for food distribution. "The agricultural sector is the most over-regulated industry in the world, with all sorts of subsidies and controls," said Coxe. "This means unimaginable layers of government involvement. For example, 43 per cent of the EU budget goes to farm subsidies for farmers not to produce. To produce less, not more."

Now compare this with the statistics, says Coxe. Wheat production rose one per cent last year; wheat consumption rose 1.5 per cent. Rice production rose one per cent last year; rice consumption rose more than two per cent – resulting in a 250-per-cent price increase.

"There have been food-related riots in over 30 countries already," says Coxe. "The structure (of the agricultural sector) is an elaborate series of programs to protect farm incomes, but not one program is about producing more. This has got to change."

Coxe's trifold prescription to "fix" agriculture includes: Better food policies; significant and global changes in government policy; and smaller, younger, more flexible companies that can respond to the changing economic environment.

(Romana King can be reached at king@businessedge.ca)

RESEARCH from Page 4

Sustainability will be selling point

Studying the life cycle of the product – from the product's beginnings to how it was grown, processed, packaged and shipped – the research illustrated that New Zealand could put lamb in a British supermarket for a smaller carbon footprint than lamb raised in the U.K., and that New Zealand apples could arrive in a London supermarket with about the same carbon footprint as apples trucked in from Spain.

Graham says industry must also realize that consumers come in different shades of green, ranging from light to dark.

"Consumers are going to be inconsistent," he says, noting that they may purchase energy-efficient light-bulbs, yet opt to buy other items that have more significant environmental impacts. "We (consumers) are not green across the board."

He advises producers to tell the pub-

lic about any methods friendly to the environment. "We do recommend people be modest, start small, gain some experience and never say anything they can't back up," says Graham.

Sustainability has to be brought to the table as well, he adds.

"Quality price and nutrition, we're saying those things are really important but that there will be a fourth one coming to the party and that is sustainability. We don't think it's going to overtake the others but over the next decade it's going to be far more important," says Graham.

"So, if you're in the business and you've got a good product and it's competitively priced, there can be additional points to be made by putting your product in a situation where it's looked upon as a product made using sustainable practices."

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

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Habitat's vision reflected company's own development goal

Nearctic president and CEO David Kent says the Habitat vision dovetailed with the company's own for the property.

"At no cost to the city, we were given a group to work with who had a track record and a wonderful model for home ownership that could further reduce the cost of housing and get it to the people who need it," Kent says.

While the City of Edmonton's affordable housing program calls for five per cent of the project (88 units) to be set aside for lower and moderate

income earners, Nearctic has actually increased the number of units it will make available to Habitat by 62, for a total of 150.

Separate from its involvement with Habitat, Nearctic is looking at setting aside 200 to 300 apartments for existing tenants who want to remain – based on their tenure there and financial need.

"We're very excited to work with Habitat," adds Kent. "They have a very good model for giving people a hand up who are working very hard, but for

the cost of housing aren't getting somewhere."

He notes that Strathearn, considered suburbia when it was developed decades ago, is now more of an inner-city community even though it is separated from downtown by the North Saskatchewan River.

"It's very much part of the downtown," says Kent.

For Habitat's Hughes, the Strathearn project is one example of how it can fill the affordable housing need without contributing to urban sprawl.

"I truly believe that much of Habitat for Humanity's growth in the future will come from building 'up' not 'out,' with more of our housing units being made available in or around highrise developments," he says.

"By partnering with developers, we can help them get zoning for larger-scale projects – and therefore greater profits – if they are in turn willing to forfeit some of their units to Habitat for Humanity."

See HOUSING

Page 16



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20 Questions



Bayne Stanley, Business Edge

Lululemon Athletica founder and chairman Chip Wilson says he learned the importance of living in the moment from his father.

Lululemon boss rides creative wave

Athletic clothier keeping abreast of social trends and changes

By Monte Stewart
Business Edge

Chip Wilson can run, but he doesn't hide from difficult topics. The founder and chairman of Vancouver-based Lululemon Athletica Inc. is organizing a run, the Chip's Not Dead Yet Memorial Mile on June 20, to raise \$1.5 million in its first three years for the BC Children's Hospital.

He has also just joined the board of Right to Play, an international organization led by former Norwegian speed skater Johann Olav Koss, that obtains sports equipment for children in Third World countries.

In early April, Lululemon promoted former Starbucks executive Christine Day to the post of president and chief operating officer and announced she will replace the retiring Robert Meers as CEO at the end of June.

"Through her extensive experience at Starbucks, she knows how to take a culturally rich company through rapid growth to reach its full potential," Wilson said at the time.

So what's Chip Wilson all about? "Social trends and changes, and how they affect sports, and how that affects clothing," says Wilson.

But controversy clings to Lululemon like, er, a sweaty T-shirt.

In recent months, he has had to deal with comments he made about Chinese child labour, his firm's association with the Landmark Forum

training program, *New York Times*-commissioned lab tests that refuted Lulu's claim that some of its shirts contained medically beneficial seaweed and a related federal Competition Bureau order to stop making such claims. And to top it off, there were accusations that the name Lululemon offends Japanese people.

But Wilson remains more than willing to step up to the start line to talk about these issues and the phenomenal growth of his company.

1. Why are you funding this run?

"No. 1 is because I have five boys and it's like I have a 1-800 number to the Children's Hospital. They've all spent a lot of time there. One boy had hip surgery and I actually got to go into the back halls and see what was going on. I could have given a large donation, but I wanted something that would be sustainable over time. It's called the Chip Not Dead Memorial Mile because I didn't want to wait until I was dead to have something named after me. I kind of wanted to attend my own funeral. You don't know war unless you know peace. You don't know black unless you know white. You don't really know how great life is until you learn to give back. Both my younger boys had meningitis... That's notwithstanding the five or six times I've been there for broken arms (and) legs."

2. How did you get the nickname Chip?

"My real name was Dennis, but I've

never been called that. My dad's name was Dennis and my mom didn't want to get the males in the household confused. It could have been one of those shotgun marriages. She wasn't sure if she was going to be with my dad forever."

3. What did your parents do?

"My mom was the first lifeguard at the Plunge (a famous pool at Mission Beach) in San Diego and was basically what I would call a home hobbyist with sewing machines and fabrics and that kind of thing. I got to see all that. My dad was athlete of the year in 1952 (after graduating from Western Canada High School in Calgary and attending university in Southern California) and would be a phys-ed teacher and vice-principal for the rest of his life, all in Calgary."

4. What were the lessons that you learned from them?

"My dad was one of the original hippies. What I learned from him is that to live in the moment is what it is to live. If I had to learn anything from my mom, it is that anything is possible."

5. Aside from your parents, who were your early mentors?

"My swimming coaches, Les Cosmen and Ted Thomas. They were incredible people back in the days when (there were) amateur coaches. They put in hours and hours for nothing. For very little return. I was fairly fortunate. We didn't have much money, but I was a national team swimmer. Actually, I think I could

have been (an Olympic swimmer), but something happened in 1976 when the Olympics were in Montreal. They moved (the shortest butterfly events) from 50 and 100 metres to 200 and 400 metres. I was six-foot-three and 200 pounds. I was the world's best in the 50 metres, but I couldn't sustain the long distances... The lesson from swimming is, the harder you work, the better you can do. It gives you great goal-setting (skills), because there's always the goal, the record or the medal that you want to get to. That's ultimately ingrained in the athlete development."

6. How did you decide on a career in the garment industry?

"I think it's just genetics - my mother and father and the right circumstance, graduating from university (with) no job and trying to figure out what to do. Actually, I'd go to California every summer and I'd come back with all these clothes that nobody had. I saw a pair of shorts on a girl there that I thought were incredible and I brought them back for my girlfriend at the time. She loved them so much that I decided to start making them. Then I decided I'd really make the first pair of long baggy shorts for men. Before that, there was (only) a fairly tight, 1970s kind of thing. (My product) was kind of a revolutionary kind of short at that time. So I had two items that were really great."

See 20 QUESTIONS

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Advertising Feature

Weather a critical factor in this buying climate

By Randall White
President
Mind's Eye Marketing

Welcome to the first of a series of opinion columns designed to help *Business Edge* readers make well-educated decisions regarding investment in recreational real estate.

I will make the assumption that because you are reading this page, you already interested in purchasing one or more destination properties.

Let's face it, virtually everyone who has purchased property from a respectable developer in a prime vacation destination in recent decades has benefited big time in both appreciation of their investments and appreciation of their improved lifestyle.

That trend is only going to be bolstered as Baby Boomers wade into the market.

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ational real estate has always made plenty of sense (and cents).

And with the strength of the Canadian dollar and depressed prices abroad because of the subprime mortgage crisis and other factors, there truly has never been a better time to buy for Canadians.

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The economics are certainly in our favour, and Mark Twain said it right when he stated: "Buy land. They've stopped making

it." That concise quip continues to stand the test of time, but I'd like to offer a contemporary version, with apologies to Mr. Twain: "Buy land beside an ocean with a gorgeous view and in an ideal climate. They've stopped making it, and people will always pay a premium for it."

For example, every unit at Ventanas Residencial in the hills above Cabo San Lucas on the southern tip of the Baja Peninsula has a spectacular view of the Sea of Cortez and its world-famous Land's End rock formation that signals the beginning of the Pacific Ocean.

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 - Minneapolis, Minnesota
 - Wailea, Maui
 - Anchorage, Alaska
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 - When the Canadian Loonie is weakest against the U.S. Dollar
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 - When you want to secure a great home to visit and/or retire in.
 - When it is very cold in the North.
- What is the average winter low temperature in Maui?
 - cold
 - cool
 - warm
 - hot
- How long do you have to fly if you want to visit Maui from Vancouver?
 - 11 hours and 40 min. (if you have to come back)
 - 6 hours and 10 min. (if you go and never return)
 - All of the above
 - None of the above (if you take a boat)

Answers: You earned an "A" if your answers were all "C's", but the truth is we're just having a little fun while grabbing your attention. Send us an email at: KimDavid@MauiHawaii.com and we'll be glad to give you our expert opinion! Better yet, check out our virtual tours of active Maui listings at www.mauihawaii.com, give us a call at: 1.808.276.7766, then come on down to the Sunny Side of MAUI to take a look for yourself.

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Kim and David Morrell know Maui, Hawaii (HI). On the real estate scale of intelligence they rate "genius!" This uncommon understanding of the subtleties of the Maui market stems from their love of the lifestyle here and their passion for helping others find their own piece of heaven in Hawaii. If you're buying or selling on the Maui give Kim and Dave a call to say "HI!"



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20 QUESTIONS from Page 8

Young entrepreneur found balance in yoga

"I made a couple hundred of each of them and went to The Bay and Eaton's – and they wouldn't buy them. So I had to set up my own store, a surf-ski company... There was no middleman, no wholesaler. In about 1983 or '84, I knew snowboarding was going to be the next big thing. Surfing and skateboarding were taking a downturn. But I had to change the name of the company from Westbeach Surf to Westbeach Snowboard. For the very first time in my life, I learned that people don't like change. So I actually had to change the name and to change the mindset for people (about) who we were."

7. How did you raise money for Westbeach originally?

"When I was 19, I had gone and worked on the Alaska oil pipeline, and I probably made, in Canadian dollars, maybe \$100,000. I put myself through university in high style and

bought a house. I had the money to start my own business. Plus, I worked at Dome Petroleum at the same time, while I was starting, so I was getting the cash flowing a bit more. The market was so small at the time and I didn't really understand the business or how big I could be. My expectations were so small that the money I started out with was minimal, like, \$10,000."

8. Why did you sell Westbeach?

"There were a couple of reasons. One was that it was a three-way partnership, which actually had a lot of problems. We had come together but could never really get to the other side. Japan was 80 per cent of our market, but the Japanese yen was starting to collapse and the snowboarding trend in Japan was showing signs of eroding. Then we just got the right offer at the right time. We were about a week from not being able to

make payroll. I sold Westbeach in November of '97 and then I worked down in the States in Portland (Oregon). Then I came back here to Vancouver and really had no concept of what I was going to do. I started yoga classes and I got the eye that this was going to be the next big sport. People that were doing it were doing it in cotton clothing and sweating. The clothing wasn't working."

9. How did you get into yoga?

"From skateboarding and surfing and snowboarding all my life, I had very poor balance. It took a toll and I started looking for the panacea. I wanted to make myself feel better and still be able to do what I liked – snowboard and play squash."

10. How would you describe the

philosophy behind Lululemon?

"I guess it would be creatively creative. In other words, creating the time to be creative in life. A lot of that is about understanding how to freely choose in life and freely choose to live in the moment, because I believe that's when powerful creativity occurs."

11. How do you try to spread that philosophy in your day-to-day operations?

"Well, we have some courses that we send people to, the Landmark education course, called the Forum. That would be the one that we basically set up on creativity and self-responsibility... and then comes a culture of achievement."

See LESSON

Page 11

Chip Wilson

- **Title:** Chairman and chief designer, Lululemon Athletica.
- **Born/raised/age:** Orange County, Calif./Calgary/52.
- **Education:** Wilson attended the universities of Alberta and Calgary, graduating from the U of C with a commerce degree.
- **Family:** Married to Shannon, father of five sons, aged 2-19.
- **Career:** Wilson founded Lululemon in 1998 and served as president and CEO until 2005, when he became chairman and chief product designer. Prior to creating Lululemon, he founded Westbeach Snowboard Ltd., a Vancouver-based surf, skate and snowboard retailer. Before entering the garment industry full time, he spent five years as a landman with Calgary-based Dome Petroleum.
- **Awards:** The Retail Council of Canada named Lululemon the 2003 Innovative Retailer of the Year in its small store classification.
- **Moonlighting:** Wilson recently joined Right to Play, an organization that obtains sports equipment for kids in Third World countries.
- **Passions:** Sports of all sorts and fashion.



Chip Wilson

Lululemon Athletica

- **Brass:** Chip Wilson, chairman; Christine Day, president and CEO-in-waiting; Robert Meers, retiring CEO; John Currie, chief financial officer.
- **Profile:** Lululemon manufactures and sells athletic clothing for yoga and other sporting pursuits through corporate stores and franchises under the same name. Founded in 1998, the company operates approximately 81 stores in Canada, Australia and the U.S. It recently closed four stores in Japan. Wilson began Lulu as a private company and sold 48 per cent to equity investors Advent International and Highland Capital Partners in a deal valued at US\$195 million. Last year, the company went public. Its share price has fluctuated dramatically since then, but the company has enjoyed strong profits.
- **Stats:** Lulu's net income jumped to \$30.8 million in 2007 from \$23.2 million in 2006. The company reported an 84.5-per-cent increase in net revenue last year to \$274.7 million from \$148.9 million. The increase was attributed to a raise in comparable store sales, sales from new-store openings and the stronger Canadian dollar.
- **Recent Stock Price (TSX:LLL):** \$31.95 (52-week range, \$21.20-\$58.77).
- **Website:** www.lululemon.com
- **HQ:** 2285 Clark Dr., Vancouver, V5N 3G9
- **Phone:** (604) 732-6124

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LESSON from Page 10

Company has been lightning rod for criticism

"In eight hours, we give people a lesson that it takes most people about 40 years to learn. If all successful people did the same thing, it would be very easy to become successful very quickly."

12. Some people have questioned why your managers take Landmark training, and some people question Landmark, because it has ties to the EST (Erhard Seminars Training) movement. They suggest that Landmark is like a cult. How do you respond to those criticisms?

"Because it's a creative organization, it's recreated itself thousands of times since the EST program (started) and probably has very little in common with the EST program anymore. Every business has to start a certain way and evolve in some ways. It shows up like a cult because it has become a very simple concept that releases people from a lot of their blocks in life. When people are released from those blocks, it has that aura. People who don't understand greatness are scared by greatness. Canadians especially, I find, are like a wall of

mediocrity. The whole socialist backlog that we've heard for so many years that it's wrong to be rich, that it's wrong to be powerful, that it's wrong to be great, that it's wrong to be an individual – that's just wrong."

13. What has Landmark done for your employees and the business?

"It sets up a culture of no complaining and of being responsible for the job that you're doing, for clear communication, and not bringing your own personal crap to work."

14. How would you describe your management style?

"My management style would be 'run it and let it be run.' Everyone that I hire is smarter than me. At times, decisions have to be made, but it's better to give people who know better more power to see whatever they're doing to fruition."

15. What was the turning point in Lululemon's success?

"I know the day it happened. That was the day that I got married, on April 20, in 2002. The one store that we had did \$30,000 (in sales) that day, which was unbelievable when you

looked at the store. We had all of the right inventory and everything was good."

16. It seems that Lululemon has become a lightning rod for criticism. How has all of it affected you?

"It hasn't affected us at all. You spend seven years getting nothing but good stories written about you. It's not news anymore to write good stories about us. I'm actually waiting for someone to write the next big story about this whole business of short sellers. We, as a company, have to be so diligent about our reporting in everything that we do. As a public company we are scrutinized to the very max, and the stock doesn't get any equity at all. These short sellers, they can go and basically create any story they want. It doesn't even really have to be backed up. It doesn't even really have to be true. With the way the web is now, information gets out in a day and gets printed anywhere. There's a certain amount of people that see things as true. I think that's the big story."

17. Critics say you said it was OK for Chinese factories to use child labour. How would you respond to that?

"That was a long time ago. It was about three years ago. Again, I think the real story there is they had somebody who had a left-wing agenda. They wanted to take something which is not what I said, just to back up their story. What I said is, 'What if you had a child, like you have often in Canada, that doesn't work in the school system and is just out there? Do you let them do nothing? Or do you try to give them a vocation and teach them something?' In most cases, I think it makes a lot of sense to have the

children working, especially over there, because there's really no infrastructure over there."

18. But, if you had your way, you'd rather see them in school?

"Yeah, for sure. Anyone would. I've got five kids. I'd never want to (keep kids out of school) . . . I also know that you can call it child labour, because that's what left-wing people like to call it. I call it a good education."

19. What would you say in response to some of the criticism about seaweed material in your company's shirts?

"It appears as though it's a short-seller story. *The New York Times* has their lab tests and we have our lab tests, and the two twains shall never meet. They have the power because they're the press. It's a big issue with them. . . . It's more of a (U.S. Securities and Exchange Commission) type of thing. There's all sorts of tests you have to do now (under SEC and Competition Bureau rules) in order to claim (the shirts were made of seaweed) so we had to take (labels about the seaweed content) off. . . . We have to be squeaky clean as a public company, and we're OK with that. We want to (have) integrity, but I don't think we were out of integrity with that."

20. What would you do if you weren't running Lululemon anymore?

"It would be impossible to not be in the athletic clothing business. That's all I think about. I'm interested in charities and I want to give back to the world, but I find that I can do that best by creating money by what I know best – which is athletic clothing."

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

Coming Events

- **Friday Business Matters** (May 23, 8 - 10 a.m.) – Speaker: **Dennis DesRosiers** of DesRosiers Automotive Consultants Inc. Topic: Automotive Manufacturing Under Siege. Location: Hilton Hotel, 300 King St., London. Cost: London Chamber members \$35, others \$45. Info/register: www.londonchamber.com
- **Power Breakfast** (May 26, 7:30 - 9 a.m.) – Topic: The 3-E Value of Energy Conservation. Speaker: **Peter Love**, chief energy conservation officer, Ontario Power Authority. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: Toronto BOT members \$55, others \$75. Info/register: www.bot.com
- **Advanced Seminar** (May 27, 9:30 - 11:30 a.m.) – Topic: Insurance for Small Business. Speaker: **Ron Caine**. Location: Toronto City Hall, Committee Rm. No. 4, 100 Queen St. W. Free. Info/register: www.enterprisetoronto.com
- **Lunch & Learn** (May 28, 11:30 a.m. - 1:30 p.m.) – Speaker: **Peter MacDonald** of BDC Halton. Topic: How to Grow Your Business. Location: Chamber Education Centre, 1 St. Paul Street, St. Catharines. Cost: St. Catharines-Thorold Chamber members \$25, others \$30. Info/register: www.sctchamber.com
- **Economic Club of Toronto** (May 28, 7:45 - 9 a.m.) – Topic: The Economic Value of the Ontario Research Hospital. Speaker: **Dr. Robert Bell**, president and CEO of the University Health Network. Location: The National Club, 303 Bay St. Cost: ECOT members \$59,

others \$69. Info/register: www.ecot.ca

- **Entrepreneurial Bootcamp** (May 28, 1 - 5:30 p.m.) – Decide if public venture capital is right for you. Location: MaRS Discovery District, Auditorium BC, 101 College St. W., Toronto. Cost: \$65. Info/register: debbie.bamforth@tsx.com or go to www.tsx.com

- **Income Statements for Small Business** (May 29, 7:30 - 9 a.m.) – Basics of the balance sheet and income statement. Speaker: **Gordon Galloway**. Location: North York Civic Centre, 5100 Yonge St. No fee. Info/register: e-mail events@enterprisetoronto.com

- **Global Experience @ Work** (May 29, 8 a.m. - 1 p.m.) – Competition, globalization and the skill shortage. Location: The Waterfront Centre, 555 Bay St. N., Hamilton. Cost: \$40. Info/register: www.hamiltonchamber.on.ca

- **Networking Breakfast** (7:30 - 9 a.m.) – Topic: Customer Relationship Management. Speaker: **Frank Falcone**, senior product manager for Microsoft Canada. Location: Radisson Hotel Toronto East, 55 Hallcrown Place. Cost: North York Chamber members \$20, others \$30. Info/register: www.bot.com

- **Managing Crisis** (June 4, 10:45 a.m. - 2 p.m.) – Annual general meeting of the Greater Toronto Marketing Alliance, 10:45 - 11:30 a.m. Lunch program 11:30 a.m. - 2 p.m. Speaker: **Michael Brown**, former undersecretary of homeland security. Location: Sheraton Centre Toronto Hotel, 123 Queen St. W. Cost: \$60. Info/register: www.greatertoronto.org

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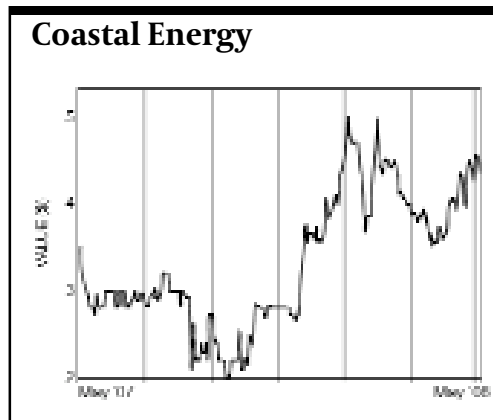
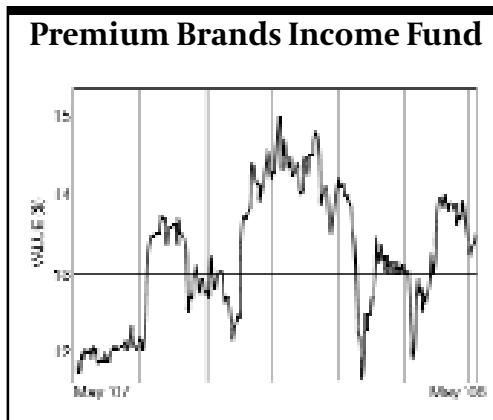
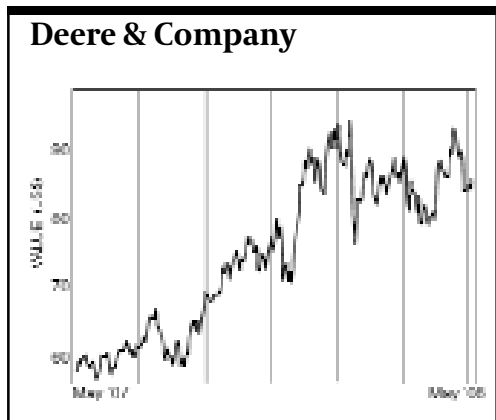
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CHIEF EXECUTIVES WORKING TOGETHER

See Page 10



Tardif investing carefully in difficult times

(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: Jean-Francois Tardif is a portfolio manager with **Sprott Asset Management** (www.sprott.ca). He is the lead manager for the **Sprott Opportunities Hedge Fund**.

Fund Form: Sprott Opportunities Hedge Fund is showing a one-year after-tax return of 18.3 per cent and a three-year return of 20.5 per cent, using data as of April 30, 2008.

Management Expense Ratio: 6.68 per cent

Tardif's Strategy: "We predict that the price of energy will continue to go higher... (oil selling for) around \$120 a barrel. That trend is very real. The



Jean-Francois Tardif

Pro's 3 Stars

U.S. market continues to be bad with stock prices down 50, 60 and 70 per cent in some cases. It's telling you the system is in distress and is deleveraging after leveraging for 10 or 12 years in a row. The bottom line here is tons of sellers and not enough buyers. This is not the same as in the '90s.

"There are lots of other concerns. Inflation is at a 14-year high and at a multi-year high in China. Look at the price of rice – it's gone from \$300 a tonne to \$1,000 a tonne. Eventually, interest rates will go up and they will go up high, even into the double digits

soon. These are difficult times and we're being very careful as a result."

FIRST STAR

- **Deere & Company** (NYSE:DE)

- **Recent Price:** US\$84.07
- **52-Week Range:** US\$94.89-US\$53.76 (04/18-05/01)
- **Snapshot:** Deere & Company manufactures agricultural equipment, as well as construction, forestry, and commercial and consumer equipment. The company also provides credit, special technology, and managed health-care products and services.

- **CEO:** Robert Lane
- **Head Office:** Moline, Ill.
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 19.50; Revenue (last fiscal year), US\$24.1 billion; Earnings Per Share, \$4.31; Market Cap, US\$36.6 million.
- **Tardif's View:** "Their earnings have been rising and the company is posting some impressive

performance lately. If you look at farmers' wheat grain prices, they are making a lot of money right now and should be happy to spend money on equipment like trucks, etc. The earnings growth has gone up, but the (price earnings) level is not that high. I believe it can easily trade at about 20 times earnings."

- **Risk Rating:** Low
- **Web Watch:** www.deere.com

SECOND STAR

- **Premium Brands Income Fund** (TSX:PBLUN)
- **Recent Price:** \$13.22
- **52-Week Range:** \$15.53-\$11.17 (11/08-01/21)

See 3 STARS

Page 16

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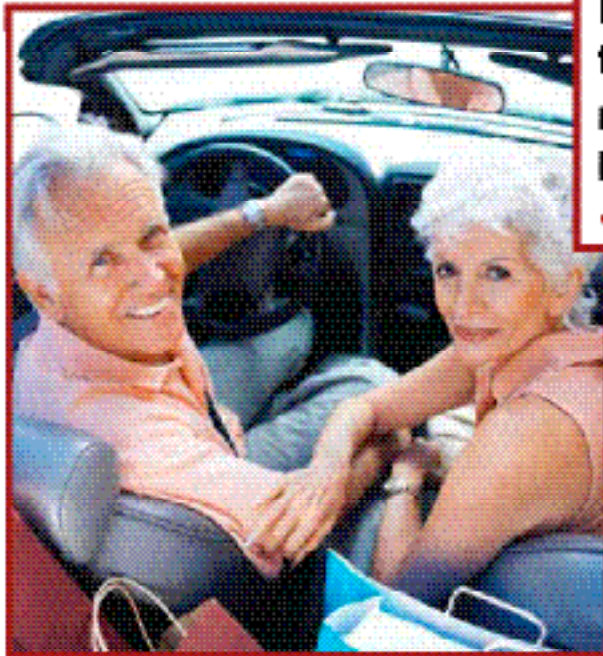
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Diversification pays off for Mullen Group

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

By Nicole Strandlund
Business Edge

ACT I: NO SULLEN MULLEN

- **The Player:** Mullen Group Income Fund (TSX:MTL.UN)
- **Action:** Up eight per cent or \$1.43 in a month (from \$19 April 4)
- **Recent Price:** \$20.43
- **52-Week High/Low:** \$23.92/\$13.95

Investment advisers have been suggesting diversification for years, and an Alberta-based income fund just proved that strategy works.

Mullen Group Income Fund, known for its transportation and related services to the oil and gas industry, recently announced first-quarter losses that were mitigated by the company's diversification.

Revenue for the quarter ending March 31, 2008 fell overall to \$358.1 million, down \$7.6 million from the same period a year ago, thanks mainly to lower oil and gas drilling activity and a "competitive pricing environment."

Saving Mullen from a bigger loss was the trucking/logistics business segment and the business units leveraged to the transportation of fluids and servicing of wells. (Trucking/logistics revenue rose to \$115.7 million from \$109.2 million in the same quarter a year ago, while oilfield services fell from \$257.6 million to \$242.7 million.)

Net income for the company dropped to \$49.7 million in the quarter, down 14.6 per cent from the \$58.3 million posted in the same quarter of 2007. (Trucking/logistics income was up to \$17.2 million from \$14.2 million in Q1 2007, and oilfield services income fell to \$68.4 million from \$73.1 million in 2007.)

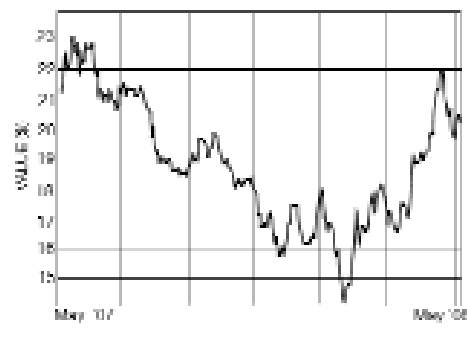
ACT II: MAP MANIA

- **The Player:** Intermap Technologies (TSX:IMP)
- **Action:** Up five per cent or \$0.29 in a day (from \$5.75 May 2)
- **Recent Price:** \$6.04
- **52-Week High/Low:** \$11.40/\$4.71

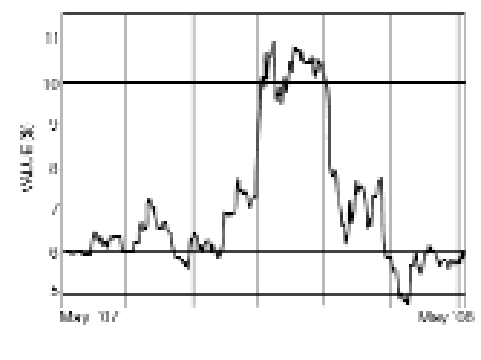
A technology company listed on the TSX has been tooting its own horn about its new mapping achievement. Shareholders got caught up in the excitement, pushing the stock up five per cent on the day.

Intermap Technologies, based in Denver,

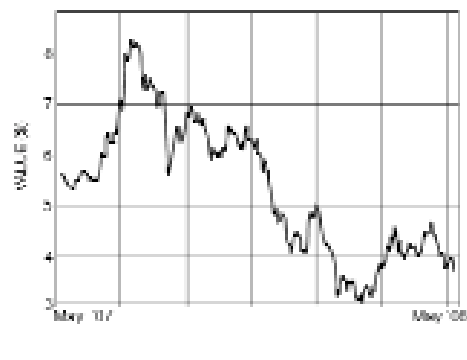
Mullen Group Income Fund



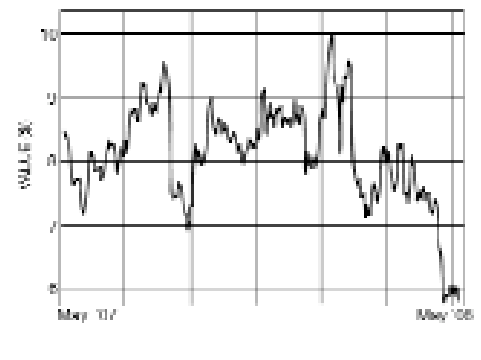
Intermap Technologies



Antrim Energy



Iamgold



Street Life: Analysis

announced it has completed collecting data for its 3D mapping of 18 countries in Western Europe. This "feat of tremendous significance," as described by Intermap CEO Brian Bullock, will result in national datasets that include 3D surface and terrain models and orthorectified radar images.

Processing and editing the data to produce commercially available data is expected to take 10 months.

Intermap is also working on a similar program for the U.S., with a target completion date at the end of 2009.

Shareholders pushed the stock up five per cent the day of the announcement, but were

clawing back some of that gain the following day.

ACT III: OK IN THE U.K.

- **The Player:** Antrim Energy (TSX:AEN)
- **Action:** Holding near \$4 since early March
- **Recent Price:** \$4
- **52-Week High/Low:** \$8.73/\$2.98

A Calgary-based junior oil and gas exploration and drilling company has struck liquid money off U.K. shores.

Antrim Energy suspended its most recent well (the Fyne well) in the U.K. central North Sea as a future oil producer, and expects it will produce even better than an existing adjacent well with a flow rate of 3,600 barrels of oil per day.

See STREET LIFE

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THE HOWARD GROUP

Emotion can trump logic in pursuit of sales

By Romana King
Business Edge

Every good salesperson knows the difference between a prospect and a client: Emotional commitment.

A prospect may be interested, very interested, in the opportunities you offer, but a client is absolutely committed to it. For salespeople, this difference starts in their appreciation of the two components of a sale – the emotional reaction and the logical decision.

For Van Mueller, a 35-year insurance industry veteran and a member of Million Dollar Round Table (MDRT), an association of financial professionals, this appreciation of the emotional and logical, the right- and left-brain processes, offers the answer for an industry still trying to beat a bad rap.

“We need to take our clients through a process – and the first step is to get them to emotionally commit to becoming concerned about their financial future,” Mueller told about 1,000 insurance and financial advisers during the fifth annual Critical Illness Conference, held in Toronto last month.

The ability to help prospective clients understand the need for financial planning – particularly when using preventive measures, such as

insurance – is important in this day and age, given the current global aging dilemma and market volatility, he says.

“The key word of the 21st century is control,” says Mueller. In order to become successful financial advisers, planners need to “help Canadians get their life back, by helping them get control.”

Mueller admits that when helping clients gain a sense of control an adviser has to stop focusing on logic and facts, and start communicating with the client about their fears and their goals – the emotional side of feeling in control and an essential element in any financial plan.

Of course, the emotional side of selling is what initially gave insurance agents a bad rap, says Norman Levine, an industry pundit and another member of the MDRT.

Levine candidly describes how he, as a veteran insurance “salesman,” would offer only one product (there was only one product, life insurance) and often his sales pitch was littered with allusions to disaster.

“We used to sell this product based on emotion; we used to sell this product based on fear,” recalls Levine. “We would talk to the client and tell them you need life insurance because you are going to die.

“The problem was we were selling need, not providing value. Value comes from listening to the clients and providing them with solutions based on their wants and desires, not on our perceived need for that client.”

Levine suggests that advisers need to move away from product pushing.

“Stop being a needs salesperson,” he says. “When selling need, I was selling my personal perception of what the client needed – and these were really my needs. Now I have switched from need to want. I talk to the client to see what they want to achieve. That means I stopped talking and started listening. Product pushers talk; great advisers learn to have compassion and listen.”

While improvements have occurred in the insurance realm based on product innovation, agents still need to learn how to commit to the client, not the commission, says Duncan Macpherson, an adviser who developed an industry standard method of increasing sales by increasing referrals.

“Eighty per cent of your money is made during only 20 per cent of your work day,” explains Macpherson. That means that in order for advisers to create control for their client they must first learn to control their productivity. Macpherson suggests that advisers lay out a plan – only through

planning do advisers achieve success and this is the main message Mueller, Levine and others wanted to convey to industry professionals.

By planning, insurance and financial advisers can lay the foundation to help clients feel and be in control.

This return to desire-based sales strategy could not come at a better time, says Mueller.

“The prime minister, the premiers, not even the president of the United States can fix what is going to happen to this world,” Mueller says.

Demographic shifts, inflation, falling real-estate prices and a volatile investment market, combined with greater access to information, means clients are inundated with information and unable to act to secure their future.

For example, in 2008, 49 per cent of Ontario’s GDP went to pay for health care in the province. By 2020, this cost will increase and, by 2020, will demand 100 per cent of Ontario’s GDP to pay for the province’s health care.

“When it gets to that level, what do you think happens to your health care?” Mueller asks rhetorically. His example tugs at some of the primal fears many Baby Boomers hold.

See SALES

Page 19

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STREET LIFE from Page 14

News fails to impress shareholders

Antrim will submit reservoir information to an independent engineering evaluator and expects to drill two additional wells before submitting an application to U.K. authorities for development approval. If approved, production should begin in 2010.

Shareholders didn't seem too impressed, however. Shares were down four per cent the day after the announcement, continuing the stock's two-month hover around \$4 after falling from more than \$8 last summer.

ACT IV: STONE COLD

- **The Player:** Iamgold (TSX:IMG)
- **Action:** Down 21 per cent or \$1.60 in a month (from \$7.55 April 4)

- **Recent Price:** \$5.95
 - **52-Week High/Low:** \$10.25/\$5.80
- An Ontario gold mining company with international interests is announcing good news, but the stock is still reeling from a halt in Ecuador mining.

Iamgold recently announced it has successfully negotiated two collective agreements with the Canadian Auto Workers Union at the company's Niobec mine in Quebec. That completes new agreements with all seven of the company's unions worldwide since Iamgold became operator in 2006.

The company also announced strong results from its Westwood gold project in Quebec. "The potential of

this project is growing exponentially," says Joseph Conway, Iamgold's president and CEO, and the company intends to accelerate Westwood as quickly as possible.

Share prices are lagging behind, however, since dropping like a stone when the Ecuadorian government froze all mining exploration in the country for up to six months.

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 May 5, 2008.

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

3 STARS from Page 12

Food firm cashes in on western boom

• **Snapshot:** Premium Brands Income Fund owns a broad range of branded specialty food businesses with manufacturing and distribution facilities located throughout Western Canada and Washington. The fund's family of brands includes Grimm's, Harvest, McSweeney's, Harlan's, Quality Fast Foods, Hygaard, Hempler's, Gloria's, Bread Garden, Centennial, Stuyver's & Made-Rite.

• **CEO:** Fred Knoedler

• **Head Office:** Richmond

• **Vital Stats:** Price/Earnings Ratio (ttm), 9.10; Revenue (last fiscal year), \$277.7 billion; Earnings Per Share (ttm), \$1.45; Market Cap, \$231 million.

• **Tardif's View:** "This is a western-based company that distributes to restaurants and grocery stores. The western provinces are booming right now, so that should be good for sales in those industries. They had a key acquisition last year that was just reported and should improve their results even more."

• **Risk Rating:** Medium

• **Web Watch:** www.premium-brandsincomefund.com

THIRD STAR

• **Coastal Energy** (TSXV:CEN)

• **Recent Price:** \$4.25

• **52-Week Range:** \$5.20-\$2 (01/08-09/17)

• **Snapshot:** Coastal Energy is an oil and gas exploration, development and production company, with core assets onshore and offshore Thailand.

• **Vital Stats:** Price/Earnings Ratio, n/a (ttm); Earnings Per Share, n/a; Total Revenue, n/a; Market Cap, \$342.6 million.

• **CEO:** Randy Bartley

• **Head Office (North America):** Houston

• **Tardif's View:** "They have found this niche producing oil and gas in

Thailand. Their reserves have been going up 20 to 25 per cent every year. The stock still trades at a single PE, however, and production is strong so it appears like it might have this underlying potential."

• **Risk Rating:** High

• **Web Watch:**

www.coastalenergy.com

• **Tardif's Edge Record (last 12 months):** 12.7 per cent. **Best Pick:** Atrium Innovations (TSX:ATB)

18.3 per cent. **Worst Pick:** Genivar Income Fund (TSX:GNV.UN) -11 per cent.

• **NOTE:** Tardif may own shares in some or all of the above companies listed.

(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.)

HOUSING from Page 7

'Sustainable urban village' is objective

Meanwhile, housing experts agree that for cities to prosper, they must ensure that they have housing for a wide-ranging population demographic.

"Places that have affordable housing and a mix of housing will attract investment," says Sharon Chisholm, executive director of the Canadian Housing and Renewal Association, a national non-profit organization dedicated to supporting and strengthening the social housing sector.

"Investors will know that they will be able to find people to work and a mix of incomes and a mix of housing makes for vibrant attractive places," she adds. "Our argument is that by investing in housing, you're really investing in the economy, in better health, in reduced hospital costs, in an increased rate of completion of high school, in lower teenage pregnancies, in having workers available for jobs, in making cities and places more competitive on the global scene."

And that, says Kent, is also what Nearctic has in mind. "We want a mixed community, mixed demographically from a socio-economic point of view. Our objective is to create a walkable, sustainable urban village."

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

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Ostrich farmers struggle to find niche

Producers face challenges in meat production and marketing of birds

By Laura Severs
Business Edge

Canada's once-thriving ostrich industry has nearly ducked out of sight.

At its peak in the mid-1990s, the ostrich sector is now a mere shadow of its former self – with numbers plummeting from a high of 14,800 ostriches on 788 Canadian farms.

Statistics Canada figures released earlier this year, based on the 2006 census year, show 2,748 ostriches on 78 farms.

"There are about 40 good ostrich farmers in Alberta, that's the main area of ostrich production," says Ken Lewis, president of the Winnipeg-based Canadian Ostrich Marketing Export Team (COMET). "There's also four or five producers in the Okanagan Valley in B.C."

Add in a sprinkling of producers in other provinces such as Saskatchewan and Ontario and you have what Lewis describes as an awkward time in the industry.

"We were doing very well," recalls Lewis. "Canada was very strong in genetic perfection. When they (ostriches) first came to Canada from Africa, their genetics were all over the place. We did DNA testing. We perfected genetic lines and started getting known worldwide as a good source for ostrich genetics."

"But the industry crashed because no one went to the next step of bringing it into a product-based marketplace."

Those products include ostrich meat – a high-protein red meat low in cholesterol, fat and calories – skins for leather, oil for skin care and potential medicinal uses, feathers for dusting purposes, as well as eggs for cooking.

"Everyone was breeding ostriches, but there was no end market for them," says Lewis. "At one time I heard a statistic that there were 20,000 animals, but there was no dedicated abattoir."

Ostriches don't handle long-distance travel well, says former Saskatchewan ostrich producer Clay Ogilvie. Because they have two feet – as opposed to four for cattle – they're more susceptible to falling over and injuring themselves or another bird on long trips if a slaughterhouse is not nearby.

"Ostriches will transport OK, but only for a certain distance. If you go eight to 10 or 12 hours, you're going to see losses," says Ogilvie.

It's also hard to find abattoirs willing to take ostriches.

"The big plants want to kill beef or pork," says Ogilvie. "Other than that, they don't want to touch other animals. We need a multi-species slaughter facility for every other



Photo courtesy of Dianne Cornelius

Canadian Ostrich Association vice-president Clint Cornelius checks out his flock at a Calgary-area ranch.

Quick Facts

- The ostrich is the world's largest living bird.
- They belong to the ratite family, which means flightless bird.
- Native to Africa, ostriches thrive in countries all over the world.
- Adult males can reach around three metres in height and adult males weigh 158 to 240 kilograms.
- Ostriches can run at sustained speeds of up to 64 km/h.
- They can live to be 50 to 75 years old.
- Ostriches can lay 40 to 100 eggs per year, averaging about 60 eggs annually.
- They have two toes; all other birds have three or four toes.

Source: Canadian Ostrich Association

species that is not beef and pork."

Abattoirs also need to be federally certified if producers want to sell outside their own province. For worldwide sales, an abattoir would need to be certified by the European Union.

And while some – regardless of certification – may be willing to take ostriches, they may be unfamiliar with the bird and don't know the proper cuts or how to salvage the hide, which is worth as much as the meat.

Proper slaughterhouse facilities are not the only problem facing the Canadian ostrich industry, which continues to turn down large international orders simply because it can't supply the product.

"The public doesn't know much

about ostrich. We haven't done very well in our marketing and educating," says Clint Cornelius, vice-president of the Calgary-based Canadian Ostrich Association and an ostrich producer himself. "In Canada, we have to create our own local market and that takes time."

It's not all bad news.

Some small producers are doing well and are looking to expand. Others, such as Cornelius, whose Delalta Ostrich Farm is near Calgary, have grown larger by buying up those who want to get out of the field.

Ostrich farmers since 2001, Lorne and Willa Wilbur operate the South Lake Ostrich Farm near Peterborough, Ont. Though it's a small operation, the couple plans to expand. They sell ostrich oil, feathers, meat and eggs as well as ostrich chicks. They enjoy working with the birds and find their venture profitable.

"It's (ostrich) becoming more known and people want a healthier meat. People also come for the eggs," says Willa, adding many buyers find they're able to eat ostrich eggs even though they're allergic to other types of eggs.

"I've made some soap as well. People love the soap and the (ostrich) oils are good for arthritis – it's a good seller as well as the meat," adds Willa. "In some ways, the industry is getting smaller, but some people are still going into it. They're asking us for birds because they want to start a farm for themselves."

Cornelius also believes there is a future for the industry. Ostriches reproduce much faster than cattle

and require less feed, he notes.

"I would say the economics made me get in. They're very easy to raise and I see it as the best way to produce food," says Cornelius. "If you were to feed the world, it would be the best way. You can raise about 10 ostriches to one cow."

Ogilvie is also still bullish on ostrich. Even though he is no longer an ostrich producer, he created an ostrich product, Osticks, a high-protein meat snack that is manufactured by Ardath, Sask.-based Muscle Bird Nutrition.

"The biggest reason it came about – I'm a bodybuilder – is because I got quite tired of the protein bars that were out there. They were not convenient, they'd melt in the sun, they'd melt in your bag," says Ogilvie, who found that there wasn't enough time to produce both the meat stick and raise ostriches.

"The (Osticks) market is constantly growing. Our biggest issue is actually getting our hands on enough trim to get enough sticks to get bigger and bigger," says Ogilvie.

COMET's Lewis says low ostrich demand in Canada could easily be countered by focusing the majority of production on exports to countries where the demand is high.

"Canada can get back in," he adds. "We have the technology, the intellect, the desire, we just don't have the capital to put it all together, that's basically what's holding us back. That's what always has been holding us back."

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

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See Page 24

ALPINE HOMES
Celebrate Rustic Elegance

See Page 5

Confused by all those weird job titles? 'So what exactly do you do?' becoming more frequent workplace query

By Tess van Straaten
Business Edge

What's in a name? These days, it seems like a lot – or perhaps a lot of confusion – when it comes to job titles.

Have you heard of a “technology evangelist”? What about a “senior metrics analyst”? Or how about a “chief inspiration officer”? Not sure what any of these jobs actually do? You're not alone.

“Job titles have always naturally changed and evolved, but we're getting more and more out there,” says Barbara Bowes, who, as president of Winnipeg-based Bowes HR, opted for a more traditional title.

“There are no rules – you can call yourself anything you want and no one can stop you.”

Indeed, a quick search led us from the ambiguous – “community black belt”, “senior solutions architect” and “strategic focus specialist” – to the downright absurd.

“Premium communications samurai” gave us a good laugh. “Fire starter” sure wouldn't be something I'd want to put on my résumé unless I was a professional arsonist, and “information sleuth” invariably invokes visions of Nancy Drew.

Yet, more and more workplaces are going this route – jazzing up job titles in an effort to recruit, retain and even reward workers.

“I'm seeing it across the board – manufacturing, government, not-for-profits,” says Bowes. “It's definitely a trend and it's been building momentum for at least 15 years now.”

It may have all started with “sanitation engineer” to make garbage man sound better, but now there are all kinds of “engineers” who have nothing to do with engineering, evangelists who don't preach and architects who don't design buildings.

Take Jill McCubbin – she's a “conversation architect.”

“I've definitely had a lot of people ask me about it and ask me what it means,” remarks McCubbin, a communications specialist with market 2world communications, based in Almonte, Ont.

“What it came from is marketing is all about initiating conversations and the title is actually a good talking point and starts conversations because it gets people's attention and sparks their interest – it's a great entry into what we do as marketers

Quotable

“Job titles have always naturally changed and evolved, but we're getting more and more out there. There are no rules – you can call yourself anything you want and no one can stop you. I'm seeing it across the board – manufacturing, government, not-for-profits. It's... been building momentum for at least 15 years now.”



– Barbara Bowes,
president of Winnipeg-
based Bowes HR

and communicators.”

In the communications business for more than 10 years, McCubbin has had a slew of traditional titles, but likes her new trendy title the best.

“Before this I was called a communications strategist, which I actually thought was a lot more ambiguous and bureaucratic, where conversation architect stresses the conversation aspect of what we do as marketers and architect sparks interest.”

Even restaurants are getting in on the action, cooking up clever titles to get their customers' attention. The popular Works Gourmet Burger Bistro in Ottawa has a “commander in beef” – not to be confused, of course, with “the big cheese” who is also on staff.

It's not exactly what you'd write on the “occupation” line of immigration cards when you're travelling, but can these sometimes innovative – often outlandish – titles help boost the bottom line?

“Is it good for business?” asks Bowes. “I would say yes. You're creative, innovative and going with the times. You're creating new jobs. But at the same time, there are probably some that are pretty funny.”

Yes, there certainly are – especially when the biggest buzzwords right now are evangelist, architect and samurai.

Take the latter, which according to the Collins English Dictionary means a “member of an ancient Japanese warrior caste.” How exactly does that apply to any current job?

“Obviously, it can be very confusing,” Bowes acknowledges. “What

does that person do? I don't know!”

While some new titles are so ambiguous they even have the experts scratching their heads, giving a boring title some bling can be a big plus for employers.

“I think many businesses do it because they don't want to give someone a raise so they give them a better title instead to make them happy,” says Bowes.

“It also opens the job up to a broader candidate pool and helps attract more people to the position, which is very beneficial to organizations, and lets individuals who may not be considered otherwise to apply for the position because the job title is more generic.”

The downside to all this creativity is that it could mean less cash for

employees. With new and less traditional titles, there are fewer benchmarks and Bowes says that means salaries could suffer.

“Some titles you have no clue what they do and it doesn't actually mean anything and if it doesn't mean quite so much, businesses will definitely try to lower the salary level.”

It also makes it more difficult job-hunting when you have “chief evangelist” or “information architect” on your résumé.

“Part of the problem in many cases is that (the title) isn't clear and it makes it much more difficult for HR people and organizations to compare roles,” Bowes explains. “If we don't know how to slot it in and you go and apply for another job, it can be a hindrance to you because there are no comparable jobs.”

That's especially true of the other weird job title trend, which is to make titles even longer while managing to say even less.

“What do I think of my title?” asks Vancouver's Karen Peterson. “That it's very long!”

Peterson's official title is independent project director for the Vancouver and Richmond business liaison and communications committees of the Canada Line Rapid Transit Project.

Catchy, isn't it? It only takes up about half a page as an e-mail signature and can fit on a business card in very small print. And after all that, the protracted title doesn't actually capture Peterson's role – she's working to mitigate the impact of construction on business.

See @WORK

Page 19

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Canada missing trade boat

The Canadian Press

Canada's trade with the United States has stagnated since 2000 and the country "is being left behind, failing to take full advantage of the opportunities presented by global and regional supply chains, which poses a threat to Canadians' living standards," the Conference Board of Canada says.

Gains in trade with Asia, Europe and South America, largely caused by higher commodity prices, "have been insufficient to offset the plateau in the share of Canada-U.S. trade – both exports and imports – used as inputs into each other's production processes," the think-tank said.

"Canadians widely believe that we have become deeply integrated with

the U.S. economy, based on a privileged position as America's most important trade partner," said Danielle Goldfarb of the Conference Board's trade and investment centre.

"When the impact of rising prices is removed, however, Canada's involvement in North American supply chains has plateaued since 2000."

The study says Canadian companies have become more integrated into offshore supply chains, but "Canadian companies appear to be doing a much better job of using imported Asian inputs to make themselves more competitive than providing inputs into Asian supply chains."

It counsels Canadian businesses to do a better job at identifying areas where they are globally competitive, and to take greater advantage of other regions' strengths.

SALES from Page 15

Housing boom's long run near end

Yet, despite the growing realities of global aging and the cost of post-retirement living, most Canadians are still not financially protected, says Mueller. This leaves them feeling out of control.

This is particularly true for homeowners, says Mueller. According to Statistics Canada, 83 per cent of people's wealth in Canada is tied up in real estate.

Yet, many economists, including Ted Carmichael, chief economist for JP Morgan, recently asserted that the six-year housing boom, which started in 2002, is about to come to an abrupt end – with many housing prices dropping over the next 12 to 18 months.

Considering that most Canadians have an illogical attachment to the safety of their home and the security

of their real estate investment, most citizens then are not in as safe a financial position as they imagined, states Mueller, and this leaves them feeling vulnerable and out of control.

"As insurance and financial advisers, we are becoming even more important than politicians, bankers, accountants, lawyers and trust advisers," says Mueller, "because we are the only profession that can ask the questions and solicit the information" that takes the business of financial planning from a logical need to an emotional want.

"A prospect needs to make that emotional commitment," says Mueller. That's when they begin to feel in control.

(Romana King can be reached at king@businessedge.ca)

@WORK from Page 18

Buzzwords help pick new titles

"For the most part, if you aren't directly involved with the project, it requires explanation," Peterson admits. "Most of the time, when folks have to introduce me, they make a comment about it, but people look at me and remember me and that's maybe not such a bad thing – definitely not boring."

For those of you who happen to have boring – I mean traditional – titles and want something a little more exciting, you're in luck. Log on to www.bullshitjob.com/titles.html and you, too, can come up with your own flashy title.

The site's title generator picks key buzzwords from three different categories (think lead, quality and strategist).

Then, with the click of a mouse, you can be a "corporate metrics architect" or a "dynamic infrastructure orchestrator."

The titles are ambiguously familiar. Apparently, stringing important-sounding words together is far easier than you might expect – and increasingly more common.

"Even the mailroom clerk is no longer the mailroom clerk," Bowes points out. "They're a records distribution professional."

So should I start calling my boss a "publishing black belt"? Does that make me a "word evangelist"? Or can I be a "story samurai"? Then again, maybe I'll just stick with being a writer. Boring perhaps, but at least people know what I actually do.

Web Watch:

www.bullshitjob.com/titles.html
(Tess can Straaten can be reached at tess@businessedge.ca)

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Opinions

Auto deal could be industry 'death knell'

Maryanne Sholdra, a senior citizen and a councillor in the City of Oshawa, can rightly claim that General Motors has been part of the fibre and fabric of her life.

She was born and raised in the south end of the city, where the car company's sprawling manufacturing operations are located. She married a GM employee, Robert Sholdra, who worked on the line and as a supervisor from 1954 until his death in 1988. And the GM facilities are in the city ward she represents.

This spring, Sholdra is deeply concerned about the future of those operations, which have shaped her life and dominated the economy of her community for more than a century. On May 8, General Motors met for the first time with the Canadian Auto Workers to begin negotiating a new collective bargaining agreement.

"Everybody is just hoping and praying that they settle," says Sholdra. "We're all worried."

And so they should be. GM has already been cutting back production and workers in Oshawa. In November 2007, the company was running three shifts daily at one of its car plants, two at the second and employed 5,500 people. By the end of April, two shifts and 1,800 positions had been eliminated.

Likewise, last fall the truck plant was churning out gas-guzzling Chevrolet Silverados and GMC Sierras 24 hours a day and keeping 3,900 employed. At the start of negotiations, the plant was down to two shifts and 2,900 workers and the company had announced it would cancel the second shift in September, costing another 1,000 jobs.

In the current negotiations, GM had hoped to trim its wage and benefit costs in Canada by about \$30 an hour, from the current level of \$77 hourly. That would have brought its Canadian compensation rates in line with those at its U.S. plants and roughly in synch with those at the so-called foreign domestics, the Asian companies that have set up plant here.

In negotiations with the car companies last year in the U.S., the United Auto Workers made significant concessions. They gave up some of their health benefits and they accepted a two-tier wage structure in which new hires earn about half as much as existing workers.

But any chance of that happening here has disappeared. For one thing, CAW president Buzz Hargrove adamantly rejected a two-tier wage

structure before the negotiations even began. His union chose to begin the current round of talks with Ford Canada, the weakest of the three Detroit-based manufacturers.

In late April, Ford and the CAW reached a three-year agreement, later ratified by 67 per cent of Ford's blue-collar workforce, which freezes wages for the life of the deal and cost of living allowances for one.

If GM and Chrysler agree to similar deals, and most

experts are convinced that they have no choice, it will mean that the Ford, GM and Chrysler plants in Canada will have the world's highest labour costs.

That could be disastrous in the long run. "You can't give really good competitors a \$20 a hour advantage, or more, and expect to prosper," says

Dave Cole, chairman of the Center for Automotive Research in Ann Arbor, Mich. "It's just not going to happen. It's the death knell."

Cole says he can see GM closing its Oshawa truck plant altogether because sales have been tanking as fuel prices have risen and there is already significant over-capacity in the industry. He says there may be large cuts in the production of other vehicles in Canada as well.

Dennis DesRosiers, one of Canada's leading auto industry analysts, agrees.

"These are game-breaker negotiations," he argues. "The Ford deal essentially threatens the destruction of 100 years of building a viable Canadian auto industry. Nothing happens in the near term. Vehicle companies don't all of a sudden close plants and abandon Canada."

He anticipates that third shifts and other marginal operations could disappear in the short term. Bigger problems will occur down the road when the automakers are deciding whether to allocate production to plants in Canada or those in the U.S. while work-

ers here are earning \$20 to \$30 an hour more than their U.S. counterparts.

Hargrove has tried to get around that problem by demanding guarantees that GM will continue producing cars in Canada. "They can't get a settlement with us unless we solve the production-allocation problem," he told reporters at the outset of the negotiations.

To DesRosiers, it all smacks of a culture of entitlement that is sadly out of touch with reality.

"They've never had to make concessions because they've been in a highly protected industry," he says. "The auto pact, the value of the Canadian dollar and our health-care system gave them an advantage. That's changed. Our dollar is at par and the automakers in the U.S. got rid of their health-care costs. We could lose a significant part of our industry because of the egos of a few union representatives."

Small wonder then that Councillor Sholdra and her constituents are so worried.

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

Opinion



D'Arcy Jenish
Business Edge

Cartoon Corner



Tim Hortons Inc. shakes up executive suite

Business Edge

Oakville-based **Tim Hortons Inc.** (TSX, NYSE:THI) has announced several changes among its senior executives. **Roland Walton** has been appointed chief operations officer for Canada. Walton joined the company in 1997. **Bill Moir** has been named chief brand and marketing officer. Moir joined the company in 1990. **Bruce Wallace** is the new executive vice-president for the supply chain, continuing to oversee distribution. **Brigid Pelino** has been appointed senior VP for human resources. Pelino joined the company in 1991 as VP of human resources.

• • •
Algoma Steel Inc. has named **Amit Agarwal** as chief financial officer. Agarwal replaces **Dan Ardila**, who has said he is resigning to pursue other career interests. Agarwal joined Algoma's parent company **Essar** from Arcelor Mittal in 2007. Ardila's departure follows the announcement a week earlier of the resignation of Algoma Steel chief executive **Denis Turcotte**. Algoma, headquartered in Sault Ste. Marie, was taken over last summer for \$1.85 billion by Essar Steel of India.

• • •
Cymat Technologies Ltd. (TSX:

Moving On

CYM says it has appointed aluminum industry sales veteran **Tim Hardman** as the company's new president and COO. Hardman replaces **Chris Skillen**, previously president and CEO. Toronto-based Cymat produces stabilized aluminum foam, an ultra-light material that can be used in a variety of industries.

• • •
Honda Canada Inc. (NYSE:HMC) has named **Manabu Nishimae** as its president and CEO, replacing **Hiroshi Kobayashi**. Kobayashi will become the automaker's deputy COO and manager of regional sales for Japan. Nishimae, who has previously worked in Honda Canada's motorcycle division, was most recently working in Japan. Honda's Canadian office is in Toronto.

• • •
First Nickel Inc. (TSX:FNI) has promoted **Gerry Bilodeau** as VP of operations. He joined First Nickel as general manager of Sudbury operations in March of 2007. First Nickel is a mining and exploration company focused on the Sudbury basin. Its head office is in Toronto.

• • •
InStorage Real Estate Investment

Trust (TSX:IS.UN) says **Judy Kan** has been appointed senior VP for investments. Before joining InStorage, Kan was senior VP for real estate for a Canadian hotel REIT. InStorage invests primarily in self-storage properties and ancillary businesses throughout Canada. Its head office is in Toronto.

• • •
SunOpta Inc. (TSX:SOY, Nasdaq:STKL) has appointed **Tony Tavares** as VP and COO, effective June 1. Previously, he was CEO of Maple Lodge Farms Inc. SunOpta focuses on integrated business models in the natural and organic food, supplements, and health and beauty markets. Its head office is in Brampton.

• • •
Intrepid Mines Ltd. (TSX:IAU) says CFO **Brendan Gill** is resigning effective May 30 to pursue other business opportunities. A search for a new CFO is underway. Intrepid is an international gold and silver explorer and miner with properties in Australia, Argentina, Canada, El Salvador, Indonesia and Mexico. Its offices are in Toronto and Brisbane.

• • •
Call Genie Inc. (TSX:GNE) has named **Michael Henderson** as chief sales officer. He was formerly president of Telcordia Technologies global solutions group. Call Genie provides

local mobile search and advertising services to Yellow Pages publishers, directory assistance providers and wireless carriers. It has offices in Toronto, Calgary, San Francisco, Aarhus, Denmark, and London.

• • •
Ian Peres has voluntarily resigned as CFO of **Augen Capital Corp.** (TSXV:AUG) and **Augen Gold Corp.** **Manish Kshatriya** is now Augen Capital's senior financial officer and director of finance for Augen Gold. Augen Capital is a merchant bank specializing in the financing of and investment in emerging resource companies. Augen Gold is a junior gold exploration company. Their head office is in Toronto.

• • •
BFS Entertainment & Multimedia Ltd. (TSXV:BFS) has named **Cyril Kaye** as VP of sales and business development. He was most recently VP of Koch Entertainment Canada. BFS has its head office in Toronto and sales office in Los Angeles. It acquires rights to film and television programming for home video distribution and broadcast.

– with files from *The Canadian Press*
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Technology Edge



Social networking can prove guessing game But businesses are realizing its benefits in making contacts

“Joey Scarface has invited you to join his network on CosaNostra.com. Click here to accept his kind invitation. Click here to decline and get whacked.”

It hasn't quite come to that – but there's no denying that social networking invitations are popping up with greater frequency, even in the business setting.

Which ones should we accept? Are there risks to participating? How do you say “no thanks” to a would-be friend or business connection?

Here are some basic guidelines:

- Just because you haven't heard of a social network, don't pooh-pooh it. Orkut, which is actually operated by Google, was the most-visited social network service (SNS) in Brazil and India in March 2008, according to Sarah Radwanick of Internet tracking firm comScore, Inc.
- So if your business involves those countries, joining Orkut might make a lot of sense, especially if an overseas business contact invites you.
- Don't pay for a social network service. Almost all of the leading ones are free to join, and allow you to send free invitations. There may be some specialized professional networks that are worth paying for, but if you're looking for general business use, stick with the free ones because that's what everyone else is doing.
- Tell the truth and respect the protocols of the site. While it's fine for teenagers to lie outrageously about their hair colour and sexual preferences on sites such as Nexopia and Facebook, a business site deserves accuracy. If you're not comfortable giving out some requested information, just omit it, or put in your lawyer's contact information.
- If a site uses a “network of trust,” make sure that you only invite people that you're actually willing to vouch for. Adding a scoundrel to your “trusted friends” network could be as bad as giving that person a glowing reference letter.
- Try to separate business and personal use. In March 2008, comScore reports that Facebook was the No. 1 SNS in Canada, so you probably want to be there. On the other hand, your clients and co-workers probably don't

need to see vacation pictures or hear about your strange hobbies. Facebook provides a neat solution. Once you're signed up as an individual, you can create a “business page” for your company that doesn't refer to your personal information. Click on the “business” link at the bottom of the Facebook homepage to see how.

Future/ Present



Tom Keenan
Business Edge

Aside from Facebook, the most common “add me to your network” requests that I get come from LinkedIn and hi5. LinkedIn is much more businesslike and the requests tend to be from professionals. You can use your expanding network to get introduced to that corporate honcho or influential politician.

Both of LinkedIn and hi5 send you an e-mail when you receive a new message.

This at least partially alleviates the guilt that comes from forgetting to check the darn things often enough. LinkedIn also has a business-oriented “answers” section.

The questions there range from tiny and technical (“how do you delete a contact?”) to big and business-y (“Have any of you ever faced foreclosure?”) There are other answer sites, such as those run by Google and Yahoo, but LinkedIn boasts an upscale

clientele so their answers may be worth reading.

Aside from Facebook and MySpace, most SNS systems have a long way to go in terms of building a presence in Canada. The March 2008 comScore data puts hi5 at No. 14 and LinkedIn at No. 40. Of course, this ranking is affected by the inclusion of popular sites such as the No. 2 Blogger (for blogs) and No. 8 Flickr (for photo sharing).

In social networking, quality probably trumps quantity anyway. Not to mention convenience. I already knew that a former student of mine is senior adviser to federal Environment Minister John Baird, but if I forgot this fact, LinkedIn would remind me and even give me his e-mail address.

Now for the thorny questions of netiquette. Suppose you get an invitation from someone and you have no idea who it is. It might be a Romanian spammer or your long-lost cousin.

Well, there's a blog for Facebook etiquette. On it, Miss Maz Hardey gives this stern admonition: “First and foremost, you never ask directly ‘who are you?’ That is the height of rudeness.”

Instead, you are urged to probe gently, perhaps searching their list of friends and group memberships to tweak your memory.

What if you've scratched your head

and just cannot remember the person? “Delete and go,” advises Hardey. “That is the beauty of Facebook – you do not necessarily have to explain your actions and can tailor-make your social connections to include only those who are worth remembering after all!”

Just hope it's not your boss's boss that you're ignoring. I have heard about a workplace harassment case in the Canadian civil service that arose from an online snubbing.

Facebook and its cousins also have some advantages over e-mail. We've all told a new contact, “I'll send you an e-mail,” then the slip of paper gets lost or we just plain forget.

In my experience, people who say “I'll find you on Facebook” generally follow through with a friend request.

Another thing I've discovered is that young people who won't reply to e-mail often notice and reply to a message on their Facebook. They treat e-mail the way adults treat faxes, as something that was once urgent and important but is now more likely to contain annoying junk.

If having a bunch of social networks is overwhelming, you may want to consider downloading a free copy of Flock, which calls itself “the social web browser.”

See KEENAN

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Organized cybercrime a pervasive problem

Computer assaults on Estonia example of sophisticated attack

By David Hatton
Business Edge

Cyber criminals are launching increasingly sophisticated computer attacks that use multiple languages and exploit popular applications, says the California-based CEO of anti-virus software developer McAfee Inc.

"This is a pretty pervasive problem around the world right now," Dave DeWalt told reporters during a recent visit to Toronto, where he addressed the Economic Club of Toronto.

"One of the biggest concerns of NATO members are these organized attacks."

Just over a year ago, waves of co-ordinated computer attacks rocked Estonia and shut down thousands of the Baltic country's websites for days. They started with newspapers and television stations, then turned to schools and quickly spread to the nation's largest bank.

The attacks started almost immediately after city workers removed a bronze statue in the Estonian capital of Tallinn on April 26, leading many observers to conclude the two events were linked.

Officials had originally erected the monument to commemorate Soviet soldiers who died defeating the Nazis in the Second World War.

Estonians, however, saw it as a painful reminder of more than 50 years of Soviet occupation. Riots and demonstrations immediately broke out in both countries.

"Nobody could ever prove it was the Russians but the timing definitely was suspicious," said DeWalt.

"I remember it shut down utilities, telcos . . . paralysed practically the entire country."

Following the attacks, NATO spokesman Robert Pszcel told *The New York Times* that countries all over the world were watching.

"Events of this nature make a lot of people sit up," he said. "Today Estonia,

tomorrow it could be somebody else."

Ronald Gruia, a senior telecom analyst with consulting firm Frost & Sullivan in Toronto, said such an attack could also happen here in Canada. "There is definitely the potential," he said in an interview. "I think we certainly need to be careful. We are potentially just as much a target as Estonia."

Gruia added the situation almost resembled the 1983 Matthew Broderick film *War Games*, where a young man finds a backdoor into a U.S. military computer, causing reality to become confused with his virtual game-playing.

After the Estonian computer incident, a Russian man was arrested by authorities and insisted he had been operating on his own.

But some observers still believe the Kremlin may have been involved in the attacks, allegations denied by Moscow.

There are currently eight million cyber attacks each day on the Pentagon in Washington alone, said DeWalt.

The threat is also present in Canada.

Last February, Quebec Provincial Police raided homes all over the province and arrested 17 suspects in what it called the largest and most damaging computer-hacking network ever uncovered in Canada. Many of the victims were as far away as Mexico, Poland and Brazil.

Police said the suspects used sophisticated remote-control access to gain control of almost a million computers in 100 countries around the world. Once that occurred, they could carry out identity theft, data theft and denial-of-service attacks.

The probe began in 2006 after complaints started surfacing from government agencies, businesses and private individuals.

Police carefully traced IP addresses that had been rerouted through dozens of computers all over the world.

Around the World

- **Japan** – A popular peer-to-peer application in Japan called Winny is prone to malware and could cause serious data leaks. In the corporate setting, the Winny malware can expose data, steal passwords and delete files.
- **Russia** – Some of the most notorious attack toolkits are produced in Russia and sold in underground markets. These grey-market malware tools, combined with a lack of legislation against computer crime, lead experts to believe that the Russian Mafia will soon – if it hasn't already – latch onto cybercrime.
- **Brazil** – With a majority of Brazilians banking online, cybercrooks use a sophisticated social engineering scam to trick people into giving out personal information. In 2005 alone, the Brazilian Banks Association estimated losses at about US\$165 million due to virtual fraud. Malware creators rapidly adapt password-stealing Trojans to the changes banks make to their websites.

Source: McAfee

A spokesman for the RCMP's Integrated Technological Crime Unit (ITCU) said computer crimes are on the increase.

"With more people using computers and the internet you're definitely going to get more computer

crime," Sgt. Ron Rimnyac said in an interview.

One of ITCU's most high-profile cases has been the 2006 arrests of 18 alleged terrorists who were planning assaults on southern Ontario locations. Bomb-making supplies, guns and ammunition were seized by police.

"There were a number of computers that were also seized as a result of that investigation and we helped go through them," Rimnyac said.

Rimnyac added ITCU members often work with smaller police forces who lack the technical expertise to properly investigate some computer crimes.

DeWalt said McAfee has set up its own special AVERT teams (anti-virus emergency response teams) to look for the latest computer security threats and find ways to stop them.

As of February, they had identified 371,002 unique threats, according to a company press release.

It added the amount of malware, or malicious software, jumped 246 per cent from 2006 to 2007, with McAfee employees discovering another 527 each day.

McAfee has a Canadian head office north of Toronto and a research and development facility in Waterloo.

"There's something at Microsoft called 'Patch Tuesday,' where users can download the latest updates to their software," says DeWalt. "By the next day or two days later, hackers have already figured out vulnerabilities in the updates.

"We have to constantly stay alert to be on top of this."

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

KEENAN from Page 22

'Tweet' came in handy

It features a "People Sidebar" that automatically alerts you if one of your buddies has posted a photo on Flickr or Facebook, or burped up a "tweet" on Twitter.

That's a micro-blogging site, which carries mini-updates on people's lives, often on a minute-by-minute basis.

If you don't see the point of tweets, consider the plight of California graduate student James Karl Buck, who was arrested at an anti-government rally in Egypt on April 10.

Buck managed to get onto Twitter from his cellphone, and hammer out the one word "Arrested." Sure enough, his friends mobilized to get him freed.

Now there's a social network that even a *capo di tutti capi* would appreciate.

(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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