

# Business Edge

News Magazine

ONTARIO

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**Building Wealth  
Through Real Estate**  
REDEV Properties  
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## Few women attracted to careers in mining

### Industry working to remedy labour shortfall

By Monte Stewart  
*Business Edge*

Canada's mining industry is wooing more women workers than ever, but still falling far short of meeting its labour needs.

According to the Ottawa-based Mining Industry Human Resources Council (MiHR), the number of women in the industry has increased to 18,000, up considerably from previous decades.

But MiHR says women still comprise only about 12.5 per cent of the sector's 140,000 employees across Canada. In some production jobs, the percentage of women is much lower, only in the four- to five-per-cent range.

"The percentage of women is increasing, although we are still dealing with a lot of legacies," says Ryan Montpellier, MiHR's executive director. "The mining industry hasn't been appealing to women for a long time - and we're working to change that."

Montpellier says the council estimates the industry will have a shortage of 92,000 jobs over the next decade as Baby Boomers retire.

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NEWSSTAND \$2

## Standard bearer



Peter McCabe, Business Edge

## Revving up the insurance industry

American muscle cars may be a passion for Standard Life Assurance Co. of Canada president and CEO Joseph Iannicelli, but the insurance business is his true love. After an early experience in the retail sector, he turned an application for an insurance job into a rapid climb to the top rungs of the Canadian industry. See **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  
Fax 403.264.4439

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

**PUBLISHER**  
Rob Driscoll

**EDITOR-IN-CHIEF**  
Terry Inigo-Jones

**HEAD OF RESEARCH**  
Alexis D. Smolensk

**CIRCULATION MANAGER**  
Alexis D. Smolensk

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Computer experts have found Canadians are more likely to be victims of cybercrime than street violence and we're bigger software pirates than our U.S. cousins, says columnist Tom Keenan.

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## Autoparts makers face more troubles

*Business Edge*

The Conference Board of Canada says Canadian autoparts makers face another tough year with production falling by eight per cent in the face of the strong loonie and declining U.S. demand.

The economic think-tank's outlook notes that despite aggressive price-cutting and sales incentives, American auto sales are expected to be the weakest in a decade.

As a result, Canadian autoparts manufacturers, which ship most of their exports south of border, will experience a third consecutive year of decline.

The board says prospects for the industry will begin to brighten somewhat in 2009. The opening of Honda's engine plant in Alliston, Ont., later this year and increased production associated with Toyota's new RAV4 plant in Woodstock will help boost production by 6.9 per cent in 2009.

# 100 tips

## for growing your business

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**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.

*to be continued...*

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# Securities regulator issue not on agenda

## But backroom talks still expected as finance ministers meet

By David Hatton  
Business Edge

Federal Finance Minister Jim Flaherty will not be using meetings with his provincial counterparts this week to formally lobby for a single national securities regulator, according to a government spokeswoman.

But there could still be a lot of informal backroom discussions going on between meetings, Suzanne Prebinski said in a telephone interview from Ottawa. "It's not on the actual agenda, but that doesn't mean they don't talk to each other about it between meetings," she explained. "There are usually a lot of those informal discussions."

The issue has dogged Flaherty for more than a year now as he has tried to get the provinces to agree on a potential solution.

In the past, companies wanting to sell their stock in Canada needed to apply to each of the 13 provincial and territorial securities regulators for permission first. Critics argued it was a complex time-consuming system that discouraged using Canada's financial markets.

An agreement to implement a so-called passport system of regulation – where companies getting approved in one jurisdiction would automatically be accepted in the rest – was signed by the provinces and territories in September 2005, with only one holdout, Ontario.

With about 80 per cent of the securities transactions in Canada going through Ontario and falling under the jurisdiction of the Ontario Securities Commission (OSC), a battle loomed.

During a speech to the Economic Club of Toronto last month, OSC chair David Wilson argued a single national regulator made the most sense.

He explained the 13 provincial and territorial securities commissions, two self-regulatory organizations and the RCMP's commercial crime branch and Integrated Market Enforcement Team (IMET) have resulted in a "securities-enforcement mosaic."

That doesn't include the 13 provincial and territorial Crown prosecutors, all dealing with "different laws... and different interpretations of the same laws," Wilson said.

"You may have your own description (of the situation)," he quipped. "While not a silver bullet, there is no doubt that a common regulator would improve regulation in Canada's financial markets. It seems all we need now is the will to make it happen."

The Council of Ministers of Securities Regulation, representing all provinces and territories except Ontario, pushed ahead last March with what it calls Phase 2 of passport implementation. Under the "one-

way" passport, companies that receive approval in other jurisdictions, including Ontario, are automatically recognized everywhere else.

But Ontario has refused to grant such immediate status to companies that are approved in any of the other council member's areas.

"While we have made very good progress, we could do better if Ontario joined our efforts," Manitoba Finance Minister Greg Selinger, who is also chair of the Council of Ministers of Securities Regulation, wrote in the *Financial Post* last March.

"The Council of Ministers has been disappointed by Ontario's refusal to join the passport system. We believe the Ontario government's desire for a single securities regulator should not prevent all participants in Ontario's capital markets from enjoying the benefits of practical, meaningful reforms of the existing legal framework, like the passport system," he said.

A Manitoba government spokesperson confirmed Selinger would be at this week's meetings in Montreal, but declined to say if the minister would try to discuss the passport system with Flaherty.

Meanwhile, Flaherty announced last February an expert panel, led by former cabinet minister Tom Hockin, would study the passport and single-regulator systems and report back by the end of this year.

Panelists have already held closed-door consultations with industry participants in several Canadian cities, said the panel's communications manager George Bentley.

"It's keeping us busy, that's for sure," he told *Business Edge*. "Right now it looks like we should be able to

present our final report to the minister (Flaherty) by late December."

Bentley added the panel is still accepting written submissions at its

website ([www.expertpanel.ca](http://www.expertpanel.ca)) until July 15.

(David Hatton can be reached at [hatton@businessedge.ca](mailto:hatton@businessedge.ca))

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REPORT from Page 1

# Miners prepared to recruit from other industries

The figure is based on MiHR's mining labour market transition report released last year. It's up from a previously predicted shortfall of 81,000, which was based on a 2005 MiHR study.

Positions in demand include traditional geoscientists, as well as electricians, welders and equipment operators.

Ontario Mining Association (OMA) spokesman Peter McBride said that province will account for about a third of the anticipated labour shortage.

McBride says the OMA will hold a conference in Windsor in June and one of the main workshops will focus on how to make the mining workplace more friendly to women.

"We've got lots of women who are coming to tell their personal stories, and we'll be working to try to get some concrete ideas on the table for companies to pursue and for the association to hold out there an umbrella activity to raise that demographic," he says.

MiHR's Montpellier says while the mining industry is going through a significant period of prosperity with high commodity prices, it's becoming increasingly challenging to retain skilled workers.

Some companies, he says, will lose up to half of their workforces in the coming years.

The council, national and provincial industry associations, and exploration and production firms are targeting women, Aboriginals and disabled people while looking at ways to develop new technologies and retain older workers.

The mining sector also plans to recruit from industries such as forestry and manufacturing, which are experiencing major downsizing.

Montpellier says a joint study between MiHR and the Conference Board of Canada recently found that companies are using many innovative strategies to attract women and other under-represented groups. But he suggests there is still a lot of work to be done.

"We are out there, working with the school system and so on, to try to dispel some of the myths about working in the mining industry," says Montpellier. "We do a lot of research with youth - male and female - and there are still a lot of negative stereotypes that exist within the industry."

"What we're trying to do is change some of those stereotypes and let people know that the mining industry is not a brute-force industry."

According to a BC Mineral Exploration and Mining Labour Market Task Force report released earlier this month, only about 16 per cent of B.C. mining employees who responded are women.

## Quotable

*"Many women in the K-12 zone don't go into sciences, so then you have a smaller pool for them to enter. And, it is a male-dominated industry, so that can be intimidating for many women. Most places I worked at would have no, or very few, women."*

- **Cassandra Hall**,  
communications and  
community relations  
director with  
Association for  
Mineral Exploration BC

B.C. mining companies estimate they will have a shortage of 15,000 employees over the next decade.

The task force, in conjunction with MiHR, Ottawa and the B.C. government, has developed a labour strategy that would cost \$40 million to implement. If all goes according to plan, governments would provide \$30 million and industry \$10 million.

Cassandra Hall, a geologist who serves as communications and community relations director with Association for Mineral Exploration BC (AME BC), says the sector has had difficulty attracting women because it is science-based.

"Many women in the K-12 zone don't go into sciences, so then you have a smaller pool for them to enter," she says. "And, it is a male-dominated industry, so that can be intimidating for many women. Most places I worked at would have no, or very few, women."

More women are entering the industry now, she says, because they are choosing science as a viable career and geology is starting to attract people who like the outdoors.

Some women have also persevered and become mentors. But it is difficult for companies to retain women.

"My graduating class probably had (a) 50-50 (split of men and women), but many (women) don't stay in the industry," says Hall, who obtained her geology degree from the University of Western Ontario in 1997.

She says it's difficult for many women miners to find a work-life balance, adding her own current post is a "compromise."

She got into the public relations side because she wanted to remain in the industry, but travel less, after her daughter was born four years ago.

But Danette Schwab, a geologist with Vancouver-based exploration and development company NovaGold Resources, says the male-female ratio

among geologists in her company is almost 50-50.

"I just find that there are not a lot of people in the mid-range age that are geologists," says Schwab. "I'm not sure what was happening in the past - why women weren't entering the field - but I think that's changed now."

In Ontario, the OMA's McBride says mining companies are "waking up" when it comes to hiring women.

"They're doing a lot to change things right now," he says. "Part of that is changing the image of the industry."

"In the past, mining employed less technology. It's an image of an industry that's male-dominated and, perhaps, not too clean. Now, as technology has come in, modern mining is certainly (among) the safest industries going nationally."

But an AME BC survey also shows

companies are struggling to hire women while offering higher than average salaries.

A senior geologist with 20 years of experience can earn up to \$105,000 per year while a newcomer with two years of experience receives \$56,000 annually.

A mid-career geologist with 10-14 years of experience earns a median salary of \$87,500 while someone with 15-19 years can make \$95,000.

"Women are in all facets of mining," says David Bazowski, chairman of the BC Mineral Exploration and Mining Labour Market Task Force. "We just think there's greater opportunity to have more women in all of those jobs."

Most women work in mining's professional ranks and camp-service positions.

Historically, he says, perceptions about men's work and women's work and the amount of physical labour required in mining have deterred females from seeking careers in the sector.

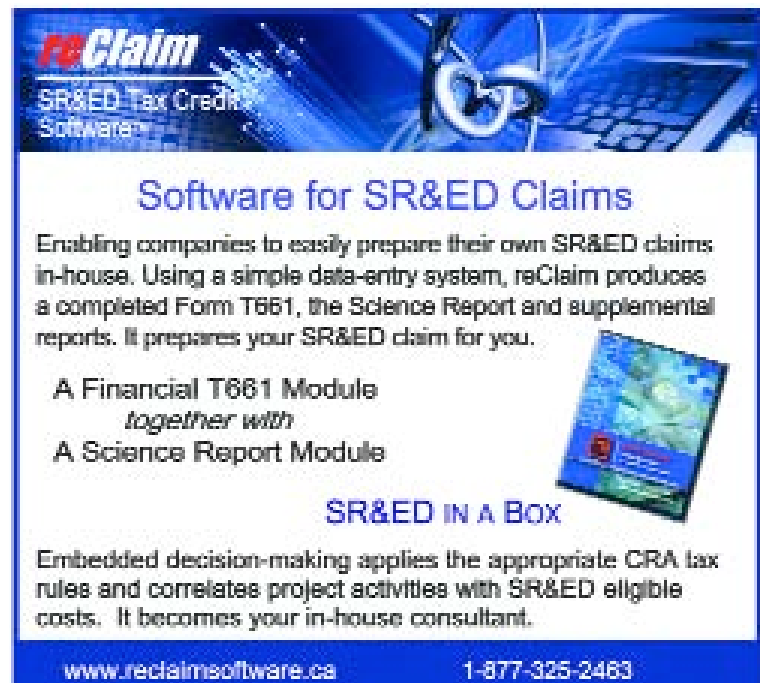
But mining actually requires more brains than brawn - in other words, skills to operate equipment that does the heavy work for you.

"It's not the pick-and-shovel heavy load work," says Bazowski. "That's not the way mining works today. It's a high-volume, economies-of-scale type of industry, so it means there are really no restrictions physically for anybody to participate."

The OMA's McBride agrees, adding given the technological changes in the industry, there are "no muscle barriers."

"You don't need to be a weightlifter to be a miner," he says.

(Monte Stewart can be reached at [monte@businessedge.ca](mailto:monte@businessedge.ca))



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# Ontario leads country in mining exploration

By Monte Stewart  
Business Edge

**M**ining activity is expected to remain strong across Canada this year, say industry and government officials.

The optimistic outlook comes even though a recent report shows British Columbia's mining industry experienced a 48-per-cent drop last year in year-over-year net earnings.

According to Natural Resources Canada (NRC), Ontario will lead the country in exploration this year, based on dollar numbers that are on par with provincial figures. The province should see a plus-20-per-cent increase over 2007.

Quebec will have the second-largest jump - 16.8 per cent - to \$463.6 million from \$429.9 million. B.C. expenditures will climb 15.8 per cent to \$437.2 million from \$428 million.

Nunavut and Saskatchewan will round out the top five increases, at 11.6 per cent and 11.5 per cent, respectively.

A report by PricewaterhouseCoopers (PwC) shows net earnings for B.C. mining companies fell to \$1.2 billion in 2007 from a record \$2.3 billion the previous year.

But shareholders earned dividends of \$635 million, prompting claims from industry and government officials alike that mining has a promising future in the province.

"It's been another very good year for the mining industry in B.C.," said Michael Cinnamond, the report's author and a partner in PwC's B.C. mining practice.

The decline in net earnings was mainly attributed to a 26-per-cent drop in the average coal price to US\$80 per tonne and a 10-per-cent reduction in total coal shipments. Coal prices are expected to be much stronger this year.

B.C. gross mining revenues descended 15 per cent to \$6.9 billion from \$8.1 billion in 2006, while cash-flow from operations decreased 31 per cent to \$1.9 billion. Cinnamond noted the provincial government estimates a 57-per-cent increase in total exploration expenditures to \$416 million from \$265 million in 2006.

Meanwhile, the Ontario Ministry of Northern Development and Mines is forecasting \$629 million worth of exploration activity in the province this year. Last year, production activity generated \$10.7 billion.

"Right now, I would say we're probably expecting something in that ballpark again," says ministry spokesman Brock Greenwell.

He adds nickel will be the most-produced mineral, followed by copper, which in 2007 overtook gold for the first time in 25 years.

"I think (activity) will be strong all over (Ontario)," says Patrick Donnelly, a Toronto-based analyst with Salma

Partners. "The only thing that could hold anything back would be (Aboriginal) land claims."

The NRC figures show exploration expenditures in Ontario have more than doubled from \$306.9 million spent in 2004.

Last year, across Canada, nickel generated the largest production-related revenue total - \$9.9 billion, which was a 9.2-per-cent jump from 2007.

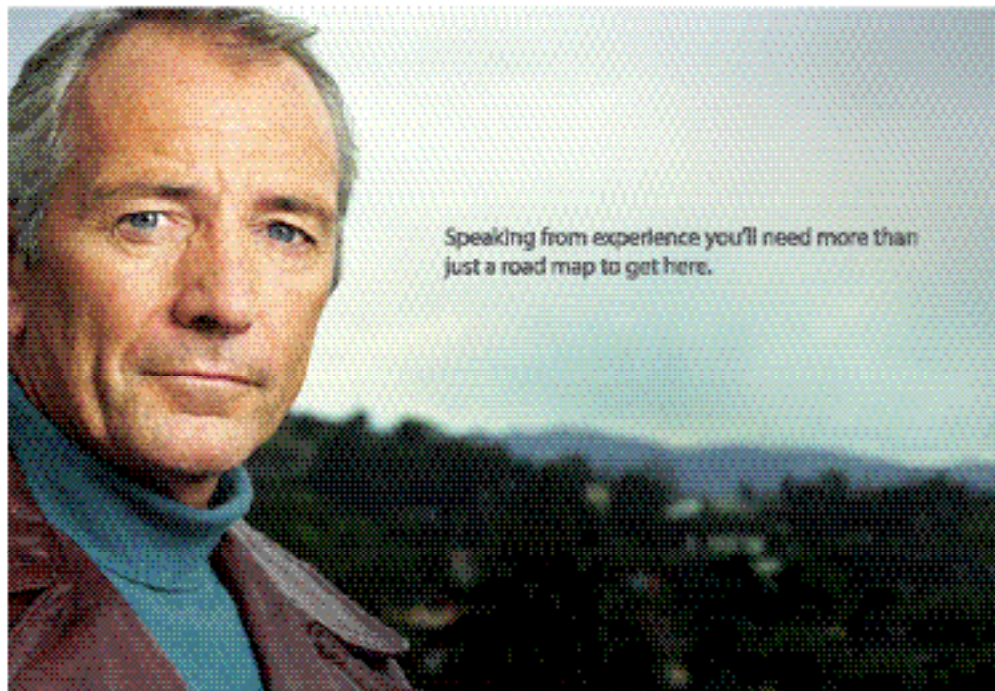
Despite coal's heavy influence, the PwC report shows copper continued to generate the most net revenues in B.C. - \$1.66 billion. Metallurgical coal ranked second at \$1.37 billion, while zinc (\$1.23 billion) and molybdenum (\$433 million) round out the top four.

Gold production and shipments produced a modest \$205 million in net revenues, even though the precious metal's average price

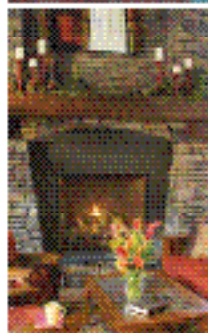
neered a record US\$1,000 per ounce.

PwC based its findings on financial information provided by 19 operating metal and coal mines, one smelter, eight projects in the permitted or active permitting stages, six mines that are undergoing reclamation and six advanced exploration-stage properties.

(Monte Stewart can be reached at [monte@businessedge.ca](mailto:monte@businessedge.ca))



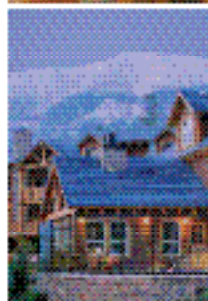
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# Young entrepreneurs soar with helping hand

## CYBF's startup financing was pivotal in creating their own businesses

By Laura Severs  
Business Edge

Colin Davison operates in stealth mode. Jodi Sinden emerged alive from *The Dragon's Den*.

Both are aspiring young Canadian entrepreneurs who are turning heads, winning awards and showing Canada's business community what its younger generation has to offer.

Davison, recently named the National Best Business Award winner by the Toronto-based Canadian Youth Business Foundation (CYBF), is well on his way to taking his Calgary-based Stealth Acoustical & Emission Control Inc. to a \$10-million company by March 2009 – and his business, which designs and engineers acoustic emissions services primarily for power generation and gas compressions, is only two years old.

A national charity, the CYBF provides young Canadians with startup financing of up to \$15,000, mentoring and resources to create their own business. Many of the candidates, ages 18-34, have a great business idea, but are unable to access funds through traditional sources.

"It's a very niche market; there are various acoustical consulting firms and various manufacturers," says Davison, who was turned down by several banks before going to the CYBF. The foundation's \$15,000 loan enabled Stealth Acoustical to buy its first piece of equipment.

Sinden, whose Homebox filing system brings a fresh look to eliminating clutter, snagged an initial award at last year's National Stationery Show in New York as the best new desk-accessories product.

She also caught the attention of the business moguls on the CBC-TV reality show, *The Dragon's Den*, where five business leaders decide whether they'll put their own money behind an aspiring entrepreneur's product.

This year, her Toronto-based Sinden Home company went on to win with the CYBF Ontario Best Business Award.

Sinden says she first joined a Toronto business incubator and developed multiple versions of her Homebox prototype before she approached the CYBF.

"I wanted to borrow money to launch the product," says Sinden. "What that entailed was ordering initial inventory, paying for a tradeshow plus all the promotional materials for the tradeshow."

Her filing system, an embossed faux-leather box that retails for \$30, is filled with nine pre-printed storage folders to organize everything from career and education to health and finances.

The loan enabled her to go to the National Stationery Show in New York



Photo by Forrester Fotografic

Jodi Sinden's Homebox filing system has been a big hit since her Sinden Home company product won honours in New York.

and the rest, as she says, is history.

"That started a snowball of sales in Canada and the U.S. First, it was picked up by small retailers, then the TV shopping networks and now the chains," says Sinden.

Both Davison and Sinden credit the CYBF, whose 2008 awards were handed out recently, for making their dreams come true.

Since its founding in 1996, CYBF has invested in more than 2,400 young entrepreneurs, whose businesses have generated more than \$267 million in sales revenue, \$63 million in tax revenue and created more than 13,000 new jobs.

"Really, the CYBF and the BDC (Business Development Bank of Canada) were the only two financial institutions that came to the plate and believed in us," says Davison, whose company now employs 40 people with a small manufacturing plant in Winnipeg and another manufacturing operation, as well as a sales office, in Denver, Colo.

"Two years ago we started with two people," he adds. "Our plans are to be a \$20-million company in five years and that would take us to between 75 and 100 staff members."

But it wasn't just the \$15,000 loan –

or the CYBF national award – that made Stealth Acoustical the \$5-million operation it is today. It was the mentorship that was instrumental in helping Davison to grow his company.

"Having a mentor has been absolutely invaluable. That's been a critical difference," says Davison, pointing to the knowledge he received on how to grow a company.

CYBF's Ontario director Shelley Marinigh says every person approved for startup financing is assigned a qualified business mentor, who works one-on-one with the young entrepreneur for a minimum of four hours every month for the first two years of operation.

"These mentors are hand-matched to the young entrepreneur, matching the skillsets of the mentor to the youth who require those specific skillsets the mentor has," she says.

Sinden says the mentorship, in particular, provided a boost to her own business.

"Besides the loan – which itself was good as it's very difficult to get financing without a long history and my business was new – the value from the CYBF has been the mentor," she says.

"It's really helpful in a small business to have somebody like that, with business experience, to share their knowledge with me."

Stealth Acoustical was also named as the 2008 Alberta Best Business winner. But as the national winner, Davison's company was awarded \$20,000 to expand the business.

He says the honour hasn't changed the way he does business – he still invests 12 to 13 hours days on his business and five to six additional hours on weekends.

And he allows that the day of the CYBF award was the first full day he had off in five weeks.

See WINNERS

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WINNERS from Page 6

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- **CYBF British Columbia Best Business Award**

Robert Kenfield, Vancouver; Dream-Life Design Inc. (Visualization tools for architectural design and new property developments.)

- **CYBF Central Prairies Best Business Award**

Jason Moniz, Winnipeg; South Sherbrook Therapy (Specializing in the prevention and care of musculo-

skeletal injuries and disorders.)

- **CYBF Québec Best Business Award**

Jean-François Veilleux, Quebec; Nutra-Fruit Inc. (Makes and distributes functional foods made mainly from cranberries.)

- **CYBF Atlantic Best Business Award**

Bang and Kim Dao, Halifax; Talay Thai Restaurant Ltd.

Meanwhile, another young Canadian entrepreneur is capitalizing on people's love for sweets. Joseph Moncada, a student in the Schulich School

of Business at York University in Toronto, owns and operates Sweet Tooth Candy Emporium, a network of stores and kiosks offering rare, retro and imported sweets from around the world.

Named the 2008 National Student Entrepreneur Champion by Advancing Canadian Entrepreneurship (ACE) Inc., Moncada will move on to represent Canada at the Global Student Entrepreneur Awards to be held in Chicago this fall. ACE is a national

charitable not-for-profit organization that works in partnership with business and higher education.

Sweet Tooth Candy Emporium, which started as a summer project through the Ontario Government Summer Company program, now employs more than 25 people and has grown to include three stores. Moncada wins a cash prize of \$10,000 and was chosen from the six regional champions.

(Laura Severs can be reached at [laura@businessedge.ca](mailto:laura@businessedge.ca))



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## 20 Questions



Peter McCabe, Business Edge

Standard Life of Canada CEO Joseph Iannicelli's parents encouraged him to pursue higher education and a career in financial services.

# Insurance CEO loving life in fast lane

## Standard Life chief drives his muscle cars and his company's vision

By Monte Stewart  
Business Edge

If it weren't for his wife, Joseph Iannicelli would not own an Alfa Romeo named Sophia. Nor would he be the president and CEO of Montreal-based Standard Life Assurance Co. of Canada, which is celebrating its 175th anniversary this year.

His wife talked him out of buying yet another Mustang for his collection of American muscle cars, and many years earlier, she talked him into applying for a job in the insurance industry.

Now, he loves the sector that he once loathed.

"It's an industry where you help people," says Iannicelli, who also helps people by working with several charitable associations.

He learned his helpful ways by selling shoes . . .

### 1. When did your parents emigrate from Italy?

"My dad travelled back and forth from Naples to Canada and the States for a while. Whenever the money ran out, he went back to Italy to work, and then decided at 33 he should get married. He went back to Naples. My

mom was 27 at the time. My dad was one of 18 kids. My mom was one of eight. He had grown up with her in the neighbourhood. They got married in early '61. Then my dad came to Canada, earned enough money to send a ticket for my mom. I was conceived in Italy and born in October of 1961. It was an interesting journey. I travelled an ocean in my mom's big belly, landed in Halifax, took the train to Toronto and I was born."

### 2. What type of factory did your father work in?

"His very first job, typical immigrant, was as a labourer in the construction trade, but he thought it was too hard on his back and his knees. He was digging ditches. Nothing wrong with it, I guess, but he just thought he wanted something in a factory (that was) a little bit more controlled in terms of hours. That's when he found a job at (tea company) Thomas J. Lipton. I think his first salary was \$65 a week. He worked there from 1963 right through to when he died, on April 6, 1988. The only day he took a sick day was the day he was diagnosed with lung cancer, and he never went back to work. His horse sense had come to him, I guess."

### 3. Where did your mother work?

"She was making fibreglass boats for a while and then she was making wallets. I remember the boats vividly, because (the factory) was relatively close to where we lived. She was lining the boats with some kind of fibreglass. I remember taking my cheap hockey sticks from Canadian Tire and giving them to her, and she would coat them with 25 layers of fibreglass. When I was a kid, before the plastic (super) blades, we used to have street hockey sticks and the good ones would have fibreglass on them. Those things were indestructible. They lasted me the whole street hockey season."

### 4. How did your parents influence your career choices?

"I always wanted to be an actor. I loved theatre, I loved acting and I loved television. Throughout elementary and high school, I always played the lead in plays. I remember talking to my counsellor in high school (about an acting career), and I told my parents about it. They both said I was out of my mind. My dad said, 'Absolutely not!' He showed me his hands and he said, 'You don't want these hands.' His hands were full of calluses from (working with) concrete, paint and all of the rest of

that stuff. He said, 'You want soft hands, and you want to carry a pencil and not a hammer, and you want to wear a shirt and tie and not a uniform.' No disrespect to anyone who wears a uniform, but that was his way of saying, 'You don't want to be me.' I think he had Grade 3 education. My mom has Grade 1. There was absolutely no choice – I had to go to university. We did not discuss the possibility of not going to university."

### 5. How were you steered toward insurance?

"I always wanted a finance-related career, but I didn't know anything about the insurance industry. I fell into it because, when I graduated and got my first degree in '84, it was quite difficult to find a job in Toronto. I did not have any connections or contacts, so I actually worked retail for a year – selling shoes – and I went back to York to do a second degree. Then I met the woman who eventually became my wife, Mary. She had an aunt who worked in the insurance industry at the time at Canada Life . . . So I applied to Canada Life and used her aunt as a reference and actually got an interview. I got my first job at Canada Life underwriting U.S. risk."

See 20 QUESTIONS

Page 10



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20 QUESTIONS from Page 8

## Retail job helped shape executive's attitudes

### 6. How did selling shoes prepare you for the job that you have now?

"Everyone should have at least one year of retail in their life – early. It helps you deal with different customers' attitudes. You learn the sales process, and I believe life is one big sale, no matter what you do. It teaches you responsibility. How to dress properly. How to deal with different personalities. How to understand people's needs and talk them into something that you believe that they need, even though they may not think that at the time. It's a great experience overall."

### 7. How did you end up joining Standard Life from Canada Life?

"When I was at Canada Life, I was underwriting U.S. risk for group

schemes. After a couple of years, (because) I kind of always had sales and marketing in me, I wanted to become a salesperson at Canada Life. But at the time, they were not hiring people who did not have direct (insurance) sales experience. So I had to leave. I applied and received a job at a (health benefits) company called CIGNA. My initial plan was to be there a couple of years, learn the sales process and learn about some of the products. At least I would have some sales experience. I ended up being there for about four years, because I really liked it and I was doing well. I was a big fish in a small pond and quite influential. And then Standard Life was looking to expand their Toronto office, and they were looking

for a senior sales representative. A placement agency contacted me and one thing led to another."

### 8. What was your vision for the company after you were appointed CEO?

"I saw unrealized potential. In the short term, we were in the process of de-mutualizing. We're listed on the London Stock Exchange, but at the time we had to prepare the company – globally – to de-mutualize... But the longer-term vision, which we're entering now, is the unrealized potential for a company like Standard Life. As you know, we operate in an environment where there are three large carriers and they're very good. We're the fourth-largest insurance carrier in Canada. Canada is the fourth-largest

pension market in the world and we're known as a pension provider. Yet, at the time, we were focused on being good everywhere, so we were concentrating our efforts on deploying capital where we thought we needed to grow because we were smaller. I said, 'If you want to be good everywhere, you're probably going to be excellent nowhere.' So we wanted to focus on where we were excellent and make sure that things that we were not so good at did not hurt us."

### 9. How are you trying to raise your company's profile?

"Maybe we should talk about why. It's a pretty aggressive approach for us, for a couple of reasons.

See STOCK

Page 11

## Joseph Iannicelli

- **Title:** President/CEO, Standard Life Insurance Co. of Canada.
- **Born/raised/age:** Toronto/46.
- **Education:** Commerce and administrative studies degrees from York University.
- **Family:** Married, three children.
- **Career:** After graduating with a commerce degree, Iannicelli sold shoes for a year. He then completed his second degree and, with help from his wife's aunt, landed a job as an underwriter with Canada Life. In 1992, he joined Standard Life as a senior sales rep. In 1995, he was named the Toronto regional sales manager. Three years later, he was promoted to vice-president of marketing. He then became senior vice-president for the entire company and was promoted to president and CEO in 2005.
- **Moonlighting:** Iannicelli serves as a director with the Board of Trade of Metropolitan Montreal and the Canadian Chamber of Commerce. He also chairs the Assuris industry advisory committee and is a member of the Canadian Life and Health Insurance Association's standing committee on standards and marketplace relations, as well as the Canadian Council of Chief Executives.
- **Charitable Efforts:** Iannicelli is vice-president of the Douglas Mental Health University Institute Foundation in Montreal and is a member of the Greater Toronto YMCA's Open Doors fund council and the Italian-Canadian Community Foundation of Quebec.



Joseph Iannicelli

## Standard Life Insurance Co. of Canada

- **Brass:** Jocelyn Proteau, chairman of board; Joseph Iannicelli, president and CEO.
- **Profile:** Montreal-based Standard Life is a Canadian subsidiary of the Scottish publicly traded parent of a similar name. Founded in 1833, Standard Life of Canada has 2,000 employees with other offices in Halifax, Quebec City, Ottawa, Toronto, London, Winnipeg, Calgary, Edmonton and Vancouver. While selling traditional insurance products, it focuses on providing wealth-management services to individuals, groups and institutions.
- **Stats:** Standard Life of Canada recorded a net income of \$204 million in 2007. The firm has 1.3 million clients, including group insurance and pension plan participants, along with 14,000 institutional and individual shareholders. It manages \$38 billion worth of assets.
- **Recent Stock Price (SL.L):** £257. 52-Week Range: £185.20-£274.50.
- **Website:** www.standardlife.ca
- **HQ:** 1245 Sherbrooke St., Montreal, H3G 1G3

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STOCK from Page 10

# Branding, credibility are key goals for firm

“Because we’re not listed in Canada, we are not a widely held stock here. The general population does not have a vested interest in knowing what we do or who we are, in that we are not part of their investments generally – unlike our competition, that are indeed widely held stocks. Branding and credibility seem to go hand in hand. We need to manufacture our own exposure. We need to push who we are. We need to tell people what we do.”

**10. How has the U.S. asset-backed commercial paper crisis affected your company?**

“I am absolutely thrilled to report that we have zero exposure to any of that stuff. If you go back to Standard Life’s investment philosophy, we’re a pretty prudent company when it comes to investing other people’s money.”

**11. What do you see as significant changes that have occurred since you joined the company, and since you took over as president and CEO?**

“One of the things that we’ve seen is a larger focus on the talent of the organization. Proper acquisition of talent. Proper deployment of talent. Letting the people do their job. And proper development of key talent. The industry has changed for sure, because there’s been a little bit more consolidation, certainly from the managers’ side. We’ve seen some new products hit the market, like guaranteed minimum-withdrawal benefits that have done quite well in the marketplace.”

**12. What future changes do you foresee?**

“I’m a big believer in studying demographics. I believe that demographics will drive everything, whether it’s purchasing habits or other things. You’re going to see the whole Boomer bubble proceed towards the payout phase of their life-cycle. The early Boomers, like myself, who are going on 45, 46, 47 years old, realize they may outlive their assets based on the lifestyle that they expect and based on their time horizon until retirement, so they’re going to be in a combined preservation-and-accumulation phase. Then you’re going to see the generation behind – the Y generation – that is less concerned about accumulation of assets for retirement. But they still need to accumulate assets for something, whether it’s purchasing a home or funding their lifestyle. So new products will be required. On the other side is legislative change. You may or may not think there’s something coming down that will affect your business. But something like the tax-free spending account, I think that’s going to come in. It won’t replace the RRSP plan, but it will certainly complement it. Banks and

other financial institutions, including insurance companies, are scrambling to make sure that they have a product that will cater to this new market that will be emerging, we believe, in early 2009. That was created by the government.”

**13. What is your biggest fear?**

“It’s not interest rates, which could affect our bond portfolios. It’s not legislative change. It’s not U.S. or global trends that may affect us in Canada. My biggest concern right now for Standard Life is the unrealized potential, because I think we have a unique opportunity in Canada to cater to a growing, more educated consumer base in products that we have, that we believe that they’ll need on the retirement side or on

the wealth-management side.”

**14. What is your company doing to prepare for a possible disaster that you would still be responsible for covering?**

“We have very comprehensive disaster-recovery programs at the local level, but also at the global level. We just had a meeting of the group executives, which are all the (Standard Life) CEOs right across the world. We had an exercise where, if we indeed had a disaster somewhere, what would be the plan to mobilize? We actually went into a simulated disaster. It was quite interesting. More locally, we have all kinds of disaster-recovery programs with offsite support.”

**15. What is the hardest part of your job?**

“Juggling all of the balls in the air and making sure that none of them drop. We have three product lines that we have to grow. We have risk policies, we have control policies, we have a regulator and we’re a subsidiary of a U.K. company, so we have to adopt U.K. policies into Canada. We’re morphing into a global organization. We’re building up the talent strategy. We’re beefing up the research areas to make sure that we know what’s happening in the marketplace in terms of training so that we can be there. The hardest job is making sure that all of these things are aligned and moving forward.”

See FUTURE

Page 16

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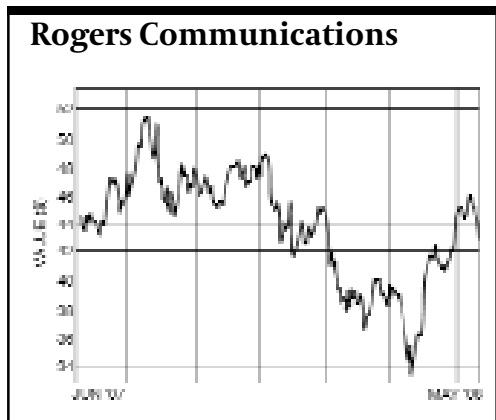
# Financial Edge

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See Page 10



## Bain optimistic in wake of turnaround

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

By Fern Brooks  
Business Edge

**FEATURED PRO:** Daniel Bain is president and chief investment officer of Toronto-based **Thornmark Asset Management** ([www.thornmark.com](http://www.thornmark.com)). Bain co-manages the **Thornmark Dividend & Income Fund** and the **Thornmark Enhanced Equity Fund**, which were formed in 1998.

**Fund Form:** As of April 30, the Thornmark Enhanced Equity Fund has posted one-year returns of -9.3 per cent and a 14-per cent average over three years. The Thornmark Dividend & Income Fund has had a one-year return of -3.2 per cent and three-year return of 10.8 per cent.



Daniel Bain

### Pro's 3 Stars

Thornmark Enhanced Equity Fund, 1.35 per cent; Thornmark Dividend & Income Fund, 1.35 per cent.

**Bain's Outlook:** "In a word, optimistic. We are feeling much more optimistic than we were 12 months ago, and even three months ago. The outlook has improved significantly. We have continued high employment and remarkably robust earnings in the financial services sector. The environment has improved dramatically since the collapse of Bear Stearns and the bailout by the Federal Reserve through JPMorgan and the extraordinary measures the Federal Reserve has taken on a co-ordinated basis with other central banks to stabilize credit markets and to lubricate them to some degree. So really a dramatic turnaround from where we

were last summer, and even where we were three or four months ago."

#### FIRST STAR

- **Rogers Communications** (TSX:RCLB)
- **Recent Price:** \$44
- **52-Week High/Low:** \$52.50/\$32.92
- **Snapshot:** Rogers Communications Inc. is a diversified Canadian communications media company providing wireless, cable TV, high-speed internet and phone services to consumer residences and businesses in Canada.
- **President and CEO:** Edward Rogers
- **Head Office:** Toronto
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 42.9; Revenue (last fiscal year), \$10.1 billion; Earnings Per Share, \$1.27 (ttm); Market Cap, \$27.4 billion.
- **Bain's View:** "In my opinion, Rogers

is really a spectrum real-estate play. I think Rogers owns the best spectrum in Canada and has the most significant spectrum allocation. They also have a GSM network, which, unfortunately, is not the most efficient technology. But it is the predominant global technology, which they happen to be the primary provider of in Canada. Within the wireless space, they have significant technological advantage and are able to offer some of the most advanced and globally integrated phone technologies. So that gives them a huge advantage and reduces the capital risk that Telus or BCE might have. On the cable and video sides, they again are significantly ahead of anything that telephony providers can offer.

See 3 STARS

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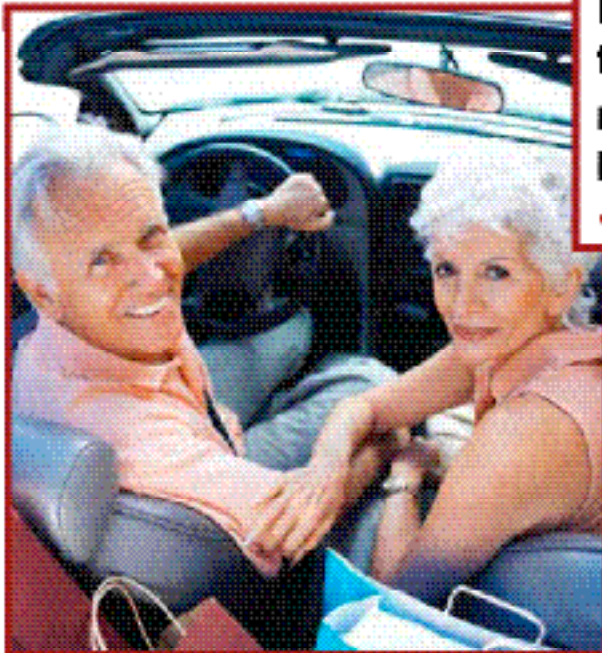
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# Bombardier jets to new share heights

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

By Nicole Strandlund  
Business Edge

## Act I: High flyer

- **The Player:** Bombardier Inc. (TSX:BBD.B)
- **Action:** Up 15 per cent or \$0.98 in a month (from \$6.69 April 21)
- **Recent Price:** \$7.67
- **52-Week High/Low:** \$4.06/\$7.70

You've got to love a company that soars to the skies – especially when its share price does the same. Montreal-based transportation company Bombardier Inc. just announced an order for 35 business jets by VistaJet of Switzerland – worth US\$1.2 billion if the order is completely filled. VistaJet will also have an option for 25 more aircraft.

The announcement comes on the heels of a smaller Swiss order earlier this month (for six aircraft, worth approximately US\$103 million), and the announcement that Bombardier and training specialist CAE of Montreal have launched pilot and technical training on Global Express aircraft in the U.K., the first time such training will be available in Europe.

Of course, Bombardier deals in more than just planes; the company just sold 14 more vehicles to Vancouver's SkyTrain transit network, and has partnered with Transmashholding of Russia to develop a new type of locomotive using asynchronous propulsion technology.

Bombardier shares are continuing to hit new 52-week highs on the news.

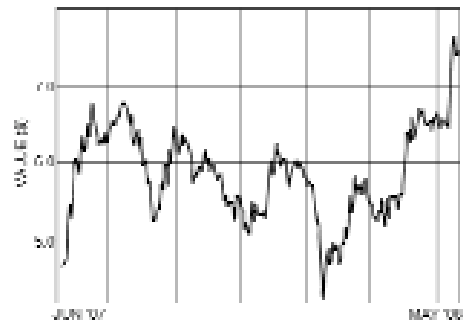
## Act II: Brighter light

- **The Player:** Carmanah Technologies (TSX:CMH)
- **Action:** Up 20 per cent or \$0.17 in a month (from \$0.86 April 21)
- **Recent Price:** \$1.03
- **52-Week High/Low:** \$2.90/\$0.78

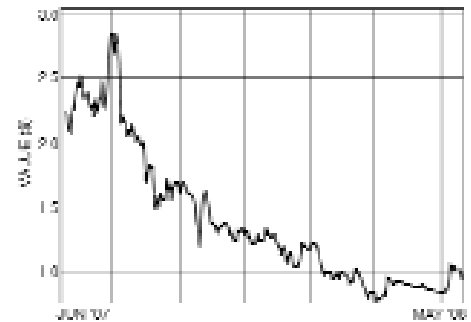
A product announcement by a Victoria solar technology company may finally inject some energy back into its fading stock.

Carmanah Technologies, whose stock has been falling steadily for the past year, is hoping its latest product, an LED solar outdoor light rated "dark-sky friendly," will help boost its market results. The new product is a result of a partnership with Beta Lighting of Wisconsin, an LED fixture company. The product is Carmanah's brightest light yet, and can direct light only where needed (to light parks, paths and other outdoor areas.)

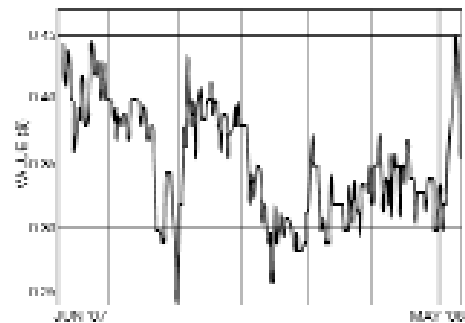
## Bombardier Inc.



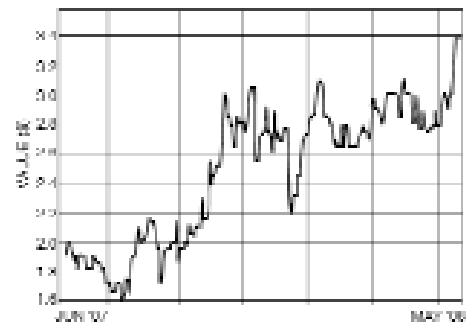
## Carmanah Technologies



## Augyva Mining Resources Inc.



## Pure Technologies Ltd.



## Street Life: Analysis

Carmanah recently reported lower sales and margins for the quarter (\$15.1 million, compared to \$15.3 million in the same period of 2007), but net income rose to \$83,000, compared to a loss of \$464,000 in Q1 2007.

The company's shares have ticked up \$0.17 in the past month, from \$0.86 to \$1.03.

## Act III: Go boats to China

- **The Player:** Augyva Mining Resources Inc. (TSXV:AUV)
- **Action:** Up 40 per cent or \$0.125 in a month (from \$0.315 April 21)
- **Recent Price:** \$0.44

- **52-Week High/Low:** \$0.50/\$0.22

A Quebec company is hoping to see many boats leaving to China – full of the company's mined iron ore, of course.

Ressources Minières Augyva, or Augyva Mining Resources Inc. to anglophones, has signed a joint-venture agreement with Canadian Century Iron Ore Corp. for Augyva's Duncan Lake Property in the James Bay region of Quebec.

In the deal, Canadian Century (a member of Asia-based Century Iron Ore Group), will fund up to \$20 million in exploration and development work on the property (which consists of 79 claims on about 36 sq. km), and in return earn up to a 65 per cent interest in the property. A drill program is scheduled for this summer.

See STREET LIFE

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THE HOWARD GROUP

## 3 STARS from Page 12

## Rogers's infrastructure puts it in driver's seat

"They are able to offer video on demand and higher-quality video with the existing infrastructure, whereas competitors . . . would have to basically rewire to provide those same services. I believe Rogers is providing guidance for about 20-per-cent earnings growth year over year for the next couple of years. However, consensus expectations are for something closer to 25 per cent and I tend to lean toward that higher level. As a result, Rogers is trading at a fairly reasonable discount to its growth rate and therefore we think it's not only an attractive operator, but also attractive valuation."

• **Risk Rating:** Medium

• **Web Watch:** [www.rogers.com](http://www.rogers.com)

### SECOND STAR

• **Horizon North Logistics Inc.** (TSX:HNL)

• **Recent Price:** \$3.29

• **52-Week High/Low:** \$3.78/\$2.35

• **Snapshot:** Horizon North Logistics provides services to large natural resource development projects, including diamond mines, oilsands, pipelines, offshore drilling, and northern oil and gas development.

• **CEO:** Ric Peterson

• **Head Office:** Calgary

• **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 45.7; Revenue (last fiscal year), \$97 million; Earnings Per Share, \$0.07 (ttm); Market Cap, \$353 million.

• **Bain's View:** "Horizon North is one of the smaller positions we own, but it will benefit from high energy prices as an energy services company. Basically, they provide three types of services: Marine transportation, camp catering and logistics. One of the big opportunities for HNL is the Mackenzie Valley pipeline. This has been an ongoing issue for years and years. I think that it will happen at some point, it's just a matter of when. We have not included (the pipeline project) in our target price. If that does get the green light, there could be another \$0.50-\$1 of upside in our target price."

• **Risk Rating:** Medium

• **Web Watch:** [www.horizonnorth.ca](http://www.horizonnorth.ca)

### THIRD STAR

• **Hanesbrands Inc.** (NYSE:HBI)

• **Recent Price:** US\$36.20

• **52-Week High/Low:** \$37.73/\$21.47

• **Snapshot:** Hanesbrands Inc. is a global consumer goods company with a portfolio of apparel essentials, including T-shirts, bras, panties, men's underwear, kids' underwear, socks, hosiery, casualwear and activewear.

• **CEO:** Rich Noll

• **Head Office:** Winston-Salem, N.C.

• **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 22.6; Revenue (last fiscal year), \$4.5 billion; Earnings Per Share, \$1.57 (ttm); Market Cap, \$3.37 billion.

• **Bain's View:** "This is relatively recession-proof, but what makes it a little

bit riskier is the debt level. Hanes was spun out from Sara Lee in 2006. With that came a fairly significant debt level. So as a result, one of the focuses of the company as it rationalizes its businesses is to reduce that debt level. I think they're about a year ahead of schedule doing that. We like it because, although the top line may not grow significantly in this environ-

ment of less robust growth than we've seen in the past few years, there is tremendous potential for them to increase their margin. Despite the fact we don't expect the top line to grow significantly, we do expect the bottom line to grow somewhere in the order of 20-25 per cent over the next year or two. Our target price on Hanes is \$42."

• **Risk Rating:** Low

• **Web Watch:** [www.hanesbrands.com](http://www.hanesbrands.com)

• **Bain's Edge Record – Best Pick:**

ZCL Composites Inc. -27.9 per cent.

• **Worst Pick:** Breakwater Resources

Ltd. -74 per cent.

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



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FUTURE from Page 11

# Leveraging expertise aids Standard's growth

## 16. You mentioned the U.K. What in the U.K. could be adapted to Canada in the future?

"Companies like Standard Life, and we're not unique, we're leveraging the expertise that we have globally and we're seeing where it could be applied in local markets. Standard Life used to be a series of companies linked together in a home office in Edinburgh. We're morphing now into one global organization, and we're developing concepts now like centres of excellence. We look to see what is done somewhere – and what is done very well somewhere. If that some-

STREET LIFE from Page 14

## Tech firm exploring pipeline leaks

Creating a relationship with Canadian Century and its Asian-based parent should prove beneficial to Augyva, as China is currently the world's largest buyer and consumer of iron ore.

### Act IV: Peeking in the pipes

• **The Player:** Pure Technologies Ltd. (TSXV:PUR)

• **Action:** Up 23 per cent or \$0.64 in a month (from \$2.76 April 21)

• **Recent Price:** \$3.40

• **52-Week High/Low:** \$3.50/\$1.60

Leaky pipe? A Calgary-based technology company may be able to help.

Pure Technologies Ltd., a Calgary-based technology company specializing in monitoring structures such as bridges, highrises, parkades and pipelines, has just received a U.S. research grant to further develop free-swimmer technology to explore pipelines for leaks.

Pure's SmartBall, a free-swimming acoustic device, can be injected into a water, wastewater or hydrocarbon pipeline to detect and pinpoint leaks at an early stage of their growth.

Earlier this month Pure reported strong quarterly results, with revenue jumping to \$6 million (from \$2.2 million in the same quarter the year previous), and net income soaring to \$2 million (compared to a loss of \$327,000 in the same quarter a year ago).

**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 20, 2008.

(Nicole Strandlund can be reached at [nicole@businessedge.ca](mailto:nicole@businessedge.ca))

thing is also done somewhere else, why duplicate the effort? Take where you're excellent – wherever it happens to be – and apply it elsewhere. A good example of that is our studio in Canada. Our studio in Canada does design work and studio work for all of the communication and educational materials that we distribute to our customers here in Canada. We've won awards for it. It has been determined that our Canadian operation will be the centre of excellence for the group of (Standard Life) companies. The studio in Canada is now producing work for Germany, Asia and the U.K., because we do it better than them. Another example is our eastern-looking strategy. We recently launched a new feature to our administration system and pensions that has retirement calculators and all kinds of different features, online transaction capabilities and so forth. A lot of that work was adapted from the work that was already being done in the U.K. for a couple of years. It's old news in the U.K., but it's leading edge in Canada."

## 17. Why do three companies dominate the Canadian insurance industry?

"They grew through acquisitions. They were leaders in the consolidation in the industry. Eventually, they all had between 18-22 per cent (of) market share. If you look at market share annually, most large companies do not grow market share. Their

margins get better, but they do not grow from 22 per cent market share to 28 per cent to 30 per cent. They hover, more or less, around the same market share. But they've grown there through acquisitions, whereas a company like Standard Life, we've had an organic strategy. We had one small acquisition many years ago... but we generally grow one customer at a time. We believe there's space for other companies, especially if you're good at what you do. There's always going to be room in a crowded market. Even though there are three large carriers, it's a 'me-too' type of industry. If you had a product that is that good, or a service that is that good, it is going to be duplicated relatively quickly by your competition. How do you compete? You try to set up a product and you try to set up, not barriers to entry, because that won't happen, but barriers to duplication of your product. You try to stay one step ahead."

## 18. What do you do to relax when you're not working with your company or all of these other organizations with which you're involved?

"I absolutely adore my job. It's not work. I relax at work just by working sometimes. Over and above that, realizing that there's somewhat of a balance (required), I'm a big believer in giving back to society. We're a good corporate citizen, but I think every-

body should contribute to society in some way – whether it's time, money or both. That's why I'm involved in some of these organizations. I'm also bringing my kids along, so they understand the importance of helping others as well. Because I travel so much and the work day is so long, I just try to spend as much time as I can with my kids."

## 19. If you weren't running Standard Life of Canada anymore, what would you be doing?

"If I had a choice, I would do something with cars. I absolutely love American muscle cars. But if I wasn't doing this particular job and still was building a career, I would still be in the financial services industry. I think it's a great industry. We do great work for a lot of people."

## 20. What kind of cars do you have?

"I'm not sure you can print them all. But I have a few that I love. I have a 2007 Mustang Shelby GT 900. That's one of my babies. I have a 2004 Mustang Cobra convertible. It's a turbo-charged one. I have a 1987 pickup truck, that used to be my father-in-law's, that I'm making into a hotrod, and my latest baby is way off what I'm used to – a 1994 Alfa Romeo Spider. I got talked into that one (by) my wife. I was looking at another Mustang, and she said, 'Not another Mustang, Joseph.'"

(Monte Stewart can be reached at [monte@businessedge.ca](mailto:monte@businessedge.ca))

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# New fee will leave producers treading water

## Ontario's move has bottled-water operators wondering what's next

By Laura Severs  
Business Edge

**T**ight margins, increasing costs and new fees may soon force Canadian bottled-water producers to pass on rising production costs to their customers.

As Ontario moves to raise the amount it charges next year to industrial and commercial water users under the province's water resources legislation, companies in the sector are eyeing mounting expenses.

Even at an extra \$3.71 per million litres of water used – the amount Ontario will charge as a “conservation fee” – when broken down to a cost per bottle, it could be as low as a fraction of a cent depending on the amount of product.

However, there is concern that constantly rising costs are making it harder for bottled water operations to survive.

“One of our biggest concerns is the family-owned Canadian company. We want to ensure that they're able to maintain their health and growth,” says Elizabeth Griswold, executive director of the Richmond Hill-based Canadian Bottled Water Association (CBWA), whose member companies produce and distribute about 85 per cent of the bottled water sold in Canada.

“That's really important for the long-term health of the bottled-water industry.”

Ontario's environment ministry says the new charge is not a tax, but rather a move to recover the portion of administrative costs it incurs to manage its water resources.

While the CBWA supports groundwater management practices that are based in science, it also says the costs should be fair and broad-based.

It notes Ontario rules currently apply only to commercial and industrial water users and not other

users such as golf courses.

“What's interesting is that as an industry, we use as much water as 10 golf courses in Ontario, and there's 700 golf courses in Ontario. So our water use is quite small,” says Griswold.

She adds it's too early to tell what the ultimate impact of the new Ontario charge will be, or if it will change the bottled-water industry in Canada.

However, she does point out it could place Ontario producers at a disadvantage if other provinces have lower fees. Alberta, for example, charges a one-time fee for a licence but has no immediate plans to introduce a charge similar to the one in Ontario.

In Ontario, Environment Minister John Gerretsen has said that the new water-taking fees “are at the low end” of where he thinks they should be, but said he's not prepared yet to put an actual price on water the companies take.

“Those are the kinds of things that are in discussion right now, and I'm just not prepared to put any kind of a number on that right now,” Gerretsen said. “At one time, they got the water for nothing.”

Nestle Canada Inc. was recently given the green light by the Environment Ministry to take 1.3 billion litres of groundwater a year from an area near Guelph, for only the cost of a \$3,000 application fee.

The \$3,000 Nestle spent to secure the rights to 3.6 million litres of water a day in Ontario would cost the company more than \$1.1 million if it took the same amount from a community in central Massachusetts, which is charging Nestle Waters North America \$2.55 for every 100 cu. ft. of water.

About 10 million litres of water are taken in Ontario every day to be bottled for sale.

Danna O'Brien of Refreshments

### Water, water . . .

- Bottled water holds a 9.1-per-cent share of the Canadian beverage market, according to 2006 figures from New York-based Beverage Marketing Corp.
- In Canada, bottled water producers use 1.03 litres of water to bottle one litre of water in the manufacturing process.
- Less than two-tenths of one per cent of the total groundwater is withdrawn per year for annual bottled-water production.
- Bottled-water companies are required to do exhaustive hydrogeological studies on all groundwater resources used to ensure long term sustainability. Sustainable water management is a crucial part of the bottled water industry's business.

– Source: CBWA

Canada, a Toronto-based trade association representing companies that manufacture and distribute the majority of non-alcoholic beverages in Canada – including Coca-Cola and bottled water – also says it's premature to measure the impact of the new cost.

Ice River Springs Water, the largest privately held bottled-water company in Canada, says it won't be increasing its prices in light of Ontario's latest move.

“The \$3.71 per million litres is certainly sustainable for our industry, it's at a level where we aren't going to pass it on to the consumer,” says Sandy Gott, executive vice-president of the Feversham, Ont.-based company. “The concern for me is when they talk of perhaps (further) increasing those fees.”

Noting 24-bottle cases of water can retail for as low as \$2.40, she adds: “Our industry right now is very competitive, so there isn't room to pass it on to the consumer.”

Because the company deals with national clients – including Wal-Mart Canada and other large chains – it has to have uniform pricing across the board and can't afford to charge different prices in different regions because of provincial fees.

But Gott is more concerned by soaring oil prices, which in turn spell higher fuel and transportation costs, as well as increasing prices for resin to make the water bottles.

To keep costs down, Ice River is embarking on a plan to build smaller regional plants closer to its customers.

In 2004, it opened a plant in Cranbrook, B.C., which handles B.C., Alberta and Saskatchewan markets, while the company's Ontario operation supplies the rest of Canada. It's

also adding three more plants in the U.S. to supplement an existing facility in Morganton, N.C.

Ice River is also making its water bottles more lightweight. When the company first started in 1995, its 500-millilitre bottle weighed about 22 grams. Today, the same bottles weigh 11.8 grams, meaning a lighter product to ship and a reduction in the amount of plastic used. The company's goal is to reduce the weight by one additional gram.

“Our plan is to become more efficient,” adds Gott.

At Muskoka Springs Natural Spring Water in Gravenhurst, Ont., which includes a large private-label bottled-water business, president Michael Billingham is mulling over what to do about the cost of the new Ontario charge.

Billingham says a decision has not yet been made on passing the cost increase to customers.

“Like lots of things as a business owner, you tend to eat them up rather than pass them on – it's so competitive,” he says. “We do charge a small fuel surcharge, but by no means does it cover the (rising fuel) cost. The money just comes off the bottom line.”

He adds he expects that the Ontario fee will amount to less than a penny per bottle, and unnoticeable on a package of 24 500-ml bottles. “But again it's a tax. It's another thing that is added on to your bottom line.”

Wahta Springs, based in the Wahta Mohawk community in Ontario's Muskoka region, is also unsure about the impact of the new charge, as it's a much smaller bottled-water producer and uses less annual water volumes than its bigger competitors.

“We're a small entity, which focuses on the niche market of private labeling,” says Wahta Springs general manager Sandra Franks. “If we were to fall under this act for paying the taxes, most definitely I would say it would have an impact. Anything that impacts on the cost of doing business means less chance of having jobs.”

Franks points to the bottled-water industry's already-slim margins.

“The grandiose thinking out there is that we're making oodles of money on bottled water, but that's not the manufacturer, it's the retailer,” she adds.

“The bottom price water goes out our door is \$3 for a case of 24, that is 12.5 cents a bottle. Factor in raw materials and overhead. Its not rocket science,” says Franks. “That money (bottled water being sold at \$1 to \$2 or more a bottle) is going into the pockets of people selling the water, not ours.”

– with files from

The Canadian Press

(Laura Severs can be reached at [laura@businessedge.ca](mailto:laura@businessedge.ca))

## Auto sector posts strongest quarter gain in a decade

The Canadian Press

Sales of new motor vehicles closed the first quarter this year with their strongest gain in a decade, despite a slight decline in March.

An exceptionally strong January powered a 9.1-per-cent gain in unit sales in the first quarter over the fourth quarter of 2007 – the strongest growth rate since mid-1998.

Statistics Canada attributes the gains to lower prices, additional rebates and incentives, such as better financing.

It also credits the one percentage-point reduction in the GST.

The quarterly increase was driven almost entirely by strong sales of new passenger cars, which were up 17.8 per cent, the largest increase since 1976.

Consumers bought 148,796 new vehicles in March, down 0.5 per cent from February.

Sales of new trucks – including minivans, sport-utility vehicles, light and heavy trucks, vans and buses – fell 0.6 per cent in March while passenger car sales slipped 0.3.

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See Page 5

## Mental illness stigma can overshadow career But progressive employment strategies are improving workplace success

By Tess van Straaten  
*Business Edge*

For much of his life, Dick Averts has known there was something different about him – he just didn't know what.

"I can remember from my earliest days having what I would call spasms and my brother would make fun of me," the 44-year old Calgarian says. "I just lived with it and was able to contain a lot of it when I wasn't in public situations."

It wasn't until three years ago that Averts, an artist and instructor at the Alberta College of Art and Design, was finally diagnosed with Tourette Syndrome.

A neurological disorder, Tourette's is characterized – and often stereotyped – by motor tics and verbal utterances.

"A lot of the time Tourette's is not what you think it is – it's not people walking down the street and jerking their head and shouting obscenities," Averts explains. "That's quite rare and the big picture is lots of people have this."

In fact, it's estimated that one in every 100 people may have Tourette's, a figure that's similar to the statistics for autism and bipolar disorder. The number of people suffering from these and other mental and neurological illnesses prompted Averts to take action.

With funding from several Alberta colleges, Averts and a team of researchers looked at the workplace challenges facing people with mental illness.

"When you consider that one in five Canadians (according to figures from the Canadian Mental Health Association) will be affected by mental illness and that our workforce is suffering from a shortage of workers, now is certainly the time to be addressing how progressive employment strategies can heighten career success," Averts says.

The study, which used art and creative writing to help participants open up about their experiences, examined challenges such as alienation, conflict and career choice. It also shed light on the workplace stigma that often surrounds these conditions.

"In many cases when people disclosed their illness to their employer, they were adversely affected," Averts explains. "A lot of people



Larry MacDougal, *Business Edge*

Instructor Dick Averts, left, with project participants Alex Link, Elizabeth Singer and Randi-Lee Ryder.

found that they're not able to keep jobs for long."

It's something Winnipeg marketing specialist Jonathon Garwood knows all too well.

"Having bipolar has cost me numerous jobs and I can't count the number of people I know who were let go from jobs because of their illness when it came out," he says.

"It doesn't matter if you're a good employee – they can find 101 ways to let you go without it being about the mental illness."

Diagnosed in 1991 soon after entering the workforce, Garwood had a bright future ahead of him. He'd graduated at the top of his class with a commerce degree, but says the stigma of his disease was hard to overcome.

"The most painful thing about having a mental illness is not the mental illness but the stigma," says Garwood. "If we did this to people who had cancer or diabetes or MS there would be a public outcry and every politician in the country would be screaming for it to change."

Jumping from job to job, Garwood had a lot of negative employment experiences. But he also came across some forward-thinking bosses willing to give him a chance.

As a salesman at a Dufresne Furniture store in Winnipeg, Garwood was allowed to work a reduced shift when he found the standard 12-hour day too much of a struggle.

"It's just part of our culture to look after people, whatever problem or illness they may be dealing with," says Dan East, Dufresne's vice-president of new market development.

"I think it stems from the fact that we started as a mom-and-pop busi-

ness in Kenora and, as we grew, we wanted to keep that environment of taking care of your people."

Now Canada's largest independent furniture retailer with stores from Alberta to Ontario, Dufresne has been named one of Canada's 50 best-managed companies for several years running. East says employee satisfaction has a lot to do with that success.

See @WORK

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# Scientific institute names executive director

## Business Edge

Cambridge University physicist **Neil Turok** has been appointed executive director of the **Perimeter Institute for Theoretical Physics** in Waterloo, effective Oct. 1. Turok currently holds the chair of mathematical physics at Cambridge University, where he is also the director of the Centre for Theoretical Cosmology. The Perimeter Institute is an independent scientific research and educational outreach organization.

**Allen-Vanguard Corp.** (TSX:VRS) of Ottawa is hiring **Peter Allen**, the executive vice-president and chief financial officer of Export Development Canada, as its CFO. **Robert Ryan**, who has been Allen-Vanguard's CFO since January 2004, will become VP of corporate development.

In other management news, Allen-Vanguard says that **John Lawlor**, recently hired as VP of corporate relations, has been on medical leave and will not return. **Pat Paulin**, VP of finance, has left to pursue other opportunities and will continue to provide financial services on an advisory basis. **Kerrie Dickson**, the company's controller, has been promoted to VP of finance. Allen-Vanguard provides protection solutions and countermeasures against a spectrum of hazardous devices.

**Dominic D'Alessandro**, the CEO of **Manulife Financial Corp.** (TSX:MFC),

## Moving On

plans to retire following the annual company meeting next year after 14 years as chief executive of Canada's largest insurance company. Its head office is in Toronto.

**CNW Group** says that **Carolyn McGill-Davidson** will succeed **Tom Enright** as president and CEO in September. Enright will become deputy chairman. McGill-Davidson has served with the company in a succession of management positions, currently as senior VP of sales and marketing. CNW Group is a news and information distribution service co-owned by PA Group and PR Newswire. It has offices across Canada.

**Equitable Group Inc.** (TSX:ETC) of Toronto has appointed **John Ayano-glou** as CFO. Ayano-glou was previously CFO and corporate secretary of Xceed Mortgage Corp. Equitable Group, through its wholly owned subsidiary **Equitable Trust Co.**, is a niche financial institution focused on single-family dwelling mortgage lending, commercial mortgage broker services and commercial lending in partnership with mortgage-banking organizations.

The **Empire Life Insurance Co.** has appointed **Michael Schneider** as

executive VP of finance. Schneider has served on the company's management team for the past 20 years and as CFO since 1997. He plans to retire March 31, 2009 and will lead the company's capital management activities until then. **Gary McCabe** succeeds Schneider as senior VP and CFO, effective June 1. McCabe has been VP and controller since 2003. Empire Life is a subsidiary of **E-L Financial Corp. Ltd.** and has its head office in Kingston. E-L Financial (TSX:ELF) is based in Toronto.

**HydraLogic Systems Inc.** (TSXV:HLS) has appointed **John Hamilton** as VP of finance and CFO. He succeeds **Peter Wright**. Hamilton has more than 30 years of financial and corporate experience. HydraLogic is an innovator of engineered misting systems and environmental chemistries. It has offices in Toronto, Houston and Fort Lauderdale, Fla.

**Kingsway Financial Services Inc.** (TSX, NYSE:KFS) has appointed **Scott Wollney** as president and CEO of **Lincoln General Insurance Co.**, following the retirement of **John Clark**. **Lisa Gelsomino** succeeds Wollney as president of subsidiary **Avalon Risk Management Inc.** Gelsomino has been associated with the Kingsway group of companies for more than 18 years and has been with Avalon since its formation in 1998.

In other company news, **Shelly Gobin** has been appointed

Kingsway's senior VP and CFO. She was promoted earlier this year to VP and CFO. **Colin Simpson** is senior VP and chief strategy officer. He has been president and CEO of **York Fire & Casualty Insurance Co.**, and will retain that position. **Dennis Fielding** is appointed senior VP and chief administration officer. He was previously a VP of Kingsway. **Kathleen Howie** has been appointed VP and general counsel. Howie was previously assistant VP and chief legal counsel. **Amy Pinkerman Condo** has been appointed VP and general counsel of Kingsway's U.S. holding company, **Kingsway America Inc.**

Kingsway Financial is a non-standard automobile and truck insurer, and also provides commercial and personal property insurance, standard automobile insurance and specialty insurance. It operates through 11 wholly owned insurance subsidiaries and two insurance agencies in Canada and the United States. Its head office is in Mississauga.

**Winston Ash** has been named VP of finance, CFO and corporate secretary of **Dominion Citrus Income Fund** (TSX:DOM.UN) and **Dominion Citrus Ltd.** Ash has an extensive background in both finance and operations. Dominion is a diversified food company with headquarters in Toronto.

— with files from *The Canadian Press*  
(E-mail notices and photos at least two weeks before publication date to [murdoch@businessedge.ca](mailto:murdoch@businessedge.ca))

## Coming Events

- **Technology Innovators Breakfast** (June 9, 7:30 – 9:30 a.m.) – Speaker: **Jeff Lowe**, VP of Telus business solutions. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$55, others \$75. Info/register: [www.bot.com](http://www.bot.com)
- **Specialized Topic Seminar** (June 11, 7:30 – 10 a.m.) – Successful Selling Techniques. Location: The Waterfront Centre, 555 Bay St. N., Hamilton. Cost: \$35. Info/register: [www.hamiltonchamber.on.ca](http://www.hamiltonchamber.on.ca)
- **Power Breakfast** (June 11, 7:30 – 9 a.m.) – Speaker: **Nora Brownell**, former Federal Energy Regulatory Commission member. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$55, others \$75. Info/register: [www.bot.com](http://www.bot.com)
- **Institute of Corporate Directors Lunch** (June 11, 11:30 a.m. – 1:30 p.m.) – Topic: Corporate social responsibility. Location: Toronto Board of Trade, 1 First Canadian Place. Cost: ICD members \$65, others \$85. Info/register: [www.icd.ca](http://www.icd.ca)
- **Canada - Central Asia Business Conference** (June 11, 9 a.m. – 5:30 p.m.) – All-day conference. Topic:

Central Asia – The New Frontier for Canadian Business. Location: 35th Floor, Investment and Trade Center, 250 Yonge St., Toronto. Info/register: [www.cerbanet.org](http://www.cerbanet.org)

- **International Leaders Breakfast Club** (June 12, 7:30 – 9 a.m.) – Keynote speaker: **Stan Shapson**, VP of research innovation, York University. Topic: Interactive digital media. Location: 35th Floor, Ontario Investment and Trade Centre, 250 Yonge St., Toronto. Cost: Greater Toronto Marketing Alliance members \$25, others \$35. Info/register: [www.greatertoronto.org](http://www.greatertoronto.org)
- **Canadian Club of Toronto** (June 12, noon) – Speaker: **John Milloy**, minister of training, colleges and universities. Location: Sheraton Centre Toronto Hotel, 123 Queen St. W. Cost: Non-members \$70. Info/register: [www.canadianclub.org](http://www.canadianclub.org)
- **Empire Club** (June 12, noon) – **Stephane Boisvert**, president of Bell Enterprise Group. Topic: The IT Talent Gap – Answering Canada's Greatest Human Capital Challenge. Location: Fairmont Royal York Hotel, 100 Front St. W., Toronto. Cost: Members \$40, others \$55. Info/register: [www.empireclubfoundation.com](http://www.empireclubfoundation.com)
- **Canadian Club of Toronto** (June 13,

noon) – Speaker: **Deryk King**, chairman and CEO of Direct Energy. Topic: Entering the age of carbon consequences. Location: Sheraton Centre Toronto Hotel, 123 Queen St. W. Cost: Non-members \$70. Info/register: [www.canadianclub.org](http://www.canadianclub.org)

- **Eastern Ottawa and Orleans Chambers of Commerce** (June 17, 11:30) – Speaker: **Marie Lemay**, CEO of the National Capital Commission. Topic: The Future of the NCC. Location: Delicious Steakhouse, 2080 St. Joseph Blvd., Ottawa. Cost: Members: \$30/\$35, others \$40/\$45. Info/register: [www.easternottawa.com](http://www.easternottawa.com)
- **Financial Executives International** (June 17, 7:30 – 9:30 a.m.) – Joint meeting with Strategic Capabilities Network. Speakers: **Edmond Mellina**, president of Transitus Inc., and **Brian Hughes**, VP of human resources at JMP Engineering Inc. Topic: Learning to navigate the sea of change – a case study of change management impact. Location: Best Western Lamplighter Inn, 591 Wellington Rd., London. Cost: \$25. Info/register: [www.feicanada.org](http://www.feicanada.org)
- **Ontario Energy Association** (June 17, 7:30 – 9 a.m.) – Speaker: **Brian Frank**, president of BP Energy Co. –

North American Gas and Power. Location: Sutton Place Hotel, 955 Bay St., Toronto. Cost: Members \$50, others \$75. Info/register: [www.energyontario.ca](http://www.energyontario.ca)

- **Creating Value Through Design** (June 17, 9 a.m. – noon) – Presentation by Health Technology Exchange and Association of Chartered Industrial Designers of Ontario. Location: Design Exchange, 234 Bay St., Toronto. Cost: HTX.ca registered users \$40, others \$60. Info/register: [www.htx.ca](http://www.htx.ca) or [www.designexchange.org/about/contact.html](http://www.designexchange.org/about/contact.html)
  - **Empire Club** (June 18, noon) – Joint meeting with the Royal Commonwealth Society, Toronto branch. Speaker: **Frank O'Dea**, businessman and humanitarian. Location: Fairmont Royal York Hotel, 100 Front St. W., Toronto. Cost: Members \$40, others \$55. Info/register: [www.empirefoundation.com](http://www.empirefoundation.com)
  - **Venture Filing Fundamentals** (June 19, 12:30 – 4:30 p.m.) – TSX Venture Exchange, 3rd Fl., Reception Area, 130 King St. W., Toronto. Cost: \$100. Info/register: [www.tsx.com](http://www.tsx.com)
- (For more listings of events, please visit our website at [www.businessedge.ca](http://www.businessedge.ca))

# Opinions



## Dion's green-tinted glasses need a wipe

Should Stephane Dion and his fellow Liberal MPs ever find their courage, they will vote with the other opposition parties in Parliament, they will topple the Conservative minority and they will trigger a general election.

Should that happen, the Liberals will cloak themselves in green and run as the party committed to saving the planet from catastrophic climate change.

Dion revealed his intentions when he spoke to the Canadian Club of Toronto in mid-May. During a lunch-time address, he sketched the broad outlines of what he called "a vision for a richer, fairer, greener Canada," which would reconcile economic growth and environmental protection.

And he made it sound simple. All we need to do, according to Dion, is lower taxes on incomes, innovation, savings and investment – those things that give us a competitive advantage. We raise taxes on those things that are contributing to environmental degradation – pollution, greenhouse gas emissions, smog and waste.

This will also involve getting tough with wrongdoers. "We need to make polluters pay, and put every single penny back in the hands of Canadians through the right tax cuts," Dion said. "The polluters will pay – all Canadians will gain."

Upon hearing this, many will undoubtedly envision a Liberal government cracking down on the mammoth oilsands projects in northeastern Alberta, or coal-fired generating plants or smokestack industries of Eastern Canada.

Myself, I think of McDonald's Restaurants of Canada. There are more than 1,400 McDonald's restaurants in this country and they serve millions of meals every day. Roughly two-thirds of the company's sales occur at drive-through windows.

That means hundreds of thousands of motorists are sitting in their vehicles at all hours of the day, engines idling and spewing out greenhouse gases, while they wait for their Big Macs and Quarter Pounders.

McDonald's isn't the only offender. There are nearly 2,800 Tim Hortons restaurants in this country and long lineups are a routine sight at their drive-through windows. Almost every other fast food chain in the country offers the same service.

Drive-throughs illustrate the funda-

mental fallacy at the heart of Dion's vision. You cannot distinguish between the polluters and the Canadian public. They are one and the same. Our lifestyles are causing environmental degradation.

Any politician who would rescue the environment must either con-

vince us to change our lifestyles or they must coerce us. Dion and Liberals clearly believe that persuasion won't work so they will use coercion.

They would, if elected, bring in a raft of carbon taxes. They have not said what they would tax or by how much, but even in the absence of such details this policy can best be described as a day late and a dollar short.

The marketplace is already penalizing

Canadians for their reliance on fossil fuels. The very week that Dion was announcing his plans for carbon taxes, gasoline prices hit a record of

\$1.29 per litre, on average, in major Canadian cities and the Calgary-based consulting firm MJ Irvin & Associates predicts that they could hit \$1.40 in the next few months.

Air Canada has begun slapping surcharges on its flights to help cope with fuel bills that hit \$715 million in the first quarter of the year, up by \$130 million over the same three months of 2007.

The Canadian tourism industry is forecasting a four-per-cent drop in travel this summer because of rising fuel prices and the cost of heating your home by natural gas is expected to increase, in Ontario at least, by about 20 per cent per year starting July 1.

This sort of seismic shift in economics has already had a telling effect. Cars buyers in this country are abandoning big vehicles and stampeding into small ones. In the first four months of the year, the five top-selling cars in Canada were all compacts or subcompacts – the Honda Civic, Toyota Corolla, Mazda 3, Toyota Yaris and Chevrolet Cobalt, in that order.

Sales of compacts and sub-compacts

reached 182,111, or 63 per cent of total passenger car sales of 288,835. By comparison, sport utility sales stood at 8,379 or 2.9 per cent of the total.

If fuel prices continue to rise, and most experts predict that they will, all but the wealthiest Canadians will be modifying their behaviour and reducing their consumption in others ways not yet apparent. Heaping carbon taxes on top of the price hikes at the pumps and elsewhere and will do nothing but annoy.

Like every good politician, Dion will try to sell his plan as painless. New taxes on consumption of fossil fuels will be offset by reductions in other forms of taxation. The Liberal approach will be revenue-neutral, they say.

When I hear that, it reminds me that income tax was introduced during the First World War and it was supposed to be a temporary measure to support the war effort. In other words, when you hear the term revenue neutral, don't believe it.

(D'Arcy Jenish can be reached at [jenish@businessedge.ca](mailto:jenish@businessedge.ca))

### Opinion



D'Arcy Jenish  
Business Edge

### Cartoon Corner



CURATOLO BUSINESS  
EDGE

@WORK from Page 18

## Safeway's policies leading way

"What you put out is what you get in return. Treat people the way you want to be treated – it's not complicated, but I think a lot of businesses overcomplicate things and forget that."

One company that's on the leading edge of employee accommodation is Canada Safeway.

The grocery giant has been hiring people with disabilities for more than 50 years and the retailer wouldn't have it any other way.

"A lot of companies say they want to hire people with disabilities, but we actually do it," says Safeway spokeswoman Betty Kellsey.

"It's become part of the fabric of our company and it's not something we talk about as a strategy – it's something we do."

Recently nominated for the Mayor's Award in Edmonton for hiring people with disabilities, Safeway is part of a national campaign to get more employers to consider tapping into this so far under-tapped workforce in an effort to help solve the skills shortage.

"We've found people with disabilities of all kinds – whether it's physical, mental or mental illness – are very hardworking and very dedicated to their jobs," Kellsey says.

"It's been a very positive experience

and they bring a lot of valuable skills to the table."

Perhaps the biggest reward for employers – in an ever-tightening labour market – is loyalty.

While it can take more time to train, integrate and accommodate employees with mental or physical conditions, they're much more likely to stay in a positive work environment once they find it.

"People with disabilities who are trained well and integrated, not just in their job but also in the community network of the store, are very loyal and tend to stay longer, so, from a business perspective, it just makes sense."

Averns' study on optimizing workplace achievement came to the same conclusion. It also found small accommodations – like letting people with Tourette's have a quiet space to work – made a big difference.

"I know for myself I work better in the morning so I've changed my routine to do my writing when I'm fresh," Averns says. "The biggest thing employers can do is give people the flexibility and accommodation they need to get the job done."

Garwood couldn't agree more.

"If someone was blind, you'd get Braille," he points out. "If they were deaf, you'd supply the TTY phone (a

phone enabled to send text over phone lines) – you wouldn't scream at them: 'Why can't you hear the phone?' I deal with life in different ways than the average person and all I need is a boss who is understanding."

It's something Safeway has taken to heart – partnering with organizations that represent the disabled and mentally ill to make sure local stores have the right resources on hand. And once new hires start, it's important the entire team embrace them.

"If an employee – any employee – comes in and doesn't feel welcome they'll leave and that's the main fact of the labour shortage we're in," Kellsey says.

For his part, Averns is expanding his research project. He's now looking for a large employer, like an oil company, that has workers in lots of different environments both indoors and out, who would be willing to have a more comprehensive study conducted in their environment.

"Many people are afraid to disclose their condition, but the more we know the more we can do to help," Averns explains.

"The most important thing is to be open to other people's idiosyncrasies – we all have them."

(Tess van Straaten can be reached at [tess@businessedge.ca](mailto:tess@businessedge.ca))

## Canada shines in fraud survey

Business Edge

Canadian companies are experiencing less bribery and corruption than their global counterparts, says a global fraud survey by Ernst & Young.

Eighty per cent of North American companies surveyed (including 25 Canadian and 54 American organizations) reported not a single incident of bribery or corruption in the last two years, according to Ernst & Young's 10th global fraud survey, called *Corruption or Compliance – Weighing The Costs*.

"Canadian and U.S. attitudes towards bribery and corruption are very, very similar," said Mike Savage, Ernst & Young partner and Canadian leader of the firm's fraud investigation and dispute services practice.

"Compared to most regions, we've made a lot of progress towards a fair, competitive and transparent economy."

However, the report notes that despite North America's relative domestic success in combating fraud and more anti-corruption legislation and enforcement efforts around the globe, corruption remains a risk for operations expanding worldwide.

On an upbeat note, almost 70 per cent of global respondents say enforcement has grown stronger in their region over the last five years.

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.

The international recreational/resort real estate market is HOT! Let's face it, virtually everyone who has purchased property from a respectable developer in a prime vacation destination in recent decades has experienced tremendous appreciation of their investments as well as a dramatically improved quality of life.

The well-publicized transfer of trillions of dollars of equity and disposable income from the previous generational to well-educated and lifestyle-oriented Baby Boomers will continue to drive excessive demand.

High-quality, unique yet affordable developments are already in short supply. Contrary to many North American press reports, quality projects in great locations have not been devastated by the subprime crisis. Weak projects, on the other hand, where demand was driven by investors looking for a quick buck that are severely overbuilt and have virtually no demand of lifestyle investors are in serious trouble.

When purchasing recreational property, evaluate your investment, investigate the region, research the demand/supply ratios and the developer. Value is based on these critical factors – not on how far their price has fallen so far.

Indeed, investing in high-quality recreational real estate has always made plenty of sense (and dollars). And with the strength of the Canadian dollar and decreased competition from American buyers there truly has

never been a better time to buy for Canadians.

Six years ago today (May 9), the Canadian dollar was under 64 cents U.S. Today's valuation of 99 cents against the greenback, gives your loonie a staggering 55% more power when buying property in the U.S. or in Mexico, where homes are listed in U.S. dollars.

The adage "buy land, they're not making anymore" holds true, but not all land appreciates equally. Ocean-view land is obviously much more scarce than land in the middle of an arid desert or a frozen prairie.

Anyone who has lived in Canada for the last eight months will appreciate a region such as Cabo San Lucas with year-round great weather, 300+ days of sunshine and daytime highs consistently in the high 20s or low 30s. The reliable weather means you can enjoy your property year-round ... or rent it out to tourists

at virtually any time of year.

Your property won't hold the same value if you buy in a region that is too hot to enjoy in the summer and/or too cold in the winter, particularly in an area like Phoenix/Scottsdale where there is a massive surplus of inventory and a dearth of interest from educated buyers. Always evaluate claims of four-season property in light of the spring and fall seasons which may have virtually no occupancy.

Cabo San Lucas is an emerging region and a preferred destination of the rich and famous for good reason. The weather is perfect, the scenery breathtaking and the activities endless. Add to that the tremendous value as an investment and you have a clear winner.

For more information, see the display ad on Page 7, email [info@PortusCanada.com](mailto:info@PortusCanada.com), or call 888.401.8268 (toll free) or 403.401.2288.

# Technology Edge



## Cybercrime keeps Canadians on their toes

### Studies also show we're bigger software pirates than our U.S. cousins

Just-released studies show that Canadians are more likely to be victims of cybercrime than street violence, and that we're bigger software pirates than our American cousins.

The *Cyber Crime in Canada* report found that 49 per cent of respondents had been a victim of computer crime, which includes everything from computer viruses to identity theft, and "businesses being hacked and held for ransom," according to the Canadian Association of Police Boards (CAPB), which commissioned the study.

Of those victims, 70 per cent never reported the crime, often because they didn't know whom to report it to.

CAPB chair Ian Wilms, who cut his law-enforcement teeth as chair of the Calgary Police Commission, says the problem is compounded by a lack of trained cybercrime investigators. "There are only 200 dedicated police officers working on cybercrime in Canada," he says, "and that's not enough for a country of 32 million people."

He adds that the nine-member technological crimes unit of the Calgary Police Service is swamped and needs more people right away.

The report calls for a dedicated Canadian centre where law enforcement, government, the private sector and academia can co-ordinate the fight against cybercrime. Wilms has proposed Calgary as a location for this facility, citing the University of Calgary's strengths in computer security, cryptography and even quantum computing. He also notes that Calgary is home to many companies engaged in the vitally important energy industry.

To illustrate the risks they face, he shows a U.S. Department of Homeland Security video of an attack by simulated hackers on a \$1-million diesel generator in Idaho. Smoke belches from the massive machine, triggered by commands to its SCADA (supervisory control and data acquisition) system. Parts of the generator were actually destroyed.

Potential terrorist attacks against the power grid or other utilities are, indeed, keeping security experts awake at night. The U.S. Cyber

Consequences Unit calculated that "the destruction from a single wave of cyber attacks on (U.S.) critical infrastructure could exceed \$700 billion – the equivalent of 50 major hurricanes hitting U.S. soil at once."

### Future/ Present



Tom Keenan  
Business Edge

While we're tossing big numbers around, how about this – there are now more than a billion PCs installed around the world. And, laments the Business Software Alliance (BSA) in its new report, an awful lot of them are running illegal software.

The BSA is a group that runs educational, enforcement and public policy campaigns to combat piracy in 80 countries around the world. For the fifth year, it commissioned research firm IDC to do a worldwide study of piracy.

In 2007, the global estimated piracy rate increased to 38 per cent from 2006's rate of 35 per cent. Over the same period, Canada's rate dropped slightly from 34 per cent to 33 per cent.

This number is calculated by trying to figure out how much PC-packaged software was actually deployed and subtracting the quantity that was acquired legally, either through purchase, site licence, or legalization

programs for pirated software.

I could quibble with IDC's methodology, because they rely on sources like "analyst local knowledge" to estimate the "software load" then just multiply by the number of computers sold. If I buy a new PC to run a piece of lab equipment, and it never sees a copy of Microsoft Word or Adobe Acrobat Professional, that machine might still be counted as at least a partial pirate. And of course, it's none of IDC's or BSA's business what uses I make of my machine after I buy it. That nitpicking aside, this survey is probably pretty representative of the real world, and it's the best one we've got.

The most interesting comparison is Canada's piracy rate of 33 per cent, versus 20 per cent (down from 21 per cent in 2006) in the U.S. Since we're so similar in many ways, why the big difference?

Diana Piquette, BSA board member and anti-piracy manager at Microsoft Canada, attributes it to aggressive enforcement of intellectual property in the U.S.

"When we look at the rates across the world, where there are very strong copyright laws and where governments are very involved in setting up intellectual property-type task forces and even changing their own policies and procedures, setting a good example ... the decrease (in piracy)

is substantial," she adds.

She lists Russia as a much-improved country with a drop of seven percentage points this year, which she attributes to police crackdowns.

Piquette feels that Canada's intellectual property and copyright laws are "very, very slack" compared to the U.S., and calls for us to get into line with them. "For example, in Canada, there is a penalty of \$20,000 per infringed work and in the United States it's \$150,000 per infringed work," she notes.

The BSA loves to put its piracy figures into economic terms.

"This year, Canada lost over a billion dollars in our economy because of software piracy," says Piquette.

She estimates that if Canada cut its piracy rate, say, to 24 per cent over a four-year period, "we would actually contribute \$2.7 billion to the economy, generate 5,200 high-paying jobs and add \$875 million in tax revenues for the government. It's substantial."

The BSA study is not very optimistic about stamping out piracy across the planet, predicting it will remain flat or perhaps even increase. The authors note that internet access, particularly broadband internet access, will put upward pressure on piracy rates.

See KEENAN

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# Think before you play the business name game

## Choose a winner now to avoid losing market share later

There are many tasks and considerations when opening a new business, but one of the most important decisions is the name. Where to start?

First, think about how the name sounds and what the name means. Ikki Sushi and Yumei Sushi are almost side-by-side in Toronto... which restaurant would you choose?

A name should inspire confidence in the product or service. It should also appeal to the designated target market.

Holt Renfrew clients are not likely attracted to Granny Perkins' Skin Cream, but the same product with a fancy moniker like Peau de Perle would likely sell.

The name of the company, product or service contributes greatly to the brand and ties into the target market. The name should also be memorable, which means it should be simple and not spelled in unexpected ways unless it is meaningful to the target market.

In some industries, sole proprietorships assume the name of the owner. A fashion designer, for instance, gives his/her name to the label. Canadian designers David Dixon and Sunni Choi use their names as their brands. It is the same for art galleries.

When Amrita Chandra decided to open an art gallery in Roncesvalles Village, a trendy neighbourhood in Toronto, her MBA in marketing and 15 years of working in the field were assets right from the beginning when she needed a name.

She explains, "Most contemporary art galleries are named after the owner or director. Amrita Chandra Gallery is a mouthful to say, remember, and spell properly if somebody wants to look me up.

### Branding Business



Brenda McMillan  
Business Edge

"Tinku' is my childhood name. It's easy to say, is spelled like it sounds, and is still my name so it carries my identity." It is also beneficial that the name is short and unusual.

Chandra says reaction to the name has been all positive. "Tinku is a conversation starter. The name piques people's curiosity so they ask me what it means or where it came from, and that leads easily to discussions about art."

Her lawyer conducted a name search to be sure

Tinku was available and not previously trademarked in Canada, while Chandra checked to see if the domain name was open.

She registered TinkuGallery.com and is in the process of having a website developed. She says that an available domain name was critical to her decision.

"If Tinku web names were all taken, I couldn't have given that name to the gallery. People have to be able to easily find me online."

Hint: For preliminary, do-it-yourself searches, check out the government of Canada Canadian Trademark Database site at: <http://strategis.ic.gc.ca>

It is also worthwhile to ensure that a domain name is available.

Check a website designed for this such as: <http://www.cadns.ca/>

cgi-bin/WHOIS.pl And register the .ca and .com versions if they are both available.

There are two important lessons to learn from Chandra's example. One is to choose a simple name, when possible, and the other is to research thoroughly.

This applies no matter the size of the company, but if it is a large multinational, the process although similar, is much more lengthy.

In 1927 when Rentokil started life as a pest-control company, its name was entirely suitable, but much later when it diversified into other industries, such as tropical-plant services, office cleaning and courier services, the name no longer fit and actually became a problem.

A potential client thinking of using the tropical plant division was put off because of the connection to pest control – businesses did not want the Rentokil truck parked in front, even if the company was just there to prune the plants. Two years ago, things began to change.

Michelle Rodwell, international brand and marketing director, was responsible for rebranding the office-services division of Rentokil, which includes interior landscaping and airscaping services (in Canada and the U.S.), plus art rental and interior decor services in other countries. This involved creating a new name for the division – not an easy task.

The first challenge was to find a common name that worked in 40 languages. Although the company is only in 14 countries at present, there are possibilities for expansion so parameters were set for a bigger footprint than was immediately required. The name had to be memorable, but not plant specific. And it had to be available.

Rodwell worked on the project with FST Marketing, a U.K. company. It was FST that came up with Ambius,

a contrived name derived from ambiance. It took almost four months of research before they could move ahead with it, a period that seemed endless to Rodwell, although she concedes now that it was "... time very well spent. This is not something you can rush."

The company had to be absolutely sure that Ambius had no problematic meanings in other languages, and that it would be positively received. Says Rodwell: "Taking the time to find the right name is key."

They also had to check the availability of the domain name.

They found it open everywhere except Australia and the Netherlands, where they had to register alternates.

After introducing Ambius in 14 countries over two years, Rodwell says that reaction has been positive both inside the company and out.

The bottom line? "We've seen increased sales as a result." And isn't that what rebranding is all about?

Some companies have learned the hard way the result of scrimping on research before launching names for products that ended up in appropriate.

Everyone remembers GM's Chevy Nova. When it was introduced to Brazil, they found out that "no va" means "no go."

A similar mistake was made when Ford launched the Pinto. Nobody wanted a car whose name meant "tiny male genitals."

Not all mistakes have such a major impact.

When Hunt-Wesson introduced its Big John products in Quebec as "Gros Jos" which means (in slang) "a woman with big breasts," the name problem did not have a noticeable effect on sales.

But it is best not to take chances. Do the research rather than make a boob-boo.

(Brenda McMillan can be reached at [mcmillan@businessedge.ca](mailto:mcmillan@businessedge.ca))

## U.S. Army utilizing Canadian wound-closure system

Business Edge

A Canadian-designed medical device is closing wounds faster and eliminating skin grafting, says a clinical study by U.S. Army combat-support surgeons in Baghdad.

The device was designed by Canica Design Inc., a surgical tool company in Almonte, Ont., started by Lee Valley Tool chairman Leonard Lee. Lee was profiled in a 20 Questions feature in the Aug. 18, 2005 issue of the *Business Edge*.

A team of battlezone surgeons working in the 28th Combat Support Hospital in Baghdad used Canica's ABRA surgical skin closure system



Leonard Lee

to implement successfully a new surgical regimen called dynamic wound closure. Described in a paper just published in *The American Surgeon*, the procedure applies gentle but continuing tension uniformly across a wound for a period of a few days to close it gradually but completely.

"Military surgeons are reporting substantial improvements in care by using Canica's wound closure systems," said Alden Rattew, Canica's executive vice-president. "As more civilian surgeons learn about dynamic wound closure and our easy-to-use devices, millions of patients everywhere will benefit."

KEENAN from Page 22

## No point in pirating free stuff

On the other side of the equation, locally based software companies in developing countries, better technical security measures, and pressure by trade associations will all tend to reduce piracy.

Perhaps the biggest factor will be a move to other ways of acquiring software. Instead of getting it in a box at a store, we're seeing more downloadable software, some of it free or advertiser supported. There's no point in pirating something you can get for free. Like the poor, cybercrime and

piracy will always be with us. And they're interwoven, since an "irresistible deal" on some hot software often plants the seed on your computer that allows someone to steal your data remotely.

Your computer can be your best friend or your worst enemy, so give it the respect it deserves.

(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](mailto:keenan@businessedge.ca))



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