

# Business Edge

News Magazine

ONTARIO

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## Corporate charity to be tested by slowdown

### Fundraisers await fallout from economic slump

By Laura Severs  
Business Edge

Canada's corporate sector has stepped up to the plate this year when it comes to charitable donations, even with a global economic slowdown eating into its bottom line.

But that good news could be fleeting.

Most companies put their charitable plans in place early in the year and prospects for 2009 are not looking anywhere near as bright as the beginning of 2008, when both the Canadian and world economies were much stronger.

Officials in Canada's fundraising sector remain hopeful economic conditions will turn around next year, but they say it's too early to tell what effect the downturn will have on corporate charitable donations in 2009.

"Most United Ways do their corporate campaigns pre-campaign (before the full campaign launch). The economic downturn didn't happen until September, so there we're tracking ahead of last year," says Bonnie Morris, vice-president of resource development for the United Way of Canada.

See **STUDY**

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NEWSSTAND \$2

## Enter the Dragon



Brennan O'Connor, Business Edge

## IT entrepreneur stays cool in *Den*

Robert Herjavec is building a powerful IT security and infrastructure integration presence with the Herjavec Group, but the Canadian entrepreneur has found a new passion – TV. The CEO loves his role as a panelist on CBC-TV's *Dragons' Den* and meeting up-and-coming business stars. See **20 Questions** on **Page 8**.

## MRL CAPITAL TRUST



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# Business Edge

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A study by the Canada West Foundation notes that Western Canada has much to learn from the success of economic powerhouses like Ireland, says columnist Tom Keenan.

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## Industry's thirst grows for fossil fuels

*The Canadian Press*

A new study says Canada's demand for energy rose 5.5 percent last year as consumption increased in the country's industrial, transportation, residential and commercial sectors.

Statistics Canada reports Canadians consumed 7,968 petajoules of energy in 2007, up from 7,551 in 2006.

Energy use derived from the three main fossil fuels – natural gas, refined

petroleum products and coal – rose seven percent.

The largest user of energy was the transportation sector, where consumption rose 5.1 percent and accounted for about 31 percent of final demand.

Consumption in the industrial sector, the second-largest user of energy, was up 6.6 percent, due primarily to increased demand in mining, oil-and-gas extraction, and iron and steel.

# 100 tips for growing your business

## Wardell Professional Development

**10** **Build a PR machine.** When it comes to building a brand, nothing is more powerful than the media. And the good news is, the media wants to hear from you. They won't blatantly promote your business of course, but if you have something newsworthy to say, they're ready to hear it. So make it a point to send an article, a press release, or a story pitch to your local media every month. It'll pay off in the end. At Wardell, over 50% of our leads come in as a result of our PR endeavours.

**9** **Get the best professional advice you can afford.** Advice tends to be worth what you pay for it, so whether it's your accountant, your lawyer, your business coach, or your financial planner... insist on the best. You don't want to overpay, but in most cases, quality advisors provide the highest return on your investment. And while cheap advice can seem like a bargain, the cost of bad advice can be devastating.

**8** **Market with emotion.** When marketing your products or services, use emotional messages to attract potential prospects. Then, once they are interested, provide them with the information they need to back up their buying decision. For example, BMW markets their cars as the ultimate driving machine, and then backs up this claim with reams of statistical data. Car enthusiasts are initially attracted by the promised "thrill of the experience" but the claim is also supported in detail, for those who want it.

**7** **Build value rather than decrease prices.** Often, lowering prices in order to compete can lead to unanticipated price wars and depleted margins. But adding value typically increases sales, often with increased margins. So ask yourself, how can you make your offering more attractive, more convenient, more efficient, and so forth, without significantly increasing your costs? Could you add so much value that you could charge more than your competitors? For example, an automotive supplier recently began stocking their clients' shelves with products, charging them only when they used them. Clients were willing to pay more for the convenience of instant access without the typical inventory costs.

**6** **Cross-train your employees.** This is especially important in a smaller business where individual employees are accountable for a large percentage of the company's work. The rule of thumb is, try to avoid a situation where the loss of any one employee could have an immediately damaging impact on the business.

*to be continued...*

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**Brian Beaudoune, CEO, 1-800-GOT JUNK?**

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## STUDY from Page 1

# Corporate citizenship key component of reputation

"The corporate impact could be next year. When we now think of the economy, we wonder where the bottom is. The question is, will it come back in time for next year's donations?"

However, a recent U.S. study may bode well for the future.

The Boston College Center for Corporate Citizenship survey, released in mid-November, showed that half of the 50 members surveyed believe that corporate citizenship will become more critical to corporate reputation and business success, even as corporate budgets get slashed.

Most of the rest believe the situation will remain unchanged, while less than 10 percent see the corporate role diminishing.

Michael Hall, vice-president of research for Toronto-based Imagine Canada, says the study is encouraging.

"To me, it just shows that although many people expect this kind of economic downturn will make business look at their community investment and reduce it, this is quite the opposite," says Hall.

Imagine Canada, which works to advance the role and interests of the charitable and voluntary sectors, recently completed a major research project on corporate philanthropy.

The project examined 93 of Canada's largest companies (annual revenues exceeding \$25 million) and their community investment practices, providing the first-ever, comprehensive portrait of business contributions to charities and non-profit organizations in Canada.

In part, it showed that 50 percent of companies surveyed are meeting or exceeding the contribution standard set by Imagine Canada's Caring Company Program (one percent of profits to be directed to charities and non-profit organizations).

Other findings included:

- Ninety seven percent of the large corporations in the study made financial donations to charities and non-profit organizations.
- Leaders of Canada's largest corporations have very positive attitudes about the charitable sector.
- Almost eight in 10 (79 percent) agreed that most businesses would donate to charity, even without financial benefits.
- Most (71 percent) strongly agree that these organizations generally improve the quality of life in Canada.

Like United Way's Morris, Hall says that it's premature to talk about what the global downturn will mean when it comes to corporate charitable contributions in 2009.

Steve Baker, president of the board of directors of the Edmonton chapter of the Association of Fundraising Professionals (AFP), agrees it may be well into 2009 before any new trend is noticed. "By that, I mean whether or

## Quotable

*"We're definitely not up, but so far, we're doing OK ... They might not be giving as much, but they are still giving."*

— Andrew Burditt,  
Territorial public relations  
director for the  
Salvation Army

not there are going to be some companies that make a dramatic change," he adds.

The AFP represents more than 30,000 members in 200 chapters around the world that work to advance philanthropy through advocacy, research, education and certification programs.

Baker says it's quite possible that some industries and some companies could scale back their corporate giving – but that provides others the opportunity to step in.

"There will be those, no doubt, that will for varied reasons – all very justified – have to reel back more than others. But there will be others that will step up to the plate even more," says Baker.

"A corporation wants to thrive, and they thrive in a community that's healthy. A healthy community provides a healthy economy so it eventually comes back around."

The Toronto-based Salvation Army also remains optimistic about corporations and charitable donations.

"So far, we're pretty consistent when it comes to corporate donations," says Andrew Burditt, Territorial public relations director for the Salvation Army.

"We're definitely not up, but so far, we're doing OK ... They might not be giving as much, but they are still giving."

Wal-Mart Canada is playing a bigger role in the Sally Ann's annual Christmas Kettle Campaign.

Even though it has allowed the fundraising program at its stores in the past, it has now partnered with the Army for the first-ever national Kettle Campaign launch in cities including Calgary, Edmonton, Ottawa, Saskatoon, Scarborough and Vancouver.

TAXI Inc., a Canadian advertising and design company, is also joining the Army and has been distributing jackets to the homeless in Vancouver, Calgary, Toronto and Montreal.

Other corporate sponsorships and involvement are pending.

"What our take is on this so far – anything to do with donations – is that it's really too early to know how it will affect us. But the services we provide will not stop, we will not cut services," Burditt says.

shopping and entertainment this Christmas, but 82 percent say they will give as much or more to charity, in part because they realize the poor need their help even more this year.

According to the Ipsos Reid poll conducted for World Vision, charitable giving will be the last of five areas where Canadians will cut back.

Dining out will be the first to go, with 74 percent indicating that they are likely to trim this expense, followed by Christmas gifts and entertainment (72 percent) and then clothing purchases (70 percent).

By comparison, when it comes to charitable giving this Christmas, 56 percent indicated they are likely to reduce the amount they will spend.

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

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# Airlines told to better accommodate disabled flyers

## Carriers' application to appeal transport agency policy is rejected

The Canadian Press

Three of the country's major airlines are finally being forced – after a six-year legal battle – to make additional seats available at no charge to disabled or obese passengers who need the extra room.

The Supreme Court of Canada cleared the way for the move last week, rejecting an application by Air Canada, Air Canada Jazz and WestJet for permission to appeal the new policy imposed by the Canadian Transportation Agency.

The court, in keeping with tradition, gave no reason for refusing to review the case. But the effect was to uphold an agency finding that the air carriers were discriminating against the disabled.

The agency issued an order last January requiring the companies to adopt a policy of “one person, one fare.”

That would mean, for example, that a disabled person who needs additional room for a wheelchair or stretcher, or an obese person who needs an additional seat, couldn't be charged extra.

It would also mean that, if a

disabled person has to be accompanied by an attendant, the attendant would ride for free.

“This is going to make a huge difference for those people,” said David Baker, the Toronto lawyer who fought the case on behalf of disabled passengers.

“They are going to be able to travel now . . . It's a great thing for people with disabilities, it's a great thing for Canada.”

Joanne Neubauer of Victoria, one of two disabled people whose complaints sparked the case, said the news made her feel like “an equal citizen in this country.”

“I'm pretty happy,” said Neubauer, who suffers from rheumatoid arthritis and uses a motorized wheelchair. “I'm glad that they saw the wisdom and justice prevailed.”

The other original plaintiff, Eric Norman of Gander, Nfld., suffered from a crippling spinal tumour that required frequent flights to Toronto for medical treatment. He has died since the legal proceedings were launched in 2002.

The Council of Canadians with Disabilities, which joined in the legal effort, rejoiced at the victory but

expressed dismay that it was so long in coming.

“Where is the federal government's leadership on this issue?” said the council's Pat Danforth.

She argued a quicker and easier solution would have been for Transport Canada to impose industry-wide regulations on all air carriers.

The transportation agency's order technically applies only to Air Canada, Air Canada Jazz and WestJet, but their share of the domestic airline market is estimated at over 90 percent.

Baker said the ruling suggests that complaints against other airlines would almost certainly succeed.

Like Danforth, however, he called on Ottawa to save people the bother of filing case-by-case complaints and impose regulations binding on all carriers.

Debate has been raging for well over a decade on that subject under both Liberal and Conservative governments.

Air Canada and WestJet said they will comply with the transportation agency's order, which carries a deadline of Jan. 9, 2009, for implementing the new policy.

Both airlines noted, however, that

the order applies only to their domestic flights, not to international ones.

WestJet spokesman Richard Bartem said his company would consider extending the policy to international flights but hasn't decided whether to do so.

Peter Fitzpatrick of Air Canada said he couldn't speculate on that point.

Both carriers also said they will have to develop detailed eligibility rules about precisely what kind of disabilities qualify for free seats and train their staffs on the subject.

Marc Comeau of the Canadian Transportation Agency said it's conceivable that not everyone who claims to be disabled will qualify for free seats. Obesity, for example, has been deemed a disability for legal purpose in some cases but not in all.

Bus, train and ferry companies have long made arrangements for free extra seats, but the airline industry had argued it would lose too much money by doing the same.

The agency estimated the cost to Air Canada at about \$7 million a year and to WestJet at about \$1.5 million a year. That amounts to about 77 cents a ticket for Air Canada and 44 cents for WestJet.

# Would-be wind energy farms deflated by credit doldrums

The Canadian Press

Independent wind producers are facing big hikes in debt costs, raising doubt on whether ambitious construction goals will be met over the next few years, say financing experts.

Chris Gifford, a vice-president with Allied Irish Banks in Toronto, says worrisome signs for the industry came recently when EarthFirst Canada Inc. (TSX:EF), the proponent of a major wind farm in British Columbia, declared it was seeking creditor protection.

“I think it's a warning sign, what happened to them (EarthFirst) could happen to other people,” he said.

The German bank WestLB AG has said it intends to “enforce security” on its \$131-million loan to the Calgary-based wind firm.

Meanwhile, a news release by EarthFirst says attempts to find fresh financing had been “severely hindered by the unprecedented crisis in the global financial markets.”

In addition to the Dokie 1 wind farm in British Columbia and the smaller Nuttby wind project in Nova Scotia, the company also has permits for further projects in

B.C. and Ontario.

EarthFirst was unavailable to provide an updated comment on the projects, but has said in news releases it has retained its staff and is continuing to work on the projects.

Scott Urquhart, the vice-president of corporate finance at Jennings Capital in Halifax, says the problem facing Canada's independent wind producers is they are often heavily reliant on debt, raising between 70 to 80 percent of their financing by borrowing.

He has assisted small Atlantic Canadian energy and mining firms to find lenders and investors in the past few years. However, he said when he was recently approached by two wind firms in Nova Scotia, he advised them to wait out the storm.

“Some of the banks are . . . not doing deals at all, and it's going to be into the new year before you can talk to the banks about doing some of these projects,” he said.

Urquhart said last year banks and life insurance companies were interested in financing the projects at rates in the range of 6.5 percent. But he estimates the interest costs are now over eight percent, and the lenders are offering shorter terms for smaller amounts of money.

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# Province moves to backstop pension system

## But critics say action fails to address fear of future shortfalls

The Canadian Press

Shoring up Ontario's pension system with pledges of temporary relief and stronger oversight is too tempered a response to a report that calls for sweeping reforms amid concerns over shortfalls for retiring workers, critics say.

The province said it would take "immediate action" to protect the viability of the system by increasing the capacity of its regulator to oversee pension plans.

It would also consider temporary relief to help plans "manage solvency funding" in the face of investments underperforming amid "market uncertainty."

The moves came on the heels of a report that recommends creating a new commission to regulate pensions and expanding the Canada Pension Plan, or creating a similar plan provincially to control costs and broaden coverage.

In his report, Harry Arthurs, former president of York University in Toronto, said Ontario's current pension procedures are too slow and cumbersome for people who must switch pension plans or those left with none at all.

He also recommended the government require pension funds to have assets equal to 105 per cent of their liabilities before they can stop putting funds into the plan.

While his report was completed before the financial turmoil of recent months, Arthurs said his findings were relevant because they address pension plans, which have a longer shelf life than any one dip in the economy.

"By better designing the system I think we can move ahead," Arthurs said.

"People may not like the metaphor, but thinking about the design of the levee system in New Orleans came to the top of the agenda."

New Democrat Leader Howard Hampton said the latest measures by Dalton McGuinty's Liberal government do little to address the issues raised in the report.

"It won't do anything to address the shortfall that a number of pension funds are facing," Hampton said.

"What it might do is it might help some companies who are in trouble right now, it might give them more time, but it won't do anything for pensioners."

Finance Minister Dwight Duncan also expressed concern that Ontario could be on the hook for pensions if struggling automaker General Motors files for bankruptcy. GM pays into the province's Pension Benefits Guarantee Fund, which could be drained if GM fails.

Opposition Leader Bob Runciman said increasing oversight by giving more power to the regulators was a wise move, "to ensure those funds are properly managed at a time of extreme volatility."

Still, Runciman said GM's fate was a more "pressing concern."

"The General Motors pension deficit ... could be anywhere from \$4.5 and \$6.5 billion," he said.

"If General Motors Canada were to go bankrupt, the taxpayers in this province would be on the hook."

Deputy Premier George Smitherman declined to speculate on how much of a hit taxpayers could face if the province is forced to top up GM, saying that for now, those

questions are "hypothetical."

"The efforts that we're involved in are to do with due diligence, about what array of assistance might be appropriate and helpful in the very challenging circumstance that automotive manufacturers are facing," Smitherman said.

"Our efforts are focused on the automotive industry continuing to be a very, very important presence in the Ontario economy going forward."

Federal Industry Minister Tony Clement and Michael Bryant, Ontario's economic development minister, were in Washington last week in an attempt to find out what a hotly debated bailout for U.S. automakers could mean for Canadian jobs.

To Hampton, however, the pension troubles at GM simply signal the start of the province's pension woes.

"There are other pension plans that are in trouble now as well," Hampton said.

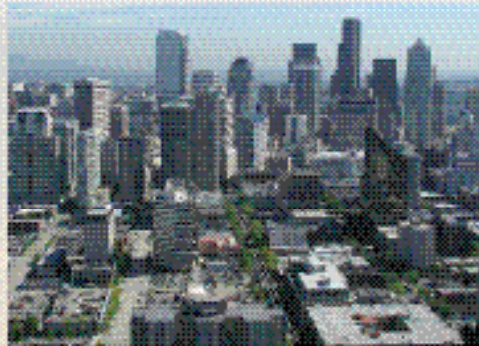
"Some are in trouble because of the downturn in manufacturing ... some are in trouble because of the most recent problems in the stock market. This has been known for about five years."

There are more than 7,500 pension plans registered in Ontario with about two million members.

The government said it will seek feedback until Feb. 27 and will then look at introducing legislation to deal with the report's recommendations.

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In both Chinese and  
Japanese, "Crisis" is written  
with two symbols, the first  
meaning "Danger" and the  
second "Opportunity"

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# Eco-industrial parks surging in popularity

## Projects can deliver advantages environmentally, economically

By David Hutton  
Business Edge

Canadian companies are leading a global trend toward environmentally friendly industrial parks, according to experts.

"I think Canadians are realizing how important this is and a lot of people right now around the world are watching the major projects we have going on," says Tracy Casavant, president of Vancouver-based Eco-Industrial Solutions and a director with the North American Eco-Industrial Council.

"I mean, if you are going to design an industrial park then why not do it on an ecologically friendly level? There can be huge advantages from both an environmental and an economic standpoint."

Casavant says the idea of eco-industrial parks has been around for years, but recently surged in popularity as demand for green buildings has increased.

Eco-Industrial Solutions is involved in projects across the country that use what it calls eco-industrial networking, or EIN for short. The company website defines EIN as creating relationships where groups will collaborate on efficient ways to use resources like material, energy, land, infrastructure and people.

"It's looking at ways tenants can all get together and look at helping each other and synergies with a common goal of protecting the environment. That can take a number of different forms, but still share the same goal."

Casavant says two types of projects have emerged – new construction and retrofit. "There are advantages and disadvantages to both. It's easier to do a brand new project from an operations and planning standpoint. Another major consideration is cost; it's always cheaper to do it right the first time around," she says.

"But if you do a retrofit project, the businesses are already in place. You save on marketing costs because you don't have to go out and try to attract new tenants."

One of the biggest eco-industrial construction projects is about 300 km west of Edmonton, in the town of Hinton.

When the \$14-million Innovista project is scheduled to finish next year, it will boast on-site water treatment facilities, waste-management programs and preferential parking for energy efficient cars.

The Federation of Canadian Municipalities awarded Hinton a \$3.3-million grant and \$2.2-million low-interest loan in 2005 to help with

the project's costs.

"Hinton was one of the first out of the gate on that scale and will be interesting to watch," Casavant says. "The concept of industrial parks has been around for a while. We're just realizing what can be done with an eco-industrial park, though, and the momentum is building."

This past summer, politicians were pleasantly surprised to hear part of the project was proceeding at about half a million dollars less than originally expected.

The *Hinton Parklander* reported town employees originally thought an innovative wastewater treatment plant would cost about \$2 million. Since then, contracts have been signed based on a fixed cost of \$1.5 million, with an additional \$285,000 for a "green" sewer system.

One town official told the local newspaper that traditional sewer systems would have cost about \$3 million.

"The cost of doing it can vary because it depends on what makes the most sense," says Jim Ireland, chairman of J.C. Ireland Consulting Ltd. in Regina. "There has to be payouts on the economic side."

Ireland added the federal government has been "encouraging" in its support for eco-industrial projects, but "it could always do more."

Another major project is on the north side of Fort McMurray. The Taiganova eco-industrial park has been designed for energy-efficient buildings, lush green landscaping and increased pedestrian use. But many observers can't help but note the irony of the location – right in the middle of Alberta's oilsands territory.

The project will have connected paths for pedestrians or cyclists, alternative stormwater-management systems and buildings that aim for leadership in energy and environmental design (LEED) certification.

Businesses in the park will commit to using at least 10 percent "green power," according to its website.

But the biggest retrofit eco-industrial project right now is in west Toronto, an area which includes the largest airport in the country.

"We were approached about a year ago by the Toronto Region Conservation Authority," says airport spokesman Jeff Armstrong. "We thought it was a great idea."

The Pearson Eco-Business Zone was eventually mapped out to include a 12,000-hectare area of the city, with 12,500 businesses and about 355,000 employees.

### Quotable

*"Industrial parks have been around since about the 1920s. The idea was it made it easier for businesses to interact and share resources or best practices. Tens of thousands of these parks have been created around the world. It's only recently that they have looked at better ways to make use of the land, resources and waste byproducts."*



– Ray Cote,  
professor  
emeritus at  
Halifax's  
Dalhousie  
University

Data Processing  
Data Entry  
Personalization  
Mail Preparation  
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# Project tackles oilsands energy, water usage

## Researchers look to refine existing technology to deliver reductions

By Laura Severs  
Business Edge

A new \$15-million pilot project is aiming to dramatically reduce energy and freshwater usage in Alberta's oilsands.

GE Water & Process Technologies, a division of GE Infrastructure, and the Alberta Water Research Institute say they hope to achieve sizable reductions in the amount of energy and water used in some oilsands projects – and then potentially export the technology to similar heavy-oil ventures elsewhere around the globe.

The project focuses on saving energy and water during the process of separating the gooey bitumen from sand.

"Our goal is to reduce the water utilization by 30 percent (compared to other conventional systems), to reduce the energy utilization by 30 percent and to reduce the cost by 30 percent," says Lorne Taylor, chair of the Alberta Water Research Institute (AWRI), part of the Alberta Ingenuity Fund whose mandate is to develop internationally competitive science and engineering expertise.

"It's a research agreement. What's interesting is that we're taking some existing technology and putting it into an existing oilsands plant and refining the technology to meet the goals of this project."

The partners believe they can achieve sizable reductions in the amount of energy and water used in oilsands projects that use steam-assisted gravity drainage, in which steam is injected into the oilsands to separate the bitumen from the sand.

Both U.S.-based GE Water and

### Quotable

*"Our goal is to reduce the water utilization by 30 percent (compared to other conventional systems), to reduce the energy utilization by 30 percent and to reduce the cost by 30 percent."*



– Lorne Taylor,  
chair of the Alberta Water  
Research Institute

the Alberta Water Research Institute are each contributing \$7.5 million to the partnership, which also includes a second initiative to develop an educational program for business executives on advanced water-management strategies.

The main project will build on GE's design and operations experience and technologies already in use in the oilsands, including advanced membranes, thermal evaporation systems, mobile filtration units and water treatment chemistry.

"The challenge of this application is extreme," says Graham Sim, global solutions product manager for industrial water for GE Water & Process Technologies. "The temperatures are ranging between 85°C and 95°C, there is significant variation in the water chemistry and lots of emulsified oil, asphaltene, etc. Producers are looking for a proven, reliable solution."

"The successful development of this technology will result in signifi-

cant energy savings."

The company believes that these de-oiling capabilities will also help all oilsands operations save water.

Walter Dale, GE Water and Process Technologies' vice-president responsible for Western Canada, says it will be awhile before the technology can leave the pilot project stage.

"Industry has told us that they need at least six months of operating data to justify whether or not it's scalable to full production sizes. That's why we plan to partner with industry and prove the technology using pilot plants," says Dale. The educational component, a curriculum for which is still being developed, will help position Alberta as a research centre of excellence, he adds.

"There will be general education for individual executives and the public on the value of water and how modern technology today will assist in the sustainable and economical development of the oilsands," he says, noting

this will help oilsands executives to better understand and appreciate the value of water in their own plant's value chain.

The AWRI's Taylor says he's confident that the rest of the project will go as quickly and as smoothly as the deal to set it up, which was spurred by an initial memorandum of understanding signed between the province of Alberta and GE a year ago.

"There are few jurisdictions that can do a partnership like this so quickly," says Taylor. "We started talking to GE at end of May. Four and a half months later, we signed a deal."

Doug Horner, minister of Alberta advanced education and technology, also applauded the initiative with what he called "one of the world's most active international companies."

"From the spark of an idea through the many stages of development, Alberta is one of the best places in the world for industry to explore or market creative solutions to some of the global challenges, and water management is one of the key areas where we can contribute to a better world," Horner said in a statement.

In a later interview, he added that he sees a number of potential spinoffs from the pilot project and is looking forward to other similar agreements.

"With this separation of oil and water, we could possibly use that technology in other separation processing (operations), such as mining, food processing or the chemical industry – it's not just Alberta applications but global applications," says Horner. "What we want to do is create the commodity of knowledge."

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

## Teck Cominco tightens belt as it struggles under debtload

The Canadian Press

Teck Cominco Ltd. (TSX:TCK.B) is suspending dividends, slashing capital spending and selling assets as the big copper, zinc and coal miner struggles under a massive debtload.

Teck said the measures are "the first steps in implementing its comprehensive plan to reduce debt" taken on for the US\$14-billion takeover of the Fording Canadian Coal Trust, Canada's largest producer of coal for the steel industry.

Teck said the dividend suspension on both its class A common shares and class B subordinate voting stock will save \$486 million next year.

Along with a \$730-million scale-back of capital investment will come "other steps to reduce expenditures and increase cashflow."

Additionally, Teck plans a 20-percent

reduction in zinc production and an increase in power sales at its complex in Trail, B.C. It was not immediately known whether jobs will be cut at the Trail smelter, one of the biggest in the world.

In related developments, Teck has also sold its 60-percent interest in the Lobo-Marté gold property in northern Chile to Kinross Gold Corp. (TSX:K). Kinross is paying 5.6 million shares and US\$40 million in cash for Teck's stake, while Anglo American PLC gets US\$140 million in cash for its 40-percent holding.

It also is terminating participation in the Petaquilla copper project in Panama, receiving US\$30 million from Inmet Mining Corp. (TSX:IMN) for its 26-percent stake.

"Current global economic and financial market conditions dictate that we take all prudent steps avail-

able to us to significantly reduce spending," stated CEO Don Lindsay.

"The measures announced today, combined with previously announced tax savings, amount to \$2.4 billion and should significantly enhance our ability to address our near-term debt obligations and better position Teck to refinance the bridge loan when conditions improve."

Teck, a major zinc, copper and coal miner which formerly paid dividends worth \$1 per share annually, is borrowing US\$9.8 billion to fund the Fording deal, which closed last month. This included a \$4-billion term loan and a \$5.8-billion bridge loan.

The mining company's shares, worth over C\$50 last spring, have plunged to barely \$5 on the TSX because of intensifying worries about its balance sheet.

Management said sustaining capital spending will be cut to \$250 million next year, down from about \$580 million this year, while development expenditures will fall to \$250 million from \$650 million.

In its coal operations, Teck disclosed that it has "received notification from a small number of customers indicating their desire to defer some of their contracted volumes."

The Trail complex is reducing its refined zinc production by 4,000 to 5,000 tonnes per month immediately "in response to changing market conditions."

The curtailment is expected to last at least six months.

Lead production at the Trail smelter will not be affected, while electricity sales are expected to increase by about 15 gigawatt-hours monthly.

## 20 Questions

# IT entrepreneur forged own success

## Herjavec Group CEO now helps others focus their business plans on TV

By David Hatton  
Business Edge

The first thing that a visitor notices walking in to Robert Herjavec's 22nd floor Toronto office is the bright windows along one side. Sailboats can be seen calmly drifting off the shore of Lake Ontario.

But it's the television mounted on another wall that has his attention this early afternoon. "Have you seen what's happening with the markets today?" he asks, gesturing toward the screen. World commodity markets – particularly in countries like China and Brazil – are plummeting in value.

It's a hard time for any investor, but Herjavec settles down in the chair behind his desk and relaxes. The CEO of technology company The Herjavec Group is clearly no stranger to difficult circumstances and managing to come out on top . . .

**1. I wanted to start off by asking you about when you were growing up, especially waiting tables in Toronto's upscale Yorkville district. When was the first time you showed an interest in being an entrepreneur?**

"I didn't at that point, really. I was studying for a degree in English lit and political science. It was just knowing how to work hard, timing and knowing what people want."

**2. What kind of an influence did your parents have on you as an entrepreneur and business person?**

"I guess I have to say they did and they didn't. My dad was your typical blue collar, salt-of-the-earth type of person who was very hardworking. Both of my parents taught me early on that nothing is below you and you never look down on anyone. They weren't really an influence on me though, in the sense that no one in my family was ever an entrepreneur before. Statistics show 85 percent of all successful entrepreneurs have family members who were successful entrepreneurs. I didn't have anyone like that when I was younger."

**3. What about other role models?**

"There are all kinds out there like (Dell founder) Michael Dell, (Microsoft co-founder) Bill Gates, (Oracle co-founder and CEO) Larry Ellison . . . who have the ability to create something (a company) out of nothing. Or they can morph into their current situation from a totally different company and turn things around."

**4. What was the process like when you sold networking firm Brak**



Brennan O'Connor, Business Edge

Herjavec Group CEO Robert Herjavec has branched out into TV as one of the panelists in CBC's *Dragons' Den* business program.

**Systems Inc., of which you were founder and CEO, to AT&T Canada in 2000?**

"That was quite some time ago so I really don't remember that much about it. All I remember was that it was like having your child suddenly snatched from your bosom (laughs). It's hard when you work so much to build something up and then someone comes in and buys it from you just like that."

**5. Tell me about when (Nokia bought Ramp Networks for \$225 million). Did AT&T let them remain autonomous or did they have to conform to AT&T's style and corporate culture? (Note: Upon leaving AT&T, Herjavec took on the position of vice-president of worldwide sales for the publicly traded Ramp Networks, based in San Jose. He was involved in the \$225-million sale of the company to Nokia in 2001.)**

"The two company cultures were very similar, so it didn't require that much integration. Fortunately, AT&T was already a great place to work so it made that part of it easy."

**6. When investors buy into a company, should they generally take a hands-off approach or have active involvement in the day-to-day decision making and how things are run?**

"I'm not a very good hands-off investor. My theory is that I have to know enough about the company so that if anything happened, I would be able to step in there tomorrow and run it. I want to know everything that's going on."

**7. How did you first learn about the opportunity to be on CBC's *Dragons' Den* and what was the audition like?**

"That's an interesting question. There wasn't really an audition. Our old office used to be close to the CBC building. I already knew a lot of people through business connections and one morning I came in to work and found this package on my desk. There was a tape showing the U.K. version of *Dragons' Den*. I thought they were looking for an investment or something. Later on, I had someone call me and ask if I would be interested in being on the Canadian version of the show that was starting up . . . I remember when we first got together, one of the producers took me aside and told me to relax and lighten up; this was for entertainment purposes. I was firing questions like any potential investment and treating it like another business meeting."

# Workplace morale needs maintenance

## Canadian firms urged to show understanding of worker stress

By Tess van Straaten  
Business Edge

Market meltdowns, faltering real estate prices, job cuts and economic uncertainty across Canada have many workers worried.

"Watching the headlines every day can make anyone crazy – many of us can't help but be worried," says Aimee Israel, CEO of Toronto-based workplace consulting firm LifeSpeak.

With more and more employees stressed out about finances, it's clear that the stock markets aren't the only things taking a hit. Productivity levels also drop when workers are stressed – and that's why some Canadian companies are going on the offensive.

Amgen, a Mississauga biotech company, recently invited well-known financial expert and TD Waterhouse vice-president Patricia Lovett-Reid to help staff understand what's happening in the economy and to give them tips for handling their own finances.

"Employers need to be showing their people that they understand it's a difficult time and giving employees the tools they need to be successful on all fronts," says Israel, whose firm organized the workshop.

"The maintenance of workplace morale during the current economic climate is crucial – this is how you keep employees motivated in tough times."

Even in good times, stress can take a big bite out of the bottom line. As a risk factor, it has twice the financial impact on an organization as that of chronic health-related issues such as allergies, asthma, back problems, diabetes, heart disease, kidney disease and depression combined.

"It's probably the single largest health issue that (employers) face," says Zorianna Hyworon, CEO of Winnipeg-based Info Tech.

"It affects an employer at every level, from decreased productivity to increased disability claims to the business impact if stressed-out employees are in client-facing or supervisory roles, yet it's not very well understood and it's not very well addressed."

Working with global blue-chip companies to measure, track and correlate a broad range of factors impacting employee health and productivity, Info Tech's Wellness Checkpoint program has gathered significant data on stress.

From a survey of 60,000 Canadian workers, it found that more than 61 percent reported "moderate to high" or "very high" stress levels, with almost 80 percent of employees stressed at work "sometimes to always."

Perhaps more surprisingly, only 14 percent of respondents indicated a willingness to change.

"If you take a factor like over-eating

### Quotable

*"Employers need to be showing their people that they understand it's a difficult time and giving employees the tools they need to be successful on all fronts. The maintenance of workplace morale during the current economic climate is crucial – this is how you keep employees motivated in tough times."*



– Aimee Israel,  
CEO of Toronto-based  
workplace consulting  
firm LifeSpeak

and 40 percent say they're at risk, at least half say they're ready to change," says Hyworon. "But with stress, not only are there more people at risk, they're also much less likely to change and we see this consistently."

Theorizing that many people may think stress is beyond their control, Hyworon says many companies often make the same mistake – either ignoring stress as a risk factor or not realizing how much it costs a company.

Yet, according to the Wellness Checkpoint data, stress is the single largest health-related productivity cost at work.

Based on an annual salary of \$50,000, people who report stress at home have \$3,300 in lost productivity alone and \$3,900 in lost salary time for stress at work.

While depression, at \$5,400, and heart disease, at \$5,500, in lost productivity cost more per person on an individual level, the sheer number of people suffering from skyrocketing stress levels – 61 percent versus 21 percent for known depression and only 1.5 percent for heart disease – adds up fast.

"When we apply the individual cost to the percentage of people who have stress, it will cost on average \$2.4 million in lost productivity alone per 1,000 employees," Hyworon points out.

"Compare that to kidney disease, which is more expensive on an individual level at \$5,400 (in lost productivity per \$50,000 salary). Far fewer people have it so it only costs \$26,000 on a population level (per 1,000 employees)."

With stress – from both job-related issues and external issues including home life and financial concerns – playing such a big role in workplace productivity, it may be surprising to learn that more companies aren't doing more to manage stress.

"Most employers don't realize how big the impact is," Hyworon says.

"What they have is claims data, the people that are, in fact ill, but many workers are the walking wounded and (businesses) don't see the pipeline coming in. It's that submerged part of the iceberg that's the problem."

One Canadian company that has been looking beneath the surface in an attempt to help manage employee stress for several years now is CIBC.

Banking on the fact that happier employees will be more productive and provide better service, CIBC has been using several methods, including confidential employee questionnaires, to gauge and track staff stress levels.

"What our numbers are showing us is that stress is an issue for employees," says Dr. David Brown, CIBC's corporate medical adviser.

"People everywhere are more stressed these days and standing there and telling people not to worry about stress – what's the point of that? People still feel it, it's still real and the bottom line for a company is what are you doing about it?"

CIBC is taking a multi-faceted approach. From emergency daycare to financial and legal counselling, the bank is trying to lessen the load on its employees.

"It's all about flexibility," says Dr. Brown. "We've looked at things like personal days, where employees can take a certain number of days in a year

for any reason. They're not sick days, they're not vacation days, so if your child has a toothache, you can take the day off and there's no repercussion for that.

"If you're taking control away from people, it can increase stress levels but on the reverse, if you're giving control back to people then they're not on this knife edge, bouncing all the time."

While many smaller businesses and organizations may not think they can afford to implement stress-management programs, workplace wellness experts say they can't afford not to.

For companies that have them, Hyworon says employee assistance programs can be a big resource, as can group health-care providers such as Blue Cross.

"There is help out there and the most important thing management can do is be aware of the big business impact stress has and try to keep a finger on the pulse of their organization," she adds.

"Sometimes they'll find that it may not be the employees who have the problem but that it's their supervisor that's the problem and that's why they're stressed out."

Indeed, workplace stress is often the result of a poor employee-manager relationship. After over two decades as a corporate medical adviser, Dr. Brown can't stress enough the importance of supportive supervisors.

"Study after study has shown us that one of the chief factors affecting an employee's health is their relationship with their manager," he says. "If you ask what a company can do to help with employee stress, having a supportive manager is pretty key."

For those seeing first-hand the rising stress levels of Canada's workforce, supporting staff in these testing economic times is more important than ever.

"As the workforce is being called on to be more adaptive and money is more stretched, your employees' ability to think clearly, interact well with others, be creative and be able to cope will be the difference between your business's success and failure," cautions Hyworon.

"Things just aren't the way they used to be and the agile organization needs agile employees."

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

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20 QUESTIONS from Page 8

# Den hopefuls deliver 'great' business ideas

**8. How much do you learn about the entrepreneurs (called "pitchers") before you see them in front of you with the cameras rolling?**

"That's something a lot of people don't seem to realize. We get nothing at all about the people before we see them inside the studio. You get our initial reactions when we hear about their business for the first time."

**9. You made some formal remarks during the *Dragons' Den* season launch party here in Toronto that Canada's current economic turbulence might help the show's ratings. Can you tell me more about that?**

"I think that entrepreneurs are a strong force when it comes to supporting the Canadian economy in general. When you have all of this uncertainty in global markets, there will be much more of a reliance on people with their own businesses."

**10. What do you like the most about being on the *Dragons' Den* panel?**

"That would definitely be the people we get to meet from across Canada on a regular basis. You've got some great business ideas out there and hard-working people who run them."

**11. What do you like the least?**

"The due diligence - all the meetings and conference calls back and forth afterwards to look after the details. What you see on the air is only a small portion of what goes on with the deal. There's still hours and hours of work that needs to be done after that."

**12. Let me ask you about some of the more memorable pitchers that have appeared on *Dragons' Den* in the past. What about Jessica and Russell Bohrson of Atomic Tea in Calgary?**

"Atomic Tea has a great presentation and an excellent product. I remember how I was thinking about it afterwards when I hopped in a cab outside the studio to go to a meeting. I told the cab driver about this great company I had just seen that offered all these kids of great teas. He said: 'Yeah, there's something very similar in the bottom of (a downtown Toronto office tower).' I had him turn around and take me there and sure enough, it was almost the identical concept to what they were proposing. Second would be the team from Job Loft. They were good guys who had a really sound business model and so much potential. I still think they're going to do well. Unfortunately, I think they got some bad advice from their professor who was advising them at the time."

**13. Let me turn it over to you now. Who were some other memorable pitchers that have been on the show in the past?**

"I thought you were going to say Bikini Weenie or the poor lady from

## Robert Herjavec

• **Title:** CEO, Herjavec Group Inc.

• **Born/Raised/Age:** Croatia, Croatia/Canada, 45

• **Education:** BA, University of Toronto

• **Family:** Married with children

• **Moonlighting:** *Dragons' Den* TV show on CBC

• **Awards:** Hot Growth 50 and Profit 100 (with Brak Systems Inc. and The Herjavec Group); Fastest Growing Security Company in Canada (with The Herjavec Group).



Robert Herjavec

the Czech Republic, when everyone said I made her cry. Those would definitely be on my list. Bikini Weenie was this woman from Ontario who wanted to sell hot dogs using staff who were wearing bikinis. She hadn't thought what she was going to do about the winter months. The lady from the Czech Republic had a cover that would keep bath water warm so your bathtub wouldn't get cold. I didn't mean to upset her when I told

## Herjavec Group

• **Brass:** Robert Herjavec, chief executive officer; Sean Higgins, chief technology officer; George Frempong, VP, sales, Central Canada; Robert Potvin, VP, sales, Eastern Canada; John Moy, director of finance.

• **Profile:** The Herjavec Group (THG) is an IT security/infrastructure integration firm, specializing in security solutions, WAN acceleration and emerging technologies.

• **Stats:** The Herjavec Group is privately held, but during its first year of operation THG reported 2002 revenue of \$434,192. Last year, revenue was listed at \$16,867,445 (representing a 3,785-percent increase) and the company has told *Profit* magazine its profits are in the 0-10-percent range.

• **Website:** [www.herjavecgroup.com](http://www.herjavecgroup.com)

• **HQ:** 1 Yonge Street, Suite 2204, Toronto, M5E 1E5. Phone: 1-888-611-3772

her what I thought. Some people take it personally when you point out things about their particular business idea, and they shouldn't."

**14. There have been a number of milestones in your career. How do**

**you define success, and at which point did you first reach it?**

"Success to me is not about the cars or the mansion or any of the material things. It's about being the best you can every single day, at whatever you do. It's a feeling you get inside. I reached it a long time ago. It's hard to really define one point when that happened."

**15. What are your goals for the upcoming year or so?**

"To continue to grow the Herjavec Group as a successful company and make it a strong place to work for everyone here."

**16. You live in a 50,000-sq.-ft. mansion where Mick Jagger and Michael Bublé have stayed as guests, have a garage full of expensive cars and even your own private jet to take you on exotic vacations. How do you plan on rewarding yourself when you reach the next set of goals?**

"Those are just things. It's more about constantly pursuing your goals and the feeling of achievement you get when you reach them."

**17. I wanted to ask you about some of the many charities you support, like Toronto's Princess Margaret Hospital. What made you decide to help them?**

"They reach out and help a lot of people."

See ROUTE

Page 11

Advertisement

## Growing your business in a challenging climate

By Rob Driscoll  
*Business Edge Publisher*

The preponderance of negative news about the economy tells us that we are going to see a difficult business climate for at least the next 12 months.

Many Canadian companies are slashing spending, cancelling or postponing projects and generally battening down the hatches and bracing for the worst. A good percentage of those companies will focus so much on the worst-case scenario that they will help ensure that the worst indeed occurs.

Other companies are looking at this time of crisis as an opportunity to set themselves apart from their competitors. Of course, it makes sense to control spending in uncertain times. However, those who have valuable products and/or services and who make a concerted effort to improve their marketing stand to gain considerable market share.

With that in mind, *Business Edge News Magazine* is introducing a special program that will help ambitious Canadian businesses take advantage of current market conditions.

The first 10 companies that sign up for the Growing Against the Grain program can look forward to the following benefits:

- Preliminary discussion about your marketing

objectives and how we can best deliver your key messages to business decision makers;

- Creative brainstorming session(s) to ensure that your message catches the attention of your target audience;

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To sign up for the Growing Against the Grain program, contact me any time (I don't sleep much) at 866.216.3343 ext. 25 or [rob@businessedge.ca](mailto:rob@businessedge.ca)

be  
Business Edge

## PARKS from Page 6

## Industrial parks promote wiser use of land, waste byproducts

But rather than rebuilding existing infrastructure, the zone concentrates on creating partnerships, Armstrong says.

The airport already has a co-generation facility onsite, where waste heat is captured by a turbine and turned into electrical power, he adds.

"It's all about ways to collaborate and become more environmentally

efficient. Businesses can look at ways to cut their energy consumption and employees can get on board with things like car-pool initiatives. There are all kinds of possibilities," says Armstrong.

Professor emeritus Ray Cote of Halifax's Dalhousie University has been studying eco-industrial parks since about 1991, when he led a

pioneering research study on the idea.

Since then, the university's school for resource and environmental studies has been awarded about \$1 million in applied research and development funds.

Representatives of more than 25 countries around the world have consulted with Cote since to get his views on eco-industrial parks. Next month,

he will be flying to Japan to present his research at an academic conference there.

"Industrial parks have been around since about the 1920s. The idea was it made it easier for businesses to interact and share resources or best practices," Cote says in a telephone interview from Halifax.

"Tens of thousands of these parks have been created around the world. It's only recently that they have looked at better ways to make use of the land, resources and waste byproducts," he says.

Cote also helped found the Eco-Efficiency Centre in the Halifax suburb of Dartmouth, which looks at ways businesses around the world can work together to be more environmentally efficient.

"I've seen a lot of interest this year from places like British Columbia, Alberta... Ontario is getting involved. People in the Maritimes are talking about projects. It's growing bigger and bigger each month," Cote says.

"China and South Korea have extensive programs in this field, but Canada is becoming stronger and stronger," he says.

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

## ROUTE from Page 10

## Santa Claus parade has special appeal

"I spent a lot of time there with my mom, just before she passed away from cancer. The staff at the hospital helped her in particular"

**18. What about the (Toronto) Santa Claus parade's Celebrity Clown program?**

"Oh, yeah. That was actually started by George Cohon of McDonald's Restaurants of Canada. Corporate executives make a donation to be included as part of the parade every year."

**19. So you put on the clown wig and rubber nose and everything? Was it an amazing experience, seeing the**

**kids' faces along the parade route?**

"Well... that's part of it. Did your parents take you to the Santa Claus parade when you were growing up? Mine never did. It's a really exciting time, I think, for all ages. I'm taking my teenage son this year. I'm not sure how much he's going to appreciate the parade, but he should at least experience it. I'm also a big supporter of (Toronto-based) Moorelands Community Services. They also do a lot of good work with kids (children and youth affected by poverty).

**20. What would you like Canadians to know about you**

**that perhaps they don't already?**

"I'm exactly the person people see on *Dragons' Den*. People seem to find me very easy to talk to, no matter where I am. Since I've been on the show, people recognize me more and will come up to tell me about their life story or their own accomplishments. It's always good to talk to people – sometimes I'm in a hurry and don't have a lot of time – but I always try to listen. I think Canada is a great country where if you work hard, you can get ahead."

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

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# Largest post-secondary institutions in Canada

Ranked by gross revenue for the year ending April 2005

Rank	Name	Gross Revenue (2006/07) (\$'000)/ % govt. funded	Full-time students 2003-04	Contact information	Campus director/ year established	Description
1	University of Toronto	\$1,942,000 / 48%	63,921	315 Bloor St W, Toronto, ON M5S 1A5 416.978.2011 www.utoronto.ca	David Naylor, President Founded 1827	Founded initially as King's College, granted its royal charter by King George IV. Has been home to intellectual figures such as Northrop Frye and Marshall McLuhan
2	The University of British Columbia	\$1,505,063 / 48%	43,579	2016 1874 East Mall, Vancouver, BC V6T 1Z1 604.822.2211 www.ubc.ca	Stephen Toope, President Founded 1908	Main campus in Point Grey Peninsula adjacent to Vancouver, with 2 smaller campuses: UBC Okanagan, Kelowna, B.C. and UBC Robson Square, downtown Vancouver
3	University of Alberta	\$1,257,734 / 58%	32,799	114 St. St. Ave, Edmonton, AB T6G 2M7 780.492.3111 www.ualberta.ca	Indira Samarasekera, President and Vice-Chancellor Founded 1908	Research focused institution offering more than 200 undergraduate programs and 170 graduate programs in 18 faculties
4	Université de Montréal	1,213,143 <sup>a</sup> / 72%	56,538	C.P. 6128 Succursale Centre-ville, Montreal, QC H3C 3J7 514.343.6111 www.umontreal.ca	Luc Vinet, Rector Founded 1878	Includes two affiliated schools, the École Polytechnique and the HEC Montréal. Includes a full range of disciplines in health sciences
5	McGill University	978,003 / 50%	33,258	845 Sherbrooke St W, Montreal, QC H3A 2T5 514.398.4455 www.mcgill.ca	Heather Munroe-Bloom, Principal & Vice-Chancellor Founded 1821	Has 21 faculties and professional schools, offering degrees and diplomas in over 300 fields of study, including medicine
6	Université du Québec	846,450 / 75%	53,622	475 rue du Pariz, Québec, QC G1K 9H7 418.657.3551 www.uqubec.ca	Pierre Moreau, President Founded 1968	Includes nine provincially-run public universities in the province of Quebec
7	The University of Western Ontario	820,150 / 48%	33,719	2 1151 Richmond St, London, ON N6A 5B8 519.661.2111 www.uwo.ca	Paul Davenport, President Founded 1878	Offers more than 200 different programs through 12 faculties and schools and three affiliated colleges
8	University of Calgary	\$826,908 / 55%	24,141	2500 University Dr NW, Calgary, AB T2N 1N4 403.220.5110 www.ucalgary.ca	Harvey P. Weingarten, President & Vice-Chancellor Founded 1966	A 213-hectare campus for scholars in 18 faculties, 53 departments and more than 30 research institutes and centres
9	York University	\$824,500 / 46%	45,611	4700 Keele St, Toronto, ON M3J 1P3 416.736.2100 www.yorku.ca	Mamdouh Shoukri, President Founded 1959	Offers 11 faculties, including the Schulich School of Business, Osgoode Hall Law School, Glendon College and the Faculty of Environmental Studies
10	University of Ottawa	\$806,100 / 61%	35,548	550 Cumberland St, Ottawa, ON K1N 6N5 613.562.5700 www.uottawa.ca	Allan Rock, President Founded 1848	Bilingual university welcoming students and faculty from more than 150 countries. Gives students opportunity to study in English, French or both

Continued on Page 14

## Footnotes

Sources: Post-secondary institution representatives and websites. Institutions include those receiving provincial or

federal funding.

a. Financials include the Ecole Polytechnique and HEC Montreal. Business Edge makes every attempt to publish accurate

information, but accuracy cannot be guaranteed.

Research: Alexis D. Smolensk (alexis@businessedge.ca)

## Laptop sales topple desktop computers from traditional top spot

The Canadian Press

For the first time, laptop shipments to both consumer and business markets accounted for more than half of sales in a quarter, toppling desktop computers from their traditional top spot.

"What you have is massive numbers of students going back to school and they tend to shift the market one way or another, and they shifted enormously toward laptops as they went back to school," says David Daoud, an analyst with global market intelligence firm IDC.

The share of notebooks shipped in the U.S. to consumer and business markets was 55.2 percent in the fiscal quarter ended Sept. 30, more than 9.5

million units, according to IDC research.

The shift to laptops in the United States would also apply to Canada, said Daoud, research manager of U.S. Quarterly PC Tracker and Personal Systems at IDC in Framingham, Mass.

Convenience and the ability to move around with the laptop are driving its popularity.

"There is a trend to mobility, no doubt," Daoud says. "There's a lot more innovation happening, a lot more research and development money spent on mobility than on desktops."

He notes wireless connections to the internet at wi-fi hotspots have made web connections through mobile devices faster and better.

Entertainment is also a factor in

the laptop's popularity.

"A lot of people use the laptop for DVD viewing in bed rather than watching in the living room with their parents . . . It has an entertainment usage, whereas the desktop forces you to go to the desk and sit down in an uncomfortable position."

"So mobility is where you take your stuff with you," Daoud says.

Lance Ulanoff, editor-in-chief of PCMag Network, says the shift to portable computing devices has been going on for the better part of this decade but has picked up the pace in recent years.

"As prices have dropped and power has increased, they have become a better and better alternative to people looking for computing of

any kind," he says from New York.

Businesses like laptops because they can get more out of their employees, Ulanoff says.

There is a downside because laptops may have to be replaced more often if they are lost or stolen and data can be lost along with the machine, he says.

"But the balance is you get so much more out of your employees who can not only work more, but can quickly hop onto your virtual network and fix problems that might exist in a much more timely manner."

Looking ahead, the weakened economy could affect PC sales, Daoud says, but the "good news is that virtually every buyer considers PCs as must-have products and not as secondary wishlist items."

# Chamber Executives elect new chair

Business Edge

**Sheldon Leiba**, president and chief executive of the Mississauga Board of Trade, was elected chair of the **Chamber Executives of Ontario** (CEO) at the latter's recent annual general meeting. Leiba has been on the board of CEO the past four years. The group is a professional development association for the senior management of chambers of commerce and boards of trade in Ontario.

National retailer **Canadian Tire Corp.** (TSX:CTC.A) has announced that **Stephen Wetmore**, CEO of Bell Aliant, will become president and chief executive of CTC at the start of 2009. He succeeds **Tom Gauld**, who will remain as a member of the board of directors of the Toronto-based company.

**Maple Leaf Foods** (TSX:MFI) has appointed a chief food safety officer, a first for the Toronto company as it works to recover from a deadly listeria outbreak. Bacteria from a Maple Leaf plant in Toronto were linked to the deaths of 20 people in a nationwide outbreak. **Randall Huffman**, currently the president of the American Meat Institute, will step into the new role as of Jan. 5.

**Active Control Technology Inc.** (TSXV:ACT) says that **Ante Rupic** has been appointed as its VP of operations. Rupic most recently was the director of wireless market development at Sandvine Inc. He replaces **Ian Oliver**, who has left Active Control to pursue other career opportunities. ACT designs, manufactures and markets wireless control and communication systems for buildings and extreme environments. Its head office is in Burlington.

**Kingsway Financial Services Inc.** (TSX, NYSE:KFS) of Mississauga has consolidated operations of Southern United Fire Insurance Co. of Mobile, Ala., with Hamilton Risk Manage-

## Moving On

ment, its subsidiary based in Miami. **Roberto Espin** is appointed president and CEO at Southern United. Espin will also continue as president and CEO of Hamilton Risk. **Leslie DiMaggio** was named VP of operational effectiveness at Kingsway. She was formerly the president and CEO of Southern United. Kingsway provides non-standard automobile and truck insurance, and other specialty insurance. It operates through 11 wholly owned insurance subsidiaries and two insurance agencies in Canada and the U.S.

**Strongco Income Fund** (TSX:SQP.UN) has appointed **David Wood** as CFO effective Dec. 15, succeeding **Grant McCardle**. Wood is currently CFO for a publicly traded company. Strongco is a trust established to hold one of the largest multi-line industrial equipment distribution providers in Canada. Its head office is in Mississauga.

**First Capital Realty Inc.** (TSX:FCR) has announced several appointments. **Sylvie Lachance** is now executive VP and COO; **Karen Weaver** executive VP and CFO; **Brian Kozak** senior VP for Western Canada; **Louis Voizard** VP for Eastern Canada; **Jamie Chisholm** VP for Central Canada; and **Peter Papa- giannis** VP of property management. First Capital owns and operates super-market- and drugstore-anchored community shopping centres. Its head office is in Toronto.

**Ontex Resources Ltd.** (TSX:ONT) has named **Donna Yoshimatsu** to the position of VP of investor relations and value strategies. Yoshimatsu has held positions with public companies in the industrial and resource sectors for more than 20 years. Ontex is a junior resource company focused on gold exploration in Northern Ontario. Its head office is in London.

Predictive medicine company **PreMD Inc.** (TSX:PMD) has appointed **Catherine Auld**, CA, as its CFO. Auld currently works as a financial consultant within the biotechnology industry. **Ron Hosking**, who has been with PreMD more than 11 years, is retiring as CFO but will continue as a consultant. PreMD develops rapid, non-invasive tests for the early detection of life-threatening diseases. Its head office is in Toronto.

**Peace Arch Entertainment Group Inc.** (TSX, AMEX:PAE) has promoted **Julie Sultan** to the newly created post of president of international motion picture sales. Sultan had been executive VP since April 2007. Also promoted was **Suzanne Barron** to executive VP of international motion picture sales and **Caroline Dubourg** to VP of international motion picture sales and business affairs. Barron had been senior VP since joining PAE in 2004. Dubourg started at PAE in April 2007. Peace Arch produces and acquires feature films, television and home entertainment content for worldwide markets. It has offices in Toronto, New York, Vancouver and Los Angeles.

**GLR Resources Inc.** (TSX:GRS) has announced the termination of **John Orr** as COO. GLR is a junior mining and exploration company with projects in Ontario, Quebec and Saskatchewan. Its head office is in Kirkland Lake.

**Avante Security Corp.** (TSXV:ASY) says that **Kevin Gilbride** has resigned as CFO for personal reasons. Gilbride will be available to assist in a transition period. Avante designs, installs and supports security systems and services. Its head office is in Toronto.

**Critical Outcome Technologies Inc.** (TSXV:COT) says that **Michael Cloutier** has been appointed CEO, succeeding **John Drake** who had been CEO since 2005. Drake will continue

as chairman. Cloutier brings more than 26 years of pharmaceutical industry experience. Critical Outcome is focused on the discovery and pre-clinical development of molecules for treating cancers, HIV and multiple sclerosis. Its head office is in London.

Digital entertainment company **SilverBirch Inc.** (TSXV:SVB) says it has named **Kevin Astle** as interim president and CEO, succeeding **Derek van der Plaats**, who resigned as president, CEO and a director. Astle is the founder of Marketing Imperatives International. SilverBirch has its head office in Toronto.

**Texada Software Inc.** (TSXV:TXS), a Toronto-based software producer, says it has appointed **Brian Spilak** as the company's new president and chief executive. He was recently a senior executive with Stephenson's Rental Services Inc. Spilak replaces **Nigel Miller**, who has resigned.

**Mazorro Resources Inc.** (TSXV:MZO) has appointed **John McNeice** as CFO and corporate secretary. McNeice has been a financial consultant to emerging private and publicly traded junior mining companies since 2004. Mazorro is a tightly held junior mining exploration company targeting gold, copper and silver deposits in Mexico. Its head office is in Manotick, Ont.

**Ontogenix** has rebranded itself as **Peerset Inc.**, and board chairman **Chetan Mathur** has been named interim CEO while **Greg Keegstra** has been appointed VP of business development. Mathur has been CEO of M Systems Group and Sage Information Consultants. Keegstra brings more than 15 years of business development and marketing experience working with media and technology companies. Peerset is a social media advertising company with its head office in Toronto.

The **Canadian Investor Relations Institute** (CIRI) has appointed **Tom Enright** as president and CEO. Enright recently retired from the position of president and CEO of CNW Group. CIRI is an association of executives responsible for communication between public corporations, investors and the financial community. It has four chapters across Canada.

**CATAAlliance** has named **Charles Duffett** as its senior VP and CIO adviser. Duffett's most recent position was as head of information technology at Abbott Point of Care. CATAAlliance, a high-tech industry association, is based in Ottawa.

— 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

- **Strategic Review for Small Business** (Dec. 2, 7:30 - 9 a.m.) – Speaker: **Vernon Vautour**. Location: North York Civic Centre, 5100 Yonge St. No fee. Info: [www.enterprisetoronto.com](http://www.enterprisetoronto.com)
- **International Construction Conference** (Dec. 2, 9 a.m.) – Full-day conference. Location: Room 713, South Building, Metro Toronto Convention Centre, 222 Bremner Blvd. Cost: Canada Eurasia Russia Business Association members \$60, others \$100. Info/register: [www.cerbanet.org](http://www.cerbanet.org)
- **Mastery of Sales** (Dec. 2, 9:30 - 11:30 a.m.) – Speaker: **Vernon Vautour**. Location: North York Civic Centre, 5100 Yonge St. No fee. Info/register:

[www.enterprisetoronto.com](http://www.enterprisetoronto.com)

- **Institute of Corporate Directors** (Dec. 4, 7:30 - 9 a.m.) – Topic: Director Duties – BCE Transaction. Location: Fairmont Royal York Hotel, 100 Front St. W., Toronto. Cost: \$85. Info/register: [email\\_admin@icd.ca](mailto:email_admin@icd.ca)
- **Toronto Board of Trade** (Dec. 4, 7:30 - 9 a.m.) – Speaker: **Sherry Cooper**, executive VP and global economic strategist, BMO Financial Group. Topic: The Road to Recovery – Canada and the Global Financial Pandemic. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$65, others \$85. Info/register: [www.bot.com](http://www.bot.com)

- **Power Breakfast** (Dec. 9, 7:30 - 9 a.m.) – Speaker: **David Hay**, president and CEO of New Brunswick Power. 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)
- **Mississauga Board of Trade** (Dec. 10, 7:30 - 10 a.m.) – Annual general meeting. Speaker: **Len Crispino**, president of the Ontario Chamber of Commerce. Location: Mississauga Convention Centre, 75 Derry Rd. W. Cost: Members \$14, others \$25. Info/register: [www.mbot.com](http://www.mbot.com)  
(Email your events to [murdoch@businessedge.ca](mailto:murdoch@businessedge.ca))

Continued from Page 12

# Largest post-secondary institutions in Canada

Ranked by gross revenue for the year ending April 2005

Rank	Name	Gross Revenue (2006/07) (\$'000)/ % govt. funded	Full-time students 2003-04	Contact information	Campus director/ year established	Description
11	Université Laval	\$772,527/ 48%	25,116	2305 rue de l'Université, Quebec, QC G1V 0G6 418.638.2131 www.ulaval.ca	Danis Brière, Rector Founded 1663	Oldest centre of scholarship in Canada and the first institution in North America to offer higher education in French
12	Queens University	\$733,246/ 56%	21,569	74 University Avenue, 206 Richardson Hall, Kingston, ON K7L 3N6 613.533.2000 www.queensu.ca	Tom Williams, Principal Founded 1841	Research-intensive university, located at the northeastern end of Lake Ontario, with 18 faculties and schools
13	McMaster University	\$730,966/ 19%	22,903	1260 Main St W, Hamilton, ON L8S 4L8 905.525.9140 www.mcmaster.ca	Peter George, President Founded 1887	Full-service university, offers faculties in science, health science, engineering, humanities, social sciences and business
14	University of Saskatchewan	\$674,073/ 58%	19,406	221 Cumberland Ave N, Saskatoon, SK S7N 1M8 306.966.4343 www.usask.ca	Peter MacKinnon, President Founded 1907	Includes over 200 academic programs, notably teaching, nuclear and biotechnology research and health science
15	University of Waterloo	\$613,597/ 50%	25,391	200 University Ave W, Waterloo, ON N2L 3G1 519.888.4567 www.uwaterloo.ca	David L. Johnston, President Founded 1957	Research-intensive, proponent of co-operative education in Canada, including six faculties and satellite campus in Kitchener, Ontario
16	University of Guelph	\$510,800/ 27%	17,538	50 Stone Road East, Guelph, ON N1G 2W1 519.824.4120 www.uoguelph.ca	Alastair Summerlee, President Founded 1964	Offers degrees in many different disciplines, best known for its focus on life sciences, agricultural studies and veterinary medicine
17	Simon Fraser University	\$502,000/ 53%	23,890	8888 University Dr., Burnaby, BC V5A 1S6 778.782.3111 www.sfu.ca	Michael Stevenson, President Founded 1965	Established as part of the post-Sputnik boom in universities. Includes six faculties, including applied sciences and business administration
18	Concordia University	\$420,937/ 62%	24,134	1455 de Maisonneuve O., Montreal, QC H3G 1M8 514.848.2424 www.concordia.ca	Judith Woodsworth, President Founded 1974 <sup>b</sup>	University has two campuses: St George Williams Campus in the downtown core and Loyola Campus. Teaches primarily in the English language
19	University of Victoria	\$411,487/ 51%	14,440 <sup>c</sup>	PO Box 1700 Stn CSC, Victoria, BC V8W 2Y2 250.721.7211 www.uvic.ca	David H. Turpin, President Founded 1963	Includes 12 faculties, most notable for its faculties of law, business administration, geoscience, space science and education
20	University of Manitoba	\$406,229/ 59%	26,904	66 Chancellors Circle, Winnipeg, MB R3T 2N2 204.474.8880 www.umanitoba.ca	David T. Barnard, President Founded 1877	Operates on two campuses in Winnipeg: the Fort Garry Campus in South Winnipeg and the Bannatyne Campus in Central Winnipeg

**Footnotes**

**Sources:** Post-secondary institution representatives and websites.

Institutions include those receiving provincial

or federal funding.

**b.** Formed as a merger of Loyola College (founded 1896) and Sir George Williams University (founded 1926).

**c.** Indicates full-time equivalent students

*Business Edge* makes every attempt to publish accurate information, but accuracy cannot be guaranteed.

**Research:** Alexis D. Smolensk (alexis@businessedge.ca)

## Feds' single securities regulator idea remains tough sell

*The Canadian Press*

Finance Minister Jim Flaherty insists Canada will create a national securities regulator even if some provinces remain opposed.

The finance minister made the blunt pronouncement in answering questions about a reference in the throne speech to the government's long-standing commitment.

Asked about Quebec's continued opposition, Flaherty replied that a Canadian regulator will be established after the Tom Hockin committee delivers a final report and a model for draft legislation.

"This is a time of international economic volatility, instability. Canada's

system is held out and looked as a model around the world but the flaw we have in our system is the fact that we still have 13 securities regulators," Flaherty said.

"We are going to go ahead and create a Canadian securities regulator, we're going to do this with our willing partners. Those willing partners include, of course, some of the provinces."

Flaherty has advocated the idea since becoming finance minister in January 2006, with limited success. But the global financial crisis has given greater impetus and urgency to the proposal since global leaders have talked about the need for co-ordinated action.

Ontario has been the staunchest supporter of a single national securities regulator while some have been more resistant to the idea.

Flaherty said more than one province is onboard now and "I hope we will be able to have quite a few provinces." He didn't name any provinces that might have changed their position.

Alberta Premier Ed Stelmach continued to voice concern.

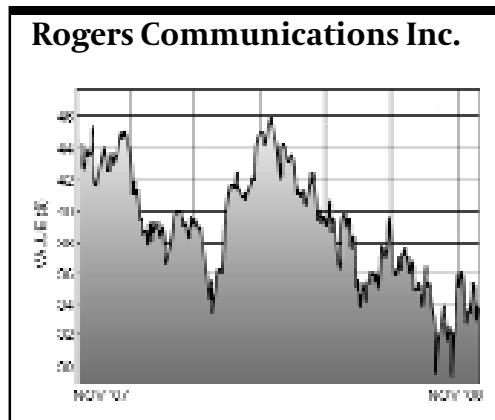
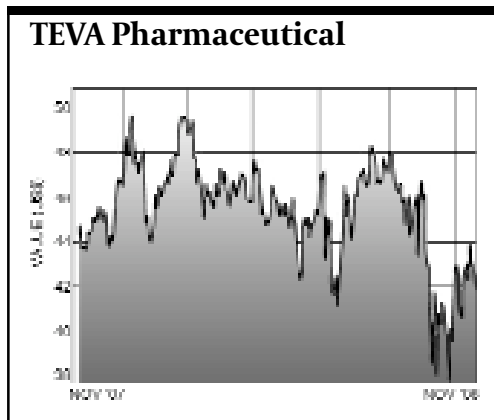
"My concern is for the junior oil and gas companies . . . just the whole increase in the whole regulatory burden to raise cash in Ontario, in a place where they don't understand what drives the Alberta economy," Stelmach said in Edmonton.

B.C. Premier Gordon Campbell has said recently he is more open to the idea, citing the need for "new thinking" in the midst of the financial markets crisis.

The Canadian Bankers Association (CBA) said it supports the move, saying a common regulator will enhance efficiency and increase confidence in Canadian capital markets at a critical time.

"When international securities regulators sit down to deal with this economic turmoil, Canada needs a single voice at the table," said CBA president Nancy Hughes Anthony. "Our fragmented regulatory system is out of step with the rest of the world, and it's time that we moved into the 21st century."

# Financial Edge



## Thornmark execs eye equity opportunities

(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**, president and chief investment officer of Toronto-based **Thornmark Asset Management Inc.** ([www.thornmark.com](http://www.thornmark.com)), and **Andrew Pink**, vice-president and portfolio manager, jointly manage the Thornmark Dividend & Income Fund (inception date Dec. 31, 1998).

**Fund Form:** The Dividend and Income Fund has a year-to-date return of -12 percent and a three-year return of 3.6 percent (both figures as of Oct. 31, 2008), according to Morningstar.ca data.

**Management Expense Ratio:** 1.85 percent.

**Their overview:** "Our general view is that the economic conditions are dire and will continue to deteriorate. For the first time in a generation, we have a co-ordinated global economic slowdown, at least in Asia, Europe and North America. The housing debacle, which was initially considered to be a U.S. problem, has become a global issue. The credit crisis is a global issue... Deflationary issues are global in nature. The de-leveraging process, which is a function of every boom-bust cycle, is also a global issue and will take considerable time to resolve. As a result of those broad global macroeconomic themes, we are relatively bearish for the near-term economic outlook. We're also some-

### Pro's 3 Stars

what bearish about the equity market outlook, as well.

"However, in our 'worst-case' scenario, the earnings on the S&P 500 may come in around \$60-\$65, which gives us a low on the S&P 500 of between 720 and 780. So, from an investment perspective, not just from an economic perspective... we



Daniel Bain



Andrew Pink

believe there is some rational reason for optimism in increasing equity exposure at the right prices for the U.S. equity market and the Canadian equity market. The best time to buy anything, including equities, has always been the point of maximum pessimism."

#### FIRST STAR

- **TEVA Pharmaceutical Industries Ltd.** (Nasdaq:TEVA)
- **Recent Price:** US\$42.91
- **52-Week High/Low:** US\$50/\$35.89 (2-27-2008/10-10-2008)
- **Snapshot:** TEVA is a global pharmaceutical company specializing in the development, production and marketing of

generic and proprietary branded pharmaceuticals, as well as active pharmaceutical ingredients. TEVA is among the largest generic pharmaceutical companies in the world.

- **President and CEO:** Shlomo Yanai
- **Head Office:** Israel
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 15.8; Revenue (last fiscal year), US\$9.4 billion; Earnings Per Share (ttm), US\$2.70; Market Cap, US\$35.1 billion.

• **Bain's/Pink's View:** "Our three (Stars) are core holdings. They represent fundamentally sound companies in each of their respective sectors. (TEVA) is an Israeli-based company listed in North American markets. It's a fairly substantial company. Their sales growth has always been very robust. Sales are up 18 percent (in the last quarter, a record). They've got a multiple-sclerosis drug called Copaxone. Its (last-quarter) sales were up 29 percent.

"So (TEVA) goes back to our whole core theme of staple businesses that have very solid cashflow. The management team is very focused. They're looking to reinvest back into the company - about seven and a half percent into R&D by the end of the year. They're going to continue to control their general and administrative costs

through the year. They have a very robust pipeline of 149 products awaiting final FDA approvals. And then their debt levels are very low - long-term debt-to-capital is just under 20 percent - with a return on equity of 14.2 percent."

- **Risk Rating:** Low-medium
- **Web Watch:** [www.tevapharm.com](http://www.tevapharm.com)

#### SECOND STAR

- **Shoppers Drug Mart** (TSX:SC)
- **Recent Price:** \$45.68
- **52-Week High/Low:** \$58.230/\$41.50 (6-18-2008/10-27-2008)
- **Snapshot:** Shoppers Drug Mart (Pharmaprix in Quebec) is Canada's largest retail drugstore group, based on number of stores and system sales.

See 3 STARS

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# Telus Corp. to try hand at health-care sector

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

By Nicole Strandlund  
Business Edge

## ACT I: HEALTH CARE IN THE DIGITAL AGE

- **The Player:** Telus Corp. (TSX:T)
- **Action:** Down three per cent in a month (from \$39.62 Oct. 17)
- **Recent Price:** \$38.52
- **52-Week High/Low:** \$51.12/\$34.12

Landlines, cell coverage, internet connections, and now medical history – a natural progression, no?

The Burnaby, B.C.-based communications company has announced it will make a \$100-million investment in the health-care industry over the next three years, and is launching a new brand: Telus Health Solutions.

The company aims to develop systems that process, store, and deliver health information, so that one day the experience of blinking at the ceiling trying to remember the answer to, "When did you start taking this medication?" may be obsolete.

Telus Health is backed by Emergis, a Montreal IT company that was purchased by Telus in January 2008, and already has years of health-care technology experience and more than 1,500 team members.

## ACT II: THE GRINCH IN THE HAT IS BACK

- **The Player:** IMAX Corp. (TSX:IMX)
- **Action:** Down six per cent in a month (from \$4.14 Oct. 17)
- **Recent Price:** \$3.91
- **52-Week High/Low:** \$8.32/\$3.21

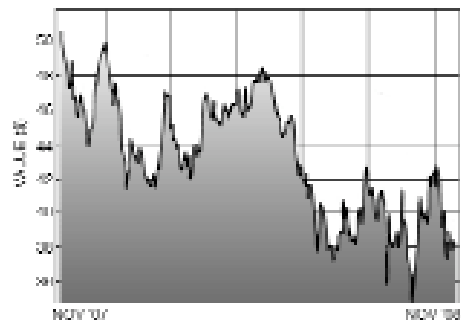
Although some may roll their eyes at Jim Carrey starring in yet another Disney movie, others might look forward to seeing his morphing face five stories high – and in 3D.

IMAX, the big-screen entertainment technology company jointly headquartered in New York and Toronto, has signed a five-picture deal with The Walt Disney Studios and will open the series with director Robert Zemeckis's version of *A Christmas Carol*. Slated to open November 2009, the 3D fantasy will feature Jim Carrey playing Scrooge and all three ghosts.

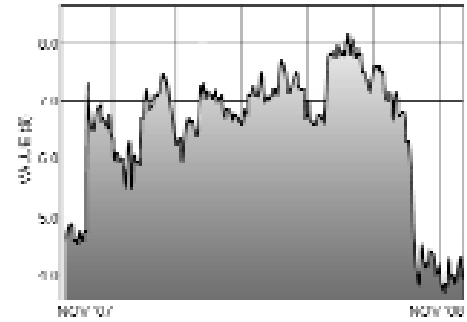
Subsequent films in the deal (to be announced later) may include works by director Tim Burton and producer Jerry Bruckheimer.

IMAX stock tumbled from highs over \$8 this summer but, at press time, was trading at \$4.11,

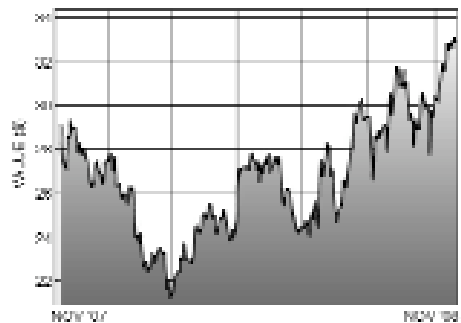
### Telus Corp.



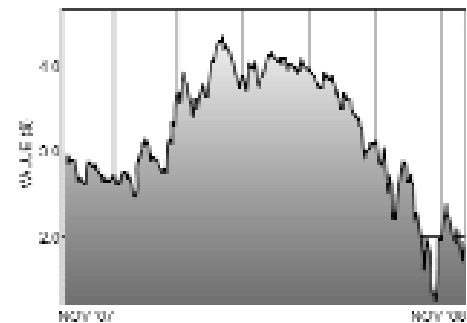
### IMAX Corp.



### Metro Inc.



### Norsemont Mining Inc.



## Street Life: Analysis

up \$0.20 on the day, thanks to this news.

### ACT III: METRO-POLY

- **The Player:** Metro Inc. (TSX:MRU.A)
- **Action:** Up 10 per cent in a month (from \$29.87 Oct. 17)
- **Recent Price:** \$33.
- **52-Week High/Low:** \$33.35/\$21

Bigger must, indeed, be better. Supermarket operator Metro Inc., which constitutes the largest grocery presence in Quebec and aims to do the same in Ontario, has announced a 25.5 percent gain in quarterly profit.

Sales for Metro's fourth quarter ended Sept. 27

were \$2.48 billion, up 1.8 percent from a year ago. Net income jumped 25.5 percent year-over-year to \$72.3 million.

Metro, which has more than 65,000 employees and a network of roughly 600 food stores and 250 pharmacies, has been working to change its five Ontario banners (Dominion, A&P, Loeb, The Barn and Ultra) to the Metro name, a process expected to take 15 months and \$200 million.

When complete, the banner consolidation will result in 218 stores in Quebec and 158 in Ontario, making Metro the largest grocery banner in each province.

### ACT IV: COPPER POWER

- **The Player:** Norsemont Mining Inc. (TSX:NOM)

See STREET LIFE

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## FREE Website Check Up

Mystique Creative is offering you a FREE Website Check Up to arm your business with the information you need to make the most of your website during this economic downturn. We'll give you some ideas for making efficient use of your marketing budget, with **absolutely no obligation**.

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His leadership in battle was featured in the bestselling books *Fifteen Days* by Christie Blatchford and *Contact Charlie* by Chris Wattie. Patrick was chosen as both *The Globe and Mail* Nation Builder of the Year and *Maclean's Magazine* Newsmaker of the Year for 2006. He also was awarded the Combat Infantry Badge by the United States Army and is a life member of The Gallantry Medallist's League in the United Kingdom.

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# Edge@Work

## Prioritizing keeps small businesses healthy

Separate the important from unimportant, then allocate your time

By Tess van Straaten  
Business Edge

When Brenda Andress decided to quit her government job and start her own business nine months ago, she knew it was going to be a lot of work.

"I am incredibly busy, but incredibly happy," Andress says. "That's not to say it hasn't been overwhelming at times – it has – but all the work is definitely worth it."

After launching Passion Productions, a consulting firm based in Newmarket that helps individuals, leaders and sports teams find their personal passion, Andress found herself with an endless to-do list.

Trying to manage an often unmanageable workload in the startup phase of her business, the former civil servant learned a lot about prioritizing.

"You only have so many hours in a day and you don't want to waste your time doing things you don't really need to do," says Andress. "All things need a direction in which to walk, and prioritizing has really helped me figure out what I need to do and when I need to do it."

For companies of all sizes, getting their priorities right is a key factor in business growth and success. But for small businesses with much more limited resources, experts say it can make the difference between success and failure.

"There aren't as many people, there isn't as much money, competition is often much stiffer and they have to get at the opportunity quicker. So it's really crucial that small businesses prioritize," says Toronto-based executive coach Michael Wolkenberg.

"Not taking the time to separate the important from the unimportant and then allocating your time accordingly will always cost you."

Yet, many business owners – caught up in the day-to-day running of their businesses – aren't making prioritizing a priority.

"It's very easy to get swept up doing things without making sure they're the right things," Wolkenberg cautions. "We busy ourselves with what's in front of us, but the world is more complicated than just doing what is in front of us. If you spend your day doing things that are not an actual priority, you won't get any further ahead."

"So you really have to look at what you're doing, what you should be do-

### Quotable

*"There aren't as many people, there isn't as much money, competition is often much stiffer and they have to get at the opportunity quicker. So it's really crucial that small businesses prioritize. Not taking the time to separate the important from the unimportant and then allocating your time accordingly will always cost you."*

– Michael Wolkenberg,  
Toronto-based executive coach

ing, and develop a basic action plan."

That's exactly what Andress did. Overwhelmed by everything that needed to be done, she says she understands why a lot of people put off prioritizing.

"I think prioritizing for a lot of people is intimidating – 'Oh my God, look at the stuff I have to do!' – it's incredibly overwhelming," Andress says.

"But you don't have to do it all in one day and if you sit down and break it down, it's actually easier. You'll know what you need to do first, what to do second and how one thing ties into another because it's all tied together. If you don't sit down and look at it, you could miss something."

For Victoria contractor Chris Marsh, planning and prioritizing has become an increasingly important part of his job. With a hot building sector in B.C. the last few years and now a busy home-renovation market, experienced contractors like Marsh have more jobs than they can handle.

"In the old days, you didn't have six jobs at a time – you had two jobs and you didn't need to juggle and prioritize like you do now," Marsh says.

"We're constantly looking at what really needs to be done to keep things on schedule – and what can wait – and prioritizing is making sure we get those important things done."

In the construction business for more than 35 years, Marsh says a certain amount of the prioritizing is obvious. There's no point drywalling, for instance, before the plumbing and electrical work is done. But other factors can also determine what gets to the top of the priority list.

"We do our best to try and accommodate people and fit things into the

schedule," adds Marsh. "If something comes up or other trades are coming in on a certain day, we'll work to get our part done so that we don't hold them up."

While it's often clear what needs to be done, making sure you choose the right priorities can sometimes be a challenge. Whether it's competing demands or conflicting priorities, Wolkenberg says there's one question you should always ask yourself: Am I doing that which only I can do?

"In other words, are you working at the right level?" he asks. "If you're the owner of the company, there are certain things that only you can do that you cannot delegate to someone else, so make sure you do those things first or they won't get done."

A common mistake many small-business owners make as their businesses grow is micromanaging. While it may be tempting to try and stay

active in all levels of the business and constantly double-check what employees are doing, it's almost always counter-productive.

"If you're so busy making sure your people are doing things the way you would have done them, then the things that you actually need to do get left behind," warns Wolkenberg.

"Control is a big issue in small business and owners, no doubt suffering from the 'founder syndrome,' often think that only they can do something the right way. But micromanaging just wastes a lot of time and alienates people. If you've hired people to do a job, let them do it."

Another mistake Wolkenberg says many business owners make is working in their business, instead of on their business. It's a prioritizing pitfall Andress is well aware of and working hard to avoid.

"I want to make my business work, but at the same time I want the business to work for me – not for me to work for it," she says.

"If you're spending all your time in the trenches making sure that things are moving along OK, you're not out there growing your business and looking at the bigger picture."

For Andress, that bigger picture includes helping more people find their passion, just like she did.

"Following your passion is colouring outside the lines and when you're doing something you love, time has no meaning for you," she says.

"I love what I do, but I don't want to waste my time doing things that aren't going to work for me."

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



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## 3 STARS from Page 15

# Rogers standing tall in telecom industry

• **President and CEO:** Jürgen Schreiber  
 • **Head Office:** Toronto  
 • **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 17.90; Revenue (last fiscal year), \$8.5 billion; Earnings Per Share (ttm), \$2.52; Market Cap, \$9.9 billion.  
 • **Bain's/Pink's View:** "Same-store sales growth of 6.5 percent for 2008 is what we're expecting. EBITDA margins a little over 11.5 percent. Estimated adjusted earnings growth of 14.2 percent, which is in line with what the company has done over the last five years. They've got a sustainable distribution, which is only 35 percent of their cashflow. So, sustainable distribution, and a consistent and reliable revenue line. Their

launch of Murale, a beauty concept store, points to them rebranding themselves in a unique market in Canada. Their (estimated) return on investment capital is just a little under 11 percent in 2008, and return on equity is 16 percent."

• **Risk Rating:** Low-medium  
 • **Web Watch:**  
[www.shoppersdrugmart.ca](http://www.shoppersdrugmart.ca)

### THIRD STAR

• **Rogers Communications Inc.** (TSX:RCLB)  
 • **Recent Price:** \$35.11  
 • **52-Week High/Low:** \$46.46/\$29 (5-9-2008/10-27-2008)  
 • **Snapshot:** Rogers 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), 15.5; Revenue (last fiscal year), \$10.1 billion; Earnings Per Share (ttm), \$2.19; Market Cap, \$18.37 billion.

• **Bain's/Pink's View:** "Really, this is a cashflow story – these guys have an incredible cashflow spinoff. Their yield is a little over three percent. They've got the best technology platform of all the North American wireless companies. They've got an exclusive GSM (global system for mobile communications, the most popular standard for mobile phones

in the world) and HSPA (high-speed packet access, a protocol that improves performance on the GSM platform). Telus and BCE recently announced a joint venture of about \$800 million, probably closer to \$1.2 billion, to develop the exact same platform.

"It looks like Rogers has a pretty good competitive advantage for the next three, or even closer to five, years. The fear of new competitors in this industry has diminished with the credit environment. Earlier in the year, there was a spectrum auction where a few new participants bought spectrum and it was deemed they would become new competition for Rogers. We think Rogers is so far ahead of the game with their platform that... there really isn't a fear of that in the foreseeable future."

• **Risk Rating:** Low-medium  
 • **Web Watch:** [www.rogers.com](http://www.rogers.com)

## STREET LIFE from Page 16

## Miner busy checking out prospective offers

• **Action:** Down 10 per cent in a month (from \$1.89 Oct. 17)  
 • **Recent Price:** \$1.70  
 • **52-Week High/Low:** \$4.41/\$1.07

A friend of mine once made a great real estate deal by dropping a letter in someone's mailbox, offering to buy their house. Sometimes the best bargains are found by soliciting those who weren't thinking of selling. Norsemont Mining Inc., a Toronto-based mineral exploration company, was minding its own business on the Constancia copper, gold, silver and molybdenum deposit in southern Peru, when offers to buy the company streamed in. To deal with the offers, Norsemont's Board has formed a special

committee, retained legal counsel, and is in the process of retaining independent financial advisers. Norsemont warns that the evaluation will not necessarily result in any deal, and that there is no timetable set for completion of any transaction... but it must be fun to be in their position.

**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 Nov. 18, 2008

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

**Bain's Edge Record** (based on three previous picks in 2008): **Best Pick:** Rogers (TSX:RCLB), -20 percent. **Worst Pick:** Horizon North Logistics Inc. (TSX:HNL), -70 percent.

(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. Quotes are based on results through Nov. 14, 2008, unless otherwise noted.)

## Carney hints at rate reduction

The Canadian Press

The Canadian economy is slowing more than previously thought and will require further stimulus, Bank of Canada governor Mark Carney says.

Carney strongly signalled last week that the central bank will reduce short-term interest rates again on Dec. 9 in an effort to boost activity.

"Despite having already cut official interest rates in half over the past year and having a financial sector that is still functioning effectively, some further monetary stimulus will likely be required to achieve the inflation target over the medium term," he said in a speech to a business audience in London.

He said Canada's banking sector remains sound but the country has been hit by the global financial crisis and deepening woes in the United States.

Not only have commodity prices tumbled and the availability of credit tightened, he said, but the nature of the U.S. slowdown – with its pressure points in the housing and auto sectors – affects key Canadian exports of lumber, vehicles and parts.

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				Cranbrook	1,000	Kelowna	4,800
				<b>Alberta total: 63,100</b>		Verona	1,900
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\* Individual city circulation numbers are all more than 99% of total business addresses per city based on Canada Post undressed mail data as of November 21, 2008

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# Opinions

## Automakers need to show a little humility

Executives, unions seemingly tone deaf to selling bailout politically

How's this for chutzpah? On Nov. 19, the chief executive officers of General Motors, Ford and Chrysler flew from Detroit to Washington to appear before Congress and to plead for a \$25-billion government bailout for their ailing companies.

There are 24 non-stop commercial flights daily between the two cities, but those who have ascended to the pinnacle of corporate America do not fly like the rest of us when they travel on business.

The three men, GM's Richard Wagoner, Ford's Alan Mulally and Chrysler's Robert Nardelli, all arrived separately on corporate jets and for their profligacy they earned a well-deserved public flogging.

"There's a delicious irony in seeing private luxury jets flying into Washington, D.C., and people coming off them with cups in their hands," observed Representative Gary Ackerman, a Democrat from New York. "It's almost like seeing a guy show up at the soup kitchen in high-hat and tuxedo. Couldn't you all have downgraded to first class or jet-pooled ... to get here?"

The optics of this public display of opulence were terrible and it's not hard to understand why. For weeks now, these executives and a chorus of auto-industry analysts, experts and hangers-on have been bombarding us with warnings of an imminent economic catastrophe if the Detroit Three don't get their money.

Canadians have been told that they may have to come to the rescue of the subsidiaries located in this country. We may have to cough up \$2.5 to \$3 billion based on the population differences in the two countries.

Well, if times are tough, it's time to change your behaviour. This simple truth has obviously eluded the chief executives of the car companies as well as their teams of managers and public-relations professionals.

Nor has it sunk in with union leaders on either side of the border. Both the United Auto Works and the Canadian Auto Workers have rejected pay cuts or contract concessions as conditions of tax-funded bailouts.

But times are tough for the car-makers. North American vehicle sales have averaged 17.5 million per year throughout this decade, according to

Dennis DesRosiers, Canada's foremost industry analyst. This year they are expected to slump to 10.6 million, the steepest drop in history.

### Opinion



D'Arcy Jenish  
Business Edge

That is a cyclical problem and it affects all manufacturers. But the North American industry has undergone a major structural change in the past decade and the big losers have been GM, Ford and Chrysler.

As recently as 1996, the Detroit Three held slightly over 70 per cent of the market. Their share has fallen every year since then and they now account for about 42 percent of sales. Foreign-owned competitors now hold the balance.

DesRosiers notes that the American-based companies have been going through a painful restructuring. They have closed plants and laid off workers – moves that have reduced

their manufacturing capacity by some four million vehicles per year. They have squeezed suppliers for cost savings and have probably achieved as much as they can in this area.

However, their labour costs remain a big problem. "Someone has to convince the UAW and CAW ... to get real," says DesRosiers.

The American autoworkers in 2007 accepted a two-tier wage structure in which new hires will earn a lot less than established workers. When fully implemented, this arrangement will bring their all-in costs (wages, benefits, pensions and vacations) down by about \$25 an hour. That still leaves them \$10 to \$15 per hour above the foreign-owned domestics such as Toyota and Honda.

The discrepancy is even more glaring in Canada. Earlier this year, CAW rejected a two-tier compensation structure. Their all-in costs are about \$70 an hour, which makes them among the most expensive autowork-

ers in the world and puts them \$25 to \$30 per hour above the foreign domestics.

The car companies have warned that – without a bailout – they will be forced to seek Chapter 11 bankruptcy protection and that could mean their demise because no one will buy a vehicle if the future of the manufacturer is in doubt.

Various analysts and experts have forecast ruinous consequences if this happens – up to three million jobs lost and whole communities in ruins.

They are likely correct. But the car companies and their unions need to sell the bailout politically. That would be a lot easier if auto industry executives were prepared to abandon luxury private aircraft, as well as some of their lavish compensation packages, and if the unions signalled that they were open to sensible and sustainable wages and benefits.

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

### Cartoon Corner



# How did we fall so fast? Look back to 9/11 trauma

There have been many predictions about where the credit crunch would end, all of which have proven to be overly optimistic. Today, the honest answers range from "it depends" to "I don't know."

A better question to ask, perhaps, would be: "Where did it begin?"

A fuller understanding of the fundamentals of the crisis would almost certainly provide an insight into how it might end. Many would point to the first failed rollover of mortgage-backed commercial paper in August 2007 as the catalyst to the crisis.

Fair enough, but the root of the matter goes deeper, and much longer ago, than that.

Arguably, the turmoil we are experiencing today is linked directly to the trauma of Sept. 11, 2001. We now know that 9/11 spawned a "live for the moment" boom in U.S. consumer spending and borrowing, the likes of which

have never been seen before.

This caused a major upswing in real estate prices, on the basis of which lenders created a balloon of consumer debt, including extending credit into the sub-prime space. Key to this lending was the presumption that any future debt service difficulties could be buried in a refinancing package based on the rising equity value of the home.

Nor was this expansion of leverage restricted to the U.S. housing market. The extended period of strong global growth fostered a belief that investment risks had become a thing of the past.

Investors – particularly professional fund managers – were therefore encouraged to leverage their investments in order to boost overall returns. Investors competed for deals, rather than deals competing for investors, and risk premiums were driven even lower in the process.

## Export Analysis



**Stephen Poloz**  
Export  
Development  
Canada

## CRTC rules Bell has right to 'throttle' network flow

*The Canadian Press*

The CRTC has sided with Bell Canada (TSX:BCE) in the controversial Internet "throttling" case, ruling that the telecommunications giant is within its right to regulate the flow of traffic on its network space.

Bell had argued it was necessary to limit some traffic because a relatively small number of users – employing so-called peer-to-peer downloading – were hogging more than half of the network's capacity, slowing service for regular customers.

While the federal regulator agreed, it did give independent internet service companies a concession by announcing new hearings on the whole issue of Internet traffic shaping, as well as requiring Bell to give users 30 days notice before making usage changes.

"(The complainant) asked us to only consider the specific issue of wholesale traffic shaping within a specific context," said Konrad von Finckenstein, chairman of the Canadian Radio-television and Telecommunications Commission (CRTC).

"The broader issue of Internet traffic management raises a number of questions that affect both end-users and service providers."

Von Finckenstein said the regulator will hold public hearings on the issue of internet traffic shaping next July 6.

In its complaint filed in April, the

Canadian Association of Internet Providers (CAIP) charged that Bell's attempts to regulate who has access to the net at peak hours was an attempt to stifle competition and made it virtually impossible for its members to properly manage the services they provide.

Internet giant Google Inc. (Nasdaq: GOOG) sided with CAIP, saying the internet must remain open and accessible and blamed Bell for failing to expand its network to accommodate all end users.

But the CRTC said Bell had demonstrated that the growing popularity of online video can lead to congestion on the network. And it said Bell was not favouring its own retail customers over the independent users.

"Based on the evidence before us, we found that the measures employed by Bell Canada to manage its network were not discriminatory," von Finckenstein said. "Bell Canada applied the same traffic-shaping practices to wholesale customers as it did to its own retail customers."

Steve Anderson, of the advocacy group SaveOurNet.ca, disagreed with the CRTC's assessment of the situation and said Bell has other alternatives besides technically limiting network traffic.

"The throttling of specific content and services that compete with Bell's own services, shouldn't even be an option," Anderson said.

The U.S. housing bubble broke back in 2006, but it would be August 2007 before the house of cards would really start to come down. With home prices on the decline, sub-prime mortgage holders were better off simply walking away from their houses.

Doubt crept into the mortgage-backed commercial paper market, and from there, into the interbank market. We now are faced with a global desire to reduce leverage, and governments have provided mountains of liquidity to keep things orderly.

There are now signs of healing, and every reason to believe that the credit crunch will fade over time.

So, where will it end? The most important implication of the above interpretation of events is that the credit crisis is the product of an underlying economic downturn, not the other way around.

At the heart of that downturn is a shift in U.S. consumer psychology, away from "living for the moment" and back to "saving for tomorrow." That shift will take time to complete, and its real impact is now being felt

everywhere, from Germany to Chile to Russia to China and all points between.

In other words, even after the credit crunch is sorted out, we will be left with a traditional downswing in the global business cycle. Such cycles have a lot of common characteristics: Repricing of risk, widening interest rate spreads, weak commodity prices and a rising U.S. dollar.

These symptoms are likely to persist until the global business cycle runs its course – and given the revision that has taken place in U.S. consumer psychology, that bottom is likely to be at least a year away, probably longer.

The bottom line? Economists' models cannot explain consumer bubbles, tech bubbles or commodity bubbles. Nor can they predict a post-bubble future.

However, business cycles do have a natural rhythm, and that means the outlook will remain challenging for at least the next 12-18 months.

(Stephen Poloz is a senior vice-president and chief economist for Export Development Canada. He can be reached at [spoloz@edc.ca](mailto:spoloz@edc.ca))

## Car dealers pleading for help despite record year for sales

*The Canadian Press*

Canada's 3,500 car dealers are at risk from the financial crisis and are asking Ottawa to help out despite a record year for sales.

The Canadian Automobile Dealers Association told a news conference last week that Canada's auto sector needs aid to survive, and that the credit crunch is even starting to impact dealers across the country.

"The cold reality facing decision-makers today is if Canadian-based manufacturers are not provided a bridge across the current economic crisis, then Canada's 3,500 small-business dealers will bear the brunt of that downturn," said president Richard Gauthier.

The federal government is considering providing financial aid to the Canadian subsidiaries of the Detroit Three carmakers, General Motors, Ford and Chrysler, and possibly auto parts companies. Such help in the form of loan guarantees and other measures would aim to save thousands of Canadian jobs threatened by the sudden drop in North American car sales.

Such aid, if it comes, would be part of a multibillion-dollar lifeline for GM, Ford and Chrysler being considered by the U.S. Congress. However, Democratic leaders say they won't help the beleaguered automakers until the companies present them with a plan showing how they will use

federal assistance to stabilize and restructure their faltering business.

In Canada, a new concern is that banks are becoming reluctant to extend dealers credit so they can buy inventory and fill their lots with vehicles, added public affairs director Huw Williams.

The association said it wants Ottawa to enact measures to ensure that healthy car dealers, which employ about 140,000 Canadians, will have access to credit so they can continue operating.

Since the beginning of October, Canada's banks have been given more than \$110 billion in cash injections in return for mostly mortgage-backed securities, but Williams said of late that cash is not finding its way to many dealers.

"We are seeing business-to-business transactions, the financing that dealers receive, dry up," said Williams. "We are not seeing consumer financing drive up."

He said in some cases banks are demanding higher interest rates for their money and in some cases the financing is being withdrawn altogether.

Gauthier said the dealers are not asking Ottawa for a handout, but they are asking for measures that will help them obtain credit.

He would not give specifics on how the government can grease the money-markets specifically for dealers.

# Technology Edge

## We can learn from Ireland's re-invention

Report urges greater investment in human capital, industry targeting

When the going gets tough, the smart scour the world for ideas that have worked for others.

Struggling automakers ponder how the Asian car companies stole their customers. Call-centre staff whose jobs moved to India wonder if it's just about the wages.

And in the tech sector, admiring glances are often cast at the Celtic Tiger, the remarkable transformation that took Ireland from a rusty backwater to a high-tech powerhouse over the last 20 years.

The prestigious Canada West Foundation has effectively anointed the Celtic Tiger as its animal of choice, at least for the provinces of Western Canada.

In a recently issued report, *More Than Just Lucky Shamrocks: The Re-Invention of Ireland and Lessons for Western Canada*, the once sleepy Emerald Isle is hailed as "among the leaders in the fiercely competitive global economy."

Author Todd Hirsch, by day a senior economist at ATB Financial, is the first to say that Western Canada cannot simply replicate the Irish experience.

But, he writes, there are several themes and principles that can be noticed within the Irish experience, "and it is within these themes that Western Canada has much to learn."

It's not too far-fetched to suggest these lessons apply equally well to all of Canada. Hirsch agrees, while noting that every region would look a little different.

He lambastes past Irish governments for leading the country into a mire of debt.

By 1985, the country's annual deficit had reached 11 percent of its gross domestic product. With the election of the Fianna Fail government in 1987, Ireland began a "radical and painful correction in the national finances" that saw government spending cuts and reductions in corporate and personal taxes.

Commenting on the Canadian government's austere Nov. 19 Throne Speech, Hirsch says he supports the line-by-line review of government

spending, because "it's prudent symbolically and in a practical sense, it's sending a message."

Still, Canada 2008 is not Ireland 1987. A key difference is that Irish labour unions participated in the belt-tightening, accepting, as Hirsch puts it, "wage restraint in exchange for more policy influence and cuts to personal income taxes."

We're not likely to see such munificence in Canada. In fact, Canadian Auto Workers president Ken Lewenza has reacted to suggestions of wage or benefit concessions with fighting words: "Our workers have already paid their share, they've already made their sacrifices."

On a brighter note, Hirsch makes much of the fact that the Irish government has made investment in human capital a priority. He cites their free high school and technical education system, as well as the establishment of Science Foundation Ireland, modelled on the U.S. National Science Foundation.

Hirsch also says fears that Ireland would simply be educating people who would move elsewhere were unfounded, as the country became

a trendy, desirable place to live.

In terms of what Canada could do to make its population smarter, he proposes a graduated level of tuition remissions for post-secondary students, because, "if you just made it free, people would tend to overuse it."

He proposes that a certain percentage of education costs be reimbursed each year, with the full amount paid back to the student upon successful completion.

Hirsch also makes the somewhat heretical suggestion that governments should indeed be picking winners, in terms of targeting specific industries then trying to attract the very best companies in them and providing the right business conditions for them to flourish.

He says this is how Ireland attracted its plum industries: High-tech software, pharmaceuticals and electronics. For Western Canada today, he would pick alternative energy, ag-biotech and advances in health-care research.

He stops short of supporting direct government ownership of emerging businesses, something the Alberta government flirted with in the 1980s, but advocates a fairly activist role in company attraction.

Of course, even Ireland is not immune to the global economic

crisis. Its economy is starting to shrink, and taxes are rising. Hirsch acknowledges that it's somewhat ironic that Ireland's economy has the distinction of being the very first European country likely to enter recession. He attributes this to factors such as their real estate bubble, which sent the country reeling, but has now burst.

I can confirm that personally. A few years ago, I pointed to a modest Dublin rowhouse and asked a friend what it was worth. "A million Euros" was the reply. You can probably get it for a lot less now.

And maybe you should snap it up, because, in Hirsch's view, Ireland's economic fall from grace will be temporary.

He argues that the fundamentals of smart people, a big market on its doorstep and good government policy will help that country be one of the first to recover when things turn around.

And he has high hopes that Canada, with many of the same success factors, will be right up there as well.

"The lesson from Ireland," he says, is that it is possible to re-invent your economy."

(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))

### Future/ Present



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Business Edge



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# Accidental branders have timing, luck

## Their willingness to take risks was one constant in author's research

By Terri Schlichenmeyer  
Business Edge

For the last three or four days, it's been driving you nuts.

Around and around and around in your head, some slogan or jingle has been swirling like brandy in a snifter.

You can't shower, you can't sleep, it's relentless. Just when you think it's gone, someone says something that reminds you of it and you're off again.

You've been branded, my friend. Now, how can you do that same thing to your customers or clients?

Author David Vinjamuri recently studied entrepreneurs to find out why some brands succeed in ways that are a little out of norm. In his new book *Accidental Branding*, you'll read seven case studies of businesses and the people who started them.

As a marketing teacher at a New York university, author Vinjamuri asked his students to write profiles on people who weren't schooled marketers or MBAs, but became successful nonetheless. His students didn't disappoint him; in fact, they stunned him.

### Business Books



*Accidental Branding*, by David Vinjamuri; c.2008, Wiley; \$26.99; 212 pages.

Vinjamuri realized that there were more stories than most people probably knew, and he wondered

what attributes made these entrepreneurs so successful.

What moxie was inherent in Roxanne Quimby (of Burt's Bees) that made her go from a single mom living in a tent with her children to a New England philanthropist and millionaire? How did a cyclist living in a garage with his dog become the owner of Clif Bars, the energy food used by elite cyclists? Was their success as accidental as it seemed?

By studying these entrepreneurs and spending time with them, Vinjamuri discovered that most accidental branders share traits that gave them a leg up.

All were focused on the small details in their businesses: Gert Boyle of Columbia Sportswear personally signs every cheque that goes out. All were willing to pitch in: J. Peterman never asks someone else to do something he wouldn't do himself. All were willing to take risks: Myriam Zaoui and Eric Malka of The Art of Shaving planned a second store within three months of opening the first one.

And shortly after Julie Aigner-Clark released Baby Mozart, a scientific study was released that indicated

listening to Mozart helped a baby's brain develop. That example, among others, pointed Vinjamuri at one more thing – accidental branders are the fortunate recipients of timing and a little luck.

Although the title of this book is somewhat of a misnomer (it's more about Accidental Brands than Accidental Branding), it's hard to ignore success stories like the ones the author uncovered. I enjoyed how he steps aside to let us see entrepreneurs and their companies intimately, including heart-in-the-throat moments of near disaster and the single-mindedness of those who simply could not let failure happen.

I think you'll love *Accidental Branding* so much that you'll shut the back cover of this wonderful book with renewed excitement about your own endeavours and you'll be looking for a sequel.

If you've ever wondered how a favourite brand "made it," or if you're an entrepreneur who wants some motivation, grab *Accidental Branding*. It's definitely a book to read on purpose.

(Terri Schlichenmeyer can be reached at [schlichenmeyer@businessedge.ca](mailto:schlichenmeyer@businessedge.ca))

## Credit-card companies need to be reined in

**Re:** Coalition seeks lower price for credit card services, *Business Edge*, Oct. 17, 2008.

The issue of Visa and MasterCard's uncontrolled practices of milking small businesses from their profit is one of the biggest financial hurdles that a small company faces these days.

Here are some facts of which regular customers using credit cards are not aware:

1. As a small-business owner, I pay more for Visa and MasterCard fees than I pay for electricity, gas, phone

### Feedback

and security monitoring all together.

2. A \$100 debit transaction fee costs us about 12 cents (this is acceptable), a \$100 credit card transaction costs us about \$2 – 20 times more (ridiculous)

3. About two percent of small-business profits go to Visa and MasterCard.

4. They constantly increase the fees

by: Charging for keying credit card numbers at an additional one percent; introducing premium cards for which they charge one percent more for every transaction.

The fact that the government of Canada doesn't regulate credit card fees is ridiculous. We need protection from the greedy practices of Visa and MasterCard.

We small businesses need to somehow get together and fight them to stay alive. Some of the propositions I have are:

1. Lobby the Canadian government to regulate credit card fees.

2. Consider protest action – get all retailers and businesses to stop accepting credit cards for a day or two.

3. Encourage customers and business to use/accept only debit cards.

4. Educate customers about the greedy practices of the credit card companies.

– Andy Dudek,  
small-business owner,  
Richmond, B.C.



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