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MAGAZINE FOR BUSINESS / ECONOMIC DEVELOPMENT / ENTREPRENEURS

Vol. 26 No. 6 June 2009 - \$4.95

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- A Whole Lotta' Lobster
- Family Violence Project Funded by Tourney
- Managing Your 'Real' Wealth

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On the cover: Jody Schnarr, left, and John Stix of Fibernetics, a company leading the wave of telecommunications.

## EXCHANGE

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June 2009

# EXCHANGE

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# TOUGHING IT OUT

*If at first you don't succeed...*

by PAUL KNOWLES



PAUL KNOWLES is editor of Exchange Magazine. He is an author and public speaker. email: paul.knowles@exchangemagazine.com

As I've been editing this edition of Exchange, I have been thinking about failure. This is not sparked by current headlines, but by some of the articles in the publication. And that's why I can look at "failure" without any sense of despair or pessimism.

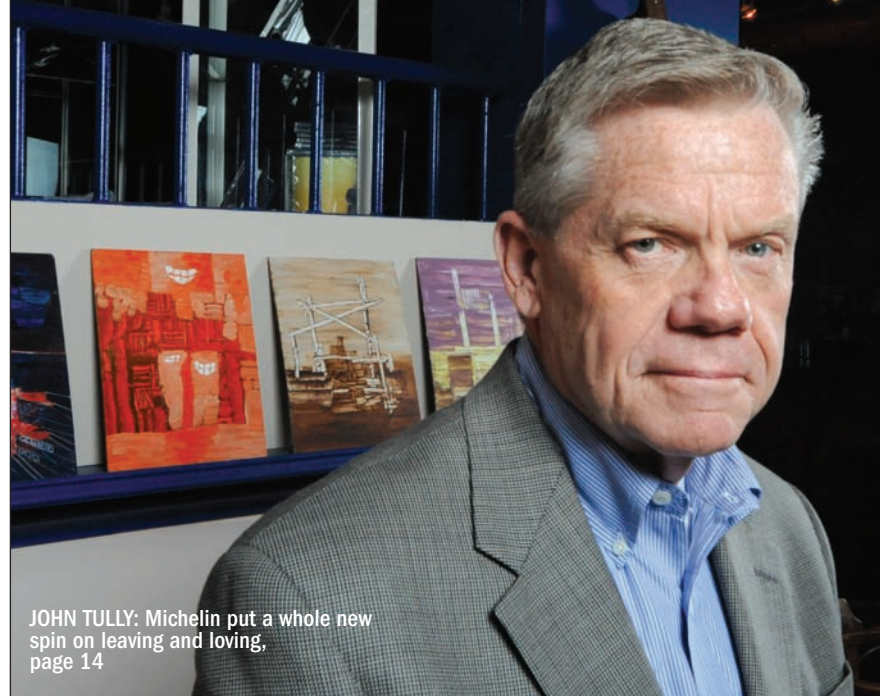
I'm thinking of the failure experienced by Jody Schnarr and John Stix, of Fibernetics. In Jon Rohr's intriguing story about this burgeoning telecommunications corporation, you'll read of their first business attempt, a marketing effort that resulted in limited sales and "a formula to go broke". How they met that challenge offers some lessons in failure and success for us all.

I'm also intrigued by the subjects of the Monitor feature on Caudle's Catch, founded by Ron and Sylvia Caudle to catch a wave that didn't really exist yet. Their expectation that seafood would be a food of the future was right; their timing was a few years early, and they lived through lean times before they caught the current crest Caudle's is riding.

The theme is underlined in the story about Michelin's John Tully, a man with a Jackyll-and-Hyde kind of job. Tully is the guy who headed the job-creation program funded by Michelin even as they were closing their local factory. Talk about seeking success among the ashes!

Persistence – that's the word I'm looking for. This edition of our magazine is filled with stories of entrepreneurs who hung in there, working hard in the face of imminent failure to carve out significant success stories. From Schnarr and Stix to the Caudles to the loquacious boxing champion, Fitzroy Vanderpool, we offer proof of the virtue of persistence.

There could not be a better time to present these examples of determined, persistent business people who – apparently against the odds – have found their way to success. X



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# AN APPETITE FOR APPS

*Mobile apps are proliferating like wildfire and it's just beginning*

by JON ROHR



**JON ROHR** is publisher of Exchange Magazine for Business. email: jon.rohr@exchangemagazine.com

It's almost been a year and Apple is proclaiming 1 billion app downloads from their app store. With barriers to entry down, developers are thriving and racing to launch the next big mobile application.

Boutique businesses are creating and selling fun and functional apps. It's a business model for the young and connected, and a future fit for full service communication providers like Fibernetics.

The app store is the newest retail business craze with a promising future.

2009, Apple announced that the "Revolutionary App Store Downloads Top One Billion in Just Nine Months". Philip Schiller, Apple's senior vice president of Worldwide Product Marketing said that, "In nine months, the App Store has completely revolutionized the mobile industry and this is only the beginning." This month, Nokia announced at the Mobile World Congress in Barcelona that they will be launching the new "Ovi App Store".

Apps have entered our lives on many levels, and

*"In nine months, the App Store has completely revolutionized the mobile industry, and this is only the beginning."*


But this wasn't always the case. Since the introduction of Tucows in the mid 1990s, applications have been made available as downloads via computer. Growth was slow but steady. Recent advances in mobile communications and a commitment by mobile manufacturers to provide services over their platform has triggered an app mania never before seen.

Apple was the first manufacturer to provide users a platform to purchase apps online through the iTunes platform.

Steve Jobs, Apples CEO, announced in February 2008 that Apple would open up access to third-party developers. In August 2008 they launched their App Store. In October 2008 RIM announced they would launch their version of an online storefront and on-device app center. Last March RIM launched their storefront called Blackberry App World. On April 24,

they will continue to engage meaningful demographic communities for fun and function. Their purposes are crossed – some apps will make a buck, and some will simply be used as brand extension for existing companies. With a number of apps falling into what is known as the "freemium", in which a light version of the application is provided free or no cost for a trial period, apps will gain – and lose – popularity at a unprecedented rate.

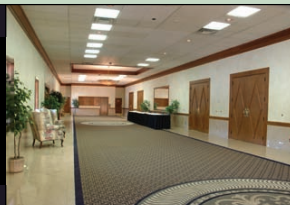
Potential problems will be inherent. Currently, the iPhone average is 100mb a month; with richer applications bandwidth consumption could explode, which could drive additional forms of connectivity.

As the popularity of apps grows, consumers will be the end benefactor. Like all technology, apps will find their place and provide a seamless connection with our daily routine, much like the world wide web. 

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## BOXING TOWN: They Call it Kitchener/Waterloo

In the international boxing world, Kitchener-Waterloo has a heavy-weight reputation. The community has produced some top-rank boxers; over the last two decades, bright lights have shone on the likes of Lennox Lewis, Chris and Greg Johnson, Art Binkowski, Sid Vanderpool, and older brother Fitz Vanderpool.

The energy can be attributed to Arnie Boehm – entrepreneur, coach, trainer and mentor to many. Exchange interviewed Fitz Vanderpool, who credits a lot of his success to Boehm.

The five-belt welterweight champion has managed his own path, he's an entrepreneur with a personal brand. Leveraging his success, Vanderpool is as independent in business as he was in the ring, and wouldn't have it any other way. His day consists of an assortment of celebrity appearances, running a boxing gym, and promoting his own line of boxing equipment, "Whip Gear". His personal satisfaction has never been higher.

Vanderpool, or "The Whip" as he was known from his amateur days training out of the Waterloo Boxing Academy, is a business man, one who learned to navigate the "flesh-peddling" of boxing's free market, an industry in which the Globe and Mail says "most loyalties are temporary and in which most acts of kindness carry a price tag."

The difference about Fitz: this Cana-

dian and World Champion is also a nice guy. He managed his own career, used his own money during his reign as world champ during the seven years he was a pro, with no manager, no sponsor. He held three belts at once.

Where did he get his drive? It started from recognizing an opportunity and learning to strike at it.

"I got a chance to fight this guy, for the [Canadian] title. Normally, a manager would say 'you just got knocked out in the fight before, we'll get you two or three easy fights, build you back up'. Well I got a call for this fight here, I'm managing myself – you know what, I've got no opportunity except the ones they give me, to me that's an opportunity. I took it. With Tony Badea. I was number one at 140 lbs, he was number one at 147.

"I went up to Edmonton, I was doing it all myself. I was getting paid chump change, a little bit of money. Most guys wouldn't take that fight, but I said, 'Let me look past the money, look at the belt, they're going to call me Champ.' In the first round he knocked me down, I got back up and said, 'I've got to win this fight, because if I can't be the best in the country I don't want to fight at all.' I took the fight to him, in the sixth round I cut him up, I stopped him, he was just one mess."

It was 1996, three years after he went pro, and Fitz the Whip won the belt, "and they were calling me 'Champ'."



Fitz Vanderpool is launching "Whip Gear", a line of boxing equipment.

He challenges all boxers, when coming up through the ranks, to attain their dreams, to make it on their own terms, because the way he won was to focus on the goal, the belt, not the money. Success came from hard work, and he was able to finance his dream.

"People ask, 'were you successful?' When I talk to kids, I tell them success is not measured in terms of dollars and cents, it's measured in terms of accomplishments. Did you chase your dream, did you accomplish your goals? Money is going to come, money is going to go, at the end of the day, did you accomplish what you want to do?

"You know me and my brother, when we went out there, we went out to become World Champions. I can now say, 'Son, there's Daddy's belt, he became World Champion, and he did what he did.' At the end of the day it's your goals, money doesn't always define who you are as a person, you can have all the money in the world and be poor inside."

Recently the Shaw Festival held a event for Vanderpool's boxing producer, "The Whip" was a special guest, honored on his 10th anniversary of winning the World Title.

Each of his belts has a story, from the 1996 Canadian Welter Weight Championship described above, or the 1997 W.B.F. Inter Continental Championship (where they only had a World Belt available, so they gave it to him, or his third belt within one year in the 1997 W.B.C. FECARBox Welterweight Championship.

But none is more emotional for the "Champ" than the 1999 W.B.F. World Title fight at the Royal York Hotel, against Stephane Johnson. "When I knocked him out for the world title, he went unconscious, and stayed unconscious. They've got a picture of me sitting in the corner, I'm going, in my head, 'I just won the W.B.F. Super Weight Champion of the World,' but I'm not jumping around, I'm saying, 'oh please, I hope he's OK, Oh please, be OK, not on my shift,' you know."

Vanderpool says the ambulance took a long time to get there, but in the end Johnson was OK.

"This is job, afterward you go out and

have a pop with these guys, get something to eat, it's no big deal, it's our job." Fitz went on to defend the World title twice.

After that, Vanderpool said, "Ok it's time for the money to start coming." He signed with manager Elvis Grant Phillips, in 2000. He said that if Vanderpool relinquished his belt, "he'd get me a big title fight with WBC; we're going after Oscar De La Hoya's belt. That's what we started chasing. We were working our way up the ranks, started at 13, then 9 then 5, finally I was sitting at number 1 and I sat there for a while trying to get a big fight. I mean I'm Canadian, nobody knew who I was, I wasn't a household name. You get some guys with names, who when Oscar De La Hoya fights them he'll make five million dollars, when he fights Fitz Vanderpool he's going to make two million."

Vanderpool never went out to make money; he went out to pursue a dream. "I work in a group home, here I am number one in the world, I was number one contender to Oscar De La Hoya's belt, no financial backer, no sponsor, no nothing, I'm working a 9-5 job, I'm running my boxing club here, and I'm gearing up for this big fight over there. Why weren't the endorsements coming through?"

"I've got a younger brother, five years younger than me, so when it comes down to people wanting to put money out for support, they saw five years more out of him."

Fitz has the club, and a product line, "Whip Gear", with a pending launch. He's an entrepreneur managing his own brand. He helps out at a group home and for the last 10 years organizes a September fundraiser/boxing event that gets exposure for the young athletes in Waterloo Region. It provides other boxers a chance to develop a local profile.

"People didn't know who I was," says Vanderpool. "When I was fighting my friends didn't get a chance to see me, so we do this show locally, so we can see our local talent, and when these guys are ready to turn pro, people have had a chance to see them and say hey, let's get behind and support this kid."



Top Photo: Rene Gatten, President and CEO of Waterloo North Hydro Inc. looks on while Minister of Energy George Smitherman listens to Kitchener Wilmet Hydro President and CEO Jerry Van Ooteghem and Chair Larry Galajda. The four are in front of the new GRT bus that is designed to educate people on the benefits of saving energy. The two hydros and Union Gas made cheque presentations to the Children's Museum for a new project that is to teach young people about energy conservation.

Right: Smitherman took a tour of the Warhol Exhibit with David Marskell, Children's Museum President and CEO.





## CFFB: ADAPTING AND INNOVATING – THE KEY TO GROWTH

“You get to a point where your business continually grows, and then stalls. You reach a point where you can only do so much work yourself, and you have to step back and know when to hire good people to help manage the growth of your business. This will allow you to take advantage of new opportunities for the growth of the company.” That was a key observation in a presentation by Steve Sittler, of Sittler Environmental, the company that was the featured business at a recent meeting of the Centre For Family Business.



A young Steve Sittler with his father William, of Sittler Environmental, the company was featured at a recent Centre For Family Business presentation.

Sittler Environmental has existed for 60 years, launched by William Sittler – Steve’s father – as a trucking business, “delivering sand and gravel and doing some excavating work for Waterloo County customers.” That remained the focus through several decades; by 1993, the company had 10 employees, a shop and an office and was operating two gravel pits. Today, Sittler has more than 75 employees.

A key innovation took place in the late 1980s. Says Steve Sittler, “We experienced a slow-down in the

housing market, and we were so tied to the business. I knew we had to change what we were doing, and find some new business line. I was reading a trade magazine, noticed an ad for a wood grinder, for stumps, waste and wood recycling. The government had put a regulation in place to ban dumping of yard waste and wood waste (stumps) in landfills. We thought this might work, so we took a tour to New Orleans to a waste expo to look at the grinder. Purchasing this grinder, allowed us to capitalize on this new market. It was a huge step because the

grinder was worth \$450,000 USD. We had one contract that we had won with the Region of Waterloo, for \$32,000 but we needed to get more contracts to make this a viable business, so we went on the road and toured to all of the municipalities in Ontario with a landfill to offer our service for their yard waste processing needs. This brought in a lot of business over the years, and by the close of the 90s we were the largest grinding service provider in Ontario. It’s the old saying... If you don’t ask, you don’t get.”

Today, the company operates three larger grinders, and processes material for approximately 25 municipalities.

In the early 90s, the company opened a transfer station in Kitchener to collect waste, wood and construction materials. The transfer station is licensed by the ministry of environment to accept waste materials to be transferred into a landfill or be sorted into recyclable products. Over the next ten years, the amount of material received, processed and recycled grew from 10 tonnes a day to 300 tonnes per day. The wood scraps are collected in Kitchener and shipped to Elmira for processing into products such as coloured mulch and animal bedding.

Sittler said, “By the late 90s we had expanded to about 25 employees. At that time we were doing land clearing, demolition, mobile wood grinding, and waste transfer and processing. This part of the business grew for the next four to five years, but the markets were changing and we had to adapt... We hired a project manager/estimator which freed up our time to focus on sales and the future of the company. We then hired a General Manager, and a CA, because these people bring skills that are needed to develop a healthy, strong business.

He continued, “This management team has helped us to focus on finding opportunities to expand within our core businesses, for example, our CMR program (construction materials recycling) for builders, contractors, LEED project waste management” and an expanded recycling programs.

Sittler suggests that the company has changed from waste and recycling company to a resource company. “We take resources out of the waste stream to manufacture new products. We crush concrete into aggregate, shingles into an asphalt additive, wood into mulch, animal bedding and fuel products, metals to scrap yards, and cardboard. We operate three mulch and soil manufacturing yards (Elmira, Tillsonburg and Burton, Michigan). We produce coloured mulches, pine mulch, triple mix, custom soil blends and more products. From these locations we supply retail and wholesale to landscape supply depots, and [for] the contracts we have with bagging companies such as Scotts.”

Today, Sittler Environmental has become a three-generation company; founded by Sittler’s father, the team now includes Steve’s daughter, Amy. “Amy has joined our company after graduating from Environmental Studies at the University of Waterloo. Amy is working on a pilot project with U of W for asphalt shingle recycling. We will be using a product made from processed shingles to add into hot mix for a test section of road later this summer.”

The company continues to grow, “with locations planned in the next year for Woodstock, Dundalk and the Barrie area. By the summer of ’09 we will be installing a conveyer sorting system with screens and magnets to sort the construction waste more efficiently and allow us to recycle up to 90 percent of the mixed incoming waste material.”

Steve Sittler sees a strong future for his business: “Construction material recycling has really only started, and with a push from the government to get Ontario to 60 waste diversion this material needs to be diverted from landfill.”

### XQuarterly – [www.xquarterly.ca](http://www.xquarterly.ca)

- Small businesses have more confidence in their own operations than they do in the Canadian economy. 58% of Canadian small businesses expect to see some improvement in their businesses over the next six months, says an Angus Reid Strategies survey commissioned by STAPLES Canada.
- 70% of Canadian small businesses rate their own financial status as good and only 30% as poor. Conversely, 66% of Canadian small businesses consider the economic conditions in Canada to be poor while only 32% think that conditions are good.
- Nine out of 10 Canadian business executives agree that a recession is a good time to gain new customers and build market share, says the Gauge Marketing Barometer.
- An increase in travel from the United States to Canada more than offset a decline in travel from overseas countries in February. As a result, inbound travel climbed 2.3% from January to 2.2 million trips in February. Despite the increase, this remains one of the lowest levels since record keeping started in 1972.
- United States residents made 1.0 million overnight trips to Canada in

February, up 1.9% from the previous month. Overnight car and plane trips increased 3.0% and 1.5%, respectively, while overnight travel by other modes of transportation fell 2.6%.

- Constant dollar manufacturing sales, which are measured in 2002 prices, rose 2.6% to \$39.4 billion in February. This was the first increase in constant dollar sales since September 2008.
- Ontario led the way with a 7.2% increase in February following six months of decreasing sales. The main contributors to the advance were the motor vehicle (+36.2%) and motor vehicle parts (+41.7%) industries. Even with February’s gain, total manufacturing sales in Ontario remained almost 20% below year-ago levels.
- Despite a challenging economy, 76% of chief information officers (CIOs) interviewed recently said their companies will invest in information technology (IT) initiatives in the next 12 months. Information security topped the list of projects executives expect their firms to invest in, with 57% of the response, followed by virtualization (36%) and data center efficiency (33%). The rest of the top ten were: Voice over Internet Protocol

(VoIP) (32%); Business Intelligence (28%); Outsourcing (26%); Software as a Service (SaaS) (23%); Web 2.0 (18%); Social networking technology (18%) and Green IT (16%).

- In 2008, the Canadian dollar lost ground (-19%) against the US dollar after reaching parity at the end of 2007. It also depreciated by 15% against the euro and 34% against the Japanese yen, but gained about 11% on the British pound.
- The 24% gain in 2008 was the strongest growth in Canadian direct investment abroad since 1981. Most of the gains were accounted for by changes in the value of investments in the United States, as the direct investment position grew to \$310.7 billion. Nevertheless, Canadian direct

investments at the end of 2008 were spread over countries on all continents, with 39 countries having at least \$1 billion in investment.

- Foreign direct investment in Canada grew by 3% in 2008. This was well below the average annual growth of 9% over the last decade, and reflected considerably slower investment activity in the year, especially from the United States. Foreign direct investment in Canada was more concentrated, with 22 countries having more than \$1 billion in direct investment in Canada at the end of 2008.
- Direct Canadian investment assets in the United States increased by \$80.1 billion to \$310.7 billion in 2008.

## TOP 20 TECHNOLOGY TRENDS



An impressive panel of high tech visionaries shared their views about the top trends in technology, at the panel on Microelectromechanical Systems (MEMS).



Paul Kemp, Vice President, Silicon, of RIM, at the panel on Microelectromechanical Systems.

Dalsa; Paul Kemp, Vice President Silicon for Research in Motion; Gerry Remers, COO Christie Digital; and Robert Tong, Vice President On Semiconductor - Medical division.

The following is a Top 20 list of developing and emerging trends occurring in technology culled from that discussion:

### Communication

- 1) MEMs based microphones enabling the transformation of the audio to a digital system, where the only analog pieces are right at the transducer and everything else is happening digitally.
- 2) Mini Laser Projectors – Miniaturization of large projectors.
- 3) Natural Language Processor – Natural language generation systems convert information from computer databases into readable human language, with no training.

### Entertainment

- 4) MEMs Gyros – the ability to convert human movement in to readable machine format, to create a fantastic gaming experience that converts our movement into an input in the computer system.
- 5) Accelerometers and Gyros such as taping or swiping a screen.

### Entertainment/Medical/Transportation

- 6) Optical Joysticks – highly sensitive control and ability.

## XQuote

"We approached the study with an open mind. We thought, 'Maybe these behaviours are a positive thing for employees who enjoy them.' And then we found that they weren't. In our culture, sexuality has these connotations of domination, subordination and vulnerability. Often a dominating behaviour is a way of making someone squirm. Why bring this into the workplace?"

– PROF. JENNIFER BERDAHL OF THE ROTMAN SCHOOL,  
CO-AUTHOR OF A GROUNDBREAKING NEW PAPER FROM THE JOURNAL OF  
APPLIED PSYCHOLOGY ON THE EFFECT OF SEXUAL BEHAVIOR – SEXUAL JOKES, INNUENDO,  
DISCUSSIONS OF SEXUAL MATTERS OR FLIRTATION – IN THE WORKPLACE.

### Entertainment/Medical/Military

- 7) Holodeck – 3D caves, that project an image into the interior of the room.

### Lifestyle

- 8) Near Field Communication (NFC) – do payments by waving your device, or hand off music or pictures to your multimedia centre at home or your PC.

### Medical

- 9) Large Scale integrated circuits – enabling body scan technology for instant feedback, through the use of a ray sensitive large panel.
- 10) Gaze Tracking – using devices like magnetometer to figure out what you're looking at or where you are.
- 11) Infra Red Light Emitting Diodes – provide the ability to see through surfaces. In this case, it's skin. The Red LEDs project red onto the veins of the body structure and the camera feeds back this image into projector that reprojects the venous structure of the body.
- 12) Biometric Imaging – imaging the venous structure in the hand allows us to see a more complicated structure than finger print.
- 13) Visual Feed Back Loop – Macular degeneration, is a medical condition usually in older adults which results in a loss of vision in the center of the visual field. With a LCD glasses, a small camera built into the glasses, they can image the area of the individual cannot see and re-project that image in front of their eyes.
- 14) Digital Light Technology for metrology – a portable device you trace over the body which produces a 3D model. Uses include cosmetic surgery, where the surgeon can calculate the depth of wrinkles.

### Research

- 15) Image Sensor Technology – Harsh environment image sensors that boldly go where no one has gone before, and allow us to send back images back to earth or work station.

### Transportation

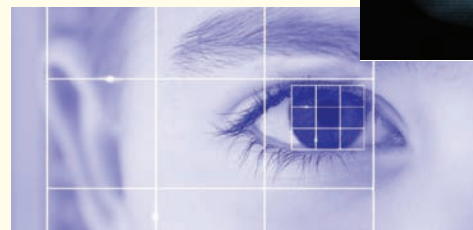
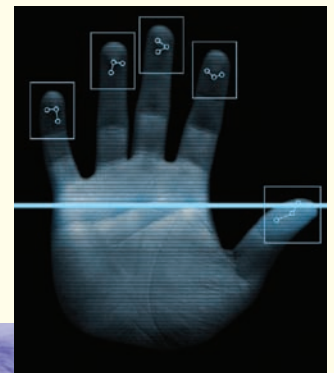
- 16) Fully Automated Vehicle Control – Use of image sensor and MEMs technology in automobiles to create vehicles that can practically drive themselves.
- 17) Capacitive Sensors used for gesturing and navigation of various devices.
- 18) Pressure Sensors – magnetometers that are been deployed for different types of navigation assistance, to compliment GPS or Wifi.
- 19) Transporter – being able to go to another location, just like that. With the number of hours spent on airplanes, the technology would be very attractive.

### Security

- 20) Finger Print Sensors – have applications in various fields, important in hand-held once you start doing payments.

Robert Tong closed the panel by highlighting that technology "allows us to have a richer interface ... that does all the heavy lifting for us."

"We are now at a stage, where computers will utilize all the sensors that we use to be able to communicate," and they will react like a human. "I think that's going to add on to, and accelerate, technology development, and bring all that Star Trek knowledge to us sooner rather than later."





## REFLECTING ON DEVELOPMENT

For the past quarter-century, Edward Alois Schleimer has worked in a local factory, doing what he describes as “menial work.” But for that period, and longer, Schleimer has also been creating and exhibiting works of art. And his artistry has “aged” well – in the past year or so, Schleimer’s work seems to be everywhere.

This is no artist-come-lately. Throughout his career, Schleimer has exhibited throughout Southwestern Ontario. This Kitchener native is an organically grown artist. Schleimer’s source for his artistic expression is his own life – he is a “self-actualizer” whose exhibitions mirror the hardships and celebrations of his life in Waterloo Region.

His passion is always evident, on display on huge, colourful canvasses, in smaller works, and throughout his array of media – he is as familiar with a chisel as he is with brush and paint. Whatever his medium, Schleimer creates a reflection of community, one

that is unique, thoughtful and with a vision for the future. Schleimer is a artist/entrepreneur, a man who pursues passion as a lifestyle, who creates with vigor and substance.

In February, 2008 Schleimer exhibited his painting at the Hacienda Sarria’s “Echo-Vitae Solution”. The exhibition was created by Hacienda owner Ron Doyle as a showcase for Schleimer, who Doyle thinks is one of the most talented expressionist artists in the area. In addition to the show at the Hacienda, Schleimer has displayed works in the Kitchener-Waterloo Art Gallery, the Goethe Institute, Stratford & Peel Museums, and for 35 years at the Gallery House Sol in Georgetown.

On September 24, 2008, a Waterloo Region prosperity forum was held to identify areas of economic opportunity for collaboration and growth in the arts community. A number of the area’s movers and shakers were in attendance. One of only a few items to

come from that forum was a print by Schleimer. Participants received this poster. Created by Schleimer for and during the event, the print reflects a Wheel of Waterloo Region. It’s grounded in purpose, and projects peace and prosperity.

Schleimer is also developing a rather unique trademark, making prints from oak carvings. The carvings are used as a press plates, applied to a medium of choice: posters, t-shirts, aprons, etc. Schleimer, has tremendous respect for originality, so when he has made a pressing, he purposely marks his “one of a kind” stencil, forever preventing it from producing another facsimile.

In a unique twist, this local artist has had the opportunity to interpret one of the great pop artists of all time, Andy Warhol. Schleimer’s carving was the image used by the Andy Warhol exhibit at the Children’s Museum.

His contribution was to tie together the exhibit and the Children’s museum. Schleimer came with an artistically “killer” piece of work, which was reproduced on countless posters, adorned the smocks of the museum staff, and was to be used as fundraiser in the end of show auction.

Museum CEO David Marskell, who art directed the exhibition, was quite excited by the fact Ed Schleimer wanted to contribute to the exhibition. “Two things were really important to me when we started this, the festival strategy as they called it – having as many people and organizations as possible involved in the Warhol, and the other

facility includes large refrigerated areas, and a 2000 sq. ft. retail space.

After its initial birth pangs, Caudle’s has consistently seen success. Sales have seen double-digit increases, “year after year without fail,” says Ron. But he believes the future will be even better: “This is only the tip of the iceberg of the potential of the seafood business.”

Both Ron and Matt can become evangelistic about their trade, eloquent about heart health, quality, and taste.

They have realized that, because a significant portion of their potential client base are still unfamiliar with cooking seafood, they have to do some education. So the shop features free recipe cards and menu suggestions; so does their interactive website ([www.caudlescatchseafood.com](http://www.caudlescatchseafood.com)).

Customers can check out the educational blogs on the website, including q&a with chef Darryl Fletcher, as well

one was bringing the creativity out of the community, and there examples of that in our underground studio.”

Marskell reflected on Schleimer’s contribution. “Ed touches both of those two things. He came in and offered to create the poster, and he took, what I think is kind of interesting, one of the earliest forms of wood carving and did it of a pop artist, and if you’ve seen it, the whole soup tin turned into a jack in the box turned into a Warhol, it’s killer.”

“Nine of the prints are being retailed, and Number 1 of 10, we’re trying to auction it off in some manner.”

Schleimer is an artist pure and rare. His expression is reflective of survival, and mirrors a never-ending journey. His triumph as an artist is found in his straight-to-the-point rawness. His work can be viewed at [edschleimer.com](http://edschleimer.com). A YouTube video of the February 2008 “Echo-Vitae Solution” by videographer Phillip Bast, can also be seen on line.

as with Matt and Ron. Customers can also order on line and pick up their seafood at any Caudle’s Catch location.

The Caudles are big fans of their own products. Matt’s favourite, he says, is sushi grade yellow fin tuna; Ron opts for halibut and king crab.

Asked about plans for growth, Ron says “we will let the sales dictate that,” but then he quickly points out the impressive activity in just the last year – they have opened their location in the Kitchener Market, re-created their now-interactive website, and are about to open in Vincenzo’s, “all in one year.”

The Caudles also talk about plans to move into shipping live seafood from Kitchener, to customers right across Canada. Which sounds like the next logical step for a Maritimer who learned to cook lobster in land-locked Waterloo Region.

– Paul Knowles

## A WHOLE LOTTA’ LOBSTER



Ron, Sylvia and Matt Caudle of Caudle’s Catch

Ron Caudle, owner of Caudle’s Catch, the large and growing Kitchener seafood business, is a native of Halifax, Nova Scotia. Being a Maritimer makes him a natural in his trade, right? Caudle laughs, and admits that’s a bit of a fish story – “I’m from down east, but I had no previous seafood experience,” when he arrived in Kitchener, in 1981.

Instead, his “previous experience” involved 10 years in marketing, and that is the expertise he has used to build a business that handles more than 200,000 live lobsters every year, as well as any other kind of seafood your taste buds might crave.

He says that his Maritime roots convinced all his new Kitchener friends that he was the go-to guy for when it was time to cook up some seafood. “Everyone assumed I knew how to cook lobster and seafood,” he says, “so I learned to cook lobster... in Kitchener.”

At the same time he was feeding friends, Caudle was getting fed up with the corporate politics in the company he was working for. He and his wife, Sylvia, decided “to do something on our own,” and on April 4, 1986 they launched Caudle’s Catch. Their son, Matt has worked at Caudle’s for 10 years, and now is retail manager, operating the Seafood Superstore, at 60 Otonabee Drive in Kitchener.

Matt and Ron admit that this street is not exactly a hotbed of retail activity; they’ve rectified that by making Caudle’s “a destination” for seafood lovers.

Ron says that they launched the business at the right time. “Seafood was just starting to become popular, starting to be recognized as a healthy protein.” They saw potential... but he adds ruefully that they did not “realize how long it would take to reach that potential.” The first five years in business were “hard... a learning curve.”

But Sylvia’s experience in her family’s tire business, and Ron’s marketing experience, were key resources. Caudle’s began marketing to larger outlets, earning business with Zehrs and Red Lobster, two clients that continue to be major national markets to this day.

Caudle’s markets seafood in three different ways – to large corporate customers, to some local restaurants, and through retail venues. In addition to their “Seafood Superstore,” they sell at the Farmers’ Markets in St. Jacobs and Kitchener, and will also be located at the new Vincenzo’s when it opens in Waterloo in September of this year.

Today, Caudle’s Catch has 16 employees. The 9,000 square foot Otonabee



Edward Schleimer



David Marskell

PHOTO: EXCHANGE MAGAZINE





*John Tully, right, headed the Michelin job-creation program that helped fund the new business launched by "Young Entrepreneur of the Year" Paul Maxwell.*





# WHEN BIG COMPANIES LEAVE BIG HOLES

BY JON ROHR

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*Michelin put a whole new spin on leaving and loving*

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Michael Moore's "Roger and Me" is a landmark documentary on the economic consequences when corporations pick up and leave a community. Although packed with a lot of left wing cynicism, the film's portrayal of the economic impact felt by communities when faced with large unemployment is very real. If companies didn't take leaving a community lightly, and were proactive in helping fill the void created when thousands are suddenly unemployed, what would happen?

In a North American first, Kitchener, together with corporate citizen Michelin Canada, did just that. Michelin purchased BF Goodrich North American operations in the early 1990's; 16 years later, in July 2006, they closed the Kitchener BF Goodrich plant.

People were angry, employees were upset. However, to give Michelin credit, they could have packed up their intellectual property and simply bailed, but they didn't. Instead, they embarked on a "new to North America economic development program" that, three years later, can be called successful and offers a model for large companies to follow.

The program lead was John Tully, a smiley South Carolinian and 30 year veteran with Michelin USA. In May 2009 he wrapped up the three year pilot program, leaving a community with optimism and hope.

Tully relocated to KW to adapt a program Michelin has had in Europe since 1999. Four months prior to the closing of Kitchener's BF Goodrich operations, Tully arrived with one purpose on his mind – "find a way to lessen the





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impact on the community when all of a sudden, 1100 employees are out of work."

Armed with a passion for job creation, a friendly demeanor and a license to loan money, Tully started to network with local leaders and lending institutions.

Using the Greater KW Chamber of Commerce as headquarters, he began to work on the specifics of a new program based loosely on those he experienced in Europe. "Most of the time I spent here was trying to understand the community, understand the business climate, and to network with people," says Tully. The first few months were monumental, a networking and building process for Tully. "I started to work with the banks, because the main part of the program is low cost loans to start up businesses as well as medium sized businesses. We're not a bank, so obviously we needed a banking partner."

"We would not make a decision that would do something  
 that was going to impact 1100 plus lives, and just walk away.  
 We couldn't do it."

What Tully proposed had never been done before. He interviewed all the big banks, and tried to give them the flavour of his program, "and get a flavour for who we could work with."

When he relocated here, in July 2006, he made a decision to work with Royal Bank of Canada (RBC). Negotiating with the bank "took quite a while," he recalls. "Quite honestly, when you get two large companies together and you get their legal departments together, it can become quite an experience."

The type of program Tully proposed was "so outside of the box," it was difficult for the bank to understand. "The bank of course wanted all the control, to make the decision, and I kept saying you don't understand, if that's the case we don't need this program." Undiscouraged, Tully repeated his mantra: "This program is going to be run by a group of local business people, who are entrepreneurs themselves, or small and medium sized companies businesses support."

They finally agreed on a program. Michelin would deposit money in the bank. Every time a loan was approved it would be signed off by the steering committee. Tully would also sign off, allowing RBC to take the money out of a interest bearing account and put it in another interest bearing account. That permitted RBC to "take

that money," if the loan defaulted.

"We deposited \$2,000,000 up front, so when we made a loan for a \$100,000, \$100,000 came out of here and went there; we were getting interest on both so that really helped offset the fees and expenses incurred by the bank." The program's loans were at straight prime and interest adjustable. "The first loan we did was at 6%, now that guy is paying 2.5%. Even the bank makes money on this deal... the interest they paid us we in turn are paying them."

Tully comments on a very complicated legal matrix that they developed with the approval of his treasury group, which "figures all this out ... I don't pretend to understand it, it's not really important to me, all I know is that it basically is a wash." When the loans get paid off, the bank gets paid back, "and puts the money

back into our account. This has permitted the program to lend out more than the initial \$2 million."

Working out the complicated financing arrangement was an integral part of the puzzle. During those negotiations Tully was also busy working on his communication and application process. "I was working out of the BF Goodrich Plant, I got to meet some of the IT people who were leaving the company. They were also starting their own business, called Damsel Fly Solutions, so what I did was hire them. I was their first customer, to develop the website and all that type of stuff."

His next task was to formalize the Michelin Development Steering Committee, a group of 14 entrepreneurs, liaisons and business specialists, plus Tully. "I went back to the notes from the time I was networking. I came up with a list of people who I felt basically presented us with enough diversity, but also had the knowledge and the passion of what we were trying to do, to actually be on the committee."

The group were given no parameters, only a defined geographic area to draw from, determined by the locations of the 1100 employees once employed by Michelin.

In December 2006 they had their first meeting and "miraculously, approved the first loan at that meeting". Once





PHOTO: EXCHANGE MAGAZINE

John Tully: "We felt strongly we wanted to put something back into the community."

approved it was sent to RBC for their financial due diligence.

It was an ongoing process; the steering committee didn't say a simple no or yes, they would provide feedback to the applicants through Tully, and he would work

with them to iron out the kinks to resubmit their application.

In the end they loaned \$2,970,810.00 to 19 companies.

Clients were impressed, and many asked, "Why are you doing this?"

"All I can say is, it's just who we are, this is the way we operate. We have several values that we operate on, and one is we always go for the facts, we don't make decisions based on hearsay ... We have respect for people, respect for shareholders, respect for our employees, and it's all about that."

In Europe, Michelin has been operating this program proactively since 1999, "as opposed to here, which was reactive". The model is straightforward – when they go into a community they try to create jobs, so they can continue to operate there. It's not very common in North America, as evidenced with "Roger and Me," the cynical glimpse of corporate America.

"We would not make a decision that would do something that was going to impact 1100 plus lives, and just walk away. We couldn't do it," say Tully emphatically. "I know that there were a lot of people at the time angry with us,

because we were closing the plant. It's not a decision that was taken lightly, it was a very tough business decision, and as result we felt strongly that we wanted to put something back into the communi-

Armed with a passion  
for job creation, a friendly  
demeanor and a license to loan  
money, Tully started to network  
with local leaders and lending  
institutions.

ty." This program was complementary to other direct employee programs: "we had several different programs that were helping our former employees, so this was not employee based program. Certainly any of our former employees looking to start a program or who had a side business to grow were welcome to it. It was more for the general community."

Tully is the first to say he didn't accomplish this alone; he had a directive from

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his CEO, and the energy and support of the local community. "The Chamber was very valuable... everybody at the Chamber was very gracious, welcomed us, helped us when we needed help." Other organizations included the University of Waterloo – "we held all our steering committee meetings at the Accelerator Centre" – Communitech, and Ontario Centre of Excellence.



Paul Maxwell and John Tully – Tully's big corporation funded start-up entrepreneurs like Maxwell Music House.

"The Waterloo Region Small business Centre was unbelievable ... I'm a sponsor of that organization and it's probably the best money I've ever spent since I've been up here, because as a result of that, probably the majority of my referrals come from them, either in Cambridge, in Kitchener or Waterloo." Kathy Weiss and Jeremy Dueck at The Small Business Cen-

That was one result; another one dealt with the character of the so-called axeman, "I am the only one that does this, so what if I move to a community and they think, 'Oh no, here comes John Tully and they're going to be closing a plant,' that defeats the purpose of what we're trying to do." It was a "proactive-reactive issue".

The study came back and said this

"The Chamber was very valuable... everybody at the Chamber was very gracious, welcomed us, helped us when we needed help."

tre are not in the funding mode. "They provide service to try to help people. But they don't do the funding."

"Another group that has been very good [is represented by] Amy Britton from Ontario Ministry of Small Business and Entrepreneurship, who sits on my steering committee."

The results have been nothing but pleasing to Tully. As a key leader in the Michelin world it's very evident that Tully loves to wake up and go to work. "It's a culture of nurturing," he says.

In 2008, Michelin did a impact study on Tully's work through another program called the Challenge Program. Not only did the analyst talk to John Tully, but Tully provided a list of clients that were funded, and some that were refused funding. "I wanted him to get a taste of the good, the bad, the ugly."

The results of the study were positive: the program is "impacting community, it's helping the community, and people think highly of it".

program should be done both ways, "obviously reactively, when we do have tough decisions to make, but it should also be done proactively to help different communities in North America."

So corporate head office liked the results. But what about the job creation? "Because we look to job creation over the course of the loan, it's hard to say that we had created 'this many' jobs. So we do everything based on the potential number of jobs created, and with the clients, and the \$2.9 million we've loaned out, we're potentially at 859 jobs. So we're pretty happy with that."

Paul Maxwell, who runs Maxwell Music House, was recently recognized as the Greater KW Chamber of Commerce Young Entrepreneur of the Year. Maxwell Music House is one of Tully's clients. They offer a full service music facility including everything from music lessons, workshops, jam space, live music once a week, and other programs like Rock Star Summer Camp, and a special needs pro-

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gram for children with disabilities. "Paul is great entrepreneur" says Tully. During the launching of his business, Maxwell, a recent WLU grad, ran into a lot of roadblocks that ate up much of his start-up capital. He was introduced to Tully by Steering Committee member, and Schlegel School for Entrepreneurship director, Steve Farlow.

"With the clients, and the \$2.9 million we've loaned out, we're potentially at 859 jobs. So we're pretty happy with that."

Maxwell was selected as one of the companies to receive funding. "I received a \$40,000 loan with very good rates, which allowed me to have some cash flow, establish a longer burn rate and to purchase additional lease hold improvements. Without that money I wouldn't be able to keep going. We would have closed the doors even before we were open."

A major part in getting a loan from Michelin is, they want to facilitate more

jobs in the community. Maxwell employs nine people, one full time, two almost full time and the rest part time. "It's equivalent to about five full time jobs," says Maxwell. "But the really interesting thing is that we're not only providing employment for nine employees, we also have musicians coming in on a regular basis, there is a ticket price and they're getting paid for performing, so we're essentially providing a tonne more jobs on a regular basis." Typically, 8-10 performers every

week "earn money from Maxwell's Music House."

The number of jobs created "has exceeded our expectations," says Tully, who was originally sent here for eighteen months to two years, to get the program started, but stayed for a full three years. He sums up: "Because we were so fortunate, and very honestly because of the entrepreneurial nature of this area, the community involvement here, there's a spirit here that just says – let's go do it." X



Paul Maxwell: "We're providing a tonne more jobs."



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# ZEROS & ONES – DECODING THE DATA PACK GENERATION

BY JON ROHR

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*Telecommunications success story Fibernetics is connecting the world by eliminating the common phone line*

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Fifteen years ago, Bell Canada was in the final stages of deregulation. That mighty monopoly, founded in 1880, would, on its 100th anniversary, start a deregulation program that, when completed in 1997, would leave it a fraction of what it once was. During the later years of the program, entrepreneurs scrambled to find their place. This is a story about two friends turned entrepreneurs.

Deregulation triggered an unprecedented interest in telecommunication. Opportunity was the driver: if you could digitize it, transmit it and decode it, you could make a lot of money. This was three years before the launch of the Blackberry, the very beginning of a cellular revolution. It was a time when digital technologies were leapfrogging analog competitors. The computer was establishing itself in consumer markets. It was a time for innovative ideas.

"Back then we were scared," says Jody Schnarr, CEO of Fibernetics. He and long time friend/business partner John Stix, who is Marketing Director of their Kitchener-Waterloo based Competitive Local Exchange Carrier (CLEC), were worried about the challenges of self employment, about risks involved in creating a working business model that would generate income for the two. It was a "healthy scare," because it raised concern and generated a willingness to learn from the daily rigors of sales and marketing. Their learned approach helped them design a communication empire that today goes head to head against Rogers, Bell and Telus.

While working for separate companies, the friends started to dabble in the long distance calling business. Schnarr, who is a gifted technological tinkerer, said they "found out you can buy and sell long distance service," which in 1994, was very new.

Trying to access grant money, the two developed a long distance business strategy. The process included identifying the

"Although we've been in business for a while, we feel like we're just launching. Really this is the dream."







*Fibernetics partners John Stix, left, and Jody Schnarr*

PHOTOGRAPH BY EXCHANGE MAGAZINE

## FEATURE STORY

potential market, so “we went and knocked on doors to find who would take the service,” says Schnarr. They hypothesized people in Stratford wanted to call people in Kitchener-Waterloo “because there was a very close tie.”

“We knocked on about 700 doors and most said they wanted it,” so Schnarr and Stix were empowered with a list of 700 people apparently willing to pay \$10 a month to call the Waterloo area.

They found a supplier to provide technology that Schnarr could use to connect the two locales together. The cost was about \$15,000. “We put the service in, got it running” ... and “none of them took it.”

They spent two months “calling, begging.” In the end, they signed up 70 customers. “We had \$10 a month from 70

**“We started, we were bankrupt in two months, then we were back up in three months,” says Schnarr. “It was scary but we were solid.”**

customers – \$700 a month. There was a flat cost of \$1000 a month.” They had developed a formula to go broke.

Scrambling to leverage what they built, they developed an idea: instead of selling a long distance service to the households, people could listen to an advertisement prior to connecting and receive a free long distance call.

In 1994, long distance cost about 40 cents a minute. Their research said, while



Jody Schnarr, John Stix, Chris Lehman and Mike Brown of Fibernetics.

Stratford residents wanted to buy the \$10 service, they didn't want to sign up with a new company. “Everyone wants to use it, but they didn't want to change. All we had to do was come up with a way that everybody would use it,” explains Schnarr.

That adaptation turned a quickly failing business into a fledgling communications/advertising company. “We thought about getting someone to pay the \$1000 monthly bill, to let everybody use it for free.” The advertiser would get a new forum to communicate their message, and the public, after hearing the advertisement, will be able to make a free long distance call. Car dealer Gary Stockie bought the concept. They changed the phone number to 662-GARY, and launched their first PR campaign. Next-day coverage in the local newspaper prompted 4000 households to use it that first day.

“The town just went nuts. At the end of it, we had 8000 household using it a day,” says Stix.

“We started, we were bankrupt in two months, then we were back up in three months,” says Schnarr.

The future was brighter. “Out of necessity, we came up with the idea that everybody in the Stratford area wanted.” Further, what they created was scalable. “The service was up, working and there was nothing for us to do,” says Stix, “So we just started going to every single tied-in area. We brought Guelph into Kitchener/Waterloo, and looked at Greater Toronto. We basically did 40 to 50 sites. We were channeling a tremendous amount of calls per day at the time.”

They looked at revenue streams, creating a “wheel” where 20-25 ads would go into a rotation. “We went on building those out, and once we had them all covered we sat back and wondered, ‘what can we do next?’” says Schnarr.

By 1996 Schnarr and Stix were fully entrenched within the telecommunications industry. They were hearing rum-

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blings about “voice over internet protocol” (VOIP). The vision was great, but the equipment wasn’t available. So Schnarr started to fabricate their own equipment to convert analog into digital and transmit between two cities.

They made it work, but found that the integrity of the internet lines were “pretty

“During the last 15 years, we’ve learned how people adopt service, what they like and what is an easy way for them to change,” says Stix.

awful”. Over the next few years they continued to play with evolving technology. “It was the only way we could bridge two sites together, without having to pay a tremendous amount of money for long distances.” Standards had not been set in the internet world and there were too many variables, so they created their own network and started to tie together communities in southern Ontario. “We tied in London, Kitchener, Toronto, Ottawa,

Hamilton and a couple of others in a giant, VOIP mesh, and we launched the Labatt Blue line.”

The Labatt Blue line was a promotion network where a person would call the number 664-BLUE and then in turn call select major cities. “We built that company up and called it Onlinetel Corp.” They sold it in 2001, to a company operating out of Toronto, for an undisclosed amount.

The building of that network taught Schnarr and Stix some core principles about their industry, most importantly, that networks must be sustainable. The Labatt Blue Line was supposed to last two months, but it functioned for 14 months, generating 300,000 calls a day and the interest of a buyer. In the end Labatt executives didn’t want to write that big of a cheque – “so it ended,” says Stix.

When Onlinetel was sold in 2001, the two took a break. But after two years of golf and sunshine – the fulfillment of their non-compete clause – they started another company, Worldline, a residential service offering long distance service for \$3.95 a month. “It’s basically very low cost, with almost zero margin.”

The goal was to go big. “I always

wanted to get into telecommunications in a deeper level. I had a goal to be a CLEC, a Competitive Local Exchange Carrier – basically, you could put your own fiber in the ground, you connect to Bell and you have your own phone lines. We know we were fantastic customers for Bell, we had given them \$15-\$20 million for phone



Chief Technology Officer Francisco Dominguez at the 151 Front Street, Toronto location where in the basement connections happen at a unprecedented level.

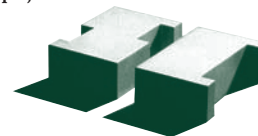
lines in our time, we know what the perfect customer is like,” said Schnarr.

The long distance service was just the new beginning. “We started our dial-up internet service called 295.ca. The internet is a perfect customer for a CLEC.”



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Fibernetics team members: (front, left to right) Chris Laurin, Sara Bergeron, Phil Mahy, (back) Chris Lehman, Jody Schnarr, Mike Brown, John Stix, Gary Handelman.

When the separate companies combined users, they have tremendous volume. "We built up \$2.95 and Worldline into a good revenue base, and used that revenue and buying power to build our

"When the majority of people in Canada, in the same breath, can say, 'Telus, Bell, and Fibernetics', I will know that we have accomplished our goals."

CLEC. We called it Fibernetics, then we simply switched from other carriers to our CLEC – Fibernetics."

In essence they bought lines from themselves. "Those two customers [Worldline & 295.ca] didn't make a great deal of money on the market, but they spent a great deal of money on the carriers, so now they spend a great deal of money with Fibernetics. We have two great customers, it's laterally integrated. We control every piece of the puzzle," says Schnarr.

In July 2007, through their Worldline operation, Schnarr and Stix bought back Onlinetel, the former Labatt Blue Line company for what is described in a Newlook Industry press release as a "\$2,250,000 aggregate consideration".

"We're approaching 100,000 Worldline customers paying flat fees like \$3.95 for all of Canada ... You can call anywhere in the United States, and 50 international countries for \$13.95 a month, nobody has every offered that before, and that is unlimited," says Stix

Infrastructure is one thing, marketing the structure once built is a different process altogether. But the two learn quickly. Expanding the model designed with the Labatt Blue Line campaign, Stix developed a unique affiliate program that works with media outlets and associations throughout Canada. "We had an

idea of going to the Toronto Sun, and said you can provide value added services to your readers and in turn you can also share in the revenue. So [the Sun] put up the media dollars to help promote the service. Three months later we won 'Best Non-traditional Promotion' at the Annual publishers conference for Sun Media and it went from there."

The two know how to leverage business models that work. "During the last

15 years, we've learned how people adopt service, what they like and what is an easy way for them to change," says Stix.

Fibernetics, 295.ca and Worldline have the same shareholders, but they are sepa-

rate incorporations, with annual combined revenues of \$10 million. "Fibernetics is the phone company, all the services ride on this network, there are thoughts that this would become the number one brand," says Stix.

Fibernetics is a new service, but Stix says, the product is not new: "our first press release said that we have a new business gateway that makes business calls over the internet – that was in 2002." The whole industry had some difficult times trying to make VOIP work. "We feel it's taken us the last three years to get it just right," says Schnarr. "We created a new approach to a phone system that uses our network with the concepts of digital voice. The advantages of having our own network, and coming up with a model where someone can buy one of our phone systems, and cancel all their phone lines so they don't have to pay us for their phone lines, is new."

Throughout 2008, Fibernetics beta-tested both residential and commercial applications in Waterloo Region. Economical Insurance was a beta site and liked it so much they held an event to encourage 2500 broker offices to take advantage of the offer. As a subscriber with Worldline for over a year, they've developed their own service called Economic Call, "which is our residential service, they promote it, customers call us,

and we sign them up."

Fibernetics officially launched on January 5, 2008, as they placed the phone system and internet service in 70 beta sites. Currently, they're installing 4-5 units a day. Interested readers can call 1-877-406-1333 for more info about the service. To highlight the flexibility of their phone system, "We've put a couple in trucks," says Stix.

The cost of the phone system is \$1295 and includes a PBX box and phone units. The system is feature rich, says Stix. "It's a fantastic product on its own even if you have to pay for your phone lines.... We're going to marry it all together into one solution."

"Phone lines are going to go away over time. We know that's going to happen, so that's what we're going to do, what we want to be is a internet provider. This whole exercise is to get all the internet customers out there by helping them get off their phone lines and getting them a proper, phone system that has the features and technology built into it. Instead of waiting for it to just happen, we're striking first."

The company is hiring aggressively. They already have a fairly substantial team, and are looking to expand their operations locally and across North America.

Fibernetics is a international CLEC, with offices in Montreal, Dominican Republic and Bulgaria. Gary Handelman, Senior PBX Engineer, is in Montreal. "He's been working on our phone system since 2004, when we expanded to



Fibernetics CEO Jody Schnarr





Fibernetics Marketing Director John Stix

Dominican Republic, and in Bulgaria," says Schnarr. "He's been working on our own system and at the same time putting together the feature sets, one by one to get to our final product."

"Although we've been in business for a while, we feel like we're just launching. Really this is the dream," says Stix, "where we feel like we've accomplished what we wanted to be. It took a long time, there was so much build up, paying for the network, raising a pile of capital, developing our own residential business line, crossing that over to our own network – it's a dream," he repeats.

"We're going to go from \$10 million, through the roof," says Stix. "We're channeling \$5 million worth of minutes of long distance a day on this network."

"We're born and raised in Waterloo, we all live here, we have our families here, we don't plan on going anywhere," adds Stix.

For the time being, the two will focus on expanding their networks. "We have applications for CLEC in New York City, and we're looking at a number of sites internationally to build our international CLEC service."

Schnarr says, "the end goal is to be a very large internet provider, because that's what people will be buying, with applications on top of it." Stix adds, "I don't know where the end is but I do know, when the majority of people in Canada, in the same breath, can say, 'Telus, Bell, and Fibernetics', I will know that we have accomplished our goals." X

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# GROWING INTELLIGENTLY... TO RECOVERY

*The most important asset is human excellence*

by CARLY O'BREN



CARLY O'BRIEN is Principal & Lead Achievement Advocate, The Achievement Centre - Excel, specializing in business diagnostics and quantified development of human capital ([www.tac-excel.com](http://www.tac-excel.com)); email: [cobrien@theachievementcentre.com](mailto:cobrien@theachievementcentre.com)

Once upon a time there was a company that didn't have to work too hard at being a company – the clients just showed up. Their biggest problem was to keep up with the demand. Then October 2008 arrived, and then November 2008, and then....

Did Protagonist Inc., contract in time to survive and then grow in time to meet the recovery? There were a few obstacles to overcome first.

Obstacle one was deciding who to keep. As the preservation of cash became a primary concern, the leadership of Protagonist Inc., headed by Gerry, selected to reduce payroll. Gerry had the complicated task of facilitating discussion about which employees would receive notices. Were they to base their decision on salary, tenure, performance, need or a combination of those factors?

If they based their decision on salary alone, the ushering out of a few folks, with high salaries, would mean fewer hires to make in the next phase, for the recovery, even if they would need to hire from the outside.

However, people with a higher salary presumably have more experience and offer more strategic value to the company, which could be helpful to steer it through these turbulent times.

If based on tenure, presumably those who had been hired most recently would be back in the job hunt,

meaning that Protagonist Inc. could be sending the best and brightest away, while those who had lost their sparkle remained to tarnish another day.

Gerry knows it is shaky territory – almost volcanic – to justify retention decisions based on employee need for the job. If they could reliably review performance metrics and fit analysis, their discussions would be so much simpler, straight-forward and based on objective data.

*“Managers don’t need to care more; they just need to demonstrate it.”*

They talked about quality being important to them, but they had always been too busy to define and track quality for the roles and responsibilities with Protagonist Inc. Now, they would have to go with their gut, which was really just informed by snippets of information and subjective opinions. The worst case scenario was not keeping the wrong performer; it was letting a great one go.

They knew the great ones were the ones who would help them find the dimly lit path to survival.

## The importance of people

During their growth to recovery, Protagonist Inc. recognized the importance of:

- People and their ideas;
- The willingness of “star” employees to stick with the company; and,
- The impression of the people in the marketplace.

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### The Innovation Economy

In the Innovation Economy, companies that thrive have people within leadership and management, who consciously create a culture of ideas:

- Ideas to do things differently;
- Ideas to redesign structure to close paying business;
- Ideas to find new clients with new needs;
- Ideas to reduce costs and save cash.

Gerry and Protagonist Inc. had learned from their past mistakes. In one particular case, employees had let them know how to save \$1.9 million dollars. The reality was that the employees had known for years about how to capture these savings, but had felt Gerry and management were not yet ready to hear the idea, act on the idea or, perhaps most importantly, say "thank you" for the idea. Once Gerry and the other managers had

The employees... had felt management were not yet ready to hear the idea, act on the idea or, say "thank you" for the idea.

considered their leadership legacy, regained the trust and demonstrated that they valued people as people versus "production units", the balance sheet started changing.

"Managers don't need to care more; they just need to demonstrate it." Gerry knew that if the right people were retained and placed in the right roles, they would have fewer people from whom to mine ideas. The upside? Ultimately, there should be less silt to sift through to get to the real pearls. While, as a truly successful organization, they were going to stay focused on generating revenue, they would also continue to strategically invest in their internal environment and in the people within it, as they recognized that their only distinguishing feature was the combined value of their human workforce.

Gerry and her team knew that while corporations require money to survive, workplaces, that provide for families, require people. They made some very tough decisions and put it in the calendar to start a process of defining excellence for key roles in Protagonist Inc. to demonstrate that once again, they had learned from their company history. ✕

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# A STRATEGY WITH DRAMATIC IMPACT

*Maximize your claim under the Scientific Research & Experimental Development Program*

by BRIAN HUNTER



**BRIAN HUNTER** is Business Development Manager of Northbridge Consultants and can be reached at [brian@northbridgeconsultants.com](mailto:brian@northbridgeconsultants.com)

Many companies today are faced with the challenge of implementing new strategies to turn their operations around. Layoffs and cost cutting are the order of the day, but this is hardly the way to build long-term success. Growing sales is difficult for most in a declining economy. How then to improve the bottom line? Here are actual results of how one local manufacturer returned to profitability:

ment Program ("SR & ED"). This involved a detailed third party review of their operations to uncover previously unclaimed SR & ED expenditures and implementation of proper procedures to document their R & D activities to support their claim.

The impact of this strategy is quite dramatic to their bottom line. The business, while still underperforming, should remain viable. If the business focused on grow-

	2006	2007	2008
<i>Sales (000's)</i>	\$1,005	\$967	\$980
<i>Gross Profit</i>	292	305	307
<i>Fixed Expenses</i>	394	383	402
<i>Operating Loss</i>	(102)	(78)	(95)
<b>SR &amp; ED TAX CREDIT</b>	<b>20</b>	<b>23</b>	<b>123</b>
<i>Net Profit/(Loss) Before Tax</i>	(82)	(55)	28

This example illustrates a common scenario. Sales have been stagnant for the past three years and while costs have been controlled, management have been unable to make the necessary overhead cuts to become profitable. Without a new strategy, this company is headed for failure. In 2008, the company realized the benefits of a new plan to maximize their claim under the Scientific Research & Experimental Develop-

Canada has the most generous R & D incentives in the world. If you are not taking advantage of them, you are simply not competitive.

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ing sales revenues instead of maximizing the SR & ED tax credit, sales would have to increase by 33% to achieve the same bottom line (assuming no change in gross profit margins or any increase in

with the proxy method, CCPC's can receive 68.5% funding of eligible labour expenses.

Many companies have been able to use the additional SR & ED funds to rein-

In addition, they have implemented on-going, long-term action plans to track and file claims on a yearly basis, ensuring continued program success.

Who knows, by hiring some talented

By hiring some talented employees, focused on developing new products, perhaps you will develop the next "Blackberry" for your industry.

fixed expenses). In today's economic environment, a sales increase of this magnitude is highly unlikely.

Canada has the most generous R & D incentives in the world. If you are not taking advantage of them, you are simply not competitive, as your competition very likely is. Generally, a Canadian-controlled private corporation (CCPC) can earn an investment tax credit (ITC) of 35% up to the first \$2 million of qualified expenditures for SR&ED carried out in Canada, and 20% on any excess amount. Other Canadian corporations, proprietorships, partnerships, and trusts can earn an ITC of 20% of qualified expenditures for SR&ED carried out in Canada. In addition, the Ontario Government provides a further 10% incentive.

Developing your own SR & ED strategy could begin by visiting the CRA website at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) or by contacting a reputable SR & ED consulting firm (Google SR & ED). For those already submitting a claim, consider getting a second opinion as, in our experience, many companies under-claim eligible expenses, thereby greatly reducing their refund. It is a myth that SR & ED is limited to white coat lab workers.

Next, begin a review of your operations. You should be looking for ways to improve methodologies, techniques and processes, and ways to recycle or reclaim waste products. Consider developing new or improved products. Conduct operational efficiency studies, tests and collect data. All these expenditures may be eligible for a tax refund and, at the same time, may greatly improve the future profitability and viability of your business.

With the decline in manufacturing activity over the past several years, there are a great number of talented skilled workers available. Why not consider hiring them instead of unskilled workers who may be unable to contribute to your SR & ED activities? Your tax refund may offset their added cost and you will have the additional benefit of a more productive workforce. For example, when filing

invest in new equipment, hire more employees, and expand their facilities, leading to substantial growth of their business.

employees, focused on developing new products, perhaps you will develop the next "Blackberry" for your industry. Happy SREdIng! X

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# MANAGING YOUR “REAL” WEALTH

*“The failure to listen to my grandfather”*

by DENNIS GRIMM



DENNIS GRIMM is a partner with the Waterloo Office of PricewaterhouseCoopers LLP and can be reached at [dennis.grimm@ca.pwc.com](mailto:dennis.grimm@ca.pwc.com).

Today when one brings up the topic of “Wealth Management” the response is usually, “What Wealth?” or “Where has my Wealth Gone?”. Estimates put the complete evaporation of wealth in the current meltdown at over \$50 trillion dollars globally. The global economy, in one year, is estimated to be a little over \$50 trillion dollars of gross domestic product. The world has lost about one full year of economic activity.

While the natural tendency is to try to understand where the wealth has gone, how we let this occur, and to start to put in place safeguards to prevent such a rapid meltdown of global wealth from occurring again, I suggest we individually embrace a more personal and

when you and I lose, someone somewhere else gains. In this case the result is not a loss globally but rather a shifting of wealth between constituents. Not so this time. The \$50 trillion dollars is gone, North America didn't lose it to China, it is actually gone! However – and this is the key – much of what was lost, never actually existed in the first place.

To illustrate, let's look at housing – which, by the way, is at the core of the current debacle. Plain and simple, houses were, and unfortunately may be still, overvalued. If you ignore the hocus pocus of economics, a house is real property just like your car. Common sense tells us that, like your car, without significant

*It was the failure to listen to my grandfather that caused this global economic meltdown.*

esoteric approach to the crisis. What is individual wealth anyway? In the answer to this question, I propose, rests the secret to civilization's perpetual pursuit of happiness. I would also propose that by addressing this question the seeds of prevention from reoccurrence of the current situation will be found. I believe, contrary to what you read, the cause is not complex; nor is the solution.

However, first a brief understanding of what has happened to our wealth is needed. The most important thing to realize here is wealth was truly lost! Often

renovations your house should be worth less twenty years from now – if for no other reason, due to wear and tear. Yet we have grown up expecting the value of our houses to increase annually. On paper houses did increase year after year after year. This mis-valuation proved to be the sand upon which the new, growth-oriented economy was built.

As we search for the true definition of wealth, it is important to understand what a paper gain is. If a real estate agent tells me that I can sell my house for \$100,000 more than I paid for it I have a paper gain. If

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the real estate agent returns in a couple of years and tells me that the market has changed and I should have sold when she told me to, I have not – contrary to her opinion – lost anything because the so-called loss is a paper loss. I never had the gain; therefore I do not have the loss, either.

The problem arises when I behave like my gain was real and borrow money against this paper gain and then spent

By letting the banks' syndicate mortgage-backed derivatives, we allowed them to take this "fool's gold" and spread it throughout most of our global economy.

the funds. In this case, my loss is real because my gain was not. In the words of the world's smartest economist, my grandfather, "never spend what you do not have".

It was the failure to listen to my grandfather that caused this global economic meltdown. In reality we have created a paper growth-oriented global economy founded on paper gains mainly in the housing market. By letting the banks' syndicate mortgage-backed derivatives, we allowed them to take this "fool's gold" and spread it throughout most of our

global economy. As with anyone whose gain allowed them to purchase fools gold, we now pay the price.

#### What is individual wealth?

If you personally define wealth solely in financial terms, you are much more likely to be poor for your entire life. If you view financial wealth as a facilitator that allows you to achieve your real wealth, you are more likely to spend your life richer. Remember what happened with all those paper gains. Although my wife hates the term, I suggest that wealth be viewed holistically. Individual wealth is the summation of one's financial resources, health, sustainable happiness, past memories, current activities and future outlook. None of these in the end is more important than the other, although at any point in one's life, one may require more attention than the others. As the saying goes, it ain't over until it is over.

The day my mother died suddenly at age 62, I asked my father if he thought Mom had not done anything that she would have made sure she did if she had known that she was to be taken away from us at such a young age. My Dad said he honestly did not think so. While I did not realize it at the time, my mother was truly a wealthy woman.

Therefore, managing your wealth is as much about spending your money as it is about investing it. If your financial advisor doesn't get this, you need to realize that he or she is acting solely as a financial technician. While the service is valuable it is a very limited service and one needs to appreciate this and not to

assume that it is anything more than a technical service similar to having your income tax return prepared. Where is your real wealth manager? You need one.

The dangerous thing with focusing solely on the accumulation of financial wealth is that the act of accumulating becomes the primary focus and in reality, distracts one from achieving happiness presently or in the future. That is not to say that money cannot help bring happiness – it can, but if the pursuit is solely to maximize financial wealth, happiness will be eluded. A life of accumulating wealth by its nature does not address real wealth as I have defined it and, in fact, more often than not it actually has a negative impact on the other components of wealth such as health. Managing one's true wealth, like most things worth pursuing, requires a well-thought out plan, requires that it be discussed with all involved and agreed to by all effected parties. In order to achieve true wealth this plan also needs to be implemented with discipline and, in more times than not, with external assistance. A case in point is that you are responsible for your own health but having a doctor sure helps.

If the current economic meltdown is a concern to you, that is reasonable and justifiable. If on the other hand you find yourself obsessed with it, stressed over it, and frequently using the phrase "if only I had...", I suggest you redefine your definition of wealth, and then manage your true wealth instead of trying to maximize your financial wealth. I guarantee you will become richer than you ever thought possible. ✕

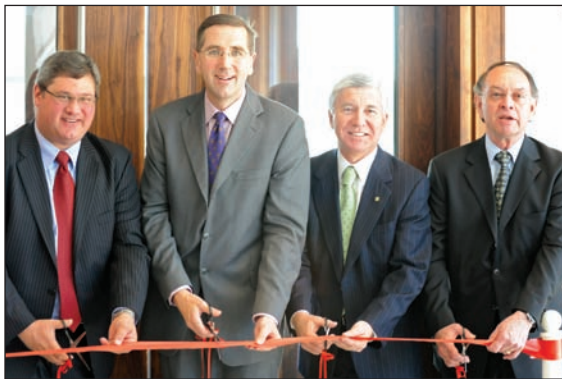
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University of Waterloo President David Johnson welcomed Ontario Minister of Health David Caplan, second from left, who was honoured guest at the official opening of the University of Waterloo School of Pharmacy and Health Science Centre. Shown at the ribbon cutting are, from left, Caplan; Ontario Minister of Training, Colleges and Universities and Kitchener MPP John Milloy; Kitchener Mayor Carl Zehr; and Dr. Jake Thiessen, Hallman Director of the School of Pharmacy and Director of the Health Science Centre.



**"OUR GOVERNMENT IS COMMITTED** to helping women gain the skills they need to achieve economic independence." With those words, **Hon. Deb Matthews**, Ontario's Minister Responsible for Women's Issues, announced a grant totaling \$784,000 to **Conestoga College**.

\$316,500 will go towards the **Women in Skilled Trades** carpentry program at Conestoga's campus in Waterloo; the remainder will go towards **Information Technology Training for Women** at the Doon campus in Kitchener.

Matthews announced the funding at a special gathering at Conestoga's Waterloo campus, before a gathering of community leaders, as well as current students and graduates of both the WIST and ITTW programs. Both programs, funded by the **Ontario Women's Directorate**, have had an outstanding



Hon. Deb Matthews

record of success at Conestoga – WIST since 2000 and ITTW since 2001.

Joining Minister Matthews as featured speakers at the event were Conestoga President **John Tibbits**, Minister of Training, Colleges and Universities **John Milloy**, Kitchener-Conestoga MPP **Leeanna Pendergast** and TV star Mike Holmes.

"These programs give women the opportunity to become economically independent and contribute to Ontario's economy," Matthews said. "Each woman who participates will benefit from the high-quality, practical education they'll receive from Conestoga."

She added that the Conestoga funding is part of a province-wide investment of \$3.3 million over the next two years, which will help 264 low-income women in the province better their lives and circumstances through practical technical training.

The WIST carpentry program will provide opportunity to 25 participants, starting in September at Waterloo.



MPP Leeanna Pendergast

## BRIDEAU DESIGN: YET ANOTHER STEP BEYOND

### CORPORATE PROFILE

*Part two of a profile on a local success story*

It would appear that Tim Brideau doesn't ever stand still. Just one month ago, the founder and owner of Brideau Design was thrilled with the capacity of his brand new, white ink capable, flat-bed large format printer that produces incredibly sharp images on virtually any flat material.

He's still excited about the printer, but he has now married it to Brideau's newest acquisition, a Zünd Digital Cutting System, equipment that defines 'state of the art'. This new machine has an almost unlimited menu of applications, including those that require die cutting, routing, creasing and kiss-cutting.

Brideau's new line-up of up-to-the-second services means that they are the only place you should go for just-in-time production, short runs, and print/ package jobs that demand the flexibility of unique patterns, shapes, and display challenges. Brideau's unique solutions are driven by the company's cutting-edge technology, creative solutions and a never ending commitment to excellent customer service.

Examples of their capabilities abound, from large one-of-a-kind merchandising items, to window signs, to cardboard cutouts for in-store displays.

A key capability at Brideau, now greatly enhanced through the addition of the new equipment, is the production of signage and packaging for point of purchase displays.

However, Brideau does not stop there. This is a full-service graphic services firm, with complete design, finishing, warehousing and shipping capabilities.

Some of their clients even include other graphic and print providers which Tim attributes mainly to their aptly named 'No Poaching Policy'. A policy he has developed which guarantees the integrity of the client lists of these other agencies.

Brideau Design's 'one-stop shop' for marketing communicators is now an even faster single stop. He points to clients who have called at the eleventh hour requiring signage and display items for a tradeshow, who have picked them up just hours later that very same day.

"Where we really stand out," says Brideau, "is just-in-time delivery, the uniqueness of every piece we produce, and our constant desire for 100% customer satisfaction. Those are the areas where we truly shine."



Brideau's newest addition, the ZÜND Custom Digital Cutter.

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The Walter J. Hachborn Store of the Year award was presented during the Home Hardware Dealer Market in St. Jacobs. Shown, from left, are Mario Durocher, Walter J. Hachborn, award winners Renée Bellavance and Alain Brochet of Quincaillerie Home Hardware in Rimouski, Quebec, Home Hardware President Paul Straus, and Claude Bissonnette.

**HOME HARDWARE STORES LIMITED CELEBRATED** the company's 45th anniversary as it welcomed more than 10,000 dealers and vendors from across Canada to the bi-annual Dealer Market in St. Jacobs and Kitchener-Waterloo in April.

The Home Hardware Dealer Markets are focused on helping the company's independent dealers grow their business by providing an opportunity to preview new products, exchange ideas and learn from one another.

"With 45 years of steady growth behind us, Home Hardware dealers are still looking forward," said **Paul Straus**, Vice President and CEO, Home Hardware Stores Limited. "We're very proud of our heritage – we've stayed true to the company's original vision of helping the independent retailer stay independent and to thrive. The market is a great opportunity to celebrate that."

"It's no secret that the home improvement retail sector in North America has been an active battleground for the past several years," added Straus. "We've always been about supporting independent retailers. Canadians value their local hardware store and the customer service they receive. It's interesting that the big box chains are now trying to offer a more community focused and intimate feel. This really shows us that Home Hardware's original business model is right on the money."

On the heels of a record-breaking \$4.85 billion in retail sales in 2008, Home Hardware has grown to more than 1,000 locations, 9.2 million square feet of retail space backed by more than 2.5 million square feet of state-of-the-art warehousing and distribution centres in six locations across the country, and a fleet of trucks that delivers new product weekly.

As well, Home Hardware announced that **Jim Schaefer Sr.** of Bradford, Ontario has been elected Chairman of the Board of Directors of Home Hardware

Stores Limited. He replaces **Ron Goldade** of Neepawa, Manitoba, who retired after serving 19 years as a Board member and seven years as Chairman.

**A UNIVERSITY OF WATERLOO ENGINEERING** research team has developed the world's first flying microrobot capable of manipulating objects for microscale applications. The microrobot discovery provides researchers with more control over the microscale environment, allowing them to move and place tiny objects with far greater precision. The microscale deals with tiny objects, at levels that are too small to be manipulated by humans.

**Behrad Khamesee**, director of UW's **Maglev (Magnetically Levitated) Microrobotics Laboratory**, heads the team that built the prototype flying **MicroElectroMechanical Systems (MEMS)** robot.

The microrobot defies the force of gravity by flying or levitating, powered by a magnetic field. It moves around and dexterously manipulates objects with magnets attached to microgrippers, remotely controlled by a laser-focusing beam.

It can be used for micro-manipulation, a technique that enables precise positioning of micro objects. Applications of micro-manipulation include micro-assembly of mechanical components, handling of biological samples or even microsurgery.

"We have developed a magnetically levitated microrobot, which is a new technology for manipulation using flying microrobots," said Khamesee, a professor of mechanical and mechatronics engineering skilled in developing micro-scale devices using magnetic levitation.

"We are the first in the world to make such a floating robot equipped with microgrippers. It can enter virtually any space and can be operated in a sealed enclosure by a person outside, which makes it useful for handling biohazardous materials or working in vacuum chambers and clean rooms."

Khamesee, along with a graduate student, **Caglar Elbuken**, and his colleague **Mustafa Yavuz**, have submitted a paper explaining the discovery to the Focused Section on Mechatronics for MEMS (MicroElectroMechanical Systems) and NEMS (NanoElectroMechanical Systems), published jointly by the **IEEE (Institute of Electrical and Electronics Engineers)** and **ASME (American Society of Mechanical Engineers)**.

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**THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION** is hosting a **Celebration of Giving** to commemorate 25 years of generosity and philanthropy in Kitchener, Waterloo, and area. There will be a free celebrity barbecue and live entertainment. Admission is free. The event happens Sunday, June 14, 12 noon to 4 pm at St. George Hall, Waterloo. Participating organizations include: **K-W Art Gallery, KidsLink, Focus for Ethnic Women, Children's Museum, Big Brothers Big Sisters of K-W, Catholic Family Counselling, Women's Crisis Services, Doon Heritage Crossroads, YMCA, Strong Start, African Canadian Association, Child Witness Centre, HopeSpring, Extend-a-Family, and ROOF.**

**FOR THE SECOND CONSECUTIVE YEAR**, Kitchener mortgage agent **Dale Bilton** of **Mortgage Intelligence** was awarded **Commercial Mortgage Broker of the Year**

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at the 2009 Canadian Mortgage Awards presented by **Canadian Mortgage Professional** magazine.



Dale Bilton

"I'm thrilled to be honoured with this prestigious award and give thanks to the community and the professionals who have generously referred our services in the Waterloo Region and across the province," said Bilton who specializes in commercial lending.

**ANDY HOFFMAN HAS BEEN NAMED** President of **International Certification Services Inc. (ICS)**, in Cambridge. The company announced the Hoffman will be an integral part of managing the operations of ICS's ISO registration practice.



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Hoffman has held operational senior management positions at multi-national registrars throughout his career, including **KPMG Quality Registrars Inc.** as Vice-President of Operations. He brings over 25 years of experience in quality management as a second and third party auditor.

**IT IS REPORTED THAT 94.2% of Conestoga College** graduates who entered the labour force found employment within six months, according to figures released by the **Ministry of Training, Colleges and Universities**. Conestoga's graduate employment rate is the best of any publicly-funded college in the province, well above the provincial average of 88.9% employment.

"The graduate employment rate reflects that our programs produce skilled, motivated graduates who possess the abilities employers need and seek in order to remain economically productive," said Conestoga President **John Tibbits**. "It also means that we are working effectively with employers, moving forward together in ways that will continue to pay dividends for all parties involved."

**OPEN TEXT, A GLOBAL LEADER** in Enterprise Content Management, has acquired Toronto-based **Vizible Corporation**, a privately held maker of award-winning digital media interface solutions delivered via an innovative publishing platform that enables cutting-edge syndication and analytics. The addition of Vizible expands Open Text's fast growing set of Digital Media solutions, which helps companies manage rich-media content such as video, audio, graphics and photography.



Scott Bowen

"Social media is driving demand for richer online experiences, including video and more engaging visual elements -- there's greater demand for content owners to deliver these in order to set themselves apart," said **Scott Bowen**, President of Open Text's Digital Media Group. "Our acquisition of Vizible adds powerful tools and digital media expertise to the Open Text ECM Suite, and will play a central role in the development of new, innovative digital and social media solutions."

Vizible's solutions provide the ability to create a rich, 3-D navigation experience

for traditional media, and the ability to deliver content across a range of display devices. The presentation of content is driven by rules that users can personalize so that each viewer's experience can be different.

"At Vizible we worked to give customers the best of both worlds: the ability to create and easily offer rich visual experiences for their audiences, while retaining control and providing quality usage data," said **Anthony Gallo**, former Founder and Chief Technology Officer of Vizible, who will join Open Text as Vice President of Digital Media Experiences. Open Text will add the Vizible team to the company's Digital Media Group. Vizible employees will remain in the Toronto area at Open Text's Richmond Hill, Ontario office.

**MANULIFE HAS DONATED \$10,000** to the **Canadian Red Cross** to support efforts to assist those affected by flooding along the Red River in Manitoba. This flood is expected to be one of the most severe of the past 100 years.

"We have been advised by the Canadian Red Cross that hundreds of people will need help in the days and weeks ahead and we're pleased that we can support these efforts," said **Paul Rooney**, President and CEO, Manulife Canada.

**BRICK BREWING COMPANY** has installed a new canning line in their Kitchener facility. The line will be capable of producing an average of 75,000 cans per day.

"As we continue to focus on investments that will deliver the biggest opportunities, this canning line delivers long term cost reduction versus the company's present model of outsourcing production"



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said **Rob Richardson**, Director of Engineering, Maintenance and Packaging for Brick Brewing Company Limited.

"The market share of beer cans represent approximately 20% of all beer sales within Ontario. The installation of the new canning line will provide Brick Brewing with the opportunity to deliver volume growth in the important can segment of the Ontario market," said **George Croft**, President and CEO.

**THE HONOURABLE GARY GOODYEAR**, Minister of State (Science and Technology), has announced a strategic investment in the **Institute for Quantum Computing (IQC)** at the **University of Waterloo**. The investment furthers the Government of Canada's long-term commitment to fostering excellence in science and technology through its national S&T Strategy.

"This strategic investment will help make Canada a global leader in the field of quantum technology and attract some of the best and brightest researchers and students from Canada and around the world," said Goodyear.



Dr. Raymond Laflamme

Through this \$50-million investment, the IQC will be able to build, purchase and recruit the resources needed to lead the world towards the next generation of computer technology. "IQC is proud of the recognition both from the Government of Canada and the international research community in quantum information science," said **Dr. Raymond Laflamme**, Director

of the Institute. "We are determined to be at the forefront on the leading edge of research in a field of tremendous potential for the future of Canada."

**VERSES RESTAURANT HAS** received four diamonds from CAA/AAA. "We are the only restaurant in Waterloo Region to achieve this," noted **Debbie McFadden**, of Verses.

**THE VILLAGE OLIVE GROVE**, located in the historic Mill Street shopping district in the heart of picturesque Elora, is now open. The Village Olive Grove offers a full line of exceptional extra virgin olive oils and vinegars from 10 countries including hand crafted ice wine vinegar and Verjus produced from the Niagara wine region.

**THE REGIONAL MUNICIPALITY OF WATERLOO** has approved an \$8.1-million grant for **Conestoga College Institute of Technology and Advanced Learning**, in support of Conestoga's growth plan related to its new campus in Cambridge and expansion of its School of Health and Life Sciences at the Doon campus in Kitchener.

Given this new state-of-the-art facility, within seven years enrollment in the School of Health and Life Sciences will double from the current 1,400 full-time students to 2,800. Conestoga will introduce 18 new programs. The project will create a total of 51 person-years of work and result in an investment of \$23 million, creating \$26 million in direct construction impacts.

**COM DEV INTERNATIONAL LTD.** has announced that **John Keating** will not serve as a member of the Corporate Governance and Nominating Committee of the company's Board of Directors, effective immediately. Keating will continue to serve as CEO and on the company's Board of Directors.

**LOCAL GRAPHIC SERVICES** firm **Brideau Design** will once again be creating and producing the merchandising initiatives for **Saputo Cheese (Canada)** and their activation of their 'Official Supplier' status of the **Vancouver 2010 Olympic and Paralympic Winter Games**.

"Our new flatbed digital printer will allow us to produce most of the required merchandising materials inhouse. This will allow for increased quality control while at the same time reduce the lead



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times and eliminate the set-up costs normally associated with such a project.", states **Tim Brideau**, President & CEO.

**SECOND FOUNDATION HAS ACQUIRED** Software Technology Concepts, LLC in Erie, Pennsylvania. This acquisition continues to build upon Second Foundation's recent growth, and opens up new market opportunities for their Epicor and Managed Services practices.

**RESEARCH IN MOTION PRODUCED** strong quarterly earnings, announced in April, apparently thriving in the midst of the global economic slowdown. The surprisingly good results were founded on the success of the company's newest BlackBerry smartphones.


RIM now has about 25 million BlackBerry subscribers. RIM's profit rose to \$518.3 million, or 90 cents a share, in its

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fourth quarter ended February 28, from \$412.5 million, or 72 cents, a year earlier.

Revenue was \$3.46 billion, up 84% from \$1.88 billion in the year-before quarter, near the maximum of RIM's December forecast for revenue of between C\$3.3 billion and \$3.5 billion.

RIM co-CEO **Jim Balsillie** said, "RIM is faring well in the current environment and we continue to believe we can grow market share," he said. "However, we believe it is prudent to turn our attention

to making sure that the operations are as streamlined as possible in case of further deterioration in the broader economy."

**LOCAL BUSINESS LEADERS SELECTED FRESHLIFE**, an organic fast-food restaurant developed by Laurier business students, as the winner of the **BDO New Venture Competition** held at **Wilfrid Laurier University**.

Students **Cory Bettel**, **Caroline Chu**, **Yusuf Kachchi**, **Laura Beth Wilson**, and **Shaun Young** took home \$2,500 in scholarship money.

"We were blown away by the calibre of the presentations this year," said **Tim Sothorn**, partner at BDO Dunwoody LLP. Joining Sothorn on the judging panel were: **David Chilton**, author of *The Wealthy Barber*; **Dean Elliott**, BDO Dunwoody LLP; **Rick Endrulat**, **Virtual Causeway**; and **Angela Mondou**, **ICE Leadership**.

"We are experiencing a surge in student-run entrepreneurial ventures in our business program," said Laurier dean of business and economics, **Ginny Dybenko**. "We support youth in entrepreneurship, which we believe to be a critical factor in the growth and rebound of the Canadian economy." X

effort is more consensus-based among the agencies.

Brothers praises Mank for her work, noting that while she is Co-ordinator, she has no actual authority over any of the cooperating agencies; her role is to facilitate that cooperation, and she does so with great success, says Brothers. "The whole

The Family Violence Project  
is built on a compelling vision  
statement: "To end family  
violence in our community."

project works because of Pam's agility."

The Family Violence Project website sums up the advantages of this collaborative community of agencies: "This system of support assists victims and their families by providing essential services and multiple access points and choices all at one location. When victims come to the Family Violence Project located at 400 Queen Street, South in Kitchener, they are offered choices that fit them and their individual circumstances. They may want to access all of the services or choose only a few. Family violence can affect all aspects of a person's well being and typically leaves its victims filled with fear, confusion and self doubt. It is unreasonable to then expect family violence victims to independently navigate a myriad of separately located agencies and make good decisions for themselves and their families. This model relies on the partners taking responsibility to make connections between services – not the client."

Brothers believes CFCC is the ideal home for this project. Catholic Family Counselling Services was officially founded in 1952, although it had existed in "grass roots" form since the 1940s. There is ongoing discussion about the name – some have suggested that it may be time to reconsider the religious label.

Brothers, with CFCC since 1992, says simply that "our name is the name we were born with." She adds, "We grew out of the concern of some of the leaders of the Catholic church, related to social problems. We have never been an agency that proselytizes. We have always been focused on the social and emotional needs of people." She stresses that CFCC reflects diversity both in the client base, and "in the agency. The demographics of

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George Voisin, who passed away in 2008, was photographed for a 2006 Exchange magazine article. George is shown at left, with his father, Frank, and brother Greg. The George Voisin Golf Tournament, June 15, will raise money for the Family Violence Project.

the community has changed dramatically, and so has our agency."

Mank, who has been with CFCC for 22 years, adds "we genuinely are committed to serving... we serve anybody who comes to the agency. We are committed to this community."

The Centre also sees diversity in its support base. Brothers notes that the

agencies that form the Family Violence Project, each of which has their own budget.

The Waterloo Region Police Service division alone accounts for 28 staff at FVP. Brothers notes that the police service "is extremely progressive in looking at ways to do their work." The initial partners in the project included the police,

## The George Voisin Invitational Golf Tournament will raise money for the innovative Family Violence Project of Waterloo Region.

agency's financial goal is to receive roughly equal support from three sectors – a third from government grants, a third from earned income, such as Employee Assistance Programs, and a third from philanthropic donations. "The total budget is about \$5 million," she says.

That budget provides about 100 staff members at CFCC, both full and part time, but not including the staff of the many

CFCC and St. Mary's Hospital; 10 more agencies and services have joined since the inception, "all co-located here," says Brothers.

It's an intriguing collaboration, all done for the benefit of the clients. And the very existence of such a non-threatening place has had an immediate impact. The number of family violence cases dealt with in 2007 reached 6,300,

compared to about 4,000 in 2005. Brothers does not believe that represents a huge jump in actual occurrences – she contends that as the Family Violence Project made it less threatening to seek help, many more victims took advantage of the services offered. Mank adds, "It's not a woman's problem, it's a community issue."

Mank notes, though, that difficult economic times can mean an increase in domestic violence; the service is needed more now than ever.

The Family Violence Project is built on a compelling vision statement: "To end family violence in our community."

That is a cause that both benefits the community, and deserves the support of the community it serves. And that's the plan behind the George Voisin Invitational Tournament, with its lofty goal of raising half a million dollars for the Family Violence Project.

At the time of his death, his family wrote, "To many people... George was a trusted advisor... His advice, which he came to with much thought and a few well-chosen words, would always be the perfect and final solution."

This month, his friends and corporate colleagues will do their part to support an innovative solution to a community problem, in an effort combining golf, entertainment, and a great cause. George Voisin would entirely approve.

Readers wanting more information about the Family Violence Project at Waterloo Region Catholic Family Counselling Centre can visit [www.fvpwaterloo.ca](http://www.fvpwaterloo.ca) and [www.cfcc.ca](http://www.cfcc.ca). X



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## GEORGE'S KIND OF SOLUTION

*The George Voisin Tournament supports an innovative Family Violence Project*

Cathy Brothers, left and Pamela Mank, from Catholic Family Counselling Centre, home of the Family Violence Project.

by PAUL KNOWLES

George Voisin cared, a lot, about things than mattered to him. He was deeply devoted to his family – his wife, Elaine, their four children, his parents Frank and Gladys (his mother passed away a few months after George died), and his siblings which include his business partner Greg. He was a passionate philanthropist, taking time from his law practice to become involved in important community causes, especially the Region

held for the next four years at the prestigious Westmount Golf and Country; the date this year is June 15, 2009. The goal is to raise \$125,000 a year – totalling half a million dollars over the four-tournament series – for the Family Violence Project.

The tournament organizers have looked to the Waterloo Region corporate community – already well known for philanthropic vision – to once again step forward as sponsors, at levels ranging from \$1,000 to \$25,000.

One unusual aspect of this effort is that the money raised will not go to bricks and stone – the Voisin Tournament income can be used as operating funds for the Family Violence Project, to fund the coordination of the collaborative program.

The Family Violence Project is a ground-breaking program, unprecedented in Canada. Simply stated, it brings together under one roof thirteen agencies that offer assistance and service in family violence situations. That “one roof” is the Catholic Family Counselling Centre, which CFCC Executive Director Cathy Brothers says is the “landlord” for the project.

It's a very active landlord – the Centre provides key services, including the work done by Family Violence Project Co-ordinator, Pamela Mank.

Also on site, and working cooperatively together, are agencies including a Crown Attorney; the Waterloo Region Police Service, whose Domestic Violence Investigations Branch is located at the Centre, as are the Service's Elder Abuse Response Team and Victims Services Unit; the Waterloo Region Sexual Assault/Domestic Violence Treatment Centre; Women's Crisis Services (Anselma House and Haven House); DollarSense Credit Counselling (a division of CFCC); Community Action Program for Children; Family and Children's Services of Waterloo Region; Community Care Access Centre; and the Victim/Witness Assistance Program.

That's a lot of official-sounding organizational titles. Mank points out that the reality is much, much sim-

*An innovative solution to a community problem, in an effort combining golf, entertainment, and a great cause. George Voisin would entirely approve.*

of Waterloo Catholic Family Counselling Centre, where the names George and Elaine Voisin appear on almost every plaque honouring supporters.

And he was an avid golfer. In fact, when George Voisin passed away, very unexpectedly, on July 22, 2008, the first paragraph of his obituary included these words: “He was the epitome of good health, exercise, and sensible eating. In spite of this, he passed away most unexpectedly while enjoying a round of golf on Tuesday afternoon.”

Given all of those interests, it is more than appropriate that the first annual George Voisin Invitational Golf Tournament will raise money for one of the most innovative programs based at Catholic Family Counselling Centre – the Family Violence Project of Waterloo Region.

The George Voisin Invitational Tournament will be

pler: if a person – usually a woman – is a victim of domestic violence, she can find all the assistance she needs in one place. She retains her own choices while accessing the assistance – for example, it's up to her if the police become involved, or if she simply accesses counselling or other assistance.

Mank and Brothers agree that in the past, victims of domestic violence often continued to feel victimized by the difficult and complicated systems that were allegedly created to solve the problems. With the easily accessed, client-friendly Family Violence Program, victims of violence are not also victims of an unfriendly, bureaucratic system. If they need help, they get help.

The collaborative project was launched in 2006, inspired by a model developed in San Diego, although Brothers and Mank note that the Waterloo Region

*continued on page 36*



# A Winning Team



## Spirited Investors is pleased to announce a business team alliance with SWOGG Canada.

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## Lutherwood asked

Lutherwood is a local not-for-profit that provides children's mental health, employment and housing programs as well as seniors' retirement services to more than 16,000 people annually. The 39 year old organization attributes its success to focusing clients on getting results.

"When children and families need help with mental illness, finding a job, finding adequate housing or getting counselling, achieving results is critical," says John Colangeli, CEO of Lutherwood. "To get those results for our steadily expanding community, we recently launched several new programs and partnered with like-minded companies that can help us achieve our goals. We chose Second Foundation because they work closely with our Information Technology and Finance teams and are focused on getting the best results from our systems within our limited budget."

"Our rapid growth created pressures on our network and accounting systems," recalls Kelly Enair, Director of Finance and Administration at Lutherwood. "With many funders each demanding different reporting requirements for our 30 different community programs, the tracking and information flow demands are very complex. In addition, we needed to integrate a point of sale system, an e-mailer module and an electronic fund transfer module into our environment. We needed a responsive and reliable customer service partner."

## Dave knew

Second Foundation went on site, fixed several issues, set up the tables needed for integration, got the accounting system running smoothly and established remote access so future challenges are resolved quickly.

"The staff at Lutherwood work closely with people in our community to help them strengthen their lives and achieve their goals," says David Popowich, President of Second Foundation. "Our consultants work closely with our clients to help them strengthen their systems and achieve their goals."

When you need help with your financial management systems, business intelligence, reporting solutions, and constantly evolving business needs, just ask Dave.

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## SECONDFOUNDATION

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