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On the cover: John Jr. and Willy Heffner



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IS FAILURE THE BEST TEACHER?

Learning from business people who survived to succeed

by PAUL KNOWLES



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

There was a point in my interview with the three men from Menno S. Martin Contracting when I knew we were getting into something significant. It came, not when they were talking about the success of the company, but when they talked about failure.

Laverne Brubacher is the “second generation” at the company; he took over from founder Menno Martin. Four years ago, three of his employees started working with him to formulate a succession plan. They put

ries during our interviews. “Heffner” is now synonymous with Toyota and Lexus, but it was not always so. John Sr. talks about the history of his business, which started when he dug an illegal hole in his garage floor so he could service his neighbour’s cars.

When the bylaw enforcers made him cease and desist, he launched his first automotive business. As he told his story, he didn’t duck the details – he talked about the series of brands Heffner represented, and

Their willingness to be forthcoming about their struggle to get to success is what makes this story so important for everyone facing a succession.

innumerable hours into the effort, and in the end... nothing. It didn’t work. They all returned to their separate offices, to carry on into an uncertain future.

The story doesn’t end there. Two years later, two of those men – Trent Bauman and Art Janzen – asked Brubacher to take another run at a plan. They had all learned from the failed plan, and after careful negotiations, the new plan has come together.

There is nothing that compels the Menno S. Martin team to open up about this process. They could simply talk about the successful plan, and leave it at that. But their willingness to be forthcoming about their struggle to get to success is what makes this story so important for everyone facing a succession. This magazine is filled with stories about businesses that have dealt with succession planning, especially the Heffner family, automotive icons in this community. John Jr. and Willy carry on the traditions initiated by their entrepreneurial father, John Sr..

The Heffners, too, shared some honest, helpful sto-

why some didn’t work out. He admitted that he had a chance to take on Toyota in 1969, years before he finally got the franchise, and confessed that his decision “was a big mistake for me at the time.”

In 1976, John Sr. finally got the Toyota franchise, and the rest, as they say, is history... a history that has been very good news for their community.

As a writer, I appreciate it when businesspeople open up about their stories, disappointments and all. Success in business doesn’t usually come easily, and it often comes after false starts, disappointments, and downright failures. But as the Menno S. Simon partners and the Heffner family would quickly tell you, it can be well worth it in the end.

And not only for these businesspeople – both companies are fine examples of community-conscious corporate citizens, businesses that make a wide-ranging, positive impact on their home towns.

I’m glad they shared their stories with us... and thus, with you. 

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ONTARIO DRIVE & GEAR TAKES A GIANT STEP FORWARD IN THE MOON ROVER PROJECT

Ontario Drive & Gear is best known for its reliable and popular off-road amphibian ATVs, the ARGO and the Centaur. The ARGO is the best-selling vehicle of its kind in the world. ODG also manufactures superior quality gears and transmissions.

But ODG is also making a name for itself in an unexpected field – the company is involved in designing a vehicle that could well provide transportation for astronauts visiting the moon.

ODG is part of Neptec Rover Team, which brings together the industry's leading technology experts to develop the new Light Exploration Lunar Rover (LELR) – a new generation of space exploration technology. This highly experienced team has been working together to develop rover technology for the Canadian Space Agency for the past four years. Other members that are part of the \$ 11.5 million project include Com Dev Canada, McGill University, NGC Aerospace and Northern Centre for Advanced Technology. ODG's moon rover group is known as the Space Robotics Division.

Recently, it was announced that ODG has moved up an important step in this ambitious R&D project. The New Hamburg company has achieved a major milestone in winning a Canadian Space Agency contract to continue the development program.

Joerg Stieber is President and CEO of ODG. At the announcement of the contract, he said, "We've always said that our all-season ARGO vehicles can handle any terrain. ODG has more than forty years of experience building off-road vehicles for the most hostile environments on earth – the frozen Hudson Bay, the deserts in Africa, flooded areas in Mississippi, the Russian tundra and volcanoes in Chile. We are planning on proving it on the moon."

The Lunar Rover will be designed to carry equipment, cargo and astronauts during moon exploration planned in the upcoming decade. The vehicle will have a unique, eight-wheeled ski-steer locomotion system designed to help it navigate the moon's rugged, steep slopes. Depending on the technology and tools it carries, it will be able to map the lunar surface, drill for water, perform excavation and prepare landing sites. It will be equipped with a vision system, communication system and software that will allow it to be operated remotely from Earth or the moon and perform some activities without human intervention.

A statement from ODG notes, "The Canadian Space Agency leverages the best Canadian technologies with international partners to generate world-class industrial development. Participation in this project will allow ODG to transfer the knowledge, processes, and technologies developed to their consumer and industrial operations."

Stieber noted that while ODG is building a better moon rover, they will also be learning to build a better ARGO.



Shown at ODG moon rover tests at the bottom of an old volcanic crater in Hawaii are, from left, James Kutchaw, Peter Woolfrey, Tom Atwell, Peter Visscher and Marcel Viel.

On hand for the announcement were all members of the Space Robotics Division, including engineer Peter Visscher, as well as area politicians. MP Harold Albrecht demonstrated an apt hand at guiding the Rover by remote control.

Previous ODG involvement in the Rover project involved designing and building a fleet of utility rovers (Juno Rovers) that were tested in the mountains of Hawaii, at NASA's Johnson Space Center in Houston, and at the Canadian Space Agency in St. Hubert. Other ODG contributions include a metallic wheel and an advanced drive track concept that will be able to withstand the moon's harsh environment. For the upcoming rover contract, ODG is responsible for the concept generation, design, and fabrication of the rover platform. This includes the frame, drive system, suspension, and wheels. This is a two-year contract that will result in delivering two complete rovers and participate in field testing.

Data Backup: Your hard drive will fail

Here is an alarming thought: Your data – documents, email, photos – are stored on a hard drive that will fail. It might not fail tomorrow, this week, or even this year, but eventually it will succumb to the nature of all mechanical devices and become inaccessible. In most cases it will happen without any warning, and everything it stores will be lost.

If you have no data that you care to preserve, no photos from special occasions, documents you've invested hours into creating, or mission critical records your business needs to function, you're in luck – hard drives are dirt cheap to replace.

On the other hand, data recovery from a failed hard drive is hugely expensive and never a sure thing. There are multitudes of ways any hard drive can fail and some are more recover-

able than others. The key, of course, is to never need data recovery services.

Given that every hard drive will fail, the only solution is backup, backup, backup. Think of it like insurance for your data.

First of all, a backup is a copy of your data. More to the point, if your data doesn't exist on two separate devices at once, it's not backed up. Many people will store their data on an external hard drive or memory stick, assuming that should their computer fail their information will be safe. We've all heard of computers failing, so at first this makes sense.

But of course, it's not that simple. An external hard drive is just as vulnerable to failure – if not more so – as the one inside your computer, not to mention that it is more easily lost or stolen. External hard drives should only be

used as a means of storing a copy (backup) of your data or as a means of transporting a copy of it, rather than a sole repository.

If you already keep backups of your data, that's great! But how often is it being done? When it comes to mission critical data, an old backup is often only marginally better than no backup at all. "I back up whenever I think of it" doesn't cut it if you can't afford to lose a month's worth of accounting records, business proposals or contracts.

Automating your backup process is the best way to take human error out of the equation. Of course, your backups should still be tested regularly to ensure everything is in working order.

So now you've got your data on at least two devices and it's being backed up regularly without anyone needing to lay a finger on it. There is no way you'll lose any data now!

That is, until you consider that your automated backup device is probably sitting right beside the computer you're backing up. We're fortunate in this area not to have to worry about earthquakes or tornadoes; but there are other lesser catastrophes that can still render your backup procedure entirely

ineffective. A few of the more common would be fire, flood or theft.

The next level of protection is off-site backup: a copy of your data that's in a different building than the original – ideally, some distance away. Of course, if your memory is no better than mine, then remembering to regularly take that external copy home or to another office is going to be a challenge at best, and automating the transport of a physical drive won't be possible until we all have robot helpers.

My personal preference, and a service I've found absolutely invaluable, is on-line backup. Online backup services are a secure means of backing up your data as frequently as you'd like to a distant location without any human intervention. From experience, I can say that the small monthly fee is well worth the absolute peace of mind it brings.

While there are many online backup services out there, I would recommend contacting a company that uses the same service they're selling.

Most people approach data loss from a "that'll never happen to me" mentality. If you take one thing away from this article, let it be this: It will happen to you eventually, so why not be prepared for it? – Adam Smith

"IT'S NOT WORK – IT'S THERAPY"

Al Vicoda doesn't seem like a "new age" kind of guy, but when it comes to his craft, he's certainly in touch with his feelings. He's a painter – "painter" as in painting walls, not painting canvas – and he freely admits, "I love it."

The owner of the cleverly named "Coat of Many Colours" has been a painter for 30 years, and he can't imagine doing anything else. He describes his approach to a job: "I have a system that works really, really well when I paint. I go through a house and I follow that system throughout every room, every job that I do."

"I get to the point where it does not become a job anymore. It doesn't become work for me. It never has. It's always been therapy. I love it. I don't even think about painting when I paint. My mind is wandering on other ventures."

Vicoda says, "What I really like about painting is the satisfaction." And, he adds, the delight shown by satisfied customers. He reflects on the irony: "You walk into somebody's home, they love to have you there ... but they sure as heck love to have you gone."

The KW painter learned his craft in western Canada. His first painting jobs

involved staining cedar shakes. From the outset, he proved to be an innovator – although people were painting shakes with brushes and rollers, the cedar absorbed so much stain it made that method slow and tedious. So Vicoda introduced sprayers, including using buy sprayers to apply the stain.

When he moved east, he worked for a painting company, where he learned the trade, step by step. Exchange asked Vicoda for any advice he would give to a young person starting out in the business, and he cited his own learning curve:

"For a young person who wants to start out in this industry, I think the most important thing is to find somebody who can train them well. When I learned about this trade, I worked for this company called Corvette Painting. And for the first two months I did nothing but roll out primer in new housing. That's it. After that, he got me on a pull sander. Then after that, I'll do anything that does allow me to cut, take the brush and cut in the bottoms, never the tops, never the ceiling until he came to the point where every single stage that went along, I was eager to get into. You know, let me do this, let



Al Vicoda encourages young people to consider painting as a "lucrative" career.

me do that. And it would be, 'no, no, not yet,' until eventually I got where when he turned around and says, 'It's time to put you on doing the cutting around the ceilings.'"

He adds, "This guy really taught well. And I think it's important to find somebody who will teach you, not just show you and leave you."

It was not long before Vicoda had launched his own business. That venture has taken several forms, and has changed names, once, although it has been Coat of Many Colours since the late 1980s. He has painted new homes, but found that working for contractors meant long delays in accounts receivable. So he has focused on repainting existing homes.

He has at times had as many as 15 employees, and has also been involved in side ventures with partners, but generally seems to enjoy being a one-man business. He says, "If I need other people, I have other people that come in and help me. But I like to do it myself."

His customers also seem to like what he does. He's booked solid to the end of the year. He says, "I love the reactions of the customers. I love it when I walk out and they go, 'Wow! You did a great job.'"

He believes that his craft will always be in demand. "Everybody needs to have their place painted one way or another and sometime, they're going to get it done. So, we're in a position

where we know that there will be always a job... I've had a guy said to me, 'Aren't you scared of competition?' And I said, 'No, I can't do all the painting.'"

It's intriguing that when Exchange asked Vicoda about the most important elements to doing a good job, his first priority comes at the end of the job. "Number one important thing to me that makes a good painter is cleanup... if the customers can walk into their home and the only thing that changed was the colors of the walls and the trim and nothing else ever changed... in other words, the floors still the same and everything is back in its same order as when the painter came in, they're super happy."

He adds, "A good painter is somebody who could paint and who does the little extras and takes care of the customer."

He encourages young people to consider this time-honoured craft. "It's a great trade. It's a very lucrative trade. And it's not really hard on the body. For a young person, it's a great opportunity." And he stresses that this opportunity is not just a chance for employment – it's an opening for entrepreneurs. "In this industry, once a person becomes trained, they want to start on their own. It's low overhead and 95% of it is labour."

And he's not quitting any time soon. Says Vicoda, "As long as I can get up on a ladder and I cut in straight and my eyes are okay, I will continue to paint."

XQuarterly – www.xquarterly.ca

- Between Dec. 2009 and Dec. 2010, gasoline prices increased 13%.
- The Bank of Canada's core index advanced 1.5% in the 12 months to December.
- A total of 3001 Canadian M&A deals worth \$155 billion were tracked during 2010, according to a report by PwC. Annual volumes rose by 30% and closed at a five-year high, and annual dollar volumes posted a 65% gain, which was impressive, but still well below the 2007 peak. Gains outpaced the global trend, where the number and dollar volume of deals were both 25% higher than the prior year, the report indicates.
- The outlook for 2011 is even brighter, says PwC. Companies and funds will be motivated to acquire due to trillions of dollars in underutilized capital sitting on balance sheets, improved access to deal financing and slow organic growth prospects. Canada is likely to continue to outpace the global trend due to a well-capitalized financial system, a strong dollar and leadership in hot deal sectors.
- More Canadians say their top priority is to tackle their debts in 2011, according to the latest national poll for Manulife Financial. Those who say their top financial priority is to pay down credit cards, lines of credits and mortgages hit a new five-year high in Manulife's poll.
- 29% said their top priority is to pare back their consumer credit, up from a low of 20% heading into 2008. The next most-important priority – paying down the mortgage – was chosen by 14%, identical to a year ago, but up from 11% the prior year.
- The third-ranked priority cited in the poll, to save for retirement, was named by 13% of the 1,000 respondents, up from 11% a year ago.
- When asked about their overall financial position, 49% said they are better off than five years ago. Another 28% say they're in the same financial spot as in 2005, while 23% say they are worse off.
- Investing in their own homes (either through renovations or paying down the mortgage) remains the most popular place for Canadians to put their money – a consistent finding since 1999. 66% of those surveyed said it's a good or very good time to invest in their own residence.
- The 6,388 homes sold by realtors through the Multiple Listing System of the Kitchener-Waterloo Real Estate Board last year marked the second highest total annual sales in the association's history.
- Dollar volume of all residential real estate sold last year jumped 9.3% to \$1.8 billion compared with 2009.
- Sales of homes in all price categories

above \$250,000 were up in 2010 compared to 2009, with the greatest rise occurring in the number of homes selling above \$750,000s.

- The 2010 year was marked by continued consumer demand for condominium style homes, with a total of 1,221 sales, an increase of 8.6% relative to year-end results in 2009, and representing nearly 20% of the overall residential market share.
- Of those Canadians who plan to retire, 69% plan to work during retirement, primarily to remain mentally (72%) and socially (57%) active, ac-

cording to a recent Scotiabank study conducted by Harris/Decima. 38% expect to work after they officially retire out of financial necessity.

- The study found that 56% of Canadians think they will need less than one million dollars to fund their retirement, half of whom believe they will need less than \$300,000. More than one-quarter of Canadians (28%) think they will need between one and two million dollars and 16% believe they will need two million dollars or more to fund their ideal retirement.

New Dundee Native Named Arizona CFO of the Year

Tim Einwechter, who was born and raised in New Dundee, has been named Private Company CFO of the Year in the state of Arizona. Einwechter graduated with an Honours BBA from Wilfrid Laurier University, received his Chartered Accountant designation, and served as CFO of Versa Care during the period when that company grew from four nursing homes to over 20.

Today, Einwechter is Chief Financial Officer of Ascent Healthcare Solutions, a position he has held for 13 years. As CFO, he has guided his company from a small startup to the multi-million-dollar corporation it is today.

His integrity and belief in proper health care have helped make Ascent a truly successful company in the for-profit health care world south of the border. Tim told Exchange, "As a Canadian and someone with a social conscience, it was difficult to see the US healthcare system at work. To sit back in the early days and see our employees not be able to take their children to hospital because they did not have coverage drove us to provide first rate coverage for employees and their families."

The company had lots of challenges in his early days as CFO. The IRS was demanding employee deductions which were in arrears – a situation totally unknown to Einwechter when he took the job. Although not a shareholder in the company, the new CFO put his own house up as security, personally guaranteeing the outstanding amount. He explains that he felt this was the right thing to do, as "CFO, a chartered accountant and a Canadian." He felt that the Company had a real opportunity to be successful and deliver much needed savings to the healthcare system based on his Canadian experience.

Einwechter led the way to change the approach to the health care industry in the state. Ascent, a small \$5m company in 1997, was sold to Stryker in 2009, for \$565m. Einwechter has been retained by the new owners.

- Dennis Grimm



PHOTO: STEVEN GREZLAK

New Dundee native Tim Einwechter has been named Arizona's Private Company CFO of the Year.

ELECTION HEAT COMES TO KW

In January, Liberal leader Michael Ignatieff carried out a whirl-wind, 11-day, 20-riding cross-Canada tour of constituencies that his party clearly has targeted for capture in the next federal election. None of the 20 ridings are currently held by Liberals.

It may not be surprising that two of the twenty were right here in Waterloo Region – Kitchener Centre, currently represented by Conservative MP Stephen Woodworth, and Kitchener-Waterloo, whose MP is Conservative Peter Braid.

The Liberal candidate in each riding is a former Liberal MP – Karen Redman in Kitchener Centre, and Andrew Telegdi in Kitchener-Waterloo. Both were defeated in the most recent federal election. Redman and Telegdi were front and centre, at Ignatieff's side, during the visit.

Stephen Woodworth said he is not overly concerned by the special attention from the Liberals. "That should be

no surprise to anyone," he told Exchange. "Neither Peter nor I won by large pluralities." He said the Liberals would recognize "a small majority to overcome."

He also acknowledged that Telegdi and Redman, as former MPs, "can be expected to be strong candidates." However, Woodworth redirected the conversation to note that "the other story is, why an election at this time." He reiterated familiar Conservative strategy, charging that "the Liberals have decided" they want an election, suggesting that the Liberal party thinking is that, unless an election resulted in a majority government, "Ignatieff will hope to become Prime Minister with the support of the Bloc and the NDP."

At time of writing, no federal election has been called, although speculation was intense.

Asked for his response to the local Liberal push, Peter Braid simply told Exchange, "I am honoured to represent

XQuote

"As we move into the next phase of Canada's Economic Action Plan, Canada's outstanding entrepreneurs and the small and medium-sized business community will play even greater roles in securing our fragile economic recovery. Designating 2011 as the Year of the Entrepreneur marks the symbolic beginning of the new phase of that recovery."

- Rob Moore, Canadian Minister of State (Small Business and Tourism).

such a thriving and dynamic community. I look forward to taking my record of accomplishments to the people of Kitchener-Waterloo."

The neighbouring riding of Kitchener-Conestoga presents an intriguing contrast to the other KW constituencies. While Kitchener-Conestoga was once a swing riding, and until 2006 was rep-

resented by a Liberal MP, Conservative Harold Albrecht captured the riding in 2006, and was reelected in 2008. His local stature seems currently to be such that the Liberals are struggling to find a candidate to run against him. The most recent Liberal nominee stepped down last fall, and at time of writing, has yet to be replaced.



Karen Redman



Peter Braid



Stephen Woodworth



Andrew Telegdi

M&M MEAT SHOPS CO-FOUNDER NAMED LAURIER'S OUTSTANDING BUSINESS LEADER FOR 2010

Mac Voisin, chairman and co-founder of M&M Meat Shops Ltd., has been named Wilfrid Laurier University's Outstanding Business Leader for 2010. The award was presented Feb. 14.

Voisin was selected for this prestigious award in recognition of his entrepreneurial leadership and innovation in founding one of Canada's most successful retail food businesses, and for his extensive community involvement.

"Mac has demonstrated innovation by founding Canada's largest retail chain of specialty frozen foods, driving substantial year-over-year growth, and providing entrepreneurial leadership through a strong corporate philosophy," said Ginny Dybenko, Laurier's dean of business and economics. "His tireless support of the Crohns and Colitis Foundation of Canada and several

other charitable organizations make him an ideal recipient for this award."

Voisin told Exchange, "I am totally thrilled. It's a real honour."

He adds that he is especially pleased to be honoured by Laurier, both because he was "born and raised in Waterloo Region," and because when it comes to business education, "Laurier is number one in Canada."

Voisin, along with then-brother-in-law Mark Nowak, opened the first M&M Meat Shop in Kitchener in 1980 with the aim to sell top quality meat at affordable prices. It expanded quickly under Voisin's philosophy of "act big even when you're small." The first franchise opened in 1981 in Cambridge. Today there are more than 465 locations across Canada.

An active community partner, Voisin started the first chain-wide Charity

BBQ Day to raise funds for the Crohns and Colitis Foundation of Canada in 1989. Since then, it has raised more than \$16 million for CCFC research. Voisin also supports the Waterloo Region Food Bank, St. Mary's Hospital, the Kitchener-Waterloo Community Foundation, Junior Achievement of Waterloo Region, and the K-W Counselling Centre.

Voisin continues to hold the position of Chairman of the Board of M&M Meat Shops; Gary Decatur has been president since 2005. However, Voisin is in the office on a regular basis, at

with the level of sales and did, as well, report exceptional growth over the previous year. My sense is, all things considered, the retail economy seems to be in good shape, with the obvious caveat that everyone would like it higher, of course. Suffice it to say, things are moving in the right direction from a retail perspective."

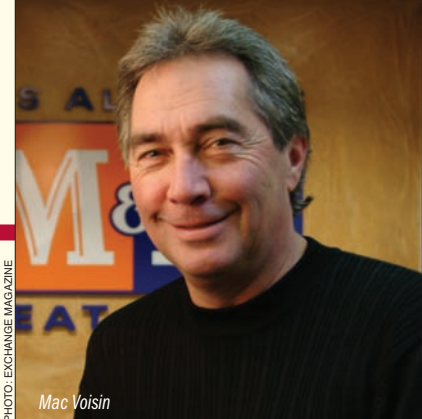
Durocher said, "The outlook is that the US growth will top 3.2% in 2011, exporters from Canada will see and have seen a rise in recent times. That is good news for Canadians - it means since the vast majority of what we produce is exported to the US, we will continue to see job growth and stability in the labour market. This should translate into consumer confidence and we should as well see growth in retail sales. The auto sector is predicted to have another double digit growth year, and of course the emerging economies will continue to outpace everyone with 6% average growth in 2011. The only possible thing to put a slight damper on that is the high Canadian dollar. As long as it hovers around the US dollar, we will have to do our best to sell our expertise and service to remain competitive, and companies will have to realize in the price structures, the corporate tax reductions the Province and Federal Government have delivered on."

Ian McLean, CEO of the Greater Kitchener-Waterloo Chamber of Commerce, agrees. He told Exchange, "I have had recent conversations with management of Conestoga Mall, and the BIAs in Waterloo, Kitchener and Elmira. The consistent message is that business is slowly getting better."

But he added, "Retailers are working hard for the business they are getting. They are cautiously optimistic for things to continue to improve throughout the year."

Officials from the Guelph Chamber of Commerce did not respond to our request for a comment.

Jenny Shantz, of St. Jacobs Country, offers a pragmatic take on the situation: "Some retailers do well, others



Mac Voisin

PHOTO: EXCHANGE MAGAZINE

least twice a week, and he told Exchange, "I still visit a lot of stores every year." He visits between 75 and 90 M&M locations annually... and loves it.

"It's a real rush for me," he says. "I talk to the franchisees, the product consultants, and the consumers."

LOCAL BUSINESS LEADERS CAUTIOUSLY OPTIMISTIC ABOUT RETAIL SECTOR

What is the current state of the retail sector? Apparently, it depends who you ask.

According to Statistics Canada, most of 2010 saw consistent growth in the retail sector. A StatsCan report, on statistics through November 2010, stated, "Retail sales increased 1.3%

Ian McLean



to \$37.3 billion in November, reflecting growth at most store types. This marks the sixth consecutive monthly rise in sales and was the largest increase since March 2010. Sales in volume terms also rose 1.3% after being flat the previous month."

Some sectors benefitted more than others. The largest increase among subsectors was in sales of motor vehicle and parts dealers, up 2.7% - but not across the board. New cars sales were up 3.6%, but used car and other motor dealers were down.

Food and beverage store sales were up 0.8%. Gasoline station sales rose 1.4%, but this reflects higher prices at the pump, not increased sales. Clothing and clothing accessories stores registered a 2.4% sales increase in November; sales at sporting goods,

hobby, book and music stores (+1.7%) rose for a third consecutive month.

The largest decline occurred at electronics and appliances stores where sales fell 2.2%. This was the first decline in sales since July 2010. Furniture and home furnishing store sales edged down 0.3%. Home furnishing stores (-1.3%) were responsible.

Statscan also reported that retail sales increased in nine provinces in November. The largest contributor to the national increase was Ontario (+1.2%), where sales rose for a fourth consecutive month.

In general, the kind of cautious optimism reflected in these most recent Statscan figures is reflected in the opinions of local business people. For example, Cambridge Chamber of Commerce CEO Greg Durocher told Exchange that retail is in relatively



Greg Durocher

PHOTO: EXCHANGE MAGAZINE

good shape, and the outlook is positive. He said, "We aren't privileged with statistical data from local retailers. Many who I spoke with over the Christmas season expressed satisfaction

struggle more. Overall, the retail community would probably like to see stronger sales."

She told Exchange that there is a challenge on the immediate horizon unrelated to national or provincial trends. Said Shantz, "There is a lot of new retail real estate coming into play this year. It remains to be seen what effect that will have on existing centres. Consumption does have limits for many of us."

Jenny Shantz



PHOTO: TOMASZ ADAMSKI

KW Chamber Chair Jeff MacIntyre is optimistic, overall. He said, "The local retail economy is very healthy and quite vibrant. January is predictably slow but all signs are very good. Customers have money to spend but they are making sure that they are getting value."

MacIntyre added, "I see the strong



Jeff MacIntyre

surviving and thriving. Competition will be tough and sales will need to be earned but overall I think we will look back at the end of 2011 as a very good retail year. I've checked this with some large retail sources and they agree. Indicators are looking very positive for 2011."

PLAYBOOK COMING TO "TURBULENT, COMPETITIVE ENVIRONMENT"

Research in Motion's new tablet, the PlayBook, is one of the most-anticipated products in recent memory. It's debated, craved, criticized... although nobody even has one. Launch date has not been announced at time of writing.

Exchange talked to Jeff McDowell, Senior VP, RIM Business Marketing and Alliances.

He commented on the launch, and the initial announcement of PlayBook. "There were all kinds of things going on the market that made it obvious... that we should probably signal RIM's direction to the market and to our customers. At the same time, we want to get it right, so we weren't going to rush the thing to market just to get it out there, because RIM stands for quality, we stand for professional grade, we stand for getting things right, so we're going to get it out as soon as possible, but it's not going to be a compromise of quality."

It is a challenge. He said, "It's definitely tricky when you get into the competitive environment. Have you ever seen a competitive environment as turbulent, as intense as the one we're in right now? It's amazing!" McDowell stressed, "It's certainly not a research project. It's being built, it hasn't been launched yet, but it's certainly on its way." Most recent estimate is "early 2011".

McDowell argues that PlayBook will be unique. "There's some competitive differentiation from all the different tablets... It mates over Bluetooth with an actual BlackBerry handheld, and you can leverage the security of a BlackBerry handheld and get all the BlackBerry applications and use them on the PlayBook. Imagine being able to use... a seven-inch screen in the tablet format to be able to do all the things you are able to do normally on BlackBerry."

He adds, "We've also focused on the browser... We feel that the tablet is really not about taking a handheld and blowing it up and making it bigger. It's really about taking a rich computing environment such as a PC or a laptop, and bringing it into a truly mobile form factor. Blowing up a smart phone, there's really nothing to be gained."

There has been a lot of talk about the fact that PlayBook will use Flash, while Apple's iPad does not. McDowell feels this important, but he says, "I wouldn't say we looked at whether Apple supported Flash or not. This was purely about us realizing what the world is looking for; what consumers and enterprises are looking for is a truly portable experience for all their computing needs. And when you have that kind of requirement, when you truly want a portable touch screen tablet form factor device for portability, you really want all the functionality... with that

larger screen size you also want and expect everything that the web delivers. You don't want to compromise at that point."

He says, "You need things like multi-tasking, you need things like a browser that can handle all of the web, such as Flash, because without those things you are losing millions of web-sites."

He predicts that while the initial Playbooks will have a seven-inch screen, other sizes may become available. "We did our research, and the mobility factor was really important to the business space, portability is really high up there. The seven-inch form factor was a great entry point. But you've seen our handheld portfolio expand... You can expect to see the same thing on the Playbook side. We haven't announced anything, but... you can guess that we will segment to our customer's requirements. "But you've gotta start somewhere."



COMMUNITY-MINDED JIM ERB TO BE HONOURED AT MAYOR'S DINNER

Waterloo businessman Jim Erb will be the Guest of Honour for the Twenty-Fourth Annual Mayor's Dinner in support of The Working Centre and St. John's Kitchen. The event takes place April 2.

Erb is known as an owner of Erb & Good Funeral Home in Waterloo; as a former Waterloo city councillor (1980-1988) and, more recently, a member of the Citizens for Better Government steering committee; and as a community activist.

Erb was born in Kitchener and raised in Wellesley where his parents still live. He attended high school in Elmira and later graduated as a licenced Funeral Director.

He has had extensive involvement with community groups, including Big Brothers, the United Way of K-W, the

K-W Community Foundation, Habitat for Humanity, the Canadian Clay and Glass Gallery, the Community Prayer Breakfast, and Erb Street Mennonite Church. He has been a member of the Kitchener Conestoga Rotary Club for 27 years and since 2008 has taken the lead in helping the Club raise over \$185,000 per year to provide the gift of food to nearly 10,000 people through the House of Friendship Christmas Hamper Project.

The Mayor's Dinner is an evening that celebrates individuals who have made outstanding contributions to our community. For information about buying tickets, purchasing a community table for your group, company or church, purchasing sponsorships, or contributing an item for the auction call Kara at (519)743-1151 x119.

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SUCCEEDING AT SUCCESSION

BY PAUL KNOWLES

Menno S. Martin moves to a third generation of owners...but not without a struggle

What is the key to success? For a lot of businesses, it's not simply a healthy bottom line or a happy customer base, although both are obviously important. In many cases, success is directly linked to succession. Passing a business from one owner to the next is too often an insurmountable hurdle that reduces a thriving business to a shell of its former self. Most of us know of stories where businesses went from healthy to horrible over the course of a botched succession.

The Menno S. Martin story is not one of those. This St. Jacobs contractor has been a continuous success story since 1942. The company is in its third "generation", having just completed its second successful succession plan.

The company started when Menno S. Martin strapped his carpenter tools to his Model A Ford in 1942. During the 1950's, staff size varied from 12 to 20 people.

Laverne Brubacher joined the company in 1965, on his 21st birthday. Two years later, Brubacher bought his first share of the company, implementing a succession process that stretched through almost two decades.

More recently, Brubacher launched discussions with three staff members with the goal that they, in turn, would take over the company. After months of intense negotiations, the talks fell through – only to be revived by two of those employees, Trent Bauman and Art Janzen, two years later. Today, those two men are taking over the company in a re-jigged and successful succession plan.

Trent Bauman, left, and Art Janzen, right, are buying the business from Laverne Brubacher.



Something good happened between the first, failed round of negotiations and the second, successful run.

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The golden rule

A lot of things have stayed consistent, through the long history of the company. It was founded to do home renovations, and that continues to be the heart of its business. It was also founded on a specific and well-understood set of values. Brubacher recalls, "In 1942, Menno Martin started doing small jobs throughout the community. It wasn't long before his entrepreneurial skills and his belief in the golden rule took over and Menno S. Martin Contracting was growing and thriving."

Martin passed away in 2005, at the age of 94, but his values live on. Posted on the wall of the office, and available as a handout for every customer, is the Menno S. Martin mission, vision and values statement. The values? "Integrity, stewardship, care, team play and encouragement." And Bauman and Janzen are as committed to those values as was the founder, almost 70 years ago. Bauman notes that "we have a responsibility to our employees and also to our clients."



It took two, long succession planning processes before Bauman and Janzen were able to start the actual corporate acquisition.

Success led to succession

It may be ironic that the first of the two succession plans implemented at Menno S. Martin Contractors came about because the company was almost too successful. Brubacher says, "In 1965, I started working for Menno. After two months in the field as a labourer, Menno asked me to work with him in the office. I

rate. Menno was 33 years older than I... He was concerned about who might carry on the business that he had started. I guess he had developed some faith in me... That \$5,000 commission eventually became my first shares in the new corporation. And that was the beginning of our first succession plan."

"In 1942, Menno Martin started doing small jobs throughout the community. It wasn't long before his entrepreneurial skills and his belief in the golden rule took over and Menno S. Martin Contracting was growing and thriving."

started as a gofer and gradually got into sales and design. Two years later after a successful year, I was making \$3500 a year, and with a commission plan that we had devised, I had a promise of a \$5000 commission."

That was a problem. "Menno said, 'I can't afford to pay that.' So, after a lot of discussion and advice from our accountant and lawyer, we decided to incorpo-

In 1968, Martin and Brubacher agreed to an open ended buy/sell agreement which would carry on over the next 16 years. Brubacher's wife, Ella, became a silent partner, owning 39% of the company while Laverne acquired the other 61%.

It took a long time, but that was not a problem to any of the principles. By 1976, the Brubachers had acquired 40% of the company; that year, they bought another

30%, and over the next eight years, as Martin gradually retired, the final 30% changed hands until the Brubachers were 100% owners.

Third "generation"

As the new millennium dawned, Brubacher thought it was time to consider the future. His first step was to move away from sales. Two key players in the company – cousins Trent and Mark Bauman – picked up those responsibilities.

In 2005, Trent, who has been with Menno Martin since 1987 (hired after a co-op term in 1986), recruited his long-time friend, Art Janzen, to fill a new position, that of Operations Manager.

"That \$5,000 commission eventually became my first shares in the new corporation. And that was the beginning of our first succession plan."

Janzen, who had followed a multi-faceted career path, says that long before the job offer came, "I always thought that Trent had the best job in the world."

Brubacher recalls that these changes in staffing and responsibilities were not without challenge. "We had quite a time trying to figure out what all of our roles in the operation entailed and how we could work together in the most effective way. There were some initial misunderstandings.

"We then hired Dave Schnarr [of the Centre for Family Business] to work with us to do some strategic planning and to help us to figure out how we might be most effective in working together. He helped us to set some goals, worked with us as a team and also individually. Through those meetings, we were able to clarify where we wanted to go and how we would get there. It was very helpful."

But working well together was not the only thing on their minds. Says Brubacher, "It was no secret that Art one day hoped to own his own business, and that was part of our initial discussions before he came on board. During our strategic planning sessions it came to light that Trent and another long time employee, Mark Bauman, were also interested in looking at buying the company as a team of three."

The three spent the latter half of 2007 putting together a detailed purchase proposal, working with Jim Harper of BDO.

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But the four men could not reach a final agreement. Says Brubacher, "That proposal to purchase was turned down. While there was no doubt in my mind that these three dedicated and loyal employees would carry on the legacy that Menno himself created, I wanted the sale of the company to be in the best interest of all parties and I didn't feel this specific proposal was."

The deal was dead, but the company continued to thrive, with all of the players remaining in their roles. Brubacher says that the year 2008/2009 was the best year, financially, in the history of the company.

Everyone involved in the abandoned negotiations believed they had reached a conclusion, albeit a disappointing one.

Trent Bauman says, "I didn't really think of taking another run at it." Janzen adds, "In my mind, I was done... We needed to just focus on the work."

However, while "the work" was thriving, the future was cloudy at best.

Enter the moose

Waterloo Region writer Jim Clemmer wrote a book on business communications – and communications failures – called "Moose on the Table." Laverne Brubacher has long been in the habit of leaving helpful books on the desks of his co-workers, and he dropped the moose on Art Janzen's desk.

Janzen told Exchange that the book struck home. He realized that although succession negotiations had ended, the

future of the company – and the careers of himself and the other Menno S. Martin management team members – was the "moose on the table" they were ignoring in every management meeting. He says, "Every time Laverne poked his head into my office, it felt like he was bringing five moose with him."

Two years after the original negotiations stopped, the senior managers didn't even know if other potential buyers had taken their place at the negotiating table, or if their jobs were secure.

So Janzen – an outgoing extrovert, by his own admission, while Trent Bauman is more introverted and detail-oriented – talked about the moose in the next meeting. He says, "I shared my thoughts on the Moose with our management team

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Winter Salt Management Program



PHOTO: EXCHANGE MAGAZINE

The Menno S. Martin team: from left, Mark Bauman, Trent Bauman, Trudy Leahey, Art Janzen and Laverne Brubacher. The team is committed to the values espoused by Model-A-driving founder Menno Martin.

and after many a discussion, Trent and I realized we were both on the same page with respect to buying into the business. With more experience and knowledge of the process and a lot more confidence in our ability to run the company we were ready to explore a transition with Laverne."

A new reality had emerged – it became clear that Mark Bauman was no longer interested in ownership, although he continues as a key member of the leadership team. Trent Bauman and Art Janzen

time, although it was a little hellish."

A new deal replaced the moose on the table. And by February, 2010, an agreement was signed that sees the ten-year transition underway.

Art Janzen underscores the fact that working out a succession plan is not a walk in the park. He says, "Succession isn't an easy task. As Laverne and Trent can attest to, it's an emotional roller coaster. It brings forth stress on the part of the party wishing to sell and on the part of the buyer."

Says Trent Bauman, "we do everything from \$200 to \$500,000." Brubacher adds that their largest contracts have totalled half a million dollars – "so we'll do anything from zero to three quarters of a million." But Janzen chips in that they try to avoid the "zero dollar" contracts.

were, though, and had the support of their wives, Juanita Metzger and Barb Janzen. And Brubacher continued to want to formulate a successful succession plan.

The men agree that something good happened between the first, failed round of negotiations and the second, successful, run. The Menno S. Martin company has always prided itself on its transparency, but somehow, that was lost in the board room during their first go-around. The new negotiations saw a return to the familiar corporate openness; the process was working. Says Bauman, "there was a huge amount of trust."

Janzen also notes that the first round had taught them a lot... as had the interim between succession plans. "Timing is everything," he says. "We needed that

However, the team agree that the effort has been more than worth it, and that the company is the better for it. Clients, old and new, will continue to see the kind of service that Menno Martin built his reputation on; Brubacher describes the transition to next-generation ownership as "seamless".

Brubacher's commitment to the company that has been his workplace for almost 46 years is very evident – but he's delighted to be able to spend more time skiing and playing golf, and more importantly, in volunteer activities that take up about 20 to 25 hours in an average week. The values he has espoused corporately are the foundation to his private life, as well – he ticks off a long list of charity, community and church organizations he gives time and effort to.

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And while he is doing volunteer work, his successors are continuing along the path blazed in a Model A by Menno Martin. They will take on commercial projects, but their "bread and butter" has always been home renovation. Says Trent Bauman, "we do everything from \$200 to \$500,000." Brubacher adds that their largest contracts have totalled half a million dollars – "so we'll do anything from zero to three quarters of a million." But Janzen chips in that they try to avoid the "zero dollar" contracts.

Zero dollar contracts aside, business is looking good, in 2011. Says Trent Bauman, "We're very encouraged for the spring... we're looking at a lot of projects." He stresses that being in Waterloo Region is a big plus. "We couldn't ask for a better spot to be situated."

Management team

The company is led by a five-person management team, says Janzen. The "Winter 2011" Menno S. Martin publication called "Renovation Review" lists Art Janzen as co-owner/operations manager; Trent Bauman as co-owner/project manager; and Mark Bauman as designer/project manager. Brubacher continues

The new negotiations saw a return to the familiar corporate openness; the process was working. Says Bauman, "there was a huge amount of trust."

to play an important role as Chairman of the Board, and the management team also includes Trudy Leahey, as finance/human resource manager. The company website includes a photo of about 20 employees, although that varies by season.

All of the managers involved in the company understand that this is a unique situation. Brubacher acknowledges, "There are not very many renovation companies that have any value after the owner isn't there. I am confident that the values and legacy of Menno S. Martin – which I have tried to carry on as the second generation – will be carried on under the new leadership of the third generation for many years to come."

But the new owners know that it doesn't stop here. Trent Bauman told Exchange, "Our next succession plan will be totally different again."



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MOTORCYCLE DRIVER TRAINING: MASTERING THE RIDE

BY KEN MORGAN AND MIKE MCCORMICK



The most important start to any new task is always training. Motorcycling is no exception to this statement, but in this case, "training" carries more meaning than in most. There is no driver training in the world that you do

alone – except on a motorcycle. With a car, truck, plane, train and most farm and heavy vehicles, someone is right beside you, telling you what to do next. On a motorcycle, you do it alone. You need good, clear and thorough information before the motorcycle ever starts to roll. Without it, you are guessing, a game that often ends badly. Canada's national motorcycle program Gearing Up takes the time to teach you, with proven theory and practical lessons to make motorcycling a safe sport that can be enjoyed with each ride. The instructors are all avid motorcyclists who have been meeting regularly to discuss and implement changes for the better for almost 50 years.

One of Canada's longest running and most successful traffic safety programs is the Canada Safety Council's Gearing Up novice motorcyclists training program. The Canada Safety Council "brands" the Gearing Up program as "Canada's National Motorcycle Program". There may be some considerable truth to the claim. Since 1974, 600,000 Canadians have started their motorcycling career by taking a Gearing Up novice rider training program. In 2010, in the Province of Ontario alone, 14,000 new riders of all ages participated in a Gearing Up program. For would-be motorcyclists, taking a

Gearing Up rider training program has become as much a part of motorcycling as putting on a helmet before riding.

The Gearing Up program is typically offered over one weeknight with the remainder given on the following weekend. Programs run from early April until late October. The majority of the twenty hour course is spent on a motorcycle, provided as part of the course fee. About four hours is spent in an interactive classroom setting. The initial part of the course covers the basics of balancing a motorcycle, how to properly use front and back brakes, then progressing to use of the clutch followed by correct gear shifting techniques. With the basic skills introduced and practiced, students move on to controlling the motorcycle in slow speed situations and then on to higher speed maneuvers including: negotiating corners and curves, stopping quickly and "counter steering" to avoid collisions. There's always practice time afforded students allowing them to hone all of their newly-learned skills. At the end of the course, each student will be given an on-bike skills test for his or her "M2" motorcycle operator's license.

The very reasonable Gearing Up course fee covers the use of a motorcycle for training and testing, twenty hours of professional tuition by Canada Safety Council-certified instructors and the "M2" Ministry of Transportation, Ontario skills test at the end of the course. All the student needs to bring is a helmet designed and certified for use on a motorcycle, along with basic protective gear. For more than 35 years, Gearing Up has been the most sensible way to get into the sport and excitement of riding a motorcycle. Please contact a local Canada Safety Council Gearing Up course in your area. www.csc.ca/gearingup

*Ken Morgan is National Supervising Chief Instructor, Motorcycle Training Programs, Canada Safety Council;
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6. It is one and done if you buy from an unauthorized retailer. They have no interest in maintaining a relationship with you.

7. Purchasing from an unauthorized retailer opens you up to aggravation and inconvenience. There may be concerns at the border that can delay the process. Ask yourself, 'What is my time worth?'

8. Purchasing from an unauthorized retailer means that you will not receive any recall letters or product program notifications.

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[W](#)

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The Grand River flows 300 kilometres through Southwestern Ontario, from the highlands of Dufferin County to Port Maitland on Lake Erie, and is rich in natural and cultural diversions. The Elora Gorge is one of the most beautiful and spectacular natural areas in the Grand River valley. The river runs through a 22-meter canyon created 20,000 years ago in

the same fashion as the Niagara falls and gorge. Hikers and naturalists favour the riverside trails and scenic overlooks, while kayakers and tubers love the rapids on a trip

down nature's own tubing run. Not far away in Rockwood, just east of Guelph, towering limestone cliffs, caves and glacial potholes are a few of the natural wonders at the Rockwood Conservation Area. Rockwood and Elora Gorge are two of eight beautiful Grand River Conservation Areas that offer camping and a wealth of outdoor activities including canoeing, hiking and fishing.

The Grand River watershed has much to offer birders, and the trails of the watershed provide wonderful opportunities to enjoy this activity in all seasons. At summer's end and into autumn many birds can be observed practicing their flying skills or grouping together in flocks, preparing for the southward migration. Download detailed trail maps and information about the 20 hottest birding trails in the watershed.

In Wellington North the new Butter Tart Trail driving tour tempts visitors with tasty treats and antiques. Scenic Elora and Fergus, with their historic shopping districts lets you

stroll Century-old main streets, and shoppers with an eye for the unique can discover many one-of-a-kind treasures. Mennonite culture and heritage is still evident in both St. Jacobs and Elora. Learn more at The Mennonite Story Visitor Centre in St. Jacobs where shopping for art, antiques, fine crafts and fashion are the pleasures of the day. Nearby, St. Jacobs' Farmers' Market celebrates the best of the local harvest and crafters, with a huge market every Thursday and Saturday.

Guelph connects to the Grand River through its tributaries, the Speed and Eramosa rivers. Visit McCrae House, a National Historic Site featuring well-known Guelph resident Colonel John McCrae, author of the poem In Flanders Fields. Great dining and shopping are just blocks away. This stretch of the river is ideal for canoeing, kayaking and rafting, as the mighty Grand winds its way through Paris en route to Lake Erie. The Cambridge-to-Paris and Hamilton-to-Brantford Rail Trails form a 75-km link through Brantford and are part of the Trans Canada Trail.

Brantford is renowned as the home of hockey great Wayne Gretzky, as well as Alexander Graham Bell, inventor of the telephone. The Bell Homestead is one of a number of National Historic Sites and museums located in the southern part of the watershed. Nearby, on the Six Nations Reserve, are the Mohawk Chapel and Chiefswood where aboriginal heritage can be enjoyed, including at events such as the women's Husking Time in September. Your journey then winds past historic homes, none more significant than Ruthven. Tour this majestic Greek Revival mansion that recounts the days when river navigation helped settle early Ontario and take in the many special events held regularly on the estate.

Port Maitland, a quaint harbour hamlet on the shores of Lake Erie, marks the end of your tour. Enjoy a variety of Grand River Scenic Rides.

[W](#)



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BIKERS, BEER AND BOOTY

Port Dover, May 13, 2011 – It's a Friday, on the North Shore of Lake Erie. A charming lakeside community quietly awakens to the familiar rumble of custom pipes and stock wannabes. Friday the 13th, Port Dover, Ontario: The otherwise relaxed fishing community and water playground transforms its sedentary state into a biker haven for a grass roots independence day.

The event officially began in 1981, and for the last 30 years has struck a chord that has resonated even with the most respectable members of the biker community. For the motorcycle enthusiast, the one day event is awe-inspiring, so intense that it's been known to dilate your pupils, and bring a rash to your skin – making you Suspect Number 1, to the ever-present, various law enforcement officers.

It's the Ontario biker bash, and welcomed by the town, which closes down main street to all vehicle traffic except motorized bikes and the occasional three wheeler.

No matter what the weather, the bikes show up and the crowd follows. Fifteen thousand bikes have cruised Main Street in one day. There's entertainment all around, provided by local groups; there are several indoor and outdoor locations to enjoy a beer, some music, and gaze at a polished backdrop.

There's a little of everything, but more than anything else, there's a love of bikes. Dover has a swagger all its own.

And it repeats, every Friday the 13th, when this community of 6000 is transformed into a wild and colourful showroom. Reports claim up to 150,000 leather and denim-clad faithfuls show up. The devout go, no matter what the day or the weather. Chrome gazers peak during the warmer days. Depending on the day, clothing is somewhat optional, thus lending this Ontario town a somewhat Venice Beach flair. It's pure fun.

Getting to the main street on a great day takes some patience and a long walk, and bikes are everywhere. Both

bikes and cars stream to town but only bikes are allowed through the three major and two back access roads. The town has two rivers, which naturally contain the festivities, and the majority of access.

It's authentic and it's harmless. And biker colours do blend. Although first-timers are awestruck at the firepower law enforcement authorities have invested during this day. Roads checks, trunk checks and body searches are not uncommon; this in itself aids the event's "on the fringe" image.

The event, celebrating 30 years this November, is credited to Chris Simons and some friends. Port Dover Friday The 13th has inspired stock brokers and Bay Streeters to play hooky, don their leathers and mix it up with other bikers.

Ground zero was the Commercial Hotel, affectionately dubbed The Zoo. Reports say Simons and his friends, had such a good time at the first one that they decided they should do it every Friday the 13th. A tradition was born. The Hotel still stands and is now known as Angelo's of Dover.

This year's event is not about to be anything but spectacular. Bikes will arrive in the thousands, and biker enthusiasts will follow. See you on the street, May 13, 2011. [W](#)



PHOTOGRAPHY: CANADIAN PRESS

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MAINTAINING YOUR LEATHER

Good leather gear is expensive. If you care for your leathers on a regular basis they will last a much longer time and be much more presentable.

Before you do anything to your leathers, read the manufacturer's instructions.

Here are some tips that will help keep your leathers looking great:

- In winter, store in a well ventilated area of your home. In storage, don't expose to direct sunlight or heat.
- Leather is best worn often.
- Leather jackets must have conditioner applied regularly. The simplest formula for do-it-yourself conditioning:
 - Mix 1/4 cup white vinegar and 1/2 cup food grade linseed oil or neats-foot oil.
 - Dip cloth into the mixture to saturate it; wring out twice.
 - Wipe gently and let the excess fluid dry overnight.
 - Use a white, lint free cloth to wipe off the excess oil.
- Straight food grade linseed oil can be used on older leather to condition it. Allow time for the oil to absorb into the garment.
- Leather chaps can be cleaned much the same way. When storing, hang as straight as possible in a well ventilated area.
- Gasoline stains can be treated by first putting paper towel on the gas to blot up as much as possible. Put warm water in a bowl with 1 tsp. vinegar and 1 tsp. dish detergent (liqui-

uid). Mix, then spoon mixture onto the gasoline stain. Completely cover the stain. Let mixture soak into the leather. Dry by blotting excess moisture with paper towels.

- To remove mold or mildew: use 1 cup rubbing alcohol and 1 cup water. Spray on or use a dampened cloth. Use a clean white lint free cloth; replace when dirty. Allow the leather to air dry, (never use heat to dry wet leather).

Removing stains of unknown origin can be difficult; here are some tips:

- Put toothpaste on a tooth brush and apply to the stain.
- Try a non-acetone nail polish remover to clean an ink stain.
- Aerosol hairspray works well on tough stains. Spray the hairspray directly on the stain and wipe away. This may take several swipes.
- For other types of soiling, try using 1 part lemon juice to 1 part cream of tartar. Create a paste and work into the stain. Wipe off with a fresh cloth. If heavily stained let sit for a couple of hours. Be sure to clean and condition after spot cleaning.
- Removing Road Salt: 1 part vinegar and 1 part water. Dampen a lint free cloth and wipe away the salt. Follow up with cleaning and conditioning. Salt can be very damaging to leather.
- Removing Grease Stains: blot the excess grease with a clean cloth. Then sprinkle cornstarch or talcum powder on the stain. Let sit for 4 hours and then wipe off the powder. [W](#)

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TWO WHEEL ROLLS ON

These are turbulent times in the world of motorcycle sales. The past four years have seen more than 15 motorcycle dealerships in Southern Ontario close their doors for good. Despite the challenging environment, Two Wheel Motorsport is still going strong and credits their loyal client base for their success.

Two Wheel Motorsport opened on a shoestring budget in 1983, at its current Guelph location. The recreational vehicle enterprise has grown steadily, so today the staff numbers 20, working in a 15,000 square foot shop, surrounded by metal, chrome and rubber. When the doors opened in 1983, Kawasaki was the only brand they represented, but today, Suzuki, Can-am, Ski-doo, Argo and Triton products round out the line-up. Two Wheel Motorsport also specializes in Powersport suspension upgrades and modification, and is home to Pro-Action Suspension, Canada's oldest and most experienced suspension specialist.

In 2007, Two Wheel expanded into the light truck market, in order to satisfy customers' hauling needs. Owner Jens Christensen explains that since many of the key products they sell, such as ATVs, Motocross Bikes, Snowmobiles and Side by Sides, require a truck to haul them, it just seemed to be the right fit. "We try to satisfy our customers by providing a one-stop shopping experience," adds Christensen.

Luring customers with the promise of low motorcycle



From left to right: Kris Ebben, Adam Kelly, Rob Armstrong

prices has become the standard for a new breed of Ontario dealer. But, Two Wheel remains firmly committed to honest, up-front pricing. Motorcycle buyers are far too smart to fall for the low price lure, says Christensen. They understand that along with low price comes poor service and pressure sales. To combat this consumer concern, Christensen commented on his experienced staff, "more than one-half of whom have over 10 years experience, while several staff members have over 20 years experience." Cheerfully solving powersport related problems for customers "is what they do" states Christensen. "I'm very proud of them. [www](http://www.twowheelmotorsport.ca)

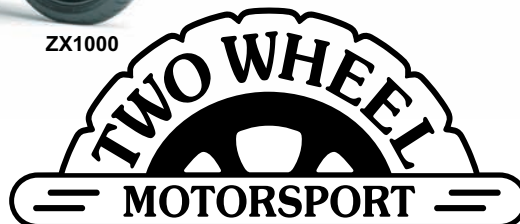
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John Sr. is also a born entrepreneur, a trait that had no future in the communist-ruled Hungary that emerged after World War II.



John Jr., John Sr, and Willy Heffner



STARTING WITH A HOLE IN THE GROUND

BY PAUL KNOWLES

Heffner Motors celebrates a half century of success

The Heffner family has come a long way – literally. And for a family whose name is synonymous with automobiles – Heffner Motors Limited is celebrating its 50th anniversary this year – it's ironic that their journey began on foot.

Heffner Motors, the long-time Kitchener Lexus Toyota dealership, was founded by John Heffner Senior; today, it is owned by John's sons, John Junior and Willy, although their father continues as mentor, and can often be found at the King Street East dealership.

John Sr.'s first involvement with all things mechanical did not take place in Kitchener, or in Canada at all. He was born in 1929, in the Danube Swabian ethnic German community of Gara, Hungary; his father died when John was just four years old. He was just young enough to avoid active involvement in the war, although many members of his extended family suffered through the traumas and challenges of the war, in some cases deportation and forced labour, and the occupations of German and then Russian forces.

It may seem unbelievable that in the midst of such upheavals, life does still go on. But it did – and John Sr.'s skill as a mechanic led to training, apprenticeships and employment. However, John Sr. is also a born entrepreneur, a trait that had no future in the communist-ruled Hungary that emerged after World War II.

Hungary was in turmoil in early 1957; in the wake of the attempted 1956 revolution, emigration was banned, and the border was closed. However, John and his family – including his wife, Mary, and their young son, John Jr. – knew that border patrols were sporadic. They paid a great deal of money to an informant to learn when patrols would not be present, and on January 13, 1957, they risked their lives to escape to Yugoslavia, eventually making their way to Canada.

The escape is chronicled in John Sr.'s biography, "From Hungary to Canada: The Building of My Dream," published in 2009. After nearly being caught by the local police, the 13-member family group walked across the border – John Sr. pushing his motorcycle. The journey finally ended in Kitchener, where they had been invited to stay with friends. And almost immediately upon his arrival, John Heffner went to work to build a new life – and a business that would continue to prosper, 50 years later.



John Heffner Sr.

PHOTOGRAPHY: EXCHANGE MAGAZINE

Refugees for half a year

John Jr. told Exchange that the journey to Canada took almost half a year. The family lived in a series of refugee camps in Yugoslavia and Italy, came by ship to Montreal (arrived July 2), and finally arrived in Kitchener. Willy adds that when their father did repair work for customers, even in the camps, he would ask to be paid in gold or silverware, under the impression that these would have value as currency in Canada. They didn't; the family arrived penniless – but John Sr. was determined to make his dreams come true.

John and Mary enrolled in English language courses, and John found a job as a welder, but was soon also working at home in his spare time, repairing cars, especially for German and Hungarian people now living in Kitchener. In fact, his home-based business prospered to the point where neighbours complained to the authorities. Not only were there a significant number of cars parked in the street (in the area



that is now the location of the Centre in the Square), "he would road test cars up and down the street," says John Jr. John Sr. had also dug out a pit in his garage floor to allow him to work under cars. All of this was in contravention of zoning bylaws – a concept John Sr. had never encountered in his native Hungary.

and Heffner's moved to 1620 King Street E., where they stayed until 1987.

John Jr. was born in Hungary, and was part of the arduous trek to Canada with the family; Willy was born in Canada, in October 1960, just a month after the first Heffner garage was opened for business. All of the family members worked at

Street location, there was not room for a lot of retail success. He wrote, "Because Simca was not a big-selling brand, with just a two-door and a four-door model on the market, I agreed. Most franchises were very expensive and a small dealership like Simca's was all I could afford to get into at the time, anyway."

John Sr. had also dug out a pit in his garage floor to allow him to work under cars. All of this was in contravention of zoning bylaws – a concept John Sr. had never encountered in his native Hungary.

The repair business was too prosperous to shut down because of zoning issues, so in 1960, John Sr. purchased a property at 216 Breithaupt Street, and built his first garage, a simple, two-bay affair.

His philosophy of doing business was founded on customer service. John Jr. recalls that "He would have a telephone beside his bed", and customers could call, any time day or night, if they needed emergency help. Cold winter nights and mornings kept John Sr. constantly on the go, starting cars at \$2 per call ... and that attention to service meant that the business prospered.

Within a year or so, the repair business had expanded to include sale of used cars. John Sr. recalls that he would buy cars to specific customer orders at the car auction.

Continual growth

The story of Heffner Motors is a tale of entrepreneurial enthusiasm and almost continual growth. John Sr. opened his first garage in 1960; within three years, the business had outgrown that facility,

Heffner's – Mary in the office, and John Jr. and Willy as children and teenagers. Willy recalls that he first was assigned duties at the business when he was 10 years old, and "I worked right through high school."

It was not a given that either son would work for the family business, but after considering other options, both decided that this was where their future lay. John Jr. joined Heffner Motors full-time in 1975; Willy came on board in 1983, after graduating from Wilfrid Laurier University. Since 1987, this second generation has owned the business, with John Jr. holding the title of President, while Willy is Vice President. Mary passed away in 1990; John Sr. has remarried, marrying Marianne in 2001.

Today, of course, the name "Heffner" is synonymous with the brand Toyota and its sister brand Lexus. This was not always the case.

The first new car sold by John Sr. was a brand probably remembered only by dedicated car buffs – it was a Simca. John Sr. admits that he agreed to become a Simca dealer, in 1962, because he knew he would not sell many cars – and at the Breithaupt

The deal lasted a year or less – Simca Canada was taken over by Chrysler the next year, and Heffner had sold a grand total of eight cars. But it was the first Heffner venture into new car sales. Not, obviously, the last.

Next came an Austin Mini franchise. Again, John Sr. was concerned with the large investment normally required – he told Exchange, "I was always short of cash" – but he negotiated a consignment deal with the company. That franchise grew to include Austin, Morris, Jaguar, Rover, Triumph and Austin Healey, and continued through 1970. Changes in the British car industry caused John Sr. to look for another brand.

John Jr. notes that one option came along at that time that his father rejected. "Toyota actually approached Dad in 1969," he said, prompting John Sr., to admit, "At that time we declined... and it was a big mistake for me at the time."

None the less, John Sr. opted to become a Mazda dealer in 1970, a relationship that lasted until 1974. Then, it was Volvo and Fiat, for a year and a half, but changes in engineering and an



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increased price hurt their marketability.

Through all of these re-brandings, Heffner continued to succeed, but the perfect marriage of brand and business was not found, or did not last. That changed in 1976.

When John Sr. turned down Toyota in 1969, local dealer Harold Schleuter had taken on the brand. But Schleuter let his friend, John Sr., know that he was moving on to General Motors (a brand that Schleuter's continues today). Toyota would be available.

John Heffner had learned from his mistake. "We've been Toyota ever since."

It was a winning combination from the get-go. In their first two months as a Toyota dealership – with re-branding alterations and staff training still underway –

Today, several expansions later (and the most recent, a new body shop, about to be completed), the business occupies 185,000 square feet on 21 acres.

they sold 29 new Toyotas. In the first full year, they sold 249 Toyotas.

Eventually, the Heffner family also owned and operated a Toyota dealership in Guelph; that enterprise was sold (not surprisingly, at a profit) in 1990.

New location

As is usually the case, growth meant change. In 1987, the same year the two Heffner sons became owners of the business (John Sr. continues to own Heffner Investments Limited, focuses on property ownership), Heffner's purchased 14.6 acres at 3131 King Street East, still the location of the Heffner Motors business.

John Sr. had spent two years looking for a property that would allow expansion of the burgeoning dealership. There were some restrictions – it had to be at least five kilometers away from the Waterloo Toyota dealership. He found 14.6 acres on King Street East, below Fairway Road.

There were some concerns. That was clearly too much property (they moved from just 1.6 acres, and John Sr. says "I didn't need that much,"), but Willy says they planned to sell some of it off. He adds, "We never thought in our lives we would need that much land." It was also

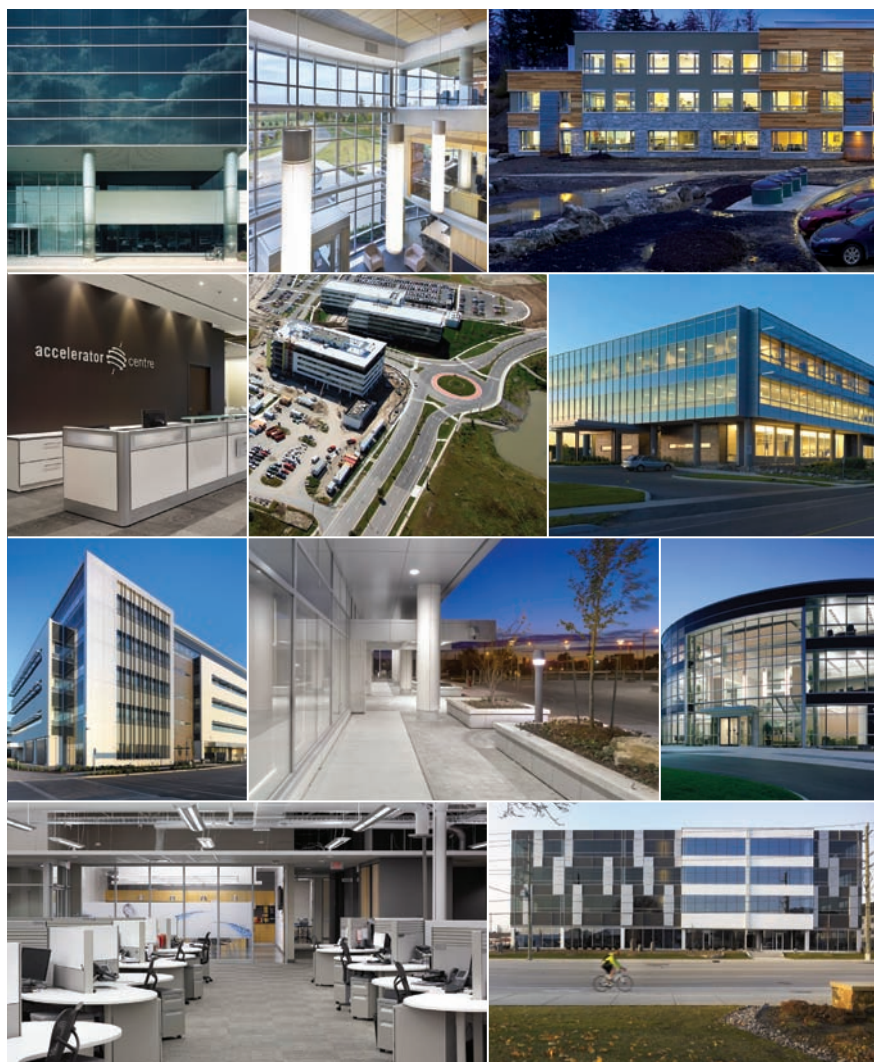
off the beaten track, and the brothers admit this worried them.

Turns out, they underestimated on most counts. They moved from a 1.6 acre property where they occupied a 12,000 square, building a new, 30,000 square feet dealership on 3.75 acres of their new property. But that was not the end of the story. Today, several expansions later (and the most recent, a new body shop, about to be completed), the business occupies 185,000 square feet on 21 acres (instead of selling off, they acquired a neighbouring property).

Expansion has been almost continu-

ous. They built their facility at 3131 King Street East in 1987. In 1990, they became one of the original Lexus dealers in Canada. In 2004, Heffner built a new used car sales building. The next year, they opened the new Toyota facility. In 2006, the new Lexus sales facility was constructed. This April, their new body shop will open.

And that, insist John Jr. and Willy, is about enough construction and renovation for a while! Although there will be some renovations to make room for a new Toyota brand – Scion – which comes to Heffner's in May. Far from being off the



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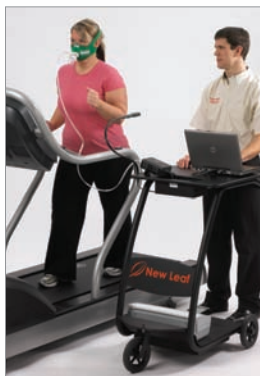
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FEATURE

beaten track, Heffner Motors has become a destination in its own right.

"Diametric opposites"

John Jr. and Willy now share the leadership of the business founded by their hard-working, immigrant father. It wasn't always clear that this would work well because, as John Jr. admits, "Willy and I are diametrically opposite." Willy agrees:

Toyota is expecting "a 7% to 8% increase" in sales, but Heffner Motors is aiming higher. "We're going for around a 12% increase."

"We have totally opposite skill sets." In fact, a key reason for buying the Guelph dealership was to create two businesses, one to be run by each brother. But in the long run, they realized their opposite skill sets were, in fact, complementary.

The company that started with a hole in a garage floor now employs 173 staff. They have sold more than 30,000 new vehicles. They have about 12,000 "active customers."

Members of the next generation have already had some involvement, as sons and sons in law of the current owners have worked in the business.

Says Willy, "We're a family business, and that's what we want to stay." In fact, the Heffner slogan is, "You're part of the family." With pride, John Jr. quotes a customer who says, "I don't buy a car, I buy a Heffner."

Community supporters

They're also very much a community business, one of the leading "good corporate citizens" in Kitchener-Waterloo. Anyone who walks into the Toyota building at Heffner's is greeted with an enormous banner listing 300 community charities and organizations that have been beneficiaries of Heffner's philanthropic efforts.

John Jr. and Willy are candid about their motives. They have opted to donate significant sums to the community both because it is good for the community, but also because it is good for their company.

Willy notes that it is bred in the bone – "Dad has always been a community supporter," he says, also pointing out that "the Red Cross helped him to come to Canada."

But he adds that getting involved at a high level in community philanthropy was more than a good-will decision – it

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was a business decision, too. "In the early 1990s, the three of us were talking," he says. "We realized that if we wanted to advertise ourselves to compete with GM, we didn't have the money." He suggests that the auto sales industry does "a ridiculous amount of advertising," so much so that for consumers, it becomes "white noise... almost invisible."

The option? "To take that advertising budget and invest it in the community." Adds John Jr, "you can take your money and advertise, or you give money to something that needs it... and you make a difference."

The Heffners realized that, as corporate donors, they could not be all things to all people, so they narrowed the field. They would donate only to community-based organizations; they would focus on organizations that help families and children, and that support the arts. Those causes are not unrelated, says Willy: "We're strong believes that culture plays a very large part in building the family."

And while the partners recognize that an image as a good corporate citizen has to be good for business. Says John, "When somebody asks for support, we never ask, 'What's in it for us.'" In fact, community donations are not limited by a specific budget – if it's a worthy cause, and money can be found, it is.

The Heffner facility includes a concrete example of their corporate community commitment – it is home to one of two Kitchener "Morning Glory Cafés", operated by Ray of Hope. These cafés – one at Heffner Motors, the second in downtown Kitchener at 256 King St. East – offer bakery products, breakfast and lunch. More importantly, they offer supervision, training, on-the-job experience, and counselling to young people

"We're Toyota"

The Heffners will discuss the recalls and other issues that hit Toyota hard of late, but they get quite passionate in their defence of their company. They clearly feel Toyota has been unfairly dealt with in the media. And they stand solidly behind their brand. John Jr. states, "We're Toyota. We think it offers the best value for the dollar." Willy calls their product "the best quality car."

And they are confident about their results in 2011. John Jr. told Exchange that Toyota is expecting "a 7% to 8% increase" in sales, but Heffner Motors is aiming higher. "We're going for around a 12% increase."

Given their track record over the last half-century, you would not be wise to bet again that prediction.



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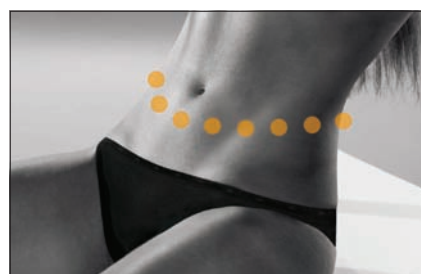
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THE ELUSIVENESS OF GOOD GOVERNANCE

Eleven questions to point you towards effectiveness

by JOHN T. DINNER



JOHN DINNER is president of John T. Dinner Board Governance Services (www.boardgovernance.ca). He can be reached at john@boardgovernance.ca.

The achievement of good governance is elusive, due to challenges that typically confront and often confound boards. These challenges tend to be somewhat common across organizations and typically relate to difficulties with sharing power, delegating authority

and group decision-making. These issues, in turn, are most often related directly to the extent to which trust and confidence exists between the various boardroom players.

Trust and confidence are the critical boardroom currencies needed above all else. These are as easily lost as they are difficult to create and sustain. They are achieved by leaders who hold to an ethic of service

and who are respectful of the intelligence and contributions that each individual brings to the work of the board.

Success in the boardroom depends on leaders who put principles ahead of politics, who put people ahead of self-interest and who consistently demonstrate trustful behaviour.

Many boards suffer from a lack of shared understanding by Directors and Management as to what governance is and how it is to be applied in the particular organizational context. Getting everyone on the same page is critical to mitigating the risks to trust and confidence that invariably result from conflicting expectations as to how the board should function.

While prevailing governance theory is generally easy to understand and embrace, the practical implementa-

Success in the boardroom depends on leaders who put principles ahead of politics, who put people ahead of self-interest and who consistently demonstrate trustful behaviour.

tion of that theory can be difficult. Any gap in understanding and/or expectations between Directors and Management is the fodder for dysfunction in the boardroom and less than effective oversight.

Directors need to guard against a reflex response to simply adopt governance best practices. Rather, boards need to take ownership for their performance by crafting a governance approach that addresses the organization's



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unique situation and needs. In doing so, an overriding goal is achieving broad ownership and commitment to the customized governance framework.

Trust and confidence are the critical boardroom currencies needed above all else.

A relevant starting point for crafting a powerful governance vision is for the Board, in partnership with Management, to explicitly address the following questions:

1. What fundamental purpose should the Board perform and what does this say about how governance should be defined for the organization?
2. What unique value and contribution does the Board make in fulfilling its purpose?
3. How will the Board ensure that its purpose is fulfilled and value/contribution is delivered?
4. For what decisions should the Board have 100 percent accountability?
5. How would the Board describe the ideal tenor and tone of its meetings its boardroom culture?
6. What are the key relational attributes that should exist between individual Board members?
7. How would Directors and the CEO define the ideal relationship between the Board and Management?
8. What other key relationships need to be identified and defined (e.g., owners and other stakeholders)?
9. What key issues or steps need to be addressed to ensure these relationships evolve as they have been defined?
10. What principles of governance do the answers to these questions presume?
11. With the above questions answered, what three-year vision will inspire the achievement of good governance and defines what the Board wants to become?

Identifying the principles with which a governance framework or regime will be supported is key to effective oversight. Instead of a restrictive governance model that may not be sufficiently flexible in an ever-changing environment, principles define the Boards values and should be identified in a way that takes into account the unique mandate and circumstances of the organization to ensure relevance and applicability. The goal is to gain co-ownership of and co-commitment by both the Board and Management. X

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CONSTRUCTIVE DISMISSAL IN DOWNTURNS

An employee who sued and stayed

by MELANIE REIST



MELANIE REIST is a civil litigation lawyer and a partner in the Kitchener firm of Charles Morrison & Melanie Reist.

The economic downturn has led many businesses to make difficult decisions in order to survive. Often these decisions lead to changes in the terms and conditions of individual employment arrangements, most notably, a reduction in salary or incentive based remuneration.

These changes can amount to what is called constructive dismissal.

A constructive dismissal occurs when an employer makes a unilateral change to the fundamental terms

In a recent Ontario Superior Court constructive dismissal decision, rather than resigning, the employee continued in his position while suing his employer.

and conditions of employment AND the changes are not condoned or accepted by the employee. The question often asked is, have the changes substantially altered the essential terms of an employee's conditions of employment.

This is an important question for an employer to consider before implementing changes which could lead to a claim by an employee of constructive dismissal.

Historically, when faced with a situation of constructive dismissal, an employee would indicate that he or she is not prepared to accept the changes, quit and sue for damages. The employer's defence to such a claim is that the employee voluntarily resigned; the changes in the terms and conditions of employment

are not fundamental and deny any liability.

In a recent Ontario Superior Court constructive dismissal decision, rather than resigning, the employee continued in his position while suing his employer. In *Russo v. Kerr Brothers Ltd.*, Russo sued his employer after a significant reduction was made in his compensation.

The employer, Kerr Brothers, is a manufacturer of candy products. It began to run into financial difficulty in early 2000. Russo was employed as the warehouse manager. In 2009, a new President, Fayez Zakaira arrived. Zakaira determined that the remuneration packages for all employees exceeded what was competitive in the market place and implemented a 10% reduction in salaries and dissolved the RRSP matching program. In addition, Zakaira reduced Russo's salary from \$85,000 annually to \$60,000 and discontinued his annual bonus of \$30,000.

At the time, Russo was in his 50's and had been employed with Kerr for 37 years. Russo never completed high school, and with the exception of on the job

training, had no other formal education or training.

Russo retained a lawyer who sent a letter to Zakaira advising that the reduction in salary and loss of the bonus amounted to constructive dismissal and that Russo did not accept or agree to the changes. Rather than quit, Russo remained employed and initiated a constructive dismissal action. Russo most likely pursued this rather unconventional course of action, recognizing that given his age and limited education, it may be difficult to find employment, and remaining employed, albeit at a reduced salary, was preferable to quitting and having no source of income.

As there was no real factual dispute between the parties, rather than wait for the matter to proceed to a trial, Russo moved for a legal determination of the

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issue and brought a motion for summary judgment.

He was successful. The motion judge found that through the lawyer's letter Russo had communicated two things:

- first, that the unilateral change in the terms and conditions of his employment constituted constructive dismissal; and
- second, that Russo did not consent to the alteration to his compensation plan.

Principles of constructive dismissal require the employee to make an election as to whether they are prepared to accept the changes introduced by the employer. According to the motions judge, once Russo had communicated his election to not accept the new terms, Kerr could have told Russo to leave the workplace [thereby ending employment triggering a legal obligation to provide notice or pay in lieu thereof] or kept the old terms and conditions in place and given reasonable notice of the future change. In this instance, Kerr did neither. It simply allowed Russo to remain in the workplace knowing that he took the position that he had been constructively dismissed and did not accept the new terms of employment. In the circumstances, the motions judge found that Kerr must be taken to have understood that Russo was remaining in the workplace, but not accepting any changed terms and conditions of employment.

The motions judge assessed a 22 month period of notice and awarded partial summary judgment in favour of Russo in the amount of \$82,000, representing the shortfall in his earnings from

The motions judge assessed
a 22 month period of notice and
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the date of the compensation reduction to the date the motion was heard.

As the Russo decision provides employees with an effective tool to obtain a quicker determination of constructive dismissal claims, it is important for employers who are considering making changes to get advice at the earliest opportunity to minimize the prospect of these types of proceedings. X

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TEN BEST PRACTICES IN TALENT MANAGEMENT FOR 2011

Gain a competitive advantage by leveraging your people

by MICHAEL SNYDERS



MICHAEL SNYDERS HCS/ CIM is a Senior Partner with Future Focus Inc., which provides consulting and education in talent development, leadership, and general HR practices; email: msniders@future-focus.ca.

When people ask me what I do for a living, I say "I assist organizations in developing their talent." I think I need a new elevator pitch because the typical response I get is "Oh, so you're a Head Hunter." As

Talent management is a strategy that enables you to effectively drive results and gain a competitive advantage leveraging your people.

2011 has begun and companies are well on their recovery path from the economic downturn, it's time to take a step back and reinforce all of the aspects of talent development beyond just recruitment.

Experts say that 70% of your company's value is based on the skills, experience, and performance of your workforce. Recruiting highly-qualified candidates is definitely an important aspect to the overall talent development, but your talent strategies shouldn't stop there. Getting the best from your people, identifying and retaining top performers, encouraging learning

and development, and keep employees engaged are all important aspects to ensure the best utilization of talent once you have brought them to your doorstep. Talent management is a strategy that enables you to effectively drive results and gain a competitive advantage leveraging your people.

Here are ten talent management best practices for 2011:

Plan ahead: One of the best things you can do is plan ahead before you recruit, by developing a workforce plan and staffing plan. These tools do not have to be complex or difficult, and can be designed to fit the uniqueness of your business/industry. Basically there are four ingredients essential to effectively planning ahead: A) identify your talent requirements going for-

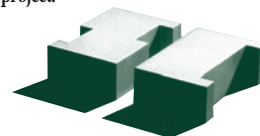
ward; B) identify the talent potential internally; C) identify the talent shortfall (difference between A and B); and D) plan for when/how any gaps will be filled. Planning ahead will save you significant dollars and ensure strong productivity when you need it most.

Gain insight into your workforce: On average, more than 70% of business costs are spent on your employees. Having concrete data like head count, turnover, cost per hire, revenue per full-time employee (FTE), performance metrics will help you make intelligent talent decisions. Additionally, it is imperative to



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know what your employees are thinking, and their level of engagement to their jobs and the organization. Performing annual or semi-annual Employee Surveys will provide invaluable insight.

Know your talent management strengths and challenges: Having your management team review the HR and talent management practices in your organization annually will help you to identify your best opportunities for attracting and retaining talented people. The diagnostics from the previous paragraph will help you to identify your talent brand and your priorities. When establishing your talent strategy priorities, focus on the top two or three each year so that you can manage attainable goals.

Build a leadership pipeline: Identifying, engaging, and retaining top performers and high potentials are all important activities to avoid business disruptions at critical positions and will increase your ability to retain your best talent. A succession plan is the key to building a leadership pipeline. Build a talent pool from internal and external sources by linking your recruiting and succession planning processes. Then implement a retention strategy for your top performers and offer actionable career development paths.

Recruit the right people: Being proactive and taking the time to hire the RIGHT people will pay dividends in the retention, productivity, and performance of employees. Identifying your recruitment needs in advance is imperative so that you are recruiting more than "warm bodies" on short notice. As well, your selection process should include three critical assessment criteria: cultural fit

(behaviours), expertise (competencies to succeed), and ability to develop for current position and future potential.

Extend your reach with social recruiting: How do you market your organization's product or service? Use the same principles when advertising for talent. Typically, people not actively looking for a job are the most desirable people you want for your organization. Post

Experts say that 70% of
your company's value is based
on the skills, experience, and
performance of your workforce.

open positions to major social media sites like LinkedIn and others so your organization gets in front of millions of high-quality passive job seekers with the right skills, experience, and certifications.

Get employees up to speed faster: After the time and investment you've spent to find and hire them, you want to ensure that those employees are engaged and feel valued. Ensuring that new employees are supported during their initiation can make all the difference in their sense of fitting in to your culture and feeling productive. Progressively training new hires will allow them time to absorb what they are learning and become productive sooner.

Align organizational goals to individual performance: To ensure that your workforce is performing at the highest level, you need to make sure that everyone is working on the right goals. If you haven't already, speak with someone

who works in talent strategy to learn more about implementing some of the following: objectives-based performance evaluations, performance scorecards, performance coaching, and other performance programs that are available. Having an effective performance management program will be valuable to the organization, leaders, and employees if applied effectively.

Implement ongoing learning: With ongoing learning, individuals not only build their desired career paths but your company also benefits when learning is aligned with organizational goals. Learning does not have to cost a lot of money either. The most effective learning comes from on-the-job training, peer/leader coaching, and involvement on special projects that stretch an individual's competencies.

Ensure talent is top-of-mind within your organization: Make sure a focus on talent is top of mind within your organization. Your organization's ability to adopt a strong talent strategy will succeed only if talent development is seen as a key strategic priority by everyone in your organization. This concept is behavioural in nature and must be demonstrated by the executive suite before it will be adopted by the rest of the organization.

Whether you are going from good-to-great in talent strategy or starting out with developing a new talent strategy, take a little time to reflect on what areas will have the most significant impact on talent attraction, retention, and engagement. Then focus your resources towards these priorities for 2011. Next year will be a brand new year to focus on the next set of talent priorities. X

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Paul Kuntz

PAUL KUNTZ, FORMER PRESIDENT and CEO of **Kitchener's Kuntz Electroplating**, passed away on December 29, 2010. Kuntz was a local legend for his role in maintaining a successful business in the face of the violent cycles in the automotive trade. Kuntz Electroplating supplies chrome-plated bumpers and wheels for the automotive industry.

One tribute to Kuntz, posted on line, referred to him as "an absolute gentleman, both in business and from a personal point of view.... we are all much better people for having known him."

In the nineteenth century, Paul Kuntz's great grandfather started the **Kuntz Brewery** in Waterloo. However, Paul was born in Detroit; his father, **Oscar Kuntz**, had

the incentives offered under the FIT program, long-term double-digit rates of return are typical. It's hard to match that anywhere else." The provincial program pays a substantial premium to the owner for power generated using qualifying solar systems.

Elmira's solar business has taken the company across Southwestern Ontario,



Brian Hendrick

from Windsor to Wellington County. Hendrick notes, "We're getting interest and requests for proposals from all across southern Ontario, and we have the resources to provide our products and services anywhere within two to three hours of Elmira."

OPENTEXT will bring content analytics capabilities to market for improved business productivity through an Intellectual Property licensing agreement with the **National Research Council of Canada**. The NRC innovations will be incorporated into OpenText's flagship Enterprise Content Management Suite, with the first version expected to be available by spring, 2011.

"OpenText is pleased to collaborate with the National Research Council of Canada to commercialize leading-edge technology that fundamentally brings more powerful content analytics capabilities to the enterprise," said **Eugene Roman**, Chief Technology Officer at OpenText.

Businesses and governments are increasingly engaging with workers, partners and customers across a range of electronic and social media to collaborate, find new ideas, measure sentiment, identify important trends and predict future outcomes based on content analytics. With added content analytics capabil-

BINGEMANS, OWNER AND OPERATOR of **Bingemans Big Splash**, the largest water park in Southwestern Ontario, has announced a major expansion in time for the summer 2011 season.

Bingemans is building five new giant water slides, which will give kids of all ages more high-speed thrills than ever before. "We're really excited about the new additions to Big Splash for the upcoming year. It continues to show our commitment to making Bingemans the premium destination for families in southern Ontario," says Bingemans President, **Mark Bingeman**.

ELMIRA STOVE WORKS, a company whose history spans 35 years of pioneering alternative energy products, is on its way to becoming a major player in Ontario's solar energy industry. In mid-2010 the company launched a new solar division, and contracts with commercial and agricultural customers are now being landed for upcoming installations.

Elmira Stove Works - Solar Division specializes in turnkey Photovoltaic Solar installations with sizes ranging from 10 to 500 kilowatts.

"For companies and farms that have suitable space available, investing in a roof or ground-mount solar system is a smart financial decision," says **Brian Hendrick**, Elmira's Vice-President. "With

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ities incorporated into the OpenText ECM Suite, businesses will gain more value from their content through improved data mining and analysis.

THE GUELPH & DISTRICT HUMAN RESOURCES PROFESSIONALS ASSOCIATION has recognized The Ontario **Ministry of Agriculture, Food, and Rural Affairs** as the **2011 Employer of Distinction**. The awards recognize local companies for being outstanding employers who shape organizational excellence and raise awareness of the Human Resources Profession through their organizations' success.

GUELPH HYDRO INC. and **Dalkia Canada** have signed an agreement in principle to develop three combined heat and power /district energy projects that have the potential to bring 28 megawatts of clean, efficient, local power generation to the **City of Guelph** and provide momentum for the City of Guelph's Community Energy Initiative.

When electricity is generated at large, centralized power stations, about 60% of the primary energy in fuel is wasted as heat that is generally exhausted to the atmosphere. By generating electricity in unobtrusive, combined heat and power plants in urban centres, heat that would otherwise be wasted can be harnessed and distributed to buildings as hot water or steam through underground district heating pipes. In the summer, using absorption chillers, cool water can be fed through the underground pipes for district cooling.

The three combined heat and power projects, which include the New Hanlon

Business Park and two other sites currently under negotiation, will be developed jointly and submitted under the Ontario Power Authority's Clean Energy Standard Offer Program.

DESIRE2LEARN INCORPORATED, a provider of mission-critical enterprise learning solutions, is the recipient of funding from **Ontario's Ministry of Economic Development and Trade**. Desire2Learn will receive a grant of \$4.25 million from the province of Ontario as part of the company's investment of more than \$28 million. Twenty-one new jobs will be created at Desire2Learn and an additional 33 existing jobs will be sustained.

COM DEV INTERNATIONAL LTD. has been awarded a contract valued in excess of US\$9 million to provide equipment for a military communications satellite.

Combined with pre-production work already completed, the total value of the company's work on this satellite will exceed US\$12 million. COM DEV will provide beam select subsystems and switch assemblies for the satellite. Work on the contract will be carried out at the company's facility in Cambridge, Ontario with completion expected by end of its 2013 fiscal year.

ROBERTSON SIMMONS ARCHITECT INC. (RSai) has opened a satellite office in Kitchener at The Regis Centre (corner of King and Ontario). The new space supports the firm's pursuit of the healthcare sector and the growth of its interior design group.

"We are pleased that **Doug McIntosh** and **Rosemary Ratkaj** have joined our team at this new office," said **Laird Robertson**, Partner.

As New Business Development Manager, McIntosh will play a key role in advancing the firm's business within the healthcare industry. With over 20 years of architectural experience, in addition to being LEED accredited and an OAA Licensed Technologist, he is well-versed in this sector, particularly through his work on projects such as **K-W Counselling, the Kitchener Downtown Community Health Centre, Luther Village on the Park, Langs Farm Village Association, and the Sunnyside Housing** project.

Registered Interior Designer, Rosemary Ratkaj, will be working on key fit-up projects for the firm, as well as continuing to

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grow RSai's interior design group. In addition to being a LEED accredited professional and having degrees in Environmental Studies and Architecture, Rosemary's 12 years of experience, primarily in corporate office design in Toronto with clients such as **Stantec, Transcontinental, and McCarthy Tetrault**, will be an invaluable mix to lead the charge.

THE WATERLOO REGION HOME BUILDERS ASSOCIATION

announced at the 2010 Annual Awards of Distinction that **Jamie Adam** is the 2010 Builder Member of the Year. Adam is President of **Pioneer Craftsmen Ltd.** A release said, "Jamie is a cornerstone for WRHBA staff who can call upon him at any time for his assistance and insights on myriad issues. When acting on the Association's behalf at face to face meetings with local MPs and MPPs, he is always well prepared and well versed in all matters

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pertaining to government relations."

Recently, Adam was one of the driving forces behind the Association's adoption of the **Renomark** program, and the newly forged partnership with Conestoga College. This led to the development of **WRHBA's Student Ambassador** program and **WRHBA's Renovation Month** last October, which featured the first-ever



Stephanie Edwards of RBC present award to Jamie Adam

Go With A Pro Renovation Seminar, a free seminar geared to educating homeowners on how to have a successful renovation. Adam is also a member of the OHBA's Board of Directors, a member of the WRHBA's Board of Directors, and is currently WRHBA First Vice President.

THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION awarded over \$1.8 million in grants during 2010 to support non profit and charitable organizations in Kitchener-Waterloo and area.

"Our non profit community has felt the

pinch of lower charitable giving numbers," says **Rosemary Smith**, CEO of The KWCF. "In addition, they have struggled over the past two years with leaner budgets, increased needs, and decreased funding."

NAPA CANADA HAS ANNOUNCED that **Columbia Auto Service** in Waterloo has won the prestigious Napa Autopro Leadership Award for the second time. The award was presented to **Jim and Laurie Voigt** of Columbia Auto Service. The Leadership Award recognizes excellence in customer service and business management.

SKILLS CANADA-ONTARIO will hold its annual Celebration Gala at St. George Hall in Waterloo, on March 4, 2011. Proceeds from the evening support the **Skills Canada-Ontario Bursary**, which provides financial assistance to 65 student competitors when they travel to nationals in Quebec City in June.

The Gala Evening also honours the late **Klaus Woerner**, President and CEO of **ATS Automation Tooling Systems Inc.** As a tribute, Skills Canada-Ontario presents the **Klaus Woerner Skilled Trades Hall of Fame Award** annually to recognize people who have made significant contributions to the advancement of skilled trades and technologies.

Registration is \$150 per person, \$250 per couple, or \$1,000 for a group of eight. For more info and to register, www.skillsontario.com.

THE CO-OPERATORS RAISED \$721,016 for United Way chapters across Canada, setting a new fundraising record for the group of companies. Creative fundraising campaigns in offices throughout the country yielded \$391,492 in personal donations from staff members and **The Co-operators Foundation** provided \$50 on behalf of each employee for a total corporate contribution of \$329,524.

The largest campaign, due to significant number of employees, was held in Guelph, home to the head offices of Co-operators General Insurance Company and The Co-operators Group Limited. Staff members there raised \$167,703.

JANE MITCHELL, a member of **Waterloo Regional Council** from the City of Waterloo, has been elected chair of the **Grand River Conservation Authority**.

GORE MUTUAL, TOGETHER WITH THEIR FOUNDATION, has supported over 125 organizations across Canada, with over \$470,000 in donations. "We are proud of our Canadian heritage and the role we play in all the communities where we do business," said **Kevin McNeil**, President and CEO, Gore Mutual.

UNIGLOBE DONALDSON TRAVEL of Cambridge was awarded "Agency of the Year" at the annual UNIGLOBE Travel Eastern Canada Regional Conference.

SCHLEGEL HEALTH CARE INC., and its affiliates now own 1,924,564 shares of **The Homewood Corporation** or approximately 96.2% of the outstanding shares of Homewood. Homewood planned to convene a shareholders' meeting of Homewood to enable Schlegel Health Care to acquire the remainder of the shares not tendered to the Offer. With the completed purchase of all shares, the total purchase price will be \$136-million for Homewood including all of its subsidiaries.

"We are truly excited about joining with the Homewood group of companies and continuing the tradition of excellence in improving the lives of Canadians," said **Dr. Ron Schlegel**, Chairman of **RBJ Schlegel Holdings Inc.**

THE REGION OF WATERLOO ARTS FUND has awarded grants totalling \$113,350 to 21 artists and arts organizations. Recipients include **MT Space**, **Chesnut Hall Camerata**, **Pat the Dog Playwright Centre**, **New Hamburg Live! Festival of the Arts**, **The New Quarterly**, and **Nota Bene Period Orchestra**.



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not doing it. Just maintaining the status quo would require building an additional 500 lane/kilometers of roads. That's 25 Hespeler Roads," he notes.

He adds, "We just can't do that. We need to do something very different than what we've done in the past." Enhanced pedestrian walkways and cycling paths are also part of the transportation plan to help get people out of cars. A rapid transit system is also crucial to increasing

gration is making our population increasingly ethnically diverse," Murray noted. "Businesses able to take advantage of that diversity will have a competitive edge."

Arts and culture also play an important role in creating the kind of community people want to live in as well as generating economic opportunity. Murray noted that the Creative Enterprise Enabling Organization chaired by Roger Farwell (see Exchange Nov/Dec 2010) plays an

Murray observed that the corporate values noted earlier cannot be imposed on employees. They have to come to own them personally and they must be reinforced daily through the workplace culture. No small task. Seeing the values modeled by the leadership team helps to do that.

Murray's political masters have great faith in his ability and commitment. "We are lucky to have a person like Mike Murray as our CAO," said Regional Chair Ken

"We are lucky to have a person like Mike Murray as our CAO,"
said Regional Chair Ken Seiling... "Calm, competent, but strong in his work, he is one of the reasons that this Region stays on the leading edge."

density and reducing urban sprawl, according to Murray.

A comprehensive transit system includes inter-city transit too, Murray emphasized. GO train service to enhance our connection to the Greater Toronto Area (GTA) is crucial. "It needs to go both ways. We have people from outside our region coming here daily to work," he noted.

An aging population and increased immigration present challenges and opportunities to our quality of life. "Immi-

important role in encouraging the development of our creative sector.

In addition to these formidable community-building challenges, Murray is also responsible for the internal leadership of the Region's staff. As the CAO of an organization with 3000 employees, it is his job to keep everyone pulling in the same direction, to implement the Region's mission. The mission statement is: "The Region of Waterloo provides innovative leadership and services essential to creating an inclusive, thriving and sustainable community."

Seiling. "He has a well-earned reputation, not only in the community but in Provincial circles. Calm, competent, but strong in his work, he is one of the reasons that this Region stays on the leading edge."

Regional Councillor Jim Wideman, who has worked closely with Murray for many years added, "Mike is an exceptional leader. He is visionary, he consults, but more importantly, he listens. Everything Mike does he does with professionalism and a great deal of enthusiasm and passion." X

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CREATING A CLIMATE FOR SUCCESS

Region of Waterloo CAO Mike Murray is driven by values of services, collaboration and innovation

by BRIAN HUNSBERGER

By 2030 the population of Waterloo Region is projected to reach nearly 750,000. To accommodate that growth the primary job of municipal governments, according to the Region of Waterloo's Chief Administrative Officer Mike Murray, is to "provide the founda-

tion – including the physical infrastructure and quality of life – that an innovative private sector can build on to create an inclusive, prosperous community."

He describes this as "creating a climate for success."

The ways by which we can create that climate collectively must be underpinned by values such as service, integrity, respect, innovation and collaboration. These are the values formally adopted by Murray's employer, the Region of Waterloo. They are also ones to which he personally subscribes.

Murray and his wife Frances both grew up and were

educated in Toronto. After Mike completed his Master's degree in Environmental Engineering at the University of Toronto, they decided to seek adventure further afield and moved to Inuvik, Northwest Territories where Mike worked as an engineer for a consulting company.

His job there involved installing water supply and wastewater treatment facilities in aboriginal communities. He recalled that this experience taught him to think outside the box and question assumptions, because a lot of the usual rules did not apply.

Mike and Frances moved to Winnipeg in the late 1980s. "After living in Inuvik, winters in Winnipeg weren't so bad," Murray joked. They enjoyed the city but when their two children were born, being closer to family in Toronto became a priority.

They decided to move back to southern Ontario and were seeking a city close to Toronto that had economic opportunities, a strong sense of community, educational institutions and outdoor recreational facilities. Mike and Frances are both outdoor enthusiasts. Their research drew them to Waterloo Region.

In 1992 Murray was hired as Manager of Engineering and Planning in Water Services for the Region of Waterloo. As fate would have it, a number of water contamination issues in Elmira and Kitchener were front and centre at the time. "I didn't know what I was getting into," Murray admitted. "It was an interesting time."

Looking back, he takes pride in providing leadership to develop a Ground Water Protection Strategy that he says "became a model for source water protection in Ontario." In 1995 he became Director of Water Services and helped develop a long-term water supply strategy that he feels is quite balanced. "A Great Lakes pipeline may eventually be required 25-30 years hence, but perhaps not, depending on how growth and consumption are managed," he said.

In 1999 he was appointed Commissioner of Transportation and Environmental Services. Overseeing the establishment of Grand River Transit was a major part of this job. It immediately doubled the size of his department.

When Gerry Thompson retired in 2004, Murray was appointed Chief Administrative Officer, the position he has held for the past six years. "This is the longest time I've ever worked at one job," he smiled. His enthusi-

"A Great Lakes pipeline may eventually be required 25-30 years hence, but perhaps not, depending on how growth and consumption are managed."

asm clearly demonstrates it is a job he loves.

When asked about the challenges facing Waterloo Region in the future, Murray's response was, "managing growth. How do we grow and enhance the quality of life at the same time?"

The issue at the top of the list to accommodate growth, in Murray's opinion, is transportation. He is a strong proponent of the Region's proposed Light Rail Transit (LRT) system. It came under fire in the 2010 municipal election campaign. In evaluating the cost, Murray argues that "We must also consider the cost of

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