

REPORT ON BUSINESS

HOW YEARS
OF STRATEGIC
MISSTEPS
COST CANADA
A CORPORATE
CHAMPION

WHO KILLED ENCANA?



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› Daniel Habashi, general manager in Canada for online sensation TikTok
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Small business owners really need to master digital platforms; the fate of calls from unknown numbers; and if you want to buy happiness, spend money on your pet

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Feminine-sounding brand names make consumers feel much warmer than masculine ones do

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Even after laws and feel-good initiatives, employers can still get better at hiring and retaining people with physical or psychiatric disabilities

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Online office celebrations require ingenuity, but some tricks from the real world still work, like partying at lunchtime or happy hour

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The Toronto Blue Jays still aren't allowed to play in Canada, but team president Mark Shapiro is pulling out all the stops to maintain hometown fan fever and build a real contender

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David Picton co-founded his own investment firm to use hedge fund strategies cautiously in up and down markets. But they also produce eye-popping returns some years

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Dot Health founder and CEO Huda Idrees wanted to give consumers direct access to their health records. Under COVID-19, hospitals and other institutions are lining up too

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CANADA'S BEST EXECUTIVES

Just below the CEO in any great business is a C-suite team that's also firing on all cylinders. Meet 50 all-stars who help lift their organizations' game up several notches.

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TOK OF THE TOWN

TikTok is now a global corporate juggernaut, but tech and social media whiz Daniel Habashi, its general manager for Canada, is trying to keep things focused on fun.

/By Stacy Lee Kong

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THE MYSTERIOUS CASE OF ENCANA

How did the top oil and gas company in Canada—a true national champion—lose its way and then pack up and leave for Denver? How indeed. /By Tim Kiladze and Jeffrey Jones

/By Jeffrey Jones

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VISIONARY

CEO Antoine Amiel would like to see hot Montreal eyeglass maker New Look Vision rise to No. 2 in the world. Some very large investors are giving him a shot.

/By Nicolas Van Praet



Unsung heroes

“Apple unveiled the first iPod at a press event in a modest theatre housed in its headquarters on Oct. 23, 2001. The music player was a revolutionary product, crafted to meet the high standards of the company’s chief executive. Steve Jobs had pushed his team to produce a device that looked cool while being both easy to use and small enough to fit in your pocket. But the iPod wouldn’t have been a success if not for the efforts of Tim Cook, then the senior vice-president of operations. It was Cook’s job to build a supply chain that enabled Apple to produce more units at a faster pace than it ever had before. Cook “quickened the company’s metabolism,” as journalists Brent Schlender and Rick Tetzeli put it in their Jobs biography. That unsexy work made possible the iPhone, iPad and Apple Watch—and on it goes.

Cook became Apple’s chief operating officer in 2005 and then its CEO six years later, shortly before Jobs’s death. The two men had very different strengths, making it easy to see how the meticulous, even-keeled COO balanced the visionary, mercurial Jobs. And Cook was not alone in supporting his boss. While Apple’s founder is often portrayed as a solo act, the company’s later success, in particular, depended on a team of exceptional executives.

We launched the Best Executive Awards last year to celebrate business leaders who don’t yet occupy the corner office. These individuals—C-level executives, plus executive and senior vice-presidents—were nominated by their colleagues and then evaluated by members of our team based on their accomplishments and leadership abilities. To ensure our final list reflected the many talents needed to run a thriving organization, we chose 10 honourees in each of five functional areas: finance, human resources, operations, sales and marketing, and technology.

These individuals all excel in their own fields, but I was also struck by how many of them were praised by their peers for adjusting to fit the moment. Some have become champions of diversity and inclusion; others are mentors to colleagues outside their department. Their efforts—like Cook’s on the iPod—are often low-profile and unsung. We’re here to change that.

/James Cowan

A NOTE TO READERS: Our March issue featured our Changemakers Award for emerging business leaders. After publication, we learned an honouree did not meet our criteria for inclusion. We have removed their name from the online version of this list.

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Once more, with feeling

A few months ago, we invited executives from our list of Canada's Top Growing Companies to offer insights into how the pandemic permanently changed their businesses. The answers keep coming. Here, a few more of their responses.

NITIN JAIN

PRESIDENT, GJG INTERNATIONAL
Produces custom parts for original equipment manufacturers

› In this past year, we made the decision to permanently work remotely. We work with companies globally, so we have ensured our systems allow remote access for staff. When COVID-19 forced us to work from home, we adapted quickly. But in keeping employees safe from COVID-19, we realized that remote working is more efficient. The obvious benefits were the elimination of office costs and commute time. But the intangible

benefit is increased productivity. Distractions and interruptions are reduced, with staff consolidating issues for discussion at meetings. And communication with our team in India has been improved significantly as they now join weekly video meetings. In fact, our future hiring is now unrestricted by proximity to an office.

JENNIFER FARNELL

CO-FOUNDER, EIGHT OUNCE COFFEE
Sources, imports, distributes and retails specialty coffee equipment

› When the pandemic first hit, and our most loyal customers (Cafes and

coffee roasters) were forced to close their doors, we quickly became their customers and started selling their coffee on our busy online coffee equipment store. Within days, we were able to offer them a lifeline and a way to generate income. We had never sold coffee beans on our site before, but we now have Canada's largest selection of specialty coffee beans, and it's our fastest-growing category.

SOUROV DE

MANAGING PARTNER,
STRIVE DIGITAL MARKETING
Offers digital marketing services for businesses

› In-person meetings are overrated. They involve travel time, costs and are just inefficient. Not to mention, it limits our customer base. If our clients are accepting of video meetings, it will open us up to bigger client opportunities, especially in the U.S.

Who's Managing Your Money?

It's a fair question in a world run by algorithms.
Where software edits the news, runs the stores and drives the cars.
Indeed, our own investment team is now assisted by artificial intelligence.
But one thing is clear:
From the Tech Bubble to the Financial Crisis to the Global Pandemic...
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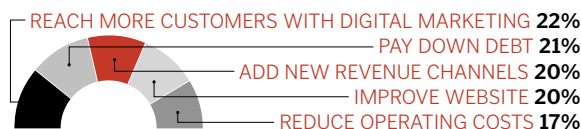
TL;DR

SMALL BUSINESSES WANT TO OWN YOUR FEED

3

Mastering marketing on Facebook, Instagram, Google and other digital platforms is the top priority in 2021 for business owners, according to a survey by the Canadian Federation of Independent Business.

BUSINESS PLANS 2021



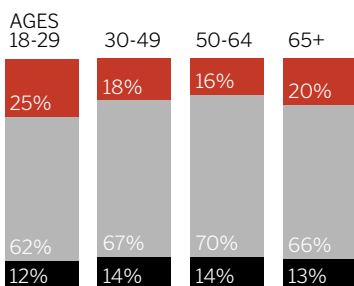
1

Consumers let it go to voicemail

A Pew Research Center poll found a majority of Americans won't answer a call from an unknown number.

WHEN AN UNKNOWN NUMBER CALLS...

- PICK UP
- CHECK VOICEMAIL
- DON'T CHECK VOICEMAIL



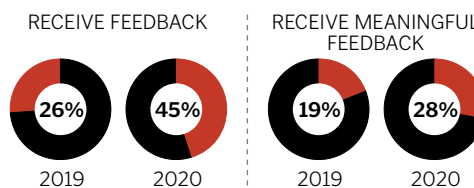
2

BANKERS' HOURS ARE BRUTAL

Average bedtime for first-year analysts at Goldman Sachs, according to an internal survey: **3 A.M.**

Workers are getting better feedback

A Gallup poll found more workers now receive assessments from their managers at least a few times a week.



4

5 Men are now less likely to mentor female colleagues

"Male managers are significantly less likely than female managers to mentor or interact one-on-one with female employees. The implication is that female employees may face a mentoring disadvantage in the wake of #MeToo. The adverse effects for career growth could be profound." —Michael T. French et al., Applied Economics

6

PETS ARE AN INVESTMENT IN HAPPINESS

"A field study demonstrated that pet owners who were randomly assigned to spend \$5 on their pet reported greater happiness than those who were assigned to spend on themselves or another person—an effect specific to feelings of happiness rather than to mood more generally."

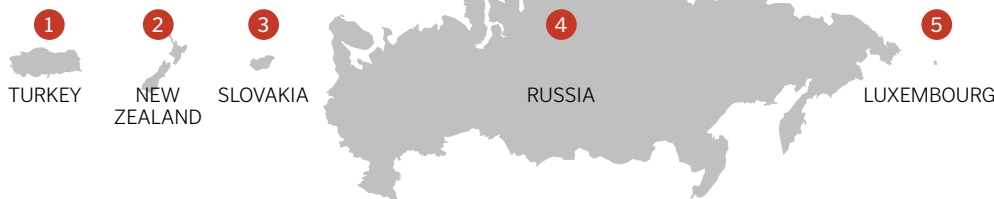
—Michael W. White et al., The Journal of Positive Psychology

7

Ankara's housing market is on fire

Canada placed 11th on the Global House Price Index prepared by Knight Frank, which tracks year-over-year percentage change.

THE TOP FIVE





Congratulations

Congratulations to Report on Business Best Executive Award 2021 winner Jennifer Jackson for your outstanding work in Technology.

We thank you for your dedication to driving resiliency, supporting inclusion and diversity, and for making mentorship at Accenture Canada a continued success.



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What's in a name?

Stereotype-fuelled unconscious biases can drive consumers to prefer brands that sound a certain way

In a recent study, university students were given the option to take home either a bottle of hand sanitizer or a small amount of cash. (It's worth noting this exercise took place before COVID-19.) The sanitizer was labelled with two made-up brands. The bottles read either Nimilia or Nimeld—that is, names with linguistic characteristics that were either feminine or masculine. For the 150 subjects, Nimilia proved

the most popular option. The cash incentive was next. Nimeld came decidedly last.

It turns out that, when all else is equal, feminine brand names have an advantage in the marketplace, thanks to a stereotype-fuelled unconscious bias, according to a series of studies from researchers at the universities of Calgary, Montana, HEC Paris and Cincinnati. Research shows that people associate femininity with warmth. That, in turn, makes a connection to related traits like sincerity, trustworthiness and good-naturedness. “A brand with no inherent gender can be imbued with masculine or feminine stereotype traits (like warmth) via its name—which managers can leverage to influ-

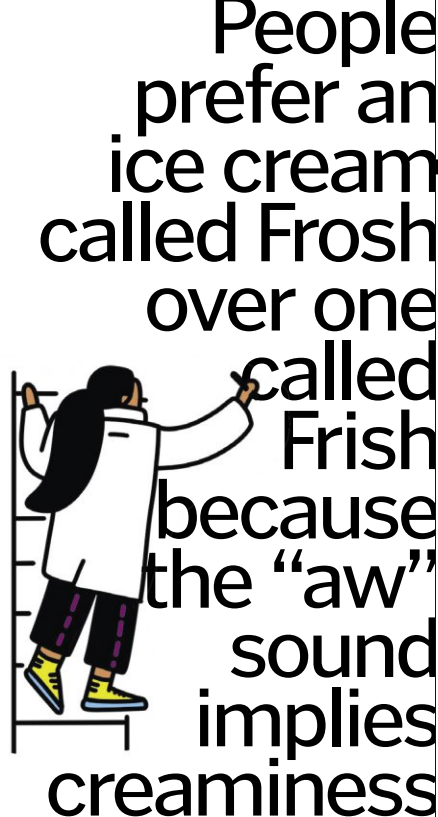
ence brand outcomes,” conclude the researchers, who published their findings in the *Journal of Marketing*.

A name’s linguistic gender isn’t always obvious. It is conveyed unconsciously through a word’s length, sounds and stress. Feminine names tend to be longer, end in a vowel and stress second or later syllables. Nike, Ikea and Coca-Cola are all linguistically feminine—and according to this research, all benefit from the same halo effect.

The researchers started by analyzing the Best Global Brands list published by Interbrand, an international consulting company, which ascertains value using a mix of financial metrics and consumer loyalty. Going through 20 years of data, the academics found that top-ranked brands—including the aforementioned giants and others, like Honda and BMW—are about one and a half times more likely to have linguistically feminine names. Moreover, a company’s Interbrand rank was more closely tied to name gender than the number of years it had been in business. Four subsequent studies measured subjects’ reactions to brand names in a lab setting; these trials supported the theory that feminine labels meant increased brand loyalty for everything from hand sanitizer to YouTube channels.

Our brains have evolved to prioritize warmth above all else when making snap decisions, according to work by social psychologist Susan Fiske. Think of early Homo sapiens encountering strangers on the savannah. A fast assessment of warmth—do they mean well or are they angling for a fight?—would distinguish friend from foe. (The next most important judgment is competence; if a stranger isn’t warm, we have to figure out how much of a threat they pose.)

Other studies have considered how to use unconscious metaphorical associations to make brands more desirable. One study found that people preferred an ice cream called Frosh over one called Frish because the “aw” sound implies creaminess. Research out of the University of Alberta found names with phonetic repetition, like Tutti Frutti, create a positive emotional response. Another from HEC Paris—written by L.J. Shrum and Tina Lowrey, two of the co-authors of the current study—found that people prefer names with vowels made with the front of the tongue raised to the roof of your mouth, like the



“i” in pip) for two-seater convertibles and those with back vowels (shaped with the back of the tongue toward the soft palate, like the “o” in pop) for SUVs. The former sounds are thought to be associated with concepts like “fast” and “small,” and the latter with “large” and “soft.”

Importantly, all of the above effects are rooted in how we make unconscious connections. “There seems to be an automatic process of association between a name and the warmth attribute; that is, people don’t seem to be aware of the gender associations a name brings up. And that gives brands a lot of flexibility,” says Ruth Pogacar, assistant professor at the University of Calgary’s Haskayne School of Business. In other words, Nike can brand itself as a leader in a unisex product like sneakers while still benefiting from the warmth of a linguistically feminine name.

But the halo effect conferred by a feminine name is neutralized when a product is primarily used by men or is strictly utilitarian, like bathroom scales and batteries. The researchers suspect the warmth response is emotional and that judgments about the latter product categories may be more cognitively driven.

It’s worth noting the feminine effect applies primarily to made-up words. The meanings of real ones blur the effects of their linguistic gender. And of course, in the real-world marketplace, a host of other factors play into a brand’s image. Therefore, it’s probably not worth changing the name of an existing product to a more linguistically feminine one. “These effects occur where the brand name is unknown, so you’d use these principles when you’re first trying to develop a brand name,” says Shrum. And since the research is based on English linguistic conventions—and cultural stereotypes around gender observed in North America—the effect wouldn’t necessarily hold true everywhere.

A name obviously isn’t the sole determinant of success. “Even bad brand names can build traction and become beloved for many other factors,” says Shrum. Consider Smucker’s, the jam and jelly maker. Its marketers seemed to intuit the brand’s challenging name and opted to lean in, giving us the famous slogan: “With a name like Smucker’s, it has to be good.” Still, for fledgling firms looking to make a name for themselves, the linguistic details are certainly worth considering. Avoiding words that rhyme with “yuck” is probably a good place to start.

/Liza Agrba

UGLY? DELICIOUS

› Five years ago, Loblaws launched a line of “Naturally Imperfect” fruits and vegetables, joining other grocers in trying to reduce food waste by selling consumers on ugly produce. A new study from the University of British Columbia’s Sauder School of Business suggests this is savvy marketing. Researchers found that consumers normally view imperfect produce as not only unpleasing to the eye, but also less tasty and nutritious. But that assumption can be overcome, simply through labelling the product as “ugly.” By admitting an apple or carrot isn’t beautiful to behold, it signals to shoppers that the imperfection is merely skin deep.



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The last year has shown more than ever the importance of strong **leadership** and a strong **culture**.

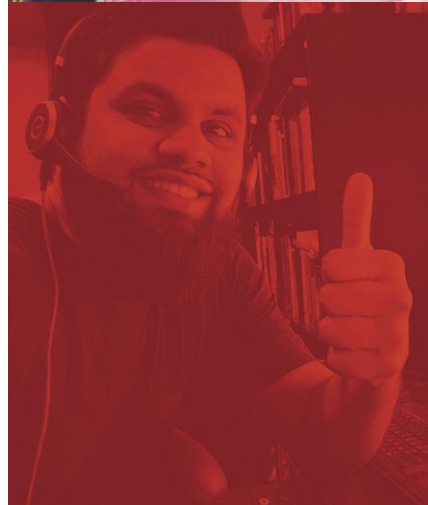
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BIG IDEA

Reuniting with the flock

New research highlights the challenges faced by employees returning after a medical leave. Lessons from the pandemic might improve the process

A

s someone with a congenital spinal disorder and chronic pain, Jewelles Smith, a PhD candidate in B.C., knows all about the obstacle-strewn world of workplaces and the halting ways in which managers respond to employees with disabilities. There are the stigmas, the poorly planned responses to accommodation requests and the unspoken pressure to show up for work even on the bad days filled with discomfort.

So for Smith, the year of working from home spurred by COVID-19 has been, as she puts it, “amazing.” Like most disabled people, her living space is set up well for her particular needs, so the pandemic has brought greater productivity, less disruption and an abrupt end to employers’ long-standing reluctance to grant work-from-home requests. “I hear this across the board,” says Smith, who is the spokesperson and chair of the Council of Canadians with Disabilities. She often relies on voice-to-text software, which doesn’t work well in open-concept offices. “People with disabilities,” Smith stresses, “know what they need.”

Despite almost two decades of accessibility laws and their enforcement by human rights tribunals, many Canadian workplaces still don’t do especially well in hiring or retaining people with disabilities. For this group the employment rate is about 49%, compared to 79% for the general population. Yet advocates like Smith hope the pandemic has been a societal wake-up call on chronic workplace issues ranging from mental health stigmas to allowing telework to “presenteeism,” the once accepted but now epidemiologically scorned practice of getting sick but showing up at the office anyway. Others say elevated levels of pandemic-related depression and



anxiety are triggering a wave of requests for stress leave, despite work-from-home arrangements.

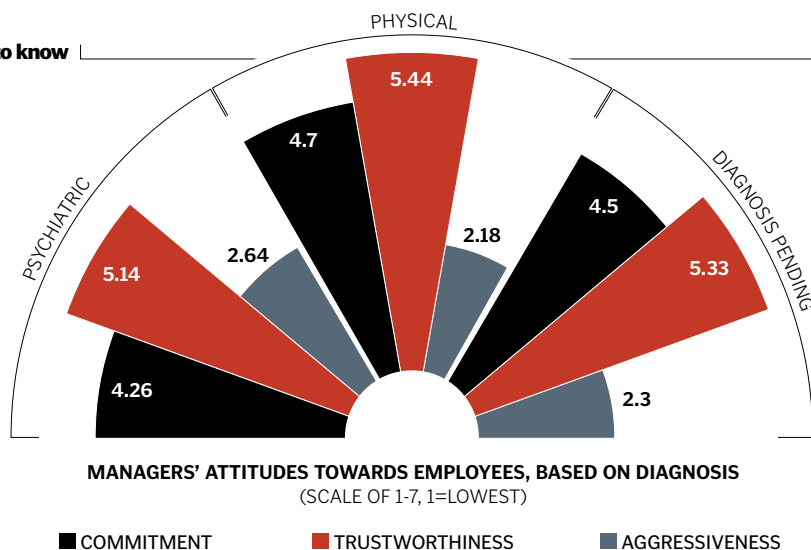
“I absolutely know businesses that are more inclusive are better businesses. COVID has brought that to light,” says lawyer Ken Fredeen, Deloitte Canada’s senior partner of accessibility and the former chair of a 2012 federal panel on disability in the private sector.

Based on his years of experience in this space, Fredeen concedes that it’s still not so easy to walk the talk. “It’s complicated and, to be honest, most organizations struggle with it.”

New research from the University of Calgary and Queen’s University, though conducted before COVID-19, offers some important insights into the ways in which managers and companies are dealing with physically and psychologically disabled employees.

The study, led by PhD candidate Zhanna Lyubykh and Nick Turner, distinguished research chair in advanced business at the Haskayne School of Business, focuses on employee disability disclosure and managerial prejudices in the context of “return to work”—both highly topical subjects as Canadians begin to trickle back into offices.

Their research, based on interviews with 240 managers, found that employees with physical disabilities tend to fare better than those with psychiatric illnesses, who still tend to face increased



skepticism, ostracism and doubts about their commitment to the workplace. "People aren't necessarily looking for an opportunity to discriminate," says Lyubykh. Rather, adds Turner, managers bring implicit biases into those relationships, and the result is that employees dealing with mental health issues may get passed over for promotions, denied participation in interesting projects and so on. "Over time," Lyubykh says, "those things add up."

Donna Ferguson, a clinical psychologist at the Centre for Addiction and Mental Health who specializes in work stress, says employees returning after a leave related to a condition such as stress or depression often face strained relationships with their managers or co-workers. "If the manager doesn't foster a healthy relationship in the workforce, then the hoped-for prognosis for getting back to work is going to be guarded to poor."

One way of mitigating negative responses and smoothing the transition, according to Lyubykh and Turner, is to limit the medical information shared with managers. Their surveys showed that managers dealing with employees who have psychiatric disorders worry about danger and disruption. If, however, the medical information provided to the employer only states that a diagnosis is "pending," managers tend to treat the individual no differently than they would

a worker with physical disabilities. Yet despite the benefits of this workaround, the practice of withholding some medical data is legally ambiguous.

Fredeen points out that many people won't disclose their mental health problems out of a fear of being stigmatized and instead try to soldier on. In his view, companies that want to ensure genuine accessibility must put in place policies that don't depend solely on the presence of compassionate managers or even a high-EQ CEO, although enlightened leadership is crucial. "It has to be a system," he says. "It can't be based on a champion."

The ingredients include ongoing training and education, accessible office design, flexible accommodation policies, generous employee assistance plans and intentional recruitment efforts designed to find and hire people with disabilities. "Accommodation is not going to cost as much as you think," says Smith. Indeed, as the number of disabled employees in an organiza-

tion grows, so will the awareness of managers and co-workers, predicts Lyubykh. "We'll see some positive differences in how people acknowledge those things."

It's entirely possible the post-pandemic workplace may become more empathetic; employers will almost certainly be more receptive to work-from-home accommodation requests than they were before COVID-19. "There's already been a change," says Ferguson. But Fredeen offers a caution: Firms shouldn't inadvertently isolate their disabled employees at home and shirk the responsibility of ensuring an integrated workplace.

Ferguson and Fredeen both note that while companies are legally obligated to remove obstacles, there's an equally compelling business case to be made for providing a barrier-free work environment: It reduces workplace disability claims, but also creates opportunities to draw on the untapped talents of highly capable people who've been shunted to the margins of the labour force, either for logistical reasons or due to bullying and prejudice.

Perhaps the world of work has changed since March 2020. Smith, who describes herself as "forever hopeful and optimistic," argues that employers should use the lessons of the pandemic to make the changes disabled individuals have long sought, such as reframing work around deliverables instead of clocking a nine-to-five day in a specific place. "The main point," she says, "is that we need to keep talking about it."

/John Lorinc

Big Idea is produced with the support of our advisory panel



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Haskayne School of Business

Stephane Massinon, Director, Public
Relations; Haskayne School of Business



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SCHOOL OF BUSINESS

Queen's
University

Yolande Chan, Associate Dean,
Research at Smith School of Business

Nancy Evans, Executive Director,
Marketing and Communications,
Smith School of Business.

A portrait of Mona Malone, a woman with long brown hair, smiling. She is wearing a grey and blue patterned blazer with a black leather collar over a grey top. The background is a blurred office setting with large windows.

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out our best.

Mona Malone
Chief Human Resources Officer and
Head, People and Culture
Winner, Report on Business Best
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ASK AN EXPERT

Cake, boss

My vice-president just retired after 43 years with the company. How can I commemorate the occasion?

Q Last spring, bosses asked how to take in-person events and transform them into virtual experiences. Now that everything is online, the question has become: How do you make it special? “Think first about who the person is and what you want to tell them,” advises Shawn Grenier, a virtual event producer. Build a theme around your message, and then consider the guest list.

“The on-camera sweet spot is between six and 20 people,” says Grenier. The A-list is bosses and friends. B-listers should pre-record messages, which can be edited and curated to create an event more engaging than your typical Zoom. Grenier has also seen events that include everything from trivia games to live bands this year, but there’s no shame in keeping it simple. Whatever you do, choose an organizer and MC, he says. “These should be two different people. The organizer connects people and solves technical problems; the MC keeps the conversation going.” If your budget allows it, sending a catered box of goodies to guests will connect them like they’re at

the same restaurant. Lunchtime or happy hour are still best, adds Grenier, and rather than four hours that drag, schedule an hour or two. Then, let it run over because people are having fun—just like an in-person party from the days of yore.

Employees are asking when we’ll be returning to the office. Should I set a target that might be wrong? Adam Froman of Canadian research firm Delvinia spent the pandemic studying “COVID decision paralysis.” If you don’t know the term, you’ll recognize its symptom: the complete inability to make a decision because of uncertainty and possible blowback. That might sound like an obstacle to overcome. But, in this case, it might be best to listen to your gut and avoid making a call—particularly when your colleagues might see things differently. “If you have 100 people, you have 100 points of view,” explains Froman. “Even if 90 of them are ready to come back, 10 are not.” Having 10% of staff feeling unsafe will produce a massive effect. “They’ll send ripples of negativity across

the company,” he says. The mental health of these people should automatically outweigh any (faux) good morale you’re offering everyone else, especially if your optimism turns into an empty promise. “There are no real positives for a company to put a stake in the ground for September—and so many negatives,” says Froman. If you want to generate legit good morale, lean into the vaccination rollout, emphasize the light at the end of the tunnel and demonstrate the kind of optimism that could benefit your team.

How can I better my (now entirely remote) negotiation skills?

Negotiation coach Fotini Iconomopoulos’s job isn’t as dramatic as it is portrayed on TV. “Most negotiations aren’t like what you see on *Suits*—they’re just conversations,” says the *Say Less, Get More* author. Gone, for now, are long lunches and after-work drinks, sure, but negotiating virtually has its perks. “All that time and effort that went into getting there, navigating elevators and waiting in someone else’s office has been totally replaced by hopping on Zoom,” she says. More important, both sides now enjoy a “home-court advantage,” as they say in sports. So, she says, maximize your court: “Choose your space, adjust the camera so it’s at eye level, invest in a light that makes you feel great—all things the other person’s subconscious mind will be picking up on.” The overall goal, as always, is personal connection and building trust. But you should turn up your interpersonal skills. “Use lots of eye contact and genuine compliments, and smile more than usual,” suggests Iconomopoulos. And while it’s (sometimes) awkward, a face-to-face video call beats email every time. **/Rosemary Counter**



Gary Smith
*Executive Vice President,
Eastern Canadian and
Caribbean Operations
Fortis Inc.*

Fortis congratulates **Gary Smith**

A true collaborator and team player, Gary has dedicated 30 years of energy delivery, operations and customer service experience to the Fortis team. As Incident Commander of our COVID-19 emergency response and leader of the Fortis Operating Group, Gary tirelessly champions safety culture and puts employees and customers at the forefront of every decision.

His solutions-focused attitude leaves no stone unturned in his quest for operational excellence as the company embraces a cleaner energy future. A person of great integrity, Gary approaches every situation with humility and embodies the values of Fortis.

On behalf of the Fortis family, congratulations on being recognized as one of Canada's Best Executives.





THE EXCHANGE

Curve balls

Blue Jays president Mark Shapiro hasn't had an easy run since moving to Toronto five years ago—and that's without considering the financial ravages of COVID-19. But this season, he's ready for a big hit

BY TREVOR COLE

Five years ago, Mark Shapiro took over a long-struggling team at the worst possible moment—as it was enjoying its greatest success in decades. Rather than being hailed as a saviour, Shapiro—an American—was seen as an outsider threatening change. There was little the former Cleveland president could have done to win over Blue Jays fans, and the one thing he did do—try to wring more success out of an aging team—delayed a necessary rebuild, which just made his job harder. He also struggled to adjust to an ownership model very different from the one he'd known. But Shapiro survived. Over the past five years, he has instilled a new organizational culture and figured out where the Jays fit in the Rogers portfolio. He has overseen a complete remodel of the team's Florida training facility. Its minor league system is thriving, and its major league roster is full of promise. Now, with a five-year contract extension in hand, Shapiro seems poised for success on his terms. He spoke to us from the Jays' player development complex in Dunedin.

First of all, congratulations on your new contract extension.

Oh, thank you. I thought you were going to say congratulations on our player development complex.

We'll get to that. Who were you working with on your extension? Primarily Edward Rogers.

(1) I have a strange reporting structure. I report to the C-level executives at Rogers, periodically to the CEO. Obviously we're a tiny piece of what the CEO has to oversee, so Edward is the most consistent interface.

How has your relationship with Rogers evolved since you started?

It's changed. There's a different CEO now than there was then **(2)**. But it's been more my evolution. You have to understand, the only ownership

structure I'd ever known was one person in one family, which is not that unusual for sports. To shift from that to an extremely large, publicly held company, and not to have had any experience in how a publicly held company thinks, acts and makes decisions, what it means to have shareholders, what it means to have a board, and what it means to be a tiny piece of that company's portfolio—it took a little while. I think I wasted energy early on trying to fight the wrong battles. Once I started realizing that it's never personal, and I understood better how to deal effectively within that structure, it's been nothing but positive and supportive.

What's your assessment of how major league baseball has handled

1. Edward Rogers (son of Ted) is the chair of Rogers Communications.

2. Current CEO Joe Natale succeeded Guy Laurence in April 2017.

the COVID-19 crisis, compared to other professional sports leagues?

We had a unique challenge in that it was the worst possible timing for baseball. We were two weeks away from beginning our season. The other major sports either hadn't begun yet, like the NFL, or were already very close to their playoffs, like the NHL and NBA. They had booked a lot of revenue. We hadn't booked a dime of revenue. And all of a sudden we're shut down, and we're playing in front of no fans for an entire season. Incredible challenge. I think it was important to play a shortened season. And I think it was largely pulled off.

Why was it important to do that?

If you look at the ratings, almost every single sport is down 5% to 10%. It has had some impact on peoples' avidity, and on their level of attention and focus. To just disappear for a year would have been dangerous to the health of our players, for one. And certainly dangerous to the health of our brand. Not the Blue Jays, but Major League Baseball.

Did you ever get involved in conversations with government about allowing the Blue Jays to play in Toronto? (3)

Quite a few conversations at the city and provincial level. And some conversations at the federal level. We did make a proposal with very rigid protocols—basically a bubble within Rogers Centre for both home and visiting teams. But cross-border travel, and playing in places that had high infection rates, were too much of a threat to public health.

Has it changed recently?

We haven't made a proposal yet, so I don't know where they stand on it right now. I do feel somewhat more optimistic than I felt last year, because we've had zero cases all spring. Not one. And in the next few weeks, vaccines are gonna be available to not just our players, but their families and our staff.

Florida isn't necessarily the ideal

\$30.2 BILLION

ROGERS COMMUNICATIONS' MARKET CAP

\$2 BILLION

FORBES'S VALUATION OF THE TORONTO BLUE JAYS

place to be during the pandemic.

I wouldn't look at Dunedin through the lens of Miami Beach. We're not in Miami Beach. (4)

There's a saying, "Don't let a crisis go to waste." The Rogers Centre has been vacant for a year. Have you been able to take advantage of that time at all?

We had a food drive. We occupied the entire floor of the centre and all of the concourses, and helped with food insecurity throughout the entire country. We've already expressed that we want to make it a location for vaccine distribution, as soon as we start vaccinating people at a greater pace.

What about improvements to Rogers Centre?

We're not undergoing a large-scale improvement, but for the first time in the history of the stadium, the turf will be fixed. We used to roll it up, because the stands rotate. We're no longer going to rotate the bowl. The turf will be a better playing surface, better quality, better maintained and a truer game experience. We've redone the batting cages. What was probably one of the worst batting cages in all of baseball will be one of the best. We put in a new sound system for our fans last year, but no one's ever heard it other than us.

How have the Blue Jays been affected financially by the crisis?

We're gonna lose well more than \$100 million this year, and we lost, like, \$100 million last year. It's been probably the strongest display of our ownership that I can imagine, because we've never deviated from our plan. It would have been reasonable for

3. Having played the abbreviated 2020 season in Buffalo, the Blue Jays plan to play the first two months of the 2021 season using Dunedin as their home field.

4. Dunedin is located in Pinellas County. According to the non-profit website Covidactnow.org, Pinellas county has "very high vulnerability"—more so, in fact, than 91% of counties in the U.S. As of March 29, there had been 2,266 cases recorded in the Dunedin area.

5. The Blue Jays now rank 13th in MLB, with a US\$133-million payroll (up from US\$118 million at the end of 2020).

6. Fans listening to Blue Jays games on the radio will now hear audio from TV broadcasts.

7. The new complex cost just over US\$100 million, funded jointly by the Blue Jays, Dunedin, Pinellas County and the State of Florida. As part of the deal, the Jays committed to spring training in Dunedin for the next 25 years.

ownership to say, "You need to pull back." Instead, we went out and signed the biggest contract in the history of the Blue Jays—George Springer, US\$150 million. We increased payroll dramatically. (5) But this has all been part of a multiyear plan, and we are acting as if nothing has changed.

There have been other recent changes for the organization. One that shocked me—you eliminated dedicated radio broadcasts. (6)

No, we didn't do that. We are run completely separately from Sportsnet and had nothing to do with that decision. Zero say. We were informed of the decision, and opinion was asked. That's it.

What was your reaction?

My reaction is, I don't profess I know other people's work. I'm not gonna criticize Sportsnet. My hope is it's a one-year decision. That it's COVID-related, and we'll see how the year goes.

Let's talk about Dunedin. It's wonderful serendipity that you needed a top-grade facility to play in, and you suddenly have one in Dunedin. Where does it (7) rank now in terms of the major league training facilities?

The training complex—six full fields, two half-fields, a covered practice field, a running hill, a 115,000-square-foot development building—I would think we're the best in Major League Baseball. The challenge in Dunedin was finding enough land to put everything in one place. Our stadium's still an 11-minute drive away. It's now been renovated to the point that it's probably not the best, but upper third.

What did you learn in the process of transforming Dunedin that you can apply to Rogers Centre?

They're very different projects. This project is 95% about the players. That project is 75% about the fans. Fans want to come to ballgames for different reasons. There are people who want to bring their kids, people who want to be at the coolest bar in Toronto, foodies who



want to go to the best food court and still see the game. We don't have that diversity and depth of entertainment experience right now. A renovated or new Rogers Centre would be a much different fan experience. And it would certainly have more premium seating.

You've been a president or GM for 20 years. How has your approach to leading a team changed?

I am reminded very frequently of just how unimportant my individual leadership is to our success. When I became a GM, I would have thought our success would be dependent on my decision making and my leadership. Now, I feel like our success is dependent on our collective intellect, our collective experiences, our collective perspectives, and ensuring it's an environment where people are aware that their work is meaningful and our success is dependent upon them, and that they feel genuinely empowered.

Take me into a meeting of the Blue Jays executive. How is a decision made?

A decision's made by ensuring we're making informed, data-driven decisions that are preferably model-based, and that we do everything we humanly can to remove bias. And that we factor in all the variables. What's the benefit, what's the risk? And then two things: How does that fit into our plan, and is it consistent with our values?

How is disagreement handled?

Take a player decision. We'll

8. An MLB investigation found that in 2017, the Houston Astros engaged in an elaborate sign-stealing scheme to warn batters about upcoming pitches. Signs were spotted via TV and communicated to batters using a system of bangs on dugout trash cans.

9. A week before the start of the regular season, the Blue Jays' projected closer, Kirby Yates, underwent Tommy John surgery. He'll be out for the season.

look at subjective information, like scouting reports. We'll bring in objective analysis, looking at projected performance and declining performance. We'll factor in the medical risk projected over the length of a contract. We'll look at what financial value we can attach to acquiring a player. We'll look at character, make-up and personality. We'll talk to people who have played with him, who he's played for. We'll talk to equipment guys, clubhouse guys, trainers, everyone we can, to build a model of: Will that person fit in? Will he be a plus? How does he fit into our clubhouse environment? When you go through all that rigour, Trevor, it is very, very rare that it's not an obvious decision for everybody. When you short-circuit the process and start to insert personal opinion, that's when disagreements come in. **So, if a cheating problem like the one in Houston (8) emerged, how would you deal with it?**

Very hard hypothetical to deal with. But clearly it would be a breakdown in culture. So you'd want to dig to see where that breakdown happened and why. Was a message—that we value your ability to drive wins over everything else—communicated down through an entire organization? If so, who was communicating that? Why did people feel that way? And where'd that breakdown happen? A good process and a strong set of values that link all of us are the

most important thing, and they'll lead to winning if you do it right, and consistently, over time.

Your major acquisition in the off-season, George Springer, arguably benefitted more from the cheating system in Houston than just about any other player there.

What evidence do you have that he benefitted more than other players?

One analysis of the bang system used to communicate pitches to batters found there were more bangs for Springer at-bats than just about any other player.

That seems pretty anecdotal to me.

Let's put it this way: He was a leader in that clubhouse. What was your thought process around bringing that person in?

We're sure about the person. George Springer is the guy that had a debilitating stutter that caused him to miss an entire year of high school, but fought to overcome that adversity. And he's dedicated a lot of his adult life to impacting other kids with impediments and learning disabilities. We're sure he is obsessively focused on getting better. We're sure he's humble. We're sure he's open-minded. We're sure he cares about his teammates at a deep level. And we're sure he's driven to win. We didn't bring him in lightly. We did a lot of research, and we're confident of his character and who he is.

Good luck with the season.

You need a new closer. (9) I hope you've got a plan.

We're gonna be okay in the bullpen. I still will have sleepless nights worrying about the rotation. It may be an area we have to address before things are done. But this year's gonna be another step. We're on a really good trajectory.

This interview has been edited and condensed.

Trevor Cole is the award-winning author of five books, including The Whisky King, a non-fiction account of Canada's most infamous mobster bootlegger.

At EllisDon, we are all about creating and providing great careers to one another, and Kieran Hawe is a testament to this.

Over his many years of service, Kieran has empowered those around him to thrive through his unmatched leadership and mentorship, while continuing to champion the company's unique culture and core values.

EllisDon is proud to congratulate Kieran Hawe for being a recipient of the 2021 Best Executive Awards.

Kieran Hawe

Executive Vice-President
& Chief Operating Officer

 **EllisDon**



CANADA'S BEST EXECUTIVES

2021

Over the past turbulent year, we've seen the importance of determined, creative and empathetic leadership. Drawn from hundreds of nominations, this second annual honour roll celebrates the top people working in the C-suite or at the senior and executive vice-president levels. While CEOs often get the credit, these individuals demonstrate that captains of industry don't succeed without talented lieutenants.



Carley George,
vice-president
of marketing,
Calgary-based
District Ventures.
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TOK OF THE TOWN

**TIKTOK'S POPULARITY
SKYROCKETED DURING
THE PANDEMIC. DANIEL
HABASHI'S JOB IS TO HELP
CANADIANS GET FAMOUS,
60 SECONDS AT TIME**

BY STACY LEE KONG

PHOTOGRAPHS BY SAHAR RANA



● Here's the thing about TikTok.
● Even if you don't use it—or even,
● let's be honest, fully understand
what it is—you've likely come across
one of its Canadian stars on your Instagram
feed, shared on Facebook or, increasingly,
covered by major media outlets. Take Lubalin,
the 30-year-

old Montreal musician with hipster style and dark, Fabio-like locks who recounts internet drama to catchy, self-produced pop songs. (His rendition of two people disagreeing over how much a horse weighs might actually be perfect.) He started posting videos during lockdown; less than a

year later, he has three million followers, was recently profiled by Rolling Stone and, back in January, collaborated with Jimmy Fallon and Alison Brie on an internet drama video that premiered on *The Tonight Show*.

The app is rapidly becoming a major player in the Canadian entertainment

space. The company does not release market data, but according to Statista, TikTok had 315 million global downloads in the first quarter of 2020, an increase of 67.6% from the first quarter of 2019. Hootsuite's research arm, We Are Social, reported the service had 689 million users worldwide by January 2021, placing it behind Facebook (2.7 billion), YouTube (2.2 billion) and Instagram (1.2 billion)—but well above Snapchat (498 million), Reddit (430 million) and Twitter (353 million). And its growth is promising, especially since it's now attracting users beyond its teenage target audience. Data provided by analytics company Comscore shows the number of adult users more than doubled between March 2019 and March 2020.

It's no wonder the company opened a Canadian office late last year—or that it hired Microsoft, Instagram, Facebook and Soho House alum Daniel Habashi to head it up. Born in Montreal to Egyptian immigrants and raised in Mississauga, Ont., he has a high-stakes job at a crucial time. Overall, the app doesn't seem to be generating much revenue yet. A November 2020 Reuters article reported that, while its Chinese parent company was on track to generate \$27 billion in ad dollars that year, TikTok itself contributed little to its bottom line. And although there's steady growth in Canada, there's also a high degree of skepticism about any firm with Chinese roots. While its popularity spiked during the pandemic, the novelty may wear off as those new adult users get their vaccines and venture outside again—or its base of teen users move to the next hip thing.



As his resumé might indicate, Habashi has always loved getting his hands on the next, coolest thing, whether that was a video game, a BlackBerry or, later, an iPhone. But it was the community surrounding these products that inspired his career. "I remember being a young kid [who was into] skateboarding and going to the skate shop to connect with the community of skaters in my area," he says. He found a similar experience later in online music forums and then

through instant messaging. "The ability to discover and connect with like-minded individuals from around the world through technology has always fascinated me."

It's no wonder, then, that Habashi found a home at TikTok, which is known for bringing like-minded individuals together. The service has always been about community building, beginning its life as Musical.ly, a Chinese social media service that allowed users to film and share short videos of themselves lip-synching to a catalogue of a million songs. As with its successor, users could employ other users' funny monologues, singing or other sounds in their own videos, "duet" with one another using split screens and apply pre-set filters to hilarious effect. The startup launched in China and the U.S. in 2014 and quickly gained a foothold among American teens and tweens, who loved the interactivity and creativity it offered. By the following year, it was No. 1 in Apple's app store in 19 countries. Soon after that, it launched Live.ly, a sister app devoted to live-streaming, and began inking advertising deals with Coca-Cola and film studios, on top of signing licensing agreements with Apple Music and other major labels.

Enter ByteDance. The Chinese tech company had launched Douyin, an app similar to Musical.ly, in 2016; it accumulated 100 million users in its 12 months of existence. Hungry to expand overseas, ByteDance released a version of Douyin, called TikTok, in other Asian countries in 2017 and, later that year, acquired Musical.ly for a reported \$800 million to \$1 billion. Then, in August 2018, it merged Musical.ly and TikTok, and made the new, upgraded app available worldwide. Within a month, it had surpassed Facebook, Instagram and Snapchat in monthly downloads, and users realized just how easy it was to build an audience on the platform thanks to its algorithm, which was designed to encourage discoverability.

By the time Habashi joined the company in 2020, fresh off two years as the chief marketing officer of private members' club Soho House, even more Canadian creators had built

brands on the platform. James Jones, a onetime breakdancer from the Tallcree First Nation in Alberta, began using TikTok to share cultural knowledge and affirmations for Indigenous people, often through videos of himself hoop dancing to hip hop; Bomanizer, then a media student in his last year at Ryerson University, had gone viral for his parodies of reality TV and pandemic life. Habashi sees his mission as not only amplifying their voices on TikTok but also looking for ways to support off-app success.

"I want to see them bigger than TikTok," Habashi says. "I want to see people in big Hollywood pictures."

Some of that is already happening. Last April, Bomanizer, whose real name is Boman Martinez-Reid, signed to Creative Artists Agency, which also represents Beyoncé, George Clooney and Kanye West, while other creators in the U.S. have appeared in commercials, signed modelling contracts and even scored makeup lines. But part of the support TikTok Canada can offer will come from a physical office space and production studio that is in the works in Toronto's Liberty Village neighbourhood, Habashi says.

"We wanted to make sure that at our official headquarters, there was a home for creators, where they'd have access to not only the team but also a full production studio to create content at the calibre of their talent. I felt like opportunities were somewhat limited in the region."

It's unclear whether this studio will function in the way Habashi hopes. This isn't the first time a social media platform has tried to build a studio for creators in Toronto—YouTube opened a 3,500-square-foot space at Toronto's George Brown College in 2016, following the creation of similar facilities in eight cities around the world. But by 2019, it had announced it would be shuttering the Toronto site in favour of temporary pop-up locations across the country, which was more in line with its global strategy.

But for Habashi, a physical space is key. It's not meant to be just "a nice office with nice desks," he says. "It's important to make it richer. It can be a home for brands, for creators [and] for employees themselves."



When Habashi talks about community, he doesn't just mean the creators who post on the app. He's also thinking about the audience who's consuming that content, who, according to Statista, were spending an average of 858 minutes per month on TikTok by March 2020, almost double the time they spent just five months prior. And, he says, they're not who many people expect them to be.

"There's a lot of misconception of what content is on TikTok and what demographic uses [it]," he says. "There's a great kind of breadth of content and depth of content. There's a great deal of learning content on TikTok, from DIY stuff to great math hacks I'm teaching my kids that I didn't learn in school. It's very much a platform for everyone."

To keep it that way, the company has made a number of proactive moves—including a new prompt that encourages users to reconsider posting a comment that might be "inappropriate or unkind"—which seem focused on maintaining the app's status as "one of the last sunny places on the internet," as Habashi puts it. That may be why it's thrived despite concerns over ties to China, includ-

ing speculation from some senior U.S. government officials that it may be sharing data about Americans with a foreign government. Former U.S. president Donald Trump fanned the flames of suspicion when he signed an executive order that threatened to ban the app if ByteDance did not find an American buyer for its U.S. operations. But the panic has since petered out, both because a federal judge blocked the Trump administration's attempt to ban TikTok, saying it had "likely overstepped" its legal authority, and because, as some privacy experts pointed out, any concerns over TikTok also apply to other social media apps, including Facebook and Instagram.

Still, from a regulatory perspective, Habashi reiterates that TikTok does not operate in China (there, it's Douyin) and points out that "Canada, in particular, has a lot of independence in terms of day-to-day operation."

And Canadians can take some comfort in the company's corporate structure, according to Pengfei Li, an associate professor at the University of Calgary's Haskayne School of Business. "Although it is a multinational enterprise, if we think about its business, it is actually like an assembly of country- or region-based networks: TikTok U.S., TikTok Canada, TikTok Japan, etcetera. There is little synergy across these regional networks," he says. "Due to this fragmented network nature, TikTok can localize their business, including its operation and data centre, within national or regional borders. The localization strategy helps them gain trust with regulators."



The third piece of the TikTok community is Habashi's team. He started this job at an odd time—during a pandemic and a global racial reckoning, when being connected felt impor-

tant, yet he had to meet prospective employees through Zoom.

That's what happened with Vanessa Craft, the former editor-in-chief of Elle Canada, who left the job to become TikTok's director of content partnerships, Canada. "It was very apropos of our time," she says. "I was at the cottage. [It was] the irony of talking to the GM of TikTok, the most innovative tech company in the world, while I'm running on a dirt path trying to find a WiFi signal."

Luckily, there wasn't any Zoom fatigue during their conversation. "I hung up the phone and I thought, *You know, that was unexpectedly fun*," she continues. "I trusted his vision, and he was obviously looking outside of the traditional hires. He was looking at having a diverse leadership team, with diversity across races and genders and so on, but he also looked for diversity of experience."

But it didn't become clear just how different a leader Habashi would be until they actually began working together. Craft quickly noticed something strange about how he ran meetings: He never interrupted, or if he did, he apologized right away. Eventually, she asked him about it, and he told her that when he was younger, he had been deeply affected by seeing his mom interrupted or silenced. He'd pledged never to do that to anyone else.

To Craft, this isn't just a sign of kindness or basic human decency. It speaks directly to the type of leader Habashi is. "He solicits feedback, and while he does a lot of the work confidently, he leads without an ego. He works very hard. He cares about people. He is definitely a leader of our time," she says.

For Habashi's part, while he feels strongly that it's only right to make sure everyone on his team has a voice, there's also a practical reason he strives to create spaces in which others can be heard: He knows he'll likely learn something, particularly from the "incredibly talented female leaders" on his team, like Craft. Working for a company that lets Canadians speak to the world, he's committed to keeping his ears open to his colleagues. As he puts it: "I'd be a fool not to listen."



HONOUR ROLL

Lisa Cameron

Vice-president, finance, Hanson Canada

It's said that those who can't do, teach. But in her multipronged role at Hanson Canada, a private education group offering degree and language programs, Lisa Cameron both does and teaches. She has been a key player in the company's rapid 55% revenue growth over two years while still mentoring Hanson's business-unit leaders. A CPA with more than two decades of experience in the consumer packaged goods and health-care industries, she's also built comprehensive internal budgeting and reporting processes. It's a remarkable list of feats, given she only took on her role a couple of years ago.

Michael Vels

Chief financial officer, Empire Co. and Sobeys Inc.

It's no exaggeration to say that, in the past three and a half years, Michael Vels has been a key player in a total financial transformation at Empire. Vels helped revive the retailer's once-flagging operations, restructuring its finance team to be less siloed and more collaborative, and created Empire's first strategic sourcing team. Vels also spearheaded Project Sunrise, an ambitious three-year plan to strengthen the retailer's in-house brands, surpassing initial financial targets by \$50 million. Numbers aside, Vels is also well-respected for his soft skills, and often mentors his junior teammates using his expertise in setting—and exceeding—goals.

Steve Filipovic

Chief financial officer, Premier Gold Mines Ltd.

Once solely an Ontario-based exploration outfit, Premier has expanded into a multinational gold producer with satellite operations in Mexico and Nevada. Steve Filipovic has been helping build the company since the beginning. Involved in financing, HR and investor relations, Filipovic is also an acquisitions man, taking the lead on Equinox Gold's recent (and multifaceted) acquisition of his firm. The real feather in his CFO cap, though, is this one: Premier has never gone over its annual budget.



Jane Ngobia

Vice-president, inclusive communities, Sheridan

● No industry was spared from
● 2020's overdue reckoning on
● race relations. With 23,000 students and 3,500 employees, Sheridan College required a concrete diversity strategy to institutionalize inclusivity. Jane Ngobia was up to the task: With an extensive post-secondary background in policy development and education, Ngobia is one of the first people in Canada to hold an executive leadership position in equality, diver-

sity and inclusion. "Equity is not that black and white," she says. "You're dealing with beliefs, lived experiences and human beings. Culture does not change because I say so—it changes because you've given people the tools to change."

Ngobia's work is a master class in matching visionary ideals with practical implementation. So far, she's launched the first self-identification census for employees, produced man-



datory anti-racism training, reviewed hiring practices to make them more equitable, and co-founded a group for senior equity leaders. It's an inspiring effort for just one year in the job, but Ngobia considers her work "a calling." Twice a year, she also travels to Northern Kenya to work at a safe house for girls fleeing forced marriage and gender-based violence. In general, she espouses the need for celebrating small wins and, above all, patience. "People are at different points on this journey, and success will be [found] in cultivating a sense of the need to move together."

Barb Harwood

Chief financial officer,
Thunderbird Entertainment Group

Barb Harwood's eagle eye for detail was evident in the first few years of her career—as a second shooter for film productions. She later parlayed that, and her knack for numbers, into earning a CA designation in 2000, before becoming CFO for Thunderbird's multi-platform entertainment empire in 2005. Harwood's work in evaluating and funding key transactions—in addition to her contributions to the HR, legal and IT teams—enabled the firm to increase its revenue by 40% in 2020 alone (and stay entirely debt-free throughout). Her stellar financial track record aside, Harwood is also community-minded, having laid the groundwork for B.C.'s first film tax credits program and established a peer-support group for entertainment CFOs in Vancouver.

Kieran Hawe

Executive vice-president and
chief operating officer, construction
operations, EllisDon Corp.

Kieran Hawe's 20-year tenure with EllisDon is a lesson in versatility: He has worked on commercial, institutional and residential projects across Canada, the United States, Europe and Asia, and held roles from construction manager all the way up the chain to the C-suite. Now, even as he stickhandles large, multidisciplinary teams for the \$5-billion construction operation, he's turned his focus to diversity—joining EllisDon's Alliance of Black Employees and Leadership as its executive sponsor and partnering with Build a Dream, a Canadian non-profit that provides young women with an entry point for careers in the skilled trades.

Hal Khouri

Executive vice-president and chief
financial officer, Goeasy Ltd.

Known for his calm on-the-job demeanour, Hal Khouri shepherded Goeasy's 2,000-person team to surprising success in what might have been a disastrous business year. Joining the team in 2019, Khouri prioritized building the company's capital resources, decreasing its borrowing

costs and increasing liquidity, all of which put Goeasy in a stable position entering the pandemic. In 2020, shareholders saw record earnings, and Khouri led the launch of the organization's first securitization facility.

Jacque Pylypiuk

Senior vice-president, people, culture
and technology, Capital Power

Keeping the lights on was a concern for most businesses last year, but perhaps none quite as literally as Edmonton's Capital Power. It was senior vice-president Jacque Pylypiuk's job to keep morale high while they did it. A chartered accountant and HR professional with 25 years of experience, Pylypiuk aimed for a holistic model of employee care when coordinating the company's pandemic response. She even went so far as to arrange private medical services for remote workers and organized at-home mask delivery.

Michele Walkau

Senior vice-president, brand and culture,
First Capital REIT

Real estate is known for its fast-paced, cutthroat climate, but according to her colleagues, Michele Walkau is all about a more mindful approach. Yes, she's spent the past two years deep-leading a corporate rebrand, developing First Capital's internal communications strategy and dealing with the small matter of COVID-19. But she never fails to uplift her team: making a point to celebrate worker successes, providing ample development opportunities for future leaders and even writing thank-you notes upon completion of projects.

Synthia Klood

Senior vice-president, strategy, finance
and operations, brokerage, Colliers

No matter the challenge, Synthia Klood remains undaunted: Having ascended to her current senior role early last year, she quickly took the reins on Colliers's COVID-19 Task Force, balancing business operations with an ever-evolving set of safety expectations on behalf of more than 2,500 staffers. On the technical side, Colliers's brokerage business has nearly doubled during Klood's tenure, as she led the rollout of a newer, more

robust customer relationship management system. Plus, according to colleague Scott Addison, president of brokerage services at Colliers, Kloot is “not afraid to have the difficult conversations and do what is right.” That characteristic is on full display in her role as Colliers’s executive champion for diversity, equity and inclusion.

Cheryl Fraser

Chief talent officer and vice-president, communications, Crombie REIT

Cheryl Fraser is focused on building a transparent corporate culture. After joining Crombie—one of Canada’s largest real estate investment trusts—as chief talent officer in 2012 following myriad government posts, Fraser set her focus on improving engagement, health and diversity standards. But career development is a major priority too: She regularly works alongside employees to plot their paths to senior leadership positions and finesse the skills they’ll need to get there.

Av Maharaj

Chief administration officer and vice-president, legal, corporate affairs and HR, Kraft Heinz Canada

Av Maharaj has his hands in multiple portfolios at Kraft Heinz, including government relations, corporate social responsibility and crisis management. But he never forgets the gargantuan importance of simple human attention. During the pandemic, Maharaj increased PPE and wellness resources for field workers, and hosted lunch-with-leadership calls for employees and their families. (Yes, kids were allowed at the table.) Maharaj also championed the creation of a brand new Work Like an Owner program, an approach that allows employees to work from wherever (and whenever) they like as long as they meet their objectives.

Chris Campbell

President, Accent Inns Inc.

Chris Campbell has been able to maintain a vision for Accent Inns’ success beyond surviving the immediate threat of COVID-19. That kind of thinking has allowed him to utterly transform the B.C. hotel chain in seven short years—and one very long



Shenif Visram

Chief financial officer, Aptum Technologies

● In the post-COVID-19 economy, ● the ability to anticipate and ● respond to risks with creative thinking will be a priority among C-suite leaders, but Aptum’s Shenif Visram was (appropriately) ahead of the curve. Elevated to a CFO role from his post as vice-president of finance in May 2019, Visram was an instrumental part of the divestiture of Cogeco’s clouding computing business, leading to the formation of Aptum Technologies. He was also involved in the successful sale of a piece of the business to Beanfield Technologies amid the pandemic. Charged with setting up a new enterprise resource planning system and project team, while also managing data migration and completing a change management process, Visram says his main goal was to

stay nimble while not hindering his reports with “slow decision making.”

“While the natural tendency for a CFO is to rely on what the numbers are saying, making decisions on that basis alone will not lead to organizational buy-in,” he says. Visram’s big-picture thinking is also well-used in his role as part of the Bank of England’s Decision Maker Panel, a congregation of international CFOs meant to offer insight into causes of economic uncertainty (like COVID-19 and Brexit). “The opportunity to gain insight into global economic trends has been critical,” Visram says of the panel’s benefits. “The input from U.K. leaders about challenges—that may not have hit other regions yet—provides an early indicator of what’s to come in other countries.”

one. Under his leadership, six hotels became eight, employee happiness metrics rose to 98% (again, during a pandemic), and Accent outperformed its industry competitors on all financial metrics. “I’m a believer that ego is one of the enemies of good decision making; I have a heart, and I lead with it every day,” says Campbell. He notes the company recently established a Continuous Improvement Department. “I want to be honest about where we stand and also where we’re going,” he says.

Aaron McCarthy

Executive vice-president and chief HR officer, Magna International

The automotive game has rapidly gone from Flintstones to Jetsons, so Magna’s Aaron McCarthy knows something about speed. But he can also juggle: With 160,000 employees in 27 countries, McCarthy found ways to work across the company (and world) on health, safety and human resources when COVID-19 hit—without a whole lot of government oversight. “We wanted to have some level of consistency,” says McCarthy. He worked with American and European automotive agencies as well as suppliers to deploy on-site rapid-testing programs and a 300-page pandemic playbook—which outlined best practices, right down to the preferred type of Plexiglas. “We’ve been up and running for the past three quarters, while protecting our employees at the same time,” he says.

Dave Singh

Chief financial officer, Tucows, Inc.

Dave Singh says he is an “out, proud gay man”—although he admits that, at work, it wasn’t always the case. Now, in addition to watching the company’s numbers, he’s made equality a part of his job, co-founding Tucows’ first LGBTQA resource group in 2016. But after seeing the effect of George Floyd’s death last summer, particularly on his American staff, Singh created another employee resource group for diversity and racial justice—a people-first perspective amid the “war-room” survival mentality brought on by COVID-19. “I, myself, saw the power of people stepping up

to create visibility,” says Singh, who led the charge in late 2020 to hike Tucows’s partnerships with minority-owned businesses. “I once said to myself, *This is the highest position an accountant can really get to, so I’m not going to take that position for granted.*”

Gilles Hamel

Chief financial officer, Summer Fresh Salads Inc.

According to his co-workers, Gilles Hamel is the kind of thoughtful leader who brings coffee to crossing guards and doughnuts to late-night warehouse staffers. So it’s no surprise that when Summer Fresh was looking to avoid mass layoffs during the pandemic, Hamel’s strategy was “no worker left behind.” Charged with implementing a brand new enterprise resource planning (ERP) system, Hamel made the move an all-hands affair, connecting with not just his five-person accounting team but also sales and production for the training and procedural overhaul. “Usually, you get resistance because people feel like their worlds are changing,” says Hamel. “But it created a certain buzz and growth factor. It made people feel like, ‘Hey, we’re in this together.’”

Carrie Lysenko

Chief operating officer, Zoocasa

Having spent two decades in senior roles with some of Canada’s most recognizable brands—Molson, the Weather Network and the Blue Jays—Carrie Lysenko has trusted operational judgment. But when she joined Zoocasa to rebrand its digital presence three months before the COVID-19 shutdown, it was paramount that she gained the trust of her direct reports—some of whom she’d never met in person. “I didn’t have time to build those really strong relationships, and I know trust needs to be earned,” she says. Building bridges came in the form of writing daily updates. In the beginning, Lysenko focused on the news, the company, wellness and equipment needs. As the pandemic wore on, the updates included barbecue recipes and Spotify playlists. “We found a bit of lightness,” she says, noting that her highly motivated group starts every meeting by sharing personal and pro-

fessional wins. “We’re cameras on, non-muted and engaged, and we like to see each other.”

Melissa Gilbert

Executive vice-president and lead, finance, Beneva

As power moves go, the 2020 merger of Quebec’s La Capitale and SSQ Insurance to form Beneva—now Canada’s largest mutual insurance firm—was a big one. Its success can be credited in large part to the diplomatic savvy of Melissa Gilbert. She calls the merger (cemented during the pandemic, no less) one with “challenges all over it.” Chief among those challenges was the fact that the same merger had been attempted and failed several times before. “I had to convince everyone it was a good fit, that it was feasible, and be a really active listener,” she says. Her next challenge will be “maintaining closeness” with her new team, which has been working from home since July.

Demi Tsioros

Chief financial officer, Reliance Home Comfort LP

Forecasting is a typical habit of finance pros, and Demi Tsioros applied that natural proactiveness to the pandemic. “Reliance bought all of our masks, gloves and hand sanitizers at volume in January 2020, well before the shutdown happened in Canada,” she says. “We had front-line team members going into customer’s homes, and while I had to ensure the business was on solid financial ground, we had to keep the team safe, because we were an essential service.” At the same time, Tsioros was engaging with all manner of colleagues and external stakeholders, including banks, to “navigate all the turmoil in the capital markets.” Tsioros says of her months spent multitasking: “It was like, ‘Ask me anything!’”

Kara MacKillop

Chief of staff and executive vice-president, people and culture, Canada Goose

Kara MacKillop is mindful that fashion should be good for the world, which is evident from the slew of brand-first initiatives rolled out this

year under her direction: the launch of an Inclusion Advisory Council, which MacKillop says promotes the authenticity “that is only possible when employees feel safe and welcomed”; Canada Goose’s first-ever Sustainability Report and Sustainable Impact Strategy, with the goal of carbon neutrality by 2025; and the Canada Goose Response Program, an ambitious if intuitive pivot to PPE manufacturing. “This was a huge source of pride for our teams around the world,” she says, “not to mention a sense of purpose in uncertain times.”

Brittany Forsyth

Chief talent officer, Shopify

Known among colleagues for her unorthodox ideas, Brittany Forsyth’s latest switch-up is a big one: migrating Shopify’s workforce to one that’s digital by default (a.k.a. entirely remote). “For 10 years, I helped build a culture around co-located offices that foster creativity, hallway conversations and personal connections,” she says of her 7,000-strong workforce. “It’s like rebuilding the engine of an aircraft while in flight.” The risky shift—which was intended to future-proof Shopify and attract a more diverse talent pool—appears to have already paid off. In the past year, the company has received nearly 100,000 job applications and hired 1,000 new workers, 70% of whom are based in Canada.

Jim Reid

Chief human resources officer, Rogers Communications

“One of my favourite expressions is that ‘steel gets hardened in a furnace,’” says Jim Reid, who is quickly approaching his 10th year of heading up human resources at Rogers. He’s an expert, to be sure, but even Reid didn’t have a playbook for a crisis of COVID-19’s proportions. Still, he did everything in his power to foster resilience among the company’s 25,000 employees. In addition to his reassuring weekly email dispatches—a 285% increase in frequency year-over-year—Reid led the rollout of a National Wellness Fund and a revamp of Rogers’s existing inclusion and diversity strategy. “It’s the grit you bring to challenges



Carley George

Vice-president, marketing, District Ventures

● District Ventures is Arlene Dick-
● inson’s accelerator program,
● which helps build businesses
over five months. Carley George is the marketing woman the *Dragons’ Den* star chose to create an in-house “ecosystem” to speed the growth of those startups. Having successfully operated her own consulting company, George spent a dozen on-and-off years at Dickinson’s Venture Communications in myriad roles, from event mar-

keting to account management, before being promoted to lead District’s marketing team. “It all came together and was just a natural fit,” says the Calgary-based vice-president.

Few—if any—venture capital funds come with built-in marketing teams, so George had the challenge and freedom to build her operation as she saw fit. Her team of 17 now reps 32 brands in the health and wellness space, from small up-and-comers like organic



seed elixir Seeva to household names like Balzac's Coffee. More important than the brand, she says, is the entrepreneur behind it. "I love working with people without egos. It's all about finding people who fit with my team," she says.

For her own team, George sees herself as something like a coach charged with nurturing her players' best qualities. "I find that some of the strongest minds are the quietest, and I love emotional intelligence," she says. "I like to read people, home in on their strengths and fine-tune their unique contribution to the organization."

that makes you stronger," says Reid. "But you can't be a great company in the long run if you don't put your people at the heart of your success."

Gary Smith

Executive vice-president,
Eastern Canadian and Caribbean
Operations, Fortis Inc.

Whenever a power line is down—whether by snowstorm or hurricane—it's Gary Smith's job to restore service as fast as humanly possible. Last year alone, he took the helm at nearly 100 emergency response meetings for outages across five Canadian provinces, 10 American states and three Caribbean countries. Recall Hurricane Irma: In September 2017, the Category 5 hurricane hit Turks and Caicos hard, damaging 65% of Fortis's electrical assets. In just a few days, and despite being hundreds of kilometres away, Smith rallied a team of 250 that began restoring power to the islands. Geography was a small, easily conquered obstacle: "I pride myself on personally checking in with my team every day to make sure we stay close and they have everything they need."

Tony Geheran

Executive vice-president and chief
customer officer, Telus

Since 2012, the PureFibre program from Telus has spent \$6 billion to bring broadband to two and a half million businesses and households across 137 communities—including remote Indigenous populations as small as 1,500 people. "Everywhere we build, we work hard to look around and extend the network to those who need it," says Tony Geheran. Before he builds anything, however, Geheran looks to Indigenous team members who serve as a resource group dedicated to accountable development and act as a connection with the communities. "We work closely with them to make sure we're a fit," he says.

Nancy Tichbon

Executive vice-president and
managing director, Sage

After years working with Virgin Group founder Richard Branson, Nancy Tichbon could have let hang-

ing out with big names and flying on swanky planes go to her head. That's not at all what happened. "Behind everyone that gets recognized in that big way are hard-working people from all walks of life," says the vice-president of Sage, which provides digital solutions for entrepreneurs. Tichbon's team won Glassdoor's Employees' Choice Award in January, and Sage was named one of the top 10 places to work in Canada. That was partly thanks to Tichbon's knack for acknowledging and appreciating what some might call the little people. "For me, they're the big people," she says.

Donna Kinoshita

Senior vice-president and chief
strategy officer, Symcor

Three years ago, Donna Kinoshita joined payment processor Symcor to build its marketing team with the goal of encouraging certain industries—including banks, government and insurance—to embrace digital transformation. The plan was to go slow and steady, but COVID-19 put business into overdrive. "Everyone recognizes they need to go digital faster than they ever thought possible," says Kinoshita, whose impressive team stepped up with gusto. "I hire looking for energy, positivity, let's-just-do-it attitude—and constant reinvention."

Vivian Chan

Chief channel officer and head of North
America sales, NexTech AR Solutions

Instead of shelving its four-day conference this year, Restaurants Canada turned to Vivian Chan at NexTech with this tall task: "Move the event into the digital space—and not just onto Zoom," says Chan. "We're imagining and building meaningful ways to interact, network, learn and engage in a digital landscape." In this case, that meant curated content that included Food Network stars and special guests, virtual floor plans and employing streaming tech to handle interactions with vendors and thousands of guests with confidence and ease.

Edward Shim

Managing director, Studio 1 Labs

Inspired by spending two months in hospital after a chest injury, Edward

Shim figured there must be a better way to measure breathing than having a patient huff into a tube and counting manually. A few years later, the innovator introduced what you might call a smart fabric. “We’ve designed what’s essentially a bedsheet monitor that patients lie on to measure vital signs,” explains Shim. Future applications are endless, but Shim is equally focused on the present: Since the pandemic began, Studio 1 Labs has imported 176 tonnes of medical-grade fabric to make four million personal protective gowns.

Iain MacNeil

Chief revenue officer, Appnovation

Appnovation is a full-service digital consultancy dedicated to solving problems. British Columbia’s Ministry of Health, for example, had this big one: How could the province monitor employee shifts at long-term living facilities to lessen the transmission risk of COVID-19? “We collected information from health-care workers, some of them working in three or four different places, to build a real-time province-wide staffing map,” says Iain MacNeil. With the collaboration of the employees’ unions, the Single-Site Staffing initiative limited unnecessary overlap, dramatically reduced transmission and was so successful it was quickly embraced by two other provinces.

Jason Tasse

President and chief operating officer, Lee Valley Tools, and chief operating officer, Veritas

Jason Tasse is living a career dream come true. “I grew up at Lee Valley, starting as a part-time product picker, and now I’m the president,” he says. It wasn’t quite that easy. “My whole mandate was to work my tail off, and I did.” In 25 years, Tasse helped the mail-order tool catalogue company—which supplies everything from furniture legs to ice cream scoops—modernize and go digital. Where other companies were relegated to the past, Lee Valley Tools actually doubled its customers last year, as lockdown encouraged hobbyists to go back to basics. Binoculars, for example, were a surprise bestseller.



Jennifer Jackson

Technology and cloud first lead, Accenture Canada

● This July, Jennifer Jackson will
● celebrate 25 years at Accenture.
● When she started—and still too often today—Jackson was usually the only woman in the room. She hardly even noticed at the time. “I didn’t understand then that I was a unicorn,” she says. “I was just so excited to be there.” But when years passed and nothing changed, Jackson did take note. She committed herself to championing change by fostering a more female-friendly workplace, emphasizing openness, honesty, balance and mental health.

“I talk a lot about bringing your whole self to work,” she says, and that especially includes herself. In town

halls, Jackson has spoken candidly about her life as a cancer survivor, a mother, a person who has experienced loss and an advocate of therapy. “All of that gave me perspective and empathy,” she says. Jackson is now the leader of Cloud First, Accenture’s new multiservice group, and she’s also the executive sponsor of the 350-person-strong Mental Health Employee Group. She built the Mental Health Ally formal training program to raise awareness, reduce stigma and advocate for anyone who needs mental health resources (or just a compassionate ear). Jackson’s built-in empathy is making the field a nicer place to be—for any gender.

Foad Godarzy

Head of IT and OT Canada, ENGIE

Depending on who you ask, ENGIE is either seven or 200 years old. The centuries-old French electric utility company once known as GDF Suez—which constructed the Suez Canal and now operates in 75 countries—rebranded seven years ago. “My role is to oversee ENGIE’s renewable arm, including 15 power plants we own and operate from British Columbia to PEI,” says Foad Godarzy. The best part of his job? “Checking in first thing in the morning with my team, knowing we’re starting a fresh, new day.”

Paul Gartenburg

Director of international sales, Pliteq

Pliteq was—and is—Paul Gartenburg’s first and only employer. At 31, the engineer had happily landed in what he calls a “super-niche” company that’s also super-cool. “We recycle rubber tires and turn them into

sound control materials,” he explains. With two patents to his name, Gartenburg is the reason you can’t hear weights dropping in your building’s gym or your neighbour practising the trumpet. He has watched the company grow from five to 100 employees, which still feels small thanks to ample departmental overlap. “The concept of ‘that’s not my job’ doesn’t exist here,” says Gartenburg, who fills his non-engineering hours with sales, finance and even manufacturing.

Lisa Reid

Country leader, P&G Beauty Canada, Procter & Gamble

For beauty junkies craving soaps and creams, Lisa Reid’s job is downright enviable: She drives brand growth for P&G products like Pantene, Ivory and Olay. “It’s dreamy,” she admits, though she also says it’s not easy. “Beauty is never static and always evolving alongside the rest of soci-

ety.” Recent successes include Pantene’s #HairHasNoGender Project, intended to include trans and non-binary people, and celebrating eight Black Canadian women embracing their personal hair journeys with the #MyHairMyStory campaign.

Warren Perlman

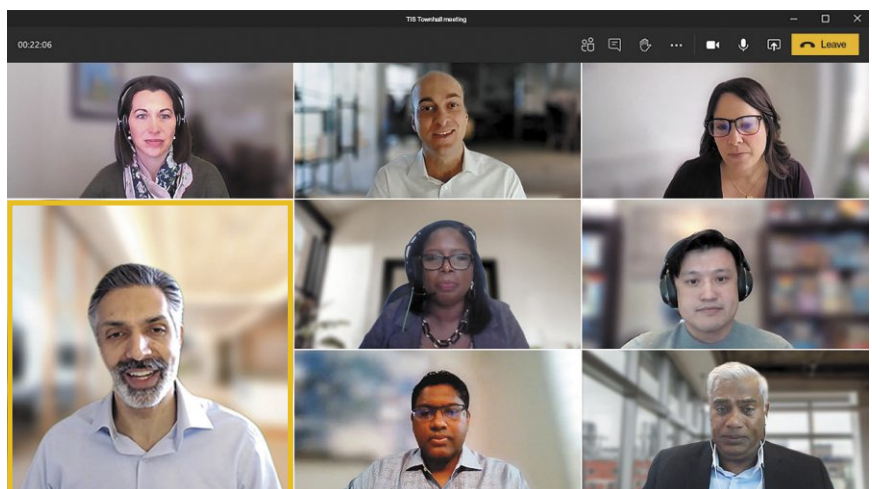
Executive vice-president and chief digital officer, Ceridian

“In every crisis, there’s opportunity,” explains Warren Perlman. For cloud-based payroll manager Ceridian, the pandemic was no exception. “Businesses had to go remote and pay remotely, reliably and on time.” For those firms, Perlman built Dayforce Wallet, which allows users to request and receive their pay on demand and in real time. Ceridian’s innovative platform moved hundreds of billions of dollars last year into the happy hands of 5,000 companies and over four million end-users.

It takes a team

Congratulations to **Bhushan Ivaturi**, Chief Information Officer of Enbridge, and the Technology and Information Services (TIS) team for receiving ROB’s Best Executive Award.

Every day, the people of TIS help enable the safe, reliable operation of Enbridge’s vast network of energy infrastructure; and embody our commitment to innovation by contributing bold new ideas. Together, they drive Enbridge forward while helping deliver the energy North America relies on.



Louis Adam

Chief marketing officer, EXFO

Fourteen years ago, on a plane somewhere between Chicago and Montreal, Louis Adam started chatting with the stranger beside him. Turns out the man was on the management team of EXFO, an up-and-coming company selling testing instruments to big corporations like Telus and Amazon—and the rest is history. “It wasn’t a direct access to the C-suite,” Adam says of his lucky break. “There was a little bit more work than that.” This year, he quickly switched to digital for EXFO’s annual Sales Kick-Off, leaning into pre-recorded interviews, live-streaming and a multilayered agenda that garnered a 90% satisfaction rating.

Julian Ware

General manager, Clearpath Robotics

Each year, the U.S. Department of Defense funds the DARPA Grand Challenge, in which organizations from MIT to NASA put their autonomous vehicles to the test. Before building their entry, however, many turn to Waterloo-based Clearpath Robotics for what you might call a base-model robot (along with, as Julian Ware calls it, “other robot stuff”). The company’s flagship is the Husky: a 50-pound 39-inch robot on four sturdy wheels. Customers add their own software depending on the task at hand (remote inspection, autonomous mapping, equipment assessment). “Robotics are about making our lives better and safer,” says Ware.

Hope Bagozzi

Chief marketing officer, Tim Hortons

While other companies halted when faced with the uncertainty of the pandemic, the ad team at Tim Hortons didn’t hesitate for a moment. “A legacy brand like ours needs to step up and speak directly to Canadians in times like these,” says Hope Bagozzi. She was just two months into her job when all plans—reusable mugs, the annual Roll Up the Rim contest—had to change. Within two weeks, Tim Hortons began airing commercials that directly addressed COVID-19, as well as precautions the company was already taking to keep employees and

customers safe. And for anyone who still wasn’t comfortable in the stores, she adds, “we did free delivery to their door.”

Shonezi Noor

Vice-president of operations, Sampler

“The best way to convince a consumer to love a product is to have them experience it,” explains Shonezi Noor, the vice-president of Sampler. Her company delivers new brands—everything from peanut butters to fancy creams—to users’ doors in return for what she describes as “an authentic review” of the product. (“And only if you want,” she adds.) Voted the company’s Most Valuable Player of the past (notoriously difficult) year, Noor spearheaded the launch of Sampler University, a virtual training program that provides connection and cohesion to nearly 50 employees.

Vanessa Eaton

Executive vice-president, Proof Strategies

At 29, Vanessa Eaton was the youngest person to serve as a vice-president in her company’s 27-year history. She initially wanted to study psychology—but public relations and psychology have their similarities. “Both are about understanding someone’s needs and perspective,” she says, referring equally to clients and employees. “A high-performing team is made when everyone feels heard and comfortable to be themselves, even the imperfect bits, which are equally as valuable.”

Jean-Simon Venne

Chief technology officer and co-founder, BrainBox AI

BrainBox is an unassuming little 12-inch square with the big job of measuring and optimizing energy use of buildings’ heating and cooling systems. For example, a three-million-square-foot mall in Australia was gobbling up energy. “They called us up; we sent them the box,” says Jean-Simon Venne. “It automatically connects to the cloud and gets to work.” BrainBox collects enough data to predict the future, adjusting the HVAC system accordingly. “It knows that the room you’re in will

be too hot in 92 minutes and corrects it now.” BrainBox can reduce energy usage by 25% and decrease carbon emissions by 40%.

Faeron Trehearne

Chief legal officer and corporate secretary, Moneris

She initially wanted to be a litigator, but Faeron Trehearne found she much preferred the happier art of deal making. “I just enjoy putting things together now as opposed to disputing them later,” she says. At Moneris, the largest payment processor in Canada, Trehearne oversees a team of 25 with supportive leadership strategies learned from her mentors. “I try to look at the whole person and give them the time and space they need to thrive professionally and personally.”

Xerxes Cooper

General manager, global technology services, IBM Canada

After 110 years, IBM is on the cusp of big change. By the end of 2021, it intends to spin out its managed infrastructure services business into an independent entity, dubbed NewCo. In Canada, where he currently oversees a team of thousands from coast to coast, Xerxes Cooper will take the lead. “We’ll be more agile, faster and efficient, and we’re very excited for what’s ahead, though it’ll be challenging too,” he says. “As they say, we’ll need to keep changing the wheels while the car is running.”

Margaret Stuart

Country manager, Salesforce Canada

Born and raised in Dublin, computer science grad Margaret Stuart moved first to London, and then Philadelphia and, finally, Toronto. Somewhere along the way, Stuart’s passion shifted from computers to business to marketing to sales to people. “To me, success is about being curious and courageous,” she says. For newcomers to Canada like herself, finding a career is admittedly not easy. To help, Stuart championed Salesforce for All, a program designed to help new Canadians get their start. “Totally staffed by Salesforce volunteers, it takes any folks with a tech background through

a two-week crash course in making a résumé, how to interview, and how to fit in and be confident.” Hundreds have graduated, and thousands are expected to over the next few years.

Bhushan Ivaturi

Senior vice-president and chief information officer, Enbridge

“Pipelines are sometimes considered boring—they’re old infrastructure in the ground—but what’s not boring is the opportunity to use technology and innovation to get creative and modernize them,” says Bhushan Ivaturi. Enbridge is currently using robotic process automation, advanced analytics and AI to do some of its work. That effectively frees up time for humans to learn and innovate. “I’m passionate about building a culture of learning to promote reskilling and up-skilling our workforce to optimize critical infrastructure in new ways,” Ivaturi says.

Alex Corneglio

Chief technology officer, EnergyX Solutions

Five years ago, Alex Corneglio and his co-founder were working together in the Netherlands, where the energy industry felt far more advanced and competitive. Inspired to bring the European system to North America, Corneglio launched EnergyX Solutions. “Using advanced machine learning and AI, we virtually conduct audits for utilities companies and governments to run energy-efficiency programs.” EnergyX now operates from Nova Scotia to California and Yukon to Louisiana, and now—oddly—they’re expanding back into Europe, where they started. “I guess the world’s not big enough,” he jokes.

Mona Malone

Chief human resources officer and head, people and culture, BMO Financial Group

Mona Malone has navigated multiple

ups and downs in her 25-year career with BMO. So despite the challenges of COVID-19, she still managed to be a steadfast presence for her team. “In any time of crisis, there’s an opportunity and a need for leadership,” Malone says. “The health and safety of our people was of paramount importance.” The bank launched multiple new offerings during the pandemic, including a virtual health-care app, a daily stipend for workers who had to work from the office, 15 extra lieu days for pandemic-related matters and regular call-in sessions with mental-health experts. Malone says she’s guided by the adage “People will forget what you say or do, but they won’t forget how you made them feel.” That was particularly important over the past year. “I know that how we listened was so important, and would be something they would remember long after the pandemic was over,” she says. :

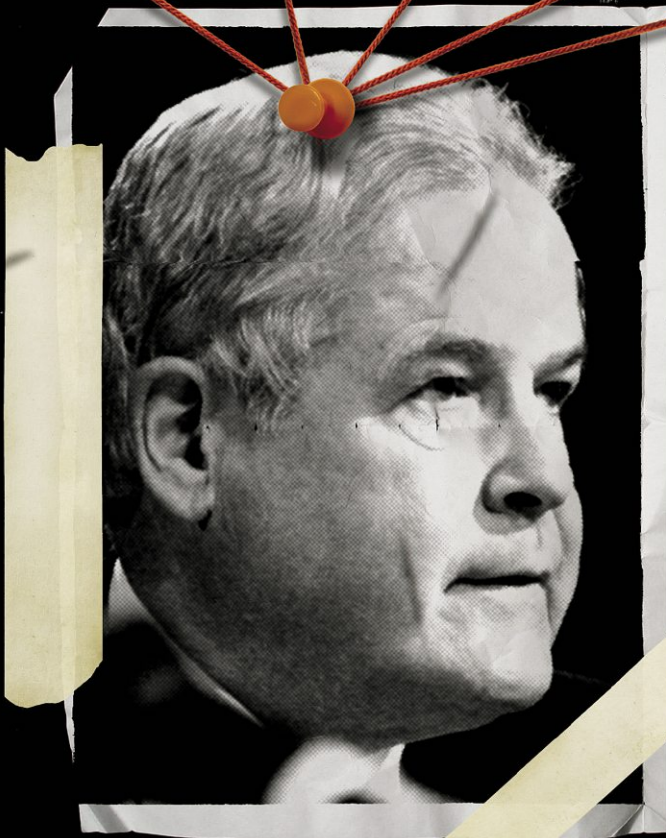
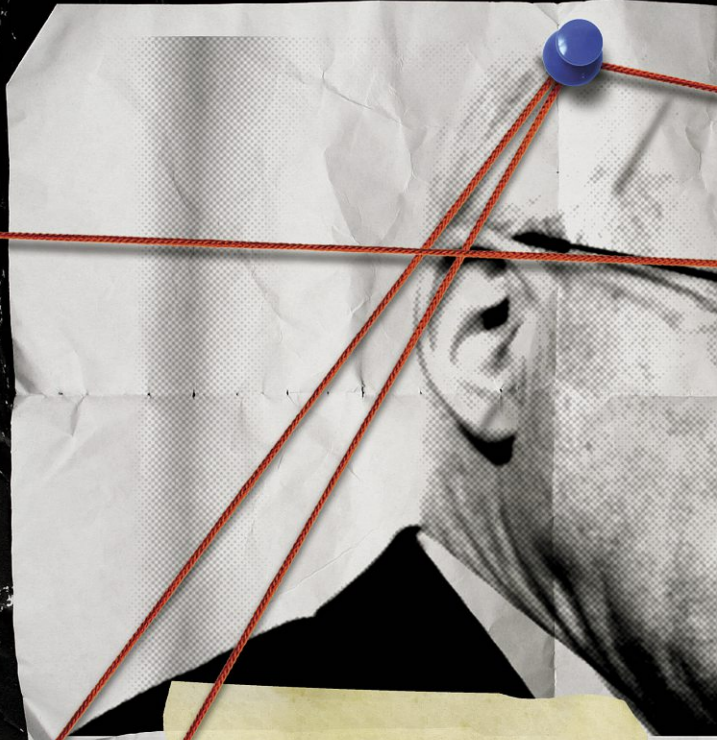
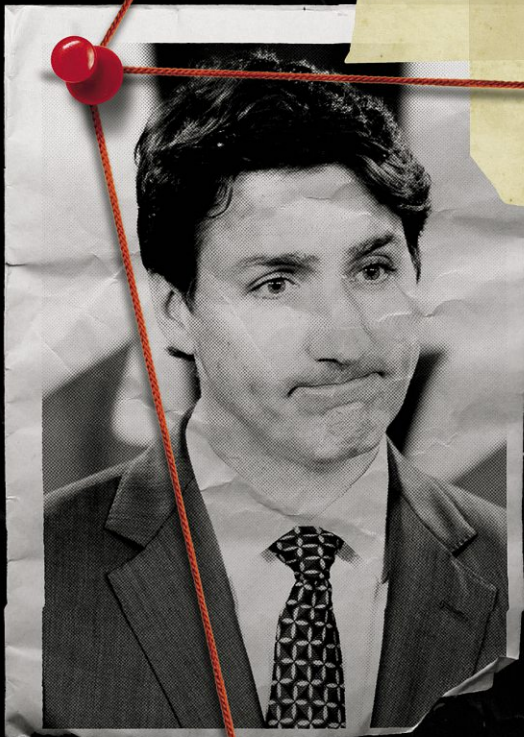


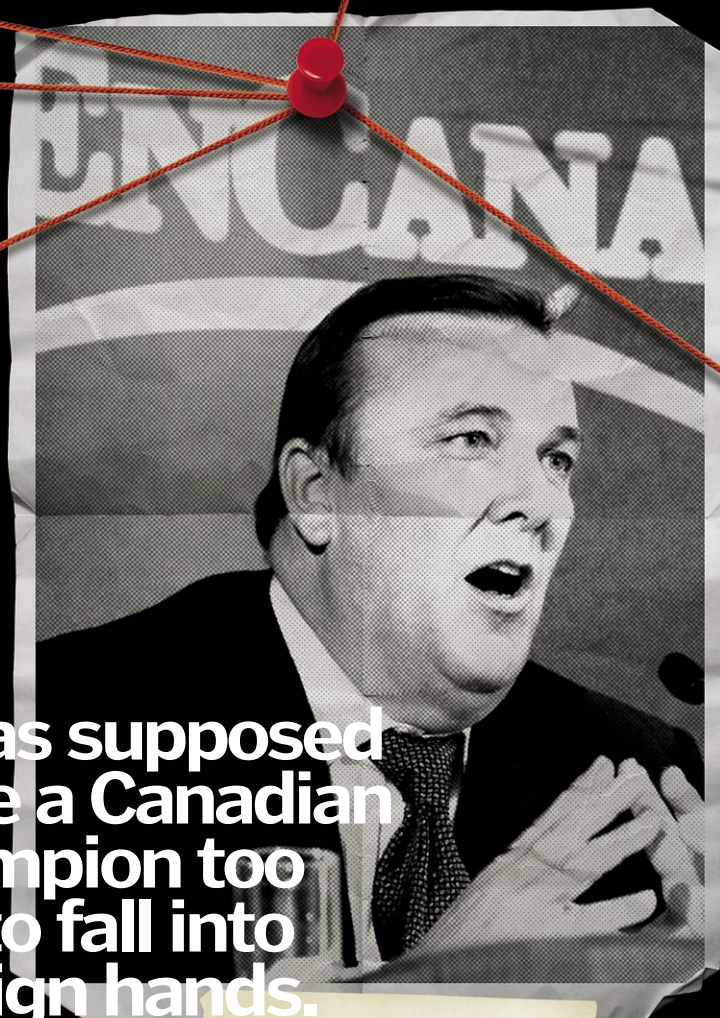
Congratulations Demi for being recognized as one of this year’s “Top 50 Best Executive Award” winners for your leadership and unwavering commitment to our Team Members, Customers, Stakeholders and Communities.



reliancehomecomfort.com








It was supposed
to be a Canadian
champion too
big to fall into
foreign hands.
Now it's gone.

Who's to blame?

THE MYSTERIOUS CASE OF **ENCANA**

BY TIM KILADZE AND JEFFREY JONES



took Gwyn Morgan 30 gruelling years to build Encana Corp. into Canada's flagship energy producer and only one email to upend his life's work.

Everything came crashing down during a trip to Israel in late 2019, when a newspaper asked him to comment on Encana's latest news. At first, he wasn't sure what the fuss was about. But sitting on a bus en route to the Dead Sea, he learned the company was changing its name—to Ovintiv, of all things—and, more jarring, abandoning Calgary for Denver. "That was pretty much the worst day of my career," says Morgan.

By then, he hadn't been close to Encana for over a decade—he retired as CEO in 2005—but it was still his baby. He'd spent three decades toiling over unconventional oil and gas assets to create what he called a "global super-independent," and he was the driving force behind a 2002 merger to create a company big and strong enough to be protected from U.S. suitors desperate to get their hands on Canadian energy assets.

Morgan and his wife, Pat Trottier, had even named the company themselves, settling on Encana—a portmanteau of "energy" and "Canada"—while cross-country skiing. So the rebrand felt like a twist of the knife. "There was no need to do that," says Morgan. "That really pissed me off."

Blessed with all the advantages an energy firm could want, including some royalty-free acreage and a reputation as a low-cost producer, Encana once seemed unstoppable. For a time, it was Canada's most valuable company, worth more than even Royal Bank of Canada. Its crescent-shaped skyscraper, the Bow, was designed by some of the world's top

architects, signalling Calgary as a global energy power.


Yet, starting in 2009, Encana spun off its oil sands assets (at an unfortunate time) under the direction of Morgan's hand-picked successor, Randy Eresman; brought in American executive Doug Suttles, who paid premium prices to shift the company's centre of gravity south of the border; wrote down US\$20 billion in assets; and changed its strategy so many times that no one really knew what it stood for anymore. Since December 2009—when it hived off its oil assets into Cenovus Energy—Encana's shares have lost 80% of their value (meaning RBC is now 20 times larger by market cap).

Something had to give. But ditching Calgary altogether? In the words of Cenovus's CEO, Alex Pourbaix, it was a "tragedy for Canada." Encana's *raison d'être* was to be the energy giant that could never fall into foreign hands. "The driving force behind the merger, the driving force behind my career, the driving force behind everything, was a great Canadian-headquartered company that would never move," Morgan says from his home on the Saanich Peninsula, north of Victoria.

When the news broke, everyone wanted to blame someone else for the pending loss of an Alberta icon. It was all Justin Trudeau's fault for turning investors off Canadian oil and gas, or Eresman's for splitting off the oil assets, or the board's for hiring an outsider, or Suttles's for ignoring the company's Canadian roots.

But in January 2020, Encana—soon to be Ovintiv—won shareholder approval for its plan to relocate stateside. Then COVID-19 hit, and the company slipped south with no further debate.

And so, a little over a year later, the mystery remains: Who really killed Encana?



The gas giant formerly known as Encana used to be two companies. PanCanadian Energy, once part of the Canadian Pacific empire, controlled swaths of royalty-free acreage given to CP through an 1880s land grant from Ottawa. In fall 2001, the oil and gas unit was spun off in the "starburst" deal that also saw the conglomerate's railway, hotel, shipping and coal-mining operations set free as stand-alone businesses.

Rival Alberta Energy Co., meanwhile, started out as a provincial Crown corporation with drilling rights to massive military ranges in the eastern part of the province. AEC, as it was known, went public in 1975 under Premier Peter Lougheed, and its shares were sold to Alberta residents for \$10 each. The goal was for moms and pops to own a piece of the Western dream. Morgan was one of AEC's first employees.

The two companies came together on a Sunday in late January 2002, when Morgan and David O'Brien, PanCanadian's chair and interim CEO, heralded the formation of EnCana (the "C" was originally capitalized) at the Palliser Hotel in downtown Calgary. They billed it as a "Canadian-headquartered, world-class independent oil and gas company." And with an enterprise value of \$27 billion, it instantly became a national champion that could show off its technological know-how in oil and gas basins around the world.

Besides its dominance in Western Canada, Encana had



“It all comes back to the Trudeau government’s policies...”

...says Gwyn Morgan (without articulating what it should have done instead)



operations off Canada’s east coast and in the U.S. Rockies, the Gulf of Mexico, the North Sea and Ecuador. It controlled Canada’s main gas storage and trading hub in southeastern Alberta; a promising offshore gas project off the coast of Nova Scotia, Deep Panuke; and two state-of-the art steam-driven oil sands projects near Fort McMurray, Foster Creek and Christina Lake.

Encana’s creation was a relief to many in the oil patch. With the loonie so cheap, there had been a simmering worry that Canada could lose its best-known players to U.S. rivals. That fear was well-founded: Within a five-month span in 2001, Gulf Canada Resources, Anderson Exploration and Canadian Hunter Exploration were all swallowed. And after the abrupt resignation of PanCanadian’s CEO, David Tuer, in October 2001, the standalone company had a target on its back.

With Morgan as CEO and O’Brien as board chair, Encana expanded by drilling in the U.S. and plunking down billions of dollars for natural gas assets in Colorado and Texas. Then, little by little, it divested its international assets, with Morgan choosing to focus on what the company did best: coaxing more oil and gas out of the ground in Canada and the U.S. for less and less money.

The timing couldn’t have been better—for both Encana’s shareholders and for Morgan’s legacy as CEO. Oil prices

were starting an unprecedented run toward US\$150 a barrel, and the price of natural gas began its surge beyond US\$10 per million British thermal units (BTUs) amid fears of a continent-wide shortage.

Employees from Encana’s early days recall a high-performance atmosphere. As head of the old AEC, Morgan—a rural Alberta boy—had been a whiz at fostering corporate culture. He set clear production and financial goals, and rewarded employees when they met so-called stretch targets. (He used an elastic Gumby doll as a mascot, and it even showed up at the company Christmas party. “It was pretty corny,” he says, chuckling.)


Morgan built on that style at Encana. The workers were known as Encanans, and it was a moniker he embraced. Morgan was the charismatic boss, while his operations chief, Eresman, was known for his technical smarts, devising plans for Encana’s projects and seeing them through. “Gwyn liked to be the spokesperson and the leader and the visionary and the communicator,” says Ryder McRitchie, who came to Encana via PanCanadian as a young engineer and rose to the executive ranks, leading investor relations and communications before leaving in 2015. “Randy was a true engineer, operator, executor. He knew how to get things

done. It was a good combo.”

Soon, Calgary saw Encana as part of the corporate home team, much like WestJet Airlines and CP Rail. Albertans who didn’t even work there took it as a point of pride when, in 2005, Encana’s market value on the TSX surpassed that of long-time top dog RBC, accounting for about 5% of the S&P/TSX Composite Index. (Coincidentally, O’Brien was the chair of RBC’s board at the same time.)

With the city’s encouragement, Encana started drawing up plans for a new office tower that would stand as a physical testament to its world-class stature. With a billion-dollar budget, Encana commissioned Foster + Partners, the elite architects behind London’s Gherkin, to build its curvy new landmark on the prominent corner of Centre St. and 6th Ave. Then the tallest skyscraper in the city, the Bow would consolidate employees spread across five different buildings.

By late 2005, Encana looked invincible, and Morgan decided the time was right to hand the reins to Eresman. Not only was the outgoing CEO turning 60, it was also the 30th anniversary of AEC’s public market debut. Besides, his legacy was all but assured. On the day he announced his retirement, Morgan told The Globe and Mail: “You don’t put your life and your passion behind something unless you know you have the right kind of person to carry it on.”



Within months, however, Morgan's former protégé was contemplating what the founding CEO considered unthinkable: breaking up Encana.

Investment bankers, armed with sum-of-the-parts calculations, were pitching Eresman on the idea of splitting it into two companies: one producing gas, the other drawing crude from the oil sands. So-called pure plays were becoming

the new holy grail, as investors clamoured for simplicity and the ability to focus on a single commodity.

Morgan was technically still in the picture—he'd arranged to hang around for a year as executive vice-chair to instill confidence during the transition (or at least, that's how he spun it). But there was little he could do about a potential split. "One of the great lessons in life is that when the CEO is leaving, your influence is ending," he says now.

The calls to break up Encana grew louder. Advisers salivating over the fees they could earn from negotiating the split talked up how much the two divisions could be worth separately, since investors would supposedly be better able to value each business. Morgan says he never bought the hype. "If you think about it that way," he says, "there's no way you can have a long-term vision about building a company."

Outraged, he stepped down three months early, though the company made it seem to outsiders like that was always the plan. "I just did not want to be involved in breaking up the company," he says. (Morgan went on to become board chair of SNC-Lavalin, where his tenure was tainted after a top executive admitted to paying bribes to Saadi Gaddafi in order to land contracts in Libya. Morgan has always said the bribes were disguised as part of normal project costs, and there was no way for board members to detect them.)

The split didn't happen immediately, however. First, Eresman flirted with turning Encana into an income trust to avoid paying corporate tax (a move Morgan also objected to). But with other heavyweights like Telus and BCE contemplating the same move, Ottawa kiboshed trusts altogether. That put the bifurcation back on Eresman's priority list.

For Encana, the goal was to make investors realize its gas potential, partly because gas was seen as more environmentally friendly than oil—and far cleaner than coal. "Everyone thought natural gas was the fuel of the future," says O'Brien, adding the company was constantly questioned about its substantial exposure to the "dirty" oil sands.

Eresman was similarly convinced natural gas prices were bound to rise. Demand was surging, and the conventional producers couldn't keep up because their wells were generally small and dried up quickly. Encana, meanwhile, was focused on unconventional gas plays deep underground. That made its wells more expensive but also more prolific. As gas prices rose, Eresman bet Encana's technical prowess would allow it to beat its rivals by pumping more fuel at a lower cost than they could.

With the price of natural gas soaring toward US\$13 per million BTU, Encana announced its split in May 2008. Management had given its oil sands unit a strong foundation to go it alone, having formed a US\$15-billion joint venture with U.S. oil major ConocoPhillips that secured access to refineries in Illinois and Texas. Just four months later, however, the global financial system nearly imploded, sending both oil and gas

prices plummeting. Encana's share price dropped by 55% in four months, and management was forced to focus on simply staying afloat. By late 2009, the worst was over, and 99% of Encana shareholders approved the spinoff of the oil assets into a new company, called Cenovus.

This should have been Eresman's time to shine. A native of Medicine Hat, he'd joined AEC after graduating with a degree in petroleum engineering from the University of Wyoming, and he'd spent his entire career under Morgan's wing. (Eresman declined to comment for this story.) Now that Encana was focused on gas extraction, he was eager to implement his growth strategy, built around an operating model dubbed "the gas factory"—the idea that the fuel could be produced almost as a repetitive manufacturing process.

Internally, Eresman sometimes had trouble rallying the troops. Where Morgan had a knack for making employees feel like they were part of something bigger, Eresman was an introvert who hated giving presentations, but he cared deeply about his employees. "He was actually very self-aware," says McRitchie. "He talked about the different coaches he was getting for his public speaking. And he wanted to be good at what he wasn't good at."

The bigger issue for Eresman was that gas prices fell into a funk. They'd clawed their way back to US\$6 in January 2010, when everyone was high on the post-crisis recovery, but within two years, they'd dropped to US\$2, a low not seen since 2002.

In a way, Eresman had been right about unconventional gas. The old-school stuff had become problematic, and competing producers were getting more sophisticated with their technical expertise. The problem was they used these newly honed skills to tap vast quantities of so-called shale oil and gas in the United States, which never used to figure into reserve estimates. As Encana touted its gas factory, rival shale producers such as Pioneer Natural Resources and EOG Resources became masters of fracking—shooting sand, water and chemicals into rock and forcing it to fracture, allowing oil or gas to escape through the cracks.

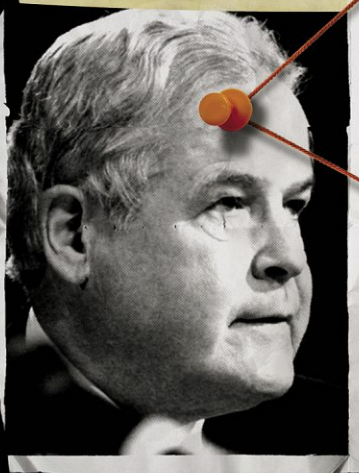
Fracking spread through Pennsylvania, Louisiana, the Bakken in North Dakota and the Permian Basin in Texas. The U.S. was suddenly awash in oil and gas, which spelled big trouble for Encana and many other Canadian producers because it meant their biggest export market morphed into their biggest competitor.

Eresman tried to expand the North American market by promoting natural gas as a less expensive transport fuel and investing in technology to make that happen. He also touted its environmental edge over gasoline and diesel. Still, the deluge of gas pushed prices down.

"I remember back when Encana announced they were going to double their gas production within five years," says New York-based equity analyst Phil Skolnick, who is now with Eight Capital. "This was around 2010, and I actually downgraded the stock." Because plans to build liquefied natural gas plants to export the fuel abroad were still in their infancy, the newfound supply was landlocked in both Canada and the U.S. "So that scared me," Skolnick says.

It scared the market, too. Over two years, Encana's stock dropped by 52%, wiping out any gains made after the crisis.

The company started promoting its natural gas liquids—



“What happened to Encana happened to most energy companies....”

...They got hit by a very substantial revision in energy prices,” says former chair David O’Brien



condensate and commodities like propane and butane, which are byproducts of gas production. It even talked up its remaining oil production, all while trying to calm investors by reminding them it had hedged a large chunk of its natural gas output around US\$6 through 2012.

Eresman also went hunting for joint ventures, hoping to accelerate development of Encana’s reserves in the Montney Formation in northeast British Columbia while splitting the development costs. He snagged a big one: PetroChina bought half a project for \$5.4 billion. At the time, Chinese interest in Canadian energy seemed limitless. But a few months later, the deal fell apart because of a disagreement on its structure.

With writedowns piling up—including a US\$4.7-billion impairment charge in 2012—Encana finally struck a \$2.9-billion joint venture with Japan’s Mitsubishi Corp. to develop a massive field in Western Canada. Then PetroChina came back at the end of 2012, paying \$2.2 billion for a 49.9% stake in a gas project in Alberta’s hot Duvernay Formation.

A month later, however, Eresman was gone, effective immediately. His so-called retirement at age 54 was announced late on a Friday. The company later said he was “fatigued.”

In the early months of 2013, Calgary was rife with rumours about who would take the reins at Encana. The wrong boss could push the company into the hands of a foreign buyer, as had just happened with struggling oil producer Nexen Inc., which was snapped up by the Chinese.

The search for Eresman’s successor was led by Clayton Woitas, an oil patch veteran and Encana director who stepped in as interim CEO. By June 2013, he and the board had decided on an oilman with no emotional attachment to Encana’s history—one who could deliver a badly needed shakeup.

Doug Suttles wasn’t well-known in Canada, but he’d gained enormous profile in his previous role. As chief operating officer of BP Exploration & Production, he was the point person as BP struggled to stem the flow of crude gushing from the Macondo oil well into the Gulf of Mexico in 2010.

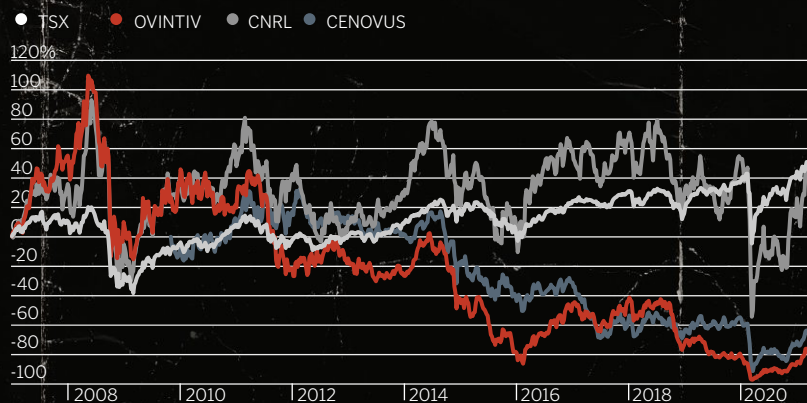
Suttles’s first order of business was a four-month review to see which of Encana’s assets could be kept and which could be sold off. He ended up chopping 27 operating areas down to five to accelerate the shift to oil and gas liquids. He also slashed 800 jobs—about 20% of the company’s workforce—including several top executives; closed its office in Texas; and reduced the company’s dividend by more than half. “I remember early on asking him what had been the secret, if you will, to his success,” says McRitchie, “and he said, in a word, ‘focus.’”

Suttles also zeroed in on Encana’s royalty-free lands as an unexploited source of cash. Woitas—who’d replaced O’Brien as chair when Suttles took over—backed the idea of a royalty division that would see Encana essentially play landlord to other drillers and harvest the rent. Woitas knew the business well, being a proprietor of a similar company himself.

In 2014, Encana announced the \$1.5-billion initial public offering of PrairieSky Royalty. A few months later, Encana sold off its remaining stake for \$2.6 billion. PrairieSky also bought Range Royalty LP—of which Woitas was chair and CEO—for \$699 million. (Woitas declined to comment for this story, as did Suttles and Ovintiv.)

The changes kept coming. In the same year, Encana paid US\$3.1 billion for a position in the red-hot Eagle Ford shale fields in Texas, then spent another US\$5.9 billion in cash for Athlon Energy, giving it a sizable stake in the state’s oil-rich Permian Basin. To cover the cost of the deals, Suttles put the PrairieSky proceeds to work, and also unloaded infrastructure assets such as gas plants and other non-core properties. The sell-off included its Jonah natural gas assets in Wyoming for US\$1.8 billion; last year, the company that bought them

“They got seduced by the valuations of the pure play,” says one equity analyst



defaulted on its debt and had to be restructured.

In theory, Suttles’s heavy bet on oil—the commodity Encana had all but abandoned five years earlier—made sense. But the timing was unfortunate. In late 2014, OPEC kingpin Saudi Arabia decided it was done with reducing its own output to prop up world oil prices, while other countries, notably the U.S. and Canada, pumped full out. The Saudis cranked open their taps, and the price of West Texas Intermediate oil tumbled from US\$105 a barrel in June 2014 to US\$53 by the start of 2015. By the end of the year, it hovered below US\$40.

Encana and its peers dealt with the “lower for longer” era by slashing capital spending, laying off staff and issuing stock to keep debt ratios in check. By mid-2016, Encana’s share price, which had been hammered during the worst of the oil-price rout, began to recover thanks to internal austerity, along with the company’s focus on its Permian and Eagle Ford assets in the U.S. and its Montney and Duvernay plays in Canada.

That is, until late 2018, when Suttles surprised investors with the US\$5.5-billion acquisition of Newfield Exploration. The deal provided an entry into what had been seen as a promising shale play in Oklahoma, but the fervour had already started to fade by the time Encana arrived. The takeover also increased Encana’s debt (again) because Newfield had US\$2.2 billion in net debt on its books.

To Encana’s credit, the deal prompted multiple debt-rating agencies to upgrade its credit profile, expecting that the additional geographic diversification and heavier skew to oil would help its balance sheet. But many shareholders felt blindsided, and the stock tumbled by more than 12% on the day of the deal. It has yet to recover.

At the same time, Suttles’s compensation was becoming an issue. From the time he took over to the end of 2020, Encana’s stock lost more than 80% of its value. Yet, Suttles was paid US\$92 million over the same period (though some of his shares and options have lost value as the stock price dropped).

With investors losing hope, Encana floated the idea of relocating to the U.S. Suttles had already done it himself. In March 2018, the CEO informed Encana staff he was moving to Denver, where the company had an office, citing personal reasons. Half its employees were already based in the U.S. anyway. When Encana was asked if this portended something bigger, officials were adamant a full-blown relocation wasn’t in the cards. “The answer to that is, absolutely not,” a spokesperson said at the time. “We’re a Canadian company. We’re headquartered in Calgary. This decision doesn’t change that in any way.”

A year and a half later, Suttles went for it—and tacked on the name change for good measure. Executives explained that, as a Canadian-based company, Encana was missing out on much of the passive shareholding its U.S. peers were enjoying, and

that put pressure on the share price. Suttles said the company’s entry into a host of new stock indexes, such as the S&P MidCap 400, would mean US\$1 billion in new investment as the shares got scooped up into exchange-traded funds.

Some Canadian shareholders, including Letko Brosseau & Associates, which held 4% of the stock, raised a fuss, saying the company might actually lose Canadian investors. Nonetheless, shareholders approved the redomicile strategy. And Encana was no more.



So who killed Encana? Gwyn Morgan and David O’Brien—the company’s co-founders, once like brothers—are at odds.

“It all comes back to the Trudeau government’s policies,” says Morgan, an avowed conservative who can barely say the Prime Minister’s name without seething. He never quite articulates what the government could have done differently, but his argument generally suggests Liberal policies put a chill on investment dollars, sealing Encana’s fate.

O’Brien doesn’t buy it. A Montrealer and former corporate lawyer at Ogilvy Renault, he moved to Calgary in the late 1970s to become general counsel at Petro-Canada. “I tend to have a more pan-Canadian view of things, as opposed to an Alberta view. And I don’t think the government had anything to do with what happened to Encana, frankly,” he says. “I’m an investor in a couple of private oil companies, and of course the lack of market access has been an issue, but that was an issue that happened during the Conservative regime, as well.”

If anything, O’Brien says, government is the reason Encana had a fighting chance in the first place. When he and Morgan pitched the initial merger back in the early 2000s, they presented it as a merger of equals, with no premium paid to shareholders. It was a risky bet, particularly because a deep-pocketed foreign player could have easily picked off one or



flow makes waves.

At first blush, it might seem ironic that the aha-moment that inspired Nicholas Reichenbach to start Flow Alkaline Spring Water – a brand known as much for its social and environmental practices as its natural spring water – occurred in a desert.

Today, the company's latest strides include its recent preparations to go public, signalling a hope that institutional and private investors could soon be able to join Flow's movement and support the ethical production and consumption of packaged beverages. Flow's purpose-driven approach to business has already attracted the support of dozens of celebrity influencers — from Coldplay, Shawn Mendes and Taboo (Black Eyed Peas) to NBA superstar Russell Westbrook and hundreds of brand ambassadors.

Flow's story began in 2015, after Reichenbach attended the Burning Man festival in the Nevada desert. There, he witnessed a stunning mountain of plastic water bottle waste left by attendees.

Reichenbach called his wife Tammy. "I have an idea for the family spring," he said, referring to an artesian well on his family's fifth-generation property in southern Ontario.

Shortly after, the serial entrepreneur set out on a mission to create a mindfully packaged water brand committed to environmental, social and governance (ESG) principles and wellness.

Tammy, now the company's SVP of Creative, came up with the name "Flow." The brand has been making waves ever since.

Last year, Flow's sales were propelled by 20,000 retailers and nearly 18 million customers across North America. Flow is now the fastest-growing premium water brand in Canada.

Stateside, Flow's Virginia spring source is virtually identical to its Canadian spring in terms of key minerals – including calcium, magnesium, potassium and calcium carbonate – that provide health benefits and a naturally alkaline pH. Both its Canadian and U.S. manufacturing facilities are vertically integrated, powered largely by green energy and located close to the company's springs and key markets.

A certified B-Corp, Flow's dedication to ESG principles is central to its mass appeal. Distancing itself from traditional



After building Flow Water into an ESG champion, founder and executive chairman Nicholas Reichenbach is now planning to take his company public.

bottlers, Flow challenged Tetra Pak to create a smarter package. The result: a 100 per cent recyclable, plant-fibre-based carton made from certified renewable resources, including a cap made from sugarcane. "In the past four years, by choosing Flow instead of plastic bottles, our consumers have avoided tens of thousands of tonnes of plastic and the carbon emissions that represents," says Reichenbach.

Recycling partner Continuous Materials turns Flow cartons into roofing materials. For these and other laudable efforts, including having carbon-balanced operations, the company recently earned a Canada's Clean50 award.

"It's all part of our vision to create the world's premier sustainable premium water and functional beverage company," says Reichenbach.

The work of achieving Reichenbach's mission will be shouldered by Flow's recently bolstered executive ranks, now led by Flow CEO Maurizio Patarnello, a veteran global packaged water executive.

"Flow has tapped directly into the modern consumer's desire for high-quality sustainable water and functional beverage products, and is poised to be a market leader in the space. I expect great things to come," Patarnello said in a recent press release.

Now serving as Flow's executive chairman, Reichenbach is ever confident Flow will deliver lasting benefits to consumers, investors and the environment.

"From the refreshing smooth taste of our water to how we package it – and all the way through to the recycling programs that create new products from our packs, we strive to have a positive impact," he says. "Our brand really embodies the mantra of 'better for you, better for the planet.' After all, water is life and connects us to everything and everyone we hold dear."

To learn more, visit www.flowESG.com.

both of them. But they made their case in Ottawa, and the federal Liberals signalled the merger was off limits to foreigners.

As for the decision to turn Encana into a pure play, Morgan is adamant: If the company had kept its oil assets, "Encana would still be in Canada."

Once again, O'Brien isn't so sure. "That was the fatal mistake, in a sense—because commodities come and commodities go, and if you're solely dependent on one, it hurts a lot." But it's only part of the story. "I'm not as convinced it would have made as big a change as you might think," he says. "What happened to Encana happened to most energy companies. They got hit by a very substantial revision in energy prices, both in oil and in natural gas." And it's not as though one arm has performed dramatically better than the other. "Cenovus has been terrible. Encana has been terrible," O'Brien says.

He puts the blame on the shale revolution—an unstoppable force that bowled over the industry. This was largely a technological disruption, no different than the way Facebook destroyed the ad business or Netflix killed movie rentals.

Of course, O'Brien is biased. He oversaw the split, whereas Morgan wanted nothing to do with it. But in Calgary, there's some sympathy for O'Brien's argument, because so many gas producers have been brought to their knees. Early this year, former natural gas powerhouses Arc Resources and Seven Generations merged to weather the storm. "I don't think any of it really could have been prevented," says Stacey McDonald, a former equity analyst who's now a director at gas producer Birchcliff Energy. "A lot of it was a function of the massive transformational shift to horizontal drilling and the improvement in productivity from wells."

This revolution has shaken Canada's natural gas industry to its core. In 2018, the Alberta government commissioned three experts—former TransCanada CEO Hal Kvisle, former Canadian Energy Pipeline Association CEO Brenda Kenny and former Husky Energy exec Terrance Kutryk—to report on the future of the province's producers. Their conclusion was grim. "Our dominant export market is now our primary competitor, and Western Canadian gas will struggle to retain, let alone grow, its market share within North America," the panel warned. It's a far cry from Morgan's glory days, when Canadian oil and gas was the answer to energy independence for the West.

Yet over the past three years, the U.S. shale industry itself has been decimated, and numerous companies have filed for bankruptcy. While the supply is monumental, the fundamentals aren't, because the wells decline so quickly. "It is so short-cycle," says Robert Fitzmartyn, an equity analyst at Stifel FirstEnergy. "Thirty-five to 40% of your return is captured in your first year." Drilling rights must also be negotiated with hundreds, sometimes thousands, of land owners, who grant short-term permits. In the Montney in B.C., meanwhile, "you can hold your land for far longer, on less capital invested, than in the United States."

The problem for Ovintiv is that its current structure doesn't allow for enduring a decade-long disruption. "They got seduced by the valuations of the pure play," Fitzmartyn says. He contrasts this with Canadian Natural Resources Ltd. (CNRL), Canada's second-largest gas producer—which also has substantial oil sands production. Its stock is still 28% off

its 2008 peak, but the company's shares have returned to pre-COVID levels, and its dividend has increased by nearly 20% annually when compounded over 13 years.

"Canadian Natural was chasing us all the time," Morgan says of Encana's rival, headed by billionaire Murray Edwards. CNRL has been "battered and beat up but still came out relatively well, and I admire them for that. They are now the flagship Canadian company. And I'm glad somebody has at least picked up the flag."

Owning oil assets isn't the only way Encana could have diversified. The company also used to own pipelines, along with storage and gas plants, but sold those assets over many years for short-term financial gains. In-house, these assets might only generate returns of six to eight times annual cash flow, yet they can sell for 12 times cash flow—money that can be used to fund more gas production. McRitchie argues the straight math is too simplistic. "What are the intangibles, the insights you get from having that integrated business?" He also notes infrastructure assets are now some of the hottest in the entire energy sector. "They've become the dominant businesses," he says, "because they've built and created this power over the exploration and production companies."

Having these operations in-house helps a company control how much it drills. By owning refineries or pipelines, it isn't wedded to long-term external contracts to supply oil or gas. Chasing these benefits, Cenovus announced a deal this past October to buy Husky Energy, adding sizable oil-refining capacity in Canada and the U.S., plus offshore operations off Canada's east coast and in the South China Sea, as well as a network of gas stations.

As for the future of the company formerly known as Encana, in March Ovintiv sold its Eagle Ford assets—the ones Suttles spent US\$3.1 billion to acquire in 2014—for US\$880 million. Just a few weeks earlier, it let go of its Duvernay holdings in Alberta for US\$263 million, cutting one more thread to Canada. Ovintiv's stock has rallied in the past six months, but it's coming off an abysmal low; at the end of March, the shares were worth less than a quarter of what they were trading for during the global financial crisis. Suttles has pledged to slash debt, and the company has promised to update its compensation policies following pressure from an activist investor.

Looking back now, splitting up may have been Encana's original sin, but there's no single culprit for its demise. Many of the worst decisions made by its leaders were arguably executed with the best of intentions, like Eresman's bet on natural gas as a way to get ahead on sustainability. But the executives could only control so much. "The world changed dramatically around us," says McRitchie, reflecting on Encana's wild ride. The same could just as well happen to the new crop of clean energy companies that look unstoppable today. "Your strategy needs to be live," he warns, "not entrenched."

As for Morgan, he's made some peace with the unraveling. "I knew they were ultimately going to go to the U.S.," he admits. "I've always said: If you want to have your company move, make sure you hire an American CEO. The writing was on the wall."

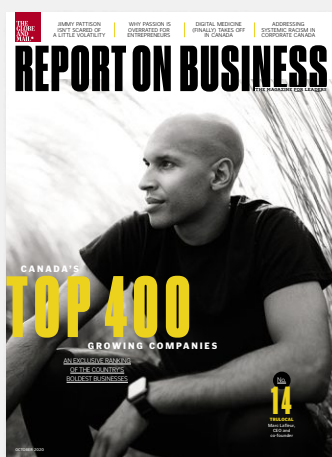
But there's still something he'll never get over, something so personal he just can't shake: "Why would they get rid of the Encana name?"

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BY NICOLAS VAN PRAET



PHOTOGRAPHS BY T M CHABOT





Which is entirely appropriate, given his line of work. They're big. And blue. Maybe steel blue or cerulean, according to Crayola's universally popular colour charts. They're the kind of eyes other human beings wish they had. Well, except for the correction. His prescription is -6, which means he's someone with high nearsightedness. Add to that high astigmatism, keratoconus and your normal level of presbyopia that comes with middle age—all of which Amiel readily acknowledges during a meeting at New Look Vision's headquarters in Montreal in early March. "Nothing bad," he says, chuckling in his self-deprecating way.

Keratoconus, incidentally, is a condition whereby your cornea—the dome-shaped front surface of your eye—gets thinner and bulges out into a cone shape over time. And it tells you a lot about Amiel, New Look's chief executive and the chief architect of the glasses retailer's dazzling growth over the past eight years, that he sees it as a resource as much as a complication.

As we walk toward his decidedly non-fancy corner office, he reveals that he uses the keratoconus as a way to assess the skills of the eye doctors working for New Look's potential takeover targets. His MO: Pose as a patient and go for an eye exam with an optometrist who's received high praise from a seller. If the specialist detects it, that's good. Miss it, as some do, and the entire takeover can be thrown into question. As Amiel explains: "If the seller gives you a raving review of his star opto...and he is wrong about that, what else is he going to be wrong about?"

It's just one of the clever tactics in the arsenal of the Paris-born corporate finance whiz, who has transformed New Look from a snoozy regional retailer into Canada's biggest optical chain. Since he joined the company in 2012 as vice-chair and head of strategy (becoming CEO three years later), New Look has steadily gobbled up competitors across the country while building same-store sales. Before COVID-19 hit, the company had tallied organic growth over 22 straight quarters. Its share price has nearly quadrupled since Amiel started.

The global eyewear industry is roughly the same size as skincare, with sales forecasted to top US\$130 billion this year. It is a market dominated by independent, single-store operators and one multibrand mammoth, French-Italian multinational Essilor-Luxottica, which controls the Ray-Ban, Clearly and LensCrafters banners, among others, and is weighing the purchase of Dutch giant GrandVision. New Look is the only one of the top 15 players to operate in a home market of fewer than 100 million people.

New Look was a solid retailer before, but Amiel seems to have given it a fresh life and purpose. It might not be defined by a "cult of the CEO" in the same way as Elon Musk's Tesla or Apple under Steve Jobs. But its success is tightly tied to his leadership. He's



a key reason firms like Mawer Investment Management became New Look shareholders. And he's a main attraction for U.S. private equity firm FFL Partners and pension fund Caisse de dépôt et placement du Québec, which unveiled a proposal in March to buy New Look for \$800 million and take it private.

The CEO is looking deeply inward at how to make the company more profitable and relevant—a perfectionist intent on using technology and a committed workforce to deliver a near-flawless pair of glasses and customer experience unmatched by low-cost rivals. He's also looking far out at what New Look could become. And his ambition for the company—to one day challenge for the No. 2 spot among global eyewear retailers, up from 14th place—is much bigger than anyone previously imagined.

"Most of us [working here] go home every night thinking, *Hey, we had the chance to change the lives of 3,000 Canadians today*," Amiel says, reflecting on his personal motivation and the ambition felt by New Look's employees. "Maybe we screwed up a few, or they didn't need a prescription. But this is the mood. An eye examination is a chance to change a life. It sounds pompous. It sounds like a brain surgeon almost. But this is what it is."



Those inside and outside the company describe the 52-year-old polyglot executive as a locomotive—a methodical, data-driven leader who works so hard his peers have been known to tell him to slow down. They say years in the optical industry has given Amiel an instinctual feel for both the day-to-day operational intricacies of the business and the big-picture strategies to pursue. He understands how to make eyewear factories operate as well as he understands how to sell the product. He can read the global landscape without losing sight of local markets. And it's all informed by a sensitivity gained from his experience living on three continents. Like crosstown retail compatriot Alain Bouchard of Alimentation Couche-Tard, he never does an acquisition without visiting the retail locations and talking to as many staff members as he can. Like Bouchard, his vision stretches far beyond the sometimes parochial walls of Quebec Inc.

When Amiel first set his sights on New Look around 2010, he wanted to buy it outright. He was in his early 40s at the time, an already accomplished executive with the Japanese optics giant Nikon, leading its North American and U.K. lens supply business.

Preparing to be called back to Japan and not thrilled by the prospect of waiting years at Nikon's head office to obtain the same level of managerial freedom he had, he pivoted from wholesale to retail (it's "a bit more exciting") and got serious about New Look, then a tiny optical chain operating in one of the most profitable and least competitive markets in the world: Quebec.

New Look chair John Bennett, a low-profile merchant banker who is the company's biggest shareholder, with a roughly 35% stake, asked Amiel what he'd do with it. The Frenchman outlined his thoughts for leveraging and expanding it profitably, to which Bennett said: "Well, that's fascinating. Come back with the money, young man," Amiel recalls. It took Amiel several months to find the right Bay Street backer, after which another informal approach was made to Bennett. But the chats never really went anywhere, and the whole deal never got serious.

"He called me one day and said, 'Forget the Toronto boys. Come work for me,'" says Amiel. "I was a bit pissed off. It took a couple more years for him to attract me in, but that's how it came to be."

Any bitterness he might have taken from that experience has long since vanished, much like his penchant for fuelling himself during those early days at New Look with fridges stocked with Red Bull. Today, Amiel—a father of three who's built a bit like a rugby scrum half—seems squarely focused on the future. Technology and further ownership consolidation, he says, will change the face of the optical industry in the years to come. Already, New Look is taking major steps toward implementing virtual face scanning that will deliver better-fitting glasses and planning for a day when it can manufacture a big percentage of its own frames in-house, instead of having to source them from China. Within five years, he predicts, it will likely be possible for a customer to have their eyes examined, get fitted for frames, and order and receive them—all without leaving home. "It would mean a webcam would be precise enough to do a medical examination," says Amiel. "There are major technological challenges. There will also be many regulatory challenges. But it will eventually come."

More than 60% of Canadian adults over 18 use vision correction. And for now, any of them who order glasses from a New Look-owned store most likely end up with lenses made at the company's headquarters and main manufacturing facility in Saint-Laurent, a stark, two-storey concrete slab of a building spread over 60,000 square feet near Montréal-Trudeau airport.

This is the second-biggest lens-making factory in Canada,

behind Essilor's Toronto facility. And if you've ever had an eye exam and talked with an optician about lens and frame options, only to balk at the final price, you have to understand why they cost hundreds of dollars for this level of quality. Manufacturing glasses is surprisingly complex.

The peculiarity of the process begins near the front door, with a machine installed as part of COVID-19 safety protocols. You stick your arms in two tubes that make up a mandatory automatic handwasher, which lathers and rinses in a few seconds. The purpose is to lower the risk of bringing in any contaminants that could threaten the round-the-clock operation. "An epidemic [in the factory] would be catastrophic for us," Amiel says.

Inside, the space is divided into process-specific stations, with roughly 130 people rotating through three shifts. Lenses arrive from the supplier in a semi-finished state and look a bit like clear plastic hockey pucks. After the lenses are set for handling, computer numerical control (CNC) machines called generators grind away material from the back of each lens, with an imbedded diamond knife hitting the plastic about one million times to create the desired thickness and prescription. Polishing, engraving and photographing for quality control follow, after which the lenses are inspected once more before receiving the proper prescription and cosmetic for the future wearer.

There's lots of stainless steel, and everyone is wearing a white lab coat. But it all feels a bit more free-flowing than other manufacturing facilities. If an order is cancelled mid-process, the lenses are scrapped outright because the chance they'll fit someone else is remote. "The thing about optical production is that these are not very stable processes," Amiel says. "The yield goes up and down, and every job is custom. We really make 3,000 different items a day on a very tight timeline. There's a bit of chaos built into the thing."

Unlike some of its rivals, New Look does not sell glasses without anti-scratch protection. So the lenses go to a multistage dip bath, where they receive a baked-on layer of varnish. Then it's off for anti-reflection coating, in which an ion gun zaps each lens with a cocktail of silica materials in a vacuum-sealed chamber. The TV news is full of bespectacled people who haven't paid for this option, Amiel says almost disapprovingly—you see mirrors where their eyes should be. The exact shape and measure of the frame is then taken, and the lenses are cut, or "edged," for a proper fit.

Throughout the plant, there are sounds of machines drilling, hissing and beeping, of water and oil whooshing through a closed-loop recycling system instead of draining into municipal sewer lines. But the most intriguing spot of all is also the most silent. In the mounting area, a handful of individuals sit isolated from one another in low-walled pods and, in deep concentration, delicately snap lenses into frames by hand and fine-tune the assembled prize as if they were solving a continuous series of Rubik's Cubes. Here, dexterity is king—there's not a machine to be seen.

Every pair of lenses in the New Look factory is



mounted into its frame by hand. Because the chance of breakage is so high, this is one process that simply can't be automated, Amiel says. Every lens varies in thickness and diameter. And the workers have to apply just the right amount of pressure to fit it properly in the frame without dislodging the coating. The basics of the job can be learned in three months, but the best workers have been doing it for upwards of a quarter-century.

A pair of glasses goes from order to ready for pickup in-store in about six days. New Look sells contact lenses, too, but they're ordered directly from the manufacturer. That's more of a commodity business, and the profit margins are lower, Amiel says.

The vast majority of frames being mounted here are made in China, and typically 15% of them are unsold at the end of each season. Some of those are donated to people in need, but an estimated 5% end up in recycling centres or landfills. Amiel is hatching plans to cut New Look's reliance on these Asian imports. He wants to start making frames in the lens factory with proprietary technology scaled up from Topology, a bespoke glasses maker based in San Francisco.

New Look has a major investment in Topology and exclusive rights to use its technical know-how in Canada. Amiel estimates 30% of the frames the company sources from China could be made in-house within five years on the same machines it currently uses. The goal: to improve quality and bring made-to-fit to the masses.

"This is going to be the next breakthrough," he says. "From a financial point of view it will be great—less inventory, less shipping, less duty. But beyond that, for society, I think this is the way frames should be made."



The vast majority of glasses in the world today are mass manufactured to fit a perfectly symmetric face that, for the most part, doesn't exist. From the size of our nose bridges to the location of our ears, not many of us are perfectly proportioned. Add to that the sheer variety in individual vision correction, and you have a high probability of being let down in your eyewear shopping experience, especially if you buy online.

Retailers like Warby Parker mitigate this problem by shipping its customers several pairs to try before buying. Others that offer glasses for under \$100 are likely betting people care less about the fit if the price is cheap. And you can always go to a bricks-and-mortar optometrist, many of whom will adjust mail-order specs.

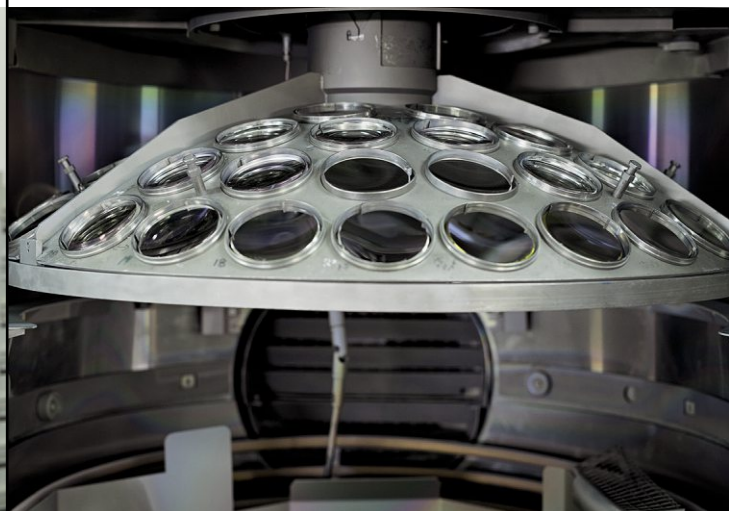
Amiel has a different view: He wants to get the fit as perfect as possible off the bat and offer customers a pair of glasses online with the same quality as those bought in-store—something that's been little more than a pipe dream until now.

Late last year, New Look launched an augmented-reality software application to push this tailor-made strategy. Using 3D depth-sensor technology developed by Topology, it scans 20,000 data points on a person's face in order to build an ultra-accurate portrait that's precise to fractions of a millimetre. Customers take a video selfie, and after the exact measurements are achieved, they can try on different models of glasses and tweak them to suit their vision needs and tastes. The company is readying a more sweeping rollout of the technology this spring.

To place lenses in a frame, you need six very precise measurements, including the distance between the lower rim of the frame and your pupil, Amiel explains. And that's frame-specific. What New Look brings to the market with Topology tech is the ability for people to buy or replace their eyewear without coming into a store for the two years the prescription is valid. The partnership with Topology is the backbone of New Look's organic growth plans. The goal: to offer customers the same experience online as they can get in-store, at the same price.

Online retailers came into the optical trade about 15 years ago with the assumption that glasses were too expensive, technology could make them cheaper and everything could be done online, Amiel says. "None of that has come to be true. Glasses are not too expensive to do a proper job. Not everything can be done outside a store. And because the [online guys] came in with this price of \$100 or \$150 a pair, they've been stuck in the discount segment."

Once virtual face measurement is perfected, the next major advancement will be delivering refraction testing remotely. That's when the doctor makes you look at a chart, puts different lenses in front of your eyes, and asks "better" or "worse" in order to figure out your prescription. Amiel predicts that will be available online within two



years. A complete eye exam is the ultimate step toward a fully online experience.

Just as technology is freeing the eyewear customer from having to spend hours in-store, going private, if the proposal is approved, will likely free New Look to make acquisitions at a pace and size it never dared as a public company. Amiel's first acquisition was Vogue Optical, an Atlantic Canada chain with a ubiquity rivaling Tim Hortons. Despite the region's challenging employment levels and incomes, Vogue's employees are "completely committed," and the purchase has delivered in spades, he says.

The acquisitions of Greiche & Scaff, Forward Vision, Visions Optical and IRIS followed, in addition to a few independents. In 2020, New Look dipped its feet into the U.S. market with its purchase of Edward Beiner, a Miami-based purveyor of eyewear that can cost thousands of dollars (think glasses made of high-grade titanium and finished with real gold). The deal closed just as the World Health Organization declared a global pandemic.

"His No. 1 concern was our employees. He knew very well that in the luxury world, it's about location, product and personnel. You need to have the right people to be able to sell these glasses," says the Brazilian-born Beiner, who runs the 12-store chain that bears his name. Beiner reopened his outlets in May 2020. Sales that month were down 24% year over year but started picking up fast. He remembers a Zoom meeting with Amiel and New Look finance chief Tania Clarke in early summer during which he asked for more inventory, particularly for brands like Cartier and Jacques Marie Mage. "Those big blue eyes were staring at me," says Beiner. "I'm saying, 'I need more product,' and he's looking at me like, *Are you nuts?* There was this pause. And then he said 'Do you believe in it?' And I said, 'Absolutely.' And he said 'Okay, do what you have to do.'"

New Look is coming out of COVID-19 with record revenue as it benefits from pent-up demand and increases its market share. The company's EBITDA margin in the third quarter was 39%, which could signal a new profit "paradigm," says Beacon Securities analyst Doug Cooper, who raised his 12-month price target on the stock in November to \$55.

But a stock that barely traded will likely soon not trade at all. New Look discreetly began a formal process last year to seek new ownership willing to take its business to the next level. Under the proposed deal announced in March, FFL and the Caisse de dépôt will take over the company and bankroll its effort to further consolidate the Canadian market and build its U.S. footprint, Amiel says. After that, there might be some "fairly big" overseas opportunities if more retailers become available and EssilorLuxottica meets antitrust resistance trying to buy them.

It's clear some of New Look's current investors are skittish about the prospect of such a transformative acquisition. ("That scares me," says Mawer portfolio manager Jeff Mo.) But others applaud Amiel's moxie and say the retailer has outgrown the usefulness of the Canadian public market. New ownership brings access to bigger pools of capital. And that's necessary if New Look wants to play on the global stage.

The CEO will benefit from a few tailwinds as he grows the company, including a pilot project to sell hearing aids and other high-margin ancillary products. As he told shareholders in his last annual report letter: Humans' aging process triggers near-vision loss from the late 40s and hearing deficiency from the early 60s. These age groups will expand at twice the rate of the general population for the coming decade. That's supplemented by a worldwide myopia epidemic stemming from increased screen time and other lifestyle changes among younger people. Starting with the millennials, people need vision correction earlier.

But the competition isn't letting up. Many independent operators are carving out strong retail niches serving specific markets and ethnic groups. New disruptors like Australia's Dresden Vision, which sells single-vision lenses and frames starting at US\$35 that customers assemble themselves, are determined to shake up established players. And online retailers like Vancouver-based Clearly, owned by EssilorLuxottica, will only get better. Will Amiel be able to meet the challenge? The proof is "in the pudding" in terms of what he's been able to accomplish so far, says Cooper. Once the privatization goes through, however, the window into New Look's financials will largely go dark. We'll never know how successful the CEO's moves have been (at least until the next big corporate play years from now). Amiel says that could just as likely be an initial public offering as a takeover by another private equity firm. "By then, we will be seriously committed to international expansion beyond North America," he says.

The CEO might be nearsighted with a -6 correction. But his vision for New Look's future has rarely been clearer.



DAVID PICTON

PRESIDENT, CHIEF EXECUTIVE OFFICER AND PORTFOLIO MANAGER
PICTON MAHONEY ASSET MANAGEMENT, TORONTO

David Picton launched his investment firm in 2004 to focus on authentic hedge fund strategies to help protect investors' money, rather than swing for the fences. The firm, co-founded with Michael Mahoney, has grown to nearly \$9 billion in hedge fund and other alternative investments, as well as pension vehicles and long-only mutual funds. Among Picton's own portfolios, his \$181-million Picton Mahoney Long Short Equity hedge fund has outpaced the S&P/TSX Composite Total Return Index over the long haul. We asked the 55-year-old growth manager why he's bullish on copper stocks and owns bitcoin, too.

When picking stocks, why do you favour a momentum strategy?

Positive fundamental change is the most powerful driver of stocks and tends to generate stronger returns. It can mean a company is improving because of rising revenue or profits, or changing for the better in other ways. If our quantitative or computer-driven signals overlap with our fundamental research, which includes company meetings, we get higher conviction on a name.

What is your outlook for Canadian stocks given that COVID-19 vaccines are now rolling out?

I think the Canadian market can do better than the U.S. this year. We'll probably have the strongest GDP growth rate in decades, on top of massive fiscal and monetary stimulus. That tends to benefit cyclical stocks and bodes well for the domestic market given its financial and materials exposure. We've transitioned our portfolio, in which we had more technology-oriented stocks last year, to more cyclicals such as banks, energy and metals.

Why are the Canadian banks attractive?

Loan loss provisions are falling, credit is growing as the economy gets better, and banks' net interest margins will improve as the yield curve steepens. We also like specialty financial companies, such as Element Fleet Management and Trisura Group.

Given the renewable energy trend, why do you like oil and gas stocks?

Traditional energy companies will face incredible demand in an economic recovery. Because access to capital to grow their businesses has tightened due to environmental concerns, demand will outpace supply. Oil could hit US\$100 per barrel again, but not for long because of the move toward green energy and environmental, social and governance investing. We like Suncor Energy in this sector.

Why are you upbeat on copper among metals stocks?

The last commodity boom peaked around 2011, when China's demand began to decelerate, but

many companies committed huge amounts of capital to new mines. It takes about 10 years to work through the oversupply. Demand is now potentially accelerating, but there will be a point when supply can't keep up with demand. We see a good opportunity, particularly in copper, that cannot get displaced or disrupted. It might even have more demand growth from electric vehicles, the electrical grid and rebuilding infrastructure.

First Quantum Minerals is a top copper play for you. Why?

First Quantum has gone from building mines to harvesting cash flow from them, which is a positive change. It operates the Cobre Panama mine, has assets in Zambia and now has significant leverage to higher copper prices. China's Jiangxi Copper acquired about an 18% stake in First Quantum in 2019 and had a standstill agreement prohibiting a takeover that expired last month. We don't know yet what Jiangxi's intentions are.

You also own some bitcoin. What's the attraction?

I have a small position through a closed-end fund. I started buying bitcoin after [payments processor] PayPal announced in October that it would let its customers buy and sell the cryptocurrency. That was a significant positive change, which added more legitimacy to bitcoin, as well as more potential buyers. We thought this would increase the likelihood of further price gains.

What sectors are you bearish on?

We think office and retail real estate investment trusts could be challenged, with more employees working full or part time from home. Other sectors include high-multiple traditional electric utilities and technology companies, which are sensitive to rising interest rates, while some firms acquired by special purpose acquisition companies have high valuations and can be vulnerable. /Shirley Won

PICTON MAHONEY LONG SHORT EQUITY FUND (CLASS F) ANNUALIZED % TOTAL RETURN*



S&P/TSX COMPOSITE TOTAL RETURN INDEX



* RETURNS TO FEB. 26, 2021.

SOFTWOOD LUMBER (CME Globex) VS. SHOPIFY (TSX)

Indexed. April 1, 2020=100



DECODER

KNOCK ON WOOD

If you visited a home improvement outlet on a quest for two-by-fours in recent months, you likely experienced sticker shock. Over the past COVID-plagued year, lumber prices have roughly quadrupled, standing at just under US\$1,000 per 1,000 board feet at the end of March. That's after averaging around US\$250 for more than four decades.

To put the spectacular run-up in lumber prices in perspective, we compared it to Shopify, the e-commerce giant that's become Canada's stock market darling over the course of the pandemic. The result: As measured by futures contracts for lumber, wood has slightly outpaced the e-commerce giant's torrid share-price gain

since the beginning of April 2020.

What's going on here? At the outset of the crisis, lumber mill operators—like most economists—thought the pandemic and related lockdowns would cripple consumer demand, so they shut down production and laid off workers. Instead, the world embarked on a renovation and home-building boom, thanks to a combination of record-low interest rates, a gush of government money, boredom and an urge to upgrade our surroundings. By the time mills resumed production, supply had fallen far behind demand.

The price surge is spilling over into home construction costs across North America, and that's likely to continue. In March, the United States' National

Association of Home Builders warned that pricier wood is adding US\$24,000 to the March 2020 price of the average new single-family home.

This isn't just a phenomenon exclusive to lumber, though. Commodities from soybeans and coffee to crude and copper have all been marching higher, as expectations build for a strong post-pandemic recovery.

You won't find Canada's biggest hewers of wood complaining. Canfor, Interfor, Resolute and West Fraser Timber have seen earnings surge along with their share prices during the pandemic. As of the end of March, all have matched or outperformed Shopify shares on a one-year basis.

/Jason Kirby

FOR YOUR CONSIDERATION

STINGRAY GROUP INC. MONTREAL

REVENUE (FISCAL 2020)
\$307 MILLION

THREE-YEAR SHARE PRICE CHANGE
-32%

P/E RATIO (TRAILING)
21.1

Stingray is a fast-growing audio and video provider, but CEO Eric Boyko, who co-founded the company in 2007, concedes he's not a music superfan. He recalls introducing himself to a glamorous VIP at the 2011 Canadian Grand Prix in Montreal. "I really like your song *Waka Waka*, Rihanna," he said. She replied, "Oh, I love the song as well. But it's not me, it's Shakira."

Technological upheavals have knocked the traditional music and broadcast businesses off their axes. Yet in Canada, radio, TV and online platforms are all still dominated by established giants, including Bell, Rogers and Quebecor. Upstarts need to find niches.

Stingray has grown mainly by making clever acquisitions. Boyko and co-founder Alexandre Taillefer launched the company by buying South Carolina-based Soundchoice, the largest legal provider of karaoke tracks in Western markets, for just \$6 million. It was owned by two brothers, "and both of them got separated," Boyko says. "So, they needed to liquidate their shares."

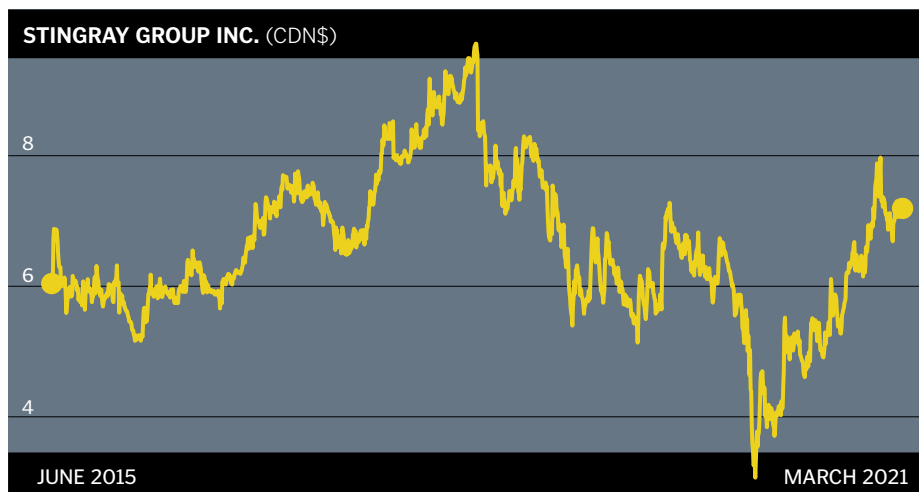
Since then, Stingray has acquired more than 40 other businesses. Three big deals were milestones: In 2011, it paid \$65 million for the CBC's Galaxie music service on cable and satellite TV. In 2015, Stingray went public on the TSX and raised \$140 million. Three years later, it bought Newfoundland Capital Corp. for \$506 million from the family of entrepreneur Harry Steele. That gave Stingray more than 100 radio stations, making it the second-largest owner in Canada.

As a result, Stingray's revenues have more than quadrupled since 2015. But the company's stock got ahead of itself, climbing strongly

from \$6.25 at issue to \$11 in 2018, then skidding to \$3.50 as COVID-19 took hold last year. Since then, it has more than doubled, yet is still trading at low enough multiples to offer growth at a reasonable price.

Boyko also points to promising structural shifts in Stingray's business since 2015. That year, about two-thirds of its revenue came from traditional per-subscriber monthly fees paid by Bell, Rogers and other cable and satellite TV providers. Those firms offered Stingray channels, most often used as background noise as people puttered at home.

But Stingray is now a broader media tech company. Two-thirds of the revenue comes from streaming services, mobile apps and subscription video-on-demand (the karaoke library alone has more than 30,000 songs), as well as advertising (online and broadcast). Much of the online revenue comes

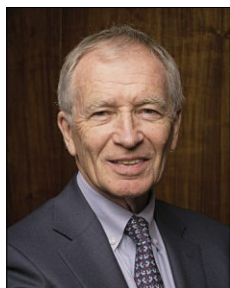


via Smart TV—Apple and Amazon are two big clients. And Stingray has more than 400 million users in over 150 countries.

Looking ahead, Boyko says, “Stingray has to be doing \$1 billion in annual revenue within the next five years,” and he wants 90% of

its growth to come from outside Canada. Karaoke, however, remains a foundation of the firm. “Every employee has to sing a song when they join the company,” he says. His chosen performance tends to be a bilingual version of *O Canada*, not *Waka Waka*. /John Daly

Congratulations to these recent appointees



Phillip Crawley, Publisher & CEO of The Globe and Mail, extends best wishes to the following individuals who were recently featured in the Report on Business Section of The Globe and Mail newspaper. Congratulations on your new appointments.

Phillip Crawley



Robert (Bobby) Kwon
to President
and CEO
Canadian
Commercial
Corporation



Richard Kellam
to President
and CEO
Data
Communications
Management Corp.



Michelle Banik
to the Board of
Directors
Empire Company



Heather Baker
to Canadian
Managing Partner
of Quality and Risk
Management
KPMG



Tammy Brown
to Deputy Chair
KPMG



Robert Davis
to Chair and
Chief Inclusion and
Diversity Officer
KPMG



To make arrangements for an Appointment Notice, please call 1-800-387-9012 or email advertising@globeandmail.com

View all appointment notices online at www.globeandmail.com/appointments

If something doesn't work, you can't just say, 'Okay, I'm done'



Picture of health

Huda Idrees led Dot Health through a pivot just before the pandemic spurred a wave of new business for the Toronto-based startup

I started skydiving in university, and I remember one dive—this was before I got my solo licence—that went really wrong. I dropped faster than my instructor, and I lost him. And I wasn't positioned correctly, so I couldn't pull my chute. I didn't know which way was up. Eventually I did get the chute deployed, at something like 3,000 feet. It was a super-close call, and I came out of it not really wanting to skydive again.

In business, if something doesn't work, you don't have that luxury. You can't just say, "Okay, I'm done." You can't send your employees home, say bye-bye to your investors and just call it a wrap. You have to improvise and pivot—and that has been big for us, because a lot of things haven't turned out the way we expected.

Just before the pandemic, we went through a big pivot. When Dot started, it was purely a direct-to-consumer business, helping individual Canadians request and access their own health data. But in 2019, we moved from direct-to-consumer to selling to health care providers, allowing hospitals, pharmacies, long-term care centres and clinics to ditch

the fax machine and process all their health data requests online. We'd started to understand that's where we could make more money and have better margins. We had to make massive changes to our team and ended up going from 32 full-time people to half that. We basically put all our resources into business development.

Every startup that goes through a pivot, there are a million ways for it to fail, and our board meeting at the top of 2020 was really tense. We had a couple of acquisition offers, and we were really considering them. But our numbers jumped up quite a bit that first week of working remotely, because a lot of Canadians started using virtual care services to see their doctors. So we saw ridiculous numbers on our direct-to-consumer app, which is ironic, because we were moving away from it. On the health provider side, we were closing business so fast because a lot of places—hospitals, for example—no longer had staff in their health records department, and they were like, "What do we use instead?" And believe it or not, that's one of our competitors—health records departments. I think it was really helpful for us to understand what forces entrenched businesses to change their ways a little bit—and it's literally a world-stopping pandemic.

We've brought in more revenue than we were previously projecting since the pandemic started, and we've had a streak of profitable quarters, knock on wood. And we've had our first rollout in the United States and Mexico, where Dot is being used to prove you've been vaccinated. We had immunizations on the platform before—people could always see their flu shots and other vaccinations. But the COVID-19 vaccine is a whole other beast. It's a brand new line of business we'd never even considered before.

But we've kept our team small, and when we have hired, it's all been remote. In some ways, it's been easier for those new employees—if you don't know what office life was like before, you don't know what you're missing. Our team used to play board games and video games together—it's a big gaming office. Replicating that culture remotely has been tough. The lease on our office was up in December, and I kept wondering if we should renew it. But ultimately, we decided it didn't make sense to just pour money down the drain. **/Interview by Dawn Calleja**

2016
Year Idrees founded Dot, eight years after moving to Toronto from Saudi Arabia to study industrial engineering at the University of Toronto

86
Number of times Idrees has jumped out of an airplane

Hope, you've made us proud

We couldn't be more proud of our CMO, Hope Bagozzi, recognized as a 2021 recipient of the Best Executive Award in Sales and Marketing. Under her leadership, Tim Hortons committed to a back-to-basics plan focused on our core strengths – craveable quality food and beverages, best-in-class guest experiences, and the collective caring for Canadian communities.

Hope's philosophy of marketing with purpose equipped her to face the challenges of the pandemic with conviction and without fear. Tim Hortons was one of the first Canadian brands to respond to the changing landscape by incorporating social distancing practices and guidelines, and doubling down on community outreach. We led the way in thanking countless front-line workers with coffee and donut donations and our limited-edition Hero Cups, while raising \$22 million through charitable community initiatives like Camp Day, Smile Cookie, and Nova Scotia Strong Donuts. This past year, Hope embodied what it means to do the right thing – for her colleagues, our owners and team members, the brand, our communities, and our guests.

From your family at Tim Hortons, congratulations Hope, on this well-deserved recognition.

Tim Hortons

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