THE GLOBE AND MAIL

JIMMY PATTISON IS 94. WHY ISN'T HE CHILLING ON HIS YACHT?

GET INSPIRED BY OUR THIRD ANNUAL LIST OF CHANGEMAKERS

HOW MAGNET FORENSICS CATCHES THE WORST KIND OF CRIMINALS

YOU CALL THAT A MASS LAYOFF? DECODING THE LATEST TECH CULL

REPORT ON BUSINESS

HOME CAPITAL WAS ON THE BRINK OF DISASTER.

the COMEBACK KING

YOUSRY BISSADA JUST SOLD IT FOR A BUNDLE

MARCH 2023

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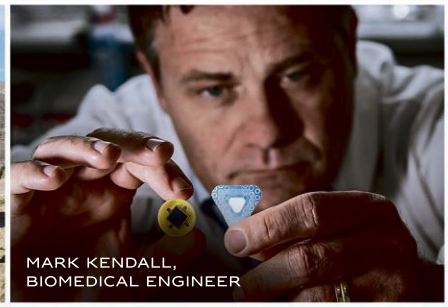
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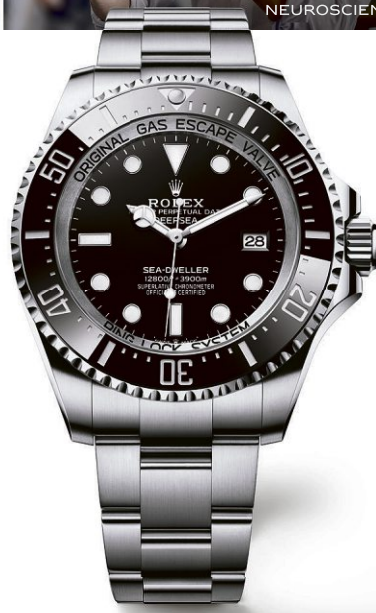

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ROLEX

Contents

2 EDITOR'S NOTE

5 NEW RULES
CEO pay keeps getting even huger relative to the wages of the average worker, and annual shareholder votes aren't slowing it down

6 THE EXCHANGE
Vancouver billionaire Jim Pattison is 94, owns dozens of companies and still loves coming to work. What's his recipe for success? Or are there lots of them?

10 BIG IDEA
The term friend-shoring sounds so...friendly. But can it disentangle global supply chains stretching back to China, Russia and other nasty dictatorships?

14 WHAT YOU CAN LEARN
For some darned serious and useful advice on how to get ahead at whatever you do, let's turn to stellar comedian Catherine O'Hara

16 DECODER
Big Tech has laid off thousands of workers recently, but the cuts pale in comparison to historic mass dismissals in the old economy

18 FOR YOUR CONSIDERATION
Canada's fourth-largest life insurer, Quebec City–based iA Financial, beats the Big Three handily on many scorecards

20 SMART MONEY
Environmental, social and governance investing is the latest megatrend, but value manager Gregory Payne has succeeded since 2008 with a more targeted approach

56 TURNING POINT
Having eight children of her own has helped Kids & Company founder Victoria Sopik build a daycare powerhouse

23

MEET THE CHANGEMAKERS
It's been grim in Canada and much of the rest of the world recently. For some much-needed light and inspiration—in the next year and beyond—we present our annual selection of 50 visionary activists, executives, entrepreneurs and academics. **/By Tamar Satov, Liza Agrba and Rosemary Counter**

Dax Dasilva, founder of Age of Union *page 32*

42

THE TURNAROUND ARTIST
Home Capital came perilously close to sinking in 2017 and blowing a big hole in Canada's mortgage market. But Yousry Bissada stepped in, took the helm and pulled off one of the great comebacks in Canadian corporate history. **/By John Daly**

50

TO CATCH A PREDATOR
Former cop Jad Saliba created software to track down heinous online criminals and spent more than a decade building Magnet Forensics. Now the company's been sold to a big U.S. buyer. Is this a win for Canada, a loss or a bit of both? **/By Jason McBride**

COVER PHOTOGRAPHED EXCLUSIVELY FOR ROB MAGAZINE BY SHLOMI AMIGA; (RIGHT) OUMAYMA B. TANFOUS

Et tu, Balsillie?

"Part of the thrill—and anxiety—of working at a magazine is the possibility that, well, *news happens*. I can never quite shake the feeling of foreboding that grips me the closer we get to shipping the whole thing off to the printer. After all, anything can happen to upend a story at the last minute (or worse, during the terrifying lull between hitting "send" and receiving the print issue three weeks later).

I thought we'd already had our twist for the March edition. Way back in September, Senior Editor John Daly started reporting on Yousry Bissada's turnaround at Home Capital. We knew the company was in play—the alternative mortgage lender had already turned down an offer. But in late November, billionaire financier Stephen Smith swooped in with a bid worth roughly $1.7 billion, giving potential rivals until Dec. 30 to top it. We held our breath until the deadline passed and then sat down to recast the story ("The turnaround artist," page 42). Crisis averted.

Or so we thought.

Jason McBride was also in the midst of writing a story about Magnet Forensics, whose software helps law enforcement agencies gather evidence against the worst kinds of criminals ("To catch a predator," page 50). Amid a rout that has seen tech stocks tank and led to thousands of layoffs, Magnet has kept right on growing. It seemed poised to become one of Canada's most successful tech players.

Then, on Jan. 20, two weeks before we were due to send the magazine to press, Magnet announced it was being acquired by U.S. private equity giant Thoma Bravo for $1.8 billion. Once the deal is approved, it will merge with another company in Thoma's vast portfolio of software makers, and that, as they say, will be that. Sure, BlackBerry veteran Adam Belsher will remain CEO of the new entity, and BlackBerry co-founder Jim Balsillie—Magnet's chair and a controlling shareholder—will stay on as a director. But Magnet will no longer be based in Canada, and the country will lose yet another tech champion.

It's just the latest reminder that Canada has a problem holding onto its best and brightest companies. (A few recent examples: Sweden's Essity bought 80% of Knix Wear, maker of leakproof underwear, last year for US$320 million. Smart-thermostat pioneer ecobee was absorbed in 2021 in a deal valued at US$770 million. The year before that, financial fraud–detection company Verafin was acquired by Nasdaq for US$2.8 billion.) And that should be causing all-out panic in Ottawa. As Sean Silcoff and Josh O'Kane put it in a three-part Globe and Mail series about Canada's failures on the innovation file, it all amounts to "employers from other countries generating economic benefits thanks to Canadian talent."

It's particularly ironic that Balsillie helped broker the Magnet deal. For years he's been screaming about the dangers of shipping our tech innovations south. He's got an entire foundation dedicated to keeping Canadian intellectual property in Canada. "If you don't have the IP," Balsillie has said, "you have nothing to sell."

I guess it's a different story when the price is right. **/Dawn Calleja**

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The long and short of it

Our overall CEO of the Year, University Pension Plan's Barbara Zvan, drew equal parts applause and skepticism.

A CEO with the foresight to realize that yield is a long-term proposition. **—jdmac44**

Ms. Zvan no doubt is highly intelligent, hardworking and has vision. Let's revisit her full record at UPP in five to seven years, and then determine if she has really earned this honour. **—Jacros**

Power move

Our profile of Hydro-Québec's Sophie Brochu—who has since announced she'll step down—electrified readers.

What remains a mystery is why three generations of Ontario electricity executives have remained so entrenched in their "no power from Quebec" thinking. The Ontario economy's Achilles heel is high electricity prices, and there is no easy way out. Pride goeth before a fall, and fall greatly Ontario will. **—Luca Riffer**

Speaking as an Albertan, what should happen is that Alberta should buy electricity from Quebec. It would be a win for Quebec, as it would improve its economy and government revenues, and get it up to Ontario's GDP-per-capita level, and a win for Alberta, as it would reduce capital outflows for equalization. And it would get a stable, non-emitting source of reasonably priced electricity. It would be a win for the environment, as Quebec is pretty much 100% hydropower. It would also be a win for Canada, as it would foster East-West co-operation. **—Excimer**

Passing the torch

Our interview with Maple Leaf CEO Michael McCain and his successor gave readers a peek into the planning process.

Michael McCain has been a destroyer of value over 22 years. The McCains would have been better off buying a TSX index fund. **—NigelTufnel11**

I admire the direction the leadership team took on sustainability. The investments they've made in their supply chain and infrastructure will see them into the next 100 years. **—Your Huckleberry Friend**

As a long-term (and long-retired) employee, I found it an honour to work under Michael's leadership. He was assertive and brought about a lot of changes. I sincerely wish Curtis Frank success. The food business is extremely challenging, and it takes vision, creativity and determination to chart a path to success. **—Gm1m2r**

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* Annualized Distribution Yield as of December 30, 2022: The most recent regular distribution, or expected distribution, (excluding additional year end distributions) annualized for frequency, divided by current NAV. Source: BMO Global Asset Management.

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03/23

"It's like daylight robbery" *—Nicolai Tangen, CEO of Norway's US$1-trillion sovereign wealth fund, on execs who make US$20 million+. He earns less than US$1 million*

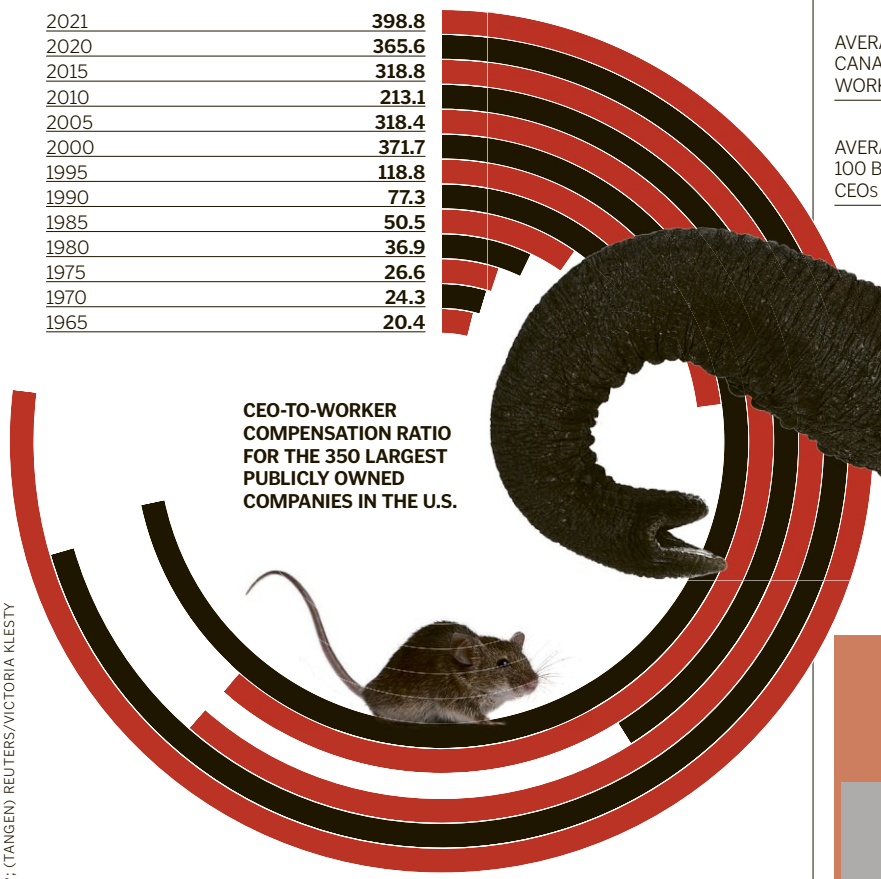
NEW RULES

Size matters

CEO compensation in Canada keeps going up—overall pay grew by 10% in 2021, with bonuses and share-based awards up by 13%, according to ISS's latest proxy report. Yet, of the 222 companies that held say-on-pay votes, just three failed (Enghouse Systems, Agnico-Eagle Mines and CI Financial). Meanwhile, the gap between average workers and top execs grows ever wider.

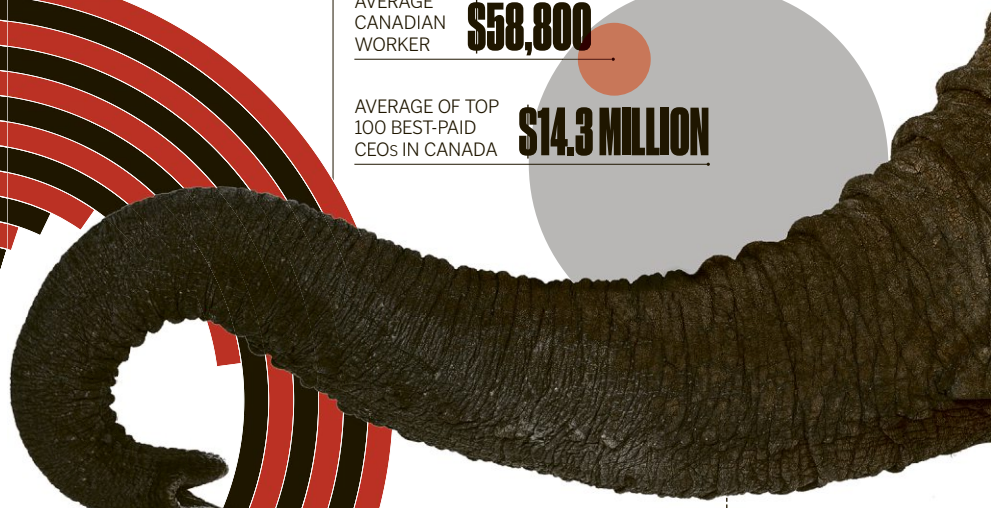
AVERAGE CANADIAN WORKER **$58,800**

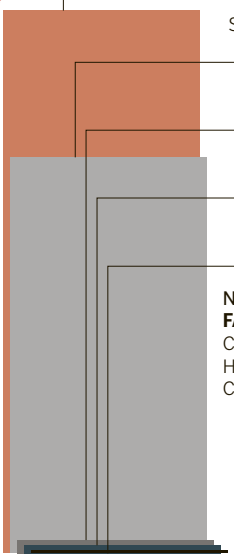
AVERAGE OF TOP 100 BEST-PAID CEOs IN CANADA **$14.3 MILLION**



2021	398.8
2020	365.6
2015	318.8
2010	213.1
2005	318.4
2000	371.7
1995	118.8
1990	77.3
1985	50.5
1980	36.9
1975	26.6
1970	24.3
1965	20.4

CEO-TO-WORKER COMPENSATION RATIO FOR THE 350 LARGEST PUBLICLY OWNED COMPANIES IN THE U.S.





NUVEI'S **PHILIP FAYER** WAS CANADA'S HIGHEST-PAID CEO IN 2021

TOTAL
$140,778,516

92%

Average shareholder support for say-on-pay proposals in Canada during the latest proxy season. Just three companies failed their SOP votes (which remain voluntary), down from a record six during the 2020 season

$392 MILLION

TOTAL COMPENSATION OF THE 10 HIGHEST-PAID CEOs IN CANADA IN 2021

RATIO OF PAY OF THE 100 BEST-PAID CANADIAN CEOs TO THAT OF THE AVERAGE WORKER

PERCENTAGE OF TOTAL COMPENSATION OF THE 100 BEST-PAID CANADIAN CEOs THAT IS VARIABLE

PHOTOGRAPHS ISTOCK; (FAYER) THE CANADIAN PRESS/HO-NUVEI CORP; (TANGEN) REUTERS/VICTORIA KLESTY

THE EXCHANGE

Time bandit

Jimmy Pattison turns 95 this year, and he's still overseeing an empire that spans eight industries (from coal terminals to grocery stores to novelty museums) and generates revenue of $14 billion a year. What's his secret?

BY TREVOR COLE

There was a time, back in the 1960s, when Jimmy Pattison seemed to most Canadians like a magic trick. He was driven by unknown forces. "A jumping-bean of a man" is how one writer put it. One minute he was the owner of a car dealership, and practically the next, he was a "tycoon." He'd bought an underachieving company selling outdoor illuminated signs and turned it into a conglomerate. A Vancouver newspaper called him a billionaire long before he'd actually achieved that status; it just seemed inevitable. By the mid-1980s he owned nearly 40 companies, all related to consumer goods or services, and still he wasn't satisfied. He was the kind of rich man who owned a yacht luxurious enough to host Prince Charles and Princess Diana, yet still checked the coin-return boxes of every payphone he passed. The latest *Forbes* estimate puts his net worth at close to $15 billion, though he never took the Jim Pattison Group public, so it's hard to know for sure. His value as an example of what any Canadian with an insatiable appetite for business success can achieve, however, might be immeasurable. We chatted via Zoom from his office in downtown Vancouver.

Okay, go ahead and shoot.

Great! Here's my first question. You're 94 years old, and you're still CEO and chairman of the company you started about 60 years ago. Why are you working and not out on your yacht somewhere?

Well, first of all, because I owe the banks money. That's a good start on it. But the reason I do what I do is 'cause I haven't found anything I like doing better. I like going to work every morning. In fact, when I get off this deal with you, I'm on my way to Saskatchewan, where we just built a new building for our John Deere dealership in Humbolt.

You once said, "You don't have to be smart to make a lot of money, just as long as you're not too stupid." Is that true still?

If I said that, I don't recall saying it. To make money, you have to find the opportunity, and then you have to execute.

Back when you started in the '60s, you had a Buick dealership and a radio station. Then all of a sudden you started buying a whole bunch of businesses. It was like you were struck by lightning. What triggered that?

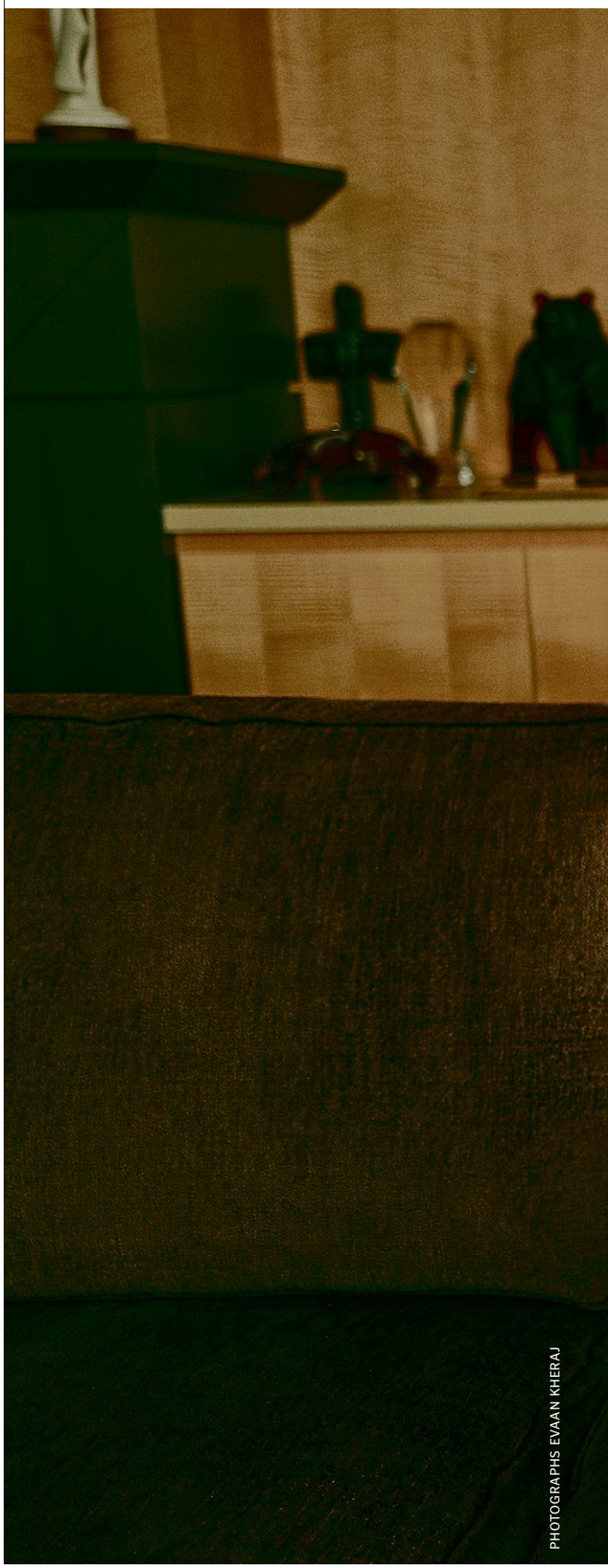
YPO.

What is that?

Young Presidents' Organization. It was a deal, both in Canada and America, for people like me, that got together and had meetings.

You were inspired by YPO.

I was inspired. When I joined this organization, the B.C. group belonged to the American part of the organization. And the Americans tend to be very aggressive, in many cases,



PHOTOGRAPHS EVAAN KHERAJ

in business. And when I saw the vision these people had, with no money, it gave me the opportunity to grow.

You once said that what held people back was a lack of courage. Where did you find your courage?

Well, I can tell you, the Royal Bank loaned me $40,000, and I got started with a car dealership in Vancouver. That was my start. And so, I spent my whole life borrowing money, paying it back, and investing it in something that I had a rough idea I could make some money with. And some have worked, and some have not worked. (1)

Was there ever a time when your courage failed you?

No.

That's a very definite answer.

That doesn't mean I didn't make a lot of mistakes. Failures, I've had my share of those. But it was never because I was afraid to get up in the morning and try something new.

Since we're talking about mistakes, do you want to tell me what you think your biggest mistake was?

I would say my biggest mistake was going into a high-tech deal I knew nothing about, with a bunch of people. I bought this company, and it was high tech, I didn't understand the business, and the people were not competent. I probably paid a million and a half for it or something like that. I lost it all. That taught me a great lesson—to be sure I know a little bit about what I'm getting into.

If I were starting out right now and had my eye on making $1 billion, what advice would you give me?

Well, No. 1 is always be honest, no matter what. And if you're borrowing money from the bank, you gotta have a good reason for where the money goes and why, and how you're gonna pay it back. Work hard, be honest, and when you make a mistake, don't try to prove you're right.

Don't keep hitting the nail with the same hammer. Just move on.

If you find out you're not a carpenter, quit and do something different.

I'm sorry to keep throwing your old quotes back at you, but you once said, "Deals are made in dark rooms and strange places." Is that still true?

No. I don't even remember that quote, if I said it. But usually when we were doing a deal, it would be a small little family business, and it could be in a farmhouse. It could be in a garage. It could be in a car. But it wouldn't be in a fancy boardroom like I'm sitting in right now. The deals we do today involve more money and sophisticated people, and we usually have lawyers on both sides, and all of that.

As you were building your empire, a lot of people admired you. Was there a peer or business figure whom you admired?

There certainly was, and I can't recall who they would be. There was one in Texas—I can't remember his name today. And then there was a bunch of people, mostly Americans, that came from nothing.

Did you ever look up to Warren Buffett, as an investor?

Absolutely, Warren Buffett's in a class all by himself.

You don't see any similarities between you and him?

Oh, no. I'm a nothing compared to Warren Buffett. (2) Warren Buffett, by the way, sent me a picture one time, unsolicited, with a note written on it. And I got to know Warren Buffett. Now you're talking to somebody that really knows what he's doing.

Since the 1960s, you've been through a number of recessions. What is your opinion about where the economy is headed this year?

That we'll get through it, and things will be fine.

Are you doing anything special to prepare for a possible recession?

We're not doing anything special, but we're cautious of being sure that we're not over-leveraged, if things go wrong.

You used to make a distinction between business people in the West, and those in the East. You felt that westerners were more trustworthy. How do you feel these days?

I don't recall ever saying that they're more trustworthy. The people in the West, I have found, will take more chances than the people in the eastern part. They're more risk takers than the people that I've dealt with in the eastern part of the U.S. or Canada.

Looking back, where would you rank Expo 86 on your list of accomplishments?

Well, the Expo turned out to be a success, and I was just one of the volunteers. We had hundreds and hundreds of volunteers in British Columbia that worked in the World's Fair for nothing, and I was just one of them.

Weren't you pretty instrumental in making things happen?

Well, I was running the fair, and it was my job. But you don't do it alone. You hire people that contributed, and we had a lot of support from the B.C. government, the Canadian government. It turned out to be

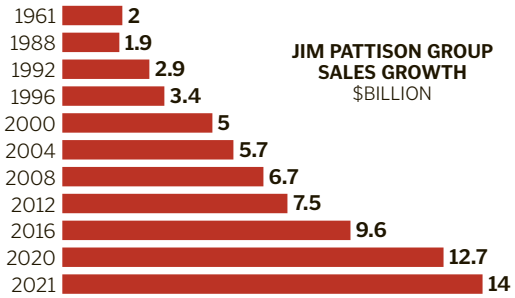
43

Number of brands and companies the Jim Pattison Group owns, including Ripley Entertainment, Guinness World Records, Canfor, Westshore Terminals, Save-On-Foods and Ocean Brands

Number of employees across all those companies
49,000

Number of employees who work for the parent company
12

Estimated value of Jimmy Pattison's yacht, Nova Spirit
$25 MILLION



1. In 1969, when Pattison was buying company after company, a Vancouver businessman who was asked about him said: "He's so efficient he scares me."

2. Buffett's net worth is roughly $150 billion, a little over 10 times Pattison's.

3. The World's Fair, whose theme was transportation and communication, drew 22 million visitors—triple the number who attended Expo 84 in Louisiana.

PHOTOGRAPH (LEFT) ROSS G STRACHAN

successful, but the government of Canada and British Columbia were the people that deserved the credit. (3)

Did your Expo experience ever inspire thoughts of running for political office?

It did. One night at nine o'clock, my phone rang at home, and the party that was in power at the time offered me the job as premier.

Oh, really?

I don't even remember telling anybody that story before. But Maureen, my assistant, remembers. (4) They called at nine o'clock—a lady by the name of Grace McCarthy. She was a cabinet minister and said, "Jimmy, the premier's gonna be retiring, and we'd like you to take the job on." I remember it very well. It was at night, and I was on a speakerphone, and my wife heard the call. "Oh, Jimmy," she said, "you should do that." And I slept on it, and decided, no. I was gonna stay a businessman.

And you never considered it again?

I have, 'cause I've had opportunities two or three times, to go into politics. But I decided that I would stick with trying to make money. And not for the interest of making money for money's sake, but it's what I like doing.

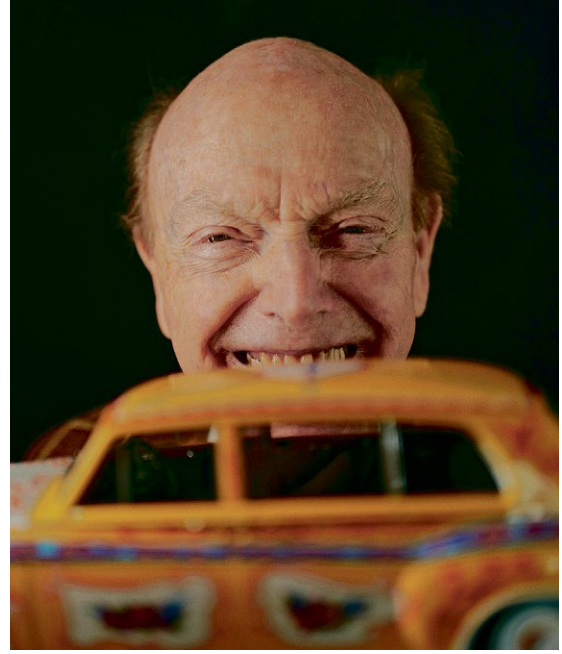
Looking back at your career, what is your proudest achievement?

I've never thought of it. But I got married in '51, and I'm still married. Same wife. (5) And this is 70-some-odd years later. I would say probably my biggest accomplishment was staying married, working at night, travelling all over the deal, and still having the same wife when I get home tonight. I got married in 1951 in Moose Jaw, Sask.

What's your favourite part of doing business?

Going to work in the morning. Usually the two things I deal with are the problems, and the opportunities.

You've said many times that you never had any interests or hobbies outside of business, and you seemed proud of that. Is that still true?



I've never had any hobbies, but I've had outside interests. I spent years playing the trumpet. At one time, I played in the most famous boys' band in Canada, and they travelled all over the United States, England. And then I learned to play the piano a little bit, so then I played in the church orchestra, and I played in the Vancouver Symphony Orchestra, and I played in bands at UBC. I had a good time with that. (6)

What kind of music did you like playing?

I was basically raised on gospel music. But anything that—"Home on the Range"—anything that was popular. I learned to play without music, although I took music lessons for years, but I basically learned to play by ear. That was easy for me.

When you think about all the deals you've done, what was the best one?

The best one was the first one. I bought a General Motors franchise that was a three-pump gas station, and a two-car showroom. The dealership was not doing well, and the owner wanted out, and General Motors gave me the opportunity. I needed $40,000, and the Royal Bank loaned it to me, 'cause I didn't have a dime. And I went into business, and that's the best deal I ever did.

How big a role did luck play in your success?

Timing?

I'm saying luck.

Well, I'm saying timing. I would say that I've been very fortunate with timing, because I didn't start anything when the whole world was crashing in a depression. It's the key, 'cause I've always been highly leveraged. Borrowing everything I could, up to the last few years, where we have a lot more of our own money, if you like. So, it's been the Canadian banks and the American banks. I wouldn't be here today, talking to you, if it wasn't for the bank system, and two or three of the managers that took the risk on me.

You've been asked many times about your succession plan. The fact that you are still in charge, at 94, suggests you never got around to making one.

You are dead wrong. We've had a succession plan ever since I got to 75 or so. I've always had somebody coming along that was ready to be a successor, including today. (7)

Do you want to name that person?

No, I'd prefer not to name him, because I may change my mind, if it doesn't work out.

I think I know what you'll say to this, but I'll ask anyway. Is a life spent acquiring businesses and building wealth an attempt to pursue happiness?

No.

Okay.

No. I like what I do. It's been something that has turned out well for me. Listen, I've made more mistakes than anybody I know, but you don't live with them. If you make a lot of decisions, you're gonna make mistakes, usually. But on balance, it's turned out okay.

I really enjoyed our conversation. Thank you for your time.

Well, Trevor, thank you for your time. I appreciate the opportunity.

This interview has been edited and condensed.

4. Pattison's longtime assistant, Maureen Chant, confirms that Grace McCarthy, a powerful cabinet minister in B.C.'s Social Credit Party, did ask Jimmy to run for premier to replace Bill Bennett in 1986 or '87.

5. His wife's name is Mary. They have three children—two daughters and a son, Jim Jr., who is president of Ripley Entertainment.

6. Pattison played with The Kitsilano Boys Band. And according to Chant, Pattison did indeed play trumpet with the VSO for several years.

7. There was speculation that former B.C. premier Glen Clark would take over—he was president for 10 years. But he stepped down in January, a move Pattison said was in the works for a long time. The new president is Ryan Barrington-Foote, a 45-year-old accountant.

Trevor Cole is the author of five books, including the novel Practical Jean, *which won the Stephen Leacock Medal for Humour.*

BIG IDEA

Friends with benefits

The new buzzword in both trade and geopolitics is "friend-shoring." But global supply chains can't be remade overnight, so what do we do in the meantime?

During a much-watched speech in Washington this past October, Finance Minister Chrystia Freeland touted a new post-globalist way of thinking about trade. "Democracies must make a conscious effort to build our supply chains through each other's economies," she said.

She talked a lot about her government's twinned foreign policy preoccupations—the war in Ukraine and China's "increasingly aggressive wolf diplomacy"—and worked in a shout-out to U.S. Treasury Secretary Janet Yellen, who is credited with coining a buzzy term for this desired shift in global trade relations: friend-shoring.

The idea, which has its critics, is that Western governments can use various carrots and sticks to encourage key industries to source their materials primarily from political allies, rather than rely on market economics to determine global supply chains.

Is Yellen's embrace of friend-shoring to "trusted countries" anything more than an updated term for trade protectionism? After all, it includes not just the usual cudgels, like tariffs and made-in-America procurement rules, but also financial inducements to boost domestic manufacturing in strategically vital sectors, like semiconductors.

Yellen and Freeland also want to establish free-trade zones so companies will avoid sourcing goods, energy or parts from hostile rivals. The European Union, whose dependence on Russian natural gas became problematic over the past year, is taking similar measures.

As Washington tries to entice tech-industry suppliers to shift production out of China, Ottawa is taking steps to ensure Canada remains a major customer for U.S. firms. For example, the federal Liberals are enacting stricter controls on Canadian mines that produce minerals like copper, cobalt and lithium that go into electric vehicle batteries so they're used in North American factories instead of Chinese ones.

Freeland and Foreign Minister Mélanie Joly are also promoting new foreign-policy frameworks, such as the Indo-Pacific Strategy, which cites supply-chain "resilience" as a key target for countering China's muscle-flexing. The strategy calls for more investment in domestic transportation infrastructure and positioning Canada as a reliable supplier of clean energy, hydrogen and critical minerals for allies like Japan, Australia, India and Taiwan.

Friend-shoring, of course, is also a response to the supply-chain chaos inflicted by COVID-19, raging inflation, labour shortages, marooned cargo ships and, more generally, a globalized trading system that's become too brittle for its own good. Indeed, some observers are talking about replacing the 30-year-old "just-in-time" approach to managing supply chains with a more prudent "just-in-case" philosophy.

While "shoring" is often used as a trade-related suffix—think re-shoring or near-shoring—friend-shoring may have a different objective. "To me, friend-shoring has a geopolitical agenda behind it," says Candice Chow, who teaches strategic management at McMaster's DeGroote School of Business. She argues that friend-shoring can be a pragmatic response to instability. Others are less persuaded.

"It sounds like a good idea. But I don't think it's practical," says Walid Hejazi, professor of economic analysis and policy at the University of Toronto's Rotman School of Management. He notes that over the past three decades, much of the world's manufacturing capacity has migrated to countries with low labour costs, and he doubts the trade toothpaste can be put back in the tube. "I don't think most consum-

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ers will pay the premium," says Hejazi. "Unless the government says, 'Look, you can't trade with China, you can't trade with Russia, you can't cheap-trade with other bad players in the world,' then I'm not sure how this would be implementable."

Governments are betting otherwise, providing incentives for companies to shift their supply-chain networks into friendlier jurisdictions. In November, for example, Washington unveiled a US$39-billion fund aimed at expanding U.S. semiconductor manufacturing, including R&D. The U.S. is also adjusting its trade tariffs to shift production of commodities like steel from China to friendlier shores, like Japan.

Some Canadian business groups are all in on this proposed shift toward a more regional approach that draws new manufacturing into North America. But they also caution that Canada has to lean in to this project, especially given the huge sums that will be spent in the U.S. "We can't be complacent," says Dennis Darby, president and CEO of Canadian Manufacturers & Exporters. "I've never seen a transition like this. Every company is trying to figure out where the puck is going."

The problem is that global supply chains have developed over several decades, and can't be uprooted and moved overnight.

"There are so many factors to consider," says DeGroote's associate dean, Elkafi Hassini, who chairs the Smart Freight Centre, a Greater Toronto and Hamilton Area logistics research group. He uses 12 supply-chain metrics—including labour markets, transportation routes, and risks like environmental disasters and war—to evaluate optimally configured supply chains and the locations of suppliers. Political instability doesn't even make his top five; it ranks seventh.

In any event, Hassini doesn't think the West's preoccupation with friend-shoring will do much to alter the networks that have built up since the early 1990s, when the World Trade Organization and General Agreement on Tariffs and Trade dictated the terms of post–Cold War globalism. Darby agrees: "We have relied on China and Southeast Asia manufacturing [for decades]," he says. "They're not going anywhere. You don't suddenly stop."

Yet, it's hard to deny that times have changed, and it's possible to look at friend-shoring as a manifestation of something much bigger: a heightened awareness of risk in an increasingly risky world. Some of that risk clearly comes from geopolitics, but it's also about unruly forces such as climate, the pandemic and other disruptive trends.

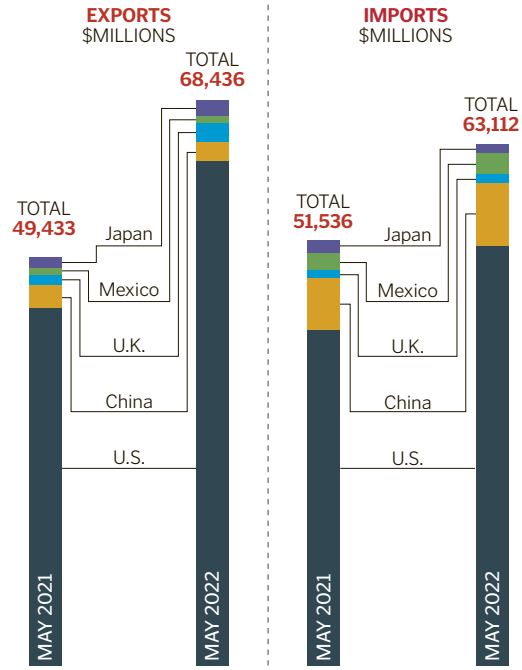
Hassini points to the U.S. government's efforts to accelerate domestic vaccine development early in the pandemic—a move that responded, in part, to the risks baked into global pharmaceutical supply chains (e.g., over-exposure to a handful of overseas suppliers). He argues there's merit to taking geopolitical risk factors into account alongside traditional financial considerations.

Latent risk, moreover, is also top-of-mind for ESG-oriented investors who want to know how companies plan for imponderables like pandemics and tsunamis. The international property-insurance industry has learned that lesson the hard way and is now a high-profile advocate for ensuring the "G" in ESG includes eyes-wide-open risk mitigation at a time when climate change can lay waste to disaster-prone cities and low-lying regions. In the world of supply chains, that outlook means ensuring there's enough just-in-case redundancy to provide a buffer if, for instance, a major port shuts down because of COVID restrictions.

Hejazi also points to the 2013 collapse of a garment factory in Bangladesh, which killed more than 1,100 workers, and revealed how brands like Canadian Tire and Joe Fresh were participants in what turned out to be a deadly supplier arrangement. Freeland's friend-shoring campaign isn't really about countries like Bangladesh, which pose no geopolitical threat. But the Rana Plaza tragedy, and other human rights abuses in the garment industry, do offer lessons about the downside of caring only about cost.

Whether already tense relations among the world's three superpowers will be stoked by friend-shoring remains to be seen. As Hejazi points out, countries have traded with their enemies before and will do so again. Still, governments should have a clear goal with friend-shoring so they aren't just pulling up the proverbial drawbridge, says Chow. Her advice to Freeland: "Friend-shoring is a means to some kind of end. What outcomes do we want from a supply-chain resilience perspective? She needs to say what the outcomes should be." **/John Lorinc**

EASIER SAID THAN DONE
Among our top five trading partners, exports to China (in yellow) are shrinking—but imports continue to grow



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Big Idea is produced with the support of our advisory panel

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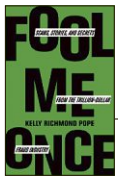

7-WORD BOOK REVIEW

Fool Me Once: Scams, Stories, and Secrets from the Trillion-Dollar Fraud Industry
by Kelly Richmond Pope

Why do victims keep falling for fraudsters?

WHAT YOU CAN LEARN FROM...

Catherine O'Hara

The Toronto-born comedy genius is best known now as the eccentric Moira Rose on CBC's *Schitt's Creek*, a hit that transcended Canada. But O'Hara has been making audiences laugh for five decades. **/Jaime Weinman**

1 Get your foot in the door

O'Hara got her start at the Toronto branch of Second City—as a waitress. She parlayed that gig into an audition for the cast, and while one member initially told her to stick to serving, she was eventually hired. The cast went on to create *SCTV*, which ran from 1976 to 1984.

2 REMEMBER WHERE YOU CAME FROM

In the early '80s, when it looked like *SCTV* might be cancelled, O'Hara signed on with *Saturday Night Live*. But when *SCTV* found an American partner, she quit before ever appearing on the hallowed New York stage, telling *SNL*'s producer, "I'm sorry—my family needs me." That "family" included the likes of Martin Short, Andrea Martin, Rick Moranis, John Candy and Eugene Levy.

3 Stick with your squad

O'Hara went on to co-star in plenty of projects with her *SCTV* castmates, but none more so than Levy, who, along wtih Christopher Guest, cast her in mockumentaries like *Waiting for Guffman* and *Best in Show* through the 1990s. Comedy—much like business—is a collaborative art, so when you find the right team, hold on tight.

4 Take the win

As O'Hara once told the New Yorker, she was two hours late to her audition for *Beetlejuice*. When she finally arrived, she found a note from director Tim Burton saying, "I'm sorry. I waited as long as I could." Despite never having auditioned for the part of flaky artist Delia Deetz, the studio offered her the part anyway. She was one of the first people Burton locked down for the movie's upcoming sequel, which will debut 35 years after the original.

5 Dare to do different

For decades after leaving *SCTV*, O'Hara shied away from appearing as a regular on live-action TV. So when Levy and his son, Dan, approached her to play Moira on *Schitt's Creek* in 2015, she was reluctant to lock into a series. But she eventually said yes, and her six-season run took her career to new heights, winning her an Emmy and a Golden Globe.

ASK AN EXPERT

Languishing is so last year...but what's next?

If burnout is running frantically on a hamster wheel, and languishing is curling up into a ball, then what's next—ideally—is stepping off the wheel to look around and mindfully choose your next move. Psychologist and buzzword-coiner Adam Grant calls this collective stop on our pandemic adventure "post-traumatic growth," a process of "not just bouncing back but bouncing forward." Theoretically, notes Fraser Valley career prof Candy Ho, "there's always a learning opportunity in adversity." That's not new. What *is* new in this particular moment is a renewed sense of agency. "After a few years of uncertainty, where nothing went as planned and there wasn't much to do about it, agency can be a very powerful thing," says Ho. Languishing let people mull what they wanted or didn't want out of their work lives. Embracing the former while ditching the latter is post-traumatic growth in action. "Look at what worked and what didn't in the past few years—what made you more or less productive," she says. Maybe you loved remote working or desperately missed the social side of office life. In other words, what does your authentic self crave? The next step, as Ho suggests, is to pitch it to your employer as a win-win proposition: "Tell them when and how you felt your best, and discuss how doing more of that will help the organization thrive." **/Rosemary Counter**

PHOTOGRAPH WILLY SANJUAN/AP; ILLUSTRATION JOE MCKENDRY

What do you want to be famous for?

Why getting famous with 'future customers' is critical to scaling profitably and introducing a new affordable, powerful and accountable way to do it.

For the past two decades, businesses were sold a story about the efficiency of digital pay per click advertising - known as performance marketing. Performance marketing promised cheap, hyper targeted ads, whose impact could be tracked in real time. No more wasting advertising dollars on people who didn't matter. Billions of ad dollars were funnelled into performance marketing, making Facebook and Google rich. But interestingly, this didn't lead to more efficient or effective advertising. In fact, research from the Institute of Advertising Practitioners found that the rise of performance marketing also coincided with a two decade decline in advertising effectiveness.

Why is this happening?

Performance marketing's three hidden flaws.

The highest bidder wins (and loses)

Performance marketing works by matching people's online searches and behaviour with targeted, relevant ads. It uses an auction-based system where advertisers can bid on keywords that indicate a strong propensity for purchase. The higher you bid, the more likely your ad will be shown.

For smaller brands with limited advertising budgets, this has been a game changer. Unlike the old days of expensive, mass-media campaigns (which they couldn't afford) they can serve their ads solely to those with a predisposition to buy. You don't need to waste money on people who don't matter.

But there are two sides to every coin. In highly competitive categories, this auction-based system encourages bidding wars. Hundreds of brands bidding for a few important keywords leading to an inflationary environment which drives up the cost of ads. Which is precisely why most DTC (direct-to-consumer) brands struggle to scale profitability.

Not-so-smart tech

You can't have performance marketing without surveillance on a mass scale. To deliver on the promise of hyper targeted ads, tech companies developed sophisticated algorithms that used users' online behaviours to predict (with a high degree of accuracy) their future predilection for certain products, services and brands.

But the good times in hyper targeting town are coming to an end. Apple's recent privacy updates and government regulations like GDPR have stopped tech companies from getting people's data by default, making it impossible for them to track you online unless you give them consent.

This makes performance marketing's ability to target high interest shoppers much less precise. The result is higher ad costs, as advertisers need a broader net to find the customers who are ready to buy.

It ignores the big prize

Relevant to this debate is the 95-5 rule - established by Professor John Dawes of the Ehrenberg-Bass Institute of Marketing Science. It states that 95 percent of a business's potential customers are not actively shopping the category at any given time. These 'future customers' will enter the market at some point, but right now, they aren't ready to buy.

Why is this important? Since 'future customers' don't give off any online signals that suggest they are ready to buy, performance marketing can't target them. But focusing your marketing efforts solely on the 5% of buyers who are actively shopping the category, ignores the much bigger prize - the 95% of future customers. It also means that when 'future customers' do enter the category, they won't be familiar with your brand.

Sales start before the click

Profitable, high-growth companies have figured out a trick. The way to escape the inflated auction based bidding system, is to target a larger audience and get on the radar of 'future customers' earlier - where competition is less intense.

And they can do this with brand marketing. Companies like Airbnb are making the switch. In a recent WSJ article, Brian Chesky, CEO of Airbnb, remarked that "investing in brand marketing and lessening [our] reliance on performance marketing is continuing to pay off."

But what do you do if you don't have the budgets of an Airbnb? Or you've been disappointed with the quality of brand campaigns you've encountered in the past?

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So if you're looking for a new way to scale profitably, and think it's time to take your message to the masses, then there's only one question to ask: what do you want to be famous for?

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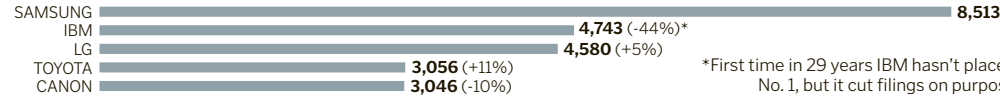
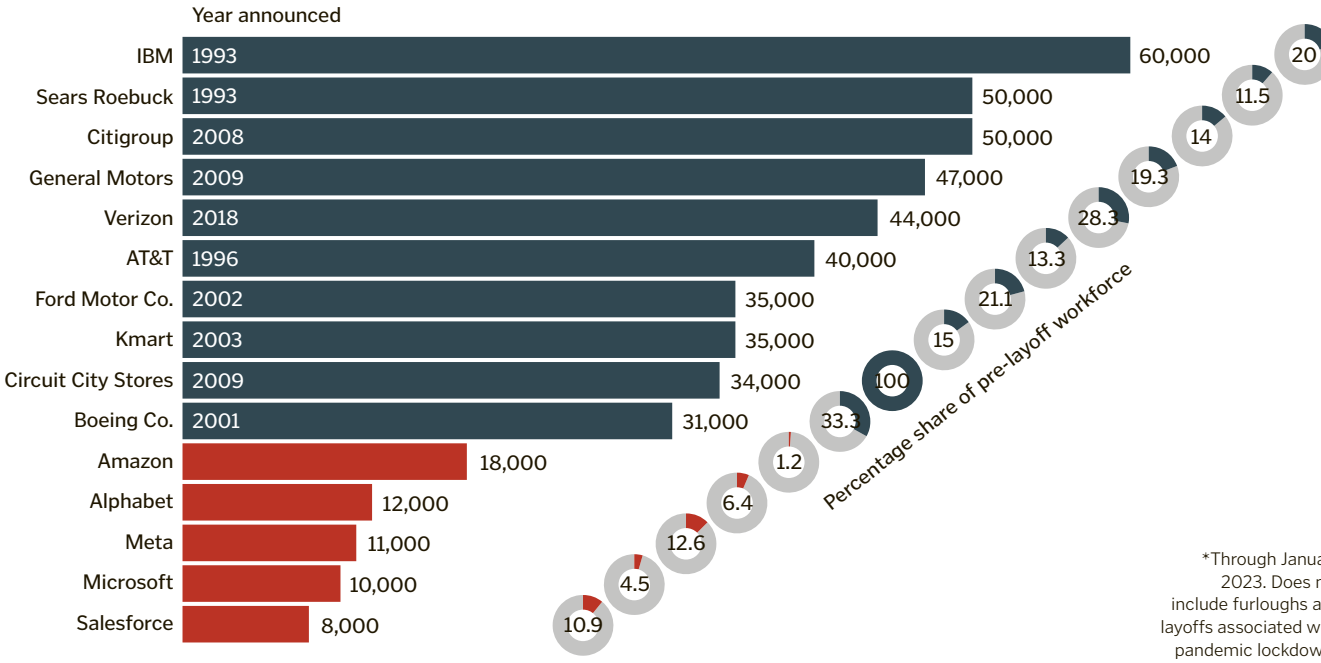


The 10 largest corporate layoffs since 1993 vs. current round of tech layoffs
Number of layoffs in single announcement*



*Through January 2023. Does not include furloughs and layoffs associated with pandemic lockdowns

SOURCE CHALLENGER, GRAY & CHRISTMAS; COMPANY REPORTS

DECODER

A RELATIVE RECKONING

The COVID-19 pandemic upended just about everything. It destroyed businesses, ravaged government finances and brought sorrow to millions. On the other hand, the turmoil was a boon for the tech sector, as the unprecedented lockdowns, shifts in consumer and worker behaviour, and easy access to cheap credit prompted the world's tech giants to double their headcounts to keep up with demand.

Those heady days are gone, as the barrage of recent layoff-related headlines makes clear. Since November, tech companies have laid off a collective 126,000 workers, with 60,000 of those job cuts coming in January alone, according to Layoffs.fyi, a site tracking the worldwide industry carnage.

The numbers are certainly eye-popping. In one fell swoop, Amazon announced in early January that it would slash 18,000 jobs, citing "rapid" hiring in the past few years and economic uncertainty ahead. "Companies that last a long time go through different phases," CEO Andy Jassy told employees in a blog post. "They're not in heavy people-expansion mode every year." Meanwhile, Mark Zuckerberg's November announcement to employees at Meta that 11,000 of them had to go came with a *mea culpa* about misreading the surge in e-commerce growth. "Many people predicted this would be a permanent acceleration that would continue even after the pandemic ended," he wrote. "I did, too."

While these are some of the largest layoffs the tech sector has ever seen, they're far from the largest mass culls in corporate history. Indeed, of the 10 largest individual layoff announcements over the past three decades, as compiled by outplacement firm Challenger, Gray & Christmas, the smallest round of cuts—that being Boeing's decision to axe 31,000 jobs in the wake of the Sept. 11 terrorist attack—was still twice as large as most of the high-profile cuts of the past few months. And they pale in comparison to the bloodbaths at IBM and AT&T in the 1990s (which earned their CEOs a spot on the cover of Newsweek under the headline "Corporate killers") or what Citigroup, GM and Circuit City employees endured during the Great Recession.

The recent layoffs are also considerably smaller in terms of percentage of workers cut loose. Jassy may have wielded the largest hatchet in recent months, but it looks like a scalpel when you consider Amazon employed more than 1.6 million people last year. That means the cuts amount to just over 1% of workers, compared to one-fifth of IBM's back in '93. (Fun note: Even after the layoffs, Amazon employs one out of every 149 workers in the U.S.)

More big tech cuts may be in the offing, but for now the headline-grabbing layoffs seem less about an industry in abject crisis than one moderating after a bout of extreme exuberance. **/Jason Kirby**

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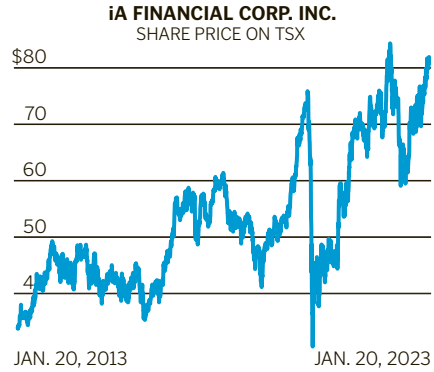
THREE-YEAR SHARE PRICE GAIN	**13.4%**
P/E RATIO (TRAILING)	**10.9**

The life insurance and wealth management businesses aren't rocket science, but iA Financial, Canada's fourth-largest life insurer, also has a unique—and profitable—auto dealer segment, which provides creditor insurance, warranties and other products for vehicle dealers.

As 61-year-old iA CEO Denis Ricard recalls (he joined the company as a young actuary in 1985), when iA bought Vancouver-based Seaboard Life in 1999, "we inherited these car dealer businesses, and we just grew them." Across Canada and the United States, the segment represents a significant portion of capital allocated and is growing.

It's just one trait that sets iA apart from the Big Three life insurers in Canada (Manulife, the Great-West Lifeco group of companies and Sun Life). Another is more focus. Created by the merger of Quebec City-based Industrial Life and Montreal-based Alliance Mutual Life in 1987, iA sticks to North America, while Manulife, Great-West and Sun all have substantial interests overseas.

Although iA has completed more than 40 acquisitions since 2000, much of the company's growth over time has been organic. Ricard says maintaining solid relationships with distributors—its own agents and independent ones—is a priority. "It's hard work on a day-to-day basis, but it creates a moat" around the company.



Life insurance has been a tough business since the 2008-09 financial crisis. Central banks pushed interest rates to historic lows, which hit life insurers with a double whammy—they had to set aside more reserves to cover claims that may not come for decades, and lower rates hurt their returns on bonds and other fixed-income investments.

But central bankers started increasing rates in early 2022, and Ricard says because iA is more interest-rate sensitive than the Big Three, "it's been a huge plus for us." Canada's adoption of the controversial International Financial Reporting Standards accounting regime in 2011 has also helped. Without going into detail, Ricard, who's been CEO since 2018, says it's because his company has a more conservative balance sheet than its rivals.

As a result, iA's share price has beaten the Big Three since the company demutualized in 2000. Yet, Ricard has no standard CEO modesty about his stock. "We are still strongly undervalued," he says. One metric to watch: the price-to-book-value ratio. It has been at about 1.3 recently, but he thinks it should be closer to the 1.7 of National Bank of Canada, in many ways the scrappiest of the big banks.

Ricard also says he has "no plans to retire." It doesn't sound like he's easing up on the accelerator at all. **/John Daly**

FOMO INVESTING

5 things we learned from Les Stelmach

Although getting to net-zero carbon emissions is now a global priority, Canada is still highly dependent on oil and gas. And energy stocks have surged since COVID-19 arrived. But can the good times last? Few experts have a better long-term perspective on the sector and its importance than Stelmach, a senior vice-president and portfolio manager at Franklin Templeton Canada. **/JD**

1. A veteran Calgary sell-side analyst, Stelmach joined Franklin Templeton in 2006, and he manages several mutual funds and portfolios that focus on dividend and energy investments. Canada's oil patch struggled for years as crude prices sank from over US$100 a barrel in 2014 to less than US$30 in 2016, and below $0 briefly in 2020. But 2021 and 2002 delivered "good returns to shareholders," he says.

2. Producers learned painful lessons during the slump, including ditching the idea that booms make up for busts, reducing their debt and allocating their capital better. That now includes providing more frequent returns to shareholders in the form of dividends—regular and special—and share buybacks. "Once investors get a taste of dividends, they are reluctant to give them up," Stelmach says.

3. By mid-2014, energy accounted for 27% of the S&P/TSX Composite Index. It then sank by more than half before rebounding to around 18% lately. Energy accounts for just 5% of the U.S. S&P 500. Producers benefit Canadian governments by paying provincial royalties on oil and gas they extract, and some companies now pay actual income taxes, too. "That's a mark of success," he says, not an annoyance.

4. Ottawa is targeting net-zero emissions by 2050 and significant reductions by 2030. Stelmach says "we need to get going on that now," and renewables can't replace oil and gas in many cases. So, governments need to encourage carbon capture and storage, and approve pipelines to get emissions to underground sequestration sites. "Don't let perfection be the enemy of the good," he says.

5. U.S. producers have many advantages over Canadian companies, including more pipelines, export terminals and government subsidies for reducing emissions. But Stelmach notes investors have already priced in many of the risks here by giving Canadian producers lower share-price multiples. Looking at Canada's energy sector as a whole, "it's still a pretty compelling value proposition."

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SMART MONEY

GREGORY PAYNE

SENIOR VICE-PRESIDENT, PORTFOLIO MANAGER,
CO-LEAD OF MACKENZIE GREENCHIP TEAM
MACKENZIE INVESTMENTS

Environmental, social and governance (ESG) investing has surged in popularity in recent years. But Gregory Payne, a value manager who has focused on environmental thematic investing since 2008, sees better opportunities in a narrower range of companies that make stuff for a low-carbon economy or are part of the energy transition to renewables. He and John Cook co-manage the nearly $2.2-billion Mackenzie Greenchip Global Environmental All Cap Fund, which has outpaced the MSCI All Country World Index since late 2018. We asked Payne, 52, how his fund has outperformed, and why he favours China-focused solar firms such as JinkoSolar and Canadian Solar.

Why did you gravitate to an environmental versus an ESG strategy?
ESG is based on how companies behave, and it doesn't matter what they do. They just must be judged as good actors. You could buy an oil sands company because it uses the least water per barrel. Environmental investing is owning companies that address challenges such as environmental degradation, population growth and resource scarcity. ESG strategies own health care, tech and consumer discretionary companies that are often household names, and can be subject to hype and high valuations. The utilities, industrials and materials sectors, where we typically find stocks, are often overlooked and not subject to the same euphoria.

What's the secret to beating the index?
We invested in solar stocks at a low point in 2018, after Donald Trump put tariffs on solar imports and China reduced subsidies for the sector. We've had takeovers, including AVX and KEMET in electronic components, and deals involving Hanwha Q Cells, Kaz Minerals and Suez. Our value-investing style came back into favour last year, but stock picking helped in prior years. Our fund has done well with 20% to 25% in U.S. companies versus more than 50% for our index and peers.

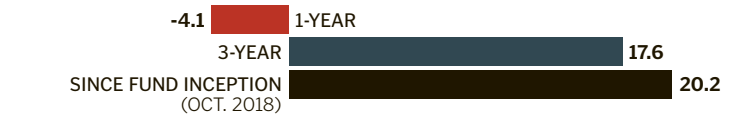
Why do you favour China-focused solar-panel makers when U.S.-based First Solar is often the go-to name?
Solar is a global market, with the U.S. representing 15%. China is a big part of the success story in building an ecosystem and supply chain around solar. JinkoSolar and Canadian Solar trade at a fraction of their revenue, versus First Solar trading at more than five times. The China-focused firms are heavily discounted by North American investors, who prefer U.S. companies and may have anti-Chinese sentiment. On this bias, there's a value opportunity. And there is 85% of the market for Chinese companies where they do just fine.

What about allegations around the use of forced labour in China's Xinjiang region, particularly to produce polysilicon for solar panels?
In Xinjiang, JinkoSolar has a silicon wafer plant, and Canadian Solar has a solar farm, but both disavow direct use of forced Uyghur labour. This allegation is more relevant to Daqo New Energy, which we also own. Half of global polysilicon comes from Xinjiang. It is a concern, and we are doing our best to learn more about it. However, our companies don't lend themselves to manual labour in the first place. They hire engineers, managers—those sorts of jobs.

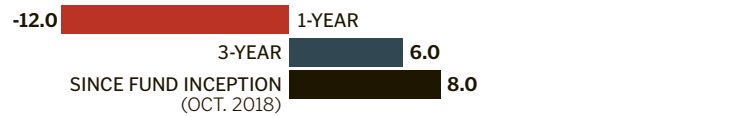
Why do you like nuclear despite fear of potential disasters and attacks by environmentalists?
We own French utility Engie because it's a leader in renewable energy, but it operates Belgium-based nuclear plants whose lifespans are set to be extended for 10 years. We support expanding the life of old plants because nuclear provides attractive baseload power, free of emissions. We also feel there has been an overreaction to safety concerns. Small modular reactors aren't yet a scalable, economic alternative.

Why don't you own electric-vehicle stocks?
Because of their high valuations. We place more emphasis on hybrid vehicles, smaller batteries and public transit. We own Hitachi, Alstom and Siemens, which provide rolling stock and rail-signalling systems. Mass transit needs to be more in the picture than converting our auto fleet to EV with massive, material-intensive batteries. If EVs take off, we still have a tailwind from electronic circuitry and components. We own Onsemi, Infineon Technologies and STMicroelectronics. **/Shirley Won**

MACKENZIE GREENCHIP GLOBAL ENVIRONMENTAL ALL CAP FUND
ANNUALIZED % TOTAL RETURN*



MSCI ALL COUNTRY WORLD INDEX (GROSS RETURN IN CDN$)



* RETURNS TO DEC. 31, 2022. SOURCE MORNINGSTAR DIRECT

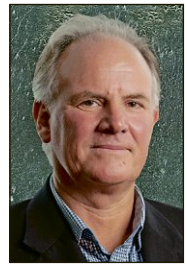
PHOTOGRAPH BAILEY MCLEAN

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

Randall Chatwin
to Senior VP, Legal & Corporate Communications
B2Gold



Victor King
to Senior VP, Exploration
B2Gold

Jean-Sébastien Charest
to Chief Information Officer
BDC

Lisa Giannone
to President and Chief Operating Officer
BFL CANADA

Sadhisha Ambagahawita
to Board of Directors
Canadian Opera Company

Barry Avrich
to Board of Directors
Canadian Opera Company

Al Ramsay
to Board of Directors
Canadian Opera Company

Isao "Sammy" Kobayashi
to President and CEO
Canon Canada Inc.

Maryse Bertrand
to Board of Directors
Institute of Corporate Directors

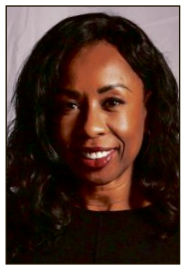
Nora Duke, ICD.D
to Board of Directors
Institute of Corporate Directors

Anne McLellan, F.ICD
to Board of Directors
Institute of Corporate Directors

John Monahan
to President and CEO
Mount Pleasant Group

Mark Trachuk
to Counsel
Norton Rose Fulbright

Hon. Rona Ambrose
to Board Chair
Plan International Canada



Mary-Anne Carignan
to Board of Directors
Plan International Canada

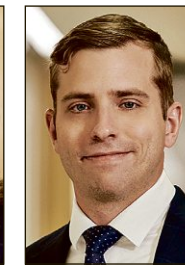
Martine Irman
to Board of Directors
Plan International Canada

Marie-Lucie Morin
to Board of Directors
Toronto Centre

Tony Gaffney
to President and CEO
The Vector Institute

Alexandre Baril-Furino
to Partner
Woods

Cara Cameron
to Partner
Woods



Sebastian L. Pyzik
to Partner
Woods

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Nudnik's Lindsay Lorusso
Page 30

PHOTOGRAPH BRE ELBOURN

Changemakers

Meet 50 emerging leaders reinventing how Canada does business

Is it just us, or has this winter felt interminable, with the war in Ukraine, soaring prices and economic uncertainty adding to the existential angst we're all blundering through thanks to the pandemic, the spectre of climate change, income inequality and more? Consider our third annual Changemakers list a bit of much-needed sunlight in an otherwise gloomy season.

Once again, we put out the call for nominations both from the business community and from across The Globe and Mail. Finalists were evaluated based on their ideas, accomplishments and impact. Out of hundreds of submissions, we narrowed it down to 50 activists, executives, entrepreneurs and academics whose single-minded devotion to making the world a better place for everyone should be an inspiration to us all.

By
Tamar Satov,
Liza Agrba
and
Rosemary Counter

THE VENTURE CAPITALIST

Lise Birikundavyi

Managing Partner and Co-founder, BKR Capital

Black founders receive a tiny fraction of VC investment. So Birikundavyi launched a $20-million fund to help level the playing field

Lise Birikundavyi was just 20 when Muhammad Yunus won the 2006 Nobel Peace Prize for his novel use of micro-loans to help underprivileged people start businesses and escape poverty. But it was a defining moment for the Burundi-born, Montreal-raised student, then in the trilingual business admin program at HEC Montréal. "I became really interested in social entrepreneurship from a financial perspective," she says. "That mindset of creating social change but also earning revenue—because then it becomes more sustainable."

Birikundavyi went on to obtain an MBA from the Shanghai Advanced Institute of Finance, where she wrote her thesis on impact investing, and later worked as an impact-investment manager in the Ivory Coast with a focus on improving access to quality education in rural communities. In 2020, however, after returning to Canada and having her second child, she was drawn to the idea of using capital markets to level the playing field here at home. "When the George Floyd murder happened, I thought about how I could contribute to the movement to make sure the table is big enough for everyone," says Birikundavyi, now 36. Her solution, along with business partner Isaac Olowolafe, was to create BKR Capital, a $20-million venture capital fund that invests in tech startups founded by Black entrepreneurs.

With anchor investments from Business Development Canada and RBC, the Toronto-based fund is the first of its kind in the country, creating opportunities for a talented group of innovators who often face challenges accessing capital in a largely white VC space. Those financing roadblocks could be a result of unconscious bias by investors or simply a lack of understanding for disruptive companies answering the unmet needs of minority communities.

Take Calgary-based fintech mIQ, one of five companies in BKR's growing portfolio. It helps new Canadians build their credit history by reporting payments they make to a lending circle—a group of people who pool funds to access interest-free loans. While lending circles are a common financial tool in Africa, Asia and the Caribbean, the concept is new here in Canada. "I'd met different VC and angel investors, and until BKR, it was always a no," says mIQ co-founder Jonah Chininga, who had difficulty accessing credit and building a credit history himself after emigrating from Zimbabwe in 2014. "They didn't live the problem, didn't know the context, so they couldn't understand the market opportunity or see the business viability."

Birikundavyi did. Not only did she give mIQ its first yes, but she also provided Chininga and his co-founders with the knowledge and network to pitch other investors successfully. The company has raised $1.4 million from six backers, including BKR, and has signed on Visa and Equifax as partners, with plans to launch an app this spring.

With no shortage of promising, underrepresented founders in the tech space—BKR says it has received more than 520 pitch decks since its creation in June 2021—Birikundavyi only wishes there were more opportunities for Black entrepreneurs to access financing.

"When pitching us, some founders have said it was their first time speaking to investors who looked like them, and they became quite emotional about it," she says. "We're aware of the position that puts us in." /Tamar Satov

photograph by Taiwo Aina

THE RISK AVOIDER

Gautam Bakshi

Founder, 15Rock

Bakshi funnelled two decades of risk evaluation into helping investors determine the financial downsides of climate inaction

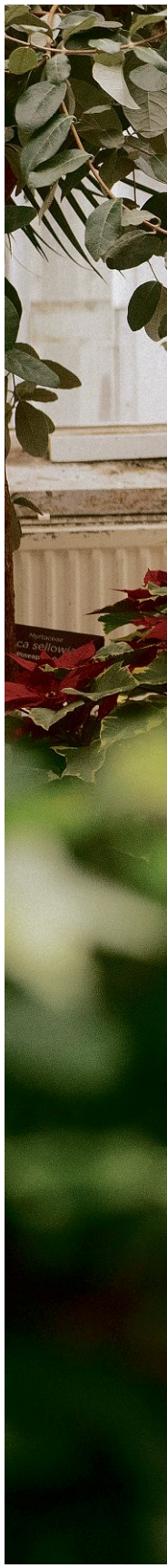
photograph by Nelson Huang

The economic risks of climate change can seem abstract for major financial players with bottom lines to look out for. With 15Rock, a risk analytics company he founded in 2019, Gautam Bakshi is on a mission to change that. For two decades before starting 15Rock, Bakshi worked in risk evaluation for financial institutions like TD Bank and Manulife. All the years of thinking about risk from a technical perspective set him up to tackle an underserved market: investors who need someone to boil down the risk of climate inaction into terms they're comfortable working with.

15Rock uses machine learning and industry-leading financial modelling to spell out the financial consequences of climate risk for investors looking to green their portfolios. Instead of assigning a score to a given portfolio using black-box technology, Bakshi's firm articulates risk in terms of dollars and cents—and transparently lays out the criteria it uses to do so. For instance, a given billion-dollar portfolio might have $50 million of built-in climate risk that can be mitigated by reallocating investments to less risky companies (or engaging with risky ones to get them to consider shifting strategies). "We try to speak investors' language," says Bakshi. "Most firms don't have teams focused on climate change, but every company has someone managing the budget."

Right now, 15Rock works primarily with investors to mitigate the climate risks associated with their portfolios, but Bakshi hopes to expand his offerings to help guide corporations toward climate-friendly decisions internally. "By articulating climate risk in monetary terms, all of a sudden a company has a financial case for deciding what kinds of vehicles to use in their factories or what types of heat pumps to use, for instance," he says.

The work is far from simple—not every climate-friendly decision is economically viable. But by translating the nebulous concept of climate change into concrete terms, Bakshi hopes his tech will help lay the groundwork for environmentally conscious decisions—even if they're not immediately possible. "When people see a big problem that's not solved yet and has major financial consequences, that sparks innovation," he says. "It helps people understand the scope of the opportunities to solve them." **/Liza Agrba**



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THE UPCYCLER

Lindsay Lorusso

Co-founder and CEO, Nudnik

The rise of fast fashion has come with a commensurate rise in textile waste. Lorusso's company gives landfill-bound scraps a new life

photograph by Bre Elbourn

Let this sink in: Due in part to the rise of fast fashion, there's now enough pre-consumer textile waste (otherwise known as factory waste) to clothe the world's entire population *two times over*. But upcycling textile scraps, which normally end up in landfills, can be prohibitively time- and labour-intensive, given the inherent headache of making consistent products out of unpredictable raw materials. Lindsay Lorusso, who worked in waste management for 15 years before she set her sights on the garment sector, teamed up with her twin sister, Alexandra, in 2016 to found Nudnik, a fashion line based on 100% upcycled scraps.

Why focus on upcycled and not recycled textiles? "Upcycling is far less wasteful, since it uses waste as is, rather than adding water and energy to the equation to process waste into something new," says Lorusso. In terms of carbon cost, upcycled textiles beat out even more common environmentally friendly options like organic cotton. "Textiles are a challenging material to upcycle, but we saw that as an opportunity," she says. Leveraging their connections from the waste-management industry, the Lorusso twins teamed up with factory partners overseas and got to work.

Initially, Nudnik would receive a batch of waste from its partners and—based on colour, fabric type and volume—manually come up with styles, a process that could take weeks. Now, the company's secret sauce is specialized software, finalized six months ago, that cuts the timeline from raw inventory to production-ready collection from weeks to minutes. Doubling as an inventory-management tool and design aid, the tech helps Nudnik make consistent, replicable designs suitable for larger-scale production.

In 2018, Lorusso participated in the NEXT Canada's Next Founders program. "This is where we were challenged to think about how we can scale our upcycling project," she says. "Our tech was based off the back of this thinking." Reza Satchu, the accelerator's founding chairman, distinctly remembers Lorusso being a star of her cohort. "I often talk about founder-market fit, and Lindsay certainly had that," he says. "With her experience in the waste sector, she really found the bull's-eye around an industry she knew and cared a lot about. I've been thrilled, but not surprised, to hear of her success."

Notwithstanding its breakthrough tech, the company also relies on a few clever workarounds that make it easier to deal with scraps. Nudnik uses a signature patchwork style—often using contrasting panels of bright, solid hues—which makes mismatched fabrics less of a problem. And since smaller items are easier to make from scraps, it has focused exclusively on children's clothing.

But the tech has paved the way for an exciting new era for Nudnik—this year, it will expand its product range to include clothes for adults. "I believe waste is the greatest resource of our time," says Lorusso, "and upcycling is the new recycling." **/LA**

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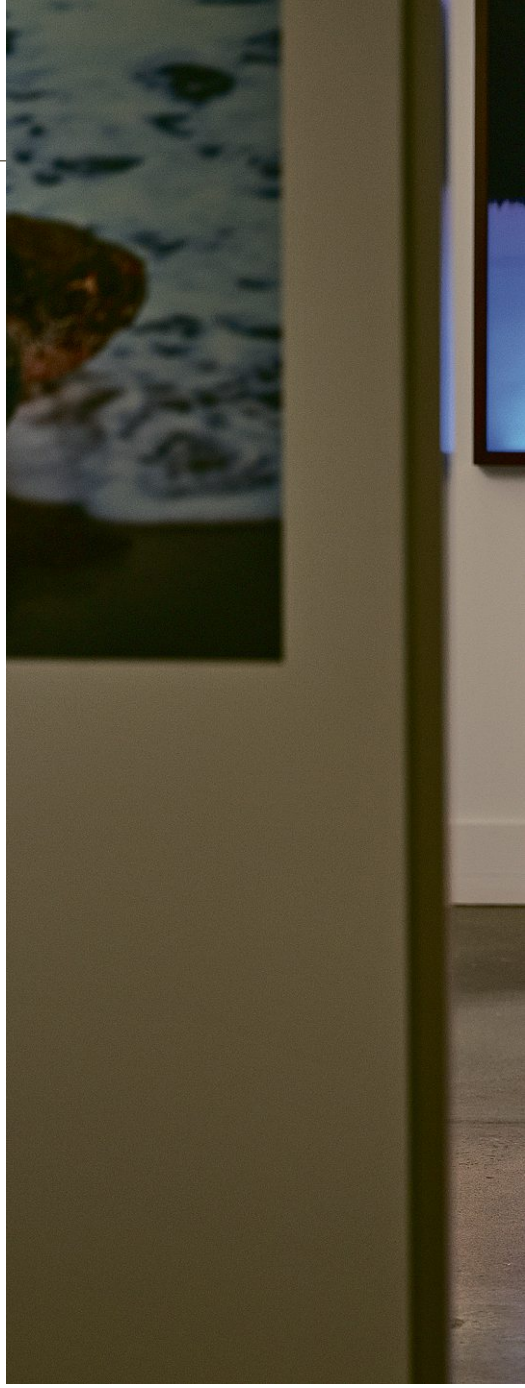
THE ALTRUIST



Dax Dasilva

Founder, Age of Union Alliance

When Lightspeed Commerce went public, Dasilva made millions. Instead of sticking around as CEO, he quit to lead a non-profit with a mission to protect the Earth

photograph by Oumayma B. Tanfous

One of Dax Dasilva's formative experiences as a teenager in Vancouver was joining the logging protests at Clayoquot Sound. "I remember driving through hours and hours of clearcut, seeing these literal moonscapes," says the 46-year-old founder of Montreal-based tech firm Lightspeed Commerce. "Now I realize how big of an area we were able to protect, and that motivates me."

So, when he sold some shares in Lightspeed following the company's lucrative IPO in 2019, he knew exactly what to do with the proceeds. He founded Age of Union Alliance, a non-profit that supports organizations working to protect the planet's threatened species and ecosystems. "What else would you want to do with your wealth?" says Dasilva, who left his position as CEO of Lightspeed last year (he's still the chair), in part to focus on Age of Union.

Since the non-profit's launch in October 2021, Dasilva has allocated $40 million of his own cash to 10 high-impact conservation and restoration projects in Canada, Peru, Trinidad, Indonesia, Haiti and the Democratic Republic of Congo, including $14.5 million to the B.C. Parks Foundation—the largest single donation it's ever received. That gift will secure key ecosystems in the province, such as the Pitt River Watershed, a 733-acre salmon-river sanctuary in Katzie First Nation territory near Vancouver, and the French Creek Estuary—a 23-acre eagle sanctuary on Vancouver Island.

But Dasilva isn't just a guy in a suit writing cheques. He has visited eight of the conservation projects in person to better understand the problems they face, as well as the potential solutions. "Other people would've just gone out and created a [philanthropic] association with their name on it," says Paul Rosolie, a

founder and director of Junglekeepers, a grassroots organization that works with Indigenous populations in the Peruvian Amazon to protect the Madre de Dios region—one of the most biodiverse and pristine areas on Earth. "What's beautiful about what Dax is doing is that he's coming to the conservation organizations that have been working on the ground for a long time and asking us, 'What's the best way I can help?'"

That help could involve funding—like the US$3.5 million Age of Union has pledged over five years to Junglekeepers, which will allow it to conserve an additional 50,000 acres of rainforest, preventing the destruction of ancient trees and thousands of species. But it could also come in the form of strategic, legal or technical support, or guidance on how to best tell their story—which can help attract additional funding. Indeed, Age of Union has already produced four documentaries to raise awareness about various projects, and Dasilva spoke at the COP15 biodiversity conference this past December.

"When Dax says he wants to solve a problem, it's not lip service," says Chelsea Finnemore, who worked with Dasilva for more than a decade at Lightspeed and is now Age of Union's executive advisor of strategy and operations. "But no one group or project is going to solve this, so we're looking at how we can expand the impact beyond leveraging his resources."

To that end, Dasilva wants Age of Union to develop a transparent reporting platform that appeals to other philanthropic leaders. "If we can give businesspeople a real-time dashboard of results, they may feel more comfortable donating," he says. "I want to show people what's possible and that there's hope for change." **/TS**

THE WASTE BUSTER

Josh Domingues

Founder and CEO, Flashfood

Grocers send less food to landfill. Shoppers save money. Even the planet wins

A digital tool that lets consumers buy meat, dairy, produce and other grocery items nearing their best-before date at a discount sounds like something retailers would gobble up. Customers save money, grocers sell stock they'd otherwise toss, and food waste is diverted from landfills, thereby reducing harmful methane emissions—an all-around win. But when Josh Domingues started shopping around his Flashfood app in 2017, that's not how it played out.

"Selling it to grocers was a challenge," says Domingues, 34, given that retailers often accepted food waste as a cost of doing business, not a problem to solve. "It took a while to get in front of the right people and partner with the chains." But he kept knocking on doors and making connections, ultimately convincing Loblaw to be the company's first major partner in Canada in 2018.

That talent for building relationships and gaining trust is Domingues's superpower, says Flashfood chief product officer Cedric Samaha, a skill he noticed in his colleague in 2015, when the pair first worked together at a Toronto-area management consulting firm. "Josh has a real ability to disarm and relate to people," he says. "When he talks to grocers, it's not just a cheesy sales pitch."

Nicholas Bertram, former president of northeastern U.S. grocery company Giant, agrees Domingues's authenticity sets him apart. "Josh was interested in what we could do together, rather than what I could do for him," he says. "He genuinely wants to lower food waste and increase access to fresh food for disadvantaged people." After conducting a successful Flashfood pilot in a single regional market in 2019, Giant went for a full-chain rollout at its 192 grocery stores in Pennsylvania, Maryland, Virginia and West Virginia. "There's an elegance to it, which is what good innovation usually is," says Bertram.

Flashfood now operates in more than 1,400 grocery locations throughout the U.S. and Canada, and to date it has diverted more than 50 million pounds of food from landfills, preventing 95 million pounds of CO_2-equivalent from reaching the atmosphere—that's like taking 9,285 gas-powered passenger vehicles off the road for a year. Moreover, the app has saved shoppers more than $120 million—helping thousands of families afford fresh food at a time when rising inflation is making that increasingly difficult.

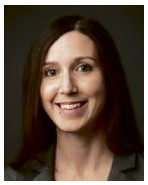
This year, Domingues is looking to increase Flashfood's impact by scaling stateside, as well as adding non-traditional food partners in Canada. "All I'll say is that we're trying to feed your whole family affordably," he says coyly, "not just the human members." /TS

photograph by Anne-Marie Cloutier

NAGWAN AL-GUNEID

Director, Business Renewables Centre-Canada

A non-profit that helps corporations buy solar and wind power directly from Alberta's renewable energy producers, BRC-Canada set a goal in 2019 to secure two gigawatts worth of deals by 2025. In May, under the direction of Al-Guneid, it hit that target three years ahead of schedule, bringing 4,500 jobs and $3.8 billion in investment to Alberta, while helping to decarbonize its electricity grid. To meet its new target of 10 GW by 2030, BRC-Canada is working to open up markets in other jurisdictions and involve additional sectors. "Cement, steel and heavy industry have big electricity loads," says Al-Guneid, 38. "If they procure renewable energy, it'll have an even bigger impact."



SARAH KEYES

CEO, ESG Global Advisors Inc.

While studying accounting at McGill University, Keyes had an *aha* moment that would define her career. "I realized I could change the profession from the inside out." She has: Not only was Keyes a principal of sustainability at the Chartered Professional Accountants of Canada, where she helped translate climate-change issues into the language of finance, but she also designed the first-ever certificate program in climate change for the Institute of Corporate Directors, where she has trained 150 board members. Now the 35-year-old heads up ESG Global Advisors, which has helped more than 110 companies and institutional investors with their ESG practices.

NATHAN HALL

Founder & CEO, Culture Check

When he was named one of Ottawa's Forty Under 40 in 2020, Hall did what most of us would do: posted the news on LinkedIn. But amid the congratulatory messages he received was a racist comment from a stranger, shocking many of his connections. "They couldn't believe someone would say that in a professional setting," says the 38-year-old. "But people have been saying these things to me throughout my career." That led him to create Culture Check, a consultancy that helps organizations build inclusive cultures, as well as a resource that supports racialized communities so they can thrive in the workplace. "Something that was meant to tear me down did nothing but build me up," says Hall. "I'm proud of that, and I want to give that experience to others."

KEVIN KRAUSERT

Co-founder and CEO, Avatar Innovations

When the oil industry collapsed in the mid-2010s, Krausert was at the helm of Beaver Drilling, the Calgary business his grandfather co-founded in 1965. "The low rig count prompted a lot of conversations about energy transition, climate change and new technologies," says Krausert, 42. "So we started an in-house accelerator to build out those skills." In 2020, he left Beaver to turn the accelerator into a standalone operation where experts could work together to bring clean technologies to market faster. To date, 644 young professionals have participated in Avatar's program—supported by Cenovus, Enbridge, TC Energy, Suncor and other large energy companies—working on innovative solutions, including carbon-capture catalysts, methane-emission reduction and geothermal.

MANUEL RODRIGUEZ

Business Development Manager, SKLatam

When Rodriguez and his wife arrived in Saskatoon six years ago, they spoke no English and had a tough time navigating the transition to Canadian life. "For us, even simple things were very difficult," he says. "I have a business degree and had a high position in Colombia, but after I arrived here it took four months to find work." So Rodriguez, 45, launched the Latino-Canadian business community network (SKLatam) to help other Spanish-speaking newcomers access settlement services and training, and to provide a way for Latino entrepreneurs to connect with each other and share knowledge.

LAEL WILLIAMS

Director of Materials Research and Innovation, Canada Goose

As Canada Goose's head of materials research, Williams oversees multiple teams that work on R&D. But she doesn't let managerial responsibilities get in the way of what she loves most about her job: hands-on product development. She was integral to the development of Kind Fleece, a sustainable fleece made mainly of bio-based fibres and recycled wool. That innovation is part of Williams's larger goal to support the outerwear company towards its goal of using 90% environmentally and socially sustainable textiles by 2025.

ALEXANDRE GUINDON

Co-founder and General Manager, 2 Degrés

Guindon had planned to study humanitarian health and international development until others suggested a degree in finance would likely open more doors for his altruistic goals. They were right: After spending five years in corporate finance at Desjardins, in 2019 he leveraged his knowledge and network to co-found 2 Degrés, a Quebec-based incubator for cleantech startups. Public and private partners provide funding, resources and expertise to more than a dozen startups, working on technologies that address everything from decarbonizing domestic water heating to collecting microplastic from beaches. "We need to work collectively to create concrete sustainable impact," says Guindon, 33.

SHELLEY KUIPERS/JUDY FAIRBURN

Co-CEOs, The51 Network

Last year, 82.6% of U.S. venture capital funding went to companies with male-only founders; just 2% went to all-female teams. "It's a largely paternalistic system," says Fairburn, 59, a former C-suite executive who also notes that 98% of the world's capital is deployed through a man's decision making, citing the book *The XX Edge*. That's something The51 is working to change. Its two feminist venture funds have activated $21 million in capital (90% from women investors) to 29 innovative women-led or co-led companies in Canada and the U.S. "This

is an *and*, not an *or*," says Kuipers, a 55-year-old entrepreneur. "By funding overperfoming, underinvested entrepreneurs, we're making the pie bigger."

KOOKAI CHAIMAHAWONG

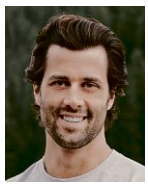
ESG Partner, UpperStage Capital

"I've always had a personal thesis of integrating living with giving," says 30-year-old Chaimahawong. Indeed, in 2014 the self-described optimist helped launch one of Thailand's first social enterprises, a platform where businesses accept charitable donations as payment for unsold products or services. Later, she helped the United Nations mobilize public and private sector support for its Sustainable Development Goals. In 2018, while getting her MBA in Vancouver, she joined VC firm Pangaea to develop impact strategies for venture capital investment. Now, she's working at UpperStage to ensure the firm's portfolio meets strict impact criteria.

ANDREW LESTER

Co-founder, Lyric Cycles

A bike is handy for picking up a carton of milk, but a full grocery run usually requires a car. Lester, 46, wants to change that, by getting riders to replace gas-burning car trips with Lyric Cycles' Squamish, B.C.–made high-performance e-bikes, which can carry up to 200 pounds of cargo and still have enough torque to handle inclines. "It's an affordable way for people to get into electrical transportation," says Lester, "so they can use as little energy as possible to get around."



CHASE EDGELOW

Co-founder and CEO, EverGen

It almost sounds too good to be true: a source of energy that can be stored, can be deployed using existing infrastructure and that reduces harmful emissions. But that's what EverGen's renewable natural gas (RNG) is. Projects like its Fraser Valley biogas facility convert the methane produced by food scraps and manure into RNG. And because more emissions are captured during production of the gas than are emitted when burned, the cumulative impact is carbon negative. With a target to use 15% renewable products in its pipeline mixture by 2030, utilities like FortisBC are providing 20-year contracts for RNG. "For newer transition fuels, that certainty on the back end is unique," says Edgelow, 38.

ARATI SHARMA

Angel Investor and Founding Partner, Backbone Angels

When Sharma and her husband, Satish Kanwar, received a windfall in 2015 after Shopify, where they both worked, went public, he began angel investing—and she noticed most of the founders were men. "That's when I decided I wanted to back women with big ideas," says Sharma, 37. She's invested in more than 50 mainly Canadian startups with women founders through her family office. And Backbone Angels, which she started in 2021 with nine other female Shopify alums, has invested in another 45-plus. "Women are incredible founders," she says. "This is my call to action to ensure investors are looking at diversity."

DOLMA TSUNDU

CEO & Founder, Flutter Care; Co-founder, CC4SP

About one in every 323 births in Canada is a stillbirth, but research shows many of these tragic losses are avoidable. "We need to educate the public and care providers on how stillbirth can be prevented," says Tsundu, a certified doula and biomedical engineer. So she created Flutter Care, a free app that allows expectant parents to track fetal movements and note potential red flags so they can seek preventative care. Last year, Tsundu also co-founded the Canadian Collaborative for Stillbirth Prevention, lobbying the government for a national strategy to reduce stillbirths by at least 30% by 2030 and improve support for bereaved families.

DAVID KATZ

Founder and CEO, Plastic Bank

Every year, 11 million tonnes of plastic flows into the world's oceans, harming marine life and destroying vital ecosystems. Katz realized he could help reduce the problem by compensating locals in poor coastline communities for the plastic waste they bring to nearby depots. The material is then melted into pellets, flakes or bales and sold to Plastic Bank's corporate partners to be made into new bottles or other materials. In 2022 alone, the social enterprise prevented about 30 million kilograms of plastic—the equivalent of 1.5 billion plastic bottles—from reaching the ocean. "Nobody is coming to save us," says Katz, 54. "It's just us."

JUSTIN ABBISS

CEO, MRKTBOX Inc.

As an environmentalist and former avalanche forecaster in the Yukon, Abbiss long idolized leaders like Patagonia founder Yvon Chouinard, who helped popularize "B Corp" certification as the social and environmental gold standard. Now, Abbiss has his own certified B Corp in MRKTBOX, a Hamilton-based grocery company that supports small-scale farms, bakers, coffee roasters and other producers. "Buying local is the best thing you can do for your city," says the 38-year-old entrepreneur. With three stores and an online delivery service, the company put more than $2.5 million back into the Hamilton-area food ecosystem in 2022 alone.

VICKRAM AGARWAL

Chief Marketing Officer, Credit Canada

In a year and a half at Credit Canada, Agarwal has completely rebranded and reimagined the 57-year-old non-profit. "Since the '60s, we've offered the same single service—credit counselling—to help people get out of debt." All well and good, but spending has since changed rapidly, and there are more ways to get into debt than ever before. To better help those drowning in debt, Agarwal's team has grown from one person to 10 and has modernized their financial coaching and education to promote a more holistic notion of financial health. "We've all been talking about financial literacy, but not financial health," says Agarwal. "We're shifting that knowledge to change financial behaviour and see actual results."

PAT CHAISANG

Founder and CEO, Isempower

When Chaisang moved to Canada from Thailand to get a bachelor's degree in 2013, finding a job was a steep climb. "I didn't really speak English and was rejected from even minimum-wage jobs," she says. "I didn't even know what a resumé was." In 2021, she channelled her lived experience into a venture called Isempower that now helps more than 20,000 international students find meaningful work. The company provides introductions to industry mentors, tailored educational resources and connections to vetted employers. Higher education is due for disruption, and who better to make waves than a 27-year-old newcomer who knows its pain points inside-out?

APOORV SINHA

Founder and CEO, Carbon Upcycling Technologies

It's one thing to reduce carbon emissions; it's another to convert them into something useful. Carbon Upcycling Technologies—founded by Sinha, a chemical engineer, in 2014—sequesters CO_2 from mines and coal plants in industrial byproducts, and is using that process to create an ultradurable cement replacement. Sinha wants to apply the company's technology to other sectors like mining, steel and agriculture. "Our mission over the next 10 years," he says, "is to become the most impactful carbon tech company in the world."

JENNIE COLEMAN

President, Equifruit

If you've ever wondered why bananas—a fruit that can only be grown in tropical climes—are so much cheaper than locally grown produce, the answer isn't pretty. Retailers pressure growers to keep prices down, which means they often rely on forced child labour. Montreal-based Equifruit is 100% Fairtrade-certified, which guarantees safe and equitable working conditions, and a sustainable floor price for its partner farmers in South America and Mexico. Longo's has carried only Equifruit's bananas since 2021, and Costco stocks them, too. "We've managed to catch people's attention and inspire them to join us in making change," says Coleman, 52.

HELLE BANK JORGENSEN

Founder and CEO, Competent Boards

Corporate directors haven't traditionally considered ESG initiatives to be under their purview. "They were pet projects of the CEO, instead of embedded in the business," says Bank Jorgensen, a 55-year-old Danish lawyer and accountant who created the world's first so-called green account and the first annual report combining ESG with financial performance. "But there's a duty of care for board members, and they need to understand all the aspects of ESG so they can make informed decisions." To help them get up to speed, she launched Toronto-based Competent Boards in 2018, which has now delivered the online ESG and climate designation programs she developed to more than 600 leaders in 46 countries. Her next goal: to train at least one board member on every Fortune 1000 board by 2025.

LEEJOO HWANG

Chief Operating Officer, Co-founder, MeaningfulWork

When the COVID-19 lockdowns hit in 2020, Hwang noticed that many non-profits were struggling to transition their activities online. At the same time, he and many others had more time on their hands and wanted to help. So he co-founded MeaningfulWork, a website where organizations can connect with new volunteers ready to give back. "I'm always looking for ways to build communities," says Hwang, 23, who also started a communal garden near his home in Vancouver.

KAYLA ISABELLE

CEO, Startup Canada

Isabelle took the reins at Startup Canada in 2020. The company, which connects entrepreneurs with resources to grow their businesses, has since tripled its team, expanded its virtual services, grown its reach from 10 to more than 300 cities, and gone from supporting 75,000 entrepreneurs to 140,000-plus. "There's nothing more inspiring than seeing the ideas entrepreneurs come up with to solve the world's most pressing challenges," she says. "That takes enormous courage, and I see my role as helping them achieve their dreams."

STARRLEE DEGRACE

Global D&I Leader for Native and Indigenous Communities, IBM

After 15 years in sales at IBM, DeGrace scored a big promotion with an even bigger task: to create safe and inclusive spaces, programs and policies for current and future Indigenous employees. "I'm newly in a position to make a difference," says DeGrace, a member of the Chippewas of Georgina Island First Nation. She's already launched countless networks and initiatives focused on Indigenous youth. In just seven months, she met with and mentored 150-plus young people interested in a career in STEM.

EMMA STERN

Co-founder and COO, Felix Health

One in five Canadians don't have a family doctor, and amid a nationwide shortage of medical practitioners, private digital providers are helping increase access to basic medications like birth control and acne treatments. "There's no reason ER doctors should be filling Viagra prescriptions," says Stern, co-founder of Felix Health. The company, created in 2019, offers virtual appointments and sends medications to people's homes. "Lowering barriers to health care is our mission," she says. And while Felix currently charges for online visits, Stern hopes the service will eventually be covered by government.

CHRIS RUSSELL

Energy Engineering Manager, EastPoint Engineering

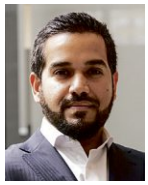
It's not always easy to find common ground between Canada's climate goals and the people responsible for implementing necessary changes to infrastructure. That's exactly what Russell, head of energy engineering at Halifax-based EastPoint

Engineering, does. Drawing on a combination of technical chops, policy knowledge and people skills, Russell develops climate-friendly retrofitting plans for existing buildings, typically slashing their greenhouse gas output in half and reducing energy costs by up to 30%. "Environmental policy is no longer the only driving factor. The technology is there, and the business case is there," he says. "The problem is usually bringing people up to speed, and that's where we come in."

JONATHAN EDWARDS

Principal Research Scientist, CERT Systems

The production of ethylene, a petrochemical used to make plastic, exceeds that of any other organic compound in the world. It's traditionally made in a carbon-intensive process using fossil fuels, but Edwards is working at Toronto-based CERT Systems to change that. He's developing a new method to make ethylene using CO_2 emissions from, for example, the steel and cement industries. His research is still precommercial, but if it scales as planned, it could beget a titanic shift in the way one of the world's most ubiquitous chemicals is produced—and substantially lower global greenhouse gas emissions in the process.



MAJID MIRZA

Co-founder and CEO, ESGTree

The past couple of years were big ones for ESG investing, from Glasgow's COP26 to the implementation of the first ESG-related regulation in financial markets (the EU's Sustainable Finance Disclosure Regulation). ESGTree—a platform for private equity investors helmed by impact-investing veteran Mirza—jumped on the opportunity, enjoying 2.5 times annual growth, while helping investors align their portfolios with environmentally and socially responsible companies. With his private-equity clients managing more than $200 billion in assets, Mirza is determined to prove ESG investing isn't a fad—it's a high-impact tool for effecting positive change.

JAMES YURICHUK

Founder and CEO, Wuxly Movement

Before he started a fashion company, Yurichuk was a professional football linebacker—albeit one with an entrepreneurial bent. His first foray into clothing was a personal project: making the perfect parka for his then girlfriend (now wife and mother of his four kids). Yurichuk took that $5,000 investment and turned it into a full-fledged outerwear business. His motto is "360-degree warmth"—a stalwart focus on environmental sustainability, animal welfare (all Wuxly coats are free of animal products) and ethical manufacturing. Plus, they're made in Canada by workers who make a living wage.

SHUKRI ABDULLE

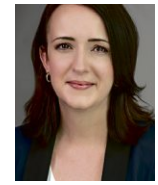
Productivity Manager, Bimbo Canada

After four years in the leadership trainee program at Canada's largest and oldest bakery, Abdulle had a big task to "make our production chain as productive as possible." Automation is a new prospect at Bimbo, which, like many food and beverage multinationals, faces a labour shortage. At Bimbo, that shortfall could hit 65,000 by 2025. Its new gantry system is a 30,000 square-foot robotic system that "does all our picking and sorting—much faster and with better accuracy." Abdulle seamlessly led Bimbo from the old system to the new, saving $2.3 million a year in the process, all while training the company's humans to take on more skilled tasks robots can't do.

KEVIN READ

President and CEO, Nomodic

Modular buildings, where components are put together off-site, are still a niche part of Canada's construction industry. But their many benefits—including significantly lower costs and carbon-intensity, shorter timelines, and reduced waste—make them a potential game changer in the current housing crisis. Read, who leads 10-year-old Nomodic, is among the country's foremost innovators focused on scaling up the modular business. Nomodic has worked on hundreds of projects, including housing for Indigenous communities that face supply and labour challenges. Its specialized modular assembly team, meanwhile, also supports the work of other companies—living up to its motto, "Leaving things better."



TERESA MARQUES

President, Rideau Hall Foundation

Marques says the word "foundation" at the decade-old Rideau Hall Foundation is "a bit of a misnomer." In four years, she's transformed the non-profit into a dynamo of powerful partnerships in support of a better Canada. Still, like all non-profits, she faced familiar hurdles: rasing money and getting innovative. She secured nearly $100 million from private and public donors (including $45 million to support Indigenous teachers), then put that money into better, more robust programs for young people, including a skill-building platform called Catapult and the Queen Elizabeth Scholars program in partnership with Canadian universities in honour of the late Queen.

EVA LAU

Founding Partner, Two Small Fish Ventures

The proportion of women leading venture funds in Canada is still minuscule, but entrepreneur-turned-investor Lau is helping turn that reality on its head. The former Wattpad exec co-founded Two Small Fish, a sector-agnostic fund that scales up companies using Lau's "asset framework"—a system focused on the value of user engagement. "Operators and entrepreneurs like myself bring unique value to the ecosystem as investors because we have our own experiences to draw on," she says. In October, Two Small Fish closed a $24-million funding round, with an overall target of $40 million.

JUANITA MAROIS

CEO, Métis Crossing

"Growing up, my parents decided it would be easier for me to thrive if I didn't identify as an Indigenous person," says Marois, a citizen of the Métis Nation of Alberta. Today, she works to ensure families never have to make a decision like that again. Marois was a key force in developing Métis Crossing, a Métis-owned gathering place and destination outside of Edmonton. From handmade quilts on the beds to a wildlife

park that's home to heritage species like bison and elk, everything on the 668-acre property is designed to educate guests about Métis heritage, provide a cultural home for citizens of the Indigenous nation, and feed into a self-sustaining economy designed to ensure continuous Métis stewardship of the land.

MELISSA ALLEN

Founder, Capital M Ventures

In 2018, Allen was disturbed by a study that found self-driving cars had trouble recognizing people with darker skin tones and were more likely to hit them in tests. "I couldn't help but think that had something to do with the demographics of the teams designing the tech," she says. Aiming to increase diversity in Canada's venture capital landscape, she raised $1 million to launch Capital M, an industry-agnostic VC fund that focuses on BIPOC-founded businesses. This year alone, her fund raised $5 million to support BIPOC founders.

NANCY WILSON

Founder and CEO, Canadian Women's Chamber of Commerce

Canada didn't have a Chamber of Commerce representing the interests of self-identified women and non-binary people until Wilson thought to create one in 2015. The CPA was moved by a near-complete lack of policy recommendations concerning women in the past few years, which she noticed while reviewing records from the Canadian and Ontario chambers of commerce. "There was no one speaking for us," she says. Now, Wilson works directly with policy makers to bring about equality in Canada's business ecosystem. Her advocacy goals for the near future centre on economic equity and access to capital; she's also putting together a cross-sector alliance to examine policy, or lack thereof, that supports self-employed Canadians.

AJAY KOCHHAR

Co-founder and CEO, Li-Cycle

Mining the lithium, nickel and cobalt that make up lithium-ion batteries—used to power everything from electric vehicles to household appliances—has heavy social and environmental impacts, and recycling those materials is highly complex. That's why Kochhar helped start Li-Cycle in 2016. It's now the North American leader focused on lithium-ion battery recycling. Getting there meant creating novel tech that would significantly drive up the sustainability, scalability, and economic viability of battery recycling. "We're hoping to continue to be a great Canadian success story," says Kochhar.

STÉPHANIE JULES

Co-chair, Legal & Regulatory Compliance DE&I Council, BMO

At BMO's LRC group, Jules oversees 80 volunteers on the diversity council, which she'll be the first to admit is too often an empty buzzword. Her mission? "A clear, extensive action plan that focuses on inclusion for all." Of many big changes at the bank, Jules has revamped the LRC group's hiring process to reduce bias and eliminate subjectivity. Thanks to her, instead of one decision-maker in a suit, would-be employees now face a diverse panel of trained interviewers representing different genders, ethnicities, sexual orientations, skills and experiences.

STEPHEN PENSTONE

Senior Consultant, Quinn+Partners

Before a business makes any net-zero promises with respect to its real estate, it might want to call Penstone. "If they want to set a target but don't know the path to get there, I can help," he says. Penstone assesses each situation, develops measurement tools, devises a workable model and monitors progress—all to help slash Canada's commercial real estate emissions, which account for 16% of greenhouse gas emissions, and meet Canada's commitments under the Paris Agreement by 2050. It's telling that Quinn has grown tenfold in less than a decade.

BOLUWAJI OGUNYEMI

Assistant Professor, Memorial University

St. John's–based dermatologist Ogunyemi specializes in diseases that disproportionately affect or are commonly misdiagnosed in racialized people—an emerging practice in this historically white-dominated field. Besides his role as a physician and assistant dean at Memorial University, he's a thought leader whose regular speaking engagements (including a TEDx talk) and numerous publications explore the long-neglected intersection between health, equity and diversity.

KEVIN LEE

Founder, ImmiSearch

Canada is set to bring in 465,000 immigrants in 2023. Unfortunately, since many immigrants begin their journey outside Canada, where the immigration consultant industry isn't always regulated, some are bound to get caught up in costly scams. Lee, whose own family emigrated from Korea, started ImmiSearch in 2019—a tech-enabled platform that allows potential immigrants to fill out applications themselves with step-by-step instructions and support from staff. The service costs less than half of what immigration consultants normally charge—and the team is working to drive the cost even lower.

ALFRED BURGESSON

Founder and CEO, Tribe Network

Burgesson started his first business, a digital media marketing company, in his first year at Saint Mary's University; six entrepreneurial years later, the Ghanaian-Canadian launched the resource network he didn't have: Tribe Network, a Halifax-based online innovation hub and community of 700 BIPOC entrepreneurs. There, they find help accessing capital, educational programming, coaching and mentorship. "I didn't see a space for anyone who looked like me," he says, "so I built it."

ALWAR PILLAI

Co-founder and CEO, Fable

The internet is still widely inaccessible to users with disabilities, and efforts to make websites accessible too often focus on bare-minimum compliance. Pillai's Toronto startup wants to make digital accessibility the norm rather than the exception.

"Over a billion people live with a disability. It's high time digital products adapt to everyone's needs," she says. Companies can use her platform to access testers with disabilities and engage them throughout product development, or access custom training from an in-house team of experts. The four-year-old company has raised $40 million in venture capital financing, and past clients include Wealthsimple, Shopify and Kijiji.

VASS BEDNAR

Executive Director, Master of Public Policy in Digital Society, McMaster University

Bednar is on a mission to make public policy accessible, understandable and...fun? "I'm trying to bring levity and playfulness to discussions about policy, and technology and competition law," says Bednar, whose popular "regs to riches" newsletter calls for Canadians to get passionate about the intersection between public policy (a.k.a. the regs) and the innovation ecosystem (the riches). Last year, Bednar took on shady apps on Shopify Inc. and Cineplex's exhibition monopolization.

VARUN CHANDAK

Founder and President, Access to Success

When Chandak moved from India to study business in Canada, he deliberately left his disability—he's hard of hearing and has Erb Palsy—off his application. Many people like him do; according to his organization's own research, of two-thirds of MBA students who require accommodations, a full quarter don't even ask. For them, and for anyone else committed to a more equitable workplace, Chandak founded Access to Success, which he grew from a student initiative at the Rotman School of Management to a not-for-profit dedicated to accelerating accessibility for future leaders with disabilities. While some solutions are large and lofty—Chandak dreams about "smart contact lenses that would give me live captioning"—others are surprisingly easy to make a reality: 15 of the 25 most requested accommodations, he found, cost exactly zero dollars.

ZAK LEFEVRE

Co-founder and CEO, ChargeLab

For more than 10 million EV drivers and counting, Lefevre is about to make life much easier with what he hopes will be the "Android of the electric charging market." Charging stations are too often rows of single stations, each with a finicky credit-card machine. ChargeLab builds back-end software for buildings and communities to invest in their own stations, monitor and optimize electric-fuel distribution over the grid, and—for 10,000 users who've already embraced the new technology—streamline the sometimes-frustrating process. "With ChargeLab, you just scan the QR code, and our app pulls up all your information."

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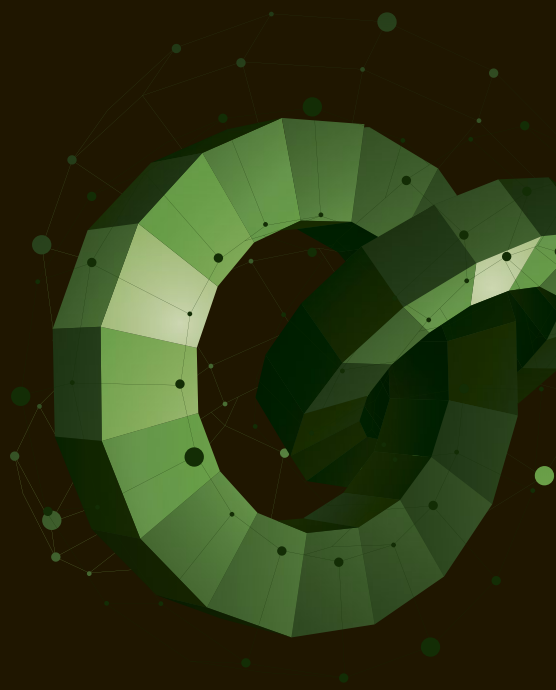

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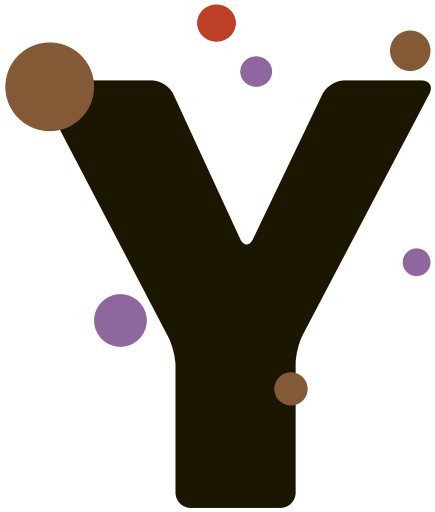
THE TURNAROUND ARTIST

YOUSRY BISSADA WAS UNIQUELY QUALIFIED TO BRING HOME CAPITAL BACK FROM THE BRINK. HE JUST SOLD IT FOR **$1.7 BILLION**

BY JOHN DALY

PHOTOGRAPHS BY SHLOMI AMIGA



Yousry Bissada, the wonderfully energetic and engaging CEO of Home Capital Group Inc., had second thoughts about using the Titanic as an analogy for the tangled combination of catastrophes that nearly sank the alternative mortgage lender in 2017, just before he was hired to rescue it. But Bissada raised the subject himself—twice—the first time we talked.

His wife, Gilda, is a big fan of James Cameron's 1997 epic about the disaster, so he's seen it many times. They've even visited Fairview Lawn Cemetery in Halifax, where many of the victims are buried. Bissada reels off some of the coincidences that sank the ocean liner. The sea was calm, but icebergs were drifting south. A key lookout didn't have his binoculars that day. If the iceberg had hit 10 feet over, the ship would have survived. The list goes on. "It was 10 or 15 things that went wrong," says Bissada.

In many ways, the comparison to Home Capital is apt, with one key difference: Imagine a hero taking the helm just before the fatal moment, correcting course and steering the ocean liner safely to Pier 59 in New York.

If you do that, you'll have an idea of the rarity of the corporate turnaround 62-year-old Bissada has pulled off. Other Canadian companies have watched their share prices collapse spectacularly in recent decades—Nortel Networks, Ballard Power Systems, Canwest Global, BlackBerry and Valeant Pharmaceuticals all come to mind. Yes, they survived the collapse, but only to stagger along as vastly diminished versions of what they once were.

Home certainly came perilously close to going under. In 2015, its share price plunged by almost 25% within days of it announcing it had severed ties with 45 third-party mortgage brokers who'd falsified borrowers' income information. In early 2017, the stock plunged again as the Ontario Securities Commission disclosed it was still investigating Home over the 2015 revelations, the company fired then CEO Martin Reid, and founder Gerald Soloway resigned from the board.

As they had years before, short sellers—who profit from share-price declines—ganged up on Home, arguing Canadian housing markets were overheated and the company's stock overvalued. As the crisis of confidence escalated in 2017, Home was also suffering from a classic run on the bank—bleeding cash as depositors fled Home Trust, which the subsidiary company used to gather money to fund mortgages—and some Canadian banks and other lenders discouraged their reps from selling Home GICs.

In June 2017, Warren Buffett's Berkshire Hathaway extended a lifeline to Home, buying $153 million in shares and providing a $2-billion line of credit. But there were costly strings attached. Meanwhile, employees and executives were jumping ship, and Home's reconstituted board of industry and financial pros was searching hard for a new CEO.

Enter Bissada, who took over that August. Why would anyone not only accept the job but actually *want* it? As he tells it, he had a unique combination of experience, skills and determination that made him a perfect fit. An accountant who'd entered the alternative (non-bank) mortgage sector in its early days, he worked his way up to head of TD Canada Trust's mortgage division, then ran two fintech companies.

Like a lot of leaders in the alternative mortgage business, Bissada goes on at length about the clientele. Alternative lenders don't have a large slice of Canada's mortgage market—about 5%, by many measures. But that still represents a huge business: Home alone has more than $20 billion in loans outstanding. It caters to a key market segment, too: entrepreneurs with irregular income, recent immigrants with little or no credit history, divorced couples with bruised credit and other mortgage customers the Big Six banks turn down. "We don't help people get mortgages," he says. "They want a home."

And at first, things went fabulously well. Bissada stopped the bleeding, modernized Home's outmoded systems and reinvigorated its 700-plus employees. By late 2019, the share price had hit (and exceeded) $30, a target he'd been hoping to reach within five years. But then came new turbulence—plenty of it. Start with COVID-19, add in the analyst warnings that the red-hot Toronto and Vancouver housing markets were still in bubble territory, and top it off with the Bank of Canada starting to ratchet up interest rates early last year to choke off inflation.

Against that backdrop, a determined acquisitor entered the fray: Toronto billionaire Stephen Smith, a mortgage-industry veteran and seasoned value investor. He and Bissada had known one another for decades, and they'd always liked each other. But business is business—documents sent to Home shareholders in early January detail a nearly year-long takeover struggle. "I have seen this movie before," says Bissada. "But this was a bigger movie."

In November 2022, Home agreed to be acquired by privately owned Smith Financial Corp. for $44 a share—not the record of more than $55 set in 2014, but impressive in a roiled housing market. "Good deals generally won't fail over $2 or $3," Smith says. And he and Bissada both vow Home will go on as a separate brand and company.

But given the still-perilous state of Canada's housing market, are the two mortgage-biz doyens feeling a bit *too* lucky? Bissada has steered Home clear of the iceberg, but it still has a ways to go to reach port.

With the various crises at Home Capital escalating in early 2017, Bissada—along with just about every other mortgage-industry vet—could hardly believe the stories pouring out in the media. His overarching thought: *This is not right*.

Just a few years earlier, the company had been on a roll. On an earnings call with analysts in July 2014, Soloway, Home's founder and then CEO, declared victory over short sellers who'd argued for more than a year that it was one of the most vulnerable lenders in the overheated Canadian housing market. Most prominent among the shorts was Steve Eisman, who was lionized in Michael Lewis's 2010 bestseller *The Big Short* for shorting U.S. subprime mortgage lenders in the run-up to the 2008-09 financial crisis, netting his firm more than US$700 million.

But with Home's share price climbing toward an all-time high in mid-2014, Soloway told the analysts, "We kept our mouths shut, our heads down and continued to produce increasingly profitable financial results quarter after quarter." Even after having cut ties with the mortgage brokers in 2015, Home was still widely respected.

The Ontario Securities Commission, however, was still investigating the broker incident, along with Home's financial disclosure surrounding it. As the company's problems mounted in early 2017, it was struggling internally, as well. For starters, Soloway and other veterans were past their prime, and so were Home's internal IT systems, along with the ones it used to interact with external mortgage brokers. Plus, the cash drain from Home Trust depositors withdrawing money and Home using up lines of credit was hampering its ability to fund mortgages approved by brokers.

When a corporate recruiter called Bissada about the CEO job, in many ways, he felt an obligation to preserve an important company in trouble. And his life and career had certainly prepared him for that challenge.

It started in exotic locales and with early dangers. Born in Cairo, Bissada's family left Egypt when he was six and moved to Eritrea, then still part of Ethiopia. His grandfather was a successful businessman and friend of then Emperor Haile Selassie, and Bissada and his brother went to a private school on a U.S. military base in Eritrea. "I spoke American," he says. "I spelled color with no 'u.' I said zee, not zed."

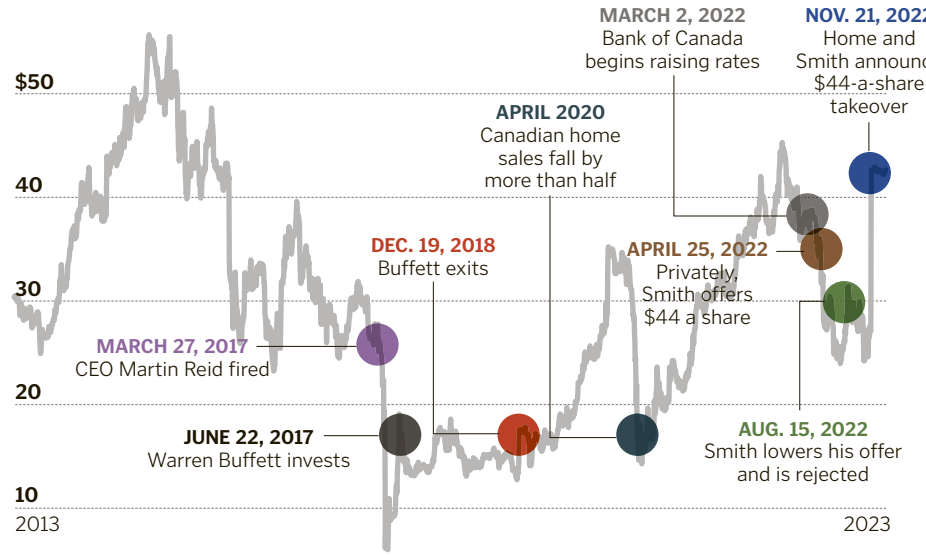
But in 1973, Bissada's mother and her three children fled to Canada, for two reasons: "My parents divorced, and a civil war started." Despite the split, Bissada's mom chose Canada, where his father had relatives and where she felt her children would have a better future. They ended up in a two-bedroom apartment in Toronto's east end. "She was 33, not so good in

English, never had a job in her life," says Bissada. "She is definitely my hero."

His father sent money from Ethiopia, but it didn't go far. "We were near poverty, but we had a home. You know, we were fine," Bissada says. The 13-year-old found the schoolwork easy after Ethiopia, and he was determined to fit in socially. "Every kid on Monday morning would talk about these Toronto Maple Leafs. And, you know, what the hell are Toronto Maple Leafs?" By the end of his first school year, Bissada was watching NHL playoffs. His accent is pure "Tronno," without a trace of the Middle East or Africa.

But the plotline of the hardworking new Canadian kid derailed during university. Good at math, he studied commerce at the University of Toronto. "I didn't do drugs, but I was like, *Woohoo, let's party*," Bissada recalls. After two years, humbled, he took a year off and went to work selling cameras at a Blacks store. "It was a great experience. I learned so much about selling," he says. (You can believe it—strolling around Home's head office in Toronto, the CEO connects astonishingly quickly with everyone he meets.)

TO THE BOTTOM AND BACK
IN 2015, HOME CAPITAL CUT TIES WITH BROKERS WHO'D FALSIFIED BORROWERS' INFO. IT BLED CASH AND ALMOST SANK BEFORE BISSADA TOOK OVER IN AUGUST 2017



In 1981, Bissada plugged back into studious mode. An aunt gave him the first of many accounting jobs, and at night he took courses for his designation (he's a Chartered Professional Accountant). Then came a string of jobs at trust companies, many of them in bad shape—Eaton-Bay Trust, Morgan Trust and the Asper family's CanWest Trust. "I kept working with messes," Bissada recalls. In large part, he was following another ambitious young trust-company executive, Rick Arends, who went on to a career in finance and technology, and remains a mentor.

Then, fortuitously, Bissada signed on as controller at what's now called FirstLine Trust Co., an independent mortgage bank co-founded in 1983 by Brendan Calder and a model for what much of Canada's mortgage business would become. "We made mortgage brokers legit," says Calder, a mortgage-banking pioneer who went on to spend two decades teaching at the University of Toronto's Rotman School of Management. (Calder is another of Bissada's mentors.)

Before the 1980s, borrowers had pretty much one choice when looking for a mortgage: They went to their bank and took what they could get. (Indeed, when Bissada bought his first house in Toronto in 1988, near the peak of a hot market, he paid $240,000 for the East York bungalow, with a 12.99% mortgage. "I thought I got a great deal," he says. He sold it two years later—for $210,000.) The technology was antiquated, and mortgage brokers were a fringe element. FirstLine was a securitization innovator, bundling mortgages and selling them off as securities. "The word 'fintech' didn't exist 25 years ago, when Yousry was actually working at it," says longtime broker Ron Butler, who founded Butler Mortgage Inc.

CIBC was impressed by the upstart and bought FirstLine in 1995. "I thought, *Oh boy, they must have great mortgage people. They're probably going to fire me*. But they didn't," says Bissada. Instead, they promoted him to run all of CIBC's mortgage-serving operations.

Canada Trust CEO Ed Clark took note of the young exec, and in 1998 he lured Bissada away to run the bank's mortgage division. Six months later, TD Bank announced it was buying Canada Trust and put Bissada in charge of the entire single-family mortgage business. "We had the largest market share, and I was running it," says Bissada. "And I loved it, loved it, loved it."

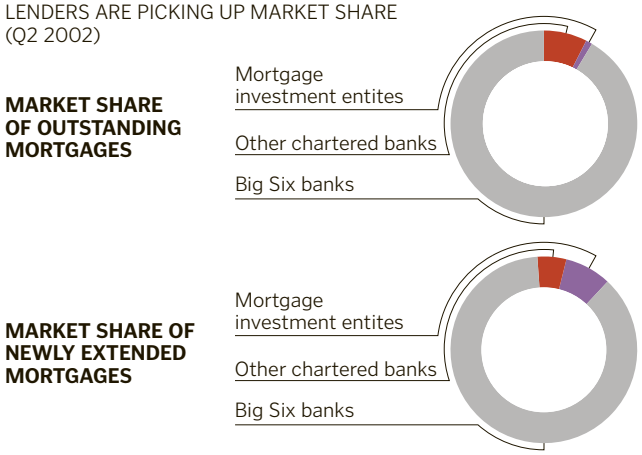
Nonetheless, he quit two years later to run Filogix Holdings, a mortgage technology startup. Why? He pauses for a long time before answering. "If I knew, I wouldn't have..." he starts. What it came down to was a desire to have the president title (egged on, he says, by Calder) and to get in on the dot-com boom, which was still going strong. Alas, not for long. "The first four years were hell," Bissada says sheepishly. "But I learned a lot about running the place." In 2006, a turnaround complete, Davis + Henderson LP bought Filogix for $212.5 million. "I made the first bit of money in my life," Bissada says, and he took a break to hang out with Gilda (whom he'd married in 1997) and their two daughters, now in their early 20s. "I needed to do Grade 2 and Grade 4 homework."

But after serving on a few corporate boards through the 2008-09 financial crisis, he was soon itching to get back in the game. He joined another small fintech, Kanetix Ltd., as CEO in 2011, describing it this way: "kind of like Expedia for insurance." After five years, there wasn't much left to fix.

Meanwhile, the decision makers at Home—including former Ontario Teachers' Pension Plan CEO Claude Lamoureux, one of three new directors and head of the committee tasked with finding a new CEO—were intrigued by Bissada. Lamoureux had joined the board on May 7, 2017, near the absolute bottom. The next day, Lamoureux says, Home suspended its dividend and disclosed it had burned through $1.4 billion of a $2-billion credit line. Lamoureux urged the chair to get on the phone with reporters to try to calm fears. "If you don't tell your story, somebody else will make it up," he says now.

As Lamoureux discovered, Home had been too deferential

AN INTEREST RATE PAYOFF
AS RATES CLIMB, ALTERNATIVE MORTGAGE LENDERS ARE PICKING UP MARKET SHARE (Q2 2002)



SOURCE: CMHC RESIDENTIAL MORTGAGE INDUSTRY REPORT, FALL 2022

to its founder, but its financials weren't in bad shape. Buffett's investment in June helped, calming markets and pushing Home's share price back up to around $15.

It still needed a CEO, though. Calder urged Bissada to apply, and the board was impressed that he had a turnaround plan—one that seemed like it might actually work.

So that summer, they tossed him in.

Despite all of Bissada's experience, he'd never before run a public company. He vividly remembers his first day on the job, Aug. 3, 2017, which featured a conference call with analysts to discuss quarterly earnings, with reporters hanging on every word. "It was a wake-up call for me, how much attention Home was getting," he says. (A search of references to Home Capital in The Globe's database for 2017 and 2018 produces 921 hits.) Bissada still savours the deadpan headline the day after that first call, during which he largely stuck to a two-minute script: "Home CEO to assess."

While Home's immediate cash crisis had eased with Buffett's investment, the staff—from top to bottom—had been decimated. Many had been fired in the wake of the rogue-broker scandal; others had fled what they considered a sinking ship. Which meant there was a lot of hiring to do. Bissada also had to rebuild relationships with brokers, who drive 85% of Home's business. The last thing Bissada needed was reporters or analysts getting on the phone with brokers bearing a grudge.

In many ways, though, the internal turnaround went very smoothly. Victor DiRisio, Home's chief information officer, was one of Bissada's last major new hires to arrive, in January 2018. He's a generalist, with IT experience at many different kinds of companies, including Procter & Gamble Canada, Indigo and Rexall. He says it was obvious Home needed big changes. Many internal systems weren't just old, he says—they were still based on paper.

2023 REPORT ON BUSINESS CHANGEMAKERS

Together, we are Nourishing a Better World by building a sustainable, highly productive and deeply humane company.

Congratulations to Shukri Abdulle, Productivity Manager at Bimbo Canada, for receiving a Report on Business magazine's 2023 Changemakers Award from The Globe and Mail.

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NEED FOR SPEED: Bissada arrives at Home Capital's Toronto office on the e-bike he bought during the pandemic

But DiRisio says the atmosphere inside Home was excited rather than panicked. He doesn't think the business cliché "Never let a good crisis go to waste" applied, but pressure often clarifies things, and the company was a promising candidate for an overhaul. There was a good mix of long-term and and new employees, and all were committed to the revamp. Bissada himself understood the technology, and the company was just the right size—at 875 employees, not too big, not too small. "We can do things better and faster than a Schedule 1 bank," says DiRisio, "but we're also not a startup." A case in point: After just two meetings, DiRisio got board approval late in 2018 for an ambitious four-year program of 10 projects.

As for the staff exodus, senior vice-president of human resources Amy Bruyea says it gave Home a bit of a clean slate to bring in people with the right skills and attitude. Bruyea arrived two months before DiRisio, after seven years at Filogix, and went to work putting in place an organizational effectiveness program for employees. One thing that helped enormously, both internally and externally, says Bruyea, is that Bissada is "one of the greatest networking people I've ever met."

By the end of 2018, things at Home had improved so much that Berkshire Hathaway decided to sell most of its holdings, hanging onto less than 10%. Home agreed to pay $16.50 apiece to repurchase shares, a 73% gain for Buffett.

The following May, Home Trust was named Bank Lender of the Year at the Mortgage Awards of Excellence. Sure, awards are nice. But what made Bissada truly happy is when he stopped reading the b-word in news stories—*beleaguered* Home Capital. "I couldn't wait until the day they didn't mention that word," says Bissada, who says it took a year and a half for it to stop. He kept telling his mother, who still lives in Toronto at age 83, "When they stop writing about you, that's when they think you're doing a good job."

Home's revenue and profit have been consistent over the past couple of years, but the mortgage market has shifted beneath Bissada's feet. After climbing back past $30 in 2019, Home's share price plunged along with the rest of the market as COVID took hold, climbed back to more than $44 in late 2021, then began a long and painful decline back below $30.

In early 2022, Stephen Smith saw his opportunity. At age 71, he's a formidable match for Bissada: co-founder and executive chair of privately owned First National Financial, Canada's largest non-bank mortgage lender, and chairman and co-owner of Canada Guaranty Mortgage Insurance Co., Canada's third-largest mortgage insurer.

Then, as now, analysts warned that Canada's housing market was in rough shape. But like many disciplined value investors, Smith knows that market and economic uncertainty are the bargain hunter's friends. Without them, there are few opportunities for outsized returns.

It was a Saturday morning back in September when Bissada and I met at a hipster coffee shop near his family's house just outside downtown Toronto. (They live in a spacious semi-detached.)

We both arrived on bicycles—his snazzier than mine. Early in the pandemic, he'd bought himself a $5,000 e-bike in yellow rather than the red one he wanted, because new bikes were hard to get. "It's called a pedal-assist," he told me, "and it's definitely exercise." It's also a lot faster than the unpowered kind (I scared myself riding it just a couple of blocks).

But Bissada is a speed guy. His favourite sport is Formula One, and he mentioned he was missing a telecast of some qualifying runs. He appreciates the races as much for the speed as the precision of it all. In 1970, the average pit stop lasted 27 seconds; now, it's down to about two.

What he didn't tell me was that he was halfway through the takeover back-and-forth with Smith. All Home had disclosed publicly at that point was that its board had rejected an all-cash offer from an unnamed bidder. (Later, he would urge me not to feel bad. "I didn't even tell my own wife," he says. He and Gilda went on a 25th-anniversary Disney cruise that November, not long before Home announced it had agreed to an offer, and he occasionally disappeared to take calls but never told his wife what they were about.)

Smith had begun buying Home shares quietly in February 2022, when it was trading at more than $30. That April, he offered $44 a share for the whole shebang. Bissada was surprised a private company was offering to buy an outfit the size of Home, but he and the board put together a special takeover committee and hired outside advisers. In May, the company rejected $44 and sent Smith a counteroffer of $47.

But time was not on Home's side. The Bank of Canada kept raising interest rates—from 0.25% at the beginning of 2022 to 2.5% by the summer, and all the way up to 4.25% in December. House prices and sales volumes kept declining, particularly in Toronto and Vancouver. And Home's stock price kept sliding, too—in the summer it slipped below $30, even after Home tried to push up the price with a small buyback offer in August, which elicited an unenthusiastic response.

Smith smelled blood, and that month he tabled an even lower offer of $37.50 a share. The board rejected it, and in September, Home completed its buyback at just $28.60. Later that month, Smith upped the ante slightly, to $41 a share. The two sides went back and forth for two more months and announced the $44-a-share deal in late November, with a go-shop period to Dec. 30. Home contacted 38 potential buyers and gave three of them access to confidential financial documents. But no one came in with a bid.

Both men say they're happy with the purchase price. Bissada reckons he created about $1.7 billion in value at Home, considering the share price was $15 when he took over. Smith thinks he's picked up a company that's basically in solid shape. "It's not a fixer-upper," he says.

But some things still frustrate Bissada. One is that Home's share price dipped below its book value per share (assets minus liabilities, divided by the number of shares) in 2021 and never did make it back, even with an eager buyer bidding up the price. "Over time, the *perception* of the deterioration of the housing market had grown," he says. He argues that perception was, and still is, misguided.

Smith, too, thinks that warnings of calamity in the housing market are overblown. As a possible recession looms, some analysts forecast mortgage default rates among alternative lenders will be higher than for the banks. "I think they will be," Smith says with a patient smile, but not high enough to be a problem. Canadian regulations are strong, and he points to a big plus: historically high employment rates.

He and Bissada might have solid grounds for optimism. Tania Bourassa-Ochoa, senior economics specialist at the Canada Mortgage and Housing Corp. and lead author of its bi-annual Residential Mortgage Industry Report, says the fall 2022 edition had some interesting findings. As housing markets and lending slowed early last year, the Big Six banks' share of new mortgage lending declined from 73% to 62.1%, and the share of other lenders rose.

And Bourassa-Ochoa says other research shows alternative lenders have benefitted from regulatory tightening. Because of stricter stress tests and other measures, some borrowers no longer qualify for a bank mortgage and go looking for alternatives. "Overall, delinquencies have declined in recent quarters, and their risk profile has improved," she says.

She also downplays fears about buyers who paid high prices near the peak of the housing boom now walking away from their properties because the market price has fallen below the value of their mortgage. Yes, those walkaways in many U.S. regions in 2007-2008 aggravated the financial crisis, but she says it's easier for lenders in Canada to go after other assets if buyers stop making payments.

Bissada and Smith have both been in the mortgage business for longer than almost anyone. A lot longer. Home Capital may not have docked at Pier 59 quite yet, but he and Smith have their hands on the tiller, and they're confident the ship will get there in the end.

Fondation Rideau Hall Foundation

2023 REPORT ON BUSINESS CHANGEMAKERS

On behalf of the Rideau Hall Foundation's Board of Directors, congratulations to Teresa Marques, President and CEO, on being named a 2023 Changemaker.

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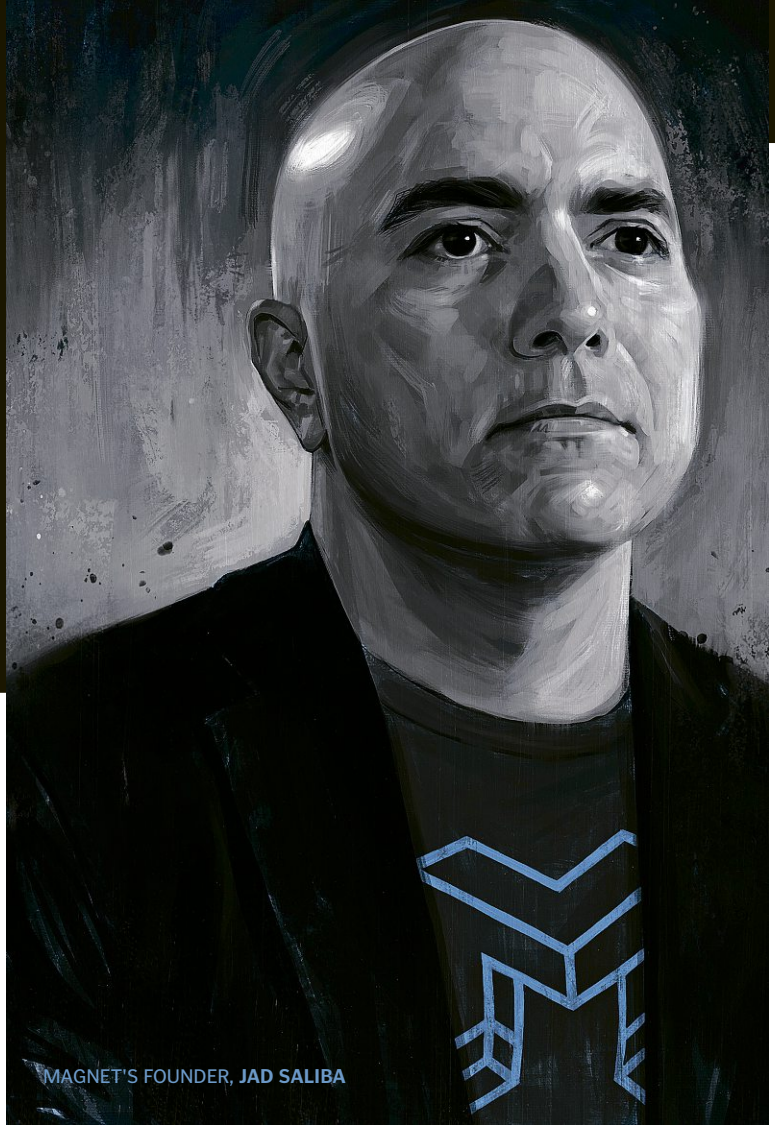
To Catch a Predator

By Jason McBride

Magnet Forensics was started by a former cop whose software helped track down the worst kind of criminals. Now it's moving into the corporate realm—and teaming up with a U.S. company to create a crime-busting powerhouse

ILLUSTRATIONS BY ROBERT CARTER

on



MAGNET'S FOUNDER, **JAD SALIBA**

On Jamaica's beaches, Stanley Saunders didn't exactly stand out. He looked like a lot of other Canadian tourists: middle-aged, pale and paunchy, with a full grey beard and matching long hair. But Saunders didn't visit the Caribbean for the sun and surf. His winter vacations to Jamaica were largely about having sex with children.

In 2004, on one such visit, Saunders met a seven-year-old girl. Over the next five years, Saunders frequently sexually assaulted her, photographing and videotaping both the girl and himself. In the summer of 2009, from his home in Cambridge, Ont., he uploaded some of these images to photo-sharing site Flickr. Flickr flagged them, alerting Waterloo Regional Police's Cybercrime-Internet Child Exploitation Unit. Detectives raided Saunders's home and seized his computers. He was charged with possession of child pornography and served a five-month sentence. When he got out, he went right back to Jamaica and continued to prey on the island's kids.

Saunders thought he had eluded Canadian police. And for another five years, he would. What he didn't know was that the Waterloo Regional Police Service had a secret weapon: Jad Saliba. Saliba's modest CV—three years at Mohawk College, a stint as a network admin at Open Text, three years of policing—didn't fully capture his fascination, or wizardry, with computers. When he was just 15, Saliba developed a disk utility program he sold to a Danish bank, and he spent his free time, even after becoming a cop, writing software.

He'd joined the force at the tender age of 23 to, as he put it, "help people in the community." But after only a year as a constable, he was diagnosed with Hodgkin's lymphoma and forced to take a year off for treatment. When he returned, he was assigned to a desk job in the digital forensics unit. He expected it to possess a dizzying array of tools for extracting and examining digital evidence. It was 2008, and the amount of data flowing into the department was exploding. But Saliba was dismayed to find its software was slow and manual, and required significant technical training to use. And the stakes were uncomfortably high: If evidence wasn't analyzed quickly or comprehensively enough, offenders might be charged with lesser crimes—or get off altogether.

Soon after joining the unit, he started spending his evenings and weekends building a tool he called the Internet Evidence Finder (IEF). The IEF allowed investigators to search an entire computer hard drive for so-called artifacts—image files, emails, web browser history, social networking—with just a single search request. It was fast and easy to use, with an aesthetically pleasing interface. Investigators loved it.

And when they applied the IEF to Saunders's computers, they found not only the Flickr images, but also videos showing him sexually abusing the girl. They recovered Yahoo chat logs in which Saunders described his trips to Jamaica. "Sometimes just a small bit of evidence can really unlock a case for you," Saliba says now. Indeed, the IEF gave detectives enough evidence to charge Saunders again—this time with child sex tourism, then a relatively new law in Canada.

By then, Saliba was no longer a cop. He'd sent his program to law enforcement agencies globally, and it had proven extremely popular. "I was getting emails from people all around the world," he says, "saying it had helped them rescue a child or put a murderer in jail." But he knew it needed to be better and do more. The volume of digital data was growing exponentially, likewise the speed, power and variety of devices criminals were using. "There are great things about the growth of the internet and the app ecosystem that we spend so much of our lives in," says Saliba. "But

there's obviously a lot of bad that comes from that, that enables a lot of criminal behaviour." In 2011, Saliba left the police department to start JADsoftware, which he later renamed Magnet Forensics.

Today, 90% of all criminal cases have some kind of digital component, and Magnet has grown accordingly: 4,000 organizations in 100 countries use its products, many of them public safety agencies like the Los Angeles Police Department and Europol. But a growing proportion are private enterprises. While Magnet's origins are in cyber-enabled crime, cybercrime itself has become an increasingly significant part of its business, and its tools are now routinely used to investigate data breaches, ransomware attacks and the like by organizations including Bank of America and Chevron.

In May 2021, Magnet closed a $115-million initial public offering, and it's been one of the only tech companies in Canada thriving during the recent rout, consistently trading above its target price and adding staff as its peers laid theirs off. In hindsight, it seems inevitable that a buyer would come knocking. In January, American private equity giant Thoma Bravo acquired Magnet for $1.8 billion, with plans to merge it with another of its portfolio companies, Atlanta-based Grayshift LLC. It specializes in software used to crack mobile devices to obtain the data they contain, and it's frequently used in concert with Magnet's products.

It says a lot about the company's bootstrapped bona-fides that its CEO, former BlackBerry executive Adam Belsher, will remain at the helm of the combined entity. Jim Balsillie, a major shareholder and chair of Magnet's board, will have a seat on the new board. But the company will no longer be headquartered in Canada, and it will disappear from our public markets.

Still, Magnet's owners aren't positioning this deal as a takeout (not surprising, considering Balsillie has been railing against selling our tech IP into foreign hands for years). Instead, he, Saliba and Belsher insist it's an opportunity for Magnet to become an even stronger defender of justice. As Belsher puts it: "We are in a cyber war, whether we admit it or not."

Magnet's headquarters are housed in a former BlackBerry building near RIM Park in Waterloo. In early January, the office was still pandemic-quiet, with an entire floor of unoccupied cubicles and a large auditorium-cum-lunch room sitting completely empty. The most notable thing about the place was the winking names of its meeting rooms: Scully, Le Carré, Skyfall, Ronin, Sneakers.

But the seemingly empty office is misleading. While the rest of the tech sector struggles and continues to shed jobs, Magnet has kept on growing. In 2021, it had 270 employees; it now has about 500. It maintains offices or teams in Ottawa, Virginia, the United Kingdom, Singapore, Germany and India; in September 2022, it expanded to Australia.

I sat down with Saliba and Belsher in a boardroom called Homeland. Saliba, now 42, is stocky and bald, with an easy grin. The 48-year-old Belsher is tall and thin, with an even easier grin. The two men first met in 2011. Belsher had been at BlackBerry for 13 years when he started to feel an entrepreneurial itch. He contemplated a few options—a car dealership, a Cheese Factory franchise—before his accountant, who also did Saliba's books, put the two men in touch. They got along, had kids the same age, shared similar values. Belsher was also impressed with the IEF and the impact it had already made. They decided to leave their jobs and join forces, Saliba as CTO, Belsher as CEO. After three months working from home, they took a space in the Accelerator Centre, and in 2012, they started hiring.

Belsher persuaded several of his former BlackBerry colleagues to come over to Magnet. Balsillie was the company's first investor. He felt that Belsher knew how to scale a business globally and that Saliba knew precisely the problems facing law enforcement agencies and how to solve them. "They both had strong character and focus, and a mission orientation," says Balsillie.

When Belsher joined Magnet, Saliba had, as Belsher put it, already "done the job of the customer." He had a well-tested product he'd just started licensing. The company had already accrued real revenue. He also had an aversion to debt. Together, he and Belsher decided they wouldn't seek any external financing. Unlike just about every other tech firm, they concentrated on profitability instead of growth, bootstrapping for the next 10 years. "It forces a certain discipline about how you run the business," Belsher says. "Our thing was like, how can we continue to grow this on our own terms and maintain control of the vision?" Balsillie was in complete agreement: "I encouraged them to remain in control of their destiny, and not be at the whim of investors who are looking for a quick exit and opportunities to meddle," he says. Maintaining this control meant a laser focus on product development—that is, prioritizing which ones to build and which markets to explore—while also staying lean. For a long time, Saliba was the firm's only developer.

In 2012, the company had its first million-dollar quarter, and the growth continued. In 2015, it announced a partnership with In-Q-Tel, an American not-for-profit venture capital firm that invests in companies of interest to the CIA. The next year, the IEF was a vital part of one of the FBI's most high-profile modern cases, sifting through the 20,000 pieces of data tied to the Boston Marathon bombings in 2013. (Saliba is understandably tight-lipped about how his products are used; an FBI investigator mentioned Magnet's involvement on the witness stand.)

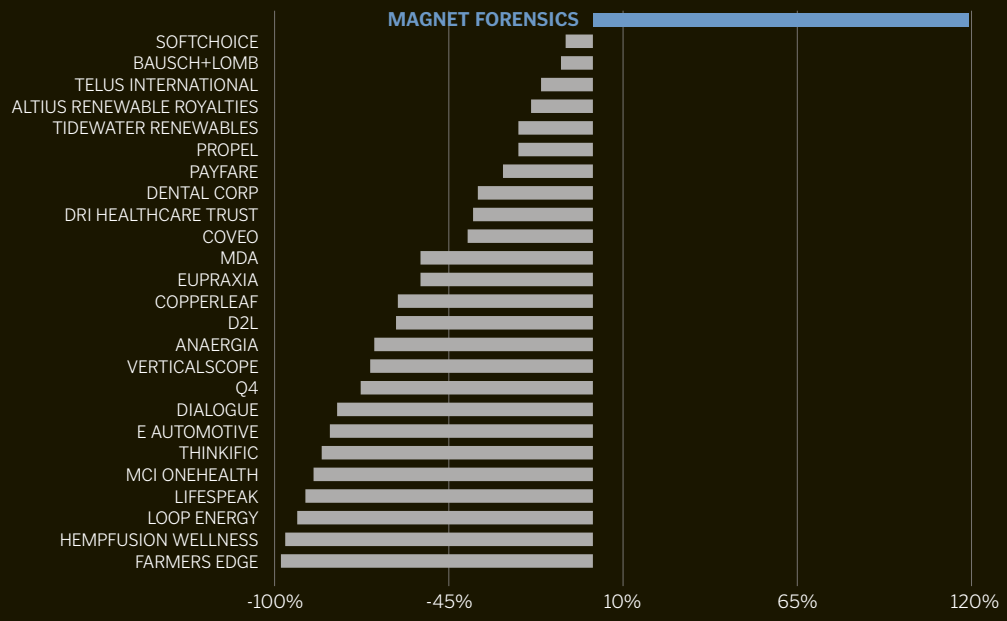
The IEF was a hit with law enforcement largely because it prioritized the artifact, whether it was an AOL message or an Instagram video. Digital forensic teams didn't need to write their own scripts for each new platform or application, as they did in the past. But the number of artifacts was multiplying rapidly, with new platforms and apps introduced, sometimes several a year. Each form of software stored its data differently, and operating systems were also being constantly updated. There were new forms of data security and encryption. From a general user perspective, these were all beneficial changes. For investigators, it meant increasingly complex challenges. And while Magnet originally focused on the evidence available on a computer's hard drive, each year there were new places that held data: mobile phones, cloud services, eventually vehicles and other internet-connected appliances.

The IEF accordingly evolved into a whole suite of products—Axiom (which recovers, catalogues and analyzes data from multiple sources), Automate (which structures and catalogues data using machine learning), Atlas (case-management software), Review (which presents evidence in an easy-to-read format for investigators) and others. Ultimately, all the products worked together to speed up the discovery of evidence and make it intelligible. One key goal with all of this evidence was to precisely identify when a person was using a device and for what purpose—sending an email, downloading an image and so on.

Speeding up that discovery is paramount. Canada, like many other countries, affords its citizens the right to a fair trial in reasonable time. But many police departments, with few investigators trained to analyze digital data and an overwhelming amount of data to process, are grappling with a six-month backlog of cases. In the U.K., according to a December report from the fire and rescue service, there's a backlog of 25,000 digital devices waiting to be examined, not even counting the number of devices already in the system. Getting to trial without delay has become increasingly difficult. Magnet's tools allow police departments to never stop working, to never stop going through evidence. As part of a year-long pilot, the Greater Manchester Police, in conjunction with the U.K.'s Forensic Capability Network, deployed Automate on its child sexual exploitation cases. With Automate running 24 hours a day for 365 days, and simultaneously processing evidence from multiple cases, the department completed cases 9.5 hours faster than it did before. It now plans to expand the use of Automate in all digital criminal cases.

When I spoke to Chad Gish, a detective with the Metro Nashville Police Department, in early January, he was already drowning in cases—11 homicides in the city already this year. In his forensic work, Gish uses several different digital tools, including Grayshift's, all of which have greatly accelerated his ability to process those cases. What he found most powerful about Magnet's specific products was how elegantly they could determine TTE—time to evidence. If he sat down with an iPhone, say, that had 250 gigabytes of data on it, but all he wanted to find were pictures and text messages in a certain window of time, many other companies could apply filters to isolate those images and texts. But what Magnet Axiom or Automate does, Gish told me, is present the relevant data as if it were the only thing on the phone.

SHARE-PRICE CHANGE FROM 2021 IPO TO END OF 2022



SOURCE: TMX GROUP

"Everything else is moved to the background," Gish said. "Not even in view. Here's what you need to focus on. Here's what happened in those 34 minutes. I've saved myself a lot of time by not getting lost and wading through a bunch of non-relevant data."

Wading through data can be tedious and time-consuming. It can also be soul-destroying. When Saliba was with the Waterloo police, he and fellow investigators had to scan and analyze countless graphic and disturbing images and video clips. "It never gets any easier," Saliba wrote in a blog post in 2014. "But I've been able to deal with the terrible things I've seen by trying to make a difference where I can."

Online child exploitation was once commonly known as child pornography. Law enforcement largely eschews that term now because it's considered euphemistic and normalizing—pornography is, of course, legal and generally consensual. The term is also not capacious enough. Online child exploitation includes all manner of abhorrent behaviour and criminality: child abuse, trafficking, grooming and luring, and "sextortion" (using coercion, threat, or fraud to extort sexual imagery from underage kids). The National Centre for Missing and Exploited Children's CyberTipline, the world's largest such hotline, averages approximately a million reports of child sexual exploitation every month.

Child sexual abuse material (CSAM) is a subset of online child exploitation. In 2021, according to the Canadian Centre for Child Protection (CCCP), 85 million suspected pieces of CSAM were found online. The pandemic only exacerbated things. With lockdowns compelling children to spend more time on their devices, and with more platforms through which criminals could reach into those kids' devices, 2021 became the worst year on record for online child sex abuse. "Those who have a sexual interest in children have been around since the dawn of time," says Signy Arnason, associate executive director of the CCCP. "Technology has connected these people at such a mass scale. Couple that with the anonymity of the internet and the fact that the platforms are set up with no regulation, and it's a recipe for disaster for kids."

Law enforcement has struggled to keep up. Waterloo, for example, with a force of 800 officers, still has only about eight dedicated

to digital forensics, and two or three focused on online child exploitation. A recent budget meeting of the region's police services board, however, highlighted an overwhelming increase in child exploitation incidents: In November 2022, the department still had 418 tips from 2021 and 2022 waiting on investigative resources.

CSAM has also become increasingly violent, and features younger and younger children. A 2016 Cybertip.ca study showed that the vast majority of the material depicted children under the age of 12, with 63% of those kids younger than eight. Recruiting people to do this work can therefore be a challenge for law enforcement agencies. A data analyst can make a lot more money, and experience significantly less duress, working for, say, Deloitte than reviewing CSAM.

To mitigate this problem, in 2016, Saliba started to build into his systems a set of officer-wellness features. Five years ago, the only way an investigator could assess a video clip was to sit through the whole thing. They may have had to get through 8,000 such files. Axiom, however, will extract key frames and only show those. In a 10-minute video, say, it might show one key frame per minute, and in an hour-long video, a key frame every eight minutes or so. It can also be set to audio only. Known CSAM files—many of these images are traded and part of familiar collections—will also be instantly recognized by Axiom's algorithms and categorized accordingly, so investigators only need to search through new images and video. The platform can also turn off sound, blur images or render them in black-and-white, or even remind investigators to take breaks—all features designed to reduce the difficulty of viewing such abhorrent material. But also to increase the speed with which that material can be processed and, hopefully, used to prosecute an abuser. "The bottom line is, how do we rescue more children?" Saliba says. "That's the most important thing."

Five or so years ago, many of the police investigators who'd worked with Magnet's tools retired from law enforcement and moved into private-sector security jobs—at RBC, Goldman Sachs and the like. It was easier work with better pay, and there was also, suddenly, a lot of it: fraud, IP theft, employee misconduct and, most perniciously, cyberattacks. According to the Canadian Centre for Cybersecurity, in the first half of 2021, global ransomware attacks increased by 151% compared to the first half of 2020. In Canada, the estimated cost of a single data breach is $6.4 million, and more than half of reported ransomware victims were providers of critical infrastructure: hospitals, banks, power utilities. In the past few months alone, there have been high-profile cyberattacks at Sobeys parent company Empire Co., the LCBO and Toronto's SickKids hospital.

These investigators tended to take Magnet with them to their new firms, so Magnet, in turn, retooled its software for the corporate environment, adding artifacts like Slack messages and Microsoft 365. The private sector now comprises about 35% of Magnet's business. As a percentage, however, it's growing faster. While most businesses now invest in perimeter security to prevent breaches in the first place, Magnet's tools are used after a breach—to determine the scope of an attack, where it might have originated, remotely and covertly acquire data from devices, and report evidence in an accessible form to executives. "It's a different tool than the other cyber tools a business might have," says Thanos Moschopoulos, an analyst for BMO Capital Markets. "It's what you would use to do a deep-dive forensic analysis after you've been hacked, after the ransomware attack, to get a better understanding of what was done. It goes an extra layer deeper."

Magnet is still relatively small. In 2021, it had revenue of about $70 million (up 37% from the previous year), and through the first nine months of 2022, it was already sitting at $68 million. Its decade-long focus on profitability, meanwhile, has distinguished it from most other tech firms, which often post losses as they race to grow. In 2021, Magnet had adjusted EBITDA (a metric commonly used by tech companies) of $18.6 million, an increase of 21%. More important, it had actual net income of $7.3 million.

Magnet's primary rival is Israel-based Cellebrite, whose technology can both unlock devices and analyze data on them. It's used by 6,700 public safety organizations around the world. Last year, in a bid to comparably expand its offerings, Magnet set out to buy Grayshift and its device-unlocking capabilities, but it was outbid by Thoma. Three months after that deal closed, Thoma, Grayshift and Magnet began talking about a merger. The combined companies' expertise will be "very complementary," according to Moschopoulos. "It's a good business. It's hard to say, ultimately, what the size of the market will be, because it's an emerging one. But clearly they're going to have a lot of weight in that space." (Magnet execs can't publicly discuss the merger pending shareholder approval.)

Much of that growth, tragically, will happen because online child exploitation continues to grow at such a stomach-turning pace. It remains Magnet's core business.

But there are, from time to time, happy endings. After the Stanley Saunders case was closed, a Waterloo detective named Sandor Illes took Saliba out for lunch. Illes, a victim-identification specialist, took over as the case's lead investigator in 2015, and he spent a long time poring over the images from Saunders's computers. He studied every detail—the victim's school uniform, the kind of Barbie doll he glimpsed in the background. Eventually, he travelled to Jamaica to canvas teachers in person. With the help of local police, Illes finally found the girl, who was by then a teenager. She immediately identified Saunders and recounted his years of abuse. In February 2016, Saunders was arrested in Jamaica and extradited. He pled guilty and was sentenced, in 2017, to six years in prison. He died in early 2021.

With Saliba's help, Illes had effectively rescued Saunders's victim. But he wanted to do more. The girl had been born into extreme poverty. Illes proposed that Magnet help fund the girl's postsecondary education. Saliba immediately said yes, and the girl attended college in Jamaica. She graduated last year.

"We can't necessarily stop crimes from happening," Saliba says now. "But we can do our small part to support people who are dedicating their lives to protecting their communities. If we can support them to rescue a child or make sure a hospital is operational so they can provide care, that's what it's all about for us."

With files from Colin Freeze

What a kidder

Victoria Sopik's child-care outfit, Kids & Company, hit on a winning business model and keeps right on growing

I got married when I was 20, and I had my first baby at 21. I was still in business school, and I had to write an exam. I remember asking a neighbour I'd only met once if she could watch him for a few hours. I went on to have a total of eight kids in 11 years, and I knew I wanted to be a working mom. So, I started opening child cares in the Toronto area.

In 2002, when my kids were a little older, Jennifer Nashmi and I started Kids & Company. Our first centre offered only backup care, which had never been done in Canada. Then we realized parents also needed flexible full-time care—meaning it didn't have to be five days a week. We'd been paying attention to the U.S., where they have all kinds of corporate child care, whether it's paid for by the company or located on a corporate campus. Our idea was to sign up companies that could then offer guaranteed child-care spaces to their employees. The nice thing about child care is that it's recession-proof, so we were never worried that the idea would sell. But with the first few companies we spoke to—mostly banks, law firms and accounting firms—it was touch-and-go: "We don't tell our employees where to go to the dentist. Why would we tell them where to go for child care?"

100,000
That's how many children Kids & Company centres have looked after

The nice thing about child care is that it's recession-proof

Now, we have hundreds of corporate partners. A couple of things helped us. One was this trend toward supporting working families—companies knew employees would have a space with us as part of their wellness benefits. And when we started, the philosophy for a lot of child care was, "You're lucky you have a space with us." We turned that on its head to say, "We're lucky to have your family with us." For example, parents didn't have to sign up for child care five days a week, and we wouldn't charge parents if they were late for pickup.

But the issue in Canada is that companies here tend to have people in all the big cities across the country, as opposed to the U.S., where you'd have one child-care provider on one big company's campus. So, operationally it was a challenge. But we've continued to grow, and 10 years ago we took a big risk going into the U.S., starting with Chicago—and it worked out for us. The other thing we're doing now is providing elder care.

We've also opted in to the new federal child-care funding program. Many private child cares haven't, because there are concerns profits will be impacted. But for us, it was never a choice. Equity is really important to us, and we wouldn't want it to be that only people with high salaries can afford to come to Kids & Company. And we're not concerned about it affecting the bottom line because we have fees coming from our corporate clients. We're very lucky that we came upon our business model. We changed so many times over the course of the business to try to get something that would work. And the advice I give most entrepreneurs is, Don't get stuck in your first plan. Be ready to make changes as you go along.

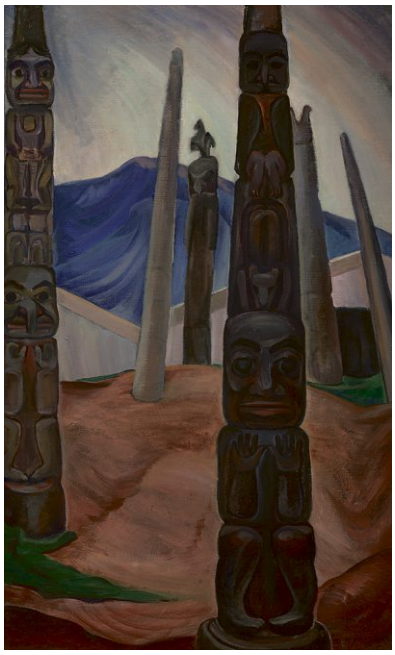
We really changed up something that was very institutional. And even now, as we're growing in the U.S., we're not seeing others doing what we've done. The reason no one's copying it is because it's really hard to do. But the flexibility of the child care is very helpful for families, and it's been the key to our success. **/Interview by Alex Mlynek**

ILLUSTRATION KYLE SCOTT

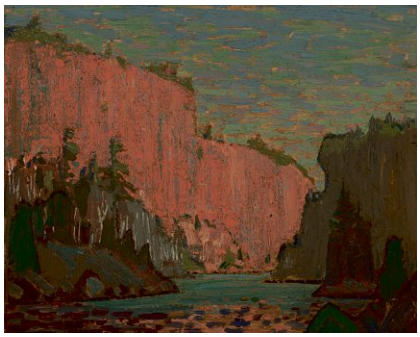
Record-Breaking Auction of Rare Masterpieces Signals Growth of the Canadian Art Market

Cowley Abbott's recent live auction on December 1st, 2022 marked the first of three landmark live auctions dedicated to a prestigious private collection of Canadian art. A selection of rare and important historical artwork offered in the evening auction saw a bidding frenzy, smashing eleven artist records with most artworks in the sale exceeding – and often doubling, tripling or more – presale estimates. Seven masterworks achieved over the million-dollar mark, including works by Canada's celebrated artists Tom Thomson, J.W. Morrice, Emily Carr, Lawren Harris, Paul Kane and Marcelle Ferron.

Cowley Abbott is a market leader in the sale of Canadian and International art through auction and private sale. As we enter our tenth year, we very much look forward to sharing the next installment of artworks from this exceptional private collection of Canadian art, to be offered in our Spring Live Auction on June 8th at Toronto's Globe and Mail Centre.



Emily Carr, *Kitwancool*
To be featured in the Spring Live Auction on June 8th



Tom Thomson, *Petawawa Gorges*
Price Realized: $2,220,000

James Wilson Morrice, *Neige, Canada*
Price Realized: $1,260,000

Lawren Harris, *North Shore, Lake Superior*
Price Realized: $1,032,000

Paul Kane, *Ojibwa Camp in the Spider Islands*
Price Realized: $1,080,000

Marcelle Ferron, *Sans titre* (1960)
Price Realized: $1,260,000

Tom Thomson,
Evening, Pine Island
Price Realized: $1,680,000

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