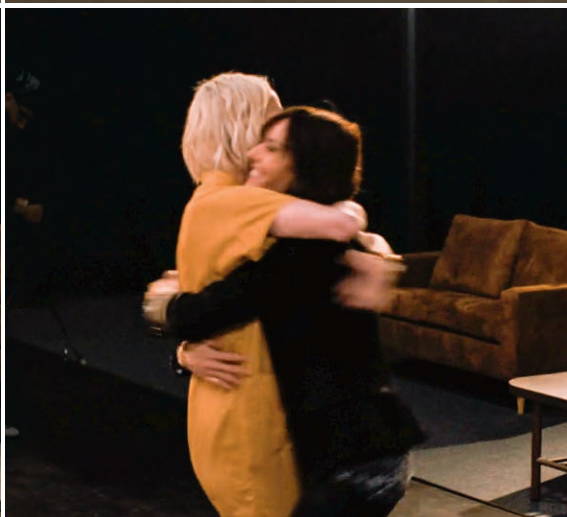


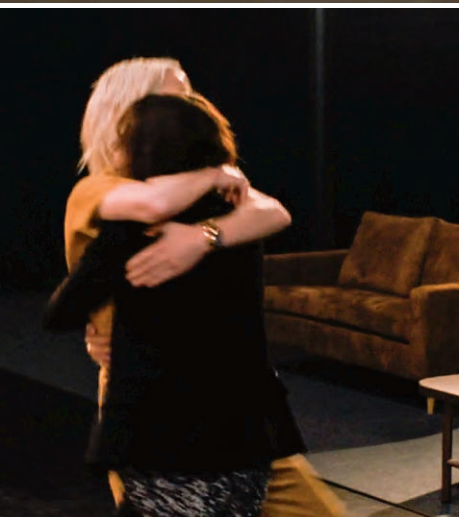
REPORT ON BUSINESS

*Nothing's too good
for my baby*



HOW PET VALU MONETIZES
OUR UNCONDITIONAL PUPPY LOVE
(AND CAT LOVE, TOO)





EVERY HERO NEEDS AN ALLY

On screen, heroes come in all shapes and sizes. Yet they walk a similar path. One that promises to be tough. One that may cause them to waver and doubt, but will provide them with all the tools they need to weather any storm and best every rival. Allies of the rarest kind that will instill confidence and help them reach their mark. And if this tale feels so familiar, it may be because the screen is but a mirror, revealing the hero in all of us.

#Perpetual



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As Reunion Coffee Roasters president Adam Pesce saw in Central America, he's in an often nasty business. The only solution: sustainability

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REIGNING CATS & DOGS

There are a lot of pet-market opportunities between the cut-price offerings in supermarkets and ultra-high-end custom meals and grooming. Pet Valu CEO Richard Maltsbarger is deftly expanding his chain and easing it upscale at the same time. /By Trevor Cole

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MONSTERS INC.

Sinister, gorgeous and often both, visual effects are now a fundamental part of movies. You need computer firepower and the artistic instincts to do it right. Sébastien Moreau has already built Montreal's RodeoFX into one of the top 15 providers in the world. Next stop: top five. /By Simon Lewsen

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BEST EXECUTIVE AWARDS

Our annual list of non-CEO all-stars who help companies win big

FOUR WINNERS UP CLOSE

Say hello to honorees from Stantec, Great-West Life, the Canadian Olympic Committee and Groupe Marcelle who turned in stellar performances in supporting roles. /by Liza Agrba and Jaime Weinman (with Kelsey Rolfe, Andrew Willis, Sean Silcoff and Jason Kirby)



Meet even more unsung lieutenants who provide the extra edge needed to keep their organizations ahead of the competition

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PHOTOGRAPH STEPH MARTYNIUK



Off the rails

Some days, it's hard to imagine a city more hostile to moving its citizens from Point A to Point B than Toronto.

Before I go any further, let me first say that I love this city. I've lived here for nearly 30 years. I'm raising my two kids here. I never want to live anywhere else. And yet...sometimes it is utterly exhausting, even enraging, to try to do something as simple as get to work. The distance between my house in the west end and *The Globe and Mail's* office in the east is roughly eight kilometres. It should be a 25-minute drive. And yet, during rush-hour—which seems to last pretty much all day—the journey can take well over twice that, thanks to volume, road closures and construction-related slowdowns. Anyone who's been stuck on the Gardiner Expressway for upwards of an hour trying to travel less than a click (me!) won't be surprised that the TomTom Traffic Index, which measures congestion in 357 cities, ranks Toronto third for slowest-moving traffic. Only London and Dublin score worse. All that congestion costs drivers nearly 100 precious hours each year. It's such a drain

that the Toronto Region Board of Trade has gathered 19 leaders (including the head of public policy for Uber, which has 60,000 drivers clogging the city's streets) to tackle the problem.

The state of public transit (my preferred mode of travel, even though it takes just shy of an hour) is similarly dismal. The Toronto Transit Commission has been chronically underfunded for years, depending on fares to cover up to 80% of costs, compared to 56% in Montreal, 51% in Vancouver and just 40% in New York City. Its decrepit state was only compounded by the pandemic, which gutted ridership, leading to fare hikes and service cuts, which led to lower ridership, which... you get the picture.

What we desperately need is more, better-funded transit. But hope is thin on the ground. Consider the Eglinton Crosstown LRT, whose 25 stations will eventually run east-west across midtown. It's been under construction since 2011 and is at least \$1 billion over budget. When asked when the trains might start running, Metrolinx CEO Phil Verster—who was paid \$850,000 last year—refused to even *guess* at a date. Which is particularly troubling, because Verster and the Crown agency over which he presides are responsible for several other massive transit projects that will impact this city for decades to come.

Transit isn't even the most daunting challenge facing Toronto and its newish mayor, Olivia Chow, who was elected in June 2023 and inherited a nearly \$2-billion deficit courtesy of her two less-than-illustrious predecessors. Rather than raising property taxes, both Rob Ford and John Tory kept cutting, allowing the city to fall into disrepair. But as Chow said when she released her first budget in February, "We cannot cut our way out of this mess. If we cut deeper, we could be cutting at bone and hitting the marrow."

Trevor Cole sat down with Chow for this month's Exchange to talk about the sizable property-tax hike she instituted to stem the bleeding, fixing the city's housing crisis, her plan to get traffic moving and more. If you're stuck on a streetcar right now, flip to page 8 to read it. Maybe it'll give you hope amid the rage. **/Dawn Calleja**

Send feedback to
 robmagletters@globeandmail.com

Men leave, too

Deborah Aarts's essay "Why women leave," part of our annual Women Lead Here package, generated plenty of (constructive) feedback.

To change the culture, we need several things: 1) Women need to understand that "inclusion" feels very much like the exclusion of men. If being a woman of colour doubles the burden of inclusion, being a white man doubles that sense of exclusion. I know you want to insist that it's not a zero-sum game, but it *feels* that way. 2) A culture of women leaders also means a culture of male followers. Women love this idea at work, but men still get the message that to be a man is to be in charge. If you want to normalize women CEOs, women also need to help normalize stay-at-home dads. —**Hazlit64**

In my leadership role, I see a lot of patterns—all among fairly educated, financially stable and privileged folks. More (mainly hetero) men have

supportive partners who do more—even with careers of their own—giving the men more time for ambition, leisure and self-care. Female leaders are working non-stop at home and in the office. They do burn out and get fed up.

Male voices are also heard more readily. Women, meanwhile are judged and questioned—often by other women, creating competition and the need to prove yourself. We're much more privileged as women than in some parts of the world, but there are still many inequalities that extend beyond the workplace. —**Gray_progressive**

I know plenty of men who've burned out after reaching a certain level, too (and also those who purposely don't take promotions for fear of burnout).

—**Richard Wright**

High utility

Fortis CEO David Hutchens, our April Exchange interview, drew lots of praise.

A great interview of a thoughtful CEO. I live in the Okanagan. We are growing fast. We don't have enough electricity, and people aren't going to want to pay for the transition from natural gas to electricity for heating. For that reason, I think the regulator in B.C. got it wrong when it denied Fortis's application for a new gas pipeline here. —**ARE3**

Hutchens totally understands the dynamics in the energy sector, as well as the repercussions to the consumer. Let's hope he doesn't get railroaded by the left-wing regulators that believe everything needs to be green. A lot of regular people don't understand how the sector works and get bamboozled into thinking they're all evil carbon emitters. A great Canadian company that's ventured into the international scene with great success. —**Gpiccoli**

FÉLICITATIONS ERIC MYLES

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comes to your wealth,
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MEDICAL MIRACLE

In February, Ruth Gottesman, a longtime professor at the Albert Einstein College of Medicine in the Bronx, donated **US\$1 billion**—left to her in the form of Berkshire Hathaway stock by her late husband, a Buffett protégé, who died in 2022—to cover tuition for medical students

05/24

NEW RULES

He's so Buff(ett)

With Berkshire Hathaway close to achieving a US\$1-trillion market valuation, it should be quite the party in Omaha on May 4, the day of the company's annual general meeting. It will be presided over, of course, by the Oracle himself, Warren Buffett—the first time he'll be flying solo in decades, following the death in late 2023 of vice-chair Charlie Munger, just shy of his 100th birthday.

BILLION-DOLLAR BOYS' CLUB

WORLD'S RICHEST PEOPLE (ALL FIGURES US\$)

Bernard Arnault and family
\$231 billion

Jeff Bezos
\$210 billion

Elon Musk
\$195 billion

Mark Zuckerberg
\$171 billion

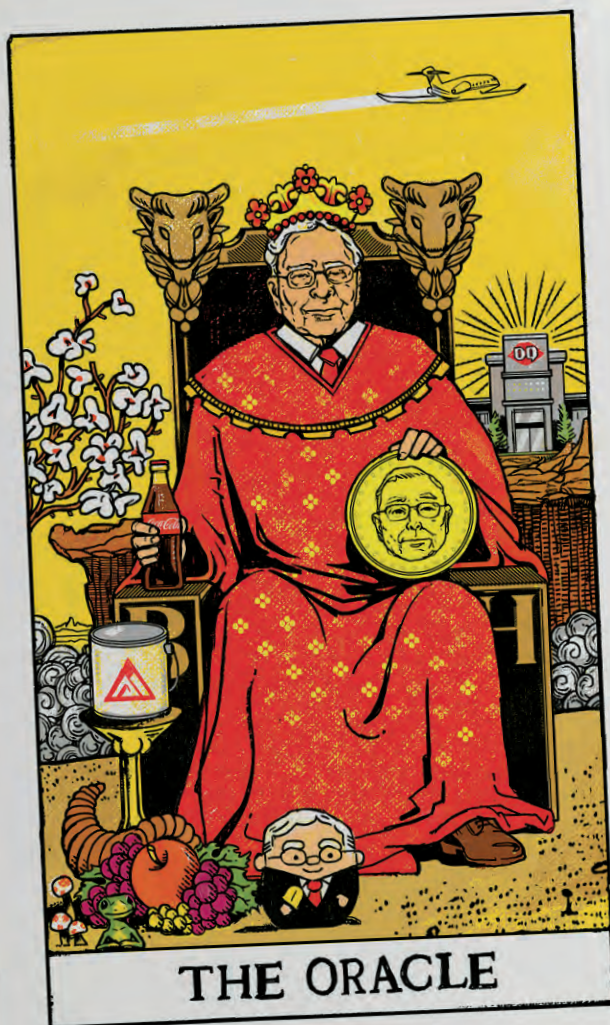
Larry Ellison
\$140 billion

Warren Buffett
\$135 billion

GIVE IT AWAY NOW

99%+

That's how much of his wealth Buffett plans to give away when he dies



\$1-TRILLION

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THE FIRST COMMANDMENT

“RULE NO. 1:
NEVER LOSE
MONEY.
**RULE NO. 2: NEVER
FORGET
RULE NO. 1”**

IF YOU INVESTED

\$100

IN BERKSHIRE HATHAWAY
IN 1965 (WHEN BUFFETT
TOOK OVER)

IT WOULD NOW BE WORTH

\$3.3 MILLION

NEXT IN THE BUFFETT LINE

\$20 MILLION

Annual compensation for Buffett's No. 2, 61-year-old Canadian
Greg Abel—Berkshire's vice-chair and the Oracle's heir apparent

OTHER NONAGENARIAN LEADERS

Jimmy Pattison, chair
and CEO, Pattison Group (95)
Issy Sharp, chair of
Four Seasons Hotels (92)

THE EXCHANGE

She means business

Olivia Chow inherited a financial hot mess when she became mayor of North America's fourth-largest city last year. Toronto's transit is a shambles, a housing crisis is driving young people out, and the downtown core is a ghost town. So what's her plan?

BY TREVOR COLE



It's been a whirlwind start to Olivia Chow's first year as mayor—a tax hike, megadollar deals with the provincial and federal governments. And yet the surface of Toronto's problems has barely been scratched. We arranged for a sit-down with the mayor in her City Hall office and brought a list of issues. With our start inexplicably delayed and a staff meeting looming, she sent her assistant off with an order—"Can you work it out? Close the door behind you." And we began.

You've been in office for about nine months.

I'm glad someone's doing the math.

To a lot of people living here, the city feels broken. What's your view on the state of Toronto right now?

I ran because I saw the city—I wouldn't go as far as broken—but in decline. The city stopped building affordable housing, TTC just had a fare increase, and their services are being cut. You walk into a park, the water fountain doesn't work. The washroom half the time is not open. It looks scruffy. There's cigarette butts along the sand where my grandkids were playing. And garbage—the bins are overflowing. It just wasn't working very well. Which is why I thought, *I think I can do better.*

By my calculation, the recent property-tax hike puts Toronto's tax rate at about 0.72%. It's lower than some smaller cities, but higher than Montreal and Calgary, much higher than Vancouver.

Lower than Ottawa. Lower than Vaughan. Lower than Mississauga, Markham, Richmond Hill.

Are there any downsides to a rate that high?

I don't accept the premise of

your question, because the rate comparing to all the major cities around Toronto and in Ontario is actually lower. For 10 years now, it's mostly cutting services. At some point, you're talking about a city in decline. The credit rating was triple-A when I left this place. (1) When I came back, it's double-A. Those reserves I helped set up when I was on the budget committee—rainy-day reserve, housing reserve—had been mostly raided. That's why your credit rating goes down. Because you're borrowing more. You can't continue to do that.

It's not responsible. (2)

Do you wish you'd been able to hike the tax higher?

No, I did what I needed to do. After I had that new deal with the province where we uploaded the Gardiner and the DVP, (3) and got the federal government to pay their share of the refugee shelter money and some housing dollars, after I got that, I thought, okay, I still need to do these services. I'm not gonna cut anymore. Then what is that percent? I found the percent. It was 8%. (4) **Let's talk about the new deal. (5)**

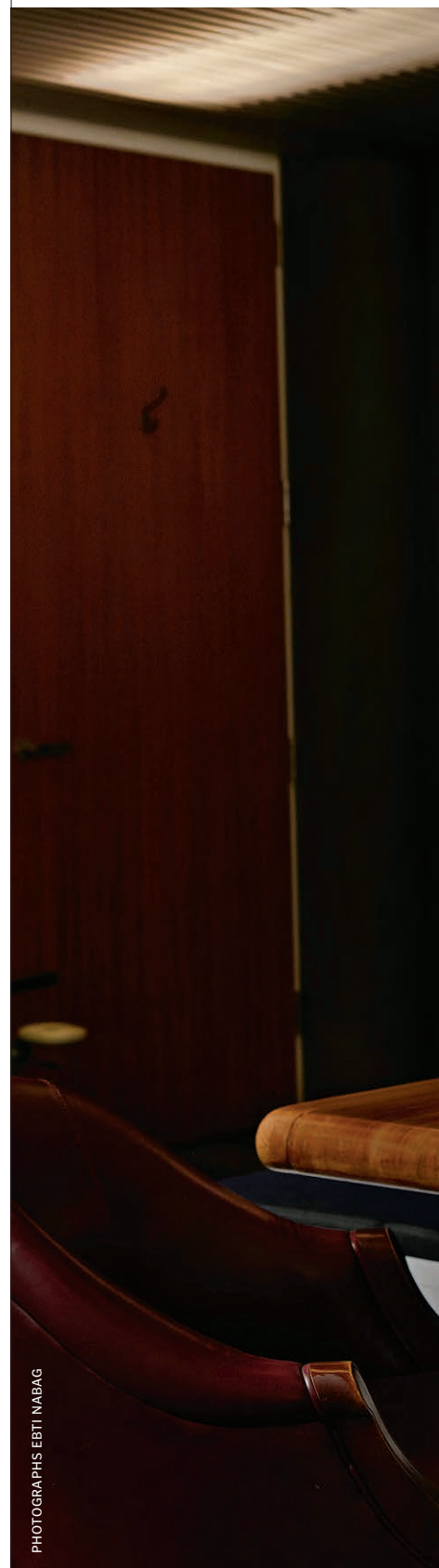
For a long time, conservative politicians, particularly Doug Ford, have seemed hostile toward

1. Chow was a downtown city councillor from 1992 to 2005.

2. As Chow herself said in defending the hike: "I'll be blunt: I inherited a financial mess, a \$1.8-billion hole in the budget. We can't avoid hard choices anymore."

3. That's the Gardiner Expressway, which runs across the bottom of the city, along the lakeshore, and the Don Valley Parkway, a major north-south artery.

4. Various media reported a 9.5% tax hike. Chow insists the rise was 8% with an extra 1.5% for a previously locked-in building levy imposed by Rob Ford.



PHOTOGRAPHS EBTI NABAG



Toronto, and they've pandered to the constituents that are hostile. That's right.

And yet, you were able, very quickly, to pull this deal together. How did you manage that?

I looked at what he believes in. If the goal is similar, how to get there is a different question. He intervened on city business quite a few times, including changing the number of councillors in the middle of the election. By intervening so much, whether you agree with it or not, he obviously cared deeply about the city. You get to the bottom of it. "Premier, you love the city, you want to see the TTC running?" Yeah. "You want to see police keeping the city safe?" Yes. "You want kids to continue to be fed in some of the schools?" Absolutely. "You don't want people freezing to death or sleeping on the street?" No, we don't. "Okay, we need TTC money. We need shelter support. We need to continue to deliver city services. And it's no joke that we have a \$1.8-billion budget hole. Well, Premier, how do we do this?" That's how I started.

I've heard your relationship with Doug Ford described as cozy.

How would you describe it? Honest, respectful, frank and upfront.

And how would you deal with a potential government led by Pierre Poilievre?

Same style. If your interest is helping working-class families to make life affordable, how do we do that? Do we do that by shutting down the Bloor subway line because the cars are too old? We don't do that, because who takes the subway? Working class, especially women and immigrants, right? Do you want to say to them, "The federal government think you guys should walk?" How do they get to work? Our subway cars are old and, I'm not gonna say dying, but their lifespan is edging toward it. We need to get back on track.

I was going to talk about the TTC later, but let's—



I've said no to all new projects—very nice, wonderful projects, I've said no. Fix what we have first, and the new things will come later. But, you know, we're locked into FIFA. (6)

You wouldn't have done that?

The FIFA deal was signed before the federal and provincial governments came in with their funds. I wouldn't have done that. Absolutely not. I went to Premier Ford and said, "We can't shoulder this alone. Do you want the city to be a laughingstock? I can't walk away from the bid. What do you want us to do?"

Let's talk about the TTC.

You've already mentioned the dysfunction. When you look at the TTC, what do you see?

For 10 years or so, it's been neglected. The fares keep going up, the services keep going down. Lots of new lines—great, we need them—but you have to fix what you have. And you have to increase the bus service. Because 70% of the trips are by bus. So, I immediately hired 160 staff. Because 75% or 80% of TTC revenue is driven by the fare box. And when you raise fares and cut service—fewer riders. (7) Fewer riders means less revenue, meaning you're going into a downward death spiral. So I said no more fare increase. People would come back if the service is better and if they feel safer. That's why the 160 staff got hired. Then I hired 40 traffic agents, because the King streetcar, for example, was so slow. It's now three times faster, because I have traffic agents directing traffic. Bam, that worked. And Scarborough transit services are just not up to par, and that's not fair, because it shouldn't take them an hour

5. In December, the city and province struck a deal in which Toronto made certain commitments, including conceding Ontario's authority to make decisions about Ontario Place and the Ontario Science Centre. In return, the city would get up to \$1.2 billion in operating supports over three years for various projects and up to \$7.6 billion in capital relief, funding for 55 new TTC subway trains, and upload responsibility for the Gardiner and DVP to the province.

6. Recent reports estimate that hosting the FIFA World Cup will cost Toronto \$380 million.

and a half to come downtown.

But on top of that, you have to plan for the future. So, I know I need Scarborough transit, and I waited for the province to pay. They won't. So I said, "Alright, we'll pay." And that Scarborough busway is being built with 100% city money. Also, the Waterfront LRT has been talked about ever since I was on council, good lord. All those condos that are built by the waterfront, these folks have to drive. The Gardiner is clogged up because of that. The provincial and the federal government have not come in. I said, "Okay, it will take you a while to come in. We'll design it."

You're designing it.

We're designing the Waterfront LRT. We're not actually paying to construct it; we don't have that money. We will make the design happen so that it won't waste time. And the Eglinton East LRT, which services Scarborough, it's at least 20 years overdue. So, those two lines are being designed now, and we'll continue to negotiate with the federal and provincial governments.

Let's move to housing.

Affordability issues are pushing people to the outskirts, which is putting pressure on all our services. Is density the solution? There's three solutions. Density is one. Much faster approval process. And seriously building affordable housing.

A while back I spoke to developer Mitchell Cohen, who said that if you wanted to increase affordable housing, you could waive the development charges and building permit fees, and waive property taxes in perpetuity on every unit of affordable housing.

Yes, we're doing it. We've identified at least 70 pieces of city land, empty lots, parking lots, you name it, and we're saying we're going to build. We're looking at 65,000 units of housing, and a good percentage of them we want to be affordable. But that requires infrastructure money. You can't just build buildings. You need

to have support services. Who is gonna fund that? So, in the past 10, 20 years, you can see the development charges, lot levies, inching up. Why? Because municipalities only get 9% of all the taxes you pay. Municipalities just have no money to build infrastructure. What do they do? They ask the new residents to pay. So, Mitchell Cohen is not wrong. What he has not factored in is that municipal governments don't have the financial capacity to build infrastructure by themselves. Which is a problem. **So, where do you get that money?** The federal and provincial governments need to share some kind of revenue that would grow with the economy. For example, if Taylor Swift comes—the HST alone is huge. **(8)** We don't get a penny of it. The city of Toronto ends up paying a lot of money to the police for overtime. It's great for the economy, but in terms of revenue for the city, we actually end up paying out instead of getting any of that benefit. If tomorrow I could get one cent of what Taylor Swift is generating in Toronto, oh my god, I would have done it yesterday! I can encourage a lot of development, and the developers have to pay HST to both the federal and the provincial government. Five cents of it is GST. Do we see a penny of that? No. But do they build any infrastructure in the city? No, we do.

You're identifying the problem.

How do you solve it?

We will continue to talk to the federal and provincial governments. What I was able to do with Premier Ford is just one step. We need to get to financial sustainability for all municipalities, especially the biggest city, the generator of a huge amount of Canada's GDP. **(9)** We need a source of revenue that would grow with the economy. If not, it doesn't matter who's the mayor, it's not gonna be as successful as it can be.

We talked about density. What kind of density do you want to

7. In 2023, paid rides totalled 396.3 million—an average of 74% the rate pre-COVID.

8. It's called Swiftonomics—the Eras Tour (which lands in Toronto for five nights in November) is expected to generate close to US\$5 billion in consumer spending in the U.S. Every US\$100 spent on concerts generates roughly \$300 in spending on hotels, food and transit. Swifties are spending an estimated US\$1,300 to US\$1,500.

9. Toronto generates 50% of Ontario's GDP and 20% of Canada's.

see? European-style, where all the avenues—

Six to eight storeys, that's right.

Some would suggest 10 to 12.

Go for eight. It depends on how wide the road is. And yes, it is coming through council. Four units as a house, laneway houses, granny flats—go for it. Making it simpler so homeowners can get the financing, get the planning, get the building permits, all in one shot. That makes it a lot faster. We are really encouraging rental housing, because not everybody has enough money to buy a condo, right?

How are you encouraging rentals?

If it's affordable units, we make more exemptions. We can provide a bit more density, and if it is near a transit corridor, the density can be negotiated. All of that matters. And when the city identifies land, by and large we want to build rental housing and not condominiums, because condos are being built anyway.

Let's move quickly to traffic. The gridlock in this city is the worst in North America. (10) How do you begin to address it?

Well, there's AI for transfer signals. There are more traffic wardens. There is construction that you need to coordinate.

An expert at U of T said part of the problem is construction everywhere all at once.

And companies close the road to do construction. We don't charge them much. And if they go, "Oh, we need six more months"—hang on a second. I want a lot more money out of them, so

there is a financial incentive for them to build faster. If you have an escalating cost, the longer you close the road, the more you pay. And if you miss this deadline, you pay even more. Which is what I'm asking the staff to look at. And we have 60,000 Uber drivers. They are contributing to the congestion. So, all of those elements, you can take action on each of them.

Downtown office vacancies. The rate right now is 17.4%—

It's connected with congestion. Because people are saying, "We don't want to travel." So, I've met with four bank CEOs now, and one more to come. They're all saying that, at most, it's three days a week. I said, "How do I get it to four days? And five days?"

You want people here five days a week.

I want them to be here at least four days, if not five. And they said, "It's not possible." I said, "We need to figure out a way to have more people coming." So, they are working with the city, looking at congestion, looking at revitalizing the downtown, because the small businesses that rely on the office people coming back are not doing very well. The food court is empty.

You need a new chief planner.

What are you looking for?

Somebody who actually has a plan to get all these approval processes done faster, simpler, and provide good planning policy to help smaller homeowners, not big developers.

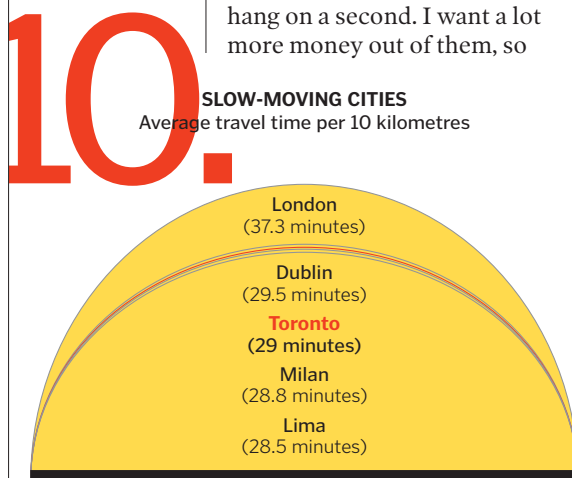
For a long time, city planning seemed to be about saying no.

Greg Linton seemed to start the process of allowing things to happen, like laneway homes.

Yes. There's gonna be a lot more of that. It's policy and practice. He did some of the policy, and we now need to do the practice.

This interview has been edited and condensed.

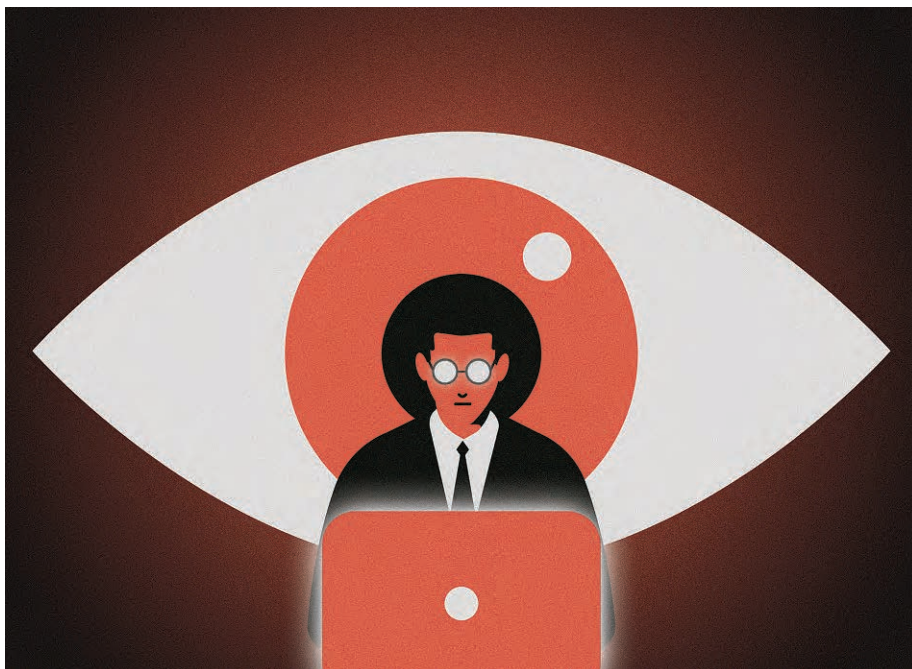
Trevor Cole is the author of five books, including the novel Practical Jean, which won the Stephen Leacock Medal for Humour.



FREEDOM 75?

"When people are regularly living past 90, what should the average retirement age be?"

—the theme of BlackRock chair Larry Fink's annual letter to shareholders



BIG IDEA

Spy vs. sly

New technologies are blurring the lines between illegal corporate espionage and legitimate competitive intelligence

In an apparently unprecedented power move, the intelligence chiefs from the so-called Five Eyes gathered on a stage at Stanford University in California last fall to fire a shot across the bow of China Inc. and the raging problem of intellectual property theft by state-linked firms. Citing a 1,300% increase in such investigations in the U.S. over the past several years, FBI Director Christopher Wray called the Chinese government the biggest threat to Western innovation.

But the frothy industrial espionage narrative isn't limited to questions of national security and Chinese spies. Case in point: A little-known caveat of the Trump-era United States-Mexico-Canada Agreement (USMCA) involved far-ranging Canadian legislation criminalizing the theft of trade secrets by anyone. The move, meant to better align U.S. and Canadian law, marked what one scholar describes as a "significant overhaul of the legal landscape of trade secrets and confidential information in Canada."

Meanwhile, new technologies and platforms have made it easier than ever to obtain sensitive corporate data subject to "trade secret" designation. The internet, not to mention the Dark Web, is awash with grey information of suspect provenance—everything from undisclosed salaries and salacious tidbits that surface in Panama Paper-type data dumps to internal corporate documents that become part of the vast universe of AI training data when someone unthinkingly uploads them to a chatbot. Certainly, the temptation by C-suites to dispatch special-ops teams to conduct oppo research on rivals has never been greater, nor more feasible.

All of which raises an intriguing governance question: How

should boards, with their mandates to oversee risk management, differentiate unethical (and possibly illegal) industrial espionage from legitimate competitive intelligence (i.e., strategic foresight about markets and rival firms)?

Experts say one of the telltale signs of corporate espionage is that the information in question has been obtained unethically—a stolen thumb drive, unauthorized access to a firm's networks, printed material lifted from the garbage outside an executive's home and so on. Take, for example, the notorious scandal of the early 2000s involving WestJet and Air Canada, the focus of a study by Shamsud Chowdhury and Jerry Sheppard, management professors at Dalhousie's University's Rowe School of Business and Simon Fraser University's Beedie School of Business, respectively.

In March 2003, a former Air Canada employee gave WestJet co-founder and top executive Mark Hill access to Air Canada's internal network. Hill covertly checked hundreds of Air Canada "load factor" reports, detailing the number of seats sold for a given flight. WestJet, under pressure to expand its operations, used the information to undercut Air Canada. In the wake of media revelations and a lawsuit, WestJet's stock flagged, and the company was forced to restructure its board, separating the roles of chair and CEO, both held, until then, by Clive Beddoe, one of the four founders. The two firms eventually dropped the lawsuit.

While that case is a clear instance of corporate wrongdoing—espionage seemingly endorsed by board leadership, no less—pinpointing unethical access to corporate secrets isn't always so straightforward. As Sheppard points out, there are lots of ways companies gather information on their rivals that don't quite fit into the realm of open-source data but isn't theft, either. "There's been reverse engineering of products for years," he says, offering one example. "I don't think that's going to stop, and it's not really espionage."

Navigating this grey zone is the

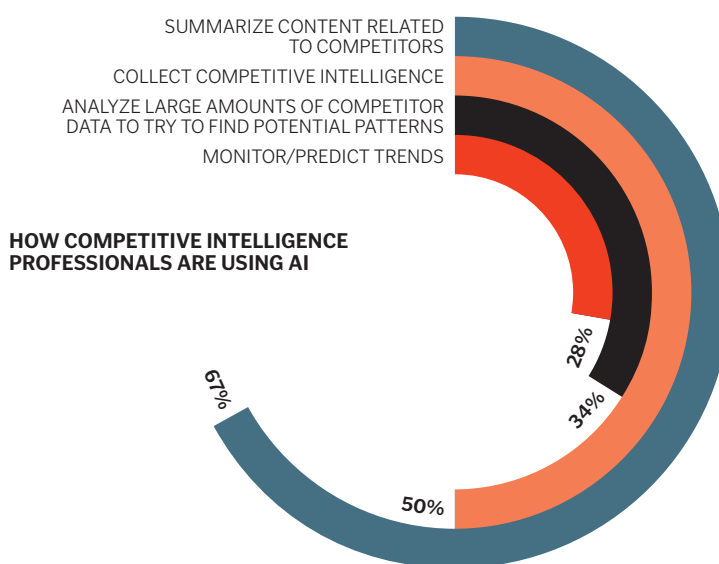
purview of competitive intelligence (CI) professionals. Practitioners, who generally report directly to the CEO, adhere to a strict code of ethics set out by the Strategic Consortium of Intelligence Professionals (SCIP). Jonathan Calof, a professor of international business and strategy at the University of Ottawa's Telfer School of Management and a member of SCIP's advisory board, is the *éminence grise* of Canadian CI theorists. He has a keen understanding of the many ways in which companies can work the angles and tap into networks of worldly observers, all while staying on the sunny side of SCIP's code of ethics.

Firms involved in complicated product development processes, for instance, might think they're keeping their cards close to the vest, but then their researchers show up at academic conferences or present papers that leave a trail of clues. "This isn't even grey," he says. "This is out in the open."

Calof shares another tactic: "I can sit at a booth at a trade show and write down every question I get at my booth and who it's coming from. I'll see a pattern in those questions. Why is that competitor at the workshop, at the guest speaker event, asking those four questions?" A rival's new hires can offer yet another set of clues about the company's direction, he says.

But what's got the CI world all excited these days is the potential use of artificial intelligence and large-language models to dig up valuable yet obscure information on competitors. A recent article in the *Harvard Business Review*, for example, cites the case of a northern European manufacturer that released hundreds of pages of disclosure documents, including just 14 lines on the acquisition of a parcel of land in India. While a competitor's CI team missed that critical detail, which suggested the company's expansion into a low-cost jurisdiction, an analysis using generative AI flagged it.

"Generative AI can become the watchful eye that spots useful insights in the field of competitive intelligence," wrote the authors, a



four-person team from universities in the U.S., the U.K and Switzerland. "And these AI-generated insights are enabling top leadership to make strategic decisions in an optimal way."

AI on its own, however, is only half a loaf for CI professionals, warns Calof. "The big thing with AI is not collection; it's analysis," he says. "For it to do a good job with analysis, it's got to have clean data. And how does it get clean data? Well, we need people who can figure out what's good and what's bad. If you just go to the internet and scrape it, good luck."

The flip side is that companies should be monitoring whether their own corporate secrets have been uploaded to a chatbot, adds Sheppard: "AI makes it easier to find, and that works both ways."

Indeed, AI is precisely where the line separating corporate espionage and competitive intelligence becomes especially blurry. Rahul Bhardwaj, CEO of the Institute of Corporate Directors, points to copyright infringement cases involving firms like *The New York Times*, alleging their materials have been used to train large-language models without authorization, thereby introducing unethically obtained content into generative AI searches.

While it would be difficult to argue that published news stories in a company's CI dossier on a rival are evidence of corporate espionage, the firm's hands may not be completely clean if it's using AI to obtain or analyze copyrighted content. "That's going to work its way not only through the courts," says Bhardwaj, "but I think companies and boards will be keeping an eye on that to make sure their own competitive intelligence policies reflect that they're going to stay on the right side of that line."

AI notwithstanding, the evolution of the global economy—and the tech sector's enormous strategic importance—is the development that has truly raised the stakes when it comes to snooping, ethically or otherwise, on rivals, be they companies or countries. It's one thing for a firm to reverse engineer a dishwasher made by a competitor, notes Chowdhury, and quite another to figure out how to replicate products that might be critical links in global supply chains or infrastructure.

"It's a very fascinating area," he muses, "because it involves corporate governance and ethics, corporate wrongdoing, cheating, financial manipulation, and all kinds of things. Law, political science, public administration, strategy, journalism—everybody's involved there as stakeholders."

/John Lorinc

WHAT YOU CAN LEARN FROM...

Alanis Morissette

Jagged Little Pill—recorded 30 years ago and released in 1995, when Morissette was 21—sold 33 million copies (making it the biggest debut of a female artist), won the Ottawa-born songwriter seven Grammys, formed the basis of a Tony-winning musical, and provided the soundtrack to countless breakups. This spring, Morissette, now 49, is embarking on a North American tour that's bound to be a multigenerational outlet for collective female rage.

/Dawn Calleja

1 Melt it down

Canadians of a certain age will no doubt remember Morissette's dancey debut tune, "Too Hot," which hit the airwaves in 1991. (*Always too hot/never too cold/You make your best shot/Too hot to hold.*) At the time, she was a 17-year-old shoulder-padded former child star known simply as Alanis. The song was a hit, but dance-pop diva wasn't exactly Morissette's truth. So she disappeared, leaned into her angst and re-emerged four years later as a grunge goddess with a record that defined a generation.

Don't scan the credits for your name

Listen: Fans know that Mr. Duplicity himself is Dave Coulier, a.k.a. Uncle Joey from *Full House*, who dated Morissette for two years when, it should be noted, she was 18 and he was 33. But with Carly Simon-esque restraint, Morissette has never confirmed the subject of "You Oughta Know" (or "Unsent" or any other hit). "I've never talked about who my songs were about, and I won't," she has said, "because...they're written for the sake of personal expression." The lesson? In this era of hyper-confessionalism, maybe just don't. Leave something to the imagination.

5 You live, you learn

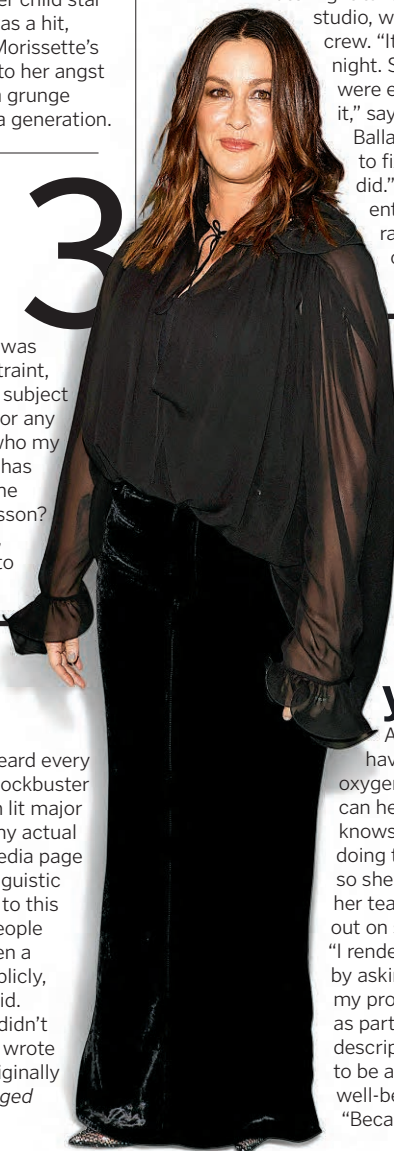
For three decades, Morissette has heard every smarmy dig imaginable about her blockbuster hit "Ironie"—which, as every English lit major loves to point out, doesn't include any actual examples of irony. The song's Wikipedia page even has a long section entitled "Linguistic dispute." Does it mortify Morissette to this day? Yup. "If I knew more than 10 people were gonna hear this, I would've been a stickler instead of being shamed publicly, planetarily, for 20 years," she has said. But remember: The usage faux-pas didn't dampen fans' love for the song. She wrote it when she was just 20. And she originally didn't even want to include it on *Jagged Little Pill*. Now *that's* ironic...or is it?

2 THAT SIMPLY WAS GOOD ENOUGH

Morissette recorded "You Oughta Know"—arguably her most enduring hit and the lead single off *Jagged Little Pill*—in a single late-night take at a Hollywood studio, with a bare-bones crew. "It was 11 o'clock at night. She sang it once. We were exhausted. That was it," says her co-writer, Glen Ballard. "Everybody wants to fix their shit. She never did." The track's—the entire album's—rawness is a big part of what made it such a staggering hit.

I'm here to remind you

As the edict goes, you have to put on your own oxygen mask before you can help others. Morissette knows she has a hard time doing that, however, and so she's made it part of her team's job to call her out on self-care slackage. "I render myself accountable by asking people who are my professional partners, as part of their job descriptions, to require me to be accountable for my well-being," she has said. "Because I can't be trusted."



ASK AN EXPERT

"In the age of hybrid work and Zoom, what does 'business casual' mean these days?"

A few pandemic years of non-stop sweatpants shifted the way workers understand the word "casual" at the office. "It used to mean blue jeans and a blazer," says Toronto stylist Cheryl Nomdarkhon. But comfort rules nowadays, and it's become an indelible part of the business-casual aesthetic. Fashionistas call it athleisure, which in a workplace setting translates to "fashion sneakers" and "upgraded joggers" (not sweats or leggings, sorry). The difference between that and your gym gear? "Athleisure is styled, polished and deliberate," says Nomdarkhon. Soft, stretchy, comfy materials are perfectly fine (provided they're not fading, pilly or holed), as are sneaks, as long as they're stylish and just-bought-'em clean. If not, athleisure can easily veer toward sloppy, though Nomdarkhon's got a hot tip to counteract that: "Accessories are your best friend." A designer handbag, nice watch or cool scarf instantly upgrades your look from something you just threw on to a deliberately styled outfit. "Even hoodies are acceptable—if they're in good shape and properly styled under a blazer," says Nomdarkhon. A good way to know if your casual look is too casual: Look around. "You never want to be the most casual person in the room." /Rosemary Counter



At National Bank, Matt Macdonald is leading an effort to deliver holistic commercial and private banking solutions for clients, all in one place.

'Challenger' disrupts commercial banking with a more entrepreneurial approach

Matt Macdonald was curious but admittedly "hesitant" when National Bank of Canada approached him nearly five years ago.

The country's sixth-largest bank, best known in Quebec, had an ambitious idea to reshape its commercial banking approach outside the province. It aimed to bring an elite suite of services for entrepreneurs under one umbrella: lending, cash management, risk management solutions, mergers and acquisitions and private banking. And it wanted Mr. Macdonald to head the effort and build a cross-functional integrated team.

"All large banks have these capabilities. But the challenge is coordinating different business lines, which have different leadership, to provide an exceptional and consistent client experi-

ence," says Mr. Macdonald, who is based in Toronto.

He caught National Bank's attention with his leadership skills in commercial banking, his strength in business development and his deep understanding of the market. What drew him was the bank's desire to disrupt commercial banking.

National Bank has a history as a financial institution for entrepreneurs, since its founding in 1859. Its leadership knew it could enhance what it provided to this market, and understood that any meaningful offer to entrepreneurs required an equally entrepreneurial team.

"When I combined the differentiated strategy, National Bank's commitment to grow and the opportunity for me to build something new, it became a role I couldn't pass up," says Mr. Mac-

donald, now vice-president of Commercial and Private Banking 1859 at National Bank.

The power to make a change

Mr. Macdonald says senior leadership has given him and his team autonomy to make the necessary changes to be successful. "That included creating a compelling vision and strategy to inspire team members and connect with clients."

Central to the transformation was the bank's strategic decision two years ago to merge commercial and private banking under common leadership. Much of the appeal for the team has been the opportunity to shape something new, and be part of a bank initiative that's aiming for high growth.

"This is the only bank that I know of in North America with common leadership for these channels. We are unique in our delivery model and in the collaboration and coordination between our teams. Serving the client's holistic needs is a competitive advantage," Mr. Macdonald says.

That means offering a tailored approach to each client, with products, services and advice they truly need, in all aspects of their lives.

In addition to hiring top talent, the group systematically changed processes such as reporting lines and back-office support to improve the client experience.

Building a high-performing team

The group has grown its client base by 300 per cent since 2019, and assembled a team of 115 professionals that Mr. Macdonald describes as "talented, curious, ambitious and dedicated to our vision of growing across Canada."

He says people are drawn

partly by the chance to develop. "Most people are in search of a rewarding and fulfilling career. We are offering an opportunity to activate their inner entrepreneur. We significantly invest in our people strategy because people drive our success."

Mr. Macdonald meets with every prospective employee to ensure that the team's strong culture is preserved. That's essential to him and to the bank.

"I've worked hard to create and maintain an engaging culture of collaboration that is client-centric. We have reached a point where people truly believe that their success and the team's and bank's success are one and the same. Having people work toward a shared vision is one of the most powerful things we have accomplished."

He's highly focused on creating an environment for his team to thrive. "It's important that every team member understands how their role contributes to our overall success. Top talent thrives in an environment where they have the trust of their leaders and are empowered to make decisions."

The team and its client base have grown organically, largely by referrals.

"In Quebec, National Bank has always been the market leader, but in Toronto and beyond we're really a challenger bank, winning market share through elevated advice, speed and execution," Mr. Macdonald says.

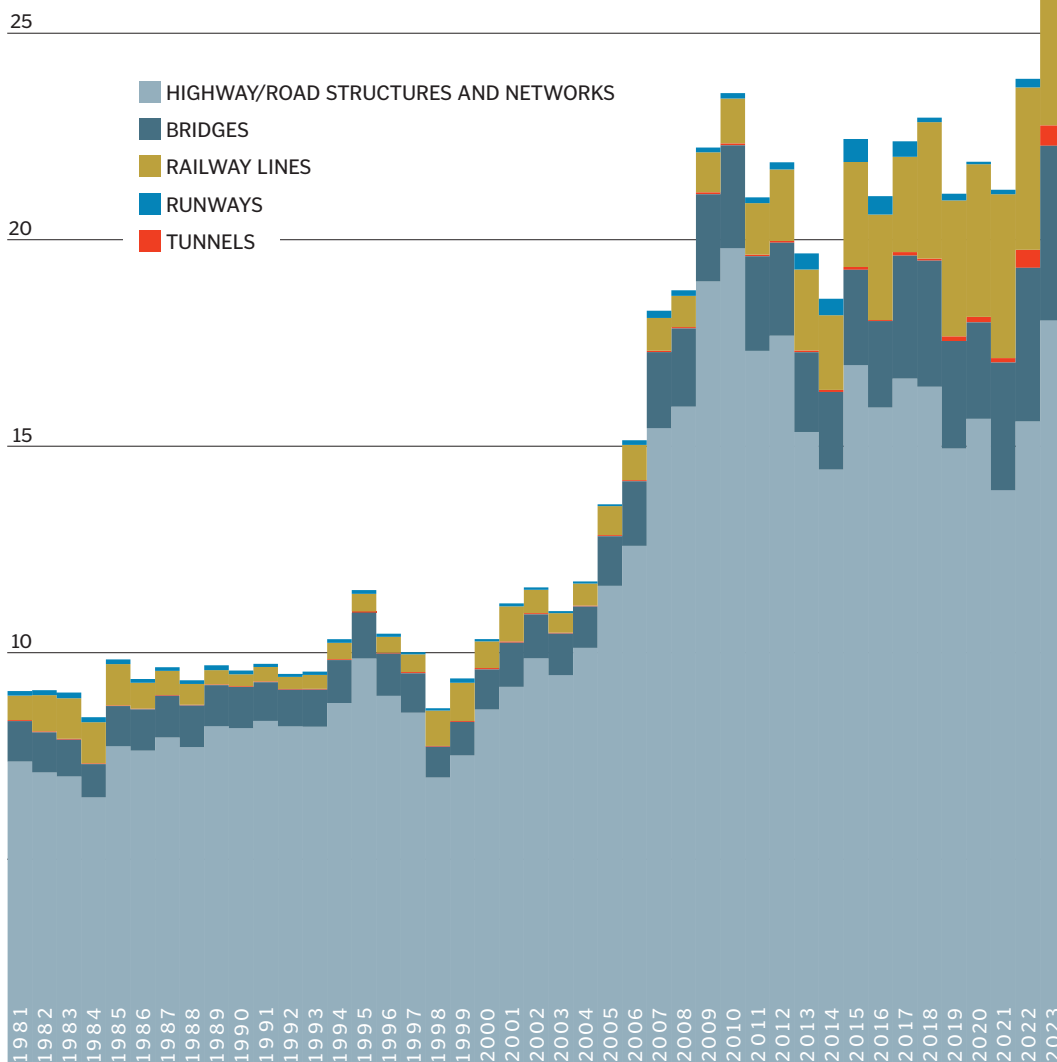
He adds that continuing to hire the best will amplify the impact of his group. "We're looking for talented people who want to be a part of a team that's growing quickly and doing things differently. We're expanding, hiring and offering best-in-class capabilities to Canada's entrepreneurs, their businesses and their families all under one roof."



Growing your wealth from coast to coast



TOTAL INVESTMENT IN TRANSPORTATION INFRASTRUCTURE (in billions of constant inflation-adjusted dollars)



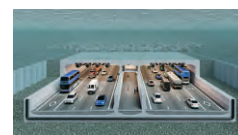
BIGGEST PROJECTS UNDERWAY IN 2023 (Total project values)



RAIL GO Transit expansion, Greater Toronto and Hamilton area **\$15.7 BILLION**



BRIDGE Gordie Howe International Bridge in Windsor, Ont. **\$6.4 BILLION**



TUNNEL Fraser River tunnel project, Vancouver **\$4.2 BILLION**



HIGHWAY Gardiner Expressway rehabilitation program, Toronto **\$2.2 BILLION**



RUNWAY Calgary airport west runway rebuild, Calgary **\$200 MILLION**

NOTE: All prices are estimated project values reported by *ReNew Canada* except for the estimate for Calgary's runway project, which is from the Calgary Airport Authority

DECODER

ROAD RAGE

If it feels like the whole country is under construction, that's because it pretty much is. Infrastructure investment topped \$91 billion last year, the highest level on record after accounting for inflation, according to Statistics Canada. The largest single sector was transportation, which soared to more than \$27 billion. That's a lot of pylons.

The surge is largely due to a massive increase in government spending that aims to plug an infrastructure deficit estimated to range anywhere from \$150 billion to \$600 billion. Public-sector

investment in highways, roads, bridges and tunnels matched an all-time high last seen during the building frenzy brought on by Stephen Harper's Great Recession stimulus program.

While roads and highways account for the largest share of transportation spending, rail projects are coming on strong. Each year, *ReNew Canada*, a magazine focused on public infrastructure, ranks the 100 largest projects by confirmed cost. In 2024, rail projects account for 15 of the top 25, including GO Transit's massive expansion

project, Montreal's REM and Calgary's Green Line LRT. A decade ago, only five rail projects cracked the top 25.

Despite the big dollar figures, it's still not clear Canada is digging itself out of its infrastructure deficit. Between the 1980s and 2000, public spending on infrastructure fell from 3% of GDP to 1.7%. It rebounded in the years after, but at 2.7% in 2023, it's roughly where it was back in 2013. In other words, it's keeping pace with economic growth, but that's not the same as getting ahead of the problem.

/Jason Kirby

FOMO INVESTING

5 things we learned from
ALAN KLINKHOFF

May is a big month for fine-art auctions in New York and London, and there are sure to be press releases about paintings selling for millions, and whether overall prices are up or down. Alan Klinkhoff owns fine-art galleries in Montreal and Toronto, and he argues—forcefully—that there are nuances in art markets that neophytes and veteran buyers need to understand. **/JD**

1. Klinkhoff is 71 and part of the second of three generations of his family who've run galleries. His father was Montreal's Walter Klinkhoff, who dealt with about 30 living artists from the 1950s to the 1990s, including A.Y. Jackson, Paul-Émile Borduas and French Post-Impressionists. Alan and his brother often "would go and visit gallery artists and pick up paintings."

2. There are big differences between living and deceased artists, Klinkhoff says, and between the primary and secondary art markets for their work. Living artists are often heavily promoted, then fade. Where are the three C's (Chia, Cucchi and Clemente) who were stars in New York in the 1980s? "They were hot until they were not," Klinkhoff says. After the artist dies, "we get a sense of, is there a demand?"

3. One lot of 50 BCE shares is the same as the next. But "paintings of the same size by the same artist, and even perhaps painted in the same year, can have dramatically different values," Klinkhoff says. "There are brilliant Picassos that are worth a fraction of other brilliant Picassos."

4. Some art auctions still generate publicity and a lot of statistics—total sales receipts for Impressionist works are up or down, for instance. But Klinkhoff says glamour has faded, and much of the bidding is now done by phone or internet. And "nothing happens until the last two minutes," he says. Auctioneers also occasionally resort to tricks to push up prices, like acknowledging so-called chandelier (phantom) bids early on.

5. In 1977, Ottawa set up the Canadian Cultural Property Export Review Board to help value art more rigorously. But Klinkhoff says experienced dealers "are extremely selective what works of art we will appraise and for which institutions and clients." There are plenty of appraisers who advertise, he says, but they are similar to accountants, whereas a dealer with a lifetime of experience is more like an investment banker.



FOR YOUR CONSIDERATION

FINNING INTERNATIONAL INC.
VANCOUVER

REVENUE (2023) \$9.5 BILLION

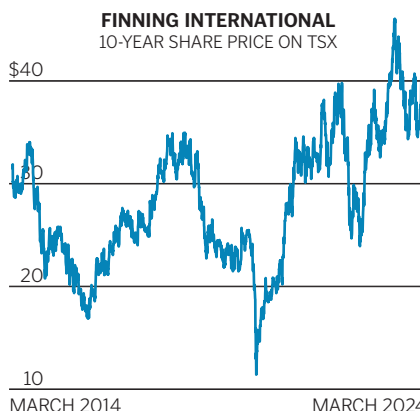
PROFIT (2023) \$523 MILLION

THREE-YEAR SHARE PRICE GAIN 20%

P/E RATIO (TRAILING) 11.3

Academics and consultants often talk about hiring for fit, and Finning, a Caterpillar industrial equipment dealer with operations in Western Canada, South America and the British Isles, certainly lucked out when it hired 21-year-old Kevin Parkes in 1996, right after he earned a business degree from Staffordshire University. "I joined in the parts department, on the shop floor," Parkes, now CEO, says proudly. He's from the small Midlands town of Cannock (population 70,000), Finning's headquarters for the United Kingdom and Ireland. "Everybody knows the company."

Parkes climbed the executive ladder, leaving in 2009 to run Hewden, after Finning sold the equipment rental



business, and returning in 2016 as managing director for the U.K. and Ireland. So, in some ways, he says, it wasn't a surprise when he was named Finning Canada president in 2019 and Finning International CEO in 2023. "There were lots of assessments." He, his wife and their two university-age children now live in Edmonton.

And as Parkes, 50, cheerfully explains, there's

been a logic to his career and the company's history. Finning was launched in 1933 in Vancouver and grew regionally until 1969, when it went public on the Toronto Stock Exchange. Over the next 30 years or so, it expanded into the U.K., Alberta and South America (Chile, Argentina and Bolivia). Ireland was next, in 2010, then Saskatchewan, where Finning bought Kramer Ltd. in 2015.

Finning is not unique in being a publicly traded Cat dealer, "but we are in the minority," Parkes says. Each dealer has its own territory, and Canadian investors may know Toromont Industries in Eastern Canada.

The CEO also adroitly analyzes why Finning's share price has bounced around between \$20 and \$40 for much of the past two decades. "Our valuation is as low as it's ever been on the back of a record year," Parkes says. Many investors assume Finning is a cyclical play. About half its revenues come from mining (mostly copper, plus Canada's oil sands) and another 40% from construction. Some investors have gotten used to buying Finning at about \$25 and selling at about \$40.

But Parkes says those investors might want to focus more on the energy transition and Finning's "natural hedges." Oil producers are adjusting, and demand for copper and critical minerals is soaring. As well, about 10% of Finning's business now stems from electric power generation.

Some analysts now believe Finning will climb beyond \$40 and keep going. "There are always good reasons why stocks move," Parkes says. But sometimes it takes time for markets to catch on. **/John Daly**



SMART MONEY

TONY GENUA

SENIOR VICE-PRESIDENT AND PORTFOLIO MANAGER,
AGF INVESTMENTS INC.

Tony Genua has spent more than four decades as a portfolio manager, but his investing passion really took hold in his youth. In high school, he bought financial stocks and others. While studying economics at Western University, he traded equities and commodities. He was even long gold when it was just US\$100 an ounce. Despite value investing's popularity, he gravitated toward more dynamic opportunities in growth stocks. That has worked out well. His \$4.2-billion AGF Global Select Fund (series F) has outpaced the MSCI All Country World Index since he took it over in 2013. He also oversees the \$3-billion AGF American Growth Fund. We asked Genua why he's bullish on the U.S. market, and why he's a fan of Nvidia and Amazon.

What's your strategy to outperform benchmarks?

I try to capture the market leaders in every cycle. The driving forces for new leadership are innovation and a changing macroeconomic environment. If a company doesn't have R&D dollars resulting in new products and services, another firm will grab market share and get rewarded. Where we are in the economic cycle can also be a tailwind for growth or a headwind. When the economy shut down during the COVID-19 pandemic in 2020, we bought names such as Zoom and Teladoc Health, but later sold them.

Given that your global fund has a hefty North American weighting, what's your outlook for the U.S. market?

I believe that we're in the second year of a new bull market. Over the past 75 years, there has never been a negative return in the second year of a bull run. There is a U.S. election this year, and the average election-year return since 1900 has also been positive. The main driver for the market is rising earnings, and that will fuel the market higher. There is also about US\$9 trillion in money market funds and equivalent deposits. Some of that will find a home in equities as interest rates come down.

How does your outlook affect what stocks you own?

Now that the majority of the move up for interest rates has occurred, we have been rotating back to higher-growth names. By the start of next year, we'll be talking about a global synchronized recovery and will look for more cyclical growth securities.

Among the Magnificent Seven tech stocks, which drove most of the S&P 500's return last year, you only own chip maker Nvidia, as well as Amazon. Why?

Both have strong earnings growth and an attractive valuation. We are starting to see major benefits from artificial intelligence. Nvidia is the poster child for AI, and there has been tremendous demand for its chipsets. It has seen the most benefit to its revenues based on generative AI or, more specifically, large-language models. By year-end, I also expect material developments from Amazon. It's the largest cloud computing provider, and data is foundational to reap the benefits of AI. Through a recent joint venture with AI startup Anthropic, Amazon will roll out more products for its customers.

Pharma giant Eli Lilly is a top holding in your funds.**How big a tailwind is its weight-loss drug Zepbound?**

Eli Lilly and Novo Nordisk have GLP-1 drugs that were initially developed for diabetes but are addressing the problem that obesity poses for individuals and the health care system. There is so much demand, but Eli Lilly may be in a better position to ramp up production. It has just teamed up with Amazon Pharmacy to deliver Zepbound and other medications. Besides its obesity drug, Eli Lilly has an active pipeline focused on Alzheimer's and cancer therapies.

Growth funds don't typically hold energy names, but you own Cheniere Energy and Marathon Petroleum.**Why is that?**

We don't typically invest in exploration and production companies. We bought those names in 2020 during the pandemic shutdown, and the opportunity is more long term. Cheniere Energy is the largest U.S. producer of liquefied natural gas that will be in demand because it's a cleaner fossil fuel than oil and coal. Marathon is an oil refiner that also produces jet fuel and will benefit from growth in air travel.

/Shirley Won

AGF GLOBAL SELECT FUND SERIES F

ANNUALIZED % TOTAL RETURN*



MSCI ALL COUNTRY WORLD INDEX (GROSS RETURN)



* SOURCE MORNINGSTAR DIRECT; RETURNS TO JAN. 31, 2024



Winning over the next wave of EV buyers brings fresh challenges

Electric vehicles sped past a major milestone last year as one in 10 new-vehicle buyers opted for battery power, but the road ahead presents new obstacles for both policymakers and the auto industry.

Zero-emissions vehicles – or ZEVs, which include both battery-electric vehicles (BEVs) and plug-in hybrid vehicles (PHEVs) – accounted for 10.8 per cent of new vehicle registrations in 2023, according to Statistics Canada.

By now, the early adopters have bought into the shift away from gas-powered vehicles. However, industry experts expect the next group of buyers will be more cost conscious and have more questions and concerns.

THE EARLY MAJORITY

Cara Clairman recently noticed a shift in the demographics of people coming to test drive ZEVs through her non-profit Plug'n Drive; they're not as wealthy as earlier test drivers, there are more women coming in and there's a greater diversity in age.

"The next wave of adopters will be more like, 'I'm going to save money [switching to a ZEV],' and they're not doing it so much for the environment or because it's cool tech, which I think was more the first wave," Ms. Clairman said.

Dan Guatto, director of business consulting and energy transition at consulting firm Ernst & Young LLP (EY Canada), expressed a similar sentiment. "The industry kind of expected the first early adopters would be quick and accept the technology readily. And then there's a middle group that may be a little more reticent, or a little less informed and a little slower to pick up the technology," he said.

The initial part of that middle group of adopters is often labelled the early majority (34 per cent), according to the diffusion of innovations theory, first popularized by Everett Rogers in 1962. It looks at the rate new ideas and technology spread. It pegs the first group of adopters, innovators, at 2.5 per cent. The next group, the early adopters, make up 13.5 per cent.

Ford Motor Co. of Canada Ltd. chief executive officer Bev Goodman said at the Automotive News Canada Retail Forum in Toronto that the country is out of early adopters and is changing tack to focus on mass-market consumers who want better charging infrastructure and lower prices.

If saving money can convince drivers to switch, the industry will have to get more shoppers to consider the total cost of ownership – which can be lower for BEVs – and not just the usual purchase price or monthly payments.

"That's not the way people have traditionally purchased vehicles," Mr. Guatto said. "Nobody really thinks about it [in terms of total cost of ownership]."

But giving consumers a little bit more information on ZEVs can go a long way. In a survey of 1,500 people conducted last year on behalf of Electric Mobility Canada, a non-profit that advocates for ZEV ownership, the percentage of people inclined to buy a ZEV jumped to 63 per cent from 43 per cent after they received factual information on potential cost savings, driving range, charging and more.

THE HARD PART IS YET TO COME

Make no mistake: With a 10-per-cent market share, these are still early days for ZEVs. "There still is some [relatively] low-hanging fruit in regard to ZEV sales," Andrew King, managing partner of DesRosiers Automotive Consultants, wrote in an email. "No other province [besides B.C. and Quebec] even reached 8-per-cent market share. Getting some more provinces (especially Ontario) up to 20 per cent is not even getting into the difficult part of the ZEV sales process that will come later," he wrote.

The "low-hanging fruit" include people who can afford ZEVs and have a place to charge them overnight, he added. Technology is progressing too; each year carmakers introduce more compelling new EVs. Still, Mr. King predicted sales will become more difficult as market share requirements rise.

/Matt Bubbers

pivotal UWindsor

Powering the
future of mobility
with cutting-edge
electric vehicle
innovations.



University
of Windsor
uwindsor.ca





Reigning **CATS** & **DOGS**



NOTHING'S TOO GOOD FOR OUR FUR BABIES—
AND **PET VALU** AND ITS PUG-LOVING CEO,
RICHARD MALTSBARGER, IS MONETIZING THAT
UNCONDITIONAL LOVE TO THE TUNE OF
\$1.1 BILLION IN SALES A YEAR

By **TREVOR COLE**



PHOTOGRAPHS BY CARMEN CHEUNG



Omar was a good dog. A big black standard poodle with a sunny expression despite his advanced years, he lived with his owners in the Beaches district of Toronto. When a new Pet Valu store opened up in Omar's neighbourhood in 2012, at Queen Street East and Coxwell Ave., visiting the store became part of Omar's daily walk. Over the next two years or so, he became so used to the route he and his owner took, so familiar with the turns and the smells along the way, that he started leading the way to the store. Which was pretty remarkable, all things considered, because in addition to being quite old, Omar was blind.

The big poodle became such a welcome regular at that Queen and Coxwell store that the store's owner, Karthiga Raja, still has a copy of a Christmas photo of him taken there. It shows Omar looking brighter and more cheerful than you could expect of any dog similarly afflicted, especially with his time running short.

There came a day in 2014, just a few weeks before Omar died, when Raja got a call. It was Omar's owner on the line, saying that somehow Omar had gotten out, and they couldn't find him anywhere. The owner was wondering if his poodle might be there. Raja said no, she hadn't seen him. But then she went to the front entrance and looked out. And there was Omar, waiting patiently for someone to open the door. So she let him in, and Omar hung out in the store with Raja and her staff until his owner came and picked him up.

In Raja's experience, this sort of interaction with the neighbourhood isn't unusual. It's one of the things she enjoys most about being the owner of two Pet Valu franchises. "There's a lot of personal connections," she says. "Because we're there all the time, you develop these relationships." A store's staff (Pet Valu calls them "ACEs," for animal care experts) will

share in the concern felt by a pet owner (Pet Valu calls them "devoted pet lovers") when their fluffy companion is sick. They'll share in the joy when someone gets a new puppy. They'll share hugs and tears when a pet dies. And of course, it doesn't make these relationships and moments any less real, or any less important to a dog like Omar, that the parent company, Pet Valu Holdings Ltd., wants to monetize them for all they're worth. Is working extremely hard, in fact, to harness the love we feel for our pets and use it to fuel a relentless, growing revenue machine.



The world adores its pets. According to Bloomberg Intelligence, the global pet industry—today a roughly US\$350-billion market—should be nearing US\$500 billion as early as 2030. In Canada, a survey by market research firm GfK found that 61% of Canadians owned a pet, a portion five percentage points higher than the global average. And our rate of spending on those pets is accelerating. From 1994 to 2016, spending increased at an average annual rate of 6% a year, according to Statistics Canada. Since then it's grown by an average of 8% a year and even faster during the COVID-19 pandemic. The best data seems to come from the Canadian Animal Health Institute, which found that from 2020 to 2022, the population of dogs in Canada increased to 7.9 million from 7.7 million, and the number of cats jumped to 8.5 million from 8.1 million. In 2023, Canadians spent \$13 billion on those pets.

All of this spending is a consequence not only of the broad numbers, but also a phenomenon known as "humanization." Ever since the domestication of wolves began in prehistoric times, humans have drawn their four-legged companions inexorably closer. And the process is deepening. Forty or 50 years ago, it was common for dogs to be kept outside, chained or in cages. Then we welcomed them into our homes, then into our bedrooms, then onto our beds and laps. The closer they've gotten, the more they've become extensions of us, and the more willing and even eager we've become to spend on them as we would ourselves. To buy them shoes and coats and hats. To feed them food that looks more and more like our own.

Pet Valu is arguably better positioned to take advantage of this phenomenon than any other pet retailer in Canada. There is a class system at work in pet food. About 25% of customers live at the lowest price point, which includes the food sold by grocery chains and big-box stores, often featuring corn as a primary ingredient. Next comes premium grocery, which might include a brand like Blue Buffalo that was once considered a higher-end product before it shifted its distribution toward the mass market. Above that come the specialty rungs, including brands targeting special dietary needs (such as Royal Canin) or with higher-quality ingredients (premium brands



bag—which is a remarkable amount to pay for what appears to be the detritus left over from making dehydrated treats that someone thought to shovel into bright packages.

“You happen to be standing in the most premium of all parts of a pet store,” said Maltzbarger, his eyes a gleam. “Which is why we call it culinary.”



Pet Valu has had a piece of the pet business in Canada for 48 years, ever since it started as a single store in 1976. Today its 783 stores—222 of which are corporately owned, the rest franchised—account for 18% of the Canadian market. It’s the largest pet-supply retailer in the country, with five times the number of stores of PetSmart, its nearest competitor (but biggest nemesis; we’ll get to that later). For the past few years the company has been growing at a rate of 39 new stores a year and now wants to surpass that, aiming to grow at a rate of 40 to 50 stores a year. Maltzbarger wants you to know that number could be higher, but the company refuses to rush and potentially jeopardize quality.

“We have,” he says, “a very specific cadence of timing and process.”

like Acana and Orijen). Pet Valu offers these and its own proprietary brands under its Performatrin labels. And soon it’ll begin offering food at a higher level still, to serve customers who will spare no expense.

During a recent tour through the aisles of a franchise store in Woodbridge, Ont., with Pet Valu CEO Richard Maltzbarger and senior VP of franchise operations Adam Woodward, pricey food innovations were turning up everywhere. We’d already passed displays of ready-to-make cake mixes and dehydrated ice cream for dogs. Over in the treats section, you could choose from several kinds of collagen stick or beef pizzle (penis). Amid the dog food brands offering the usual beef and chicken, the latest in proteins—kangaroo meat—featured prominently. Somewhere nearby were shelves of what had once been the company’s highest-quality proprietary brand, Performatrin Ultra. But it was as we neared the freezer area that the CEO’s excitement seemed most palpable. “The biggest growth area is alternative feeding, or what we call ‘culinary,’” said Maltzbarger. “Culinary is primarily frozen raw, or ‘gently cooked and then frozen’ meals.” He motioned to the freeze-dried raw meals, to the frozen quail eggs and goat milk. Nearby shelves featured a display of bone broth for \$19.99 a litre. And here was Marie’s Magical Dinner Dust, meant to be sprinkled over a dog’s meal like a pinch of seasoning: regular price \$29.99 for a seven-ounce

If you were to take that as a sign that Maltzbarger, a 48-year-old American, has his company on a tight leash, you’d be right. Pet Valu, under his leadership since 2018, has had to evolve from the organization it was, just as Maltzbarger himself once had to learn some new tricks.

Pet Valu’s history has seen several distinct phases. The first was an expansion phase under founder Geoff Holt, a math whiz who’d once worked for Consumers Distributing. Three years after that first store opened, there were eight. By 1993, the company had opened 163. Pet Valu went public that summer and three years later was expanding at a rate of two stores per week and pushing for more. It had 244 stores with a goal of 600, and had begun expanding into the United States.

By 1999, it seemed the company might be growing too quickly. It was losing money and needed a US\$7.5-million line of credit to cover its U.S. inventory needs. By 2007, it had found its footing well enough to post a US\$12.4-million profit and attract the attention of investment manager Goodwood Inc., which accumulated a roughly 20% share. Unfortunately, Goodwood had done so with the intent of pushing out the company’s board of directors. A proxy battle ensued that resulted in Roark Capital Group, an Atlanta-based private equity firm specializing in retail holdings, buying the company in 2009 for US\$144 million. It took Pet Valu private and installed board member Tom McNeely, a former Tim Hortons executive who’d been aligned with the company’s pension fund investors, as CEO.

McNeely began pressing Pet Valu’s expansion across Canada—acquiring the B.C. chains Bosley’s, Tisol and Total Pet—and then further into the U.S. By 2018, in addition to

its Canadian presence, Pet Valu had opened more than 370 U.S. corporate stores. It had also acquired a specialty retail chain, Pet Supermarket, with 225 U.S. locations. McNeely was proud to say at the time that Pet Valu had grown more than any Canadian retailer but Dollarama.

Yet there were doubts again about the speed of its expansion and the soundness of the supporting infrastructure. Christine Martin Bevilacqua, Pet Valu's chief administrative officer, who has been with the company for 22 years, admits the retailer was diverting too much attention away from the Canadian business to support the U.S. side. "Canada was still fundamentally our opportunity for growth," she says. "We probably spent a little more in the U.S. than we should have."

Pet Valu's head of investor relations, James Allison, admits that by 2018, it was obvious "the U.S. business was consuming too much cash." That's when Roark decided to look for a CEO who could fix what was broken and prepare the company for a possible IPO. It found its man in Maltzbarger, Lowe's COO of U.S. operations, who'd spent a few years as president of international operations, including Canada and Mexico.

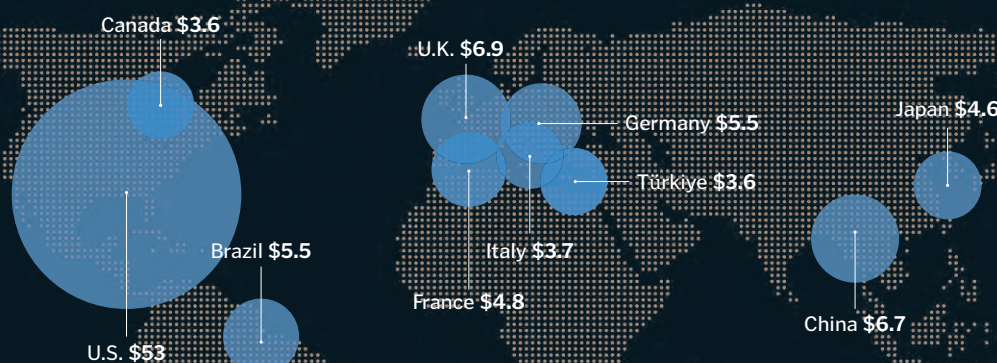
It doesn't take long, once you begin talking to Maltzbarger, to figure out what might be driving that need to do better. He grew up in rural Missouri, in a place so small he lived on Maltzbarger Road. He was the eldest of five children in an unstable home, which led to him being raised largely by his grandparents. His grandfather had firm ideas of how a young man should behave and a way of transmitting those ideas in sayings that Maltzbarger can quote to this day. "One I always loved—how did he put it? 'You never seem to have time to do it right the first time, but there always seems to be time to do it over.'" If he could manage to do it right from the start, his grandfather said, maybe he'd let Richard go out on Saturday nights.

Maltzbarger learned to live by a get-it-done-right-the-first-time code. As a child, he helped his stepmother clean houses until he turned 13, old enough to begin working with his grandfather, either on his 1,000-acre farm with 400 head of cat-

PET FOOD SPENDING BY COUNTRY, 2022 (US\$ BILLIONS)

PET PROJECT

FANCY PET FOOD USED TO MEAN A FOUL-SMELLING CANNED CONCOCTION. NOT ANYMORE



Maltzbarger (who's owned four pugs but now has a Boston terrier, a multi-mix and two cats) has a lot of fans these days. People who work for him talk readily about the way he brings people with him. The way he expects leaders to leave their egos outside, sets tough goals but wouldn't ask you to do anything he wouldn't do 10 times harder himself.

Even an ex-Pet Valu exec agrees. "I've worked for a lot of CEOs and he is absolutely at the top of the list." So says Jim Grady, Pet Valu's former CFO, who now heads up finance for the U.S. boating-supply retailer West Marine. According to Grady, Maltzbarger is "extremely low-ego, all about the team and the greater good of the business." And in the time he worked for him, he was struck by Maltzbarger's constant habit of self-reviewing his actions and behaviours as a leader.

There was a meeting Grady remembers, when Maltzbarger wasn't happy with the progress on a project: "He expressed his frustration, in my opinion, in a very appropriate and professional manner." But speaking with Grady a few hours later, Maltzbarger was critical of himself for letting his feelings show. "I was just shocked to hear someone say that," says Grady. "He really wanted to make sure what he was doing was productive."

tle, or at his excavation and sewer business, digging basements, sewer lines and septic lagoons. He also helped raise two much younger sisters. In his spare time, Maltzbarger taught himself computer coding and eventually put himself through university by building software and websites. Graduate-school work in quantitative analytics and neural-network algorithms led to a job at IBM. That, plus an MBA while he was there, led to a job as head of customer analytics at Lowe's, where in 2006 he rose to VP level as head of research and, six months later, ran smack into a wall of his own making.

The results of an employee engagement survey came in, identifying Maltzbarger as one of the worst leaders in the company. "The reason," he says, "is I had not yet learned that leaders are not meant to be the smartest person in the room." His leadership style was perhaps best captured by his habit of sending back employee presentations marked up with notes in bold red ink.

So Maltzbarger applied his trademark work ethic to the job of learning how to lead, going

through an intensive period of executive coaching and reading somewhere between 30 and 35 leadership books, references to which now turn up frequently in his conversation. “There’s a great author called Marshall Goldsmith,” he says, “who wrote *What Got You Here Won’t Get You There*.” Its message: Sometimes you need to learn a new set of skills to take the next step. So he did. Within a few years, the Lowe’s survey ranked Maltzbarger as a top-10 leader.

When he arrived at Pet Valu, with a mandate to get the company in shape to go public again, he applied the same logic. What had been working for the company, and was still its strength, was a large network of boutique, high-service, premium-quality stores. But its support systems were badly outdated. To grow further, it needed a technological transformation.

The retailer decided to attack the customer-facing side first. Maltzbarger hired Tanbir Grover,

to think about addressing that need when COVID hit. At a time when, for months, customers couldn’t step inside stores but had to transact their purchases through a gap in the door, no one could order from Pet Valu online.

“We went from no transactional website to a fully nationwide transactional website in less than six months,” says Maltzbarger. To do it, the company had to sacrifice some usability, which admittedly went against the Maltzbarger code. “The website itself was a bit clunky,” he says. “It wasn’t necessarily the smoothest customer flow.”

And yet, despite these challenges, it was boom times in the pet-supply business. Coming out of COVID, people yearned for companionship. “There were five times as many pet adoptions during the two years post-COVID than normal,” says Maltzbarger. Beginning in the third quarter of 2020, Pet Valu same-store sales growth hit double digits in nine out of the next 10 quarters (peaking at 28.4% in Q2 2021).

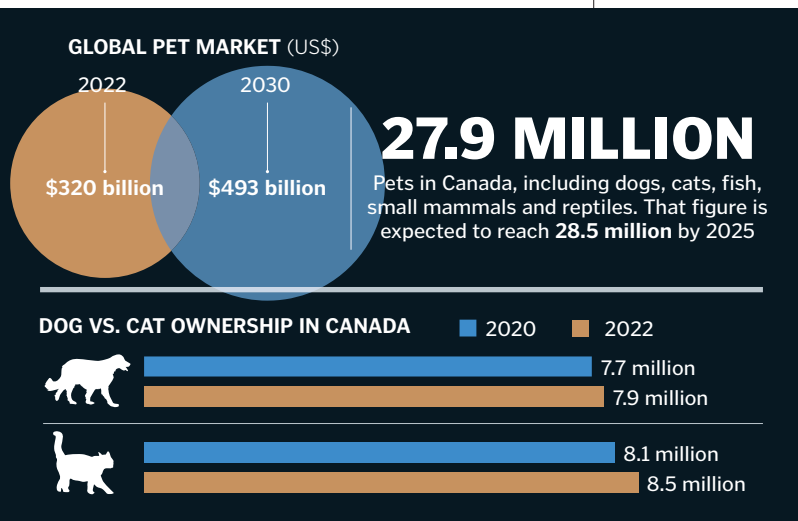
While he was managing the disruptions of a pandemic, a rushed e-commerce rollout and escalating demands on stores, Maltzbarger also had his IPO mandate to deal with. He

saw on the one hand a Canadian business producing a flood of cash, and on the other hand a bloated U.S. business wholly unprepared for an omnichannel future. “For the U.S. part of the business,” he says, “we just ran out of time.”

By the IPO in June 2021, the team had spun the Pet Supermarket business back to Roark and shuttered 373 U.S. Pet Valu stores. (Roark still owns a significant minority share, with three seats on the board.) It was now a purely Canadian company about to enter what would be the industry’s best year ever. Its omnichannel sales were growing, giving it a chance to fend off Amazon and the entry of U.S. online retailer Chewy. But it was burdened with an undersized and antiquated distribution system. Warehouse employees were

still using manual carts and clipboards with pencils. The company needed more and bigger distribution centres with modern tech, or growth was going to stall.

The vast new 670,000-square-foot distribution centre in Brampton, Ont., built by Mississauga’s Orlando Corp. to Pet Valu’s specs, is the first realization of the new vision. Everything about modern DCs is designed to speed the process of “picking”—getting a product off the storage racks and ready for delivery—by minimizing human involvement. When we toured Pet Valu’s new facility in March, bulk picking—for large items like 25-pound bags of dog food and 40-pound bags of cat litter—involved forklift operators directed up and down storage aisles by computers driven by machine learning. Smaller “piece pick” items (anything smaller than a shoebox, such as pet toys, packages of treats or bottles of shampoo), were being routed out of a Mississauga warehouse while testing was being finalized on the Brampton facility’s new robotic system. Designed by Norwegian company AutoStore, the system consists of a huge, monolithic arrangement of black bins—3,750 stacks of them, each 16 bins high—with a herd of synchronized robot carts running around on top, lifting, lowering and moving bins to find the



who’d handled e-commerce at Lowe’s, to modernize its marketing approach. “The marketing here,” says Grover, “was really limited to a flyer, a TV ad in Q4, radio spots here or there, and that was it.”

That was part of the reason, despite having a lot of stores, that the company’s “think score”—a marketing measure of name awareness—paled next to its major competitor’s. People who knew he was working for Pet Valu, even vendors pitching ideas, would refer to the company as PetSmart. He rolls his eyes at the memory. “Come on, man!”

Grover reimaged the company’s marketing approach. He increased the amount of TV advertising, to push back on PetSmart’s ad dominance. The company built a campaign—“Love Lives Here”—that linked the brand’s high-touch stores with the devotion of pet owners. And Grover married Pet Valu’s traditional and digital media efforts in a way that seemed novel, when so many companies separate the two.

But even at the beginning of 2020, Pet Valu didn’t have an e-commerce channel. They had just begun

101

About 72% of Pet Valu's 783 stores are owned by franchisees, most of whom own either one or two stores. An exception is Jason Malley, who now owns all four Pet Valu stores in Kingston and one in Gananoque, Ont. His first store, one of the very first Pet Valu stores in Canada, originally belonged to his parents. He worked there as a youth, acquired it in 2010 and kept adding. "I think I might be done at five," he says.

The company has an "owner-operated" clause in its licensing contract, which stipulates that an owner must put in a 40-hour week working in their stores. That keeps franchises out of the hands of corporate ownership groups, and ensures that owners stay involved and connected to the stores and their communities.

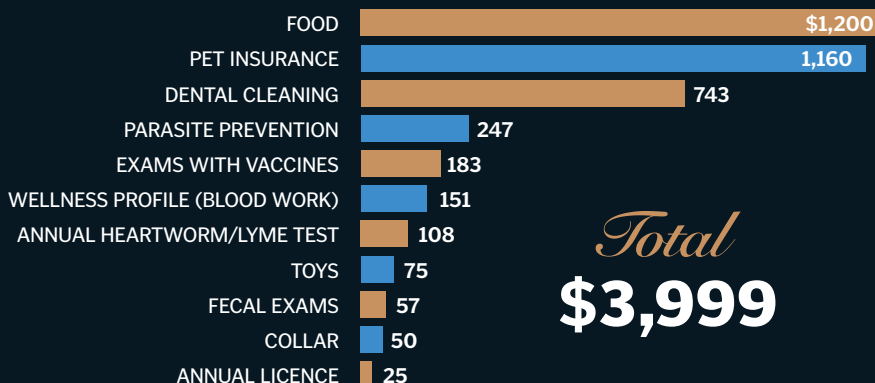
So how does it work? What does it take to acquire a Pet Valu location, and what are the numbers?

In 2023, Pet Valu received 1,600 inquiries about becoming a franchisee. Prospective owners go through a rigorous vetting process that whittles the number down to a final 1%. Last year the company opened 39 stores but only 16 of those went to new franchisees; the rest went to existing owners.

New store locations, which average about 3,750 square feet, are selected by the company using anonymized cellphone data to find high-traffic areas narrowed down to the city block or intersection.

Owners pay a \$40,000 franchise fee, \$30,000 of that upfront, which cannot be financed. On top of that they reimburse the company for: a) construction costs of roughly \$500,000, depending on the location, which includes the

AVERAGE COST OF CARING FOR A DOG IN CANADA, 2022



installation of elaborate dog-washing stations to drive traffic; and b) the store's opening inventory, about another \$200,000. Usually 70% of these costs will be financed.

Five weeks before opening, new store owners begin training. The first week is spent at the head office, the following three weeks with a veteran owner at their store. One week before opening, the new owner gets the keys to their store, and the veteran owner accompanies them to the new store for a final week of preparation.

Operating costs include:

- Rent, paid to Pet Valu, which holds a 10-year-lease on the property. The amount is either a base rent or 8% of sales, whichever is more. (Last year, about 2.6% of franchise sales came in as profit on rent.)
- A 6% royalty fee (which is introduced gradually: 0% for the first six months and 3% for the next six.)
- A promotion fee that averages 2.3%, depending on sales.
- Ongoing wholesale costs for store inventory, over 90% of which comes from Pet Valu's warehouses, delivered weekly.
- The average new Pet Valu franchise store takes about four years to ramp up its sales. The average mature store generates annual revenue of about \$2 million, with an owner's draw or "four-wall EBITDA" of about 12.5%.
- All told, the owner of a typical store might generate an annual after-tax, take-home profit of a little more than \$100,000.

ones needed by the human pickers below. At floor level, pickers receive these bins and "pick to the light"—directed by laser lights that shine on the correct items to grab and other lights that show in which totes to put them before they're carried out to the trucks. Where human pickers can maintain a pace of roughly 50 to 75 picks an hour, this AutoStore system will run at 200 to 300 an hour.

"It's almost as if we're moving from the covered-wagon stage to sci-fi," says the CEO. Soon this distribution centre, serving stores in Ontario and all points east, will be echoed by new centres in Vancouver and Calgary. Together, at a total cost of \$110 million, they should set up Pet Valu for the next 10 years of growth.

Maltsbarger clearly loves the high-tech aspects of modern retailing. He's a data guy, after all. His office features a larger computer screen than you'd typically find in the vicinity of a CEO, a curved one, in fact, where he prepares for speeches and presentations by working on his own PowerPoint pages. "I find," he says, "that I'm actually faster at PowerPoint than most of my people."

It's the end of earnings day. It's dark outside, the offices are deserted, and after a day of calls with analysts, Maltsbarger looks across his desk. "You are my 15th meeting of the day," he tells me. But he refuses to admit to any fatigue. He's still got work to do. For each of the past 727 days—he doesn't hesitate on the number—he has been teaching himself French. Pet Valu recently bought the Quebec pet supply company Chico, and he has a presentation to give, in French, in a few days. This is nothing new for Maltsbarger. When he ran Lowe's Mexico, he became fluent in Spanish. Though he admits, "French is harder than Spanish, by far."

It's all part of the job of lifting Pet Valu above the marketing noise of PetSmart and fending off online competition. Part of keeping its stores the first choice of pet owners like the ones who used to bring Omar to Queen and Coxwell each day, and making sure the company keeps growing—growing "the right way," as his grandfather might say. •

**WE'VE ALWAYS
KNOWN
YOU'RE THE
SECRET SAUCE.**



CONGRATS, LISA ON BEING NAMED ONE
OF CANADA'S BEST EXECUTIVES.



MONSTERS INC.

Montreal's **RODEOFX** clawed its way to the top of the visual-effects business one demon from hell, exploding wall and wading hippo at a time. And though it's a scary time for the film industry, the company is barely breaking a sweat

BY SIMON LEWSEN ●● PHOTOGRAPHS BY DANIEL EHRENWORTH





The demogorgon—the faceless demon that haunts the Netflix series *Stranger Things*—seems menacing at a distance, but would it be scary up close? This was the question that dogged Julien Héry, a supervisor at the Montreal visual-effects studio RodeoFX, in the spring of 2020.

In the first three seasons of the show, the demogorgon played a relatively minor role. The series creators, Matt and Ross Duffer, had kept the creature mostly in the shadows, where, thanks to its lanky but hunched body, it cut a fearsome, Nosferatu-esque figure. Now the brothers wanted to bring it into the light. In season four, it would spend less time lurking and more time running, jumping and devouring. (The creature may not have a face, but it has one horrible face-size mouth.) The production team had commissioned RodeoFX specifically for the new season, which meant Héry and his colleagues had to get the demogorgon ready for its starring role. “I had to imagine the monster in every situation in which it could find itself,” says Héry.

He quickly realized that it would look ridiculous in a fight. It had a double knee, which would seriously impede mobility. Its hands were like talons—all fingers and no palms—making them far too brittle to do any real damage. And, like James Corden or Big Ed from *90 Day Fiancé*, the demogorgon had a little neck. You couldn’t imagine it swivelling its head in all directions.

But there was a bigger problem. The monster just seemed... dated. It had visible wrinkles, sure, but the resolution on the skin—what industry people call “the texture”—was much less detailed than it could have been. “The work was good for the time,” Héry concedes, by which he means 2019, another era entirely.

In the old days, filmmakers bewitched and terrified audiences with paint, prosthetics and puppets. Today, they draw up 3D digital images, which they bring to life using simulation algorithms and key-frame animation. Visual effects (or VFX) is a never-ending game of one-upmanship. Each year, central processing units for computers get just a little bit faster. Faster CPUs mean that artists can render digital images with fewer delays. Fewer delays mean more images per workday. More images, in turn, mean more opportuni-

ties for iteration—the painstaking, trial-and-error process that enables monster-makers like Héry to craft the veiniest, gnarliest, most terrifying creatures imaginable. If they don’t put in the work every day, as a matter of course, their competitors will.

Over a period of two years, Héry and his 17-person team created a better demogorgon. They gave the monster a stronger, more physically dynamic body. They adorned the skin with a maze of sinews and scars, making it as marbled as uncooked prime rib. They created short animated demos, in which the demogorgon rears and pounces and slashes. Then they analyzed the movements to confirm that the creature never came off as silly. They even made sure that the saliva dripping from the demogorgon’s maw had exactly the right level of gooey viscosity. “We analyzed everything,” Héry says.

They were after the same goal that everyone in their business is chasing—plausibility. Which is weird, since demogorgons don’t actually exist. This is the paradox of VFX: The aim is to create fantastical creatures and improbable spectacles that nevertheless seem real. Few of us have witnessed an aerial bombardment or a skyscraper blowing up, and none of us has encountered a gnashing, spittle-flecked demon from hell, but when we see these things on screen, we know when they look right. And we know when they don’t.

What’s more, our tastes are getting ever-more discerning. In 1977, people who saw the first *Star Wars* film were said to have ducked during the opening scene to protect themselves when the Imperial Star Destroyer first slid into view. Today, we chuckle at how corny the whole sequence appears. If someday, RodeoFX delivers shoddy works for one of its clients—a roster that includes Netflix, HBO, Amazon, Apple, Universal, Paramount, Warner Bros., Sony and Disney—we’ll laugh at them, too.

But they’re not in the business of being laughed at. “Reputation-wise, I’d say Rodeo is already in the top 15 or 20 VFX companies worldwide,” says Sébastien Moreau, its founder and CEO. “My goal in the next decade is to get us into the top five.”

This isn’t just a matter of ambition; it may also be a matter of survival. Last year, the global market for VFX likely exceeded US\$10 billion. Much of that money wound up in Canada, primarily Vancouver, Toronto and Montreal, which employ thousands of VFX artists between them. (A credible estimate puts the number at well over 15,000.)

But everyone expects tougher times ahead. New technologies—not just faster CPUs, but also advances in artificial intel-



The demogorgon comes out of the shadows in season 4 of *Stranger Things* (2022)

GUTS AND GLORY

Sébastien Moreau bluffed his way into his company's first gig. Now RodeoFX is a top VFX shop



ligence—are likely to shake up the industry, giving scrappy startups a potential edge on incumbents like Rodeo. A market correction also seems overdue. Movie theatres haven't bounced back from their pandemic-era dip. And while streamers saw massive growth during COVID-19—enough to offset the decline of cinemas—they, too, are now getting skittish. Last year, Netflix slashed its budget by US\$300 million and did something it has never done: reduced its offering of original shows. Executives at HBO Max, Amazon Prime Video and Disney+ all laid off a sizable chunk of their staff.

The industry is also enduring a hangover from recent labour disputes. In 2023, for the first time since 1960, both screen writers and actors went on strike in the same year.

At 148 and 118 days respectively, the two union actions were among the longest in U.S. motion picture history. Grievances included pay rates (both writers and actors claimed that streaming services were low-balling their wages) and the rise of AI: writers worried about having their work outsourced to robots, whereas actors feared that studios might produce digital replicas of them without permission or compensation. The delays have been costly. Last year's productions, of course, are this year's post-productions. And so the market for available VFX work is smaller today than it has been in ages.

Demand is not only shrinking, though; it's also changing. A series of recent box-office flops—*The Flash*, *Blue Beetle*, *The Marvels*—suggest that the superhero craze that drove the VFX market is finally ending. Nobody knows what will replace it. More videogame adaptations? *Barbie* spin-offs? Taylor Swift concert films? In this uncertain climate, Moreau would rather hedge his bets than make predictions. "The best way to thrive in the next few years," he says, "is to be good at absolutely everything."



Canada has a strange relationship with the film industry. We don't often produce world-famous content. And beyond a handful of people with the last name Cronenberg, we don't have a large roster of internationally renowned directors. Many of our homegrown directorial talents—James Cameron, Jason Reitman, the scandal-plagued

ALL SCREENGRABS COURTESY OF RODEOFX



Paul Haggis—have migrated to points south.

But if the U.S. is where big new films are conceived and financed, Canada is where much of the work gets done. Our arrangement with Hollywood is a bit like our relationship with Ford and General Motors. We may not own the means of production, but we perform a lot of skilled labour. “When it comes to the large-money film ecosystem, Canada plays a vendor role to its American colleagues,” says Kevin McGeagh, head of virtual productions at Toronto-based film studio The Other End. “Even movies that are filmed in Canada with predominantly Canadian talent are still usually American under the hood.” As Canadians, we get paid to pitch in. The work is good. The jobs are well compensated. But the projects aren’t ours. And neither is the intellectual property.

There are many reasons why a California-based studio might want to outsource its VFX contracts to Canada: our proximity to the U.S., the lower value of the Canadian dollar, and a federal incentive system, in place since 1996, whereby a studio can get a rebate on 12% of its labour expenditures, above and beyond whatever local rebates the provinces add on. There’s also a sense that Canadians know what they’re doing. Some of the most widely used VFX software applications—the animation program Houdini, the 3D-image generator Maya—were created in Canada in the 1990s. VFX, in short, is a homegrown industry, nurtured today by dozens of trusted schools, including Sheridan College, Seneca College and the Vancouver Institute of Media Arts.

Montreal is particularly attractive for U.S. producers, since it has a lower cost of living—and therefore lower salaries—than almost any creative-class city on the continent. And Quebec’s incentives are geared toward VFX specifically. If you hire a Quebec resident to do anything involving animation, computer graphics or green screens, you can get a

rebate on 36% of your labour outlays. Unsurprisingly, the province has become a VFX hub, home to more than 40 such companies.

Moreau started his career in the city as a compositor—an artist who places digital elements (so-called “assets”) inside live-action shots. This work is more difficult than it might seem. If you simply Photoshop a computer-generated helicopter above a live-action scene of a helipad, it’ll look wrong in every possible way. To properly integrate a CGI helicopter, an artist, using a specialized software application like Flame or Nuke, must ensure that the lighting on the vehicle perfectly matches the scene, that the wind and dust are swirling the right way, and that the movement of the vehicle complements the action on the ground. If characters are looking up, they’d better be looking, without exception, in exactly the right place.

Moreau was good at this work. So good that he got hired by some of the biggest VFX companies in the world: California’s Industrial Light and Magic, founded by *Star Wars* director George Lucas, and New Zealand’s Wētā FX, co-founded by *Lord of the Rings* creator Peter Jackson. But he always aspired to start a company of his own. In 2006, he got approached by Eric Brevig, a VFX specialist who was about to direct his first Hollywood film, an adaptation of Jules Verne’s *Journey to the Centre of the Earth*. Brevig asked Moreau if he could recommend a VFX house in Montreal. “I told a white lie and said, ‘I’m starting my own company there,’” Moreau recalls. Then he did it. “*Journey* was a big project,” Moreau recalls, “but I knew Brevig would give me a little piece of it.”

That’s how Rodeo got its first client. It got its name from Rodeo Drive, the L.A. shopping corridor known for its high-end fashion boutiques. Moreau wanted his studio to have a boutique sensibility. It wouldn’t be the biggest player in VFX, he reasoned, but it would do the most challenging, specialized tasks.

That isn’t how things started out, though. The depressing reality of VFX is that much of the work is fairly rote: adjusting lighting, adding snow to winter scenes, editing out the stunt double’s face, sharpening the leading man’s abs, changing the way a falling boulder lands so that it doesn’t bounce as if it’s made of foam (which, of course, it is). Rodeo got these kind of straightforward jobs along with more specialized gigs in compositing and matte painting—the business of fitting out images with realistic backgrounds. (If a director shoots a battle scene in studio, the matte painter will create the craggy mountains in the distance, perhaps by combining and touching up pre-existing photographs.)

To get the really good work, the company needed to prove that it could handle creatures, which are among the toughest challenges that VFX artists face. A creature is basically a photorealistic computer animation, a cartoon that doesn’t look cartoonish. Creating a good one requires a team of graphic-art specialists: concept artists who draw the initial drafts, modellers who build it (virtually) in three dimensions, texture artists who work on skin, groomers who make the hair look real, riggers who determine how the joints and muscles work, animators who bring the beast to life, and composers who integrate it into its environment.

In the early 2010s, Rodeo started asking clients for whatever bits of creature work they could offer. The company treated every tiny commission—a pickled monster brain in *Pacific Rim*, some wallowing hippos in *The Legend of*





RODEO KINGS

(from left): head of operations for animation Yvon Jardel, and VFX supervisors Julien Héry and Patrick David

Tarzan—as an audition, a chance to prove their capabilities. “We didn’t ask, ‘How much is each contract going to cost us?’” says Jordan Soles, a senior vice-president at the company. “We asked, ‘What does it allow us to do?’”

Then HBO came calling. The network had the most coveted VFX gig: *Game of Thrones*, the first-ever TV show with cinema-worthy special effects. To get work on the series, Rodeo had to endure a near-literal trial by fire. “The producers gave us a video depicting real fire and told us to digitally recreate it,” Moreau says.

Fire is devilishly hard to simulate. It’s a roiling mix of translucent colours. It moves quickly. And it distorts the surrounding light. Even big-budget films tend to botch their fire effects. (Check out the scene in Sony’s *No Hard Feelings* in which Jennifer Lawrence spontaneously combusts and what look like flame emojis start emanating from her body.) The Rodeo team did a near-perfect job, though. “In the end, the producers couldn’t tell which was the original and which was the simulation,” says Moreau.

That triumph led to a slew of ever-more-challenging *GoT* commissions: a statue tumbling down the side of a pyramid in season five, for instance, and the starkly beautiful collapse of the 200-metre ice wall in season seven. For that feat, the team divided the wall into pieces and created simulations to guide the movement of each chunk of falling debris. The work was painstaking and burnout-inducing. But the result was spectacular: an otherworldly spectacle shot with documentary realism, BBC’s *Planet Earth* but set in Westeros.

The project established Rodeo as one of the most sophis-

ticated VFX houses in the world. Soon they were getting all the exciting jobs. They staged a chase scene in Paris’s Place de l’Étoile in *John Wick: Chapter 4*. They crafted breathtaking panoramic shots of Middle Earth in the Tolkien spin-off *The Rings of Power*. And alongside Denis Villeneuve, Moreau’s old Montreal buddy, they created the arid, fascistic world of Arrakis, the desert planet on which the *Dune* films are set.

They were charging competitive rates, and clients were willing to pay. In 2021, Stephen Rosenbaum—the studio VFX supervisor for Apple TV’s World War II miniseries *Masters of the Air*—realized that the production was becoming more complicated than he’d expected. There were the predictable challenges: the intricacy required of the show’s many aerial stunts, the pressure to perfectly reconstruct each period detail, from the flight formations to the airplane nose cones, in order to appease the history nerds on Reddit.

But the situation had been made worse by COVID. Instead of filming on location at a former POW camp in Europe, the team had to create a miniature camp on an abandoned airfield and then build out the environment in post-production. “Once shooting was completed, four army barracks had to somehow become 100,” says Rosenbaum. “A hundred extras had to become 10,000.” Rosenbaum had planned to hire mostly small, inexpensive VFX studios, but he soon realized that only “big gun” vendors could handle such an expansive undertaking. “Rodeo was one of a few VFX houses in the world that could manage such a large, diverse body of work,” he says. It was the company you hired when you weren’t sure what else to do.

BLOODY OLD-SCHOOL Not every effect is created digitally. For blood splatter, VFX photographers Jean-François Massé (right) and Antoine Bordeleau fire red liquid through a pipe



It had gotten that reputation, in part, through a willingness to experiment. In *Fantastic Beasts: The Crimes of Grindelwald*, there's a character who disintegrates into a cluster of glowing particles. To make that sequence, Rodeo hired a dancer to perform on camera. They used her movements to guide their simulation algorithm. She doesn't appear in the sequence, but the particles follow the motion of her limbs, imbuing the scene with balletic lyricism.

Sometimes, though, the team dispenses with simulations altogether. Unlike most VFX companies, Rodeo has a practical-effects stage—a room roughly one-and-a-half times the size of a squash court, with a wraparound green screen—where it creates spectacles the old-school way. Clouds are made with dry ice or a smoke machine. Blood spurts are replicated by spitting red liquid through a tube. The shaggy, elephant-size spider that haunts Villeneuve's existential horror film *Enemy* is an actual tarantula, filmed closely and then blown up. In the satirical superhero show *The Boys*, there's a sex scene that goes horrifically wrong: A woman, empowered with heroic strength from having ingested a mysterious compound, ends up crushing a man's head beneath her pelvis until (whoops!) his brains pop out. Rodeo made that sequence with an actual veal brain. They bought it from a butcher shop and blasted it through an air compressor.

But do we still crave these spectacles? Are we still willing to pay to be grossed out, charmed or dazzled? Last summer,



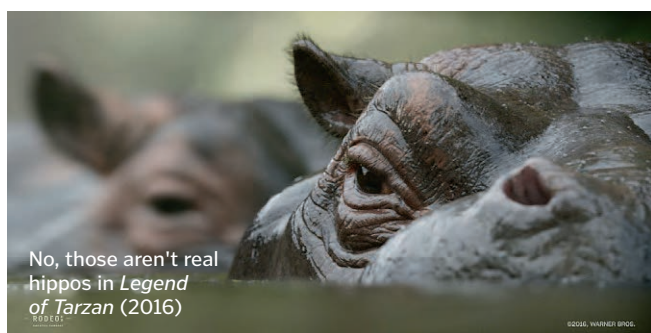
everyone talked about *Barbenheimer*. Less talked about were the many box-office disasters: the *Buzz Lightyear* spinoff that resulted in two Disney executives getting fired, the *Expendables* sequel that not even 50 Cent could save, and the Adam Driver dinosaur caper whose name you don't even remember. Two blockbusters in one weekend? That's news. Another Hollywood flop? That's business as usual. "Hollywood feels like it's lost the formula," says Lachlan Christie, an executive producer at Rodeo. "The studios are terrified of spending a ton of money and getting absolutely burned."

There are other signs of peril in the VFX industry: budget cuts at the streamers, the craze for homemade short-form videos, which may be eclipsing long-arc storytelling, and the rise of AI, which has democratized tasks that used to require skilled labour. Rotoscoping, for instance—the work of editing out bits of green screen that cling to a character's body—was once a reliable, if tedious, job that sustained VFX houses between more exciting projects. Now machines can rotoscope pretty well. They can also produce half-decent CGI concepts. Ask an AI generator like Midjourney or Runway to depict, say, a man on a beach staring at the sun, and it'll produce a decent first draft. Humans were once paid for work like this.

When asked if they worry about the future, the executives at Rodeo all respond with cheery optimism: Sure, challenges lie ahead, they concede, but the company will be fine. "People are not going to want to have their VFX look less good than before," says Christie. "We can survive by being a high-quality boutique rather than a mass-quantity shop." Premium work, in other words, is the best hedge against irrelevance.

It's a defensible argument. Book and magazine publishers have good reason to fret about the decline of reading, but filmmakers needn't worry that watching, the West's most beloved pastime, is somehow declining, too. In the decades to come, people will still consume vast amounts of motion-picture content on screens of varying sizes. Some of that content will require effects. And the most competitive studios will still get work, even if the overall market is smaller. For elite VFX houses, the worst-case scenario is far from dire.

And yet, Rodeo does seem to be insulating itself against potential market disruptions. In 2012, it launched an advertising and experiences division, specializing in commercials,



viral marketing campaigns and immersive installations, like the *Stranger Things* exhibit at Cannes 2023, in which a holographic demogorgon jumped out at unsuspecting festivalgoers.

Commissions like these give Rodeo a chance to court new markets and, critically, to experiment with novel techniques. The new division recently tried out deep-fake technology on an ad for Quebec milk producers. And when designing a concert experience for the French-Lebanese pop star Mika, it created video installations featuring a mix of human- and AI-generated images. The clients are often smaller than Hollywood studios and more open to experimentation, too. Many, says Solène Lavigne Lalonde, vice-president of advertising services and marketing at Rodeo, “are enthusiastic about integrating cutting-edge technology into their campaigns.” Her division is a laboratory, a place to try out approaches that may eventually migrate to the film and TV world.

Rodeo’s most interesting new venture, however, is also its least auspicious: *Canary*, a 12-minute animated short about a child mine worker, Sonny, in 1922, who takes care of a caged canary. The bird gets lowered into the shaft ahead of the men to warn them of poisonous methane gas. Both it and its keeper dream of life above ground.

Rodeo didn’t just create the film. It commissioned and produced it, too. Which means the company owns the intellectual property. “Our long-term goal is to move into original animated content,” says Moreau. It’s not hard to see why. A prized piece of IP is a rarity, but it’s more valuable than anything else Rodeo could produce. By some estimates, Disney generates US\$3 billion a year simply by licensing out the Mickey Mouse trademark. That’s a stable revenue source in an uncertain business. An IP breakthrough would make Rodeo an anomaly among Canadian VFX studios—a creator rather than a vendor, an owner of a coveted asset, not just a hired gun.

In *Canary*, Sonny teaches the bird to play dead. Each time it appears to die, the panicked miners ascend to the surface, giving the boy and his avian pal a few precious minutes of freedom. The duo are stuck in an industrial system they don’t control. But they hope, through guile and creativity, to escape to better things.

Congratulations to these recent appointees

Andrew Saunders, President and 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.



Andrew Saunders



Peter Lewis
to CEO
Canadian
Scholarship Trust
Foundation



Shekhar Gothi
to VP of Partnerships
Commissionaires



Brian Porter
to Board of Directors
Emera Inc.



Julie Gascon
to President and
CEO
The Montreal Port
Authority



Jake Lawrence
to Executive VP
and CFO
Power Corporation
of Canada

Lessons from the Hall: Business leaders share secrets of success

The Canadian Business Hall of Fame celebrates visionaries who have excelled in business, innovation and philanthropy. Each year, Inductees are acknowledged for their remarkable national and global contributions and their pivotal role as mentors and wisdom-sharers with Junior Achievement youth, Canada's future business leaders. Here, this year's Companions of the Order of the Business Hall of Fame – Louis Audet, Jay Hennick, Stan Marshall and Prem Watsa – share a few pearls of the invaluable wisdom they've picked up along the way.



Louis Audet

As he reflects on his 25-year tenure as former president and chief executive officer of Cogeco Inc. and Cogeco Communications, the cable and broadcasting companies founded by his family in 1957, Louis Audet shares some valuable advice for the next generation. "You have to trust yourself, not in a blindly obstinate way but where you know your strengths and weaknesses," he says. "There have to be many points at which you ask yourself, 'Am I going about this the right way? Is this the right outcome?'" Under Audet's leadership, Cogeco has become a leading North American telecommunications company with more than 1.6 million customers across Quebec, Ontario and 13 U.S. states. He continues to act as Board Chair of the company while also contributing to philanthropic and business communities.



Jay Hennick

Want to be successful? Change your mindset. "Successful people don't see problems. They see solutions," says Jay Hennick, who oversees more than \$4.5-billion in revenues as chairman, chief executive officer and controlling shareholder of Colliers International. Defying thyroid cancer, surviving brain cancer and emerging as a leader in global commercial real estate are all par for the course for the founder of FirstService Corporation, North America's largest residential property management and services company. "Successful people fall six times and get up seven and that means you have to learn to deal with adversity in business and in life," says the founder of the Jay & Barbara Hennick Family Foundation, which supports causes focused on health care, education and the arts.



Stan Marshall

A good leader is someone others want to follow – but that's only part of the equation, says honouree Stan Marshall. "Have your own vision but be prepared to act on it. And to build trust, never ask somebody to do something you wouldn't do yourself." During his 35-year tenure at Fortis Inc., Marshall transformed the Canadian utility giant into a North American powerhouse. Under his helm, Fortis became Canada's largest investor-owned gas and electric utility. His strategic acquisitions propelled Fortis further into the U.S. and Caribbean markets. Post-retirement, Marshall revitalized Nalcor Energy as its president and chief executive officer. As a proud Newfoundlander, Marshall is known for his passion in preserving the region's history and in championing young talent.



Prem Watsa

Honesty, integrity and giving back to the community are guiding values for self-made billionaire Prem Watsa, who defines success on two platforms: faith and family, and honesty and integrity. His advice to business students? Never compromise those values, he says, recalling a Biblical quote: "What profiteth a man if he gains the whole world but loses his soul?" Watsa arrived in Canada from India more than 50 years ago with \$8 in his pocket and his father's lessons to "work as hard as you can, as though everything depends on you. Pray as hard as you can, as though everything depends on God." To pay for his MBA studies, Watsa sold air conditioners door-to-door. In 1985, he founded Fairfax Financial Limited, a casualty insurance and reinsurance company that now operates in more than 100 countries.

The Canadian Business Hall of Fame Induction Ceremony, honouring Audet, Hennick, Marshall and Watsa, will be held at the Metro Toronto Convention Centre on May 23, 2024.

Student entrepreneurs pave the way for fellow classmates

WHILE TRANSFORMING A SPARK OF AN IDEA INTO A FULL-FLEDGED BUSINESS, a group of high school students from central Ontario not only mastered the entrepreneurial journey but soared to new heights – representing Canadian excellence all the way to Buenos Aires.

They were part of JA Central Ontario's Company Program, which offers high school students real-world experiences in navigating a business from ideation to profit and finally, liquidation.

Guided by volunteer mentors over a four-month period, students take a deep dive into the practicalities of running a business – from creating prototypes and managing production to interacting with customers and handling finances.

Company Program is JA's flagship initiative made possible through corporate partners who

invest in learning content and skills workshops and provide free access to platforms like Shopify e-stores, in addition to sponsoring teams.

Last year's winning team, Wonder, supported by Cognizant, didn't just stop at the national round but moved on to compete in JA Americas Company of the Year competition in Argentina where they had the opportunity to exchange business ideas with other student entrepreneurs from across the hemisphere.

Their brainchild – handmade bracelets representing diverse parts of the world such as the Amazon rainforest and the coral sea – not only advocated for sustainability but also sparked positive environmental action.

As a result, they achieved a remarkable 230-per-cent return on investment while also donating a portion of their profits to charity.

Team members Micol Mathew, Mariam Patel and Alexander Oproiu expressed their gratitude for the "life-changing" experience, explaining that the program provided the practical insights needed to master entrepreneurship that they wouldn't otherwise get in the classroom.

"My end goal in life is to own a business and this taught me where to start and what to expect from being my own boss," says Patel. "I never thought I could create something that would make such a difference and go this far."

Oproiu reinforced that the program transcended anything he would have ever learned from a textbook. "The concept of building something up from the ground, watching it grow as a team, then looking back and saying, 'we did that!' is unforgettable," he says. "I went headfirst into deep water, into something

I didn't know much about, into a room with people I had never met, and learned so much along the way."

Mathew points out that participating in the program and the overseas competition left them with lifetime connections. "You leave high school with a vast network of working professionals who want to help you, whether with resume tips or finding a co-op placement," she says.

JA Company Program Lead Lucia Ly, who oversees 30 student teams for JA Central Ontario annually, says she's always inspired by the way the students emphasize collaboration, build confidence and support each other.

"I love seeing that passion and dedication come to life," she says. "Our volunteer mentors learn along the way as well. I love hearing that our students are teaching them something too."



The CANADIAN
Business Hall of Fame

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"We congratulate the Canadian Business Hall of Fame Inductees who are recognized for their vision and leadership, national and global economic impact, civic engagement and philanthropy."

—Janice Fukakusa, C.M., Chancellor

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BEST CANADA'S EXECUTIVES 2024

Every once in a while, a non-CEO exec bursts into the public consciousness—think Warren Buffett's late right hand, Charlie Munger (or Capt. Jean-Luc Picard's trusty No. 2, William T. Riker). More often than not, however, they remain just outside the spotlight, doing much of the hard work it takes to actually move a company forward. And so we present our fourth annual Best Executive Awards, hailing unsung heroes in operations, finance, HR, tech, sustainability and more.

BY LIZA AGRBA AND JAIME WEINMAN
WITH KELSEY ROLFE, ANDREW WILLIS,
SEAN SILCOFF AND JASON KIRBY





photograph COOPER & O'HARA

THERESA JANG

CFO, Stantec

When Theresa Jang stepped into the CFO seat in 2018, it was a challenging time for Stantec. The Edmonton-based engineering firm was still digesting its largest-ever acquisition, of MWH Global in 2016, and the construction services business line it got in the deal was underperforming. Stantec was feeling the chill from investors; Jang's first task was to thaw relations.

Divesting the problem business unit and delivering four straight quarters of solid performance certainly helped. But beyond that, the strategy was to set expectations for investors and deliver—and make sure they understood the company's business went beyond designing roads and bridges.

Take, for example, Stantec's environmental consulting business, which involves hiring archaeologists and paleontologists, conducting bat studies and assessing areas of cultural significance to Indigenous communities. Jang worked with experts from across Stantec to ground herself in these more opaque business lines so she could explain them to investors. "If they could gain that insight, they could connect with how relevant all the things we're doing in society are today," she says.

As for delivering on expectations, Stantec has outperformed on "virtually every measure" of its three-year strategic plan (which became a four-year plan due to the pandemic), released at the end of 2019. Under Jang's tenure, the firm has made 16 acquisitions, steadily growing its global footprint, and achieved a total shareholder return of 304% over the past four years. In 2023 alone, its share price increased 64%, and its total shareholder return was 65%.

"Her input into our strategic and business planning has not just been helpful—it's been absolutely invaluable" ➤



able,” says CEO Gord Johnston, who also praises Jang’s “remarkable knack for forging relationships.”

Furthermore, Johnston credits Jang’s work as chair of the executive environmental, social and governance (ESG) committee with helping to cement Stantec’s reputation as a sustainability leader. In 2019, the company became the first in its sector to quantify a percentage of revenues from projects that support sustainability goals—at 43%, or \$2.1 billion—in response to a common request from investors. The move prompted the firm’s peers to follow suit and pushed Stantec to keep upping its game. In 2022, the metric had increased to 60%, or \$3.4 billion in revenue.

Furthermore, Jang spearheaded an agreement to turn Stantec’s \$1.1-billion senior credit facility into a sustainability-linked loan, where the rate of interest charged is tied to the company’s greenhouse gas emission reduction targets and its score on the Bloomberg Gender-Equality Index. If it meets the targets, savings from the reduction in interest costs go back to local communities. Thanks to a mix of higher interest rates and meeting its targets, she says the company has a “pretty healthy” amount to donate this year.

It’s achievements like these that Jang hopes will be her lasting mark on Stantec when she retires, which she’s set to do later this year, once the company finds her successor. “I hope employees will remember what comes from setting ambitious targets to up our performance, delivering on them, and the benefits and value that gets created from doing that,” she says. /KR

photograph DUANE COLE

DAVID SIMMONDS

SVP and global chief communications and sustainability officer, Great-West Lifeco and Canada Life

David Simmonds learned a valuable lesson early in his career, while working in policy and communications: You can be the world’s best storyteller, but if the idea you’re trying to sell isn’t sound, people won’t buy in.

As head of sustainability at 175-year-old Great-West, Simmonds used that notion as a guiding principle when developing, designing and executing its ESG strategy and framework. Since resilience has always been critical to Great-West, given its generational commitment to customers, setting rigorous ESG targets is just good business, he says: “A resilient company is a diverse company. It’s a sustainable company.”

Simmonds helped Great-West shake some of the risk aversion inherent to a financial services company with roots in life insurance, says president and CEO Paul Mahon, who characterizes Simmonds as having a mix of passion and pragmatism. “He’s given us the confidence to be more proactive than we ever have been before,” he says.

For example, under Simmonds’s leadership, the company issued its first sustainability report with a plan to achieve net zero on greenhouse gas emissions by 2050, as well as interim 2030 targets to lower operational emissions by 40% and reduce its investment carbon footprint by 37% (compared to 2019 levels). He also helped set ambitious workforce diversity targets, including a goal of 50% women and 25% underrepresented groups in leadership positions.

Simmonds has been pushing the envelope outside of Great-West, too. During his 2022 term as president of the Canadian Club, he was instrumental in recruiting one of the most diverse boards in the organization’s history, but only after pushing its leadership to host a broader range of programming—from events on Black joy and economic reconciliation to the meaning of drag and the LGBTQ+ community—which signalled it was a welcoming space for executives from underrepresented groups. And last year, he chaired a committee to help Sunnybrook Hospital with its rebranding efforts, resulting in the Wes Anderson-inspired “This Place is Special” campaign that highlighted its diverse employee population and patients.

This past December, Great-West released a progress report on its sustainability goals, showing strong results. The numbers on diversity were especially positive—with 41% women leaders and 20% from underrepresented groups—thanks in part to an employment equity action plan meant to improve the attraction, retention, growth and promotion of diverse talent within the organization.

But for Simmonds, even the mere act of sharing the update felt like progress. “We’re holding our goals out there, and that’s super important,” he says. “It makes me feel like we’re changing the business in a helpful way.” /KR





ERIC MYLES

Chief sport officer, Canadian Olympic Committee

You might think the man behind some of Canada's best Olympic showings ever—including an unprecedented 29 medals at the PyeongChang 2018 winter games and 24 medals at the 2020 Tokyo summer games—would be an unrelenting taskmaster with a philosophy of winning at any cost. But that's not how Eric Myles, chief sport officer of the Canadian Olympic Committee and head of Canada's Olympic teams, rolls. Sports executives who care only about winning suffer from "tunnel vision," he says. "If we just burn people out, how sustainable is that?"

That's why Myles—who is responsible for the development and execution of the COC's long-term and annual strategic plan—focuses just as much on the wellbeing of athletes, including their mental health, as he does on planning for competitions at the Olympic, Pan American and Youth Olympic Games.

It's the culmination of a commitment that goes back to his early days as an athlete and a member of the medal-winning Canadian canoe team at the 1987 Pan Am games. Even then, Myles recalls, teammates sought him out for help, which eventually led him into teaching and communications, as well as co-founding Québec en Forme, an organization that encourages healthy eating and active living. When he joined the COC in 2014, he was tasked with building up the organization's athlete relationships team, and helping to launch Game Plan, a program that helps athletes plan for their long-term future—not only in terms of health, but also building a career after their days in competitive sport are over, the way Myles did.

Since moving into his current role in 2016, Myles has continued to advocate for a fair and inclusive sport system in Canada and around the world. For example, he played a role in developing the Canadian Sport Governance Code to increase accountability and representation in sports organizations. And he keeps working to make athlete health a fundamental part of the job: He recently persuaded Mike Wilkinson, a top sports doctor for Canada's Olympic teams, to join the COC full-time as its first-ever chief medical officer for health and wellness, and he successfully advocated for the federal government to provide increased resources for Canadian athletes, more than doubling their access to mental health support.

It's all part of his view that, in spite of Canada's Olympic success during his tenure, the big challenge is to make sports a safer and happier place in the long run, while still delivering short-term results. "It's our Canadian way of winning," he says, noting that other countries don't necessarily share that perspective. "I won't get on the negative side, but we see it in the media, countries that do it differently. That's fine. That's their choice."

So far, the Canadian way seems to be working when Myles is in charge, and he looks forward to proving it again at the Olympics in Paris this summer. "I think Canadians will be surprised and inspired by how talented Team Canada is at these Games. We have medal potential across so many sports and amazing athletes," he says. "They will inspire a new generation." **/JW**





BE ST EXECUTIVES

CANADA'S
2024



LORI BIEDA

Chief data and analytics officer, North American personal and business bank, and head of enterprise CRM, BMO

For 30 years, Bieda has used strategic data insights to guide Fortune 500 companies around the globe. But in a twist for a metrics-oriented executive, she makes a point to look well beyond the numbers. “If an analytical empath were a thing, that would capture how I think and lead,” she says. “I set out to help people get where they want to go—and to have a blast doing it.” In 2023, her AI expertise earned her BMO team the Digital Banker’s Global Retail Banking Innovation Award for outstanding machine learning initiative. Meanwhile, she oversees BMO’s “analytics university,” which the bank uses to rapidly scale up and teach staff across all disciplines of data and analytics. And she created Elle-Excel Women’s Circle, which empowers women in STEM through webcasts, blogs and a match-up program.



MARK PODLASLY

Chief sustainability officer, First Nations Major Projects Coalition

When Podlasly got into Harvard for his master’s in public administration, the Grand Chief of his reserve (he’s a member of the Nlaka’pamux Nation in B.C.), remarked that Podlasly’s success rested on contributions by many previous generations. And so he must give back to the generations that follow. “I’ve never forgotten his words,” he says now. “With every decision I make, I am defining the future for those who

DAPHNÉ MOLLOT

VP of innovation, Groupe Marcelle Inc.

At the top rungs of Lise Watier, a pioneering Canadian cosmetics brand founded in 1972, and its parent company Groupe Marcelle, the reigning view is this: Without Daphné Mollot, there would be no Lise Watier. She's been a pillar of the organization since 1974, when she started working with its eponymous founder. And while an industry veteran with more than 50 years' tenure could easily rest on her laurels, that has never been Mollot's style. "With all the economic turbulence we face, there's an opportunity for brands to embrace change," she says. "I like the idea of moving away from complex, traditional models to something leaner, more organic and more agile. As for me, I'm always learning—and I hope I'm still growing."

Adaptability has been Mollot's north star from the get-go. For one thing, she's a firm believer in cross-disciplinary expertise. She's held leadership positions in virtually every arm of the organization, from product formulation, innovation and marketing to operations and business development. But above all? "I'm a bit of an anthropologist," she says. "For me, it all comes down to the consumer. She is the one who decides whether or not you're successful. If you do a great job with marketing, you will attract her. But she will only come back if a product delivers on its promises."

In other words, long-term success demands a wraparound strategy from development to marketing—neglect any step at your peril. But you can't build a comprehensive business strategy without tending to your relationships. Fortunately, balancing strategic acumen with genuine human connection is where Mollot really shines.

Her knack for fostering lasting partnerships with suppliers, retailers, team members, all the way down to customers and in-store beauty advisers, is less about conventional networking and more about cultivating meaningful relationships that will stand the test of time. In industry circles, she's a household name. In the office, she has an open-door policy. "When Daphné walks down the aisles of major cosmetics shows, everybody calls out to her," says Groupe Marcelle president David Cape. "And she really wants to bring the younger generation along, and teach them how to create and market products that fit the Watier brand. She's lived through generations of the industry, and her knowledge is virtually encyclopedic."

Mollot's latest pivot? She's helping steer Watier through a rebrand, dropping the "Lise" in favour of a snappier name—and moving away from "anti-aging" messaging toward embracing beauty at every age, with the tagline "Your Best Age is Now." "We were never afraid of valorizing women, but today, we're doing it in a different way," she says. "For me, the status quo is just not an option." /LA





come after me.” As CSO of the national non-profit First Nations Major Projects Coalition—a 152-nation collective that seeks equity in projects like pipelines and gas utilities—Podlasly counsels Indigenous governments coast to coast on how to establish trusts and invest revenues from resource development. “What gives me the most pride,” he says, “is seeing how Indigenous nations are starting to re-emerge as true economic and thought partners within Canada.”



ROBERTO CIPRIANI

CTO and COO, Paper

In a perfect world, every child would have equitable access to education. Cipriani is doing his level best to pull that dream into reality. In 2014, he co-founded Paper, which partners with 500 school districts across Canada and 41 U.S. states to provide free tutoring to K–12 students. He leveraged his engineering background to lead two major tech acquisitions, spearheaded an AI-enabled essay review service, and raised more than \$390 million in funding, which brought Paper to a \$1.5-billion valuation.



LAUREN STEINBERG

SVP media, loyalty and Loblaw digital, Loblaw

There’s trial by fire, and then there’s getting promoted to SVP digital of Loblaw at the start of a pandemic—when more than two million people suddenly began buying their groceries online. “We started generating billions of dollars in business through this pretty archaic technology infrastructure,” she says. Steinberg’s response was to migrate the firm from a third-party, out-of-the-box e-commerce platform to a custom, in-house one called Helios, which helped scale its grocery, apparel and beauty arms—all in less than a year. It’s a system that has other retailers reaching out to ask her how it was done so efficiently. “I think that’s really great for our team, to know that we are leaders in this space,” she says. “We have a culture of humility, and that’s good and bad. You want teams to be able to brag.” Steinberg also overhauled Loblaw’s recruiting, introduced online coaching, and started a series of internal innovation conferences, which improved employee engagement and dropped voluntary attrition to less than 10%. Somehow, she found time to help develop Garfield, the company’s proprietary generative



AI. And as a queer woman in tech, she spearheaded inclusivity training for all Loblaw digital staff and established a multiyear partnership with the Black Professionals in Tech Network.



EHSAN MOKHTARI

CTO, ChargeLab

When Mokhtari joined ChargeLab, which creates EV charging software, it was seeing promising traction with a handful of early customers. There was just one problem: The tech wasn’t scalable. That precluded outside investment and, in turn, any major growth. Mokhtari changed all that. Drawing on his strong background in cybersecurity, including having co-invented two U.S. patents and published in multiple peer-reviewed journals, he completely re-engineered the platform to make it scalable—and did so without outsourcing engineering talent outside Canada. “I am driven by the desire to solve problems that improve people’s lives, whether by simplifying tasks or alleviating pain points,” he says. “Building solutions that bring order to complexity and create value for humanity is deeply satisfying.”



STUART AULD

CFO, Wajax

It’s one thing to effectively tackle a complex problem—say, unifying three separate companies, as Auld helped industrial product and service provider Wajax do in 2016. (Under his financial stewardship, Wajax has seen annual revenue growth of 8%, to over \$2 billion, and earnings growth exceeding 21% a year.) It’s another to make a habit of finding the signal through the noise. During a recent executive transition that ushered in new CEO Iggy Domagalski, Auld assumed responsibility for sup-



ply chain, real estate and enterprise real estate management. “He provided crucial guidance and expertise, contributing significantly to our success in the first two years of my tenure,” says Domagalski. Amid myriad responsibilities that might have bogged down a less clear-eyed executive, he kept his focus—and maintained communication so clear that it streamlined decision-making and kept his team in line with Wajax’s wider objectives.



MICHELINE DAVIES

SVP automotive and chief merchant, Canadian Tire

Last year, Davies was promoted to chief merchant—the first woman to hold the position in Canadian Tire’s 101-year history. Before that, she shepherded the firm’s auto repair business squarely into 2023, introducing the auto care program, which provided stores with tablets that allow real-time communication with customers, along with a 24-hour online booking system and digital vehicle inspections. “We’ve found 20% to 25% of bookings happen after hours, so it helps us recover some sales that we might not have received otherwise, which is great,” she says. The result was the firm’s best-ever year of auto service. She’s also steering Canadian Tire into the EV era. And when she’s not driving record results, Davies advocates for women and diversity through the Canadian Tire Women’s Leadership Network, which she founded in 2014.



MARK MILLER

COO, Constellation Software
Constellation is an acquisition machine specializing in buying software vendors that serve specific verticals. Miller, a stats-and-math grad from McMaster University, has

been there for 20-plus years, helping it become one of Canada’s most valuable public companies. He’s also executive chair of one of Constellation’s seven operating groups, Volaris. Media-shy president Mark Leonard puts a lot of trust in his leaders, who run their own acquisition campaigns. To be honest, we could have picked any one of them for this award, such is the depth and calibre of talent at Constellation, which has delivered 12 straight quarters of organic revenue growth.



ANDREW BOOTH

CFO, AbCellera

Under Booth, the Vancouver-based biotech firm has grown fast, expanding to 600 people from 70 since he joined. The secret is careful preparation combined with a willingness to seize the moment. Booth and his colleagues created a detailed long-term plan for the company, but when the pandemic made urgent action necessary, “we didn’t hesitate in making the decision to move,” he says. They executed their entire plan, including an IPO, in little over a year. It left them with around \$1 billion in available liquidity, which Booth intends to use to build a long-lasting Canadian biotech firm: “Our successes,” he says, “are going to be measured in decades.”



TARA DEAKIN

Chief people officer, Spin Master

When Deakin considers a new initiative, she asks herself the following: Does it work in practical terms, what could be better, and can it scale and be repeated? With her pragmatic approach and broad portfolio—she’s worked in companies big and small, domestic and global, public and private, founder-led and professionally managed—Deakin made big strides to reignite Spin Master’s employee experience. The percentage of staff who are proud to work at the multicategory children’s entertainment company hit 88% in 2023—an all-time high. To get there, Deakin created a unified rewards strategy for its 2,000 global employees, enhanced their benefits, and instituted universal four-week vacation, among other improvements. Meanwhile, she helped shepherd the firm through key executive changes and propelled its progress toward sustainable toys, including a 100% recycled Rubik’s Cube. Now,

she’s helping integrate the \$950-million acquisition of wooden toy brand Melissa & Doug. “My curiosity keeps me motivated,” she says. “I believe we can always rethink how an organization works. How can we do better tomorrow than we did today?”



JORDAN COLE

Chief commercial officer, Hydrostor

In January 2023, Hydrostor—a Toronto-based developer and operator of long-term energy storage systems—signed a nearly \$1-billion contract with a California utility to provide clean electricity for 500,000-plus customers over 25 years. It was one of the largest energy-storage contracts in history, and it happened under the stewardship of Cole, who joined the company in 2017. Since then, he’s helped guide the firm from focusing solely on developing tech to independently developing projects. “This was a significant undertaking, but it led to our successful large-scale pursuits in Canada, California, Australia and other markets globally,” he says.



JENNIFER QUINN

Chief strategy and development officer, Nieuport Aviation Infrastructure Partners

When Quinn joined Nieuport, which owns and operates the passenger terminal building at Toronto’s Billy Bishop Toronto City Airport, the pandemic had shuttered its commercial operations for 18 months. Her deft piloting of its return to service garnered the business a Most Spectacular Business Recovery award from the Ontario Chamber of Commerce—even though she went in with no aviation experience. Meanwhile, she led the establishment of a U.S. customs pre-clearance facility, increased Nieuport’s GRESB score (the industry benchmark for ESG performance) to 85% from 77%, and is championing the electrification of the airport’s shuttle service.



SOMEN MONDAL

General manager, Dayforce Talent, Dayforce
Mondal joined Dayforce (formerly Ceridian) through an acquisition of Ideal, a company he co-founded and led. He leveraged his deep data, AI and talent management expertise to re-

imagine the Dayforce Talent suite of products (onboarding, career development, compensation management and more). Under his leadership, Dayforce Talent achieved high-double-digit revenue growth and is now the fastest-growing Dayforce product area. He also led an initiative ensuring employees were given 2% of their time for career development opportunities.



STEVE BERNA

COO, First Nations Finance Authority

Since its first bond deal in 2014, the FNFA—a unique non-profit owned and controlled by its member First Nations—has issued more than \$2 billion in long-term, low-interest loans to communities to fund infrastructure and pursue investments. Those projects range from community housing, schools and water systems to loans that supported the blockbuster acquisition of North America's largest shellfish company, Clearwater Seafoods, by a consortium of Mi'kmaq communities in 2020. Berna was key to helping the organization get to this point, tackling

red tape so its member communities would be recognized as a level of government, with the same fundraising powers as municipalities. To accomplish that, he rallied support from rating agencies and capital market investors for Ottawa to amend the legislation under which the FNFA was created so communities could secure loans using own-source revenues like taxation, royalties and proceeds from business ventures. "Steve is a dedicated leader who effectively manages his team's training in understanding the capital markets to improve access to affordable capital," says FNFA CEO Ernie Daniels. "He also cultivates and maintains relationships with rating agencies, investors and the banking syndicate to ensure that FNFA's members have consistent access to the financing that meets their community planning needs."



NANCY MORISON

VP, supply chain and Delta ophthalmic laboratory, FYihealth group

Since taking over the eye-care provider's Delta, B.C., lab in 2017, Morison became

known for improving employee engagement, which is partly why FYi transferred customer service to her office. Her authenticity is what drives that reputation: Morison tries to show interest in every employee, walking the floor to have personal conversations and give voice to those who don't feel comfortable speaking up in formal meetings. It's all part of her ethos of "a servant kind of leadership," she says, and asking staff, "What do you need? How can I help? How can we improve?"



SANDY SHARMAN

Senior EVP and group head, people, culture and brand, CIBC

To paraphrase Drake, she started from the bottom, now she's here. Sharman's first job in banking was as a teller, at a branch in Brampton, Ont. Now the Dalhousie University MBA runs a significant portion of CIBC and is one of CEO Victor Dodig's key advisers. When CIBC moved its head office into a new tower, Sharman used it as an opportunity to transform the workplace, combining teams from across the bank in open-

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concept spaces. Since being named head of HR in 2014, she has picked up numerous additional responsibilities, including marketing, client experience, sponsorships, community investment and communications. She's also on the board of TransAlta, one of Alberta's largest renewable-energy producers.



ALI HOSS

Chief sustainability officer, Triovest

When Hoss joined the real estate development and investment firm, he realized that sustainability needed to be integrated into every facet of the business. He led the process of making ESG metrics part of the bonus structure, which he says encourages employees to rank long-term goals involving “the environment, building occupants and the community at large” alongside traditional short-term goals. Hoss also created Triovest Sustainability Solutions, a platform to develop and execute ESG strategies, implementing everything from training and education to “sophisticated decarbonization planning and climate risk assessments.”



LISA MAZURKEWICH

Head of marketing, Subway Canada

In her first year and a half in this role, Mazurkewich changed not only Subway's marketing, but also the things being marketed—including 15 new sandwiches on the menu. “While Subway has always been known for ‘build your own,’ we wanted to create new chef-crafted subs,” she says. She then vastly increased business with a campaign called YesWay, aimed at young people skeptical that a brand like Subway could change so much, so fast. “The campaign broke through because we acknowledged that skepticism and

created a rallying cry,” she says. The proof? Sales increased 438% above target and foot traffic by 379%.



DOUG NATHANSON

EVP, chief development officer and general counsel, Empire Co. and Sobeys Inc.

Nathanson, who ran Empire's legal team, now does everything from real estate to public relations. “I get to do some of the legal work still, like in our acquisitions of Farm Boy and Longo's,” he says. He's also been working on the rollout of the company's online platform, Voilà, more closely than planned: “When the head of Voilà took maternity leave, I was lucky enough to get to step into her shoes and be in charge for a short period.” While all that went on, he was “exceptionally proud” to be part of the team creating an industry-wide code of conduct.



KEVIN JACKSON

President, Porter Airlines

Post-pandemic, Jackson thought it was time for Porter to be “much more aggressive than previously envisioned” with its plan to expand across the continent. To that end, the airline decided to focus less on benefits for business-class passengers and instead direct more perks to “the vast majority of people who don't qualify for meaningful frequent-flyer benefits with other carriers,” he says. This shift has been especially helpful to Porter's expansion efforts “in markets where there has been little choice and consumers feel they've been taken advantage of,” says Jackson—and it's part of the reason why Porter's revenue doubled in 2023 and is on track to do so again.



CHUCK WE

EVP, Pacific Northwest/Canada office operations, Hudson Pacific Properties

After Hudson Pacific acquired the Bentall Centre in Vancouver, We built a team combining the previous management's employees with new ones. He's proud he could help shape “one cohesive culture” out of this combination and build a diverse team “representative of the community we're working in,” says We. He also added a placemaking and events team, whose efforts have helped the company in unexpected ways, like luring employees away from remote

work. “People are looking at us to ‘earn their commute’ and come back to the office,” he says.



LAURA DEVONI

Director of strategy, corporate affairs and sustainability, Algoma Steel

A 20-year Algoma veteran who helped the steel giant build relationships with communities such as the Batchewana First Nation, Devoni loves her role for letting her focus equally on internal and external work. She advocated for transparent ESG reporting to “share our story to build pride culturally” with outsiders, but also worked within Algoma to develop a sustainability plan for green steel. In addition, Devoni continues to mentor women in the male-dominated industry. “One individual comes to mind who joined my team temporarily as a summer student,” she says. “Six years later, she is thriving as a young professional.”



SHARON GERAGHTY

General counsel and EVP, Great-West Lifeco

In 2018, one of Canada's largest life insurers quietly launched a strategic pivot. Winnipeg-based Great-West, controlled by the Desmarais family, began beefing up its wealth management business with takeovers on both sides of the border. Over the next six years, Geraghty quarterbacked a series of multibillion-dollar deals, including exiting underperforming U.S. mutual fund manager Putnam Investments. Great-West's evolution is thrilling investors—the stock price is up more than 30%—a compelling second chapter in Geraghty's career history, which already saw her reshape corporate Canada as a top mergers-and-acquisitions partner at law firm Torys.



LUIGI POZZEBON

VP, satellite systems, MDA

Pozzebon, originally an engineer, became chief architect and now heads up MDA's satellite business, whose team has doubled in size in the past two years, to more than 1,200. He feels his technical background is his greatest strength: “I'm quite capable to participate in the technical review, as well as the business review,” he says. Pozzebon's team created game-changing digital satellite technology that

helped MDA land its biggest-ever contract: a \$2.1-billion deal with Telesat, which will use the tech in its Lightspeed LEO (low-Earth orbit) constellation. Now he has to transform the satellite business to meet demand. “Our high-volume production is going to look like recreational vehicle production lines,” Pozzebon forecasts.



JONATHAN GOLER

EVP, chief risk officer, Propel

Since co-founding Propel in 2011, Goler—who’s studied and worked in AI for decades—has made the fintech a leading force in using predictive AI to assess lending risk. Traditional tools like credit scores lock out many consumers with checkered or non-existent credit histories. Goler’s AI-powered platform and risk model make it possible to accurately price risk for underbanked and underserved consumers, looking at 5,000-plus consumer data points, assessing the risk of a loan in under six seconds, and processing more than 40,000 applications a day. The result? Loan-loss provisions have gone down by more than 50%,

even as Propel’s products are used to extend credit to more customers. Goler is also a proud member of the LGBTQ+ community and dad to two young daughters, ensuring his employees feel comfortable bringing their whole selves to work.



MAHIMA PODDAR

SVP and group head, personal banking, Equitable Bank

Poddar has grown Equitable Bank by \$9 billion since 2021, with special emphasis on expanding the company’s digital platform, EQ Bank. She more than tripled EQ Bank’s product development pace and moved swiftly to shift EQ to cloud-based technology. The changes, she says, allowed it to accept twice as many customers as the bank could have under the old system. Poddar has also been a leader in employee opportunity, spearheading a talent review of Equitable’s mortgage team to identify unconscious bias and help connect employees “to new roles and growth opportunities they would not have otherwise seen for themselves.” The result was more

women promoted to leadership positions, as well as improved professional development for many other employees.



LAURA MONEY

EVP, chief information and technology innovation officer, Sun Life Financial

Money has a lot on her plate, steering the digital transformation of a 160-year-old financial institution. That means her job touches on everything from integrating the \$365-million acquisition of telehealth provider Dialogue Health Technologies (which has 2.8 million members across 50,000 organizations) to experimenting with generative AI. Money, who has a degree in industrial engineering and an MBA, joined Sun Life in 2020 after holding VP jobs at three of the big Canadian banks. She’s been recognized as one of North America’s top 10 women CIOs and one of Canada’s most powerful women. Her volunteer stints include board-chair roles with cancer and opera organizations, and she has completed marathons, triathlons and ski mountaineering races.



Lauren Steinberg

SVP, Loblaw Digital, Advance & Loyalty

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And she always fosters diversity, equity, and inclusion, attracting top talent to feel at home as part of the Loblaw family. On behalf of our 220,000 Loblaw colleagues — thank you, Lauren!

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Not-so-regular joe

It took a trip to Guatemala to alert **Adam Pesce**, president of Reunion Coffee Roasters, to the dangers of climate change on the java biz

My dad, Peter, is one of the pioneers of specialty coffee in Canada. He started his first business in the late 1970s. He sold it to Kraft in the late '80s, and he worked there until he started Reunion in 1995.

I started in the mid-2000s helping out in the lab, and that was where I fell in love with coffee. I had a couple of opportunities to visit coffee farms—first in Costa Rica, which as far as coffee origins go is like going to Disneyland. It's a very easy, safe trip. But visiting Guatemala in 2007 changed my life. I went during harvest season, so I saw the migrant side of the labour force, as well as how much work goes into coffee. And I began to understand what a miracle it is when you actually get a good cup of coffee here. There's just so much that can go wrong.

I also recognized that we've got a problem: This is not sustainable. Coffee farming, except in Brazil, is very manual. It takes a lot of hands to get coffee from a farm to here. But at the farms I saw, there was a pretty stark difference between the ones that had sustainability certification versus the conventional ones. I saw child labour. I saw the conditions people were working and eating and living and sleeping in, and I recognized that this product and process

50%

That's how much land suitable for growing coffee the world could lose by 2050 due to rising temperatures

I began to understand what a miracle it is when you get a good cup of coffee here

is exploitative. And because the impact of climate change on the industry is so stark, if something doesn't change, coffee will be on the road to extinction by 2050.

That was the lightbulb moment for me. I was like, we have this beautiful business back home, and we can make it work with a much healthier supply chain for ourselves, for the farmers and workers on those farms, and for the environment.

The first thing I did was attack our supply chain. It was a slow but deliberate process of shifting away from conventional *anything* and moving to certified, direct-trade coffees. That was the start of our path to net zero. Then it was trying to reduce our energy and engaging with Bullfrog Power. The next culmination point was when we got our B Corp certification. But the big area we were always falling behind on was tracking greenhouse gas emissions. We can track our own emissions well, but we can't track everyone else in the supply chain—Scope 3 emissions—because our supply chain goes to small farmers who have less than two hectares of land. But once we got our certifications, we could identify the critical people within our supply chain and have those conversations about what they're doing.

The biggest challenge for me, though, was overcoming the naysayers—inside the business and out. At the time, sustainability was not a thing. Everybody thought it was lefty idealism run amok. There was a lot of, "You're a kid—you don't know what you're talking about." But my father was very supportive. He taught me to make the financial case for sustainability. And we've done that by proving that our business can grow, even though being sustainable costs more. And now the whole company is working toward net zero in a much healthier way.

I say this half-jokingly, but I want there to be an industry in 20 or 30 years for my daughter to be the third generation of. And I'm sorry, but lab-created coffee beverages are not the solution. I'm not ready to give up on fixing the problem. Instinct tells me it's time to roll my sleeves up further. And at this point, my sleeves are almost off—I'm basically wearing a tank top.

/Interview by Alex Mlynec

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