THE GLOBE AND MAIL

THE NEW SPACE RACE: TELESAT VS. THE RICHEST MEN ON THE PLANET

FOR SHEERTEX FOUNDER KATHERINE HOMUTH, IGNORANCE IS BLISS

167 YEARS, FIVE GENERATIONS, ZERO FAMILY DRAMA

TAKE THAT VACATION—YOUR LIFE MIGHT DEPEND ON IT

REPORT ON BUSINESS

CANADA'S **BEST MANAGED COMPANIES** 2022

INCLUDING **MASTERMIND TOYS** AND ITS NEON RAINBOW PLAYGROUND BALL

JUNE 2022

Contents

An antenna at Telesat's outpost in Hanover, Ont., communicates with the company's lone LEO demonstration satellite

COVER SHOT EXCLUSIVELY FOR REPORT ON BUSINESS MAGAZINE BY DANIEL EHRENWORTH; RIGHT NATHAN CYPRYS; ILLUSTRATION MELANIE LAMBRICK

To boldly go

By my count, I've helped produce more than 130 issues of Report on Business since joining the magazine in mid-2006. And without fail, as our deadline looms, the staff goes into something approaching panic: *How can we possibly get everything done and to the press on time?* This issue was perhaps a little more hair-raising than most (thanks a lot, COVID-19), but we made it, of course—we haven't missed a press deadline in our nearly 40-year history. But the question always lingers: *What if?*

Those two words are a bit of a global theme right now. Uncertainty is surging worldwide, according to the World Uncertainty Index. It reached unprecedented heights at the start of the pandemic in 2020, then settled down as we all adjusted to the new reality. But in the first quarter of this year, uncertainty rebounded to levels not seen since the attacks of Sept. 11, 2001, and the U.K.'s Brexit vote in 2016. The war in Ukraine accounts for 40% of the current global angst—not surprising considering the intractability of Russia's president. But there are plenty of other reasons to feel anxious: rapidly rising inflation, the impact of runaway climate change, simmering tensions with China, the tide of populist unrest sweeping across Canada. Then, of course, there's the seemingly never-ending pandemic. Who could have predicted it would last this long? And what will the long-term impacts be, not just on the global economy, but on the health of the world's citizens?

All this what-iffing is enough to make many of us mere mortals freeze up and lose focus. Which is why it's so encouraging to read about leaders who aren't letting the hazy picture hold them back. As Jason Kirby writes in his feature on Ottawa-based satellite operator Telesat, its future is fairly dripping with uncertainty as it struggles to launch a constellation of low-Earth-orbit satellites. Yet, CEO Dan Goldberg is forging ahead on the assumption that his team will overcome whatever barriers the pandemic, the dangers of space and the vagaries of Elon Musk put in its path ("Space: the final logistics-addled, billionaire-crowded, costs-skyrocketing frontier," page 60).

The same kind of determination carries Sheertex founder Katherine Homuth's story ("Blood, sweat and sheers" by Sean Silcoff, page 72). Though in her case, it's her self-professed ignorance of uncertainty that has helped her stay the course. Setting out to make unrippable tights while having zero manufacturing or textiles experience should have been impossible. Even her investors—heck, even her own husband—were skeptical. But Homuth plunged ahead, and loyal customers love her for it.

One thing's for certain: We should all heed the advice offered up in "Give me vacation or give me death" (page 7) and take some time off over the next few months—not just from working, but from what-iffing, too. We'll see you back here in October. **/Dawn Calleja**

Send feedback to robmagletters@globeandmail.com

REPORT ON BUSINESS
THE GLOBE AND MAIL
June 2022, Volume 38, No. 7

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Report on Business magazine is published 7 times a year by The Globe and Mail Inc., 351 King Street E., Toronto M5A 0N1. Telephone 416-585-5000. Letters to the Editor: robmagletters@globeandmail.com.

Indexed in the Canadian Periodical Index.

Advertising Offices
Head Office, The Globe and Mail, 351 King Street E., Toronto M5A 0N1
Telephone 416-585-5111 or toll-free 1-866-999-9237
Branch Offices
Montreal 514-982-3050
Vancouver 604-685-0308
Calgary 403-245-4987
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United States and countries outside of North America: AJR Media Group, 212-426-5932, ajrmediagroup@globeandmail.com

Publications mail registration No. 7418. The publisher accepts no responsibility for unsolicited manuscripts, transparencies or other material. Printed in Canada by Transcontinental Printing Inc.
Report on Business magazine is electronically available through subscription to Factiva.com from Factiva, at factiva.com/factiva or 416-306-2003.
tgam.ca/r

PHOTOGRAPH STEPH MARTYNIUK

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Flight to safety

Nicolas Van Praet profiled Transat CEO Annick Guérard ("Fasten your seat belts") as she steers the airline through heavy turbulence.

The trick for Transat will be to identify routes that are profitable but that Air Canada and WestJet care less about, so they don't defend them with the usual "search and destroy" price cuts meant to crush competitors. **—app_67669782**

Would have been interested in knowing how Air Transat plans to contribute to the necessary emission reductions—50% by 2030—to prevent catastrophic planetary heating. **—polyanimic**

The airline industry is tough at the best of times. All the best in reshaping Transat in the post-COVID world. **—Gene Lawrence**

I wish her all the luck in the world keeping Transat in the air. It's my go-to airline. I was very sad when Air Canada was negotiating to buy it. Needless to say, I am very pleased to know the deal fell through. **—ShirleyV6**

A very impressive leader, with a contemporary, feminine approach that just may bring results. **—JJB1949**

Clear and present danger

In "The return to abnormal," John Lorinc wondered whether post-COVID offices will still be toxic.

This remote-work concept has so many potential applications, we'd be insane to ignore it. Reduced overhead. Wider reach for finding new talent. The reduced need to stuff everyone into a city core. The elimination of commutes that not only save hours of wasted time, but also save the environment and reduce public costs. Honestly, you have to wonder who the idiots are resisting all that. **—Phil King**

"AJ, I am in awe of your courage, your perseverance and your authenticity."

—Kura1 on our cover story about trans tech executive AJ Fernandez Rivera

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Sean Silcoff writes about tech and innovation for The Globe and Mail. For the June issue, he wrote about Katherine Homuth's quest to make unrippable tights (page 72).

Rita Trichur is a senior business writer and columnist for ROB. She interviewed Donovan Bailey for this month's Turning Point (page 80).

Daniel Ehrenworth is a photographer based in Toronto, Montreal and NYC. He likes colour, the Muppets, his family and jujubes. He photographed this month's cover as part of the Best Managed Companies package (page 38).

The same woke-sters who want their Uber driver, barista, doctor, dentist and server to be at their beck and call won't go to work themselves. Let companies decide what is best for them. The few who quit will compete for a shrinking number of jobs from their dock on whatever lake they move to. **—Takcom1**

As a retiree trying to find a tee time at a fully booked golf course, I wish some of these younger golfers would return to their offices. **—Stan Duptall**

Hot air?

Jeffrey Jones wrote about Hydrostor's simple storage solution for renewable power.

Storage has always been the Achilles heel of renewables. No storage system will ever give back all the energy you put into it. The winners will be those that deliver back the highest ratio at the lowest cost and (perhaps) the lowest environmental impact. Hydrostor sounds like a strong potential competitor. **—michaelmoore**

ADVISORY BOARD

What impact is high inflation having on your business?

Shelby Taylor, *Chickapea*
It's particularly challenging for brands that are considered premium. Because consumer costs have gone up in every way, they feel pressure to make budget cuts and, sadly, healthy choices tend to be one of the first cuts. During times of high inflation, we see people turn back to basics and lower-quality food choices. At the same time, inflation has caused our costs to rise dramatically—more than we're comfortable passing on to our customers, which has resulted in lower margins and less cash to operate the business with. Our hope is that people will see our pasta for what it is: a high-protein meal option that's more affordable than meat.

Todd Kelly, *Love Good Fats*
It hinders our ability to aggressively invest in the future. Costs have increased across the board, and because of Canada's consolidated grocery industry, where retailers can restrict our ability to increase prices, margins have been squeezed. We won't sacrifice on quality, so we're forced to do more with less, trim investment and pay more for capital. The future is less clear than ever as we try to predict how much ingredients will cost, how much it will cost to ship products and how much we can charge customers, not just next year but next month. Our investments have become more cautious and the need for them to succeed more critical.

CORRECTION

Due to an oversight, the 2022 Women Lead Here research did not screen for REITs and companies listed on public markets as units. As such, the Awards and Rankings Program Team re-evaluated this sector in April 2022, and as a result 10 companies have been added to the benchmark (tgam.ca/womenleadhere). The research team regrets this error.


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06/22

NEW RULES

Give me vacation or give me death

We live in a work-obsessed culture, but it's time to get serious about taking time off. A Finnish study that began in 1974 found men who strove to live a healthy lifestyle—by eating well, exercising and not smoking—but took fewer than three weeks of vacation per year were 37% more likely to die in the next three decades than their better-rested counterparts.

31 MILLION
Number of vacation days left unused by Canadians each year, according to Expedia

DO

Consider giving employees—especially younger ones—an incentive to take time off

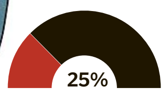
A little inspiration: MNTN, a Texas-based ad agency (that just so happens to have Ryan Reynolds as chief creative officer), gives employees $2,000 a year to spend on vacation

GENDER IS A FACTOR IN WHETHER CANADIANS USE THEIR VACATION TIME

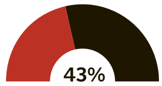
Planned to take time off in 2021

MEN	64%
WOMEN	58%

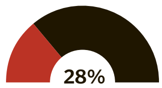
DON'T Expect staff to stay connected during their time off—and don't contact them unless it's *life or death*



25%
Canadians in a December 2020 ADP survey who had taken zero vacation days



43%
used less than half of their allotted days off



28%
planned to carry unused vacation time into 2021

DO

Set an example by taking time off yourself. Even bosses need a break

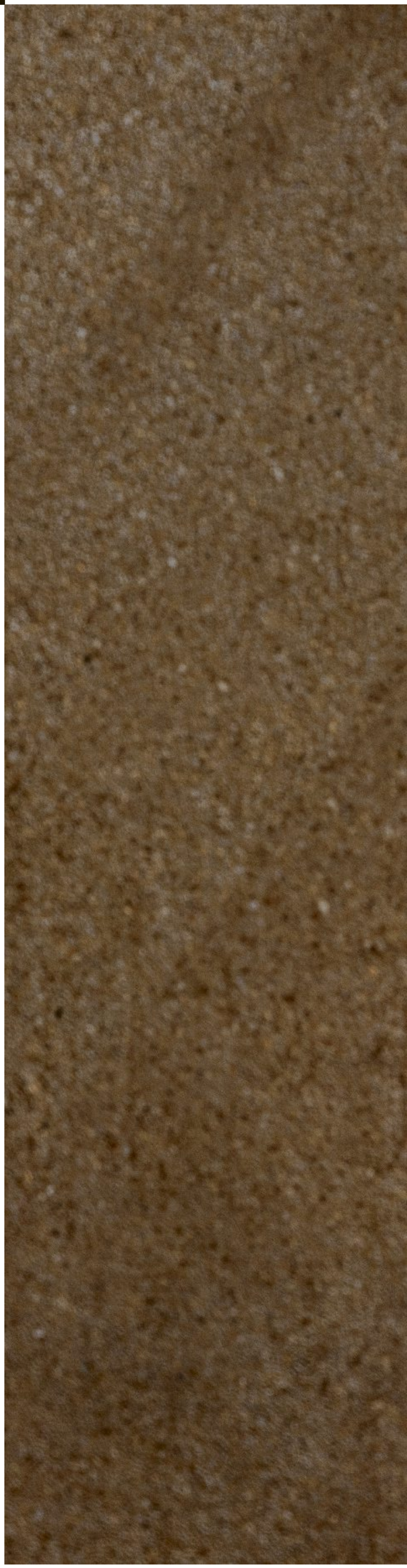
DON'T Offer unlimited vacation without setting a minimum number of days off. Otherwise, workers will never take it

DO Set parameters well in advance for when employees can and can't take time off (like year-end or the peak summer months) so they can plan ahead

BE LIKE THIS CEO...
"I give my assistant permission to change my passcode to my social media and email. I don't know how to get in."
—Brian Scudamore of O2E Brands, who takes off seven to eight weeks each year

...NOT LIKE THIS CEO
"In the last 12 years, I only tried to take a week off twice. The first time, the Orbital Sciences rocket exploded and Richard Branson's [Virgin Galactic] rocket exploded in that same week. The second time, my rocket exploded. The lesson here is, don't take a week off." —Elon Musk in 2015

ILLUSTRATIONS MELANIE LAMBRICK; (MUSK) PATRICK PLEUL/POOL VIA REUTERS; (SCUDAMORE) THE GLOBE AND MAIL



THE EXCHANGE

Refined taste

Alex Pourbaix had always been a pipeline guy. But since taking over as CEO of Cenovus, profit is rising, debt is falling, and its $4.8-billion merger with Husky has solved the producer's downstream problem

BY TREVOR COLE

Having come from the world of pipelines, Alex Pourbaix wasn't fluent in the lingo of the upstream when he became CEO of Cenovus, Canada's third-largest oil and gas producer. "Flummoxed by all the acronyms" is how he modestly puts it. He must be a fast learner. Upon leaving his job as COO of TransCanada Corp. to join Cenovus in 2017, Pourbaix immediately began building on its strengths and eliminating its weaknesses. A merger with Husky Energy in early 2021 supercharged the company's oil and gas production and delivered more than $1.2 billion in sustainable cost synergies. In the depths of the pandemic, with Cenovus bearing $14 billion in debt from the merger and oil's immediate prospects looking grim, Pourbaix locked in price guarantees to protect the value of the company's 50 million barrels in inventory. Now the debt is falling, profits are surging, the hedges are gone and Cenovus seems poised to take advantage of a turbulent world's new appetite for oil. We spoke to Pourbaix via Zoom.

So, rising prices, war in Ukraine, climate change, ESG investing, the advance of electric vehicles—is this a good time or a bad time to be in the oil and gas business?
Well, in a world that is going to need oil and gas for many, many decades to come, being an industry that has an aspiration to drive our carbon emissions to net zero, I actually think that is a pretty good place to be. Canada is the holder of the third-largest reserves of oil on the planet. We have a commitment to open, transparent regulation, rule of law, a focus on all of the things that are important in ESG, including our work with Indigenous people, clean air, clean water. And we've added this focus on decarbonizing the upstream. I think we're reasonably well positioned over the coming decades.

You recently decided to exit the oil hedges you initiated after buying Husky. It's going to cost you about $1.4 billion. What do you gain?
I look at the market right now, and demand looks very robust. Supply looks challenged, particularly coming out of Russia, for obvious reasons. We could continue to see very volatile oil prices and not a lot of solutions to the factors driving high prices. Our investors like the exposure to the underlying commodity, and I think that's really the right decision.

Was the idea to acquire Husky already in your mind when you joined Cenovus?
Cenovus was a great company when I joined it. Incredible upstream resources. But we lacked egress out of the province. We're very exposed to high differentials (1) for Canadian heavy oil. I was worried about our cost competitiveness and our balance sheet. The real rationale for putting the companies together was that it created a much stronger, more resilient company. Under pretty much any oil and gas price scenario, the

1. Differentials refers to the discount applied to heavy oil from Alberta when sold in the U.S. (factoring in oil quality, marketability and logistics), compared to the benchmark price.

PHOTOGRAPHS JENNIFER ROBERTS

combined balance sheet would improve quicker. Our costs of production were significantly reduced. And by adding Husky's downstream refining assets, it significantly solved the egress concern that was forcing us to accept often significantly lower Canadian prices for oil.

Can you explain what you mean by egress?

Whenever production exceeds the takeaway capacity—via pipeline or use in refineries or upgraders—you create a scenario where oil is trapped in the province. As a result, it gets very significant discounts to the value. In my first couple of years at Cenovus, there were times where the differential was over $30 a barrel. That was the result of this lack of pipeline capacity.

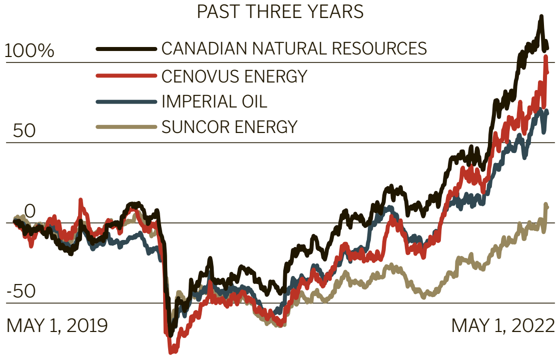
How did the Husky merger solve that problem?

Husky owned and operated a number of refineries, both in Canada and in the U.S. The way the Enbridge pipeline system works, your ability to nominate production to put on the pipeline and take it downstream is dependent on having a home for that oil—storage terminals, refineries downstream. So, it gave us the ability to nominate volumes to move on the Enbridge system. (2) On top of that, Husky had significant pipeline contracts, including a large-scale, long-term contract on the original TC Energy Keystone pipeline, which allowed Husky to move oil all the way to the U.S. Gulf Coast. Those were all assets that became available to us to move oil.

The price of crude, which fell to single digits in 2020, is now around US$100 a barrel. Where do you expect prices to go from here?

None of us really knows where oil prices are going. Even before the Ukraine issue with Russia, the industry had not been spending enough money to bring on new volumes. And so what I would call the surplus oil supply in the market has been eroding for a number of years

CENOVUS VS. BIG ENERGY
PAST THREE YEARS



as upstream companies have underinvested. Now, we're kind of in this perfect storm. We're getting the impact of a number of years of underinvestment in the upstream to maintain that production and spare capacity. On top of that, you now have one of the largest oil producers in the world, Russia, largely being prevented from getting some or all of its excess oil to global markets. And I don't see anything, short of a sharp, global recession, that is going to eat into that oil demand. So, I suspect we're going to be in for a period of quite volatile, trending toward higher, oil prices.

Is US$200-a-barrel oil possible?

If oil were to go over US$150, I think you would start seeing significant demand destruction, which would prevent oil from heading up toward US$200.

You mentioned the lack of investment in new production. Some of that, I think, comes from ESG investors steering money elsewhere. What's your attitude toward the ESG movement?

There is no doubt that has been a bit of an issue. Some of it has been based on a view that really underestimates the challenges of moving to a completely emissions-free environment.

Cenovus is now part of the Oil Sands Pathways to Net Zero alliance, which is a mouthful.

You're correct, it is a mouthful. We just call it Pathways.

What's the purpose of that alliance? Is it chiefly to win over these ESG investors?

I think I'd describe it a different way. There are six members, including Cenovus. (3) Collectively we represent about 95% of oil sands production and about 10% of Canada's greenhouse gas emissions. We came to the conclusion that moving toward net zero in the oil sands is an incredibly challenging goal. Rather than doing this on our own, let's collaborate, share technologies, collectively fund the infrastructure required. We thought combining all our efforts would improve our chances of getting to net zero, and allow us to do it cheaper and quicker than we otherwise would have.

How involved are you in the alliance?

I'm extraordinarily involved. For the better part of a year and a half, we—the six CEOs—have been meeting every Friday at 7 a.m. We have engaged a huge, multidisciplinary team of employees. We're hiring. There is a huge amount of work going on, on what we call our foundational project, to capture CO_2 at our oil sands facilities and move it by a large-scale pipeline to depleted oil and gas reservoirs in the Cold Lake area, where we have the capability to store decades of emissions from the oil sands. Right now we're doing the engineering and environmental work on that. We're planning for the regulatory application, and this is all with a view to having that in service by about 2030.

In the recent budget, the federal government set an emissions reduction target for oil and gas companies of 42% of emissions by 2030. Pathways pegs the current CO_2 emissions for its oil sands operations at 68 megatonnes. And it has set a goal of reducing those emissions by 22 Mt by 2030. That's a 32% reduction. Why aren't you aiming for that higher number? (4)

We based our Pathways targets on what we believe the industry can realistically do. One thing a lot of people don't appreciate is there is no "low-carbon" and "high-carbon" setting in a processing plant or production facility. Pretty much everything

2. Pre-merger, Cenovus's total downstream throughput (refining and upgrading) was 185,900 barrels a day. Post-merger, it has risen to 530,000 to 580,000 b/d.

3. The other five members are Canadian Natural Resources, Suncor, MEG Energy, Imperial Oil and ConocoPhillips Canada.

4. The feds use the emissions total compiled for Canada's National Inventory Report (191 megatonnes for the entire oil and gas sector), calling for an 81 Mt reduction from 2019 levels by 2030.

5. Pembina also uses the CNIR emissions total, calling for that figure to be cut by 103 Mt by 2030.

6. The recent budget prescribes a sliding scale of tax credits for carbon capture utilization and storage projects. Most are eligible for 50% credits until 2030, when the credits will be cut by half.

we're going to do to reduce our emissions involves very large-scale capital projects. Some of these are multibillion-dollar construction projects. I would argue that the emissions reduction proposed by Pathways is a very, very aggressive target.

The Pembina Institute, a clean-energy think tank, says emissions from Canada's oil and gas industry need to be reduced by 54% by 2030. (5)

I can only speak for the oil sands, but I would be amazed if the industry could meet that target without shutting in significant production. This industry probably represents 8% to 10% of Canadian GDP. It is a massive contributor to the economy. I think people need to be very thoughtful about what can be done and what the impact would be on the Canadian economy of taking some of those positions.

You've launched three new carbon-capture projects that will roll out over the next five years, costing as much as $3 billion. Do those projects depend on federal CCUS tax credits? (6)

It's really important to remember that almost all of these investments are purely added costs for the industry. They tend not to come with a revenue element. So it's really important that we're focused on competitiveness and that we're not taking steps that other oil-producing countries are not taking. I mean, we're gonna contribute tens of billions of dollars as an industry. That investment tax credit is very important to help the industry make these investments.

Your Bay du Nord offshore project will produce carbon emissions of eight kilograms a barrel, compared to oil sands emissions that are almost nine times higher. What's the future of the oil sands if offshore oil is so much cleaner?

These offshore projects are incredibly low in terms of emissions, but they are extraordinarily expensive. You're building exploration

and production platforms in very deep water, in incredibly challenging weather conditions. In the oil sands, we have 170 billion barrels of producible oil that sit either dozens or several hundred metres under the surface. We have no exploration risk. At Cenovus, our sustaining capital—the amount you need to spend every year to keep your production flat—is between $4 and $6 a barrel. And our operating costs are now below $10 a barrel. Compare that to the significant costs and risks in these deep offshore projects, and it's really easy to understand why the oil sands remain such an important resource. (7)

Does everything then hinge on carbon capture?

Carbon capture is really important in the initial phases, like the first 10 years or so of this decarbonization quest we're on. As we get past 2030, other technologies will start to be more meaningful—things like replacing steam in SAGD, in-situ projects with solvents. (8) As you get into 2040, small modular nuclear reactors in the oil sands would be another obvious way to hugely reduce emissions. I think we'll see increasingly innovative technologies as we head to 2050.

On a different topic, compensation for oil patch execs has gotten some attention recently. Everyone, including you, got big raises this year. (9) What's your take on how oil executives are paid?

For the five years I've been in this industry, there has been a huge difference between the compensation opportunity, which is I think what you're referring to, versus actual compensation. I look at my compensation—about 90% of it is not guaranteed. I have to deliver very specific performance and share price outcomes. Long before I get paid, our shareholders get paid.

Although, among the major Canadian oil and gas producers, Cenovus pays the lowest dividend by far. Why do you return so little money to shareholders? (10)

When oil went down to US$10 a barrel, with the balance sheet as strained as it was, Cenovus really had no choice but to reduce its dividend. Just a few months ago, we doubled it. As we continue to pay down our debt, our plan is to continue to improve and increase shareholder returns. We've also announced a significant share buy-back program that we continue to execute on.

You have projects underway in China, Indonesia, and Newfoundland and Labrador. Which has the most potential?

The Asian projects are all highly attractive projects because gas prices are very high in Asia. But they're of relatively modest scale. (11) We produce about 800,000 barrels of oil a day, so scale is important. On the east coast of Canada, we have a very important decision ahead of us, and that is whether to proceed with the West White Rose project. We're probably a few months away. (12)

The Friday mornings with your Pathways partners—what's the mood of those meetings?

It has been a real eye-opener to see how we've been able to collaborate. My peers are looking at this as sort of the moonshot challenge of our age, for this industry. I would say there's a great energy in the meetings. I actually really enjoy them.

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.*

7. Operating costs for Christina Lake and Foster Creek (two-thirds of Cenovus's oil sands production) are below $10 a barrel of oil equivalent (BOE), with operating costs forecast to be $10.50 to $12. Forecasted costs for its Newfoundland projects are $40 to $45 in 2022.

8. Steam-assisted gravity drainage involves injecting steam into the bitumen to allow it to flow, which requires burning fossil fuels. The alternative solvents method injects a light hydrocarbon into the bitumen to loosen it.

9. CEO compensation at seven major Canadian energy firms jumped more than 21% in 2021, for an average of $13.4 million. Pourbaix's compensation rose 47% to $14 million, including $9.6 million in share and option awards, and a $2.9-million bonus.

10. In late April, Cenovus announced it would triple its base annual dividend from $0.14 per share to $0.42.

11. Cenovus forecasts 42,000 to 48,000 BOE a day from its China project and up to 13,000 BOE a day from Indonesia.

12. At full production, the West White Rose project would produce 50,000 barrels a day.

BIG IDEA

Home advantage

Capital gains on principal residences are beyond the taxman's reach. Is that fair to renters?

Between the mid-1990s, when my wife and I bought an affordable semi in a gentrifying working-class part of Toronto, and today's delusional housing market, I estimate the home's resale value has grown by about $1 million. If we decided to sell, we'd qualify for the capital gains tax exemption for a principal residence because the house is where we live. That means we'd pay no income tax on its increase in value.

By contrast, if we'd chosen to keep renting for all those years and invest the difference in the stock market, not only would our total return likely be lower, but we'd also have to pay taxes on our investment income—at 50% our marginal rate for realized capital gains. (Even if we had invested inside the shelter of an RRSP, we'd have benefitted from annual tax deductions when we made our contributions, but we'd be taxed in full on both the original contributions and all the investment earnings when we draw those funds in retirement.) In other words, homeowner me gets to ensure that $1 million in equity accumulation remains beyond the reach of the taxman, whereas renter/investor me has no such privilege.

This so-called "home ownership bias" in tax codes has been a well-recognized phenomenon for decades. "There have been numerous studies that show that if you include tax benefits, 95% of funding at all levels of government—federal, provincial, municipal—go to homeowners, not renters," says Carolyn Whitzman, a retired professor of urban planning and expert adviser to the Housing Assessment Resource Tools project at the University of British Columbia. Moreover, these benefits tend to be encased in politically bomb-proof armour. "Definitely a third-rail issue," Whitzman says, recalling a raucous debate about reducing Australia's version of the capital gains exemption that played out while she taught at the University of Melbourne.

But as house and condo prices in Canada rise inexorably, at a pace well beyond increases in average household income, it seems reasonable to predict that an ever-larger proportion of the country's population is looking ahead to a lifetime of renting. So, one can ask, why do homeowners get to put their fingers on the scale, even when there's plenty of evidence these benefits are helping to widen the wealth gap between those who own property and those who don't?

In Canada, the principal residence exemption (PRE) dates back to a 1972 tax reform law that represented the culmination of a decade of debate about how to make the national revenue system more equitable for lower-income households. Alongside the PRE, the law provided measures such as deductions for childcare expenses, as well as new taxes on capital gains associated with other investment classes. Such was the temper of the times.

Even today, Ottawa's stated reason for providing the PRE is that it creates a "social benefit." "This measure," a summary of the 1971 bill stated, "recognizes that principal homes are generally purchased to provide basic shelter and not as an investment, and increases flexibility in the housing market by facilitating the movement of families from one principal residence to another in response to their changing circumstances." Given the speculative madness of the real estate market circa 2022, the language is almost shockingly anachronistic.

Homes today are absolutely an asset class. They provide financial security for retirees, income streams for Airbnb hosts or, indirectly, tax-free investment vehicles in the guise of real estate investment trust units. Contrac-

ILLUSTRATION STELLA ZHENG

On June 29, 1997—25 years ago—the first iPhone was released in the U.S., starting at US$499 for the 4GB model. Apple sold 6.1 million devices in the first year

$7.8 BILLION

Projected foregone tax revenue due to the 2022 principal residence exemption

tors, realtors and speculators buy, renovate and flip houses to drive up their resale value, while developers market condos to investors.

And while owners of investment properties don't qualify for the PRE—they must pay tax on any capital gains when they sell or otherwise dispose of the property—that hasn't kept them from trying to use the exemption to avoid a tax hit. Indeed, the matter of determining whether a tax filer can claim the PRE has become a cottage industry for accountants, even as the Canada Revenue Agency and federal tax courts move to clamp down on people trying to pull a fast one.

In this spring's federal budget the government went further, saying it will be introducing new rules to ensure that profits from flipping properties will be taxed "fully and fairly." The Liberals also announced they'll be wading into the sloppy national conversation about the financialization of housing with "a review of housing as an asset class, in order to better understand the role of large corporate players in the market and the impact on Canadian renters and homeowners." However, there's no mention of rethinking the PRE.

That's not only because it would be political suicide—one online poll done before last fall's federal election found more than two-thirds of respondents were opposed to taxing principal-residence capital gains—but also because there's a view among some economists that doing away with the PRE wouldn't accomplish much anyway. "The argument for taxing capital gains on the sale of owner-occupied principal residences is twofold," wrote the C.D. Howe Institute's Jeremy Kronick and Alexandre Laurin in a 2021 policy brief. "First, the argument goes, the tax will decrease demand, putting a stopper on illogical price appreciations. Second, governments are starved for tax revenue, and taxing these gains would help fill that gap. In practice, however, neither of these is likely to play out as expected."

In fact, since the Liberals took office in 2015, the estimated foregone revenue due to the PRE through this year tops $55 billion, according to Department of Finance statistics. By contrast, the budget for the 10-year National Housing Strategy, their much-hyped plan to improve affordability, is $72 billion.

And what about the argument of fairness? If Canadian society is headed in the direction of European countries where large segments of the population live in long-term rentals—after all, while house prices may rise less quickly with higher interest rates, they will never actually go down—why is the tax system not neutral when it comes to one's form of housing?

"I'm pretty favourable to the idea that the tax system should be neutral to the tenure of housing," says Kevin Milligan, a professor of economics at UBC's Vancouver School of Economics. "My instinct as an economist is that we ought to have people making their own choices about how they live, how they work and how they save, rather than having the tax code push them one way or the other."

To that end, Canadian policy makers could begin thinking about some form of rebalancing—such as allowing renters to put more money into tax-free savings accounts as a way of closing the equity-accumulation gap between those who own homes and those who don't. "Maybe there's an argument for that," Milligan says. "That could make some sense for providing an equal opportunity for tax benefits to renters." Of course, such a solution wouldn't help governments fill public coffers in the face of diminishing tax revenues.

As the ranks of renters increase steadily, and the wealth chasm between owners and tenants grows ever wider, the politics of the principal residence exemption might someday soon get flipped, too. **/John Lorinc**

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RBC Future Launch

The Globe and Mail

3,633 Number of emojis approved by the Unicode Consortium as of 2021. Have a unique idea for a new one? Unicode is accepting applications until the end of July

WHAT YOU CAN LEARN FROM...

The Weeknd

There was a moment a decade ago when the musician known as The Weeknd was both everywhere and nowhere. The Torontonian's career popped off with a free mixtape of slinky, hedonistic R&B that seized the attention of fans and critics—all without playing a single concert or revealing who he was. He gradually shed his enigmatic persona, and the Ethiopian-Canadian Abel Tesfaye settled into the role of bona fide pop star. Yet he's managed to keep control of his ever-expanding projects. **/Josh O'Kane**

1 Let the work speak for itself

Tesfaye had been releasing music anonymously online for a couple of years before he dropped *House of Balloons* in 2011. Even with an early co-sign from Drake, he decided to keep up the ruse. It worked. Countless R&B fans scoured the internet for anything they could learn about him, drawing them even closer to his music. By year's end, The Weeknd was one of the most hyped artists in the world.

2 Stay true to yourself and your fans

By building his brand before revealing his true identity, The Weeknd held on to creative control of his work—and fans loved him for it. When he signed to Republic Records in 2012, they worried his vision might be compromised. "This does not mean what you think it means," he assured them on his blog. "You will still get what you fell in love with." A decade later, he still holds on to control, whether it's his 2016 partnership with Puma or his upcoming HBO series *The Idol*—Tesfaye is the co-creator (with *Euphoria*'s Sam Levinson), executive producer and stars in it, too.

3 Stand up for your values

Tesfaye's *Blinding Lights* dethroned Chubby Checker's *The Twist* last year to top Billboard's Greatest Songs of All Time chart. Yet he got zero Grammy nominations for it. Black artists had long been disproportionately ignored, but missing the biggest song of 2020 was even more blatant. Tesfaye blamed the Recording Academy's anonymous nomination committees. The Grammys did away with them within weeks—but he's still boycotting the awards.

4 Spread the wealth

Playing sold-out concerts worldwide, Tesfaye met plenty of Torontonians who'd left the city because of a creative void. So, he and his creative director, La Mar Taylor, teamed up with Scarborough entrepreneur Ahmed Ismail to create HXOUSE, a multidisciplinary incubator on Toronto's waterfront for artists in fashion, music and visual media. The Weeknd's rise has been called improbable; he's making sure the next gen has better odds.

5 Embrace unexpected connections

The 2019 film *Uncut Gems* saw Adam Sandler on an anxiety-riddled ride through New York's diamond district. In it, The Weeknd plays himself as a rising star circa 2012. The role proved astonishingly lucrative: Tesfaye befriended the film's scorer, Oneohtrix Point Never, a relationship that culminated in the 2022 album *Dawn FM*, which might be Tesfaye's best yet. And it wouldn't have happened if he'd just taken his *Uncut Gems* cheque and walked.

ASK AN EXPERT

How do I get my staff on board with post-pandemic hotelling?

If hot-desking is akin to showing up at a hip restaurant in hopes of scoring a table, then hotelling is simply making a reservation first. "Both are a big step away from everyone having a dedicated space," says work futurist Ravin Jesuthasan, co-author of *Work Without Jobs: How to Reboot Your Organization's Work Operating System.* "The pandemic has completely changed the way we work in an office," so ditch the assumption that *of course* everyone aspires to their own space. "The new workplace is for the collaboration, engagement and innovation you can't get at home," he says. Relocate any overhead savings to building a space workers *want* to use, with a mix of larger meeting rooms and comfy nooks. Jesuthasan cautions against mandating minimum in-office hours, though; instead, "you want to create a pull as opposed to a push." Then invest in cool booking software, because unlike first-come-first-served hot-desk options, hotelling done right lets staff know exactly who they'll see on any given day and schedule accordingly. **/Rosemary Counter**

PHOTOGRAPH RICH FURY/GETTY; ILLUSTRATION JOE MCKENDRY

Brookdale Treeland Nurseries flourishes amid Canadians' renewed discovery of gardening

Brookdale is Canada's largest grower of garden plants and a supplier of major home and garden retailers.

Jeff Olsen, owner of Brookdale Treeland Nurseries, comes by his love of growing honestly: He grew up in the family garden plant business, studied horticulture at university and began working for the company in 1992.

It wasn't until after he took over the family business 13 years ago that Mr. Olsen discovered his greatest strength would be helping the bottom line flourish.

Today, Schomberg, Ont.-based Brookdale is one of Canada's largest growers of garden plants, with more than $50-million in annual revenues, and is a supplier of major home and garden retailers such as Home Depot, Loblaws, Costco and Canadian Tire.

It means less time working in the soil, but Mr. Olsen, the company's president and chief executive officer, doesn't mind.

"I thought I would be working with plants my whole life and I still do as much as I can, but most of my time these days is spent on business development, numbers, accountants, and lawyers," he says with a laugh.

The company's modest roots began with the 1911 founding of Brookdale Kingsway Nurseries, which merged in 1983 with Treeland Wholesale Nursery, a landscape contractor supply business founded in 1977 by Mr. Olsen's father, Paul.

The merged business grew rapidly until the recession in the mid-1990s curtailed demand from the landscape sector. Fortunately, the Olsens saw salvation in the Canadian arrival of big-box retailers.

"Mass merchant retail came into the Canadian marketplace, starting with home improvement stores and then moving over to grocery stores," Mr. Olsen says. "It seemed like every large retail chain was adding a garden centre to its stores, so we shifted focus from landscape supply to retail supply."

Mr. Olsen also took a different approach to running the business when he bought it from his father and his two partners in 2009, deciding the most important investment would be in management.

"We took the approach years ago that we were going to have a professional management team run the business, which is different than so many people in our space where they're really small family businesses," he says.

Under the direction of Mr. Olsen, the company made several acquisitions and now has multiple nurseries in Ontario and British Columbia. It also developed a Christmas market and live holiday décor, outdoor décor and greenery has become a booming second season.

Then COVID-19 arrived, just ahead of the pivotal spring season.

"We only have four to six weeks where we do all of our spring business and in March 2020, we were filling our greenhouses, getting ready for the season," he says. "Everything came to a stop immediately."

Most of its retail customers were closed and the company, which employs about 160 full-time employees and more than 600 people during peak season, laid off staff.

Mr. Olsen, as part of the executive board and COVID-19 task force of Landscape Ontario Horticultural Trades Association, lobbied hard – and ultimately successfully – for outdoor garden retail to re-open.

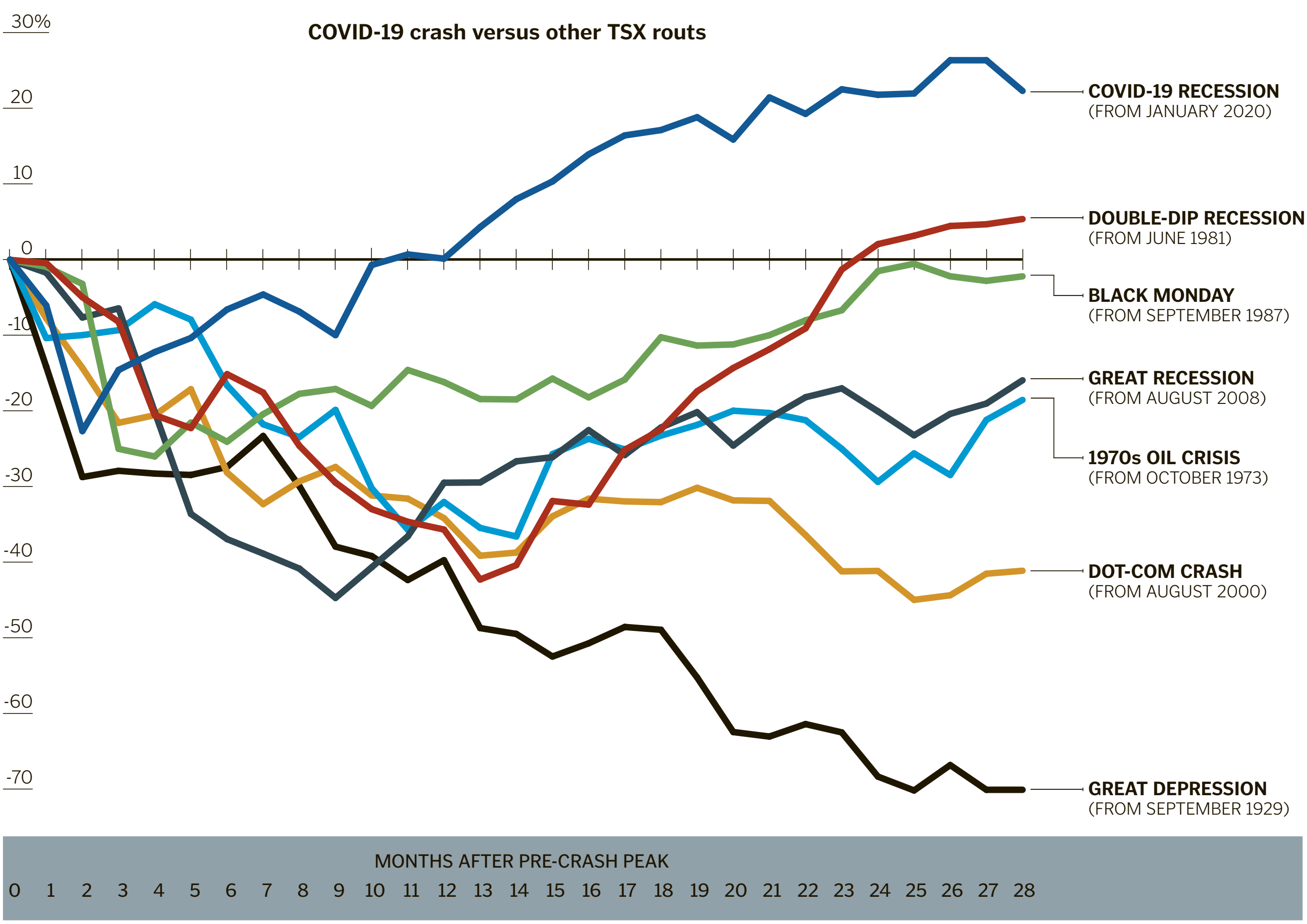
"All of a sudden, gardening became the most popular hobby. Demand was very strong," he says. "We brought millions of young Canadians to our industry for the first time in 2020 and they came back in 2021. We expect that they will be customers for life as gardening begins as a hobby, becomes a passion that turns into an obsession."

An online sales platform, which up to that point had not been a big part of the business, became essential with Brookdale responsible for online fulfilment for both Home Depot and Walmart in Canada, Costco in Canada and the U.S. and Lowes in the U.S.

Revenues hit $53-million in 2021, up 70 per cent from five years earlier. Centralized management with daily reporting on key metrics such as labour and transport were key to managing the surge, says Mr. Olsen.

"The work that we had done for five-to-six years prior in building a professional group really came to fruition because we had the infrastructure, we had the team, and we were able to flourish through it," Mr. Olsen says.

Goldman Sachs CEO **David Solomon**, a.k.a. D-Sol, will DJ at Chicago's Lollapalooza music fest in July. His 2021 Goldman compensation was US$35 million. His DJing fee will go to charity



DECODER

YOU CALL THAT A CRASH?

The COVID-19 pandemic has been awful in almost every conceivable way—more than 6.2 million dead, countless businesses destroyed, government finances in shambles, and the mental health of a generation of kids scarred in ways we may not fully understand for years. Awful in almost every conceivable way—except, that is, for investors.

In the early weeks of the crisis, as lockdowns took effect and comparisons to the Great Depression abounded, central banks, including the Bank of Canada, slashed interest rates to zero and launched quantitative easing measures that saw central-bank balance sheets nearly double to US$27 trillion. The effect of all that monetary stimulus on asset prices, like real estate and stocks, was immediate.

From the middle of March 2020, when the shock of the unknown gripped the world—exactly how does a global economy turn off, then reboot itself?—markets began to explode; save for a few pauses along the way, they haven't looked back. And the Toronto Stock Exchange, with its heavy weighting in natural resources, has been a relative outperformer over the past year, especially as the Russia-Ukraine war kicked commodity prices into overdrive.

Still, it's hard to appreciate how supercharged markets have been until you compare this post-recession cycle against past downturns and recoveries. Over the past 50 years, only in the case of the double-dip recession in the 1980s was the market back in the black at this stage of the recovery, and that rebound was much more subdued than what we've seen since 2020. (We also included the market performance after the 1929 crash for perspective.)

Will it last? At press time in early May, investors were clearly being shaken by the rapid pace at which central banks appeared to be planning to withdraw stimulus from the economy, leading some economists to warn of another recession. If that happens, the most confounding market recovery in decades could become a distant memory. **/Jason Kirby**

SOURCE STATISTICS CANADA, S&P CAPITAL IQ

How Hatch is helping drive positive change

Over its 65-year history, Hatch has become a Canadian-made global success story by empowering its people while staying true to its mission to produce positive change.

The private, employee-owned company offers engineering consulting and project implementation services for the mining, energy and infrastructure sectors. Today, Mississauga, Ont.-based Hatch employs more than 9,000 professionals in 150 countries, including roughly 4,000 in Canada.

"Most of the projects we deliver are necessary to bring positive change to the world," says Randy McMeekin, Hatch's global managing director of engineering.

For example, Hatch's mining practice is heavily focused on lithium projects that can increase battery supply and ultimately power the green energy revolution.

"We're involved in the majority of the lithium projects in the world," Mr. McMeekin says. "We're very proud of that."

Its energy practice focuses on green energy production and storage, such as pumped-storage hydroelectricity solutions, as well as innovations in nuclear power, like small modular reactors (SMRs) that provide an affordable, safe, renewable energy source.

Hatch's exceptional, diverse teams combine vast engineering and business knowledge, applying them to the world's toughest challenges.

"We're on the forefront of SMR design and implementation," Mr. McMeekin says.

Hatch similarly champions sustainable transportation solutions through its work in urban solutions and infrastructure, including most of the Metrolinx projects in the Greater Toronto Area and 80 other major tunnelling projects around the world.

In recent years, the company has expanded its work from project development to ongoing management and business support.

"Hatch has the unique ability to provide leading-edge digital project delivery solutions, as well as novel digital applications for operations. This allows our clients to engineer and construct their asset as cost-effectively as possible, and then operate it for decades with unprecedented efficiency," Mr. McMeekin says. "At Hatch we consider ourselves 'life cyclists.' We go beyond engineering and bring unique operation and advisory skills to help our client's entire business. That's one of the things that makes us special."

He says the company owes much of its success to the talent it employs, as well as its management structure and internal culture. As a mission-oriented company, Hatch hires skilled professionals who believe in its values and empowers them to put those skills to use in ways that make a lasting difference.

"We don't have a complicated organization chart; it's a very flat hierarchy. We form teams globally, bringing the right expertise that our clients need," Mr. McMeekin explains. "There's no rigid chain of command; people are empowered and enabled to bring their best thinking to really hard problems. Every voice is heard."

The company – which operates in traditionally male-dominated sectors like engineering, mining, construction and professional services – is also committed to improving diversity and inclusion within its ranks and the industry more broadly.

"We have achieved great success in attracting a wide diversity of gender and race, and we believe it's incredibly important to bring plurality of thought to our client's challenges. We create an environment where diversity and inclusion are embraced," Mr. McMeekin says. "We've made great strides and we're committed to continuously improving in this space."

Hatch remains heavily involved in tackling some of the world's greatest challenges, and Mr. McMeekin says the company will continue to do so.

"The world is facing big challenges, with climate change perhaps being the biggest. Hatch is directly involved in solving these challenges, on the front lines," he says. "Our vision is the pursuit of a better world through positive change – and we are all committed to that."

FOR YOUR CONSIDERATION

WESTSHORE TERMINALS INVESTMENT CORP.
VANCOUVER

REVENUE (2021) **$340.5 MILLION**

PROFIT (2021) **$107.8 MILLION**

THREE-YEAR SHARE PRICE GAIN **67%**

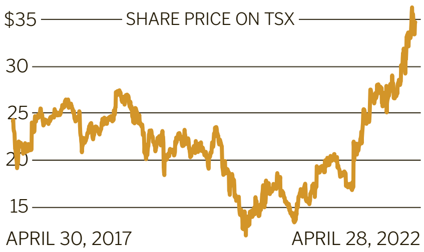
P/E RATIO (TRAILING) **20.4**

Coal has been powering economies for more than 300 years, both as fuel and as a key input in steelmaking. Despite protests from environmentalists, it won't be phased out soon. To ship it overseas from Canada's largest coal mines in the West, there are just three terminals to choose from: Ridley Terminals, Neptune Bulk Terminals, and the larger and lone publicly traded alternative, Westshore Terminals Investment Corp., south of Vancouver.

Westshore is one of those glamour-challenged companies that keeps delivering profits year after year, amid cyclical resource markets, a pandemic and occasional criticism from climate activists. One shareholder who takes it all in stride is also Westshore's largest: 93-year-old billionaire Jim Pattison, whose companies held 37.9% of Westshore as of March and have owned a large stake since the early 1990s. "It's obviously a unique asset," says Nick Desmarais, Westshore's secretary and vice-president of corporate development, and managing director of legal services for Jim Pattison Group. "They don't build new ports anymore."

Total coal shipments have been relatively constant for a decade at 25 million to 30 million tonnes a year. But the mix of steelmaking coal and thermal coal burned for heat and power varies widely, from about one-quarter thermal in 2016 to just over half in 2021. The customer mix and needs change, too, and there are seasonal ups and downs. "We're always adjusting," says Desmarais.

WESTSHORE TERMINALS INVESTMENT CORP.
PAST FIVE YEARS



Westshore's customers are large coal mines in Canada, and it ships their output to buyers overseas. Desmarais says that, historically, the company has maintained a basic profit margin of 40% to 45%, which allows for reinvestment.

Japan, South Korea and China are the largest buyers, and more than 80% of the thermal coal goes to government utilities in Japan, South Korea and Chile. Desmarais says Westshore understands thermal coal will eventually be replaced, but it'll take a while. "These countries don't have the luxury of wind and solar," Desmarais says—or at least not enough of it yet.

And Westshore is diversifying. It completed $240 million in upgrades from 2014 to 2019. Last July, it reached an agreement with global mining giant BHP Group to provide port services until 2051 for millions of tonnes of annual potash exports from the $7.5-billion first phase of BHP's giant Jansen mine in Saskatchewan. Pattison Group has been a committed long-term investor in Westshore, and it still looks very satisfied. **/John Daly**

FOMO INVESTING

5 things we learned from Brian Mosoff

Cryptocurrency is an estimated US$3-trillion asset class, and U.S. and Canadian regulators have stepped up efforts to develop comprehensive rules for it. Mosoff is CEO of Toronto-based Ether Capital, which went public in 2018. Whatever crypto's remaining outsider-nerd-disrupter appeal, Mosoff says companies crave regulatory certainty: "It's been too many years of too many businesses sitting in a grey area, wanting to be good actors but not knowing how to comply." **/JD**

1. On March 9, the Biden administration issued an executive order directing various U.S. federal departments to report on the risks and benefits of crypto, and how to regulate it. Mosoff says that's encouraging. "The asset class is no longer this tiny kindergarten toy, and it's time to figure out what national strategies are going to be."

2. The big constitutional hurdle in Canada: The securities industry is provincially regulated. Ontario's Capital Markets Modernization Taskforce, for one, included many recommendations on crytpo in its January 2021 report. But Mosoff says a national strategy is a long way off: "You're not just dealing with one beast here. You're dealing with a number of them."

3. In March, 11 leading Canadian companies—including Wealthsimple, Ether Capital, Dapper Labs and Bitbuy owner WonderFi—formed the Canadian Web3 Council to help position the country as a leader in crypto, blockchain and related tech. "All the conversations we've had with regulators have been very siloed," Mosoff says. "The trade association will try to streamline them."

4. Even without comprehensive regulations, Canada has notched some impressive firsts. The biggest so far: the world's first Bitcoin exchange-traded fund, from Toronto's Purpose Investments, which the OSC approved in early 2021. "They still don't have true spot-trade ETFs in the U.S.," says Mosoff.

5. Regulators may need entirely new structures for crypto. "Things like access to DeFi [decentralized financial arrangements not involving intermediaries], staking [allowing a blockchain to put your crypto to work and paying a yield], access to stablecoins [designed to have a relatively stable price]—that stuff has been held back because platforms are afraid of being offside," says Mosoff.

PHOTOGRAPH ISTOCK

How Trudell Medical retains its family values as a global conglomerate

George Baran, executive chair, outside the headquarters of the century-old company in London, Ont.

In the century since London, Ont.-based Trudell Medical Ltd. was founded, the health care devices company has grown into a global conglomerate with six operating companies and more than 400 patents, doing business in 110-plus countries. Over the years the company has invested heavily in product and process research and development and has improved the quality of patients' lives around the world.

Trudell remains a family business at its heart, and that is the key to its success, says George Baran, executive chair, whose great grandfather on his mother's side started the company in 1922 to supply religious artifacts and medical supplies to the Sisters of St. Joseph, which ran St. Joseph's Hospital in London, Ont.

"My father, Mitchell Baran, purchased it from my mother's side of the family, so it's actually been in two families; but they're both my ancestors so you can say it's the same family for 100 years," Mr. Baran says. "While we've modernized the company in many ways, we have maintained the family values."

For example, when the company decided to replace its plant in Plattsburgh, N.Y., with a modernized facility, it had the opportunity to relocate. It made sense to consider a location closer to customers and better situated for transport. But Trudell chose to rebuild in Plattsburgh, in large part because that's where its employees had built their lives.

"We owe a lot of credit to our employees who have worked very hard to make us as successful as we have been," he says. "We chose to reinvest in Plattsburgh because of our loyalty to the people who work there."

Mr. Baran credits Trudell's management team with making the company a sector leader by driving innovation and creating a culture where every employee feels motivated to contribute.

Trudell Medical Limited is the holding company that serves as a corporate resource for its various subsidiaries, but each one operates independently with oversight from the parent company.

Mr. Baran says the health care business is changing and information and data are the future. It's why Trudell recently invested in its digital strategy by acquiring Aetonix Systems Inc., an Ottawa-based virtual care company that allows the patient, family, caregivers, and the clinical care team to share data and communicate in real time. Trudell also has investments in digital medical device companies in Poland and Australia. Trudell has investments in several startup companies in e-health and medical device technology through its Barvest Ventures Inc. affiliate.

"Trudell views technology as a vehicle to improve patient care, the patient's experience, and their connection to their care team," Mr. Baran says. "Technology can provide the care team with improved access to necessary information and can improve visibility and accountability for patient care and treatment decisions. Despite technological change and economic pressures on the healthcare systems, we must remain focused on the patient to be successful."

He adds the company is continuously innovating to stay ahead in the increasingly competitive health care industry.

"Although we've been around a long time, and we're a good-sized company and leader in our market segment, we have a degree of humility," Mr. Baran says. "We realize we can't rest on our laurels. We've got to continually reinvent ourselves and keep up with environmental changes and not become arrogant or complacent."

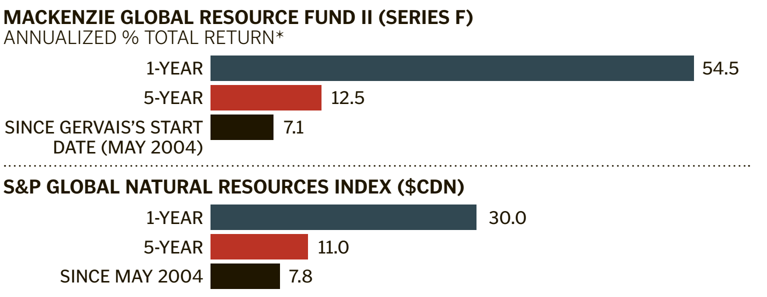
SMART MONEY

BENOIT GERVAIS

SENIOR VICE-PRESIDENT, PORTFOLIO MANAGER, HEAD OF THE RESOURCE TEAM
MACKENZIE INVESTMENTS

Benoit Gervais began his career during the last commodity boom and wasn't prepared for a 13-year bear market that ended in early 2021. Many resource funds shuttered and peers lost their jobs. But Gervais, 48, and co-manager Onno Rutten retooled their resource funds so they all took on a global and sustainable investing approach. The assets of their five funds total $1.5 billion and include Mackenzie Global Resource II. It has always had a world mandate, and has outpaced the S&P Global Natural Resources Index over five years and almost matched it since Gervais started running the fund in 2004. We asked him why he uses environmental, social and governance (ESG) criteria and is bullish on natural gas producer Tourmaline Oil.

Resource funds aren't seen as ESG-friendly. What's behind your strategy?
That thinking was always present, but we now take a quantitative approach. We have a dedicated ESG analyst and do sustainability benchmarking. For environmental performance, we want to see progress and comparison with peers. To summarize, I want the improvers. People may buy shares of electric-vehicle maker Tesla to deal with climate change, but I say you have a far bigger impact buying shares of commodity companies to incentivize them to be cleaner. We own Alcoa, an aluminum producer that draws power from renewable energy, versus Aluminum Corp. of China, which uses coal. There isn't a difference in commodity prices between good and bad actors yet, but the Russia-Ukraine war is bringing that awareness to the forefront. In the future, the ESG-friendly resource companies should benefit. That's the opportunity.
China's growth fuelled the commodity supercycle of the 2000s decade. Given the recent resource-stock rally, are we in a new one?
I think we're at the beginning of a new supercycle with tailwinds from climate change and onshoring. Higher commodity prices will stem from the green movement—we call it the green premium. But commodities are not created equal. Copper, natural gas and lumber will have a supercycle, but if we talk about steel, I would say that it only applies to clean steel.
What commodity are you most bullish on?
Natural gas. Our team sees a 50% increase in global gas consumption from now to 2035. It's the least offensive fossil fuel and is needed to supplement the grid because renewables like wind power are intermittent. We like Tourmaline Oil. It's an ESG-friendly Canadian producer. It begins exports to a U.S. liquified natural gas terminal next year and should supply another terminal in Kitimat, B.C., once it's completed. Its management team is also focused on returning cash to shareholders through regular and special dividends.
What about oil?
Oil's growth will abate, but ESG-friendly oil will still be instrumental in the energy transition. I see a solid decade, or two business cycles, for oil companies, but the market is valuing them for less time than that. I own oil stocks because of the attractive valuation. We like Canadian Natural Resources. It has disciplined management that's highly focused on reducing emissions.
West Fraser Timber and Interfor are among your holdings. Why do you like these forestry stocks when rising interest rates can hurt the housing market?
Rising rates are a headwind, but this is a longer-term play with tailwinds. There is still a housing shortage in just about every North American market. And lumber is a construction material that is environmentally friendly. Wood can sequester carbon and become a substitute for CO_2-rich cement.
You also run the Mackenzie Precious Metals Fund. What's your outlook for gold given a growing interest in bitcoin as "digital gold"?
I have been selling gold equities and gold bullion as one way to insure portfolios against the loss of purchasing power—particularly those with a lot of fixed-income investments. I don't want to claim that bitcoin may not be insurance, but it hasn't been tested yet. Given the regulatory risk with bitcoin and price behaviour that's highly correlated with speculative assets, I don't think that's a good use for your money. **/Shirley Won**



* RETURNS TO MAR. 31, 2022; SOURCE: MORNINGSTAR DIRECT

PHOTOGRAPH EBTI NABAG

How workplace equity, diversity and inclusion practices foster mental health

To work effectively, EDI initiatives need buy-in from the top

Nearly every company has put together a policy on equity, diversity and inclusion – but what do these terms really mean? Salwa Salek, chief equity, diversity, and inclusion officer at Desjardins Group, believes that it's about accepting people for who they are and guaranteeing the same treatment for everyone.

"Having EDI [equity, diversity and inclusion] in our organizations gives us an opportunity to rebalance and ensure that everyone is treated fairly by addressing barriers and ideologies," Ms. Salek explains. "As our society becomes more diverse, it ensures that the company is able to tap into all the best talent and perspectives."

More than just a moral imperative, it's become clear that organizations with a strong EDI plan outperform their competitors, Ms. Salek adds. These companies report higher revenues, happier and healthier employees, less turnover, increased productivity, greater innovation, and more creativity.

Positive mental health outcomes are also a welcome benefit of prioritizing equity, diversity and inclusion, says Charmaine Alexander, a plan sponsor service advisor in disability management and prevention at Desjardins Insurance. Ms. Alexander is also a certified mental health first aid facilitator through the Mental Health Commission of Canada.

"Teams that have a lived experience of EDI understand that their workplace is safe," says Ms. Alexander. "When they feel that their employer has taken the time to educate people and leaders about equity, diversity and inclusion, employees feel that their individual voices are being heard. Employees want to contribute and be a part of their employer's success."

Ignoring equity, diversity and inclusion can have negative ramifications on employee mental health. "If you feel that you aren't being treated equally, you might hold back," she says. "You may not feel safe to voice opinions. That has a direct effect on mental health."

Desjardins Insurance understands that strong mental health supports and EDI initiatives are something that employees are looking for in their employers. "Previously, people were motivated by salary, by title or by position, but that's not the case anymore, especially through the pandemic," Ms. Alexander explains.

PUTTING EDI PLANS INTO PLACE

Ms. Salek says that successful EDI plans start at the top with chief executive officers who include those principles in the organization's top priorities. "As much as we have committed to a top-down approach with our EDI goals, we count on every person, at every level, and all those who engage with us, to contribute to this eco-system," she says.

Equity, diversity and inclusion practices aren't just about hosting a workshop or making some additions to your company policies. They're about creating a new ecosystem in your organization. To start, Ms. Salek suggests creating a plan and prioritizing it.

"Ensure buy-in from leadership and hold them accountable," she says. "It is a business concern if we want to hold on to employees in a competitive market where millennials choose their employers based on their values. We won't be sustainable if we can't retain them."

Once plans are put in motion, there should also be a system in place to collect and analyze data. "Listen to your employees to understand what you have and where you need to go," Ms. Salek says. "That will serve as the measure of your EDI efforts." She also reminds leaders that EDI must address equity, diversity and inclusion in equal measure. A diverse workforce that is not treated equitably or made to feel included won't move the needle. "They must all be present with every action taken," Ms. Salek explains.

Leaders can also look outside their organization to trusted partners in EDI to help enhance initiatives and offerings. Catalyst, the BlackNorth Initiative and Pride at Work are three great non-profit organizations to engage with, Ms. Salek suggests.

Ms. Alexander adds that EDI and mental health can "no longer be pushed to the background."

"Employers can't say 'we'll deal with that later' or 'we'll wait until we have more money or more resources' – the pandemic has pushed these issues to the forefront," explains Alexander. "You can still start introducing EDI practices – even small changes can make an impact."

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.

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CANADA'S BEST MANAGED COMPANIES 2022

PHOTOGRAPH DANIEL EHRENWORTH

Since 1993, the Best Managed Companies list, presented by Deloitte, has recognized excellence among private Canadian-owned enterprises. This year, we profile 29 newcomers in a wide range of industries, from retail to dentistry to horticulture—plus one $5-billion-a-year metals manufacturer with 5,500 employees and 85 outposts in North America. The companies that made the cut join 452 repeat winners that must requalify each year to stay on the list. To read more about the methodology, see page 48.

BMC

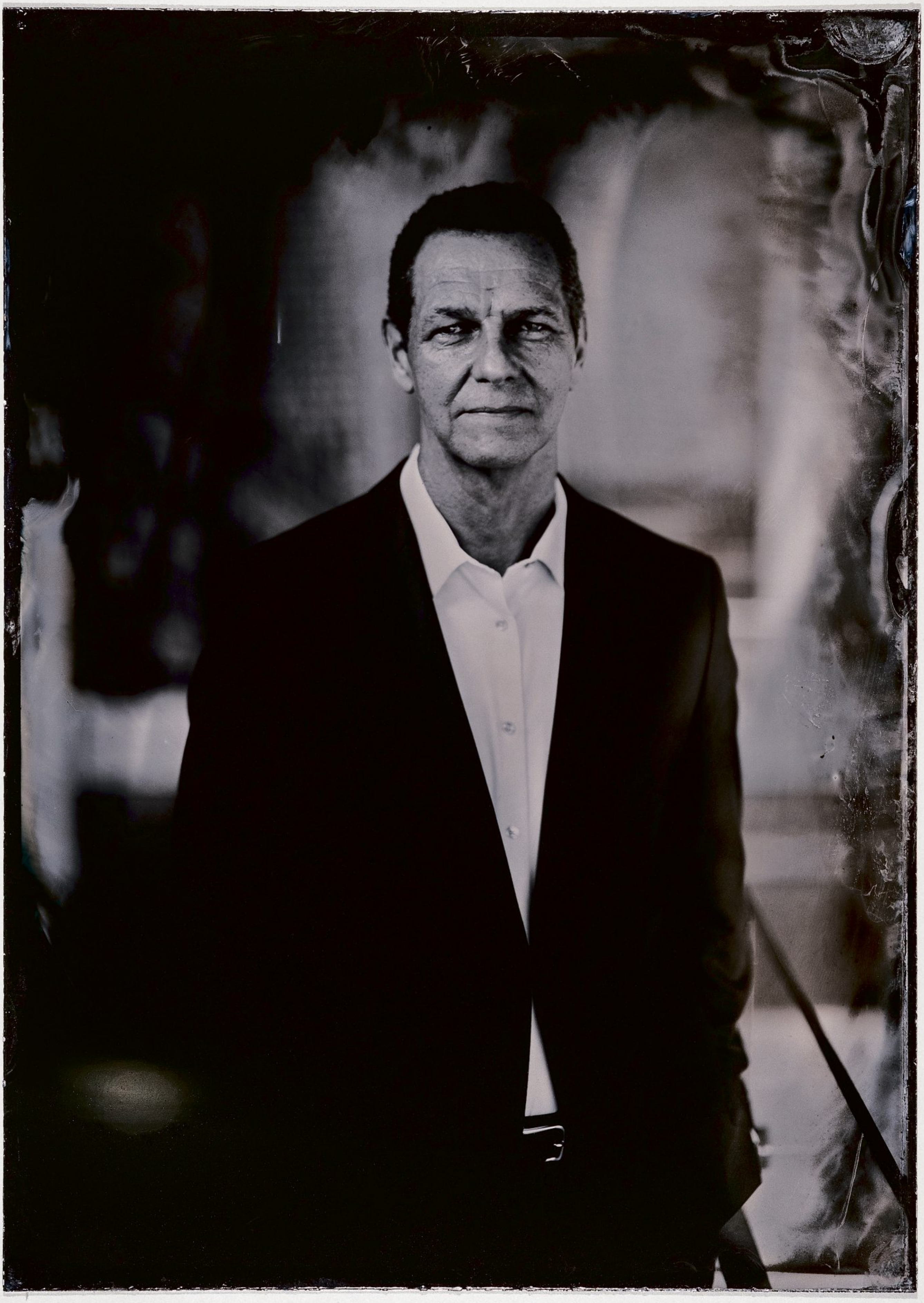
Colin Osborne, Samuel's outsider CEO

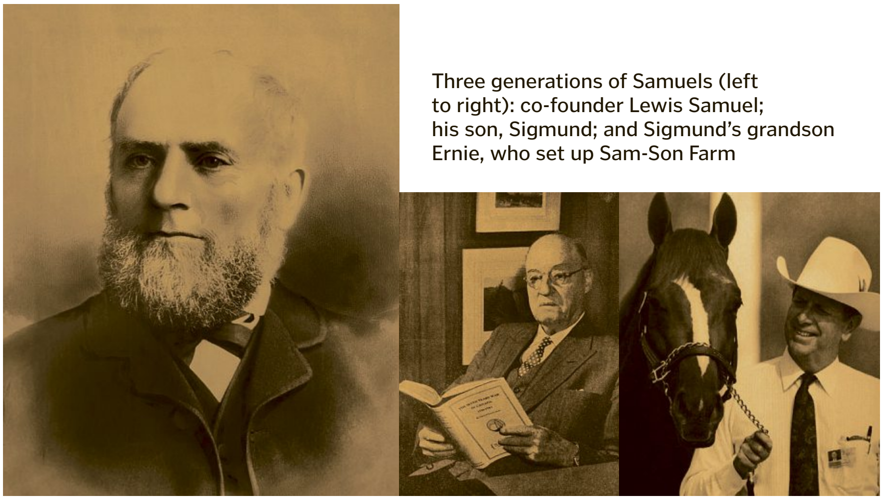
NERVES OF STEEL

Giant metals manufacturer Samuel, Son & Co. has survived for five generations (and landed a spot on the 2022 Canada's Best Managed Companies list) by being a family-owned firm with none of the drama

BY JOE CASTALDO

PHOTOGRAPH BY PHILLIP CHIN





Three generations of Samuels (left to right): co-founder Lewis Samuel; his son, Sigmund; and Sigmund's grandson Ernie, who set up Sam-Son Farm

Karen Fenton joined Samuel, Son & Co. in 2008 and almost felt like she'd slipped back in time to the mid-1970s. The head office was filled with workers in blue suits and ties. Layers of management were stacked atop one another like sediment on a cliff face, while the company president stood at the summit and made most of the decisions. The human resources department, where Fenton worked, was not viewed as a partner within the organization, but more like a kid sibling to be kept busy with perfunctory tasks. She was only there because Samuel had purchased her employer, a processor of flat-rolled metal products, and she didn't know if she wanted to stay.

But Fenton did stay, and earlier this year she was appointed chief people officer of Samuel, an industrial manufacturer and metals company. In the nearly 15 years since, she's witnessed and participated in its transformation—Samuel is less hierarchical, it moves faster, and more employees can make their own decisions. "It's a world away from where we were before," she says. Fenton is careful not to criticize too much. "That's not to say we were in a bad place," she clarifies. After all, Samuel has existed for longer than Canada has been a country. Clearly, it's been doing a lot of things right. It's just that when a company is 167 years old, some refreshing can be in order.

Founded by the brothers Samuel in 1855, the firm is one of those unglamourous and unsung industrial stalwarts that flies below the radar while wielding a sizable presence. Samuel, based in Oakville, Ont., employs about 5,500 people in Canada, the U.S. and Mexico. It has around 85 facilities—at least one in every province, six in Mexico, and more than 40 in the U.S. At any given time, some two million tons of metal are coursing through its operations, servicing customers in industries spanning automotive, aerospace, defence and construction.

It does just about everything you can think of with steel and aluminum. Samuel will polish it, pickle it, shape it, or flatten it to a level plane. It churns out parts for electric vehicle manufacturers; uncoupling levers for rail cars; sub-assemblies for aircraft; aluminum extrusions for windows, doors and RVs; tanks and pressure vessels for oil and gas storage; and custom components loaded on to satellites and blasted into space. You get the picture—unexciting fabricated components and industrial services without which many businesses could not function. Oh, it also has a printing and labelling group, and a transportation and logistics company tucked in there.

Samuel has proven adept at forecasting industrial trends and placing smart bets. Its biggest customer, for example, is Tesla—not just in its automotive group, but overall. Samuel now churns out aluminum panels that later get turned into doors, roofs and hoods for other electric vehicle makers, including Rivian, Lucid, BMW and Toyota.

It adds up to a conglomerate that generates about $5 billion in annual revenue. "It's one of the most complex makeups of an industrial company of its size that I've ever seen," says Colin Osborne, Samuel's president and CEO. Osborne is only the sixth CEO in the company's long history. For much of its existence, Samuel has been run day-to-day by an actual Samuel, and its first non-family CEO was only appointed in 2000. The company is still family-owned, now by the fifth generation of Samuels, who have ranked among the wealthiest families in Canada. (Their net worth was estimated at $1.6 billion in 2016.)

Family businesses don't have the best reputations these days. The stereotype is that they are riven with jealousy, animosity and petty squabbling. Recall the turmoil at Rogers Communications Inc. last year, which pitted chair Edward Rogers against his mother and his sisters, and led to a bizarre situation in which two rival boards of directors claimed authority over the telecom firm.

Samuel hasn't lasted this long despite being family-owned, but because of it. The stability and long-term view that family ownership can bring has enabled Samuel to do things that a publicly held corporation might have a harder time justifying to shareholders, even if its corporate culture has lagged until more recently. On that front, Osborne says it's a little ironic Samuel has been named one of Canada's Best Managed Companies: "What I'm really trying to do is manage less."

Today, Samuel, Son & Co. has three equal owners: siblings Mark and Kim Samuel, and Rick Balaz, a retired Samuel executive who was married to their sister, Tammy. In 2008, Tammy died of cancer, and her stake went to Balaz.

PHOTOGRAPHS COURTESY SAMUEL & SONS

The fifth generation (counter-clockwise from top): Mark Samuel, his sister Kim Samuel, Rick Balaz and Tammy Balaz—Rick's wife, and Mark and Kim's sister, who died in 2008

The three do get along, in case you were wondering. "It's really important that we respect each other," says Kim, 62. "That doesn't mean we don't have disagreements, either. That's one of the responsibilities, to make sure that your differences never get in the way of the business."

That business began with her great-great-grandfather and his brother, Lewis and Mark Samuel, who left Britain and set up shop in what's now downtown Toronto in 1855 to import and export steel. The company, M&L Samuel, was eventually taken over by Lewis's son, Sigmund, who renamed it Samuel, Son & Co. and opened a branch in Montreal.

By the early 1960s, Samuel was a \$6-million company that primarily housed and distributed steel. Sigmund died in 1962, and his grandson Ernie took over. He wasn't born a Samuel—he was a Willinsky, after his father. Ernie's parents divorced when he was young, and he and his mother moved in with Sigmund. He asked his grandson to legally assume the Samuel name, and after graduating from the engineering program at the University of Toronto, Ernie joined the company.

A tall, debonair man with the uncanny ability to recall everybody's name, Ernie took Samuel in new directions. He started a packaging business, a transportation arm (he named it KimTam, after his daughters) and branched into manufacturing, a division that was later spun off into a publicly traded company called Samuel Manu-Tech in 1985. (It was brought back in-house in 2010.) Aside from business, Ernie was fanatical about horses and set up a prestigious training and breeding operation called Sam-Son Farm, with outposts in Ontario and Florida. On race days, Ernie could be spotted in a cowboy hat, surveying the track with binoculars.

Ernie suffered a severe brain injury in 1997 and fell into a coma for three months. Though he recovered, he had to step back. In 2000, his wife, Elizabeth, became chair of Samuel, and the company appointed its first outside CEO. Mark, meanwhile, became CEO of the publicly traded manufacturing company. Ernie died of cancer that same year at age 69.

Tammy took over the horse farm, and in 2006, Mark became chair of the company. Kim, meanwhile, was already running the family's charitable foundation. Growing up, she was never expected to go into the business. "It's always bugged me a bit that there was not an expectation," she says, adding she believes it was partly because of her gender. Kim worked at Samuel during the summers while studying geography at U of T, and later in trade negotiations during the drafting of the North American Free Trade Agreement. She returned to Samuel to develop an environmental compliance and sustainability structure before taking over the foundation. (In 2017, she founded the Samuel Centre for Social Connectedness, a non-profit focused on overcoming social isolation.)

Mark also worked at Samuel from a young age and then set off to complete a degree in history and literature at Harvard University. His plan was to take a job in management consulting before pursuing an MBA, but when Ernie suffered a mild heart attack in 1986, Mark returned to Canada to work for the family firm. He never left, taking on increasingly senior positions. In 2006, he became chair of the parent firm, overseeing a period in which Samuel expanded in Mexico, weathered a recession and branched into new areas of manufacturing.

Importantly, all three owners have been willing to let outside professional managers do their jobs. Mark, for example, was CEO of Samuel Manu-Tech when the parent company privatized it in 2010. After the transaction, "there was only room for one senior management team and one CEO," Mark recalled over email. He was content to let Samuel's then-CEO, Wayne Bassett, continue running things, while he focused on being executive chair. Similarly, after Samuel brought in a new CEO, Rick Balaz felt it was time to retire in 2015. "He wanted to make a number of changes, and I sort of felt like I was in the way," Balaz says. "I think it was best for the company."

In recent years, Samuel has implemented governance structures to strengthen the business. Kim advocated for a board with independent directors after Ernie died and ensured they had votes. "I pushed hard within my family that we should have independent directors because it would be good for the business," Kim says. "There wasn't really a reason we hadn't had it before. It just had never really come up."

That Samuel has carried on to the fifth generation is impressive, even if the fragility of family dynasties is perhaps more myth than reality. Take, for example, the third-generation curse, which refers to the grandkids' unique ability to squander their legacy. An article in the Harvard Business Review argued the concept was popularized by a single study from the 1980s, which found only a third of family businesses made it through the second generation. The study focused exclusively on manufacturing companies in Illinois and did not compare family-owned businesses to other kinds of companies.

How the Policaro Group is challenging the automotive experience

Francesco Policaro, CEO, Policaro Group

Francesco Policaro's father immigrated to Canada from southern Italy in the mid-1960s with his two brothers, looking for a better life. They found it after becoming entrepreneurs in the automotive industry, eventually growing the family business into one of the leading luxury automotive retailers in southern Ontario.

The three brothers found their way within the automotive world in Canada, working their way up to land a position on a dealership sales floor. In 1979, they bought into their first Policaro dealership, the seed of what would become Brampton, Ont.-based Policaro Group, a $500-million a year business with just over 400 employees.

It seemed inevitable that Francesco would eventually end up in the automotive industry following his father and uncles' footsteps.

"The first time I ever earned a dollar was because I was able to say the word Honda as a toddler," says Francesco, 45, who began selling vehicles in high school.

But he has approached the business a little differently since taking over as chief executive officer in 2017.

"A lot of who I am today is because of what I learned from my father and uncles," he says. "But also, I think our executive management team and our management style within our organization is very different than what it was because we've grown. I think that's part of the evolution of not only our company, but also management in general."

In 2020, the company sold two dealerships, one Honda and one Toyota, as part of a strategic move away from mass-market automobiles toward luxury vehicles. It recently acquired Jaguar Waterloo, Land Rover Waterloo and Volvo Cars Waterloo, and is building three new dealerships in various Ontario markets: BMW Etobicoke, Porsche Centre Kitchener-Waterloo and Porsche Centre Niagara.

"That, combined with the start of our Policaro Performance Division and our Policaro Leasing Division just last year, makes it the biggest growth phase in our history," he says. "Our ability to do that, and to grow that quickly, is because we've built an organization and a centralized approach that allows us to scale."

Policaro Group has embraced the industry's technological evolution and, earlier this year, an in-house proprietary platform was acquired by Quebec-based Kimoby software and communications development company.

The AI-driven ACE Marktplace software developed by the Group launched as Policaro Access at the height of the pandemic and offered, among many other things, multiple options for purchasing vehicles including home delivery with Uber-like mobile phone tracking technology.

"That platform will hopefully be in thousands of car dealerships across Canada and the United States and that's something that was developed in-house," he says. "That's always been part of our makeup, to try and improve and evolve."

The company has centralized management and a customer- and employee-centric culture, he says.

Recruiting and training are important to delivering above and beyond customer expectations for luxury brands, he says. To do that, Policaro Group offers sector-leading employee benefits such as the Policaro Living Wage for employees starting their careers in automotive and multiple wellness initiatives.

In 2018, the company established the Policaro Foundation, which invests in the future of our youngest and most vulnerable by supporting pediatric centres in hospitals and communities where it has a presence, and the Policaro Fetal Cardiac Fellowship at The Hospital for Sick Children in Toronto.

"We're not just a company that is bottom-line driven," he says.

Policaro Group is still a family business, with 11 members of the second and third generations involved.

"It is built on strong family values," he says. "We look at our own lives and the way that we want to treat each other, our own family, our friends and our communities. These virtues that make a good person, they also make a good company."

A Samuel warehouse in Mississippi, where employees are working on rail cars and heavy construction projects (left); the company's carbon coil inventory field in Hamilton (right)

A different study, published in the journal Royal Society, examined publicly traded firms between 1950 and 2009, and found companies had a half-life of just 10 years, which barely amounts to a generation. Meanwhile, a 2018 study by Credit Suisse found that family-owned firms grow faster and generate better margins than their peers.

What research has generally shown is that family-owned companies have a long-term view and avoid rash moves for a quick payoff. That's something Colin Osborne saw first-hand when he joined Samuel.

An engineering graduate from McGill University, Osborne has always worked in the steel industry, including a stint as COO at Stelco. He was recruited as president of Samuel in 2015, with the agreement that he would also later be its CEO. (He was appointed to that role in 2019.)

Osborne then embarked on an odyssey to learn the ins and outs of the sprawling conglomerate, overseeing all three major divisions (automotive, manufacturing and its metals service centre), visiting every facility and meeting with employees. "When you get to the role of trying to figure out strategy and capital allocation and all those other things, it's not easy unless you understand the product and the end market," he says.

Osborne had two main goals when he joined: set up the company's assets for the long term and update the corporate culture. On the first point, Samuel had made many acquisitions over the years, some more opportunistic than strategic. Taking a hard look at the portfolio and determining where to focus time and money was a necessary task.

He's pushed heavily into aluminum, and Samuel recently decided to invest $85 million to build an extrusion facility in Mexico, across the border from an existing plant. That's on top of a new aluminum plant in Tennessee it opened in 2015 and upgrades to another in Brantford, Ont., a few years later. Both the rapidly growing solar and electric vehicle industries are craving aluminum; in the case of EVs, the metal is lighter than steel, helping to compensate for the added weight of batteries. Samuel formally began its relationship with Tesla in 2017, and Osborne gives the credit to the company's automotive team. "People in our automotive group were quite prescient, like, we see this shift from steel to aluminum, and we need to position ourselves appropriately," Osborne says. Demand for aluminum is so strong that Samuel's sales have surged between 500% and 600% in the past few years.

The company has also branched into additive manufacturing, which is kind of like manufacturing in reverse. Instead of starting with a hunk of metal and whittling away at it, additive manufacturing uses specialized machines that build custom parts from powder. To enter the field, Samuel invested in a local company called Burloak Technologies in 2017 and bought the whole thing three years later. So far, Samuel has built custom parts for satellites, turbines and the nuclear industry. Osborne views it as a disruptive technology—it can produce parts that are virtually impossible to make through other means, it shortens supply chains, and it results in less waste. "The view of the owners was, let's invest in it," Osborne says.

Such investments are made with a long-term view; the plant in Tennessee, for example, wouldn't be profitable for years. That's one of the advantages of working for Samuel, Osborne says. "I never hear people talking about quarterly results."

Company culture was his other major priority. Samuel had already changed for the better over the years. Karen Fenton, in her role in the HR department, pushed hiring managers to consider job candidates who had outside experience—not just, say, experience in the steel industry. When it came to promotions, Samuel reflexively favoured employees with tenure, as opposed to newer workers who might be more deserving. "Over time, we've gotten people to understand that concept and then see the value of bringing great new people in," she says.

Osborne pushed the company toward a more decentralized management structure. He's a big proponent of empowering employees to make decisions. While taking courses at Harvard Business School, he came across a case study about Fred Smith, the founder and CEO of FedEx. "He would tell a story about why FedEx is so agile. If a snowstorm shuts down Chicago, you don't need to have a meeting with a bunch of executives," he says. "The people at the ground level, they understand the intent, which is to get a package there tomorrow."

At Samuel, Osborne wants employees closest to the problem to be making the decisions, a message he keeps reinforcing within the company. About 120 Samuel managers have also attended Thayer Leadership programs at West

How GSoft became the go-to tech company for employee experience

GSoft general manager Martin Gourdeau

Before the pandemic, GSoft's general manager Martin Gourdeau had to explain to friends and family what his company did. Not anymore.

The Montreal-based maker of employee experience software has been in high demand since the pandemic led to the big shift in more people working from home. The company has been fielding a growing number of calls from companies looking to use their software platforms such as ShareGate, Officevibe and Softstart.

While the Montreal-based tech company, created in 2006, is "very much under the radar," Mr. Gourdeau says it's expanding rapidly and aims to hire 200 more staff this year, bringing its total headcount to 500.

"The business is in a really exciting place right now," he says, after taking time in 2021 to "recalibrate" and bring in the right management systems and structure to support its annual 30-per-cent revenue growth goals.

In 2021, the company grew by about 20 to 30 per cent, bringing in more than $100-million in recurring revenue.

"It's a big jump. But it's tied to a strategy," he says. "The way GSoft is positioned in the market right now… we can say the stars have aligned; it's our moment to shine."

GSoft's products are made for a remote or distributed workforce, which quickly became commonplace amid the pandemic.

ShareGate, created in 2009, helps IT administrators migrate their operations to the cloud and effectively use Microsoft 365 and Teams. Officevibe, created in 2013, is an employee engagement tool allowing managers to work better with their teams and gather honest feedback. The newest addition, launched in 2021, is Softstart, an onboarding platform to help companies welcome new staff with ease – whether they come into an office or are remote.

The remote or hybrid workplace, especially for knowledge workers, is here to stay, Mr. Gourdeau adds.

This new work environment is putting "huge pressure" on companies to ensure they have the right technology in place to bring new staff on board, stay on top of employee engagement and provide the right technology tools for efficiency.

"Our products help companies ensure they're well-positioned to capitalize on the latest market trends," he explains.

GSoft plans to expand its product portfolio, which is the focus of its innovation laboratory, GLab. It's where co-founder and chief executive officer Simon De Baene and his team build prototypes of new products they can test in the market.

"We want to keep building a portfolio of products that facilitate work, making it faster and simpler in this distributed work environment," Mr. Gourdeau says.

The company aims to fill gaps between its existing products or expand those programs; or it may acquire products that already exist in the market, he says. For example, the team is looking at in-person office activities that now may have to be replaced with technology.

"We're in the process of defining that list," he says. "The number of opportunities is quite high."

Point Military Academy to upgrade their skills. "You get to critical mass," he says. "Once you get that happening and people start acting that way, it just builds huge momentum." Osborne has seen the results—such as when then U.S. president Donald Trump slapped tariffs on Canadian steel and aluminum in 2018. Samuel pushed decision-making down to each plant and reorganized its supply chain in a few short weeks to mitigate the impact.

Osborne keeps bureaucracy to a minimum and stays updated through a weekly one-hour meeting with senior leaders. He also prepares a separate monthly report for the owners and board. It would be unusual to go a week without getting a phone call from at least one member of the Samuel family, asking about some aspect of the business. "They're very engaged but very happy to leave management to us," Osborne says.

Mark, 58, retired from the board in 2019, and Samuel appointed its first non-family chair. By then, Mark had other priorities: a young family and his role as vice-president of the International Equestrian Federation. (Mark is an accomplished show jumper himself.)

Lately, the three of them have been turning their attention to the future. There are seven family members in the sixth generation, ranging in age from 10 to 30. None are currently employed at Samuel, though Balaz's daughter did work in the marketing division for a time. "That's probably an area where we are weak, and we do have to be more focused on bringing the next generation along," Balaz says. That entails learning about Samuel and understanding their role as future owners.

Looking ahead also forced the family to make a difficult decision. Sam-Son Farm, the horse breeding operation, has always been an odd fit with a steel company. When Ernie started it in 1972, he made it part of the parent firm, rather than hive it off as a separate entity. With both Ernie and Tammy no longer around to tend to it, the farm became even more of an outlier. In 2020, the family decided to disperse its breeding and racing stock, with the intent to wind down operations completely. "Anything we can do to tie up loose ends while we're still able to is a good thing—to be able to hand over a much cleaner business to the kids when the time comes," Balaz says.

History always looms large with Samuel, but it has to keep looking ahead, just as it's done for the past 167 years.

Nicola Wealth's success powered by its people and culture

Jamie Duncan, chief operating officer at Nicola Wealth, says the firm's growth is guided by the principles of teamwork and sharing.

Building a strong corporate culture is a common goal for companies today, but it was less so when Nicola Wealth opened its doors nearly three decades ago.

Founder John Nicola was an industry trailblazer when he built the private wealth management firm on a team-based foundation with the goal of creating shared value for clients and employees.

Mr. Nicola started his namesake firm in 1994 to provide integrated wealth management services with a focus on comprehensive planning – everything from investment management to insurance, tax, business and estate planning – long before this holistic approach became popular in the wealth management sector.

The company further differentiated itself in the industry by establishing a quarterly profit-sharing program that enables all employees to participate in its success. The firm recently evolved this program by introducing an optional employee share purchase program.

"From the beginning, our company was guided by the principles of teamwork and sharing, which has become our foundational value known throughout the company as 'Share the Pie,'" says Jamie Duncan, Nicola Wealth's chief operating officer who has been with the company since its inception.

"We share our best knowledge and expertise with our clients; we work together to build a company that we can all be proud of; and we share the company's success with our people and with our communities, both globally and locally, who need our help."

Two factors that set Nicola Wealth apart: its planning-first approach and pension-style investment strategy that includes alternative assets like real estate and mortgages, private equity and private debt; and a bespoke client experience.

The company has grown from eight employees and $80-million in assets under management to about 400 employees and more than $11.5-billion in assets today.

Growth is a strategic objective for the independent firm with a priority focus on Ontario, both organically and through strategic acquisitions. The company now has multiple offices in the Greater Toronto Area. Nicola Wealth also continues to grow its B.C. operations, including offices in Vancouver, Kelowna and Richmond and plans for a new office in Victoria. Its goal is to become the largest non-bank private wealth counsel firm in Canada by 2025, with $25-billion in assets.

"Surpassing this target will come from executing our mission well, operating in alignment with our corporate values and ensuring that our culture successfully scales with our growth," Ms. Duncan says.

The company's focus on its five strategic pillars will help it get there including: a bespoke client experience; people and culture; corporate growth; investment product and performance; and operational excellence.

She says Nicola Wealth also understands that continuing to deliver a superior client experience through significant growth (it has a 99-per-cent client retention rate to date) requires an equal focus on the employee experience and the culture that supports it.

While culture is everyone's responsibility, the company boasts a strong, experienced People and Culture team who design and deliver solutions that enable people to develop to their full potential while building a robust internal and external talent pipeline for future growth. The philanthropic heart of the company's culture is the Nicola Gives Back Committee, which includes volunteers who support its philanthropic efforts and manage the allocation of corporate donations.

"Our culture and values act as our north star to guide our continued growth and change," Ms. Duncan says. "We're working together to build something meaningful that makes a difference to our clients, our people and our communities. We are committed to ensuring that everybody shares in the success. Who wouldn't want to be a part of this journey?"

MEET THE NEW SCHOOL

The leaders of the latest crop of Canada's Best Managed Companies share the management lessons that have helped them succeed

BY LIZA AGRBA

PHOTOGRAPHS BY DANIEL EHRENWORTH

A healthy culture affords the freedom to take risks

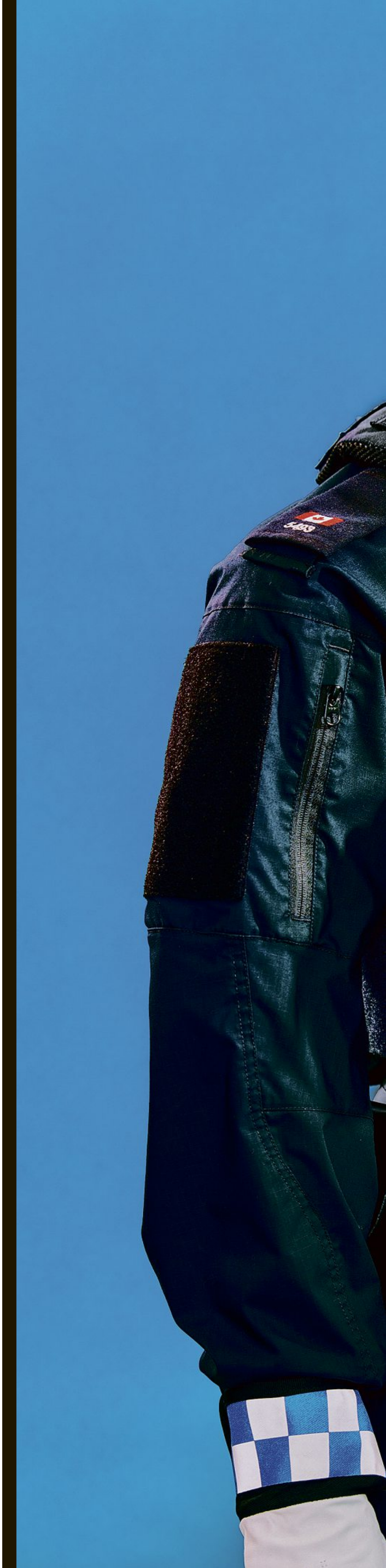
123Dentist
(Toronto and Vancouver)
3,400 team members
250+ practices

Co-founder and CEO Dr. Amin Shivji learned the fundamentals of leadership cutting grass and working at McDonald's. His family emigrated from Tanzania to Vancouver when he was seven and, as a young adult, he took any job he could find. "With each one, I realized the key to success is connecting with others and working on a team," he says. "The relationships I had with colleagues made me want to go to work." A common sentiment, perhaps, but a poignant one for the head of a dentistry network with hundreds of practices and thousands of employees under its umbrella. And how do you know you're in a good relationship, business or otherwise? Permission to make mistakes. Shivji says having a high-performing team means giving people the freedom to take risks. "It won't always work out, but we learn from it, and we move forward. This level of trust and respect is critical to building a strong work culture."

Mentor future leaders early

Adfast Canada Inc.
(Saint-Laurent, Que.)
160 employees
4.4 years average service per employee

Since its founding more than 40 years ago, this adhesive and sealant manufacturer grew from a handful of employees and a small production line to a firm with $70 million in revenue. It's a family business, but no one gets a free ride: Adfast's co-presidents only ascend to their roles after gaining many years of experience. Co-president Cindy Dandurand, granddaughter of Adfast's founder, says mentorship began early in her journey—she started as director of production 16 years ago, before cycling through various departments. "The former president



Logistik Unicorp

(Saint-Jean-sur-Richelieu, Que.)
2,000+ employees
600,000 workers dressed worldwide, including 320,000+ Canadians

When Canadian soldiers and their allies in countries like Australia and Germany suit up for combat or support roles, there's a good chance they'll be wearing gear made by Quebec clothier Logistik Unicorp. Diplomat Louis Bibeau launched the company in 1992, parlaying a small tie maker (which still exists as a separate company called Benart) into a major supplier to the military and other government agencies. The idea that started it all: deliver a turnkey supply solution stretching from product design and manufacturing to inventory management.

Thousands of Canadian Armed Forces members deal with the company directly using online accounts that allow them to punch in their measurements and order everything from shirts to parkas. But its client base goes far beyond that. Logistik provides uniforms and outerwear for Canada Post mail carriers, as well as clothing for parks employees, first responders and transit workers, among others. When some of this business dried up during the pandemic, it won a contract to supply millions of medical-grade protective gowns for health care workers.

Logistik today is working on some high-tech stuff—think radio frequency ID technology. Not surprisingly, the company does a lot of R&D, and it's constantly working on smarter fabrics and greener fibres in an effort to be more sustainable and source raw materials locally. "We just did a trial for milkweed," says Karine Bibeau, Logistik's vice-president of client experience and Louis's daughter. "We're using it for insulation instead of polyester." Used as flotation for downed pilots in World War II, the weed has fallen out of favour in recent decades thanks to synthetic fibres. Now, however, it could see a renaissance thanks to Logistik—coming soon to a uniform near you. **/Nicolas Van Praet**

Bondi Produce & Specialty Foods

(Toronto)
175 employees
8 million packages moved from the warehouse annually

Even the greatest of Ontario chefs can't do much without great ingredients. Increasingly, they go to Bondi Produce & Specialty Foods. Its 80,000-square-foot distribution centre in Toronto—along with a fleet of 40 trucks that deliver to more than 750 restaurants and food service establishments within a 300-mile radius of the city every day—are a long way from the station wagon its founder, Ignazio Bondi, used to deliver the food when he started the business in 1976. But his grandson Ezio Bondi says the principle is the same. "Our mission is to curate and deliver the best produce and specialty food ingredients," says the vice-president and third-generation Bondi. While the company focuses on fresh fruits and vegetables, its roster of products also includes wild and porcini mushrooms, truffles, imported olive oils and "everything in between."

Though the company is still primarily a middleman between farmers and restaurants, it had to take more of an active role once pandemic restrictions caused restaurants to shut down. "We had a bunch of inventory that was dying

on us that we needed to move out," says Bondi. So the company launched its own home delivery service, using a third-party logistics provider to send ingredients directly to home cooks who want their food to be the very best. Like many changes wrought by the pandemic, this one's here to stay. "By no means are we going to become like Grocery Gateway, but we've got a hardcore loyal fan base that supported us through COVID-19," says Bondi, "and we're going to keep the doors open with them."
/Jaime Weinman

stayed on for many years to ensure a progressive and successful transfer," she says. Another secret behind Adfast's success? A history of gender-neutral teams at the helm. "Adfast has always been co-managed by women and men, which permits a wonderful balance of ideas, perspectives and shared decision-making." Two years into her role, Dandurand's father still coaches her and co-president Nicolas Choquet on a daily basis.

Systematize culture and repeat, repeat, repeat

Aquifer Group of Cos.

(Saskatoon)
150 employees
15,000+ inventory SKUs

This Saskatoon-based provider of plumbing, heating and water-treatment products started as a water service company in 1968. As the business grew, organizational culture became increasingly important. In 2017, the company systematized its culture in what it calls the "Aquifer Advantage"—a list of 32 fundamental behaviours, generated with input from staff, that are critical to the long-term success of the business. It's not just collecting dust on a bulletin board somewhere, either. Each week, a single fundamental—like "Treasure, protect and promote our reputation"—is highlighted at internal meetings and sent out in the form of a notice written by a staff member, a role that rotates week to week. Employees even review a scenario highlighting the fundamental's importance and answer a few multiple-choice questions about it. Director Glenn Wig is clearly a firm believer in this old bit of advice: Repetition is the mother of learning.

Keep your values front and centre

Auto Export Corp.

(St. Catharines, Ont.)
180 employees
46% sales growth in 2021

When AEC founder and CEO Andrew Pilsworth made his first sale in 1996, it was on a wing and a prayer. With no inventory to speak of and $200 to his name, a passionate conversation about his rock-solid values philosophy attracted a client and secured an upfront payment of around US$300,000 for 10 trucks from a local dealer. Pilsworth leveraged the profit from that sale into what's now a global automotive solutions provider with 550 retail partners. "I had what I call values equity," he says. "Don't let the lack of monetary equity dissuade you from bringing your ideas to life." Espousing values like kindness, reliability and adaptability might not seem groundbreaking today, but they didn't necessarily reflect the cultural backbone of the average auto exporter in the 1990s. Of course, some values only hold until they're tested; in a testament to AEC's people-first philosophy, it didn't lay off a single employee during the pandemic, helped dealers that had to shut down during lockdown and offered flexible terms to struggling clients.

Make customers' trust your priority

Automobile en Direct.com Inc.

(Saint-Constant, Que.)
465 employees
Projected 2022 sales volume of 20,000 vehicles

Used-car dealers don't always have a reputation for transparency. So this past November, Automobile en Direct—which sells used cars online and owns four dealerships in the Montreal area—made a big move to enhance customer trust. Salespeople became customer experience specialists and shifted to a fixed-salary model rather than one based on commissions. "That way, they're able to advise customers to find a vehicle that meets their real needs, in complete transparency and without a commission influencing the transaction," says founder and CEO Sébastien Bisaillon. And every car on the lot gets a rigorous 200-point inspection before going up for sale. The firm's long-standing focus on trust and openness has garnered it a solid customer base south of the border: Sales to customers in the U.S. represent roughly 50% of its business. "It's a new territory that we're still learning and adjusting to," says Bisaillon, "but a very rewarding one."

Stand behind your services

Carrington Group of Cos.

(Edmonton)
724 employees
48 years in business

Carrington Group's business is building homes—namely single and multifamily dwellings in Alberta, B.C. and Arizona. Its Lifestyle Options division is focused on housing for seniors, where dementia care is a top priority. In a bid to stay ahead of the latest and best in care practices, Carrington implemented the Butterfly model—a comprehensive culture-change program centered on dignity and emotional well-being for those with dementia. It touches everything from management practices to health care, and among its key tenets are providing attentive companionship for individual patients and consciously designed spaces that maximize dignity and quality of life. The effects of the program have been staggering, resulting in a 90% reduction in residents' medications and a significant decrease in staff illnesses. For CEO Dan Slaven, Butterfly's success was a natural consequence of one of his key business principles: "You must believe in and stand behind the products and services you provide."

See pressure as a privilege

Centra Windows

(Langley, B.C.)
450 employees
1 million+ windows manufactured

Pandemic supply chain issues continue to strain the construction sector, but for Garett Wall—CEO of this B.C.-based, employee-owned window manufacturer—with every hardship comes opportunity. For Wall, it's all about mindset. "The more senior you become as a leader, the more critical your ability to handle something abnormal," he says. "I see pressure as a privilege. Sometimes that perspective will be hard to see at first, like with the pandemic. We all dealt with the uncertainty and fear, but what did we learn from it? How will it shape us?" To get on top of supply chain snarls, Centra diversified its glass suppliers and stayed in the game. And with more than three decades in the business, Centra benefits from a loyal customer base—no small boon in a troubled time. "We've been amazed and humbled by the understanding of our customers as we navigate a complex new world together," says Wall.

Good things come to those who wait

CMP Advanced Mechanical Solutions

(Chateauguay, Que.)
200+ employees
Opened its first zero-carbon manufacturing facility in 2022

Hustle culture is notorious for its focus on instant results, but for Steve Zimmermann, president of this fabrication and machining company, good business is all about patience and perseverance in the face of problems that take time to solve. "Leaders need to understand that change doesn't happen overnight, and it doesn't always flow smoothly from milestone to milestone," he says. "They need to have the patience to allow the team to identify areas for change, provide them with the guidance and mentorship they need to plan an effective response, and then allow them the time to make those changes and improve performance." The slow-but-steady approach is paying off: 100% of CMP's manufacturing is guided by instructions created by Visual Knowledge Share software, commercialized by CMP as a separate business unit in 2013.

Institute a formal succession plan early

Groupe Park Avenue

(Brossard, Que.)
1,000+ employees
21 dealerships

Without a solid succession plan, passing the torch in a third-generation family business like Groupe Park Avenue can be chaotic. Founded by Norman D. Hébert Sr. in 1959, the automotive dealership company—which sells wheels from Jaguar, Mercedes and BMW, to name a few—takes a conscious, meticulous approach to succession planning that has so far yielded a smooth transition across generations of Héberts. When Norman E. Hébert Jr. left his law career to take over as CEO in 1991, he established a formal family council moderated by an external coach, which gives the Héberts a safe space to share their ambitions for the firm and plan for its future. In 2013, a third-generation Hébert, Norman John, left his senior consulting job at Oliver Wyman to serve as VP and GM at one of its dealerships. He's since been promoted to COO, and if history is any lesson, he's poised to lead his family's company one day soon.

Invest in your team first

Inflector Environmental Services

(Ottawa)
355 employees
663% three-year growth

"In business, you are encouraged to make investments that will take your organization to the next level. In my experience, the best investment you can make for

New Look Vision Group Inc.

(Montreal)
3,000 employees
120+ brands including Ray-Ban, Tom Ford and Cartier

It's been roughly a year since New Look Vision went private in a bid to shield its financial secrets and speed up its U.S. expansion—and Antoine Amiel hasn't looked back. The CEO of Canada's biggest eyewear retailer has consolidation on his mind, a plan to transform what was once a sleepy regional player into a continental giant.

Investors barely had time to bank the proceeds from the $1-billion sale to private shareholders (led by U.S. private equity firm FFL Partners and Quebec's CDPQ) before Amiel made his next deal, buying New York–based Luxury Optical Holdings. In a single stroke, Amiel took over the biggest high-end optical retailer in the United States, a 34-store operation with a presence in premium markets like Manhattan, Beverly Hills and Miami. What's next? More of the same. There are many more targets out there, and within two to three years, the CEO says New Look should have a U.S. luxury network of several hundred stores.

Retailers are having a tough time supplying upscale designer glasses, and the reason has nothing to do with supply chain issues, Amiel says. "It's just a big, big demand—much bigger than before." Products from luxury houses like Cartier are highly coveted at the moment, the CEO says. And because luxury eyewear has more customization, it requires more time to manufacture. The good news: The bigger New Look gets, the higher it ranks on luxury providers' delivery lists. Asian water buffalo–horn frames, anyone? **/NVP**

your business is in your people," says Jeff Clarke, CEO of the environmental contracting firm Inflector. To that end, Clarke doesn't mind providing competitive compensation packages above the industry average. The right people, he says, will naturally create a more profitable environment, making it well worth the cost. Likewise Inflector's tendency to promote from within: Show your people you're invested in their growth, and they'll amply return the favour. "Imagine having a team whose members are all working at their greatest potential, who believe they can make a difference at your company, who believe in themselves because you supported them on this path to confidence and self worth—this is a team that drives your company forward along with them," says Clarke.

Keep your team's skills current

LCI Education

(Montreal)
2,000 faculty
20,000 students on 23 campuses

It's only natural for an education network to prioritize continuous schooling for its employees. Company policy dictates that each team member take charge of an annual personal development plan, which mandates 40 hours of training (or 80 for managers) in line with their performance evaluations and skills profiles. From in-house training to conferences, language courses, technical certification or even something as simple as reading a specific book, the particulars are secondary to the major goal: using education to propel the team toward its maximum potential. One in-house program brings 40 employees from around the world to a dedicated training week. "Not only does it allow everyone to enrich their knowledge and develop new skills, but it also contributes greatly to the feeling of belonging," says CEO Claude Marchand. "We firmly believe in the continuous development of our staff to anticipate new trends, adapt to changes in the industry and develop solid technical skills."

Adapt or die

MedSpa Partners

(Toronto)
400+ employees
95% female team

When COVID-19 hit, it could've been the death knell for MedSpa Partners. The

Brookdale Treeland Nurseries Ltd.

(Schomberg, Ont.)
175 employees (plus 600 part-timers during peak season)
5 million plants sold annually

What's the next big thing in Canadian gardening? Jeff Olsen is betting one top seller will be the braided willow, an ornamental tree with thin trunks weaving in and out of each other and topped with a crown of leaves. "It's just very unique," Olsen says. "Gardeners are interesting cats, because they start it as a hobby, and then it becomes a passion and then an obsession. All of a sudden, they're searching for new, new, new. And so anything that's weird and wacky and different seems to catch their attention."

Olsen is CEO of Brookdale Treeland Nurseries, one of the country's biggest wholesale plant growers. The company supplies major retailers like Loblaws, Costco and Home Depot, stocking their garden sections with a mix of new and time-tested plants, and providing plant care when needed. It also handles the retailers' online orders, shipping directly from its growing sites to customers' homes. Brookdale's total growing area: 600 acres. Greenhouse space: 1 million square feet.

Thousands of Canadians started gardening for the first time or rediscovered it during the pandemic, whether it was growing their own vegetables or simply enjoying a small plant. More and more of those people are buying online, and if you've ever wondered just how difficult it is to make sure that a live, flowering plant arrives to a customer's home damage-free and in beautiful condition, you need to talk to Olsen. "It's a very complicated process," he says. Some things are impossible to ship, like a hanging basket of flowers. So, what's the biggest plant you can order to your home that will still make it there intact? "Probably a four-foot cedar tree." By the way, it still has to arrive in four days or it's toast. **/NVP**

company—which acquires medical aesthetics clinics—was only six months old when, suddenly, it had to close all its locations. Instead, within 24 hours, it launched new telehealth-based virtual consultations supported by marketing campaigns. That allowed the firm to keep a critical mass of team members employed during lockdown, gave patients something to look forward to once clinics reopened and kept cash flowing in. “Very rarely does a strategic or even tactical plan play out as expected,” says CEO Dominic Mazzone. “Success, in most cases, is birthed from a series of recoveries from unforeseen setbacks—and that can be pretty painful at times. Adaptability is the greatest trait any person or business can have.”

Enjoy the journey toward sustainable growth

Norbec
(Boucherville, Que.)
260 employees
136,000 tonnes of food in Norbec facilities

Sustainability may be the buzziest of corporate buzzwords, but for Norbec, the concept goes in two important directions. Manufacturing durable, high-performance insulating solutions—namely metal panels and prefabricated walk-in coolers and freezers—keeps environmental sustainability at the forefront of company policy. Meanwhile, happy, motivated employees fuel sustainable growth. “Norbec has a strong culture focused on customers and people,” says CEO Jan Lembregts. “Despite our significant growth in the past decade, this culture has continued to thrive. The journey of working well together and having fun at work every day is more important than the destination.” When collaboration and joy on the job are part and parcel of everyday business, people come to work motivated to do their best.

Find your North Star

Norda Stelo Inc.
(Quebec City)
720 employees
Projects in 50+ countries

When a slew of corruption charges levelled Quebec’s construction industry a decade ago, Norda Stelo (formerly Roche ltée) was at the centre of the controversy. A thorough rebrand was in order, and by 2015, the engineering consulting and construction firm had a new name whose literal meaning is North Star—a symbol of its commitment to a better way of doing business. “We decided to get back to basics, finding what we’re good at and our distinctive strengths,” says CEO Alex Brisson. “We chose to work with clients that shared our belief in long-term partnerships and core values. Now, we place our employees and clients at the centre of all our decisions. That is the North Star we follow.” That includes a strict code of ethics and conduct that spells out policies around transparency, anticorruption and conflicts of interest. “We wish to have a positive impact on communities and the environment with each project,” says Brisson, “and build a sustainable future for generations to come.”

Lead with a light touch

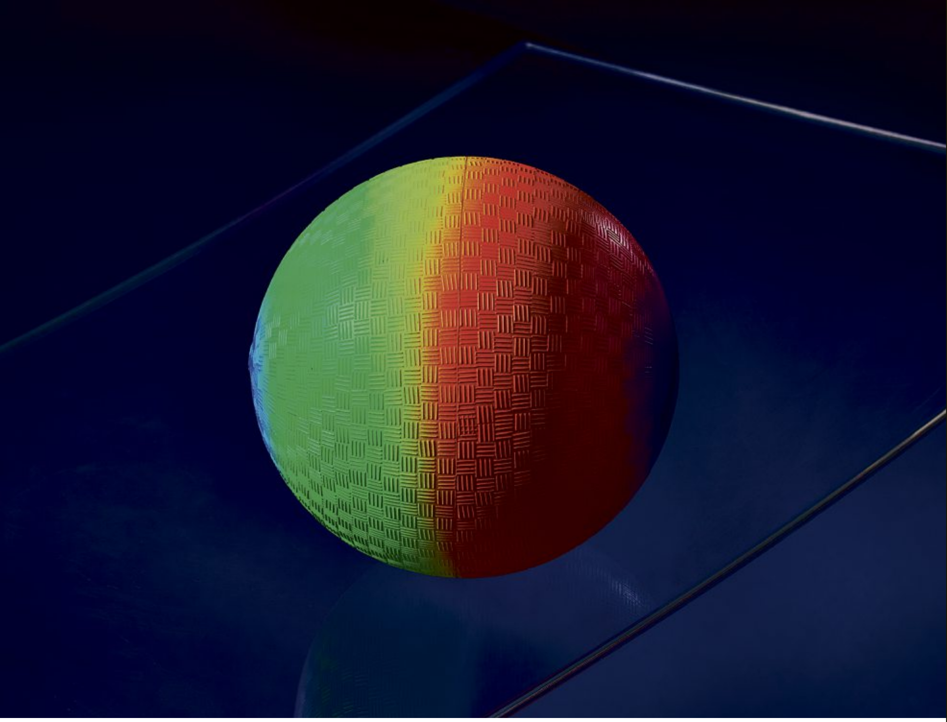
P3 Veterinary Partners Inc.
(Oakville, Ont.)
590 employees
490,000 annual patient visits

When co-founders Bruce Campbell and Dr. Nicole Judge—who handle administrative and medical oversight of the veterinary practice group, respectively—met in 2015, they quickly realized they’re of one mind when it comes to leadership. Conceived as a bridge between the resources of a corporate operation and the community feel of a small hospital, P3 emphasizes leadership by way of empowering people to exercise their professional judgment. They call the approach a “consultative and light touch,” believing practitioners in direct contact with cases are in the best position to make life-or-death decisions. Dr. Judge, whose title is chief medical officer, sees herself as a facilitator and sounding board, there to advise rather than command. On the admin side, Campbell encourages critical thinking and autonomy within a set of standards and protocols. “If we invest our time in removing the barriers between our colleagues and their purpose—in our case, patient care and client service—more patients get the care they need,” says Campbell.

Treat everyone like family

Policaro Group
(Brampton, Ont.)
402 employees
$17.50 base wage

“The virtues that make a good person also make a good company,” says Francesco Policaro, CEO of the family-owned



Mastermind Toys

(Toronto)
2,000 employees
250,000 custom loot bags filled each year

If you've seen children working out with a bright red Bopper Bag or tossing around an inflatable ball that looks like a lava lamp, you might have seen a customer of Mastermind Toys. Despite the retro look of its exclusive best-seller, the Neon Rainbow Playground Ball, there's nothing old-fashioned about the way the Toronto-based retailer operates. Founded in 1984 as the somewhat stodgy-sounding Mastermind: The Educational Computer Store by brothers Andy and Jon Levy, it grew into a coast-to-coast business, going from 11 stores to 68 during the past decade (its biggest markets are Ontario and Alberta).

A toy company needs to change fast to keep up with high customer turnover, but Mastermind Toys changed especially fast in 2020, when Jon Levy—who retired in 2019 as the company's only CEO—was replaced by Sarah Jordan just weeks before the pandemic hit. But the engineer, who previously spent nine years working with Fortune 500 companies at Boston Consulting Group and then joined Scotiabank as a senior vice-president of customer experience, found that Mastermind Toys had a solid culture that could withstand any change. The retailer's secret, Jordan says, is that it takes toys *very* seriously. Mastermind's "play experts" focus on how different play patterns support a child's development, which means every toy, puzzle and game in its stores is recommended based on the skills it will help children to develop. (That includes its new sub-brand, Mastermind Toys Baby.) They also curate toys by age and development rather than gender, says Jordan, to help spread the message that "all types of play are meant for all kids."

One of Jordan's priorities even before the pandemic upended traditional retail was to expand Mastermind's digital business, which accounted for less than 5% of sales when she took over and saw triple-digit growth in 2021. She also expanded its Play Guides, a curated list of products kids might want, from once a year to year-round, changing the toys to match the changing seasons. Though it's never the wrong season for a Neon Rainbow Playground Ball. **/JW**

retail automotive group. "We look at our own lives and the way we want to treat each other, our family, our friends and our communities." The scale of this company may have grown dramatically since its 1979 inception, but its culture revolves around the family values on which it was founded. A minimum $17.50 hourly wage is one way the company does right by its people. To track worker engagement and happiness, Policaro prioritizes feedback from an anonymous survey platform, and it's clearly paying off: A quarter of the firm's employees have been there for at least five years. The family values thesis applies inside and outside the organization: In 2018, Policaro established a charitable foundation that supports everything from food banks and toy drives to fetal cardiac fellows at SickKids Hospital.

If you want to build a ship...

Radicle Group Inc.

(Calgary)
109 employees
7 million tonnes of CO_2 reduced

Radicle Group's CEO, Saj Shapiro, centres his leadership on a piece of philosophy from Antoine de Saint-Exupéry: "If you want to build a ship, don't drum up people to gather wood, divide the work and give orders. Instead, teach them to yearn for the vast and endless sea." Radicle, which uses proprietary software and other measures to help companies reduce emissions and trade carbon credits, is on a quest to make a positive impact on the planet, and Shapiro works hard to keep his team aligned with that mission. Staff discuss the firm's four core values—open-mindedness, boldness, excellence and trust—at each meeting. And to foster open communication, team members can report levels of engagement and emotional well-being on their cellphones with specialized software. "This led us to develop our own unique Radicle language that is heavy on emotional awareness," says Shapiro. "It opened up transparent discussions among all levels."

Know when it's time to step aside

Samuel, Son & Co.
(Oakville, Ont.)
5,500 employees
85 facilities worldwide

To read about how Samuel, Son & Co. has survived five generations of family ownership, read "Nerves of steel" on page 28.

Never forget your core mission

Seafair Capital Inc.
(St. John's)
1,019 employees
50 sites in the province

Early in 2020, Seafair Capital laid out its growth strategy, a key part of which was leveraging its knowledge, experience and culture in new ways. It turned out to be good timing for a soon-to-be pandemic-era company whose business has historically revolved around delivering community care services. "When the pandemic hit, the strategy went into high gear," says CEO Anne Whelan. With laser focus on its stated mission of "unlocking potential," Seafair became an innovation partner with Eastern Health (the largest health authority in Newfoundland and Labrador), pivoted to helping small and mid-sized enterprises manage payroll and bookkeeping, and launched an industry-leading online training module for community-based care. It also started an in-house innovation hub to generate new ideas. "Your 'return on luck' can be either positive or negative," adds Whelan. "The pandemic was and is a bad-luck event for our business, but our return on luck is definitely positive."

Build the team of the future

Tri-Mach Group
(Elmira, Ont.)
305 employees
6 facilities across North America

When Krystal Darling looks back on her early years as CEO of Tri-Mach, which manufactures food processing equipment, she wishes she'd known the importance of thinking ahead when it came to building her team. "As entrepreneurs, we have this independence mentality of, 'If I do everything myself, I can achieve my milestones faster,'" says Darling. "The reality is, while you may get there faster, you won't go further in the long run without the right team around you." Now, Darling focuses on hiring for personality and values, even if it's tempting to quickly fill seats with people who have all the requisite hard skills for a given role. It may take more time and investment to train the right recruits, but Darling says it's about identifying the people allied with your company's long-term future—and that means careful interviewing to suss out those who truly align with its mission and values.

Make it a career, not a job

Urban Life Solutions
(Calgary)
900+ employees
Serves 100+ cities, towns and municipalities

In the next three years, this outdoor care company—which provides services like landscape management, towing and road sweeping—is poised to double in size through a combination of organic and acquisition-driven growth. CEO John Bogert says that propping up the team with both practical and moral support is a major part of its growth strategy. "They say that people don't care how much you know until they know how much you care," he says. "I live by that expression. Having people show up to do their best work every day isn't just about metrics and targets—it's about a human touch. For instance, if someone is having an issue at home and needs to take the day off, you have to be there for them." Likewise, Bogert says it's important employees see their time with the company as a potential career, and not just a job—to that end, he prioritizes promoting from within and providing training when needed. The goal is a workforce that knows what to do with minimal instruction; Bogert sees catalyzing team growth in this respect as a key part of his role as CEO.

Three additional newcomers to the Best Managed Companies list: Groupe Ouellet Canada Inc. (L'Islet, Que.), L Fournier et fils (Val-d'Or, Que.) and Trudell Medical Ltd. (London, Ont.).

CANADA'S BEST MANAGED COMPANIES

METHODOLOGY

Established in 1993, Canada's Best Managed Companies, presented by Deloitte, recognizes excellence among private Canadian-owned companies. This year is The Globe and Mail's first as the program's media sponsor.

To be eligible for the Best Managed program, companies must be headquartered in Canada and have revenue of $50 million or more. They also must be privately owned, including private-equity portfolio companies, Canadian-owned co-operatives or those that are foreign-owned with Canadian-based headquarters; private companies where the management team resides in Canada; or closely held Canadian-owned public companies with fewer than 50% of shares or units traded.

Each applicant undergoes a multistep evaluation of their management abilities and practices across four pillars: strategy, culture and commitment, capabilities and innovation, and governance and financials.

In terms of strategy, Canada's Best Managed Companies must have a formal methodology for strategy development, ensure the strategy reflects all stakeholders, have the right capabilities and metrics in place to execute, and clearly and consistently communicate the strategy to all levels of the organization.

Best Managed Companies must also prove their culture and commitment by building a strong corporate culture and legacy, actively develop their people and leadership team, provide a holistic compensation system, and address continuity issues with the company.

To show their capabilities and innovation, Best Managed Companies develop valuable capabilities and resources, are highly execution-oriented, are focused on productivity and innovation, and are thoughtful about hiring the right people to execute their business model and strategy.

For the fourth pillar, governance and financials, Best Managed Companies are expected to install strong governance structures, use key performance indicators to manage their progress, maintain a strong balance sheet, and apply the financial discipline required to drive revenue growth, improve operating margin and increase asset efficiency.

For 2022, there are 29 new Best Managed Companies on the total list of 481. The remaining 452 companies are divided into three groups based on the number of years they've been included in the program. Best Managed winners: two to three years; Gold Standard winners: four to six years; Platinum Club members: seven-plus years.

STILL THE BEST

Welcome back to these 452 Best Managed Companies

BEST MANAGED 2 TO 3 YEARS ON THE LIST

	COMPANY/HEADQUARTERS	LEADER	SECTOR
1	**AAG Tailored Cutting Solutions** Burlington, Ont.	Luke Hansen-MacDonald	Manufacturing
2	**Acadian Construction** Dieppe, N.B.	David Savoie	Construction
3	**Accès Location +** Beloeil, Que.	Luc Bertrand	Heavy machinery and equipment
4	**AirSprint Inc.** Calgary	James Elian	Aviation
5	**Almita Piling** Edmonton	Jeff Lloyd	Industrial products
6	**Averna** Montreal	François Rainville	Testing and quality control
7	**BE Power Equipment** Abbotsford, B.C.	Curtis Braber	Manufacturing
8	**Bee-Clean Building Maintenance** Edmonton	Brian Gingras	Janitorial
9	**Behaviour Interactive** Montreal	Rémi Racine	Video games
10	**BioScript Solutions** Moncton	Heather Tulk	Life sciences and health care
11	**Book Depot Inc.** Thorold, Ont.	Wilf Wikkerink	Wholesale and distribution
12	**Canadian North** Kanata, Ont.	Chris Avery	Transportation
13	**Chambers Transportation Group Ltd.** Vernon, B.C.	David Chambers	Transportation
14	**Champion Petfoods** Edmonton	Blaine McPeak	Retail
15	**Cofomo** Montreal	Régis Desjardins	Information technology
16	**Comptoir Agricole Ste-Anne Inc.** Repentigny, Que.	Sébastien Fréchette	Agriculture
17	**Conestoga Meats** Breslau, Ont.	Arnold Drung	Meat processing
18	**Crawford Packaging** London, Ont.	John Ashby	Industrial products
19	**De La Fontaine** Sherbrooke, Que.	Gabriel de La Fontaine	Manufacturing
20	**Duvaltex** Quebec	Alain Duval	Retail
21	**Eddyfi/NDT** Quebec	Martin Theriault	Technology
22	**Elite Integrity Services** Calgary	Shawn Kirwan	Industrial products
23	**FYidoctors** Calgary	Al Ulsifer	Life sciences and health care
24	**GrainsConnect Canada** Calgary	Warren Stow	Agriculture
25	**Groupe Beaucage** Sherbrooke, Que.	Daniel Beaucage	Automotive
26	**Groupe Boucher Sports** Sainte-Foy, Que.	Martin Boucher	Retail
27	**Groupe Tornatech Inc.** Laval, Que.	Dominic Bergeron	Manufacturing
28	**Gusto 54 Restaurant Group** Toronto	Janet Zuccarini	Restaurants
29	**H.H. Angus & Associates Ltd.** Toronto	Harry Angus	Consulting
30	**Henry's** Toronto	Gillian Stein	Retail
31	**HGrégoire** Saint-Eustache, Que.	John Hairabedian	Automotive
32	**Ig2** Montreal	Claude Auchu	Advertising
33	**Inland Group of Cos.** Truro, N.S.	Roger Langille	Transportation
34	**Ironclad Developments Inc.** Springfield, Man.	Craig Gilpin	Financial services
35	**Magna IV Engineering Inc.** Edmonton	Kelly Butz	Engineering
36	**Marco Group Ltd.** St. John's	Christopher Hickman	Construction
37	**Mattamy Homes** Toronto	Brad Carr	Real estate
38	**Medicom** Pointe Claire, Que.	Ronald Reuben	Life sciences and health care
39	**mform Construction Group** Toronto	David Allen	Construction
40	**Mikisew Group of Cos.** Enoch, Alta.	Dan Gallagher	Government and public services
41	**Miralis inc.** Saint-Anaclet, Que.	Daniel Drapeau	Manufacturing
42	**MOBIA** Dartmouth, N.S.	Rob Lane	Telecommunications
43	**Modern Beauty Supplies** Calgary	Mike Jomaa	Wholesale and distribution
44	**Mondou (Groupe Legault)** Montreal	Pierre Leblanc	Retail
45	**MP Lundy Construction Inc.** Ottawa	Sean Lundy	Construction
46	**Muraflex** Montreal	Fernando Petreccia	Manufacturing
47	**Naylor Building Partnerships Inc.** Oakville, Ont.	Tom Hitchman	Engineering
48	**Neighbourly Pharmacy** Toronto	Chris Gardner	Life sciences and health care
49	**ORAM Plomberie du bâtiment** Mirabel, Que.	Marie-Claude Allaire	Industrial products
50	**Osmow's** Mississauga	Ben Osmow	Restaurants
51	**Peavey Industries LP** Red Deer, Alta.	Doug Anderson	Retail
52	**Polykar** Saint-Laurent, Que.	Amir Karim	Manufacturing

	COMPANY/HEADQUARTERS	LEADER	SECTOR
53	**Préval AG Inc.** Saint-Hyacinthe, Que.	Fabien Fontaine	Agriculture
54	**Priestly Demolition Inc.** King, Ont.	Ryan Priestly	Demolition
55	**PUR Co. Inc.** Toronto	Jay Klein	Wholesale and distribution
56	**QSL** Quebec	Robert Bellisle	Transportation
57	**Quinlan Brothers Ltd.** St. John's	Robin Quinlan	Fisheries
58	**Rockwood Custom Homes** Calgary	Allison Grafton	Construction
59	**Seasons Retirement Communities** Oakville, Ont.	Mike Lavallee	Life sciences and health care
60	**Showcase** Brampton, Ont.	Samir Kulkarni	Retail
61	**Sollio Groupe Coopératif** Montreal	Pascal Houle	Agriculture
62	**Spectrum Health Care** Toronto	Sandra Ketchen	Life sciences and health care
63	**State Window Corp.** Vaughan, Ont.	Christopher Liberta	Engineering
64	**Techo-Bloc Inc.** St-Hubert, Que.	Charles Ciccarello	Retail
65	**Turf Care Products Canada** Newmarket, Ont.	Paul McLean	Wholesale and distribution
66	**Wellington-Altus Private Wealth** Winnipeg	Charlie Spiring	Financial services
67	**Westech Industrial Ltd.** Calgary	Jason Lapp	Technology

GOLD STANDARD 4 TO 6 YEARS ON THE LIST

68	**AV Gauge & Fixture Inc.** Oldcastle, Ont.	Tim Campeau	Manufacturing
69	**AG Hair** Coquitlam, B.C.	Graham Fraser	Manufacturing
70	**Agrocrop Exports Ltd.** Bolton, Ont.	Yash Karia	Agriculture
71	**AIL Group of Cos.** Sackville, N.B.	Micheal Wilson	Energy, resources and industrials
72	**Airstart Inc.** Mississauga	Robert Wills	Aerospace
73	**Altrum** St-Martin, Que.	Louis-David Bourque	Business services
74	**Amisco** L'Islet, Que.	Réjean Poitras	Manufacturing
75	**Anatolia Tile + Stone** Vaughan, Ont.	Berrin Elmaagcli	Wholesale and distribution
76	**Arbor Memorial** Toronto	David Scanlan	Death care
77	**Armco Group of Cos.** Halifax	George Armoyan	Real estate
78	**Artitalia Group Inc.** Montreal	Antonio Vardaro	Manufacturing
79	**ASL Paving Ltd.** Saskatoon	Drew Mitchell	Construction
80	**Atlantic Coated Papers** Whitby, Ont.	David Granovsky	Forestry and paper
81	**Bäckerhaus Veit Ltd.** Mississauga	Adam Carr	Food manufacturing
82	**Barkman** Steinbach, Man.	Alan Barkman	Manufacturing
83	**Baylis Medical Company Inc.** Mississauga	Kris Shah	Life sciences and health care
84	**Biron Groupe Santé** Brossard, Que.	Caroline Biron	Life sciences and health care
85	**BMI Canada Inc.** Boisbriand, Que.	Marc Bouthillette	Wholesale and distribution
86	**Bond Brand Loyalty** Mississauga	Robert Macdonald	Business services
87	**Bradford Greenhouses Ltd.** Springwater, Ont.	Len Ferragine	Agriculture
88	**BrettYoung** Winnipeg	Calvin Sonntag	Agriculture

	COMPANY/HEADQUARTERS	LEADER	SECTOR
89	**Bryton Marine Group** Vernon, B.C.	Byron Bolton	Manufacturing
90	**Campbell Bros. Movers Ltd.** London, Ont.	Adam Campbell	Transportation
91	**Cando Rail & Terminals** Brandon, Man.	Brian Cornick	Transportation
92	**Caron Transportation Systems** Sherwood Park, Alta.	Bruno Muller	Transportation
93	**CEDA** Calgary	Kevin Fleury	Environmental services
94	**ClearTech Industries Inc.** Saskatoon	Randy Bracewell	Industrial products
95	**Clio** Burnaby, B.C.	Jack Newton	Technology
96	**CMiC** Toronto	Gord Rawlins	Technology
97	**Cowater International** Ottawa	David Baron	Business services
98	**Crystal Group** Toronto	Roger Hwang	Cosmetics manufacturing
99	**Delnor Construction Ltd.** Edmonton	Glenn Cyrankiewicz	Construction
100	**Deveraux Group of Cos.** Regina	Denis Jones	Real estate
101	**DIALOG** Toronto	Jeff DiBattista	Architecture
102	**Donna Cona Inc.** Ottawa	John Bernard	Consulting
103	**DPI Construction Management** Toronto	Elvio DiSimone	Construction
104	**Eddy Group Ltd.** Bathurst, N.B.	Keith Assaff	Wholesale and distribution
105	**Electrozad Supply Co. Ltd.** Windsor, Ont.	William Smith	Wholesale and distribution
106	**Element Technical Services** Calgary	Jason Nikish	Oil and gas
107	**emergiTEL Inc.** Richmond Hill, Ont.	Aneela Zaib	Business services
108	**Energera Inc.** Acheson, Alta.	J. Todd Van Vliet	Business services
109	**Fillmore Construction Management Inc.** Edmonton	Brent Fillmore	Construction
110	**Firma Foreign Exchange** Edmonton	Dave Dominy	Financial services
111	**Fourgons Transit Truck Bodies** Laval, Que.	Louis Leclair	Manufacturing
112	**Franchise Management Inc.** Woodstock, N.B.	Greg Walton	Restaurants
113	**Fruit d'Or Inc.** Villeroy, Que.	Carl Blouin	Wholesale and distribution
114	**Geotab** Oakville, Ont.	Neil Cawse	Technology
115	**Giraffe Foods Inc.** Mississauga	Ari Powell	Manufacturing
116	**Go Auto** Edmonton	Jason Smith	Automotive
117	**Groupe Atwill-Morin Inc.** Montreal	Matthew Atwill-Morin	Restoration
118	**Groupe Dissan** Anjou, Que.	Mario Lamarche	Wholesale and distribution
119	**Groupe Intersand** Boucherville, Que.	Stéphane Chevigny	Wholesale and distribution
120	**Groupe Raymond** Gatineau, Que.	Alain Raymond	Construction
121	**GSoft** Montreal	Martin Gourdeau	Technology
122	**Harnois Énergies** Saint-Thomas, Que.	Serge Harnois	Wholesale and distribution
123	**Hopewell Group of Cos.** Calgary	Sanders Lee	Financial services
124	**Index Exchange** Toronto	Andrew Casale	Advertising
125	**JNE Welding** Saskatoon	Adam Logue	Industrial products
126	**Kohltech Windows and Entrance Systems** Debert, N.S.	Kevin Pelley	Manufacturing

How Norda Stelo became one of the engineering industry's best managed companies

Alex Brisson, Norda Stelo's chief executive officer

What doesn't break you can make you stronger – if you let it. It's a lesson that helped Quebec-based Norda Stelo Inc. rebuild itself to become one of the best managed companies in the engineering sector.

"We went through a major crisis, and the only way to survive it was to reinvent the company entirely, which we did with our employees," says Alex Brisson, Norda Stelo's chief executive officer.

More than a decade ago, corruption charges levelled the Quebec construction industry, and Norda Stelo, formerly Roche ltée, was caught in the middle of the storm. By 2015, the employee-owned company rebranded as Norda Stelo, meaning "north star" – a symbol of the new company's commitment to a better way of doing business. The company reinvented itself by involving employees in key decisions.

"Our transformation started with a group of 50 selected employees who brainstormed together, redefining the company's core values for the future: Adaptability, Trust, Excellence, Innovation, Integrity and Respect. Trust within the workforce and trust with clients were a priority, given the ongoing crisis. From then on, we had a plan in place which demonstrated our dedication to change the company's mentality," Mr. Brisson says.

Guided by its "north star," a series of strategic and tactical plans served as roadmaps to both employee engagement and financial prosperity. The key to success was to set short-term goals, reaping a succession of successful outcomes, while building trust with clients along the way.

"After our first strategic plan came the second one, followed by the third, and slowly we began to see the light. At the beginning, we only saw it through a very small hole, but now our journey brought us into full light," Mr. Brisson says.

Norda Stelo's ability to communicate its strategy to all the employees on a regular basis, and its willingness to involve them in strategic decisions, led the company to new ideas and opportunities, ensuring growth in a highly competitive market.

Today, the re-envisioned independent engineering firm specializes in integrated projects in the urban infrastructure and transportation fields, as well as industrial sectors, such as mines and metals, energy and manufacturing.

"In wanting to bring the best of us to our clients, we've decided to stick to what we do best, which is brownfield engineering," Mr. Brisson says.

"For decades, we've been working with our clients in improving, modernizing, and adding true value to their existing facilities."

Adds Mr. Brisson: "We believe that 'brown is the new green" – and that by restoring, enhancing equipment's performance, and extending the life of existing facilities, a positive impact on both the environment and climate change can be achieved, while significant value is added to the clients' assets."

The company refers to this as its "Asset Durability business model ". They believe this is a game changer in their world, where environmental, social and governance (ESG) considerations are becoming inevitable to ensure the sustainability of their client's operations and growth.

Norda Stelo currently has 720 employees across Canada and worldwide, including New Caledonia and Madagascar.

"The commitment to turning things around paid off," Mr. Brisson says, adding that the company's revenue is expected to increase by 18 per cent this fiscal year, despite labour challenges affecting the industry.

"At Norda Stelo, we care deeply about creating sustainable growth for our clients. We're all about employees and clients that share the common desire to work together in a long-term partnership on building a better future," Mr. Brisson says.

True to its vision, Norda Stelo aims to mobilize the collective intelligence towards the sustainability of its partners' assets, the communities and the planet.

	COMPANY/HEADQUARTERS	LEADER	SECTOR
127	**Kruger Products LP** Mississauga	Dino Bianoco	Manufacturing
128	**Lamour Group** Montreal	Martin Lieberman	Retail
129	**Layfield** Richmond, B.C.	Tom Rose	Industrial products
130	**Liberty Linehaul Inc.** Ayr, Ont.	Brian Taylor	Transportation
131	**Location Brossard Inc.** Dorval, Que.	Guy Brossard	Transportation
132	**Locweld** Candiac, Que.	Michael Cyr	Utilities
133	**Logel Homes** Calgary	Tim Logel	Real estate
134	**M.I. Integration** Sherbrooke, Que.	Vincent Houle	Automotive
135	**Maritime Paper Products LP** Dartmouth, N.S.	Sheldon Gouthro	Manufacturing
136	**Mary Brown's** Markham, Ont.	Gregory Roberts	Restaurants
137	**McElhanney** Vancouver	Allan Russell	Engineering
138	**McKeil Marine** Burlington, Ont.	Scott Bravener	Transportation
139	**Membertou Development Corp.** Membertou, N.S.	Terrance Paul	Government and public services
140	**Minard's Leisure World** Weyburn, Sask.	Susan Minard	Retail
141	**Mint Pharmaceuticals Inc.** Mississauga	Jaiveer Singh	Life sciences and health care
142	**mobileLIVE** Toronto	Jahan Ali	Technology
143	**Mulvey & Banani** Toronto	Domenic Bonavota	Engineering
144	**MyHealth Centre** Toronto	Suresh Madan	Life sciences and health care
145	**Nanometrics Inc.** Kanata, Ont.	Ian Talbot	Technology
146	**Nautel** Hacketts Cove, N.S.	Kevin Rodgers	Telecommunications
147	**Nightingale** Mississauga	Ed Breen	Manufacturing
148	**ONEC Group** Edmonton	Denis Wiart	Buiness Services
149	**OSL Retail Services** Mississauga	Brett Farren	Business services
150	**Payment Source Inc.** Ottawa	Robert Hyde	Technology
151	**Point S Canada** Boucherville, Que.	Bruno Leclair	Automotive
152	**priMED Medical Products** Edmonton	David Welsh	Life sciences and health care
153	**Quails' Gate Winery** West Kelowna, B.C.	Anthony Stewart	Wineries and breweries
154	**Regional Group** Ottawa	Sender Gordon	Real estate
155	**Rocky Mountaineer** Vancouver	Peter Armstrong	Transportation
156	**Romet Ltd.** Mississauga	Brent Collver	Utilities
157	**SFM** Dorval, Que.	Randal Tucker	Wholesale and distribution
158	**Sharethrough** Montreal	Jean-Francois Cote	Technology
159	**Source Atlantic** Saint John	Steve Drummond	Wholesale and distribution
160	**Spinrite** Listowel, Ont.	Ryan Newell	Retail
161	**StemCell Technologies** Vancouver	Allen Eaves	Techology
162	**Talbot Marketing** London, Ont.	Steve Levschuk	Wholesale and distribution
163	**Tap & Barrel Group** Vancouver	Daniel Frankel	Restaurants
164	**Targray** Kirkland, Que.	Andrew Richardson	Resources
165	**Terrapro Inc.** Sherwood Park, Alta.	Colin Schmidt	Industrial products
166	**Toitures Hogue** Blainville, Que.	Jocelyn Hogue	Construction
167	**Traction on Demand** Burnaby, B.C.	Greg Malpass	Technology
168	**Transport Bourassa** St-Jean-sur-Richelieu, Que.	Bourassa Jean	Transportation
169	**Trotman Auto Group** Surrey, B.C.	Mike Trotman	Automotive
170	**Trotter & Morton Group of Cos.** Calgary	David Ryan	Construction
171	**Turkstra Lumber Company Ltd.** Hamilton	Peter Turkstra	Forestry and paper
172	**UCS Forest Group** Mississauga	Warren Spitz	Forestry and paper
173	**Viva Naturals** North York, Ont.	Husayn Remtulla	Food manufacturing
174	**VMAC** Nanaimo, B.C.	Jim Hogan	Automotive
175	**Wesgroup Equipment** Surrey, B.C.	Dhar Dhaliwal	Heavy machinery
176	**Weston Wood Solutions Inc.** Brampton, Ont.	Alan Lechem	Wholesale and distribution
177	**Whitewater West Industries Ltd.** Richmond, B.C.	Geoff Chutter	Manufacturing
178	**Wills Transfer Ltd.** Smiths Falls, Ont.	Terry Wills	Transportation
179	**Winters Instruments Ltd.** Toronto	Jeffrey Smith	Industrial products
180	**Woodbridge** Mississauga	John Zianis	Manufacturing
181	**WZMH Architects** Toronto	Zenon Radewych	Architecture
182	**Zulu Alpha Kilo** Toronto	Zak Mroueh	Advertising

PLATINUM CLUB 7 OR MORE YEARS ON THE LIST

183	**A&W Food Services of Canada Inc.** North Vancouver, B.C.	Susan Senecal	Restaurants
184	**Acadian Seaplants Ltd.** Dartmouth, N.S.	Jean-Paul Deveau	Agriculture
185	**Adastra Corp.** Toronto	Darren Edery	Information technology
186	**AFD Petroleum Ltd.** Edmonton	Parker McLean	Oil and gas
187	**Agilus Work Solutions** Edmonton	Craig Brown	Business services
188	**Agri-Marché Inc.** Saint-Isidore, Que.	Patrice Brochu	Agriculture
189	**All Weather Windows** Edmonton	Richard Scott	Manufacturing
190	**Alliance Energy Ltd.** Regina	Bryan Leverick	Energy
191	**Almag Aluminum** Brampton, Ont.	Bob Peacock	Mining
192	**Altis Recruitment & excelHR** Ottawa	Kathryn Tremblay	Business services
193	**Apollo Health and Beauty Care** Toronto	Richard Wachsberg	Manufacuring
194	**Arconas** Mississauga	Dan Nussbaum	Industrial products
195	**Armour Transportation Systems** Moncton	Vicki McKibbon	Transportation
196	**Armstrong Fluid Technology** Toronto	Todd Rief	Manufacturing
197	**Arpi's Industries Ltd.** Calgary	Julie Berdin	Industrial products
198	**Artopex inc.** Granby, Que.	Daniel Pelletier	Indsutrial Products
199	**ASL Distribution Services Ltd.** Oakville, Ont.	Cole Dolny	Transportation
200	**Associated Engineering** Edmonton	Martin Jobke	Consulting

	COMPANY/HEADQUARTERS	LEADER	SECTOR
201	**Avison Young** Toronto	Mark Rose	Real estate
202	**Bayshore HealthCare** Mississauga	Stuart Cottrelle	Life sciences and health care
203	**BBA** Mont-Saint-Hilaire, Que.	Jérome Pelletier	Energy, resources and industrials
204	**BCF SENCRL LLP** Montreal	Jocelyn Poirier	Business services
205	**BEST For a Cleaner World** Coquitlam, B.C.	Bruce Taylor	Business services
206	**Bill Gosling Outsourcing** Newmarket, Ont.	David Rae	Business services
207	**Bison Transport** Winnipeg	Rob Penner	Transportation
208	**Black Cat Wear Parts** Edmonton	James Buxton	Manufacturing
209	**Blue Water Group** Dartmouth, N.S.	Patrick Wilson	Wholesale and distribution
210	**Bodtker Group** Calgary	Howie Kroon	Industrial products
211	**Boire & Frères Inc.** Wickham, Que.	Pierre Rivard	Agriculture
212	**Borger Group of Cos.** Rocky View County, Alta.	William Borger	Industrial products
213	**Boston Pizza International Inc.** Richmond, B.C.	Jordan Holm	Restaurants
214	**Boulangerie St-Méthode Inc.** Adstock, Que.	Benoit Faucher	Food manfucturing
215	**Brandt Group of Cos.** Regina	Shaun Semple	Industrial products
216	**BroadGrain Commodities** Toronto	Zaid Qadoumi	Agriculture
217	**Brock Solutions** Kitchener, Ont.	Vivienne Ojala	Industrial products
218	**Burnbrae Farms Ltd.** Lyn, Ont.	Joe Hudson	Food manufacturing

	COMPANY/HEADQUARTERS	LEADER	SECTOR
219	**C.A.T. Holding** Coteau-du-Lac, Que.	Daniel Goyette	Transportation
220	**Cactus Restaurants Ltd.** Vancouver	Richard Jaffary	Restaurants
221	**Campus Living Centres** Toronto	Ray Stanton	Government and public services
222	**CANA Group of Cos.** Calgary	Luke Simpson	Construction
223	**Canad Inns** Winnipeg	Dan Lussier	Hospitality
224	**Canadian Tire Corp.** Toronto	Greg Hicks	Retail
225	**Canarm Ltd.** Brockville, Ont.	David Beatty	Wholesale and distribution
226	**Capital Paving Inc.** Guelph, Ont.	Geoffrey Stephens	Construction
227	**CBCL** Halifax	John Flewelling	Consulting
228	**CBI Health** Toronto	Jon Hantho	Life sciences and health care
229	**CCI Inc.** Cochrane, Alta.	Brent Goerz	Consulting
230	**CenterLine (Windsor) Ltd.** Windsor, Ont.	Michael Beneteau	Automotive
231	**Central Group** Mississauga	Richard Eastwood	Marketing
232	**Challenger Motor Freight** Cambridge, Ont.	Daniel Einwechter	Transportation
233	**Chandos Construction** Edmonton	Tim Coldwell	Construction
234	**Charger Logistics** Brampton, Ont.	Andy Khera	Transportation
235	**Charm Diamond Centres** Dartmouth, N.S.	Richard Calder	Retail
236	**Cherubini Group of Cos.** Dartmouth, N.S.	Darren Czech	Manufacturing

	COMPANY/HEADQUARTERS	LEADER	SECTOR
237	**Coast Capital Savings Credit Union** Surrey, B.C.	Calvin MacInnis	Financial services
238	**Coleman's Food Centres** Corner Brook, N.L.	Frank Coleman	Grocery
239	**Conestoga Cold Storage Ltd.** Mississauga	Greg Laurin	Storage
240	**connectFirst Credit Union** Calgary	Wellington Holbrook	Financial services
241	**Contrôles Laurentide** Kirkland, Que.	Steve Dutin	Industrial products
242	**Cooke Aquaculture Inc.** Blacks Harbour, N.B.	Glenn Cooke	Food manufacturing
243	**Cowan Insurance Group** Cambridge, Ont.	Janet Peddigrew	Financial services
244	**Croesus** Laval, Que.	Sylvain Simpson	Technology
245	**Crosbie** St. John's	Rob Crosbie	Oil and gas
246	**D2L Corp.** Kitchener, Ont.	John Baker	Education
247	**Dancor/Coreydale** London, Ont.	Danny Sanita	Energy, resources and industrials
248	**David Aplin Group** Calgary	Jeff Aplin	Business resources
249	**Day & Ross** Hartland, N.B.	Bill Doherty	Transportation
250	**Deca Cables** Trenton, Ont.	Darrell Edgett	Manufacturing
251	**dentalcorp** Toronto	Graham Rosenberg	Life sciences and health care
252	**Deslaurier Custom Cabinets** Ottawa	Jason Chartrand	Retail
253	**Diamond Schmitt** Toronto	Donald Schmitt	Architecture
254	**Dilawri's Crown Auto Group** Winnipeg	Ashok Dilawri	Automotive
255	**Dillon Consulting** Toronto	Sean Hanlon	Business services
256	**Driving Change Automotive Group Ltd.** Regina	Trevor Boquist	Automotive
257	**Dufresne Group Inc.** Winnipeg	Mark Dufresne	Retail
258	**Durabuilt Windows & Doors Inc.** Edmonton	Joe Sunner	Manufacturing
259	**DynaLIFEDx** Edmonton	Jason Pincock	Life sciences and health care
260	**E.B. Horsman & Son Ltd.** Surrey, B.C.	Tim Horsman	Wholesale and distribution
261	**E.C.S. Electrical Cable Supply Ltd.** Richmond, B.C.	Mohammad Mohseni	Wholesale and distribution
262	**Eagle Professional Resources Inc.** Toronto	Janis Grantham	Business services
263	**Eastlink** Halifax	Jeff Gillham	Telecommunications
264	**EBC inc.** L'Ancienne-Lorette, Que.	Marie-Claude Houle	Construction
265	**Eclipse Automation** Cambridge, Ont.	Steve Mai	Industrial products
266	**Engineered Air** Calgary	Donald Taylor	Industrial products
267	**Equipment Sales & Service Ltd.** Toronto	Morgan Cronin	Wholesale and distribution
268	**Esri Canada** Toronto	Alex Miller	Technology
269	**Evertz Technologies Ltd.** Burlington, Ont.	Romolo Magarelli	Technology
270	**Farrow** Windsor	Grant Robinson	Customs agent
271	**Fengate Asset Management** Toronto	Lou Serafini Jr.	Financial services
272	**Fenplast Portes & Fenêtres** Candiac, Que.	Jean Marchand	Manufacturing
273	**First Industries Corp.** Edmonton	David Leeworthy	Transportation
274	**Fisherman's Market** Halifax	Monte Snow	Wholesale and distribution

	COMPANY/HEADQUARTERS	LEADER	SECTOR
275	**Flanagan Foodservice** Kitchener, Ont.	Dan Lafrance	Wholesale and distribution
276	**FLOFORM Countertops** Winnipeg	Edward Sherritt	Retail
277	**Forest Group of Cos.** Vaughan, Ont.	Domenic Gurreri	Construction
278	**Fountain Tire** Edmonton	Brent Hesje	Automotive
279	**Fresh Direct Produce** Vancouver	Davis Yung	Wholesale and distribution
280	**Friesens Corp.** Altona, Man.	Chad Friesen	Manufacturing
281	**FWS Group of Cos.** Winnipeg	Brent Clegg	Business services
282	**G Adventures** Toronto	Bruce Poon Tip	Travel
283	**G&L Group** Concord, Ont.	Pat Lamanna	Industrial products
284	**Genesis Hospitality Inc.** Brandon, Man.	Kevin Swark	Hospitality
285	**Gentec International** Markham, Ont.	Joel Seigel	Wholesale and distribution
286	**Genumark** Toronto	Mark Freed	Retail
287	**Gerrie Electric Wholesale Ltd.** Burlington, Ont.	Heather Gerrie	Wholesale and distribution
288	**GHY International** Winnipeg	Richard Riess	Customs agent
289	**Giampaolo Group** Brampton, Ont.	Joe Caruso	Manufacturing
290	**Giftcraft Ltd.** Brampton, Ont.	Todd Vore	Wholesale and distribution
291	**Global Relay** Vancouver	Warren Roy	Technology
292	**GoodLife Fitness** London, Ont.	David Patchell-Evans	Fitness and wellness
293	**Govan Brown** Toronto	Joseph Kirk	Construction
294	**Graham** Calgary	Andy Trewick	Construction
295	**Grascan Construction Ltd.** Toronto	Angelo Grasso	Construction
296	**Great Little Box Co.** Richmond, B.C.	Robert Meggy	Manufacturing
297	**Greenfield Global Inc.** Toronto	Howard Field	Manufacturing
298	**Gregg Distributors LP** Edmonton	Gary Gregg	Wholesale and distribution
299	**Groupe Deschenes** Montreal	Francois Deschenes	Wholesale and distribution
300	**Groupe Germain inc.** Quebec	Christiane Germain	Hospitality
301	**Groupe Master** Boucherville, Que.	Louis St-Laurent	Wholesale and distribution
302	**Groupe Montoni (1995) Division Construction Inc.** Laval, Que.	Dario Montoni	Real estate
303	**Groupe Novatech inc.** Ste-Julie, Que.	Harold Savard	Manufacturing
304	**Groupe Robert Inc.** Rougemont, Que.	Michel Robert	Transportation
305	**Groupe Savoie - Les Résidences Soleil** Boucherville, Que.	Nataly Savoie	Long-term care
306	**Groupe Trans-West** Lachine, Que.	Réal Gagnon	Transportation
307	**Harbour Air Seaplanes** Richmond, B.C.	Greg McDougall	Transportation
308	**Harry Rosen Inc.** Toronto	Laurance Rosen	Retail
309	**Hatch** Mississauga	John Bianchini	Consulting
310	**Home Hardware Stores Ltd.** St. Jacobs, Ont.	Kevin Macnab	Retail
311	**Houle Electric** Burnaby, B.C.	Chuck Phillips	Energy
312	**HTS** Toronto	Derek Gordon	Industrial products

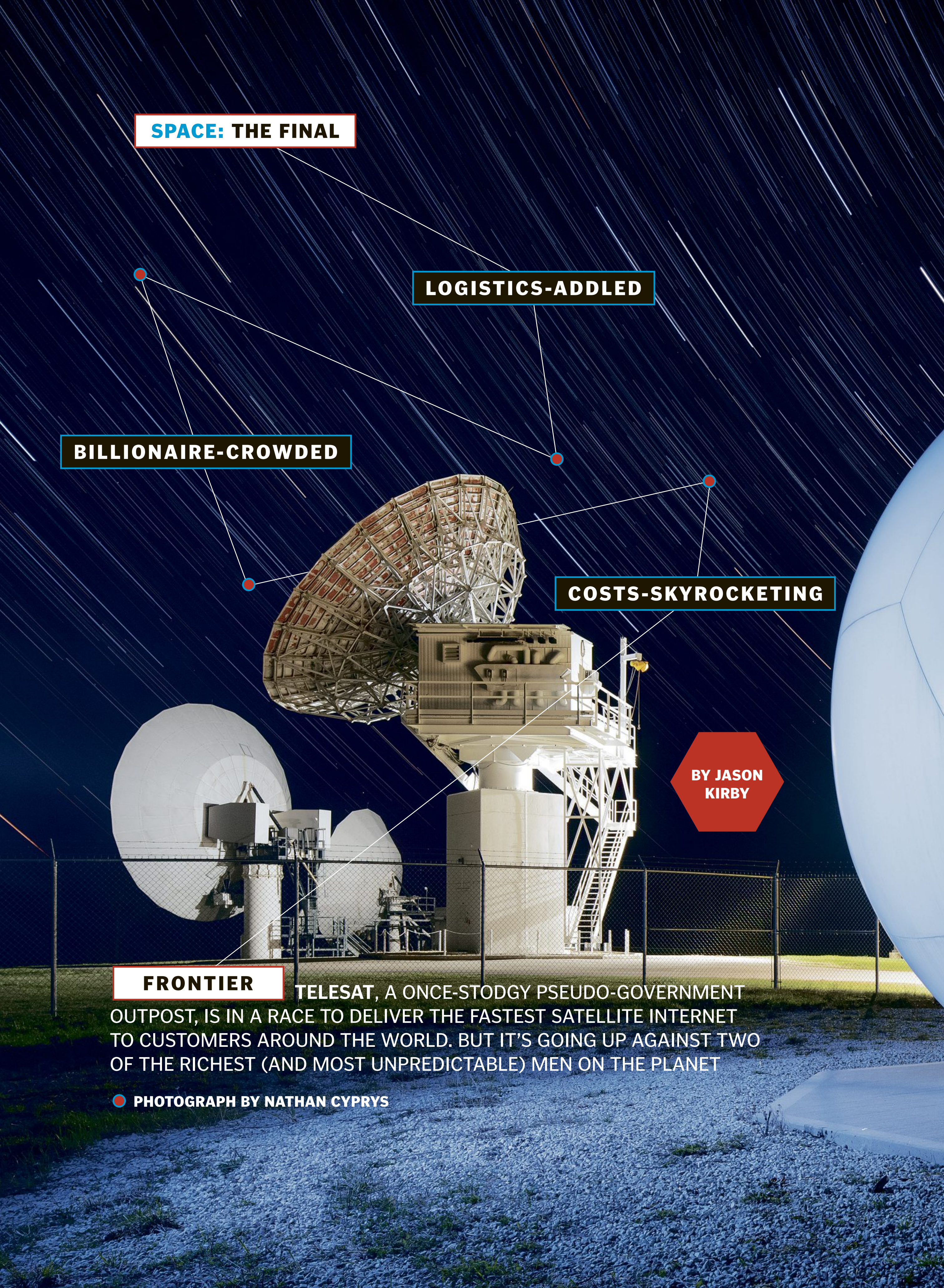
	COMPANY/HEADQUARTERS	LEADER	SECTOR
313	**Hunter Amenities International Ltd.** Burlington, Ont.	John Hunter	Manufacturing
314	**HyLife Ltd.** LaBroquerie, Man.	Grant Lazaruk	Agriculture
315	**I.M.P. Group International Inc.** Halifax	Kirk Rowe	Aerospace
316	**Imperial Manufacturing Group** Richibucto, N.B.	Normand Caissie	Manufacturing
317	**Integral Energy Services Ltd.** Airdrie, Alta.	Derek Polsfut	Business services
318	**International Group Inc.** Toronto	John Reucassel	Oil and gas
319	**Island West Coast Developments Ltd.** Nanaimo, B.C.	Greg Constable	Construction
320	**ITC Construction Group** Vancouver	Doug MacFarlane	Construction
321	**J Sonic Services Inc.** Saint-Laurent, Que.	Jean Aucoin	Wholesale and distribution
322	**J.L. Richards & Associates Ltd.** Ottawa	Saverio Parrotta	Business services
323	**Jayman BUILT Group of Cos.** Calgary	Jay Westman	Real estate
324	**Jefo** St-Hyacinthe, Que.	Jean Fontaine	Agriculture
325	**Johnston Group Inc.** Winnipeg	David Johnston	Financial services
326	**Johnvince Foods** Toronto	Joe Pulla	Food manufacturing
327	**JV Driver Group** Nisku, Alta.	Chuck Sanders	Other
328	**K-Line Group of Cos.** Stouffville, Ont.	Mark Kellett	Energy
329	**Kaizen Auto Group** Calgary	Nate Clarke	Automotive
330	**Klick Health** Toronto	Lori Grant	Advertising
331	**Klohn Crippen Berger Ltd.** Vancouver	Len Murray	Consulting
332	**Kriska Transportation Group Ltd.** Prescott, Ont.	Mark Seymour	Transportation
333	**Lakeside Process Controls** Mississauga	Greg Houston	Consulting
334	**Lanctot Ltée** St-Laurent, Que.	Diane Lanctot	Wholesale and distribution
335	**Lemay** Montreal	Louis T. Lemay	Architecture
336	**Les Emballages Carrousel Inc.** Boucherville, Que.	Michel Bourassa	Wholesale and distribution
337	**Levitt-Safety** Oakville, Ont.	Bruce Levitt	Wholesale and distribution
338	**Lindsay Construction** Halifax	Cory Bell	Construction
339	**LMS Reinforcing Steel Group** Surrey, B.C.	Ron McNeil	Industrial products
340	**Location d'outils Simplex s.e.c.** Montreal	Euclid Véronneau	Industrial products
341	**Long View** Calgary	Brent Allison	Technology
342	**Lorneville** Saint John	Styve Dumouchel	Construction
343	**Losani Homes** Stoney Creek, Ont.	Fred Losani	Real estate
344	**M. Sullivan & Son Ltd.** Arnprior, Ont.	Robert Ball	Energy, resources and industrials
345	**M&M Food Market** Mississauga	Andy O'Brien	Retail
346	**Magasins Trévi inc.** Mirabel, Que.	Benoît Hudon	Retail
347	**Maisons Laprise Inc.** Montmagny, Que.	Daniel Laprise	Construction
348	**Maple Lodge Farms Ltd.** Brampton, Ont.	Michael Burrows	Food manufacturing

	COMPANY/HEADQUARTERS	LEADER	SECTOR
349	**Maple Reinders** Mississauga	Harold Reinders	Construction
350	**Maritime Travel** Halifax	Rob Dexter	Travel
351	**Maritime-Ontario Freight Lines Ltd.** Brampton, Ont.	Doug Munro	Transportation
352	**MasterBUILT Hotels Ltd.** Calgary	David Donaldson	Hospitality
353	**Mastronardi Produce (Sunset)** Kingsville, Ont.	Paul Mastronardi	Agriculture
354	**McCain Foods (Canada)** Toronto	Max Koeune	Food manufacturing
355	**McDougall Energy** Sault Ste. Marie	Darren McDougall	Oil and gas
356	**McIntosh Perry** Woodbridge, Ont.	Gus Sarrouh	Consulting
357	**MDS Aero Support Corp.** Ottawa	John Jastremski	Aerospace
358	**Medcan** Toronto	Shaun Francis	Life sciences and health care
359	**Mega Group Inc.** Saskatoon	Kim Yost	Business services
360	**MHS Inc.** Toronto	Hazel Wheldon	Business services
361	**Miller Waste Systems Inc.** Markham, Ont.	Blair McArthur	Utilities
362	**Mircom Group of Cos.** Vaughan, Ont.	Mark Falbo	Manufacturing
363	**Modern Niagara Group Inc.** Ottawa	Bradley J. McAninch	Construction
364	**Modu-Loc Fence Rentals** Toronto	Clint Sharples	Industrial products
365	**Molinaro's Fine Italian Foods Ltd.** Mississauga	Guerino Molinaro	Food manufacturing
366	**Momentum technologies inc.** Quebec	Mohamed Guetat	Technology
367	**Morrison Homes** Calgary	Dave Gladney	Real estate
368	**Mr. Lube Canada** Richmond, B.C.	Stuart Suls	Automotive
369	**Murray Auto Group** Winnipeg	Doug Murray	Automotive
370	**Napoleon Group of Cos.** Barrie, Ont.	Stephen and Chris Schroeter	Manufacturing
371	**Nicola Wealth** Vancouver	John Nicola	Financial services
372	**Novexco Inc.** Laval, Que.	Denis Mathieu	Wholesale and distribution
373	**NRT Technology Corp.** Toronto	John Dominelli	Technology
374	**Number TEN Architectural Group** Winnipeg	Greg Hasiuk	Architecture
375	**O'Regan's** Dartmouth, N.S.	Sean O'Regan	Automotive
376	**Oceanex Inc.** St. John's	Captain Sid Hynes	Transportation
377	**Odlum Brown Ltd.** Vancouver	Debra Doucette	Financial services
378	**Omicron Canada Inc.** Vancouver	William Tucker	Construction
379	**OpenRoad Auto Group Ltd.** Richmond, B.C.	Christian Chia	Automotive
380	**Oppenheimer Group** Coquitlam, B.C.	John Anderson	Agriculture
381	**Oxford Frozen Foods Ltd.** Oxford, N.S.	Allan MacDonald	Food manufacturing
382	**Paladin Security Group** Burnaby, B.C.	Ashley Cooper	Security
383	**Palliser Furniture Ltd.** Winnipeg	Peter Tielmann	Manufacturing
384	**Paterson GlobalFoods Inc.** Winnipeg	Andrew B. Paterson	Agriculture
385	**Payworks** Winnipeg	JP Perron	Technology
386	**PCL Construction Group of Cos.** Edmonton	David Filipchuk	Construction

	COMPANY/HEADQUARTERS	LEADER	SECTOR
387	**PD Group of Cos. Inc.** Edmonton	Brian Tiessen	Construction
388	**Pelican International** Laval, Que.	Danick Lavoie	Manufacturing
389	**Pennecon** St. John's	David Mitchell	Industrial products
390	**peopleCare Communities** Waterloo, Ont.	Brent Gingerich	Long-term care
391	**PointClickCare** Mississauga	Dave Wessinger	Technology
392	**Polycorp Ltd.** Elora, Ont.	Peter Snucins	Manufacturing
393	**Pomerleau Inc.** Saint-Georges, Que.	Pierre Pomerleau	Construction
394	**PrairieCoast Equipment** Chilliwack, B.C.	JD Frame	Agriculture
395	**Procom** Toronto	Frank McCrea	Business services
396	**PTI Transformers** Regina	George Partyka Jr.	Manufacturing
397	**Quadra Chemicals Ltd.** Vaudreuil-Dorion, Que.	Philip Infilise	Wholesale and distribution
398	**Quality Foods** Qualicum Beach, B.C.	Noel Howard	Grocery
399	**Questrade, Inc.** Toronto	Edward Kholodenko	Financial services
400	**R.V. Anderson Associates Ltd.** Toronto	Shawn Scott	Architecture
401	**Red Sun Farms** Kingsville, Ont.	Carlos Visconti	Agriculture
402	**Rex Power Magnetics** Concord, Ont.	Ara Hasserjian	Utilities
403	**RGO Group of Cos.** Calgary	Cathy Orr	Business services
404	**Richardson International Ltd.** Winnipeg	Curt Vossen	Agriculture
405	**RLG International, Inc.** Burnaby, B.C.	Jerry Weisenfelder	Business services
406	**Robinson** Winnipeg	Shea Robinson	Wholesale and distribution
407	**RWDI Group of Cos.** Guelph, Ont.	Michael J. Soligo	Consulting
408	**Sargent Farms** Milton, Ont.	Kevin Thompson	Food manufacturing
409	**Saskatchewan Mining and Minerals Inc.** Chaplin, Sask.	Rodney McCann	Mining
410	**Scandinavian Building Services Ltd.** Edmonton	Russell Hay	Janitorial
411	**Servus Credit Union** Edmonton	Ian Burns Warner	Financial services
412	**Shah Canada Group of Cos.** Woodbridge, Ont.	Sujay Shah	Food manufacturing
413	**Shaw Group Ltd.** Halifax	Dean Robertson	Manufacturing
414	**Sifton Properties Ltd.** London, Ont.	Richard Sifton	Real estate
415	**SiriusXM Canada** Toronto	Mark Redmond	Media
416	**Skyline Group of Cos.** Guelph, Ont.	Jason Castellan	Real estate
417	**Solutions 2 GO** Brampton, Ont.	Oliver Bock	Wholesale and distribution
418	**Solvera Solutions** Regina	Reg Robinson	Technology
419	**South Country Equipment Ltd.** Emerald Park, Sask.	Drew Watson	Agriculture
420	**South Shore Furniture** Sainte-Croix, Que.	Jean Laflamme	Retail
421	**Southmedic Inc.** Barrie, Ont.	Lisette (Lee) McDonald	Life sciences and health care
422	**Southwest Properties** Halifax	Gordon Laing	Real estate
423	**Spin Master Ltd.** Toronto	Anton Rabie	Entertainment
424	**St. Joseph Communications** Toronto	Tony Gagliano	Media

	COMPANY/HEADQUARTERS	LEADER	SECTOR
425	**Standard Products Inc.** St. Laurent, Que.	David Nathaniel	Manufacturing
426	**StarTech.com** London, Ont.	Paul Seed	Technology
427	**Steam Whistle Brewing** Toronto	Greg Taylor	Food maunfacturing
428	**Steele Auto Group** Dartmouth, N.S.	Rob Steele	Automotive
429	**Stelpro** St-Bruno-de-Montarville, Que.	Yves Chabot	Industrial products
430	**Strike Group Ltd. Partnership** Calgary	Stephen Smith	Oil and gas
431	**Summer Fresh Salads Inc.** Woodbridge, Ont.	Susan Niczowski	Food manufacturing
432	**Superior Glove** Acton, Ont.	Tony Geng	Industrial products
433	**Techmation Electric & Controls Ltd.** Airdrie, Alta.	Derek Polsfut	Industrial products
434	**Tenaquip Ltd.** Senneville, Que.	Glenn Watt	Wholesale and distribution
435	**The Cahill Group** St. John's	Fred Cahill	Construction
436	**Trico Homes** Calgary	Wayne Chiu	Real estate
437	**triOS College Business Technology Healthcare** Mississauga	Frank Gerencser	Education
438	**TuGo** Richmond, B.C.	Patrick Robinson	Financial services

	COMPANY/HEADQUARTERS	LEADER	SECTOR
439	**United Van Lines (Canada) Ltd.** Mississauga	Anne Martin	Transportation
440	**Vector Construction** Winnipeg	Bob Spriggs	Construction
441	**Vision Group Canada** Montreal	Mark Cohen	Life sciences and health care
442	**Waiward Industrial LP** Edmonton	Andy Brooks	Industrial products
443	**Wakefield Canada Inc.** Toronto	David Fifield	Wholesale and distribution
444	**Walters Group Inc.** Hamilton	Peter Kranendonk	Industrial products
445	**Westcorp Inc.** Edmonton	Philip Milroy	Real estate
446	**Western Sales Ltd.** Rosetown, Sask.	Grant McGrath	Agriculture
447	**Weston Forest** Mississauga	Steve Rhone	Wholesale and distribution
448	**WGI Westman Group Inc.** Sunnyside, Man.	Paul Cunningham	Manufacturing
449	**White Spot Ltd.** Vancouver	Warren Erhart	Restaurants
450	**Wildstone Construction Group** Penticton, B.C.	James Morrison	Construction
451	**Wilsons** Halifax	Ian Wilson	Oil and gas
452	**Wyth Financial** Saskatoon	Don Coulter	Financial services

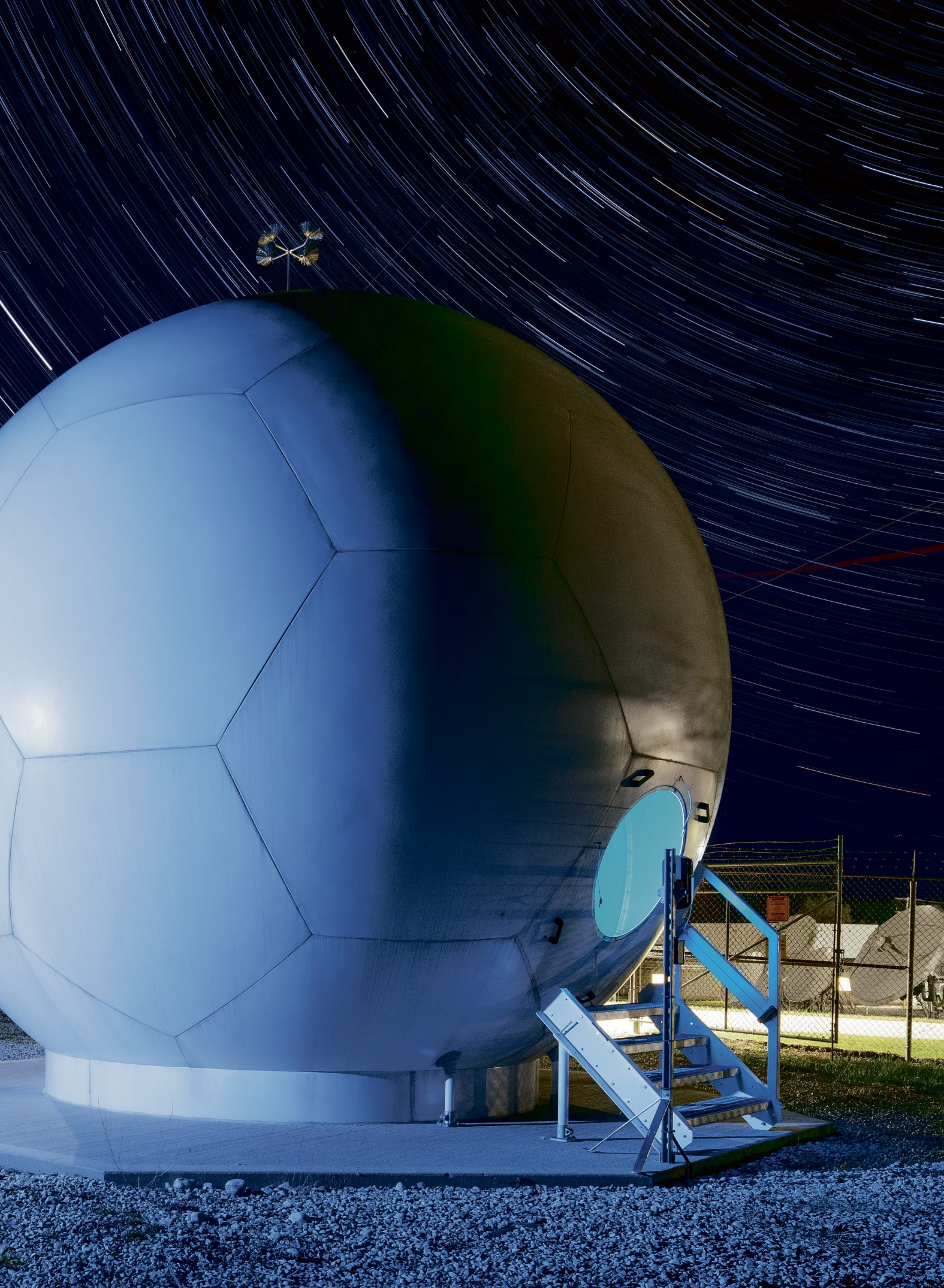


SPACE: THE FINAL LOGISTICS-ADDLED BILLIONAIRE-CROWDED COSTS-SKYROCKETING FRONTIER

BY JASON KIRBY

TELESAT, A ONCE-STODGY PSEUDO-GOVERNMENT OUTPOST, IS IN A RACE TO DELIVER THE FASTEST SATELLITE INTERNET TO CUSTOMERS AROUND THE WORLD. BUT IT'S GOING UP AGAINST TWO OF THE RICHEST (AND MOST UNPREDICTABLE) MEN ON THE PLANET

PHOTOGRAPH BY NATHAN CYPRYS



EVERY SPRING AND FALL, Dean Wells has the job of telling Nunavut government employees the precise date and time they'll be hurled back into the telecommunications dark ages. Internet connectivity for the territory's government, and most of its economy, for that matter, is beamed via a single geostationary satellite locked in place 36,000 kilometres above the Earth, and over the course of several days twice a year, the angle of the sun overwhelms the satellite's signal with thermal energy, shutting down communications for up to 12 minutes at a time. "It might not sound like much, but if you're trying to make a phone call or send a file, or even if you're standing in line at the grocery store to pay for your stuff, well, you just can't," says Wells, the government's chief information officer.

It gets worse. While that satellite, Telstar 19 Vantage, launched by Ottawa-based Telesat in 2018, brought moderately faster internet speeds than an earlier one did, it suffers from high latency, or lag time, and its limited capacity means the government's internet needs are six times greater than the satellite can provide. The solution, for this corner of the world's ninth-largest economy, is internet rationing. High-priority files get transmitted during the day, but many other documents must be cached and sent overnight, when satellite usage is lighter. And never mind that getting a video call to work properly in Nunavut is a minor miracle. (It didn't when I spoke with Wells in April.)

Yet, for a man who spends his life triaging fragile networks, Wells is bursting with excitement. A revolution is unfolding in the skies above him, with companies competing to launch tens of thousands of new satellites that will orbit far closer to the Earth's surface and be capable of providing blazingly fast broadband internet to the most remote edges of the planet. "Nunavut," says Wells, "will never be the same."

Universal high-speed connectivity is the promise at the core of the new multibillion-dollar space race that's pitting two of the richest, most powerful rocket jockeys on the planet, Elon Musk (net worth: US$250 billion) and Jeff Bezos (net worth: US$148 billion), against each other.

Oh, and Dan Goldberg (net worth: considerably less).

Since 2006, Goldberg has been the CEO of Telesat, the world's fourth-largest operator of fixed-position satellites. A few years ago, faced with the reality that its existing fleet of lumbering, high-orbit geostationary satellites weren't up to the high-speed internet task, Goldberg announced plans to leap into the world of low-Earth-orbit (LEO) communications satellites, which whiz around the planet multiple times a day but at an altitude of 2,000 kilometres or less, allowing them to offer speedy and reliable internet on par with fibre. And so Lightspeed was born, a $6.5-billion constellation of 298 initial satellites aimed at serving enterprise customers like governments, telecoms, and companies in the marine and airline industries.

If ever there was a moment for the impossible dream of closing the digital divide that's left one-third of the world's population without online access—not to mention the vast swaths of rural Canada plagued by turtle-like download speeds—this is it. Amid the work-from-home revolution, the

Nunavut's chief information officer, Dean Wells

Internet of Things and the growing metaverse, demand for fast, remote internet that can't feasibly be served by land-based fibre networks is exploding. By Telesat's own estimate, the total addressable market for LEO satellites will hit US$430 billion in 2025, and the company believes it can capture 1% of that market. Even that sliver would imply revenue of US$4.3 billion for a company that posted sales of $760 million last year. "We're spending a ton of money to do this, and it will be transformative for Canada, for the world and for the company as well," says Goldberg, who notes the company has so far prepaid more than US$100 million to secure launches for its satellites.

The only problem is, Telesat hasn't managed to build or launch a single commercial Lightspeed satellite. Its prime contractor for the project, France's Thales Alenia Space, has been hit by the same supply chain delays for simple electronic components that have bedevilled car and home appliance buyers over the past year, and Telesat has had to push back the date for Lightspeed's commercial rollout to at least 2026. The company was also expected to confirm during the release of its first-quarter results in early May (after this magazine went to print) that in the face of inflationary pressures it will "descope" the initial size of its constellation from 298 to 188. Nor had Telesat finalized financing for the ambitious project, even though the federal, Ontario and Quebec governments have committed $2.6 billion to the project. Since Telesat's shares started to trade on Nasdaq and the TSX last November, their value has plunged nearly 70%.

Add it all up and Telesat is simultaneously faced with a galaxy of opportunities for its LEO satellites, and a world of hurt to get there. Nothing less than the future of the company is tethered to Goldberg getting the Lightspeed rollout right.

Like a cat with a bell on, you can hear Goldberg coming before you see him. Thud, rattle, *drag*. In March, while out for a run with a group of friends, Goldberg's right foot came down hard on a patch of black ice as he turned his body. He heard the crack even before his brain comprehended what had happened to his shattered ankle, which broke in three places. Since then, he's been on crutches (though he has since shed the plastic brace on his foot as he undergoes physiotherapy).

As if trying to do rocket science amid a pandemic wasn't already hard enough.

Goldberg, a trim 57-year-old with an easy smile, isn't actually a rocket scientist. He's a Harvard-trained lawyer (one of his classmates was Barack Obama), but Goldberg has spent nearly his entire career around satellite companies in Europe and North America, first as in-house counsel at a company called PanAmSat and then at Netherlands-based NetSkies, where he rose to become chief operating officer. After that company was sold, he decided to move his family back across the pond. Goldberg was headhunted to join Telesat, a former Crown corporation then owned by Bell Canada, where he was tasked with leading the sale of the company. In 2007, Canada's Public Sector Pension Investment Board and U.S.-based Loral Space & Communications teamed up to buy the company for $3.3 billion. (Telesat's stock market listing last November followed its merger with Loral.)

It was during an airline flight in 2015, as he grappled with how to keep Telesat relevant in the high-speed digital age, that he pulled out a cocktail napkin and started jotting down ideas for what would eventually become Lightspeed. Earlier that year Musk had revealed his low-Earth-orbit plans for Starlink, a "giant global internet service provider" that would operate within his SpaceX rocket business. Telesat's existing geostationary satellites, of which there are now 13, take about 800 milliseconds for signals to travel back and forth to Earth. With LEOs, that would be cut to well less than 50 milliseconds. But the new venture would be expensive to build and carry unforeseeable execution risks. In the end, the decision came down to what the company's telecom, commercial and government customers were clear they wanted, says Goldberg: "A better, faster, more affordable, more resilient solution." Only LEO satellites could offer that.

Today, the industry is centred on four main companies. In addition to Musk's Starlink and Telesat, U.K.-based OneWeb has so far launched 422 satellites as part of its planned 648-satellite constellation, while Amazon's Project Kuiper envisions an LEO constellation of more than 3,200 satellites.

Starlink, by far, is the most well-known of the bunch. That's not a surprise when you have a showman like Musk as your founder. Starlink is also riding a wave of praise in the wake of Russia's invasion of Ukraine after it worked with the U.S. government to send thousands of satellite internet kits to the war-torn country, allowing residents there to stay connected after Russia shut down other forms of communications.

But Starlink's high profile also stems from the simple fact it's already put so many satellites in space. At last count, Starlink has launched 2,400 LEO satellites out of a planned 40,000. So far this year, it's successfully launched nine rockets filled with 448 satellites. In March, the company said it had signed up 250,000 customers in 25 countries.

Telesat's planned satellite count may seem teeny by comparison to Starlink's, but that's by design. For one thing, the Lightspeed satellites will orbit at higher altitudes—most will circle the Earth at 1,000 kilometres, versus 550 for Starlink. That allows fewer satellites to cover a wider area on the ground, but not so high that it creates signal delays. Telesat's satellites will also be interconnected with one another through optical laser links, creating a mesh capable of beaming capacity to areas where it's needed most. A 2021 paper by researchers at the Massachusetts Institute of Technology analyzing the four main LEO contenders estimated Telesat's satellite utilization rate will be 73.4% once the initial web of satellites is fully deployed, compared to 33% for Starlink.

Goldberg, who met with Musk and SpaceX president Gwynne Shotwell three years ago to discuss their respective LEO plans, has heard the Starlink comparisons many, many times before. While Starlink has recently begun to expand its offering into the enterprise sector Telesat plans to focus on, including deals to provide satellite internet to

PHOTOGRAPH COURTESY OF DEAN WELLS


Telesat's CEO, Dan Goldberg

some airlines, Goldberg still sees plenty of room for both players. "We don't delude ourselves. SpaceX has been a transformative company, but to be clear, they can be fully successful with their rocket and Starlink business, and Amazon can be successful with their Kuiper business, and we can be fully successful with Lightspeed because no one is going to dominate and own this entire market," he says. "If we were saying we could get 50% of this market, people would be right to question it. But we feel pretty good about getting 1% or 2%."

It's also not a stretch to say the popular view within Telesat is that Starlink's approach of throwing tens of thousands of essentially disposable satellites into space (their shelf life is just five years, versus 10 for Lightspeed satellites) is madness. The company's executives will never come out and say this, but it's interwoven in how they talk about their own project. "We've built a constellation that's optimized for enterprise users," says Goldberg. "It's not a best-efforts kind of broadband connectivity. It's committed information rates. It's providing service at a 99.99% availability standard. It's what enterprise and government users demand."

Dave Wendling, Telesat's chief technical officer, puts it more succinctly: "Our spacecraft are not throwaways. They're big, capable, leading-edge technology designed for graceful degradation. Because we can't afford these things to be falling out of the sky."

Telesat's potential customers are awaiting its entrance into the market. "There's an anticipating in the industry that Telesat has the technical potential to leapfrog some of the others, so we're anxiously waiting for that," says Rick Hodgkinson, owner and CEO of Galaxy Broadband Communications Inc., which provides satellite communications services to remote industrial customers like mines, oil rigs and large construction projects—many of them operating above the 57th parallel, which runs just north of Fort McMurray, Alta. At the moment, Hodgkinson is working with OneWeb to test its satellite internet system and has roughly a dozen terminals at various sites, including a construction site in Northern Ontario that had been relying on geostationary satellites for connectivity. He says he expects to roll out a full commercial launch this June.

But Hodgkinson says OneWeb doesn't have enough capacity in its LEO constellation to meet the needs of his customers. What draws him to Telesat is its ability to beam capacity around its web of satellites to where it's needed.

As for Starlink, Hodgkinson says its system design and focus on the consumer market doesn't make it suitable for large commercial operations. "I think of it this way: If you're a contractor building homes and you need a vehicle, you're not going to buy a Toyota Prius," he says. "It's capable of going onto job sites, but it can't haul anything there."

That may be the case, but not every enterprise customer will be willing to wait for Telesat to finally enter the race. "I like the Telesat approach of making satellites that are more robust and capable, but the problem for them lagging behind is that if Starlink gets operational first, then Starlink can win enterprise customers purely by being the only one available," says Dallas Kasaboski, a consultant with Northern Sky Research in Strasbourg, France. While Telesat can try to convert those customers over to Lightspeed once the constellation is up and running, that's a slower and costlier prospect. "It's a very difficult proposition to be the best but also be last."

PHOTOGRAPH JUSTIN TANG

LCI Education's diversity and innovation helps educate students and workers worldwide

Renderings of new LCI Barcelona and LaSalle College Vancouver buildings, currently under construction.

While many companies today are just starting to recognize the importance of diversity and inclusion in their ranks, it has been a reality at Montreal-based LCI Education for 60 years.

"We are very progressive. We live diversity and inclusion," says Claude Marchand, LCI Education's chief executive officer, pointing to the 2,000 employees working at its 23 higher educational institutions in 13 countries worldwide.

It's not just the staff and 20,000-plus student population globally that make LCI Education diverse. Mr. Marchand says more than 50 per cent of its board members and employees are diverse in terms of gender, race and sexual orientation.

He believes this mix of people and backgrounds is what helps to make LCI Education an educational pioneer in industries such as fashion, hospitality and tourism, business and more recently gaming.

"It drives results because of the collision of ideas," says Mr. Marchand, who has been head of the family business since 2014, after previous roles in marketing and as a vice-president.

LCI Education has a long history of innovation, tracing its origins back to LaSalle College in Montreal, founded in 1959. At that time, most educational institutions were public or created by religious institutions.

Mr. Marchand's father and a business partner took over the company in the 1980s and charted its path into international markets by opening two campuses in Morocco. Since then, LCI Education has grown rapidly through both acquisitions and opening new campuses worldwide. It has two institutions in Canada: LaSalle College in Montreal and LaSalle College Vancouver.

Mr. Marchand and his two brothers bought the business from their retiring father in 2020, just before the pandemic, with financial support from Caisse de dépôt et placement du Québec.

The pandemic was tough for LCI Education at first, given the unknowns. Still, Mr. Marchand says the company decided to invest in its operations, particularly its e-learning platform that was already in place for about two decades in Quebec.

"COVID allowed us to accelerate our transformation as an organization," he says.

LCI Education's focus today is to expand both its physical and digital presence, which includes building new campuses in Vancouver and Barcelona and expanding its e-learning platform.

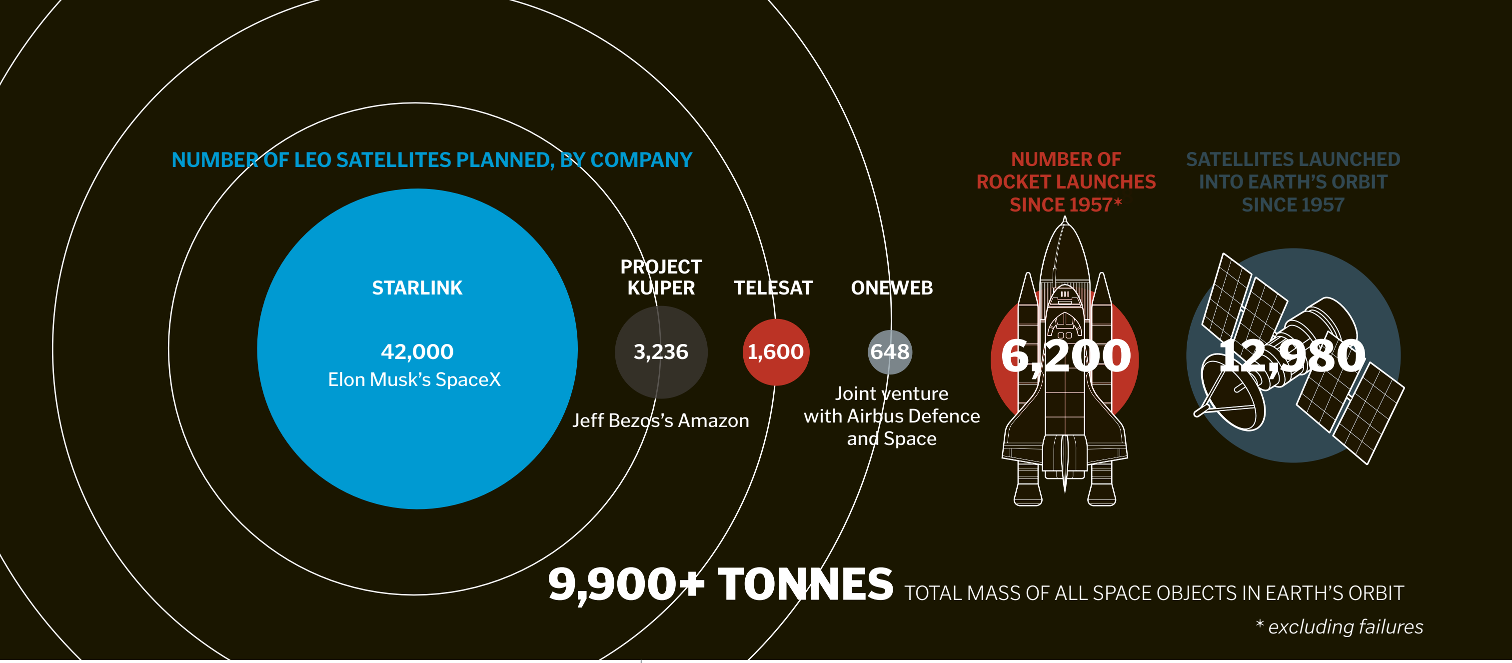
"By 2024, the way the general public will look at us will be completely transformed," he says. "Physically, they will see those two magnificent new buildings in Barcelona and Vancouver that will be very tangible. At the same time, our digital experience will also reach new heights."

LCI Education also provides a solution to the ongoing talent crisis, Mr. Marchand says, by providing people with the education and skills needed to fill the huge job gaps across several industries.

"Given our presence in 13 international markets and our expertise in e-learning, we are in a position to not only teach kids that will end up in business, but also support businesses directly by helping to upskill their workforce," he says.

Mr. Marchand says students and businesses turn to LCI Education for its innovative programs and engaged and expert staff who go out of their way to help students excel. He says employees and students are also engaged in the community where they work and learn.

"I've always been very proud of our colleagues and our organization's impact on society worldwide."



You don't have to be in Nunavut to endure the grind of sluggish internet in Canada or to see the potential opportunity for satellite internet. You could, for instance, drive an hour and a half southwest of Toronto, the fourth-largest city in North America, to a country road in Norfolk County (my old stomping grounds). A little south of one of the hamlets there, at a spot where a log from the wagon-era corduroy road occasionally breaks through the pavement, is an invisible line where the latest rural broadband initiative is set to end. While the 200 residents in the hamlet are likely to see download speeds that meet the Canadian Radio-Television and Telecommunications Commission's 50/10 target (50 Mbps download, 10 Mbps upload), the scattered farms to the south will be left with speeds in the range of one to three Mbps down.

According to the CRTC, only about 45% of rural households in Canada can obtain its target download speed. That figure falls to 35% for people living on First Nations reserves.

For rural development researchers like Helen Hambly at the University of Guelph, the endless promises about faster rural broadband make one thing clear: The status quo is failing. "At a time when you've got rising food prices and labour shortages on farms, you have this agriculture digital revolution happening without the underlying connectivity to support it," she says, pointing to technologies like sensors and drones that help improve crop yields. "We've been working on these issues for, my goodness, 12 years now, and sometimes I have a hard time sustaining my energy to get people to buy into why we need more effort in this area."

While Telesat will not be serving rural internet users directly, it does plan to work with telecoms to provide what's known as backhaul connectivity to communities where fibre isn't an affordable option. It turns out there are a lot of them.

At Telesat, it's Manik Vinnakota's job to map out the commercial opportunities for Lightspeed. Or in other words, to figure out how the massive project will pay for itself. That means compiling and analyzing millions of data points on things like commercial airline traffic routes, cruise and merchant ship traffic, urban-rural population divides and distances to local highways—an indicator of the ease with which an area can eventually be served by fibre optics on the ground.

When it came to Canada, Vinnakota used federal data that divides the entire Canadian landmass into a geospatial grid of 516,322 individual hexagons, with each 25-square-kilometre hexagon including sundry details about the population that lives there, what broadband speeds are available to them, and the distance to the closest land-based fibre optic cable. Their research identified roughly 1,200 rural communities where, over a 10-year time horizon, it would be more economical to connect them to high-speed through Lightspeed versus the cost of laying thousands of kilometres of new fibre optic cable. "That was a big light bulb that went off for us," Vinnakota says. "It proved our initial numbers that showed we have a clear and viable business case, because the lowest-cost option should win."

The question for Guelph's Hambly then comes back to when Telesat will get its satellites to space, especially since the federal government committed nearly $600 million to the company's Lightspeed project in 2020, and the launch date has now been pushed back. "I have no problem with this investment, but the folks who are not connected to high-speed internet needed this yesterday," says Hambly.

In the meantime, rural customers are embracing Starlink, despite its high costs. (In March, Starlink's price tag got even steeper due to what it called "excessive levels of inflation"—for new orders, its internet unit rose to $759 from $649, while monthly fees also rose from $129 to $140.) It's a phenomenon Hambly is also tracking via customer reviews posted on the Reddit page for Starlink Canada. She recently launched a data analysis project to scrape comments from the 1,100-member community to understand to what extent the service is closing the high-speed gap.

It certainly worked for James Lindsay, a teacher and fire chief in Lynn Lake, a community of about 500 people in northern Manitoba. As soon as Starlink announced it would be available, Lindsay put his name on the waiting list, having endured 0.25 Mbps download speeds through Bell MTS's "allegedly high-speed DSL," he says.

SOURCE COMPANY REPORTS AND EUROPEAN SPACE AGENCY

A focus on 'Pets, People and Practice' drives growth for P3 Veterinary Partners

Drs. Debbie Boyd, David Gomez, and Aaryn Clark, together with the entire Grey Bruce Pet Hospital team, on moving day into their new facility in Owen Sound, Ont. Grey Bruce Pet Hospital was the first hospital to join P3 Veterinary Partners in 2016.

As P3 Veterinary Partners welcomes more practices into its veterinary hospital network across Canada, the company's founders stay committed to their three P's: Pets, People and Practice.

The Oakville, Ont.-based company has developed from its start in 2015 to include 49 veterinary practices and anticipates its group will grow beyond 100 hospitals in the near future.

"As we build our network, we are committed to retaining our humble beginnings and that feeling that we're here to help," says Nicole Judge, P3's chief medical officer.

Dr. Judge co-founded the company with chief executive officer Bruce Campbell, a CPA who has more than two decades of experience working with business owners and leaders.

The duo had a vision to connect the resources and capabilities of a large company with the personality and flexibility of an independently owned hospital. Their vision was to build a network of partner veterinary hospitals and work with their clinical colleagues to provide easy access to best-in-class mentorship and continuing education opportunities, management and human resources support, and assistance with hospital administration. They want P3 to be the best place to work in veterinary medicine.

Many of P3's partners are later-career veterinarians who care about their teams and community legacies. Whether these doctors retain an ownership interest in their practices or not, they want a thoughtful, capable partner that will care for and build on their life's work.

Other partners are mid-career veterinarians who are interested in ownership but want an experienced partner on the management side to enable the work-life balance that so many professionals are seeking. Many are associate doctors, veterinary technicians and hospital support team members who are simply looking for a fantastic place to belong, work and thrive.

Transition and growth are team efforts. The co-founders point to Grey Bruce Pet Hospital in Owen Sound, Ont. as one example. The practice moved to a new, state-of-the-art 6,000-square-foot facility this spring. Former owners, Deborah Boyd and David Gomez have been joined by the hospital's new partner and medical director, Aaryn Clark. Together, these doctors are proudly guiding the team and practice forward.

Mr. Campbell says the pandemic has put significant pressure on the veterinary industry.

"COVID has had people rethinking their priorities," he says.

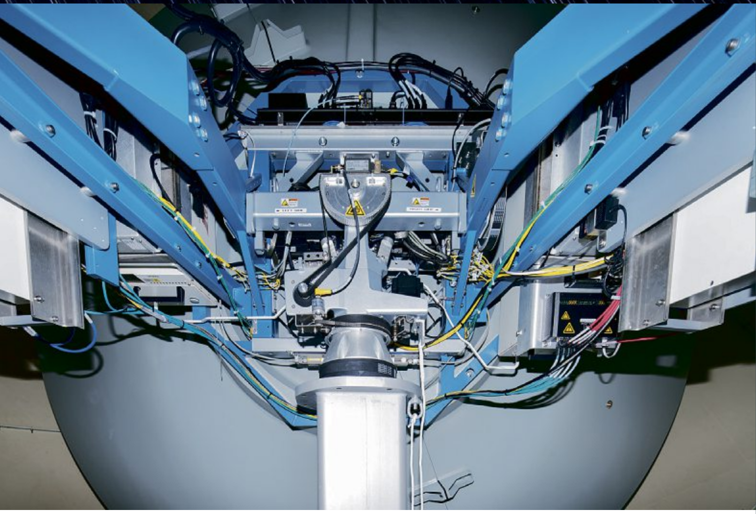
Many hospital owners are reaching out to P3 looking for a partner to help them realize their goals.

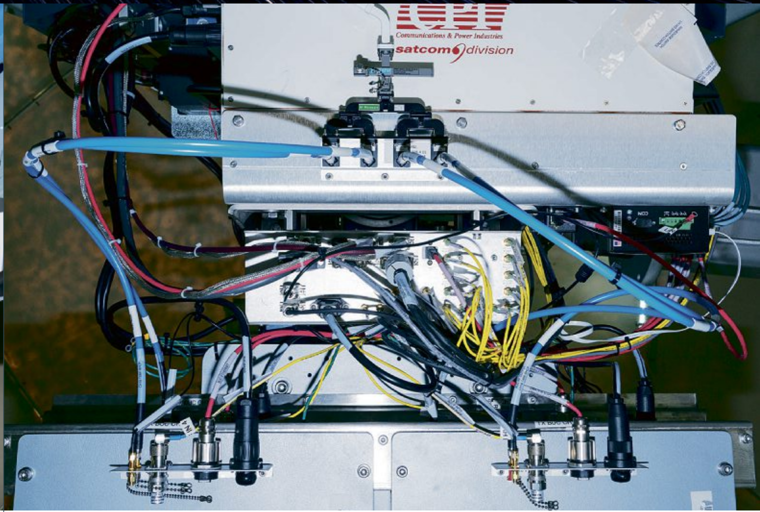
"Now that P3 is established, it means veterinarians thinking about joining our group can talk with those who already have," Mr. Campbell says.

"It's a bit of that perfect storm," Dr. Judge adds, noting that many hospital owners are simply exhausted and "just want someone to come in and help take the practice to the next level and allow them to refocus on medicine."

Doctors who partner with P3 get way more than just help with payroll, scheduling, inventory management and other administrative functions: P3 offers tailored continuing education, P3's in-house mentorship program, and career advancement opportunities, Dr. Judge adds.

"It's not just an education piece," she says. "It's also an opportunity for our veterinarians to get to know each other and build relationships, both with the medical advisory board and also with each other."





The inner workings of Telesat's antenna in Hanover, Ont., that communicates with the company's LEO 1 demonstration satellite

On March 18, when Lindsay got his hands on his Dishy McFlatface—the nickname given by Starlink's engineers to its internet terminal—he immediately set it up and tested it out. The results were staggering: 199 Mbps down, 13 Mbps up. At last count, at least 45 people in Lynn Lake and the nearby Marcel Colomb First Nation—the "raggedy edge" of Starlink's current service area, as Lindsay puts it—have become customers. "The 21st century is finally going to arrive in Lynn Lake," he says.

Using low-Earth satellites to provide broadband isn't a new idea. In the 1990s, several companies—including Bill Gates–backed Teledesic—vowed to create "internet in the sky," but all saw their plans go down in flames. In 2021, Musk acknowledged the industry's poor track record in a tweet: "Every new satellite constellation in history has gone bankrupt. We hope to be the first that does not."

A lot has changed since then. The technology behind satellites has improved dramatically, while the cost to build and launch them had been falling steadily, at least until the current wave of supply-chain disruptions and soaring energy costs began to bite. Most of all, the world's appetite for high-speed broadband has only grown more voracious. In the early 1990s, global internet traffic amounted to 0.0001 exabytes a month, according to networking giant Cisco. (An exabyte is one billion gigabytes.) This year, IP traffic is forecast to hit 400 exabytes a month. Next stop: the zettabyte era.

That's not to say the industry isn't starting to look crowded, sometimes to bizarre degrees. This past October, Rwanda filed a request with the United Nations' International Telecommunication Union (ITU) to put nearly 330,000 LEO satellites in space as part of that country's quest to become the hub of Africa's space industry. A month later, another Canadian startup, Toronto-based Kepler Communications, leapt into the fray with its own request to the ITU that would see it develop a megaconstellation of 114,852 satellites, though the company says it plans to launch just 200 itself to create an "internet in space." The balance would come from other space-industry customers who would affix Kepler's tech to their own satellites to tap into its space-based network. In March, Germany's Rivada Space Networks proposed a 600-satellite constellation. Another Canadian company, Skytrac Systems of Kelowna, B.C., followed a month later with plans for a 700-satellite network of its own.

It's not clear if any of those projects will receive regulatory approval and go ahead, but even if they don't, space is filling up. Since 2011, the number of satellites has jumped to 8,600 from around 1,000. Telesat mission control, housed in a tinted-glass room in an office building overlooking Ottawa's Elgin St., contains rows of computer terminals and monitors. One large screen in particular jumps out. It displays a feed of every satellite and object currently stationed in space or orbiting the Earth—a mass of tiny dots that combine to form a goopy mush around the planet.

That has scientists and astronomers alarmed. In a paper last month for the journal Nature Astronomy, a group of scientists warned that by 2030, the number of satellites in low-Earth orbit could blow past 100,000 and "significantly alter our whole perception of the night sky in the long term, appearing as 'fake stars' [and] rival the number of visible real stars."

Even so, the LEO space race is showing no signs of slowing.

Space is a brutal, unforgiving place to do business. This past February, Starlink lost 40 satellites a day after launch when a geomagnetic storm caused them to fall from orbit and burn up. As Telesat notes in its prospectus about the dangers inherent in its industry, "these risks include in-orbit equipment failures, malfunctions and other kinds of anomalies [such as] circuit failures, transponder failures, solar array failures, telemetry subsystem failures, battery cell and other power system failures, satellite control system failures and propulsion system failures." If that weren't enough, the company continued, "magnetic, electrostatic or solar storms, space debris, satellite conjunctions [and] micrometeoroids" can take out a satellite at any moment.

But if all that sounds bad, it's nothing compared to a

Shah Canada's strong foundation of family business success

Left to right: Rajay Shah, vice-president, Sujay Kumar Shah, president and chief executive officer, and the late Ajay Shah.

The Shah Canada Group of Companies creates success by embracing the future while honouring the past.

The family's entrepreneurial roots trace back to Kenya, where the family ran clothing and textile companies in East Africa. With the intention to start a textile business in Canada, they soon realized that there was a far greater opportunity to supply ethnic foods to the growing immigrant population. Hence, in 1974, Shashi Shah started Shah Trading Co. Ltd. and along with his brothers, built it into one of Canada's most successful importing and distribution businesses.

In 2006, backed by their father Shashi, brothers Sujay and Ajay Shah launched their own entrepreneurial initiative: The Shah Canada Group of Companies.

"Growing up in the family business, my brothers and I inherited this amazing knowledge of importing and trading and we capitalized on it by incorporating food science and technology to create value-added and manufacturing focused organizations. One of these was Kii Naturals, a manufacturer of artisan crackers. In just seven years, we built it to 120 employees, shipping product to over 25 countries and in 2017, sold the business to a U.S. private equity firm," says Sujay Kumar Shah, president and chief executive officer of Shah Canada, who runs the group along with his brother Rajay Shah, vice-president.

Today, Shah Canada's portfolio of companies – which includes Shashi Foods and Smile Natural Foods – employ a complex trading strategy that sources raw materials from more than 40 countries around the world.

Shashi Foods is North America's leading manufacturer for globally procured and locally curated spices, herbs, and seasonings. Shashi's exciting portfolio of products are used by some of the most recognizable brands in retail, packaged food, and food service industries in North America and beyond.

Smile Natural Foods is a private-label producer of organic and gluten-free muesli, granola and nutrient-dense breakfast cereals for major supermarket chains across Canada and the U.S.

The Shah Canada portfolio also includes Clarius, which invests in privately held companies in and beyond the food industry, and Jay Capital, a real estate portfolio company with industrial and commercial holdings.

"We run multiple businesses," Sujay says. "To grow and manage them successfully over the last couple of years, we have had to continuously adapt to a rapidly changing environment. By utilizing a strong foundation and applying ingenuity, know-how and entrepreneurial spirit, the company has maintained its status as a Platinum Club winner of Canada's Best Managed Companies over the last decade."

Over the last two years, Shah Canada has injected more automation and software integration into its business, allowing it to stay competitive in the face of rising costs and increased competition. The company also took the opportunity to groom a group of senior directors, managers and officers who will help apply the family's business acumen and generational knowledge to increasingly complex and ever-changing global markets.

"Using modern food science and technology to develop innovation and generate growth throughout global markets, is one of this generation's contributions to the ongoing legacy of the family business," Sujay says.

"The purpose of Shah Canada is to take everything we've learned from our past generations, combined with the knowledge we've created, and pass all of that on to the next generation to continue our legacy."

gummed-up supply chain back on Earth.

In October, Goldberg was at his cottage recovering from COVID-19 when he got a call from the president of Thales Alenia's space division, which has the contract to build the LEO constellation. A month earlier, Goldberg had been in Paris, his first trans-atlantic trip since the start of the pandemic, and had received hints suppliers were struggling to find parts. The phone call confirmed it: Telesat would have to push back Lightspeed's launch date. "That was a kick in the teeth," says Goldberg.

The delays don't necessarily involve complex parts; instead, they're the general building blocks of all electronic equipment: resistors, diodes and integrated circuits. Without them, the satellites can't be completed.

In addition to announcing the delay of Lightspeed's launch, Telesat is considering several steps to minimize further disruption, including switching some subcontractors, swapping components and ordering parts far earlier than it normally would.

Soaring inflation in the cost of parts and labour also presented Telesat with an uncomfortable decision—it would either have to raise more money or downsize its initial ambitions. As it stood in early May, Goldberg was still in talks with Export Development Canada and Bpifrance, the two export credit agencies the company is relying on to provide roughly 40% of the project's $6.5 billion in capital funding. If either of those two agencies don't come through, Telesat might have to find other ways to finance the project as the cost of borrowing gets much steeper. (Goldberg says he's cautiously optimistic, but "if that doesn't come to pass, we'll cross that bridge when we get there.")

That leaves the option of building a lighter Lightspeed. Wendling, Telesat's chief technical officer, says even if the initial rollout has 188 satellites instead of 298, "the constellation will still provide many terabits per second of capacity, way more than is out there right now." The long-term goal remains to expand Lightspeed to around 1,670 satellites, he says. It'll just take longer to get there.

Investors are losing patience. While the recent rout has sunk many tech companies' stock, Telesat's has been in decline since November. As of early May, it traded for $15.50 on the TSX, down from $45 six months ago.

One problem, analysts say, is the company hasn't done a great job developing relationships with equity investors. Its stock market listing didn't come with the issuance of any new shares, so the Bay and Wall Street marketing machines that normally accompany an IPO have been absent.

At the same time, Goldberg has had to field repeated calls from Telesat bond investors whose debt is tied to declining revenue from the company's legacy satellites. His exasperation came through on a recent conference call when one bond analyst kept describing spending on Lightspeed as a "drag." When Telesat treasurer Michael Bolitho echoed the analyst's wording, Goldberg jumped in. "Let's not do this drag thing," he said. "We are investing. We've spent our money pretty carefully. We don't invest it, we hope, in a dumb way." At another point in the call, Goldberg summed up his message to bond investors: "What we're trying to say is, like, chill."

The tensions reflect a half-century-old company that's trying to transform itself in an industry now dominated by the world's most disruptive personality: Elon Musk. "Elon is a very promotional person, and that's part of the success of his companies, and that doesn't work for everyone," says Walter Piecyk, an analyst at New York–based LightShed Partners who covers Telesat. "But sometimes companies focus too much on making sure they have all their ducks lined up before they talk about what they're doing, and in my opinion that's the approach of a company that's been talking to bond investors for the last decade."

For starters, Piecyk hopes Telesat will spend more time at investor conferences and on the business-TV circuit. "Look, are you going to launch this thing or not? And if you are going to launch it," he says, "you need to get out and talk about the target markets and what you're going to do to address them."

"SPACEX CAN BE FULLY SUCCESSFUL WITH STARLINK, AND AMAZON CAN BE SUCCESSFUL WITH KUIPER, AND WE CAN BE SUCCESSFUL WITH LIGHTSPEED BECAUSE NO ONE IS GOING TO DOMINATE THIS ENTIRE MARKET"

For his part, Goldberg says Telesat has signed up to do more investor conferences this year. But ultimately he ascribes to a "show, don't tell" philosophy. "Actions speak louder than words, and I'm a big believer that folks need to see concrete milestones," he says. "Investors need to see us close our financing, launch satellites, announce customer contracts, build a contractual backlog, and I'm very comfortable we can demonstrate that."

In the meantime, in February it signed a deal with a contractor to build 30 landing stations worldwide that will link the Lightspeed constellation to terrestrial networks. It's also letting potential customers see Lightspeed's capability up close with LEO 1, a demonstration satellite launched in 2018. (A second demo craft is due to be launched later this year.)

Nunavut's Dean Wells has already taken LEO 1 for a spin and was floored by the results. He believes the territory will ultimately sign contracts with several LEO satellite operators, with Telesat as one possibility. His team has already run fibre optic cables to government buildings in all 25 communities in the territory. Plans are also underway to install fibre linking Iqaluit to a destination farther south. Combine all that with a world that has embraced the remote delivery of vital services like health care and education, and the pieces are in place for life in Nunavut to be fundamentally transformed.

"You couldn't have ordered it any better," says Wells. "The stars are aligning."

BLOOD, SWEAT & SHEERS

Katherine Homuth's unrippable pantyhose are a hit, but they might be too pricey for average consumers.

How cheap do they have to get before they take over the mass market?

BY SEAN SILCOFF

PHOTOGRAPHS BY LAURENCE PHILOMENE

Katherine Homuth once gleaned this nugget of wisdom from a podcast: Improving a company by 5% a year causes everything to break internally. "And when you're trying to grow like us—100%-plus every year—you break everything all the time," she says.

Homuth is founder and CEO of Sheertex Holdings Corp., which is trying to break a lot of things with its flagship product: unbreakable sheer pantyhose. They're not made from nylon, but rather the same tough polymer used in bulletproof vests and climbing gear. Sheertex's revenues were US$5.6 million in 2019, US$11.8 million in 2020 and US$26.8 million in 2021. The forecast for 2022 is to more than double sales again.

So what's breaking right now? "The way we operate this part of the warehouse will break this summer," says vice-president of operations Gordon Hensley during a visit to Sheertex's headquarters in Montreal's Saint-Michel neighborhood. He's pointing at a second-floor space stacked with boxes of product, ready to ship. It's as full as it was during the peak season in October.

"The space for raw materials is currently breaking," chimes in chief operating officer Zak Homuth, the CEO's husband, adding: "Knitting is going to break soon." The company has 96 machines on order to bolster the 116 already in operation one floor below. The 60-person head-office part of the building is full, and Sheertex is hiring, "so we've currently broken that," says Katherine. The studio near reception—where at this very moment a model in the company's signature sheer black tights is posing for photos that will likely end up in one of the company's ubiquitous Instagram ads—is booked solid. The parking situation, adds Zak, "is painful." He needs to secure another multipurpose facility by July, but vacancy rates are tight. "And those aren't even the decisions we're worried about," says Katherine. The trio giggles with a resigned "you-just-have-to-laugh-at-it" vibe.

It's been five years since Katherine Homuth, then 26, decided to manufacture sheer tights that didn't run. She thought it would be straightforward: Find a tough yarn, hire an overseas manufacturer to make the things, then ship them directly to customers, like any e-commerce business. She ultimately decided to make them herself, which required figuring out how to do something groundbreaking with material that hadn't been used in pantyhose, persuade financiers to back an upstart with no textile experience in a stagnant category and, of course, win over customers. "It's been a brutal fight the whole way," says Michael Helander, who sits on Sheertex's board.

But the company has built a loyal fan base with its run-proof tights and claims 80% of customers surveyed have forsaken other brands since trying theirs. Sheertex also says that more than half the people who bought their tights in 2019 have purchased again.

Sheertex has an impressive roster of financial backers, including prominent female angel investors Michele Romanow and Eva Lau, two cleantech venture funds, and Canadian fashion icons Joe Mimran and Chip Wilson. "We invested in Katherine because she is technical and has business savvy," says Wilson, the billionaire founder of Lululemon Athletica, who put in US$5 million this year. Her product, he says, "will save women time and money, and it's in a niche market Sheertex can be best in the world at."

But the biggest name in Homuth's corner is Swedish retail giant H&M Group. Its Co:Lab investment arm led a $101-million financing in April backed by Export Development Canada, Wilson and existing investors. (H&M's share was $62.5 million.) For Homuth, who eventually wants to see her product distributed through bricks-and-mortar outlets worldwide, the investment was validation that she's on to something big. For H&M, it was a signal to both the fashion and financial markets that it's serious about cutting down on the amount of its fast-fashion apparel that ends up in landfills.

But Homuth still has a lot to prove. The key challenge: scaling up while slashing costs. Sheertex, which originally sold its pantyhose at the high-end price of US$99, has managed to wrestle its costs down from US$75 a pair in 2019 to between US$15 and US$20 now. That allowed it to introduce a US$29 version this year—a major step toward broadening its appeal. But to become a nylon-killer and conquer the US$16-billion sheer hosiery market, she figures she'll have to get the unit cost down to five bucks. "Once we hit a point where you can make these for the price of a regular pair of tights," she says, "there becomes absolutely no reason anyone would ever buy or make anything else."

Even her most ardent supporters aren't sure she can do it. A big reason is that material amounts to 70% of her costs. Sure, she can save on automation, but how much more can she squeeze out elsewhere? "Her big challenge will be making money," says Mimran. "At the end of the day, a lot of these companies continue to grow, but they can't get their economics to work."

The presentation was not going well. It was October 2018, and Homuth was speaking to a roomful of investors and tech veterans at the Creative Destruction Lab (CDL), an accelerator program housed at the University of Toronto's Rotman School of Management. Every startup needed at least one sponsor to support them or they'd be booted out.

In the previous 18 months, Homuth had gotten her tights to near-commercial readiness. She'd raised US$190,000 in a Kickstarter campaign, gone through Silicon Valley accelerator Y Combinator and secured US$4 million in seed financing. Production was starting in a garage in Bracebridge, Ont. Nonetheless, she says, "everyone in the room thought hosiery was a terrible mistake." CDL types liked to fund transformational scientific breakthroughs, not old-school consumer-product e-commerce. They thought her raw material would be better used elsewhere, like the space industry.

"There wasn't much excitement in that room," says Helander, a CDL mentor. "Somebody called it a failed consumer product company before it had even shipped its first product," since Homuth had temporarily halted new orders due to quality issues. Nobody put up a hand to keep her in CDL past the first session.

It wasn't the first or last time Homuth would face doubters. The Mississauga native had sold her e-commerce startup, ShopLocket, in 2014 and dabbled for a few years looking for her next big thing. One idea was to launch a consumer product that would solve a real problem. She remembered her grandmother, after dealing with yet another run, declaring that someone needed to reinvent pantyhose. Homuth had her own "pantyhose graveyard," a drawer of torn tights. In early 2017, she asked a friend in the fashion industry if anyone had ever made indestructible ones. The answer was no. She decided to explore further.

Pantyhose were originally created in 1953 by Ethel Gant, the pregnant wife of a North Carolina knitting-factory owner in search of something to attach her stockings to, since girdles were out. But the nylon originals that became fashionable in the 1960s were fragile and frustrating, and remained so. Sales started declining around the same time *Sex and the City* made bare legs and open-toed shoes popular—from a billion units in 1995 to 245 million in 2017, the year Homuth started poking around. But sheer hosiery still generated US$15.8 billion in global sales that year, according to Euromonitor International. Homuth thought it was a big enough market to pursue.

She ordered fibre samples and did a simple strength test: wrapping the yarn around her finger and yanking. It had to be thin enough for tights, but "if it snapped coming off the spool, it probably wouldn't make indestructible ones," she says. Dozens of samples failed.

Undaunted, Homuth looked beyond traditional yarns to industrial fibres. That's how she found ultra-high-molecular-weight polyethylene (UHMWPE). The material was thick, white and not stretchy; when she did the yank test, "it hit the mark of indestructibility I was looking for," she says. "It nearly cut my finger off."

But it was hard to work with. She shipped some to a Chinese hosiery factory to make a sample textile and got an angry note back: It had broken their machine. She was told never to call again. The sample looked like cheesecloth.

Nonetheless, she showed it to Mimran. "Well, this is terrible," he recalls telling Homuth. "I can't get involved in this." But she worked with a supplier to make the fibre fine and stretchy enough for hosiery. "You're still not there," Mimran told her after seeing the next prototype. But he admired her tenacity and decided to invest—even though she knew little about manufacturing, yarn or textile development. Plus, she was manufacturing at a 2,000-square-foot factory near Lake Muskoka, where she'd just moved. "Imagine how wild that is," says Mimran, who remembers thinking, *You're putting up a lot of hurdles in front of yourself.*

As Homuth refined the product through successive prototypes, she came to appreciate the material more and more: It made sheer, lightweight tights that were antimicrobial, water resistant and cool to the touch. But the polymer was undyeable and could only be coloured when it was made; further dyeing only stuck to the other materials woven into the tights.

Despite encountering production issues—including the fact that the yarn jammed the knitting machines, requiring them to be modified—she was determined to produce them herself. While UHMWPE was off-patent, the process to turn it into hosiery would require novel, proprietary processes that would form the basis of Sheertex's intellectual property. She felt she couldn't trust that to a contract manufacturer. (Sheertex has one patent and has filed for five more covering the unique features of its products, materials and processes, and it works hard to maintain trade secrecy around its manufacturing methods.)

Homuth had accomplished all this only to get a cold reception at CDL. But Helander soon began to have second thoughts about not raising his hand on her behalf. "The roomful of men probably thought this was a super-niche market and had no concept of what the value proposition actually meant to the customer and the opportunity for disruption," he says now. (Homuth adds that even women investors were initially hesitant.) Helander called CDL staff. Homuth was back in.

Sheertex began shipping tights in December 2018 under the brand name Sheerly Genius. Time Magazine hailed them as an invention of the year. By May 2019, sales had reached US$250,000 a month. At the final CDL session that spring, Eva Lau of Two Small Fish Ventures told the room she'd bought nearly $1,000 worth of Sheertex products, loved their durability and had kicked herself for not investing earlier. "I think that opened many eyes," says Lau.

CDL investors lined up to back Sheertex's next financing, a US$10-million round that closed in September 2019. The lead was ArcTern Ventures, a Toronto cleantech fund. Sheertex's durability gave it circular-economy cachet: Every pair sold kept multiple pairs of flimsy nylons out of landfills. "We had been looking at opportunities in sustainable fashion," says ArcTern managing partner Murray McCaig. "I don't think Sheertex necessarily saw itself as an environmental company, but we certainly did."

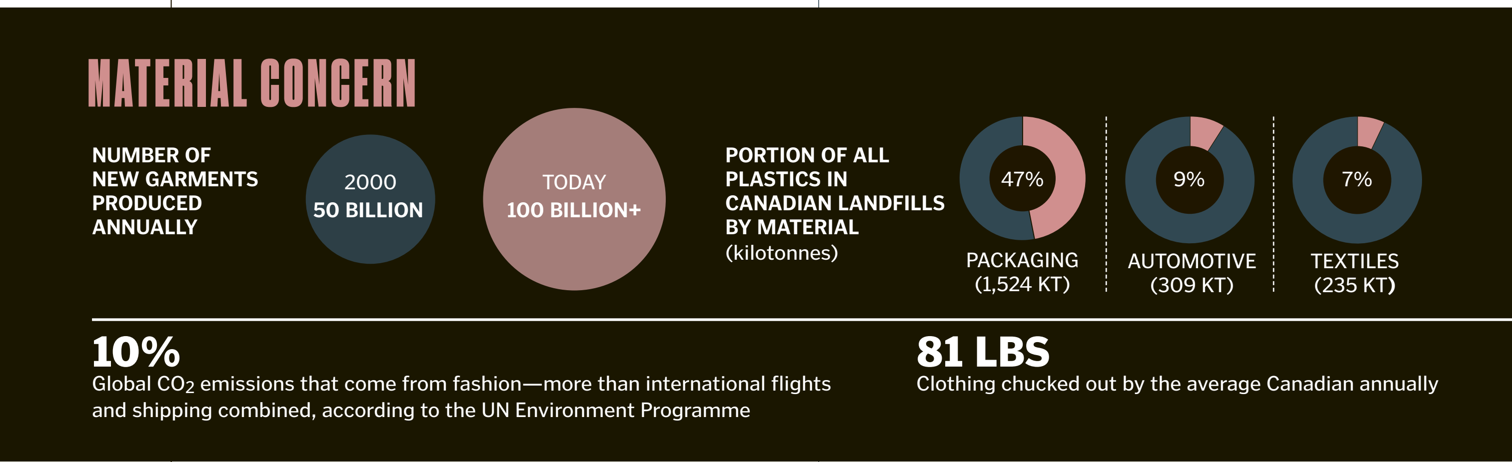
That's the same rationale for H&M, which first invested in 2020 before leading the big round this spring. The retailer has set a goal of using recycled and sustainably sourced inputs by 2030. "The fact that Sheertex is clearly and successfully addressing the problem of durability within a specific product space aligns perfectly with the wider industry issues we are tackling and actively looking to address ourselves," says Nanna Andersen, head of H&M Co:Lab. "As we try to lead the way to a circular business model, more resilient products will be an important part of that." Sheertex products are already on sale at H&M's COS banner, making it a key partner in Sheertex's global expansion. "We see ourselves as an obvious fit for sustainability in terms of taking a disposable product and making it non-disposable," Homuth says.

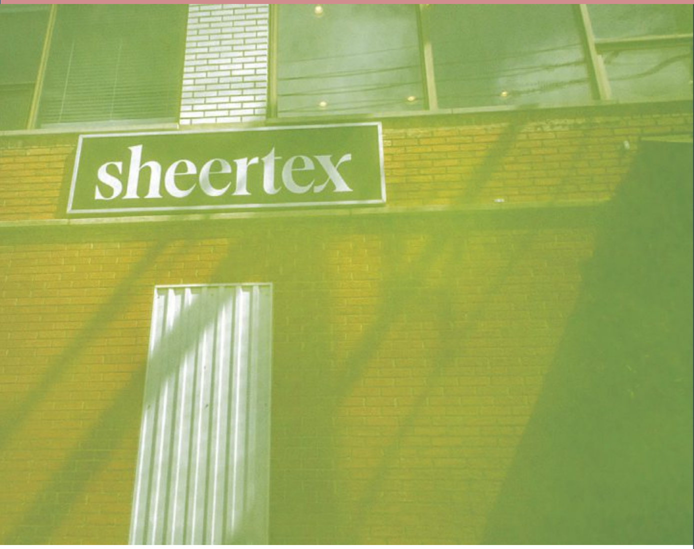
She doesn't plan to stop with tights: Sheertex is expanding into other categories, including socks and shapewear, and hopes to license its fabric to other clothiers, like Gore-Tex does. "With a person like Katherine, the first innovation is rarely the last, and we believe in her long-run ability to drive change in apparel," says Lululemon's Wilson. "She's a category killer with no competition."

Back in 2019, however, Homuth's ambition was rubbing up against the life she wanted to build in Ontario's cottage country. One of those dreams had to give. All the talent, support and infrastructure was in Montreal, Canada's garment capital. She'd regularly have to bring in mechanics and seamstresses from Montreal, and would fly there herself to dye the tights and then return to Muskoka to dry them at a local laundromat. There were other logistical headaches: One batch that cost $50,000 to make was ruined when her Montreal consultant tried a new finishing process. FedEx lost another shipment of 1,000-plus units.

"Our first set of challenges were all around, 'Okay, you're capping out on warehouse space, and are we *really* staying in Muskoka?'" says McCaig. "We all knew we'd need to leave."

Homuth learned Gildan Activewear was shuttering operations at a 115,000-square-foot Montreal plant that made Secret pantyhose and offshoring production.





It was a bit dated but came with knitting and sewing machines on the cheap. She signed a lease in September 2019 and kept on Gildan's employees. "If I had access to the kind of information I have now, taking over this factory when we did was probably the most illogical financial decision," she admits. "On a spreadsheet, it made no sense. Luckily, I had no spreadsheets at the time. It was like, 'Yup, looks good. Let's do it.'"

Sheertex relocated that fall. Toward the end of 2019—pantyhose sales are heaviest in the last quarter—revenue topped US$1 million a month for the first time, and Sheertex raised another US$30 million led by U.S. cleantech fund G2 Venture Partners.

Then came the pandemic. The company shut down for two months; the recent raise and government wage supports helped. A bigger problem was whether homebound women would buy pantyhose again. To keep the factory running, it shifted to making face masks, which accounted for 40% of sales in August 2020. Global pantyhose sales, meanwhile, plummeted by 14% in 2020 to 5.7 billion pairs, according to Euromonitor. But Sheertex kept growing, and that's before a return to "normal" for the category when pantyhose customers return to offices en masse.

27 Bathtubs full of water **=** **1** Cotton T-shirt (its production requires 2,650 litres of water)

10 MILLION TONNES

Amount of clothing North Americans send to landfill each year

"There's this love-hate relationship with how far we've come," says Homuth. "If I'd known how hard it would be, I don't think I would have done this. But we never would have gotten to where we are. Ignorance allowed us to make some leaps no one else would have made. I'm still pretty ignorant as to how hard it's going to be."

When his wife leased the Gildan plant in Montreal, Zak Homuth was skeptical. He felt the place was "terrifyingly huge and old and crappy" and "a boondogglish use of money." Parts of it should be boarded up, he told Katherine—a critique she says left her "a bit dazed."

That was in fall 2019. The computer engineer and entrepreneur was living "happily in the forest" at their Lake Muskoka property with their two Great Danes. He'd just left the U.S. software company that had bought his startup (Upverter, which made a program for hardware engineers) and was overseeing a home reno. Katherine had told him she was moving to Montreal. He didn't plan to follow.

That wasn't unusual for the couple, who'd been together since 2011. They were both strong-willed people who'd spent months living in different cities while building their startups. They could be brutally frank with each other—Zak has a blunt manner and a gruff, booming voice reminiscent of actor Seth Rogen—but also supportive. It was Zak who'd encouraged Katherine not to shut down Sheertex when poor customer reviews followed its first shipment. They were both entrepreneurs and knew the drill: Expect the unexpected and adapt.

So when a worried Katherine called Zak in early November 2019, he did what she asked: Get on a plane to Montreal ASAP.

In just over two years, she'd turned a simple idea into a fast-growing business selling a product consumers loved and fashionistas lauded. But it was expensive to scale a manufacturing operation. She needed to raise more money—soon.

Katherine was heading to New York and asked Zak to "babysit" the factory. She promised to show him the

ropes but was already gone when he arrived. The place was in chaos. She'd hired 60 people one day in October, but simply hiring a throng of workers wasn't going to solve any of her problems, says Katherine. There were waste issues: 70% of the expensive polymer didn't survive the pantyhose-making process and was repurposed into lower-value scrunchies and headbands. There was little management structure. Sheertex had "knowing-what-to-do problems," Katherine says. She didn't even know her gross margins.

Zak found Katherine's on-site consultant and made himself useful. The couple like to joke that ever since that day, Zak hasn't been allowed to leave.

Despite lacking textile experience, Zak was technically savvy and immediately set about fixing problems. He developed detailed instructions for each of the one-time Gildan operators to ensure they didn't just push buttons and produce too much of any particular size, style or colour. He developed software, and mapped out plans to add sensors and tablets to machines that would pinpoint every bit of data in the process and root out inefficiencies. In early 2020, he became chief operating officer.

Since Zak came on board, the factory has reduced waste—raw material that doesn't go into pantyhose—to 10%. That has meant dropping nude-coloured tights for now, where waste was higher, to focus on sheer black. Sheertex made 500,000 pairs last year, with plans to triple that in 2022. But its "pilot factory," as Zak calls Canada's largest hosiery plant, will likely hit capacity within a few years, and plans are afoot to move into a vast, purpose-built factory in 2025 with annual capacity to make hundreds of millions of pairs.

"There's this love-hate relationship with how far we've come," says Sheertex's founder. "If I'd known how hard it would be, I don't think I would have done this. Ignorance allowed us to make some leaps no one else would have made"

He has help. At the behest of Sheertex's board, the company last year recruited a "grown-up" veteran operations leader in Gordon Hensley. He has overseen lean-operating auto plants for Magna and others, and describes his job as "trying to create flow," largely through automation. Each pair of pantyhose, individually or in a batch, is now touched by humans seven times throughout the production process. Hensley's goal is to cut that to two. Last year, 1% of tights were assembled using automation. The goal is 25% this year and eventually 80%.

Sheertex has been installing large gusset line closer machines (GLCs) that, once loaded manually, handle four tasks previously done by human operators, including cutting leggings and sewing in gussets (the reinforced crotch part). The plant is putting three GLCs into service and plans to install six to nine more in the next year. Getting GLCs "to play nicely with our materials is still a work in progress," Zak reports. Hensley is more optimistic: "We're very close to having these running the way they'll always be running going forward," he says.

Hensley also hopes to automate quality control, now handled by five people who eyeball each finished pair. But Sheertex stresses its 98-person manufacturing staff will grow, not shrink, from present levels.

Automation can only get Sheertex so far, however. Material accounts for 70% of costs. If Homuth wants to reach her US$5-a-pair goal and maintain gross margins around 50%, spending has to come down. Zak acknowledges that cutting material waste and finding efficiencies from scale will only go so far.

The answer, Katherine says, is vertical integration: "Our goal is that everything that goes into the product in the next 10 years is something we make ourselves from raw material. We're dedicating the next few years to optimizing our supply chain. Effectively that means getting closer to the source. It allows us to cut our costs directly." How will she do that? She won't say publicly, at least not yet. And she knows it's not going to be easy.

"When you talk to us five to 10 years from now," she says, "the hardest things we'll have done will be what we do on this cost journey. We want to be the only ones who can produce this at parity with nylon. That's what we're focused on more than anything else."

Get outside your comfort zone and reach out to successful people

Run toward success

Olympic sprinter Donovan Bailey—whose Bailey Inc. has investments in real estate, restaurants, and the health and wellness industry—on the barriers facing Black entrepreneurs

I spoke out about racism at the 1996 Games, when it was not cool. I thought that because I was used to being in the boardroom and had grown up around successful people of all cultures, when I was asked about racism as an athlete in Atlanta, I could answer that question honestly. Unfortunately, I was blackballed. Some people in the non-racialized community thought I was *just* an athlete. I don't know if I've faced systemic racism as an entrepreneur, though, because I've bankrolled most of my projects myself. I've never gone to a bank to borrow money—either I've had my own or I've had great partners.

This is what I tell all entrepreneurs, especially Black ones: Networking is the greatest asset you can have. You must get outside your comfort zone and reach out to successful people. As a sprinter, I wanted to be the very best in the world. I felt the same way about business. So I've always sought out the most successful people—in Toronto, London, Singapore, New York City, Silicon Valley—and asked simple questions. As the student, there's no question I can ask that's stupid. The late John Bitove Sr. is one of the people I spent a lot of time with—he always said I was like his son, and he answered any questions I wanted answered. If there's a successful person who has time for me, then I will absolutely learn from them.

Any time I hear about racism raising its ugly head—and with Rodney King and George Floyd, people were filming and reporting on it—my thought is obviously to encourage people to vote, to get into politics and speak out. But my father always said the greatest way to combat racism is to work hard and be successful. That's the example I've lived by. I always say that if you don't put in the work, you're not going to get the desired result. The first thing is you have to find passion in what you're doing. Two, do your research. Three, you've got to be disciplined. If I'm trying to raise money, my entire focus will be on that. And I'm gonna go around you, over you, under you—or, if you're standing in my way, I'm gonna go through you. If I encounter racism along the way, that's something I'll deal with later on. It's like if my focus is on the 100 metres, I'm not going to be worried about a race I lost along the way. My goal is to actually be in the race. If I want to win, I have to be participating.

The last thing, and this is probably most important, is to reach out to the people who can guide you. Because they've been there before, and it makes the path easier for you to reach your own goals.

I'm generally an optimistic guy. We're actually having conversations about racism today. Protests are happening. Companies are making measures for change. There is government and corporate involvement. If we want racialized people to be in the boardroom, then business leaders have to get them into those rooms and ask questions. It is our job to listen, to understand their journey, to know where they're coming from and where they're going. At least we're moving onward and upward. **/Interview by Rita Trichur**

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