



## Ontario Global Trader Awards celebrate international trade success

The red carpet was out for six outstanding small- and medium-sized exporters at the second annual Ontario Global Traders Awards in March.

Recognized for outstanding achievements in job creation and international market success were Bernard Mould Ltd., Xenos Group Inc., Ecolo Odor Control Systems Worldwide Inc., Gary Jonas Computing Ltd., MetalCraft Marine Inc. and Connor Industries. These six companies created a

total of 2,576 jobs over the last two years, as a direct result of exporting - a 39 per cent increase in their work force. Collectively, the award winners reported more than 70 per cent of their combined sales over the past two years were sales to export markets. These sales exceeded \$1 billion.

"These outstanding examples in exporting excellence encourage other Ontario small businesses to enter the export market and create more jobs in Ontario," said Economic Development and Trade Minister Al

Palladini. "To build on our capacity for growth, Ontario must remain competitive on the global stage. We are working to strengthen our export base and these award winners are clearly leading the way."

The Ontario Global Trader Awards were launched to recognize, celebrate and champion export success in Ontario. The 1999 awards sparked nominations from nearly 200 companies and individuals. In February, regional awards were presented at

*continued on page 8*



Minister of Economic Development and Trade Al Palladini with Ontario Global Traders Award winners: (from left) Bill Connor, Connor Industries; Monty Smith MetalCraft Marine Inc.; Stuart Butts, Xenos Group Inc.; Shannon McCarthy, Gary Jonas, Gary Jonas Computing Ltd.; Ed Bernard, Bernard Mould Ltd.



Page 1

VOL 3 , Edition 4

## WeddingBells becomes a North American success story

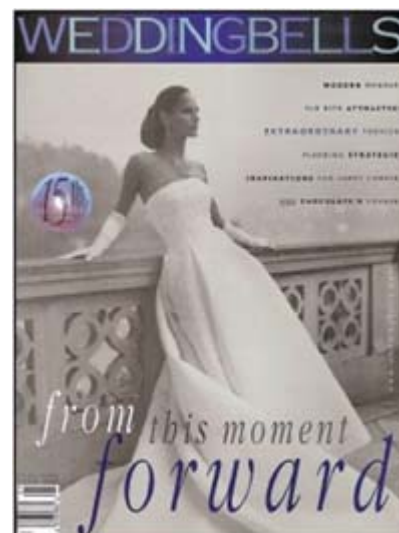
It's hard to believe that it all started as a 32-page supplement," says Diane JL Hall. As President and Publisher of WeddingBells, she marvels that a magazine that began as an insert in an Ottawa city magazine, has since become a North American success story.

WeddingBells is Canada's most comprehensive wedding planning resource, read by more than three-quarters of Canada's engaged couples. It recently celebrated its 15th anniversary by publishing the largest magazine in Canada's publishing history. The Spring/Summer issue currently on the newsstands is 740 pages and weighs a hefty three

Last year, WeddingBells took that homegrown publishing approach to the U.S., and launched a national edition along with six regional editions. The success of that initial venture led to an announcement in April that four more U.S. regional editions would be added.

"Taking on the wedding market in the States was a bit of a David and Goliath story. But our experience in the smaller Canadian market - not to mention Ontario - has actually given us an advantage over our counterparts in the United States."

"The U.S. is such a huge country, there is no way one magazine could tap all the needs. But by growing our national and regional markets in Canada, we've investigated every marketing niche, and we understand how best to facilitate all our clients - the advertisers, the retailers and the consumer. We know that by understanding the



balance of editorial excellence, meaningful information, inspirational design and relevant advertising."

One other small, but visible, confirmation of its success will occur when WeddingBells makes an appearance on three different

pounds, seven ounces.

Hall credits the magazine's success to a unique approach that combines national and local sections that feature quality national editorial and brand-name advertisers, alongside local information and advertising retail partners relevant to the engaged couples' regionalized wedding planning.

"Couples have to rent a reception hall, which is a local decision. But then they have to determine which champagne to serve and that is a national brand decision," says Hall. "So we put together a magazine that serves both needs."

Twice a year, WeddingBells publishes a national Canadian issue and 11 regional editions.

"Over fifteen years we have become the ultimate wedding authority," said a representative at WeddingBells' head office in Toronto. "The magazine was homegrown in Ontario, yet it has become a model for what now works so well all across Canada and beyond."

needs of these three interdependent parties you become quite a knowledgeable marketer and resource. This approach works just as well in the States."

WeddingBells was chosen by publishing industry reviewer Samir Husni as one of the most notable launches of the year from more than a thousand new magazines which debuted in the U.S. in 1999. He said, "If it maintains its quality, WeddingBells could well become the number one bridal magazine in the United States."

Hall attributes a content ratio of 40 per cent editorial to 60 percent advertising as an essential factor to WeddingBells growing success.

"Our editorial page counts are high by industry standards, and almost four times higher than some American bridal titles," She adds, "We knew that WeddingBells would break through by providing the right

episodes of this season's Beverly Hills 90210.

Another element that has been significant to WeddingBells' success was the launch of their Website in 1996 - the first wedding media site to hit the World Wide Web. Today, weddingbells.com receives more than one million page views a month and its free weekly e-mail newsletter, insite, is read by more than 30,000 engaged couples across North America.

"Our magazine and Website energize the marketplace and put advertisers in touch with the new generation of media-savvy consumers in a way that inspires, entertains, educates and motivates," Hall concludes.

"We've grown beyond Ontario's borders, but that allows us to bring back a greater wealth for everyone," she said. "Our larger audience means better editorials, better researchers, better writers, the best photographers and models. It all results in a better magazine to help couples plan a most special wedding day."

## Page 2

## The Ontario Business Report

### Ontario's Research and Development Challenge Fund: Turning scientific discovery into economic opportunity and jobs

Ontario is the home of some of the most extraordinary

development spending in the province by \$2.5 billion.



Ontario has products and services the world wants to buy. Our exports generate \$169 billion a year. They sustain 1.6 million jobs in Ontario. In fact, every \$100,000 in new exports means another Ontarian gets a





research and development in North America. Yet, in the past, it was not known for capitalizing on the significant discoveries made through its research institutions.

The Ontario government, through the Ontario Research and Development Challenge Fund, is changing all that.

"Our standard of living depends on our ability to develop and commercialize new ideas," said Energy, Science and Technology Minister Jim Wilson.

"Innovation is the key to future economic success, and research and development is the vehicle that will get us there."

In 1997, the Ontario government created the \$500 million Challenge Fund to encourage research and development. For every dollar the Challenge Fund invests in a project, an equal amount must be invested by a research institution as well as a private sector partner. Over ten years, the Fund is expected to boost research and

Already, 63 projects have been funded through this unique partnership, with impressive results.

Dr. Jim Woodgett of the Ontario Cancer Institute is helping to develop a technology called microarrays, or biochips, which enables the study of thousands of genes at a time.

This technology greatly speeds up drug testing and could lead to treatments tailored to individual patients and to the prevention, as well as the treatment, of diseases.

In December it was announced that the Challenge Fund, along with the Ontario Cancer Institute and corporate partner Engineering Services Inc., would help establish a core biochip laboratory at the Institute, as well as five satellite laboratories across the province. These six laboratories are the only microarray

continued on page 10

job. Unquestionably, our export base is important to Ontario's economy and to our quality of life. As a government, we are committed to expanding that base. We understand that in order to build on our capacity for growth, and to create new jobs, Ontario must be competitive on a global scale. Since 1995, we have reduced taxes and cut red tape, and worked with Ontario businesses to help fuel jobs, growth and opportunity. We know business exports are important to our future, so just as our large corporations are known worldwide for quality exports, we want to help our small- and medium-sized businesses access the world market too. Through our new trade agency, Ontario Exports Inc, we are helping these businesses learn the basics of exporting and expanding into new global markets. We have put together a team of market specialists who share their knowledge, identify capital projects and export opportunities, and organize trades exhibitions.

Indeed, Ontario export firms are thriving. Yet there is great potential to compete more fully on a global scale. World trade has grown rapidly to \$5.4 trillion over the past ten years and this momentum is expected to continue. Our government will continue to work to help Ontario's businesses realize their long-term international business goals.

Many businesses have already made a big difference in world markets. Last year, in partnership with the Bank of Montreal, our government launched the Ontario Global Traders Awards to recognize top-performing exporters from small- and medium-sized businesses.

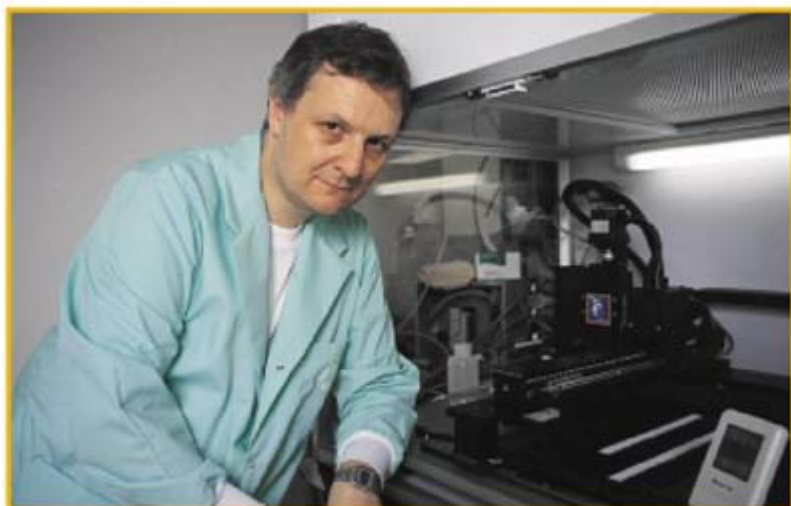
In March, we were privileged to recognize six Ontario businesses for outstanding achievements in job creation and international market success: Bernard Mould Ltd., Xenos Group Inc., Ecolo Odor Control Systems Worldwide Inc., Gary Jonas Computing Ltd., MetalCraft Marine Inc. and Connor Industries, as well as student winner Shannon McCarthy.

These companies, as well as all regional winners, merit winners and nominees are leading the way as Ontario further strengthens its export base. Congratulations to the award winners, and all Ontario businesses that regularly export quality services, products and expertise.

Together we can make Ontario the best place to work, invest and export.

Al Palladini

Minister of Economic Development and Trade

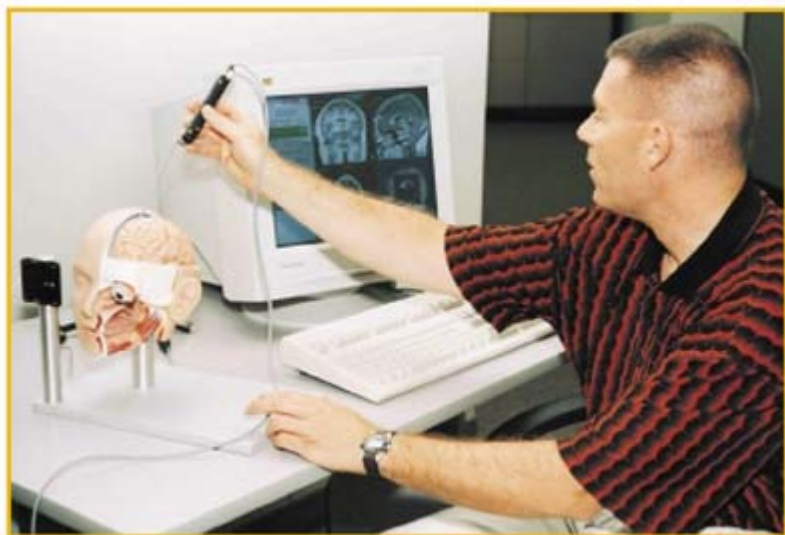


Dr. Jim Woodgett of the Ontario Cancer Institute is helping to develop technology to enable researchers to study thousands of genes at a time.

May 2000

Page 3

## Northern Digital's measurement systems break into new markets



David Ristau, project team leader at Northern Digital, demonstrates the company's Polaris System, which keeps track of surgical instruments during medical procedures.

For Waterloo's Northern Digital Inc., success is measured in growing markets, a commitment to strong R&D and an expanding list of international clients. Its stock-in-trade is the high-tech production of spatial measurement products using advanced optics and sensor systems.

Created in 1983, the company is growing at the rate of 25 per cent per year and employs 74 people, up from 54 just two years ago.

"Spatial measurement involves using devices that measure the distance, or orientation, of an object within a given space," says Northern Digital Vice-President Paul Clausen. "For example, during surgery, a surgeon wants to know where his tools are relative to the patient. Our POLARIS system measures objects where they are inside the patient and provide that information in a three-dimensional format on a computer screen."

The company's biggest market right now is in computer-assisted therapy and surgery, says Clausen. In addition to medicine and the entertainment business, the company's systems are used in the aerospace, automotive and athletics sectors.

"We've had our system installed in airplanes, where it measures points along the wing and how the wing dynamics change during flight," says Clausen. "At the design end, it lets engineers collect data and translate this into changes in wing structure."

In automotive applications, one of the advantages of the technology is that formerly large and cumbersome equipment

measurements from the part's surface.

"This allows you to bring the measurement device to the part rather than bringing the part to the machine. Our technology will allow you to inspect a part and make necessary changes to it during the production process."

Northern Digital has also branched out into the entertainment business. For the multi-million dollar movie *Godylla*, Northern Digital's OPTOTRAK motion capture system was used in the special effects production to track body movements used to animate the rampaging giant lizard. Sensors attached to a human actor relayed body motions to a computer for tracking and analysis. The digital *Godzilla* image was then added to the pre-recorded body motions of the human actor.

The company now has an export rate of close to 95 per cent with exports

Bright infrared markers can be attached to any type of object, for example a scalpel or probe, and, as the object moves, its continually changing position is picked up by sensors that feed the information to the computer for analysis.

has been eliminated. Technicians that are gauging the tolerance of an automotive part with respect to its specifications can use a hand-held probe that takes

going to 20 countries worldwide. Northern Digital's achievements earned the company an Ontario Global Traders Award in 1998. Major clients are located primarily in the U.S., which makes the company's position in southwestern Ontario even more beneficial because it gives Northern Digital easy access to American markets. Other markets that the company is focusing on include Asia and Europe, where computer aided surgery applications are on the rise. The firm continues to work on developing new partnerships with international companies while maintaining their focus on R&D. According to Clausen, Northern Digital's mission has been "to provide our business partners with new solutions, by utilizing the most leading edge technology. That will continue to be our focus into the 21st century."

Page 4

The Ontario Business Report

## Griot Productions helps clients deliver a positive corporate message

Helping organizations make a strong corporate connection with their client base is the forte of Griot Productions, a Toronto-based firm specializing in getting that positive message delivered. In West African tradition, a griot was a story teller and oral historian. This focus on the art of communication is what inspired the creator of Griot Productions, Beverly Bowen, to open her own business last year. "Essentially there are three parts to this company," says Bowen. "We devise lectures from the ground up. We find the best speakers for those lectures. And we market them to the public."

Bowen was involved in marketing and planning a recent, sold-out lecture by former boxer Rubin

"The best service that the company can give a corporate client is to help them find a speaker, a different individual whose life speaks to motivation," says Bowen. "We can find newsmakers who can help their company. We are going beyond the speakers' list to the list of people who are really doing some interesting things in life."

Bowen, who formerly worked as a deputy business editor at the Toronto Star and as a senior producer with TVOntario's Studio 2 (where she won a Gemini Award), says the company evolved naturally from her experience in the industry. "Because of my background as a journalist, I have a sense of

Griot's aim is to make an event both educational and appealing, to both attendees and the media. "Traditionally, companies will go to an organization that represents speakers, generally motivational speakers," says Bowen. "While we are linked to a company that has speakers, we take it one step further, going beyond the traditional speakers to find the newsmakers that can speak on a variety of diverse topics as well as raising our clients' profiles through their participation. I'm always finding ways to increase the scope of their audience and the percentage of their revenue." Lectures are becoming a popular pastime, especially in

"Hurricane" Carter (whose life story is the subject of the Hollywood movie *The Hurricane*) at the Ontario Science Centre. Other clients have included Timothy's Coffees of the World and Harbourfront, which have used Bowen's services to create lecture experiences catering to a variety of interests. She has also worked in partnership with the University of Toronto Bookstore, the Frederick Varley Gallery and the Children's Own Museum.

For a corporate organization looking to raise its profile, a lecture series has the ability to generate revenue (lectures draw hundreds of participants) and attract media. Certainly, motivational speakers are no strangers to the burgeoning lecture circuit. Well-known workshops and lecture series include the Learning Annex, which provides a forum for everything from lifestyle advice to home cooking seminars, and the recent and very popular "Women" series that brings famous females, from chimpanzee researcher and environmentalist Jane Goodall to Hollywood stars, authors and others, to concert halls across Canada. What separates the efforts of Griot Productions from other speaker series is not so much the impact of the message, but the fact that the speakers themselves often bring gritty, real-life experience to the forum, heightening the sense of awareness as well as the receptivity of the audience.

how we create news all the time," says Bowen. "As a television producer, you bring together the two elements of finding news and information as well as having an eye for public presentation and speaking."

New York City, where social trends tend to be a year or two ahead of Toronto, says Bowen. In New York, the *de rigeur* lecture series has replaced the cocktail hour. "Lectures are big," adds Bowen. "They're a great way for people in a shared community to get their information in a very focused, direct way." For more information, contact Griot Productions at (416) 405-8490.

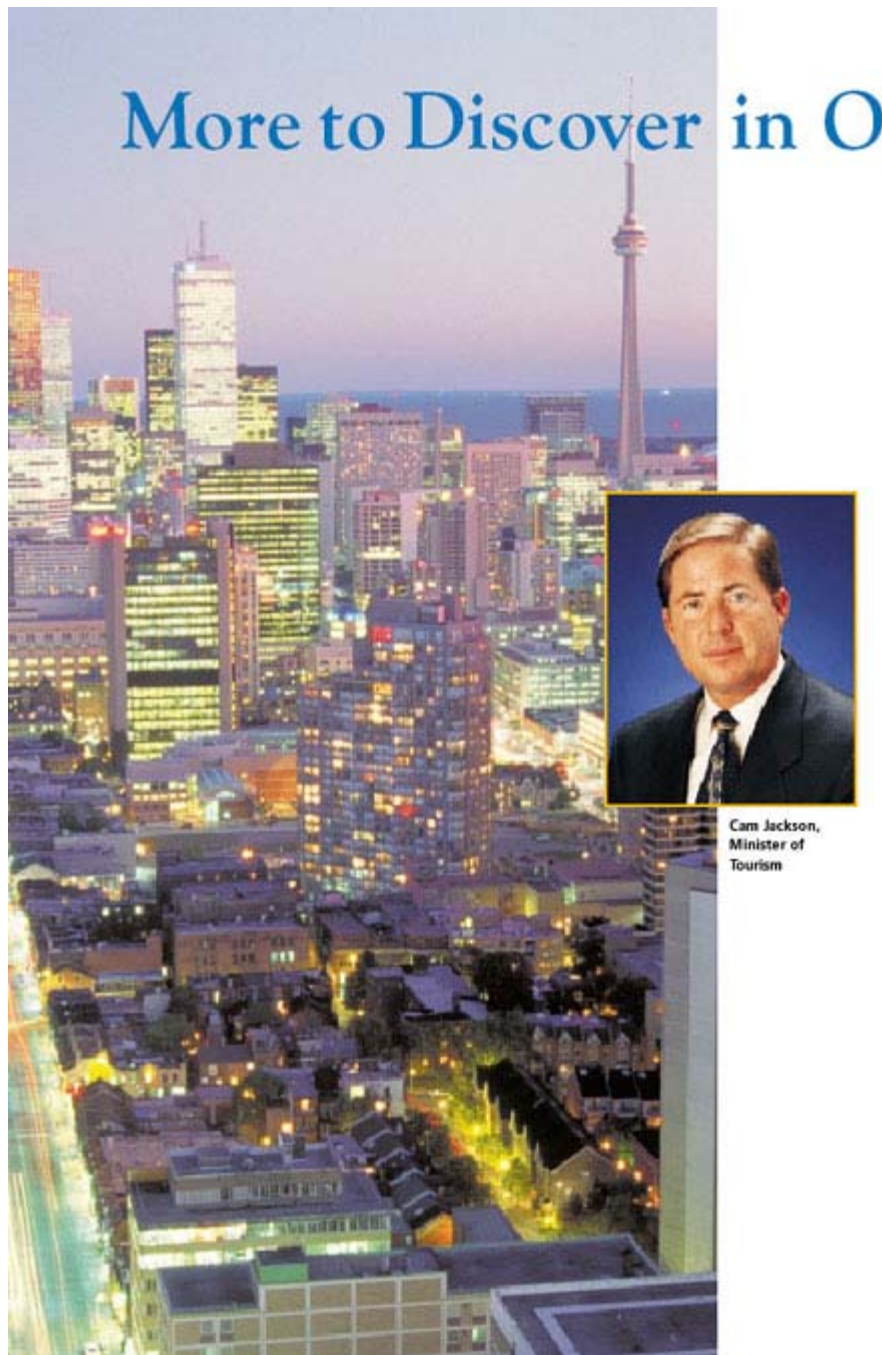


Beverly Bowen of Griot Productions has taken a journalism and production background and turned it into a leading communications company that creates lecture series for a range of corporate clients.

ntario:

It's no secret that Ontario is a





Cam Jackson,  
Minister of  
Tourism

very special part of the world. It is huge and varied, with the wilderness of the north and cosmopolitan cities of the south,” said Minister of Tourism Cam Jackson. “This province has something to offer everyone and during Tourism Week, we are encouraging people everywhere to join in the festivities and celebrate Ontario’s attractions.”

This year, Ontario Tourism Week 2000 will be held from May 19 to 28. All across the province, local and regional tourist attractions will welcome visitors from Ontario and beyond, and Ontario’s brand “More to Discover” will be shown with pride.

“Tourism Week celebrations highlight the government’s commitment to strengthening tourism in Ontario,” says Jackson. “Our goal is to draw even more visitors to the province and create more jobs for Ontarians.” Tourism is one of Ontario’s fastest growing industries, offering significant new opportunities for small business, job creation and economic development. Alongside the 475,000 permanent jobs, tourism creates many seasonal jobs - particularly during the summer.

Tourism is one of the major employers of young people and a large number of students, in particular, count on finding summer jobs in this sector. In 1999, more than 50 percent of jobs created during the summer months were in tourism-related areas. In fact, there were 60,000 more people employed in Ontario during the summer months than during the rest of the year.

Last year, the Ontario



government recognized the huge contribution of tourism in so many areas, and established its first stand-alone Ministry of Tourism. This ministry concentrates exclusively on the growth, development and future success of the industry.

## Tourism Week May 19 – 28

“Tourism is big business worldwide, and it is important that we compete for a greater share of the growing market,” said Jackson. World tourism revenues have been projected to reach \$2 trillion by 2020. In 1998, tourism contributed \$16 billion to the provincial economy.

The goal of the Ontario government is to get Ontario right up there on the list of the world's best destinations. To get, and keep, this province top of mind when travelers everywhere are planning their next trip.

In the 1998 budget, the government invested \$120 million over four years to promote Ontario as a “must see” destination.

### Facts on Ontario Tourism

- Tourism provided over 270,000 direct jobs in Ontario in 1998 and an additional 190,000 indirect jobs, representing more than 8% of Ontario's total employment.
- Tourism is a critical part of Ontario's economy contributing \$7.8 billion to provincial GDP, ahead of agriculture, mining and logging and forestry.
- Tourism accounted for \$15.9

The government established the Ontario Tourism Marketing Partnership to bring together all tourism partners to help Ontario realize its full potential as a tourism destination.

Tourism Week will help kick-off Ontario's busy summer season, with its many popular festivals and events. First launched in 1997, Tourism Week has proven so successful that this year's event will be bigger and better than ever, with a record number of participants. As part of Tourism Week, Minister Jackson looks forward to traveling the province and attending festivities in communities such as Muskoka, Niagara Falls and Stratford. Joe Spina, Parliamentary Assistant for the Ministry of Tourism plans to meet visitors and join in community celebrations in events across Northern Ontario, including North Bay, Thunder Bay and Sudbury. So from the fishing camps in Northern Ontario to the wineries in the Niagara Region, from Upper Canada Village outside Morrisburg to Ontario Place in downtown Toronto, tourism operators will be rolling out the red carpet to all their visitors.

“ Tourism Week will launch a terrific summer season that will be enjoyed by people from all over the world,” said Jackson. “ There really is more to discover in Ontario, in every season of the year.”



billion in expenditure in the province in 1998, up from \$14.1 billion the previous year, and was Ontario's 5th largest export industry bringing into the province \$6.9 billion in foreign exchange.

- Ontario has Canada's largest tourism industry accounting for 37% of national tourism revenues and 44% of its visitors. It's the predominant gateway into Canada.
- Ontario's tourism industry represents an estimated 105,000 businesses in food and beverage; accommodation and amusement; transportation and travel services; and car rental tourism-related retail.

continued from page 1

## Ontario Global Trader Awards celebrate international trade success

Ceremonies in Windsor, Markham, Sault Ste. Marie and Ottawa. The 24 regional winners became eligible for the Global Trader Provincial Awards.

"The Bank of Montreal is very happy to be a part of these awards," said Senior Vice President Maurice Hudon. "As founding partner with Ontario Exports Inc., our emphasis has always been to create solid partnerships with small- to medium-sized businesses and then help them realize their long term international business goals. Our sincere congratulations to all Ontario Global Traders Awards recipients, who serve as an inspiration to all Ontario companies."

Exports sustain 1.6 million jobs in Ontario and generate \$169 billion



Minister Palladini congratulates Ontario Global Traders Award winners Ed Bernard, Bernard Mould Ltd. who won the Leadership Award, and student winner. Shannon McCarthy of St. Clair College in Windsor.

a year. Ontario is responsible for more than half of Canada's export trade.

## The Winners

**Leadership Award:** Ed Bernard, President, Bernard Mould Ltd., Windsor  
Under Ed Bernard's leadership, Bernard Mould Ltd. moved from one major client and limited export markets to the automotive and consumer sectors and new markets in Europe and the Pacific Rim. Today, the company uses the latest computer and machining equipment to make moulds for companies around the world.

**International Business Studies and Achievement Award:** Shannon McCarthy  
Shannon McCarthy, of Chatham, is a student in St. Clair's International Business Program in Windsor. While working last summer at Ball Machinery Sales Ltd., which sells metal stamping presses, she used her own initiative to research the potential of the Mexican market. Ball now has a positive relationship with a number of potential customers.

### Innovation Award:

Xenos Group Inc., Richmond Hill

Xenos is a pioneer in document transformation software, and has packaged its many innovations and technology into a full product called Documorph. The company currently transforms more than a billion printed pages per year into electronic format.

**Market Expansion Award (Product Category):** Ecolo Odor Control Systems Worldwide Inc., Mississauga

This company designs and manufactures odor control systems for sewage treatment plants, composters, landfill sites, restaurants and hotels, and a variety of industrial applications. Effective expansion has led to a 30% increase in sales over 1998.

The Ontario Global Trader Awards are sponsored by Ontario Exports Inc. (the Ontario Government's lead trade agency) and the Bank of Montreal, with their Partners in Trade: Canadian Airlines; Deloitte & Touche; the Export Development Corporation; the Institute of Chartered Accountants of Ontario; Canadian Business Media/Profit Magazine; and Le Lien Economique.

**Market Expansion Award (Service Category):**

Gary Jonas Computing Ltd., Richmond Hill

In the mid-1990s, this company started looking at the U.S. market to sell its golf course management software. Today, U.S. sales are more than \$3.5 million.

**Partnership Award:** MetalCraft Marine Inc., Kingston and Connor Industries, Parry Sound

MetalCraft pursues foreign sales for Connor's line of work boats. The first joint sale was to the U.S. National Parks Service. After this success, MetalCraft began an aggressive U.S. marketing campaign on behalf of Connor Industries leading to a series of sales to U.S. government clients.

## Medical hi-tech firm up and running

When John Mumford's days as an Olympic running coach ended, he found a new opportunity waiting just up the track.

Mumford started a multi-million dollar technology company, XLTEK, that exports 95 per cent of its product (80 per cent to

a new 4,900 square metre facility where they employ 130 workers; the company plans to add an additional 150 staff this year.

The Oakville-based

in the early 1990s, Mumford developed a platform information system that would link up the technologies of video and physiology-monitoring in a synchronized manner.



the U.S. and 15 per cent to Western Europe) and was named one of Canada's 50 Best Managed Private Companies by the National Post in 1998.

The company is now entering markets in Japan, Singapore, Australia and Germany. Recently XLTEK moved into



A XLTEK worker prepares a circuit board at the company's Oakville facility. XLTEK currently exports more than 500 medical instruments a month and was named one of Canada's top 50 best-managed companies in 1998 by The National Post.

entrepreneur has become one of Canada's technological elite in record time.

Following the 1984 Olympics, where he coached the Canadian women's track and field team, Mumford realized that he was ready for a change. Armed with degrees in mathematics and physics, plus an extensive knowledge of athletics, he decided to focus on products that would assist in the healing of central and peripheral nerve injuries.

He began producing a product line that included physical therapy devices to help accelerate the healing process through electrical muscle stimulation. Among his clients were Olympic athletes and the Toronto Blue Jays.

The company exports more than 500 medical instruments a month and has installed units in facilities such as Sick Children's Hospital and the London Health Sciences Centre.

"There is a lot of value added in what we do," says Mumford. "It's estimated that our product saves two to three hours per day in time. For a 10-patient unit, that means a free bed is saved every day."

Although the company generated \$5 million a year in sales, Mumford saw greater opportunities on the horizon, particularly in broadening the company's product base to include diagnostic systems.

As information systems became more sophisticated

In 1993, XLTEK began development of its EMG systems for testing the nervous system. Then in 1995, they introduced the NeuroMax EMG instrument, which became the world's number-one selling instrument for neurological testing in less than two years.

XLTEK has also entered the market for EEG equipment, which monitors the central nervous system.

The company's EEG system incorporates Pentium II processors and CD-ROMs and is completely portable. Clients include the EEG labs at Etobicoke General, Scarborough Centenary Hospital and Grey-Bruce Hospital in Owen Sound. "Our equipment allows a doctor to see what's happening with a patient," says Mumford. "All of it is being done in terms of broadcast video, with patients and doctors interacting. A doctor can connect to the Internet from anywhere in the world and gain important data on a patient including a view of the patient and a read-out of vital signs."

The equipment is particularly useful in allowing medical staff to monitor patients who are prone to having seizures. The firm is vertically integrated and designs, engineers and manufactures its own products. As well, XLTEK has evolved into a software company, providing its programming to a range of international clients, says Mumford.

One of XLTEK's keys to success is "listening to the customer," says Mumford. "The customer will tell us exactly what they want and we will build it. If you don't listen to the customer, then what you create becomes last year's product." The company's product line is so well-received that it is expected to grow 6.5 per cent in the next year. Sales in 1999 stood at \$27 million, up from \$16 million in 1998.

May 2000

Page 9

continued from page 3

## **Ontario's Research and Development Challenge Fund: Turning scientific discovery into economic opportunity and jobs**

facilities in Canada, providing a competitive advantage for Ontario.

"You can't find individuals to do research if they don't have access to new technology. The Challenge Fund will help us build the infrastructure, disseminate the technology and encourage more collaboration," said Woodgett. "Facilitating the implementation of new technologies will form the basis of a tremendous amount of new scientific discoveries in the future."

That's a result that would have been anticipated by the Challenge Fund's Board of Directors.

Chair Calvin Stiller explains that when evaluating a submission, the Board's overarching consideration is whether it is transformational. "We want the research to transform the department, the division, the university and the scientists' work into a North American and a world competitive activity," he says. "Within that transformation

of the three pre-eminent addresses in North America for that area.

Excellence is reflected through the quality of researchers, ideas and partners.

Impact must be felt by both the university and the private sector. The research must allow the university to create or grow an enduring platform that will attract high quality scientists and students. The private sector must be able to measure impact through new intellectual property, new wealth and high value jobs.

As Minister Wilson says, "The economic growth that results will benefit all Ontarians."

The Board looks at new research and development opportunities every 120 days, and is currently seeking applications for its seventh round. The goal is a 60-day turnaround.

"It's an exhaustive arms-length review, independent of any political involvement and independent of the applicants

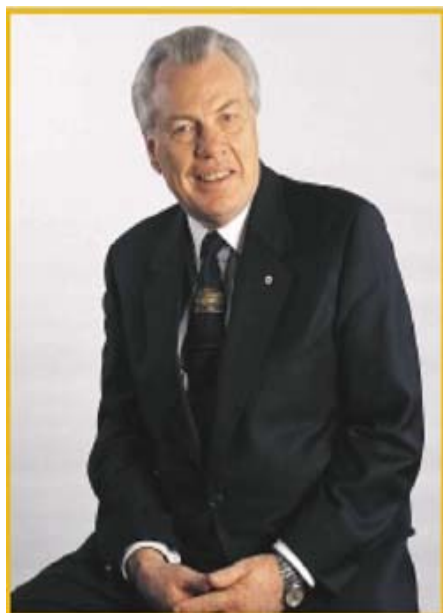
laboratories will concentrate on emerging technologies, network management and control, RF/Satellite and wireless communications.

"The Challenge Fund has allowed us to put in place an operation on a very different scale than was possible before," said Smith. Since the initial investment, NIT has broadened its base to attract new industrial partners and academic partners and to expand resources and capabilities. "We are also involving students in areas of key interest to potential employers, so it all feeds on itself in a very positive way," said Smith.

On June 1st, the Challenge Fund will report on its portfolio and showcase many of its investments at a symposium to be held at the Metro Toronto Convention Centre. A further goal is to make the business community aware of this important opportunity to leverage their investment in research and development.

Stiller is confident the Challenge

we look for three principles - vision, excellence and impact." In terms of vision, it is expected that within five years the applicant will be one



Dr. Calvin Stiller, Chair, Research and Development Challenge Fund

themselves," said Stiller. In 1997, the Challenge Fund provided one third of the funding for the \$28 million Nortel Institute for Telecommunications ("NIT") in partnership with the University of Toronto and Nortel. The Institute provides global leadership in research, training and education in telecommunications and, as part of this, the University is currently building the Nortel Institute Open Research Facility.

"In contrast to most university research facilities, these have been designed to be open research labs, available to any researcher at the university, allowing us to build partnerships and collaborations that extend across department and faculty lines," says Professor Peter Smith, Director of NIT. With an expected opening date of December 2001, the

Fund is helping to rectify a situation he had been lamenting for years. "I always thought it amazing that we go through such anguish when a manufacturing plant thinks of moving to Mexico, and rightly so, yet we have a mother load of extraordinarily creative minds that are discovering nuggets and we were allowing them to escape."

He said there is an energy that surrounds the Challenge Fund, and it comes from the volunteers and the partners and the broad change in attitude. "There is frankly no other vehicle that I know of from another government in the G-7 that is as innovative and partner-friendly as this has been."

"There were skeptics when the Challenge Fund was first announced. But we have worked hard to captivate the public mind on the value in our universities as economic engines," said Stiller. Visit the Ontario Research and Development Challenge Fund Website at [www.ontariochallengefund.com](http://www.ontariochallengefund.com).

Page 10

The Ontario Business Report



## BUSINESS BRIEFS

Lofthouse Brass finds key markets in Canada and U.S. Lofthouse Brass, a manufacturer of brass and aluminum products, has created a significant niche by serving clients in a variety of industries.

Created in 1957 by George Lofthouse, the company makes products for the plumbing, door

Lofthouse Brass Chairman Mary Lofthouse (above) and her sister Jean Keane have given the company a renewed sense of direction

companies get off the ground.

Fund Manager Andrew Abouchar says the company, which began operations last September, has already conducted a number of transactions in the technology-rich Waterloo area.

According to a recent Price Waterhouse study, between

hardware, solenoid valves, welding and firefighting markets.

The company began in Whitby with a handful of employees and a contract to produce flare nuts. Eventually, Lofthouse set up a second operation in Burk's Falls in 1978, which recently underwent its sixth expansion. The company has grown from 124 employees in 1992 to its current roster of 170.

The key to growth has been a commitment to technology and customer service, says General Manager Dan Smith.

"We're one of the most technologically-advanced companies of our size," says Smith. "We also draw on an excellent, highly-skilled workforce. We have topnotch quality and very skilled people. We have a lot of expertise, from tool and die makers to technicians and millwrights."

In 1988 the company was inherited by George's daughters, Mary Lofthouse and her sister Jean Keane.

According to Lofthouse President Bryant Brown, "their aim was to make the company as competitive as possible by demonstrating quality leadership."

In 1994, the Burk's Falls plant was the first brass forging shop in North America to be awarded ISO 9002 certification. The company is now a top supplier of CNC (computer numeric controlled) machined brass products in North America.

Lofthouse Brass exports 75 per cent of its products, mainly to the U.S.

directio



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launched an extensive internal training program that will provide greater assistance to their constant influx of new employees.

In 1999, Lofthouse Brass was named one of the top 100 women-owned companies in Canada by both Canadian Business and Chatelaine..

[Urban Economic Development Office unveils Website](#)

The Office for Urban Economic Development (UED) at the Ministry of Economic, Development & Trade has recently launched its own Website. By logging on to it you can find out more about what UED has to offer; connect to Ontario's seven largest urban centres and their regional economies; and read about upcoming economic development events

UED is also constructing a Resource Centre that will offer one of the most comprehensive listings of urban economic development information and sources in Canada. For more information, access the UED Website at: [www.ontario-canada.com/ued](http://www.ontario-canada.com/ued)

[Waterloo Ventures helps new high-tech business thrive](#)

Waterloo Ventures is a seed capital firm with a committed fund of more than \$5 million designed to help new

1976 and 2000, more than 178 technology companies were created and are still operating in southwestern Ontario's Technology Triangle, defined as the area bordered by Kitchener-Waterloo, Cambridge and Guelph. That includes 16 networking companies, 72 software firms, 33 systems companies, 22 Internet firms, 32 earth science companies and one semi-conductor firm.

That kind of growth reflects the current environment in Ontario, where the economic potential has been boosted through Ontario government initiatives such as lower taxes, the removal of barriers to growth and reduced red tape.

The fund, which is operated under the aegis of the Working Ventures Canadian Fund, targets the needs of companies that are unable to get financing from traditional lenders such as large venture capital firms. Ron Begg, President and CEO of Working Ventures Canadian Fund, says Waterloo Ventures is a tremendous opportunity for both Working Ventures shareholders and entrepreneurs in Kitchener-Waterloo. "The region is home base to some of Canada's fastest growing high-tech companies. Last December, Waterloo Ventures closed its first transaction, with Ardesic Corporation, a producer of electronic relationship management software. The company's software has particular application for customers conducting e-business."

According to Abouchar, Waterloo Ventures is meeting a need in an area that has "traditionally underserved those in need of working capital," despite Waterloo Region's



## high-technology

The company has certainly come a long way from its humble beginnings. Breaking into new markets around the world has allowed Lofthouse Brass to grow by 15 per cent a year, through the 1990s. The company continues to look to the future as it recently

reputation as a centre for high technology, adding that the company invests an average of \$250,000 to \$500,000 in a new company start-up.

For more information visit the Waterloo Ventures Website at: [www.waterlooventures.com](http://www.waterlooventures.com).

May 2000

Page 11

## Neil Levac Engineering Ltd\* makes grade internationally

Rockland engineer Neil Levac has a "world vision" that has helped generate millions of dollars in contracts for his firm, Levac Engineering Ltd. And it confirms that the world's perception of Ontario's engineering expertise is overwhelmingly positive. Levac started the firm 14 years ago and now has a staff of 16. The company's offices are located in Hawkesbury, Kanata, and Gatineau, Quebec, in addition to its headquarters in Rockland near Ottawa. The company specializes in a variety of civil engineering endeavours, including municipal engineering, water resources development, soils, structural, geotechnical, construction management and transportation engineering. In the past four years, the company has worked to open new markets worldwide, especially in West Africa. "Our markets have traditionally been Eastern Ontario and Western Quebec," says Levac, a graduate of the University of Ottawa's engineering program. "We have done work for the ministries of

Transportation and Environment, as well as the Department of National Defence and Public Works. We began diversifying four years ago and are currently doing a road installation project in the West African country of Burkina Faso." Winning the contract to work in a French-speaking country was made possible because of the company's fully bilingual status. Other international projects include a greenhouse project in Algeria and a waste water treatment facility in Peru. At present, international contracts account for 10 per cent of the firm's business and that number is expected to rise. The development of international contracts is assisted by a close working relationship with professional associations and trade missions. International work can be a slow process at first but in the long run has positive outcomes. "What we find is that we're doing a lot of work in areas that don't have the technology that is available in Canada," says Levac. "Internationally, there is a ready market for the kind of technology

to win more international contracts grow, we will be in a good position to get established at the global level."

While most consultants see the U.S. as the ideal market on which to focus, Levac believes that "firms should do what Canadian firms have been so successful at for the last 10 to 15 years, and that is looking outside of North America, and doing business internationally." The international view of Ontario's professional services is extremely positive. According to Levac, Ontario-based firms "have always been welcome" in the countries that his firm has been involved with. The Ivory Coast, for example, has more than 60,000 km of road, less than 5,000 km of it paved. "The World Bank is encouraging them to improve their infrastructure. The engineering opportunities are very good."

Current plans for Levac include increased contact with Latin America, especially Mexico, Chile and Argentina. The company is expected to expand by hiring a further 25 employees within the

and expertise that we have to offer. As opportunities

next two to three years.

# THE ONTARIO BUSINESS REPORT

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**The focus of this newsletter is on business - successes, news, trends, opportunities, challenges and issues affecting Ontario's business climate. Information is drawn from ministries and agencies across government and from other public sources believed to be reliable. All efforts are made to ensure timeliness and accuracy. La version française du Ontario Business Report est disponible sous le titre Cahier des affaires de l'Ontario. We want to hear from you . Comments and contributions are welcomed. Please write us by mail, fax or e-mail.**



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