

THE ONTARIO BUSINESS REPORT

Published by the Ministry of Economic Development and Trade

Ontario's booming small business sector faces new challenges



Premier Mike Harris and Minister Al Palladini celebrate the creation of over 725,000 net new jobs in the province of Ontario, since taking office in 1995.

Ontario's small business sector is thriving. Opportunities to start a new business or grow an existing enterprise have never been greater, and small business continues to create the lion's share of the province's new jobs. With those opportunities come new challenges, as entrepreneurs strive to meet the demands of thick order books.

"We're on a roll with our growth rate and high employment levels, and we now have a business-friendly atmosphere here that will let us sustain that growth," says Douglas Robson, President of the Ontario Chamber of Commerce.

Small business leaders cite last May's budget as a key factor in sustaining the province's accelerated growth curve. The Ontario Chamber was among several business groups which had called for significant changes in government policy.

"We proposed a number of things to allow business to grow," said Robson, "and the government responded. There are lots of examples: moving the small business tax threshold to \$400,000, doubling the commitment to government debt reduction and making the Red Tape Commission permanent. Improving Ontario's competitiveness is one of the key factors to small businesses success."

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Green Coffee merchants want to change your taste

If two Ontario brothers have their way there could be a revolution coming to your cup of coffee. Derek and Brad Zavislake are co-founders of Merchants of Green Coffee, a Toronto company that plans to alter our popular caffeine fix in a way that is environmental, ethical and gastronomic at the same time.

In 1994, the Zavislakes started their business after discovering a better alternative to the coffee most of us are drinking. According to them, most coffee we drink is actually stale, not to mention that it's grown in a manner that's unfriendly to the environment and fails to provide a decent income to coffee farmers.

Their solution is for people to buy their fresh "Green Coffee" beans and roast them at home. They claim that their coffee is not only fresher but also sweeter and better tasting. In addition, all of their coffee is grown in an environmentally friendly way by growers' cooperatives that ensure that South American coffee farmers get their fair share of the profits.

Their goal is to change consumers' attitudes to coffee, and they see the challenge of making their small business a success coupled with a program of consumer education.

Because their approach represents a departure from the way people have traditionally looked at coffee, Derek says the brothers recognized financing would be tough. "Because we had to operate without signifi-

cant financing we knew that we needed creative ways to involve people."

One of their solutions has been to make every employee an owner at least to some degree. Seven people work in their office full time, with another five to 10 on an as-needed contract basis.

Merchants of Green Coffee supplies coffee to what they call "fair trade coffee roasters", who are mostly smaller independent retailers. Derek said that they've been actively helping stimulate and grow their own market. "When we started there were two fair trade coffee roasters, currently there are 42". They also supply larger retailers and specialty gourmet and kitchen shops.

Merchants of Green Coffee also sells a Christmas gift basket in partnership with the World Wildlife Fund, as well as baskets for corporate gift giving.

Another of their innovations is to sell their coffee directly to consumers through a subscription service on their Web site (www.merchant.org). The site, which is already up and running, will have its launch in the autumn.

Like any small business, Merchants of Green Coffee has had to show initiative and seize every opportunity.

Derek credits the excellent business climate in Ontario with being very helpful, and the

brothers appreciate access to support offered through government programs for small business, in particular, the hotline for small business with the Canada-Ontario Business Service Centre.

Derek's advice for small businesses is to network. "Part of the reason we're alive today is because of relationships we've built with other small businesses."



Brad and Derek Zavislake are Merchants of Green Coffee. They intend to change consumers' attitudes toward coffee consumption

Mine Radio's success is underground

The sky is the limit for Mine Radio Systems (MRS) Inc., a company that specializes in underground communications. Established in 1985 to address the underground communications market of the Canadian mining industry, the Stouffville, Ont. company has evolved into a global player.

In 1992, Patrick Wayne and Ken Morrell bought the company that has since expanded its markets into 18 countries, increasing

revenues 16 times. The company developed the multi-channel underground radio system called FLEXCOM, capable of handling voice, data and video of up to 48 channels.

The system has become the communication highway for underground mines. Full or partial automation of mine plant and equipment allows operators to control their machines from the safety and comfort of the control room.

In addition to its Stouffville headquarters, MRS has a branch near Sudbury and subsidiary companies in South Africa and Australia. The success story resulted in a Canadian Chinese Entrepreneur Honourable Mention Award for the Year 2000.

Now the company is in the midst of ambitious expansion plans, developing a new system that will see its capacity increase 100 times within the next 18 months.

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Books for Business is a text book case

Market research is often cited as the key to small business success. When Jane Cooney was struck with the idea for a bookstore specializing in business publications in 1990, she knew exactly where to start her research. An experienced business librarian, Cooney was working as the executive director of the Canadian Library Association when she saw the potential for Books for Business.

"I knew that there was a need for this type of store," said Cooney, president of Books for Business in downtown Toronto. "Of course, the question is whether you can prove your hunch right through market research."

During the next six months, Cooney put her research experience to work, carefully noting everything from the number of business books published each year to how many potential competitors she would have. She identified 83 book retailers in a six-block radius of Toronto's Bay Street business district and found that none of them specialized in business books and media. She travelled to New York City and visited the retail outlet of a major publisher which specializes in business books.

"We found the market wasn't being served," she said. "Even the New York store wasn't dedicated to business books, so the manager there was very helpful and shared a lot of useful information."

Armed with data, Cooney signed on some investment partners, quit her job, and set up Books for Business in the basement of her Toronto home. Her research proved to be an accurate predictor of the market response.

"I sent out marketing information to all the corporate librarians I knew and we were selling books by mail order right away," she said. "The publishers loved the concept because they now had a specialized outlet for their business books. We opened the retail outlet in downtown Toronto about a year later."

Research also determined the street level location of the store, which customers said they preferred over an underground mall outlet. Cooney drew them in with a targeted public relations campaign that produced several feature stories in the *Globe and Mail*,

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Michael Legris, Mgr. of the Books for Business retail store, and Jane Cooney, President of Books for Business, are seen outside their Adelaide Street location. The company celebrates its 10th anniversary in January, 2001.

VIEWPOINT

**SALUTE TO
SMALL BUSINESS**

Welcome to our special "Salute to Small Business" issue of *The Ontario Business Report*.

No one can dispute that small business has made Ontario the economic powerhouse it is today. On every street corner, in every town and city, in rural and urban Ontario there are entrepreneurs who had a dream and followed it. Whether opening a restaurant, developing a high-tech product or taking over the family farm, they have chosen to strike out on their own, and in doing so, they have contributed vast amounts to Ontario's communities, growth, and prosperity.

I've said all along, that the small business sector is where the action is. Consider the following: Small businesses create up to 80 per cent of new jobs in Ontario. There are some 312,000 registered businesses in this province, and 98 per cent of them are small businesses. About 300,000 of these businesses employ less than 100 people and 57 per cent employ less than five people.

Quite simply, small businesses energize our economy. They have led the way in creating the 745,000 net new jobs that Ontario's economy has produced since September 1995. They create immense opportunity in Ontario. We have created a business environment where our province's small businesses can thrive, and we are committed to helping them even further.

Over the past five years, we have moved a long way in this direction. For example, we have eliminated the Employer Health Tax for the first \$400,000 of eligible payroll, and reduced red tape. There are now business self-help offices, small business enterprise centers and a Young Entrepreneurs program to help encourage the growth of small business. Ontario Exports Inc. was established to advise small- and medium-sized companies on exporting opportunities. And in this past Ontario budget, our government announced a reduction in the small business tax rate to 4 per cent by 2005 along with even more personal and business tax cuts, resulting in a total of 166 tax cuts since 1995.

In this month's issue of *The Ontario Business Report*, we have profiled just a few of Ontario's small business success stories. There are thousands more. Congratulations to all those who work hard, day in and day out, to build their businesses both small and large. Working together, we will help ensure that Ontario continues to be competitive, prosperous and strong not just today but far into the future.

Al Palladini
Minister of Economic Development and Trade



e-business highlighted

for THE WISDOM Exchange™ 2000

Ontario firms are learning to e-shape their business. Wisdom Exchange 2000 will bring together about 250 CEOs and presidents of Ontario's leading growth firms to focus on the challenges of managing a rapidly-growing firm while examining potential e-growth strategies.

The sixth annual forum, to be held November 2nd and 3rd at the Inn on the Park Hotel in Toronto, will examine the topic "e-business...Will you react to change or shape it?"

With estimates that Canada's Internet marketplace for business-to-business trade of products will grow to \$218 billion by 2004, e-commerce has become a hot topic. Last year, Wisdom Exchange participants discussed the Internet in terms of developing new markets, introducing new products and redefining dealings with customers and vendors. While those subjects are still valid, e-business has expanded to include the transformation of business processes and competing via the Internet in a global economy.

Hosted by the Ministry of Economic Development and Trade together with more than 20 corporate sponsors, this year's Wisdom Exchange program will include roundtable discussions and panel presentations with sponsor experts on the e-topics of marketing, branding, customer relations, culture and business models in the new economy.

A review of emerging business models and a discussion on what the near future might hold for growing small and medium enterprises in the new economy has been designed for CEOs whose firms have successfully transitioned to e-business.

CEOs who register for the upcoming event will receive a customized e-business assessment that benchmarks their company against other leading growth firms, measuring the strength of their current strategy and technology as well as the firm's ability to execute in the e-business world.

In a plenary on November 3, Paul Tsaparis, President and CEO of Hewlett-Packard (Canada) Ltd.; John Wetmore, President and CEO of IBM Canada Ltd.; Scott Corrigan, President and CEO of UPS Ltd. and; David Ticoll, Managing Director and CEO of Digital 4Sight will discuss the highlights of the e-business readiness assessment survey and "Shaping the Firm of the Future."

CEOs will also hear from Jim Balsillie, Chairman and Co-CEO of Research in Motion Inc. recounting RIM's roller coaster ride over the past year and how to lead and manage a technology company through stock market volatility.

Al Palladini, Minister of Economic Development and Trade, will host a dinner November 2 featuring guest speaker, Polly

LaBarre, Senior Editor of Fast Company. Her presentation, *Competing in the New Economy: What it takes to be a Fast Company* will offer ideas, techniques and tactics to help companies grow.

Over its six-year history, the Wisdom Exchange has provided many CEOs and presidents with opportunities to share ideas and make new contacts. Many network year round with local peer groups by joining the Innovators Alliance, a member-based organization that will hold an open house at the event this year. In advance of the Wisdom Exchange, registered participants can also book one-on-one meetings with other CEOs and sponsor experts on-line via the Business Exchange meeting scheduler.

CEOs and presidents can attend the Wisdom Exchange if they lead firms that:

- employ between 20 and 500 people or have a minimum of \$2 million in annual sales and;
- have a minimum growth rate of 50 per cent in sales over three years and;
- maintain their global head office in Ontario.

For more information call (416) 325-6493 or (416) 325-8772.

For a program brochure or to register on-line visit the Ministry of Economic Development and Trade's Web site at www.ontario-canada.com/wisdomexchange

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Books for Business is a text book case

Financial Post and other business publications. She also signed an agreement to supply the Globe with a "Top 10 Business Best-sellers" list each week, giving her store regular exposure to the target market.

If market research built Books for Business, customer service has helped it grow and

sustained the company through some periods of stiff competition. Customer mailing lists are carefully maintained, and the company has cultivated close relationships with influential groups like the Academy of Management, which has more than 10,000 members worldwide.

Sales are almost evenly divided between retail and on-line/mail order business. When the major book retailers established an on-line presence a few years ago, Books for Business felt the heat of competition. The company's trained staff (many are librarians) contacted

customers directly to discover how to recoup their business.

"Most of them told us that they had tried the general book retailers based on price alone," said Cooney. "The specialized service they need simply wasn't there, though, and we've won most of them back."

Books for Business celebrates its 10th anniversary this January and continues to adapt to a changing marketplace.

For more information or to buy on-line contact: www.booksforbusiness.com

Academy of Management: www.aom.pace.edu

Brantford aviation company soars to success

It's up, up and away for Brantford's Crown Charter-Phoenix Aviation. From five employees in 1993, the company has settled in at a comfortable 70 employees today.

During the 1980s, President Blaine Field began to work in the family's aircraft maintenance company but dreamed of starting his own firm which would offer expanded aviation services and a broader mandate.

Within the first year of operation of Crown Charter-Phoenix Aviation, he acquired an airplane and his employees grew to 20.

One market that grew early and quickly was geophysical surveying. There are only 20 companies in the world that perform this specialized service. Employees are often sent to locations all over the world including Africa and northern Canada for clients in need of professional aerial surveying.

Today Crown Charter-Phoenix Aviation is a government approved international carrier offering charters to almost any airport in North America. Operating from its 3252 sq. m hangar #4 facility at Brantford Municipal Airport, the company also sells avionics and aircraft parts and maintains and refurbishes aircraft. Field likes to call it one stop shopping. When an aircraft is in for exterior refurbishing such as painting, he can also offer major and minor aircraft repairs or installations and modifications all under one roof. The convenience and service are benefits to his clients.

Sales have risen steadily, nearly seventeen fold since 1993, and the company received ISO 9002 certification in 1999. The contribution of employees is highly valued and Field has implemented a number of innovative recognition and incentive programs.

Field is also extremely active in the community, supporting many organizations financially and with his time. In 1999, Field was nominated for Ernst & Young's Entrepreneur of the Year. That same year he won the Ontario Chamber of Commerce Business Excellence Award.

He offers tongue in cheek advice to businesses. "Be nice to your bank. I've always

been on good terms with the bank." Although an early experience with a business partnership was less than positive, he has learned from it and moved on.

While starting up, Field hired his sister as receptionist because he felt the company needed a 'serious' image. In the middle of a meeting with a prospect, Field had her call the office repeatedly, giving the unsuspecting prospect the "illusion" of steady business. He likes to call this his "little bit of Hollywood."

He feels other companies could do with a little more Hollywood. "You've got to believe in yourself to be successful," says Field.

What Field truly enjoys is motivating people. "Ultimately when I'm no longer having fun in this business, I would like to be a motivational speaker. I enjoy taking someone and giving them the opportunity to grow. I take it very personally when an employee leaves. I feel as though I didn't give them enough encouragement or support."



A technician works on an aircraft at Crown Charter Phoenix's Brantford hangar. The company is one of 20 in the world that do geophysical surveying.

The Mike Harris government encourages small business in Ontario

Ted Arnott, Parliamentary Assistant to the Minister of Economic Development and Trade (MEDT), has worked hard on behalf of small business in Ontario. His interest in small business began at an early age with his involvement in his family's business. Following his election as MPP in 1990, he was appointed small business advocate among Conservative critics in opposition. After the Mike Harris government was formed, Arnott became the Parliamentary Assistant responsible for Small Business in 1997, and in 1999, under a reorganized MEDT, he was given broader responsibilities working with businesses large and small.



Ted Arnott, Parliamentary Assistant to the Minister of Economic Development and Trade.

The Ontario Business Report is pleased to talk with Arnott about encouraging the growth of small business in Ontario.

OBR: How did you develop your personal interest in small business?

ARNOTT: My family has been in the construction business for 71 years. I worked in the business during the summers while I was in high school and university and, frankly, my belief in small business was simply born and bred within me. I'm proud of this, and I want to build on it and do what I can to help small business in Ontario succeed. So does our government.

OBR: Can you define the importance of small business in Ontario?

ARNOTT: It's extremely important. Small businesses are responsible for about 80 per cent of new jobs that are created in Ontario. Since 1995, we've had outstanding economic growth with over 745,000 new jobs, but we know we can't be complacent. We have to continue to encourage new growth and new

jobs, and small business is an enormous factor in both of these areas.

OBR: How has the Harris government helped small businesses gain the confidence to grow?

ARNOTT: We have demonstrated that government spending is being controlled and, where possible, reduced. Small business owners are seeing their taxes stabilize or decrease. Our commitment to debt repayment assures them that the provincial debt will go down and, as a result, Ontario should have even more dollars to cut taxes.

In addition, our reforms to the Workers' Compensation Board making it more accountable and stabilizing premiums have sent a very positive signal. The Red Tape Commission continues to demonstrate our commitment to giving small business owners the freedom to sell their goods and services without being tied up in unnecessary regulations and paperwork.

Fundamentally, small business owners are seeing that our government is committed to business and economic growth. They are seeing that Ontario is a great place to start and grow a business.

OBR: Can small business owners turn to the government for advice on building their business?

ARNOTT: There are Small Business Self Help Offices and Small Business Enterprise Centres across Ontario that help people who are considering starting a small business, and give advice with respect to building a business.

The Enterprise Centre network, for instance, has been so successful that we hope to expand it further. It has attracted significant attention from private sector companies, including sponsorships. This has helped establish a market driven understanding and culture within the centres, which is of great value to Ontario's small business owners.

OBR: Ontario exports \$190 billion in goods and services annually. How can Ontario's small businesses become exporters?

ARNOTT: Many already are and that's great for Ontario because exports are vitally important to our overall economic health. Canada has a relatively small population and we can't be dependent on producing goods and services just for ourselves. We've got to look beyond our borders for markets and our government encourages all companies to seek global opportunities.

Premier Harris established Ontario Exports Inc., the government's lead trade agency, specifically to help small- and medium-sized businesses begin to export and expand their markets. It's a great resource for Ontario's businesses.

OBR: You must have become familiar with many of Ontario's small businesses over the years. Are there any that particularly stand out?

ARNOTT: I'm always impressed by the smallest of the small where one or two people diligently put in 15-hour days on behalf of their business. They are manager, manufacturer, sales person and delivery person. But they believe in their product and have a strong entrepreneurial spirit, and time and time again, these small businesses grow large. In Waterloo Region, for example, Research in Motion, which is a high tech company that has become a huge international success, was started by two friends from university with a good idea.

That's what our government wants to encourage the vision of those individuals who can turn an idea into small business success and more. Our government helps by creating the right economic climate and framework for success, and then getting out of the way and letting the small business grow and prosper.

OBR: If you had one message to share with all the small business owners of Ontario, what would it be?

ARNOTT: Have confidence that the provincial government is behind you 100 per cent. We want you to succeed, and we are doing everything we can to help you meet your personal goals of growth and success.

Ontario programs serve Small Business

**SALUTE TO
SMALL BUSINESS**

Entrepreneurs and small business play a crucial role in creating and maintaining a dynamic and innovative economy. The Ministry of Economic Development and Trade assists these companies and individuals to improve their chances of success from the outset.

The ministry's strategy, based on research, is to focus on helping entrepreneurs build their capacity both in the short- and long-term.

The short-term concentrates on viable business start-ups. The ministry assists business operators using a self-help concept, resulting in a focused business plan.

MEDT and other ministries help small business build their capacity through:

Business Self-Help Offices

In partnership with local municipalities, the Ontario government operates Business Self-Help Offices in communities across Ontario. Each office has a general business consultant on staff as well as publications on a wide range of topics that address small business concerns including incorporation, financing, and importing/exporting.

phone: (416) 954-4636 or 1-800-567-2345
fax: (416) 954-8597

Web site: www.ontario-canada.com

Small Business Enterprise Centres

These centres take the self-help concept a step further with an emphasis on mentoring, and giving small business operators and entrepreneurs the management tools they need to achieve business success beyond start-up, through the critical first five years of operation.

phone: (416) 954-4636 or 1-800-567-2345

fax: (416) 954-8555 Web site: www.ontario-canada.com

Business Immigration Services (BIS)

BIS engages in marketing programs designed to maximize Ontario's share of business immigrants (entrepreneurs, investors and self-employed,) admitted to Canada. BIS also provides services to business immigrants to assist them with their investment and business establishment decisions. BIS also has a consulting and advocacy role with multinational investors to expedite company internal transfers of expatriate managers and other specialized staff.

phone: (416) 325-6777 fax: (416) 325-6653

Web site: www.2ontario.com/bi/home.asp

Immigrant Investor Program

The Immigrant Investor Program allows qualified business people to make passive investments into government approved privately administered projects and/or funds and become landed immigrants. Contact Business Immigration Services.

phone: (416) 325-6777 fax: (416) 325-6653

Web site: www.2ontario.com/bi/bi_immigration_iip.asp

Canada-Ontario Business Service Centre

The Canada-Ontario Business Service Centre provides comprehensive information on business-oriented programs, services and regulations of provincial and federal government departments and other organizations.

phone: (416) 954-4636 or 1-800-567-2345

fax: (416) 954-8597 Web site: www.cbosc.org/ontario

The Aboriginal Business Service Network (ABSN)

provides improved access to general business information, pathfinding, counselling services, and business tools for Aboriginal businesses across Canada. In Ontario, ABSN is a partnership between:

- FedNor (Federal Economic Development Initiative in Northern Ontario),
- The Canada-Ontario Business Service Centre (COBSC) and
- Aboriginal Business Canada.

phone: (416) 954-4636 or 1-800-567-2345

fax: 1-800-240-4192 e-mail: info@cbosc.org

Web site: www.cbosc.org/ontario/ABSN

Government Information Centres

A province-wide network of 58 Government Information Centres provide businesses and the public with general information and referral services through a combination of electronic and over-the-counter channels.

phone: 1-800-267-8097 fax: (416) 325-3407

e-mail: feedback@gov.on.ca

Web site:

www.gov.on.ca/MBS/english/maps/gic/index.html

Ontario Exports Inc.

Ontario Exports Inc. (OEI) is the government's lead trade agency. It is strengthening its commitment to help small- and medium-sized enterprises (SMEs) with a budget increase of \$20 million over the next four years.

The objective is to assist SMEs to build their export capabilities, encourage export market expansion and diversification, celebrate excellence, and provide commercial advocacy at home and abroad.

Programs such as Trade Days Seminars, New Exporters Tours to Border States, and Team Ontario Trade Missions abroad help to showcase Ontario's outstanding products and services and foster a stronger global mind-set among Ontario-based SMEs.

Ontario Global Traders Awards

The Global Traders Awards celebrate Ontario's export success in all regions of the province and raise awareness about the potential of exporting to a company's bottom line and job creation. The Ontario Global Traders Awards program recognizes the important contribution exporters make to the Ontario economy.

phone: (416) 314-8200 or 1-877-468-7233

fax: (416) 314-8222

Web site: www.ontario-canada.com/export

Strategic Skills Investment Program (SSI)

The Strategic Skills Investment program is a multi-year initiative supporting projects that accelerate skills development efforts between business and training providers. SSI focuses on projects that create strategic skills essential for building business competitiveness, and increasing the responsiveness of Ontario's training institutions in meeting business needs.

phone: (416) 325-6867 fax: (416) 314-7014

e-mail: strategic.skills@edt.gov.on.ca

Web site: www.ontario-canada.com

Student Ventures Program

The Student Ventures Program provides up to \$3,000 to start a small business. Full or part-time students aged 15 to 29 who will return to school in September can apply.

Applicants under 18 require a guarantor.

phone: (416) 954-4636 or 1-800-567-2345

fax: (416) 954-8555 e-mail: SV@edt.gov.on.ca

Web site: www.ontario-canada.com

Young Entrepreneurs Program

The Young Entrepreneurs Program is designed to provide business start-up loans to youth 18 to 29 years of age. Loans are up to \$7,500, repayable over five years. The guarantee will be shared by the government of Ontario and the issuing bank.

phone: (416) 954-4636 or 1-800-567-2345

fax: (416) 954-8555 e-mail: YEP@edt.gov.on.ca

Web site: www.ontario-canada.com

Wisdom Exchange

The Wisdom Exchange is an annual event that brings together presidents and CEOs of Ontario's fastest-growing firms for face-to-face peer exchange of experiences and insights into managing their firms

phone: (416) 325-6493 fax: (416) 325-6757

Web site: www.ontario-canada.com/wisdomexchange

Working Partnerships Program

A five-year \$11.8 million program designed to encourage more Aboriginal partnerships with the corporate sector. The program provides eligible Aboriginal organizations with funding to hire staff who work at the community level to promote partnerships and develop business expertise.

phone: (416) 326-4746 fax: (416) 326-4017

Web site: www.nativeaffairs.jus.gov.on.ca/english/baeh.htm

Ontario Women's Directorate (OWD)

The OWD promotes women's economic independence through partnership initiatives with educators, business and community organizations. These initiatives support educational opportunities that will lead to career and life success; promote the participation of women in math, science and technology-based training; encourage the recruitment, retention and promotion of women in the skilled trades; and support women's entrepreneurial success.

phone: (416) 314-0300 fax: (416) 314-0247

Web site: www.gov.on.ca/MCZCR/owd/index.html

Ontario Business Connects (OBC)

OBC is the government's province-wide and on-line service which simplifies and streamlines existing registrations and reporting processes for Ontario businesses. OBC gives businesses user-friendly, "one-window" access to a complete range of government-related transactions.

phone: (416) 314-9151 fax: (416) 314-6533

e-mail: obcinfo@ccr.gov.on.ca

Web site: www.ccr.gov.on.ca/obcon/welcome.htm

Rural Youth Job Strategy

The strategy is designed to enhance the employable skills of rural youth and encourage a climate for job creation and opportunities for business in rural Ontario. The strategy invests in projects carried out by rural partnerships and alliances that are aimed at increasing jobs and/or improving the skills and employability of Ontario's rural youth between the ages of 15 to 29.

phone: (519) 826-3228 fax: (519) 826-4336

Web site: www.gov.on.ca/OMAFRA/english/infores/ryjs/index.html

The Ontario Tourism Marketing Partnerships

The Ontario government established the OTMP in April 1999 to work with tourism industry stakeholders in strengthening Ontario's tourism marketing efforts. The partnership aggressively markets Ontario as a year-round, world-class tourist destination by undertaking consumer research, and developing and delivering tourism advertising campaigns for domestic and international markets.

phone: 1-800-263-7836 fax: (416) 314-7563

e-mail: tourism.partnership@edt.gov.on.ca

Nerds nix unemployment and start their own business

What would you do if your employer was bought out and you were laid off a few months later? If you were one of four self-described “nerds” you would start your own business.

That’s what 22-year-old Shane Thompson, 24-year-old Aaron Wood, 26-year-old Ryan Winsborrow, and 22-year-old Paul Iafolia did. Together they created their own small business in the GTA with the intriguing name of “Nerds4Hire”.

As their Web site (www.nerds4hire.com) says, “We cater to all home computer users, including students and seniors. Nerds4Hire is dedicated to being friendly and patient, and to providing effective solutions for small and large computer related problems.”

The Nerds do everything from the most basic computing to complicated networking. Thompson explains, “I’ve taught people how to use a mouse and sometimes we’re working

on networks, which can cause a lot of headaches, but we can do it.”

They charge their clients \$65 an hour, which Thompson says, “is a rate that home users are comfortable with and a rate that corporate entities are definitely comfortable with.”

Their corporate clients are mainly small- to medium-sized businesses.

To start their business, they secured a line of credit from Canada Trust. Thompson believes that Canada Trust’s readiness to back Nerds4Hire reflects an improving attitude to young entrepreneurs, “If they’re willing to give a line of credit to four young guys that’s pretty impressive.”

As Thompson acknowledges, to begin with he and his partners “didn’t know that much about business.” So they took a Young Entrepreneurs course co-sponsored by the Town of Markham and the provincial government. “It was \$125 for a weekend course. It was definitely helpful.”

“Two of us also did a three month program at the Richmond Hill Business Centre learning bookkeeping and business basics. They also assigned us a business coach, who is a retired former VP of Coca-Cola Canada, and he gives us very good advice.”

The company seems to be on the right track. “Our business is growing. It’s a slow progression, and it takes time, but we’re doing all right already, and we’ve only been around since January. The demand is there,” said Thompson.

With their workload increasing, the four are thinking of hiring someone to take care of bookkeeping and other administrative responsibilities. Eventually they hope to increase the number of employees providing customer support.

Looking to the future, Thompson recognizes that the success of Nerds4Hire demonstrates that there is a significant demand for their type of enterprise. “Some competition is coming up, but our edge is that we really care, we keep the price reasonable and the service excellent.”

Thompson and his partners have no regrets about their decision to open their own business. “It was a good thing for us because we really enjoy doing our own thing.” The four say that their current success is mostly the result of a lot of hard work. And they know that hard work is what it will take to keep their company growing.

Their advice for potential entrepreneurs: “Stick with it, it takes time, but stick with it if you know that your idea is good.” Thompson adds, “good customer service is critical, because without it people won’t call you back. Just do your best and be honest, if you’re honest you’ll be fine.”

If you’re wondering how they chose their company name, Thompson explains, “people kept calling us nerds, so we decided to use it.” After talking to Thompson you begin to think a better name for the company might be “Entrepreneurds.”



From left to right: Shane Thompson, Aaron Woods, Paul Iafolia, and Ryan Winsborrow are Nerds4Hire. Their clients include home computer owners, and small- to medium-sized businesses.

Red Tape Commission becomes permanent

“For too many years, previous governments built a mountain of red tape in Ontario, red tape that killed jobs,” Ontario Premier Mike Harris said when he established a permanent Red Tape Commission in late spring of this year.

Premier Harris appointed Bob Wood, MPP (London West), and Frank Sheehan of St. Catharines, as co-chairs of the Red Tape Commission. Making the Red Tape Commission permanent, he said, is part of his government's plan to foster a cultural shift in the way that government does business with business.

“We are particularly interested in helping small- and medium-size businesses reduce red tape,” said Sheehan. “We are working on many fronts to adopt a culture of common

sense at every level at which the government interacts with taxpayers, consumers and businesses,” he said.

“The Red Tape Commission is keeping our promise to improve the province's regulatory environment, and make Ontario one of the best jurisdictions for regulatory excellence in the world,” added Wood.

The mandate of the Red Tape Commission is to prevent and eliminate non-essential procedures, forms, licences and regulations that do nothing to protect public health, safety or the

environment and only add to the cost of dealing with government. The Commission will review all new regulations and legislation affecting business, applying a business impact test designed to prevent the creation of new barriers to job creation or better government.

“If you have any red tape problems or concerns, call the Red Tape Commission,” said Sheehan. “We are here to help.”

You can reach the Red Tape Commission by calling (416) 314-5621, fax (416) 325-3732 or by e-mail: contactus@redtape.gov.on.ca

The Red Tape Commissioners

Premier Harris appointed the following Commissioners:

- Co-chair Bob Wood, MPP London West
- Co-chair Frank Sheehan
- Marcel Beaubien, MPP Lambton-Kent-Middlesex
- Garfield Dunlop, MPP Simcoe North
- Bert Johnson, MPP Perth-Middlesex
- Morley Kells, MPP Etobicoke-Lakeshore
- Marilyn Mushinski, MPP Scarborough Centre
- John O'Toole, MPP Durham
- Joe Spina, MPP Brampton Centre
- Gary Stewart, MPP Peterborough

Record of Achievement

So far, the Harris government has:

- Helped more than 150 businesses and individuals with their red tape problems.
- Eliminated more than 1,300 unnecessary regulations.
- Repealed 33 outdated Acts.
- Passed 12 Red Tape Reduction bills.
- Amended more than 200 other Acts.

Cutting red tape fosters economic growth

Since 1995, the Ontario government has intervened on behalf of small- and medium-sized businesses across all economic sectors to cut red tape, saving businesses time and money. Here are some ways the government has reduced red tape and helped small business:

Easing tax burden: Removed job-killing payroll tax and associated paperwork by eliminating the Employer Health Tax for 270,000 businesses in Ontario.

Speeding up process: Implemented Ontario Business Connects program that reduces time required to register a new business from up to six weeks to 20 minutes using electronic work stations.

Eliminating unnecessary government licences: Eliminated the need for the annual tourism license for over 2,500 establishments providing tourist accommodations in Ontario.

Making business sense: Enabled bars and restaurants to use credit cards for purchases from LCBO outlets, thereby freeing up over \$300 million in cash flow annually for an estimated 16,000 establishments.

Good News for Small Business: Fewer Forms, Faster Service

The Ontario Government is reducing the number of forms it uses to collect information from business and individuals, and is making the remaining forms both user-friendly and as electronically accessible as possible, said Red Tape Commission Co-chair Bob Wood.

“Especially if you are a small business owner, filling out government forms takes a lot of time away from running your business,” said Wood.

The Canadian Federation of Independent Business estimates that almost half of small businesses in Ontario spend six or more hours a week completing government paperwork.

One estimate suggests there are more than 40,000 official forms within the Ontario government. The Red Tape Commission is working with the Shared Services Bureau of Management Board Secretariat to eliminate unnecessary government forms and to improve and streamline those that remain.

For example, Ontario's land registration system reduced the number of forms it uses to just four – from more than 100 in the past. Also, users can access the new system electronically, obtaining the forms they need quickly. These changes have saved consumers, businesses and government significant amounts of time and money. The success of this initiative has provided the Red Tape Commission and the Shared Services Bureau with ideas for similar initiatives.

The Commission and the Shared Services Bureau are now looking at how other jurisdictions have eliminated forms and improved customer service. In France, for example, government forms have an automatic sunset review date.

Mine Radio's success is underground

"We have plans to expand our product line to include a high-speed, wide band data digital transmission system," said Wayne. "Our customers are demanding more and more data, transmission and bandwidth speed."

Mine Radio's customers include the cream of the crop in the global mining industry, companies like Inco, Falconbridge, Placer-Dome, and Barrick Gold. They're all looking for more capacity.

Wayne explained that MRS is interested in concentrating on the transfer of digital data itself. Previously they had dedicated channels for voice, video and data. Now Mine Radio is going to a newer technology where the communication is looked at as purely data and the data stream can be used flexibly.

The new process will allow the company to monitor many more pieces of equipment at the same time.

"Our system has been so successful that our customers are using the system more and more," said Wayne. "The capacity needs to be increased to meet the increased demand. It's like a business that starts out with one telephone. But as telephone makes the business more efficient and increases its volume, the telephone system's capacity must also be expanded."

"We are looking to increase our system's capacity in the order of at least 100 times," Wayne added. "We have a research and devel-

opment project underway and our current plan is to have the new system developed within 14 months. We now have the support of the National Research Council for the program."

At the other end of the spectrum, Mine Radio is also working on the development of a low-cost, single-channel, low-speed data system for specific applications such as an emergency evacuation signal directed to workers underground. Currently, a malodorous gas is released through the ventilation system to warn workers to evacuate an unsafe area.

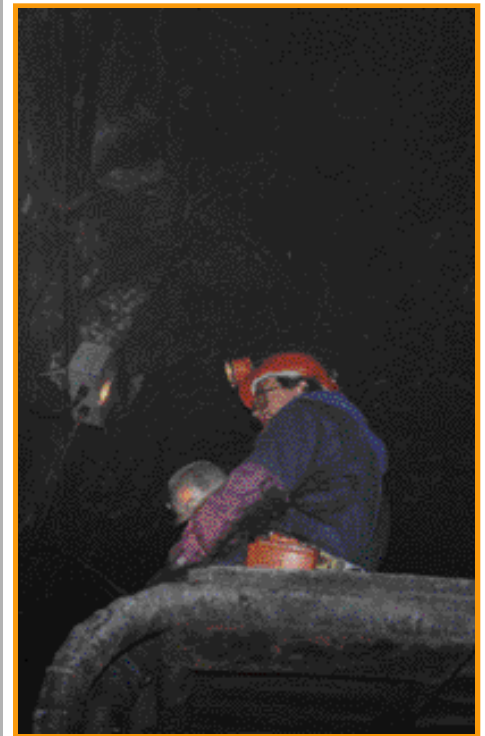
Wayne noted that the company's success is not going unnoticed. Currently, the company is on a short list for a prestigious export award. He credited Ontario Exports Inc. with keeping his company informed about the global business and economic environment.

"We've seen big changes over the years," said Wayne. "We started out as a regional business and then went across Canada. Now we've become international, a global business. In the last 10 years the mining industry itself has become more global, whereby they will consider using companies outside their own region. That has helped our business and helped us grow with the times."

The company is also looking at expansion into South America and China but that won't take place for several years until the

current research and development project is completed.

Right now, considering that Mine Radio develops and sells products for underground use, its future looks very bright.



A Mine Radio technician works on an installation project. The company, which develops communications systems for underground mines, has expanded its markets into 18 countries.

Ontario Exports Inc. hosts Japan/Canada Free Trade discussions

On October 18, 2000, William Saunderson, Chairman of Ontario Exports Inc., Ministry of Economic Development and Trade, will host a round table discussion concerning free trade between Canada and Japan. The round table organized by the Japan Society, The Canada Japan Society of Toronto, and Ontario Exports Inc. will be held at the University of Toronto Law School, Bennett Hall.

Speakers will include Thomas d'Aquino, President and CEO, Business Council on National Issues; Yoshio Nakatani, President and CEO, Toyota Canada; the Hon. Edward Lumley, Vice-Chairman, BMO Nesbitt Burns (TBC); and a senior representative of the Japanese government.

The program will be moderated by Professor Wendy Dobson, Director of the Institute for

International Business, Rotman School of Management at the University of Toronto.

Discussions around the potential benefits of establishing Free Trade between Canada and Japan, will be followed by an open discussion and networking session.

For further information, contact Don Waters at McMillan Binch, dwaters@mcbinch.com or call: (416) 865-7000.



BUSINESS BRIEFS

**SALUTE TO
SMALL BUSINESS**

Premier's Research Excellence Awards help stem the brain drain

To date, 41 researchers from Ontario universities have received this year's Premier's Research Excellence Awards. "The awards recognize and pay tribute to our best and brightest young researchers," said Jim Wilson, Minister for Energy, Science and Technology. "These people are the Nobel Prize winners of the future and I'm pleased that these awards will help keep them in Ontario. This awards program helps us fight the brain drain and push Ontario to the vanguard of scientific and technological research."

The Premier's Research Excellence Awards were created in 1998 to help Ontario's world-class researchers attract talented people to their research teams and to encourage innovation among the province's brightest young thinkers at universities, colleges, hospitals and research institutes. The 10-year, \$127.5 million awards program includes an \$85 million investment from the province, with \$42.5 million coming from research institutions or private sector partners. This overall total reflects the government's May 2000 budget commitment to double the annual funding of the awards program from \$5 million to \$10 million.

In 1999, 128 researchers received awards worth a total of \$12.7 million from the province for research projects on everything from the human genome and new drugs to high-speed commuting and communications systems to developing new materials for industry.

For information concerning this year's winners and their research visit the ministry's Web site at www.est.gov.on.ca

Women in Trade e-vent

The Women In Trade e-vent has been organized by the Canadian Consulate General (Detroit) in co-operation with Ontario Exports Inc., the Women's Economic Club of Detroit (WEC), and the National Association of Women Business Owners, Greater Detroit Chapter (NAWBO).

It is expected that 200 women executives and business owners from Canada and the U.S. will

gather for this event on Thursday, October 19, 2000 at the Casino Hotel in Windsor, Ontario.

The purpose of this "e-vent" is to develop strategic business partnerships and to explore many topics related to e-commerce such as:

- Building an effective business alliance
- Marketing on-line
- Privacy and security issues
- Global logistics
- Resources available to assist women in business
- Managing customer relations on-line
- Cross-border taxation
- Pricing and communication

Bus transportation will be provided to Windsor for participants departing from Toronto, Kitchener, and London.

For further details, visit www.womenintrade.com or contact Laura Dorling, Export Consultant, phone (416) 314-6718 fax (416) 325-2766

e-mail laura.dorling@edt.gov.on.ca

John Deere adds high-tech paint system

John Deere Ltd. will invest more than \$28 million at its Welland Works plant to add a high-tech paint shop. Construction of the new 7,525 square metre building is scheduled for completion by September of 2001. The existing paint facility will be decommissioned and torn down in the fall of 2002.

"The new paint shop is designed to meet the needs of customers by providing significant enhancements to corrosion, chip resistance, hardness and gloss retention," said Bill MacGregor, Manager, Engineering at the Welland Works. "The paint shop will have two painting processes, e-coat prime and powder paint for utility vehicles, and 400 and 500 series loaders, and a second

process that is direct-to-metal powder paint for all rotary cutters, and 600, 700, and 800 series loaders."

"This new system provides the best technological and most environmentally sound process for after-paint assembly of the Welland product. It's an exciting project that will lead us well into the 21st century," said MacGregor.

The company currently employs 820. Since March of 1999, John Deere has hired 150 new employees at its Welland plant.

Ontario Trade Day

Export Opportunities through IFIs

Each year, International Financial Institutions (IFIs) finance more than \$30 billion (US) worth of projects in developing countries.

IFIs often finance the procurement of professional services, construction, training, equipment and machinery. Ontario companies are in an excellent position to obtain a greater share of these contracts.

On November 9, 2000, in Toronto, Ontario Exports Inc. is hosting a unique Ontario Trade Day seminar where companies can learn about IFIs, the contracts they finance, how to pursue them successfully and the assistance available through the federal and provincial governments.

For more information or to register, contact Rowena Dias at (416) 314-8242 or toll free 1-877-468-7233.

e-mail rowena.dias@edt.gov.on.ca



John Deere's 640 self-levelling loader on a 6410 tractor.

Ontario's booming small business sector faces new challenges



Professor Niraj Bhargava, Managing Director of the Queen's Centre for Enterprise Development (QCED) in Kingston, believes that opportunities for entrepreneurs in the province are greater than ever before.

Judith Andrew, Vice President, Ontario for the Canadian Federation of Independent Business (CFIB), agrees that the budget measures aimed at helping small business compete are taking effect.

"We signed up our 100,000th member last month," she said. "Our role is to give independent business people a strong voice, and they see our work bearing fruit in areas like the Ontario budget. The economic picture is very positive, but it also brings new challenges to small business."

Significant among those challenges is a shortage of the skilled labour that is critical to

many growing companies. Last spring, a CFIB survey of 7,000 Ontario members showed 44 per cent of small business owners identifying "a shortage of qualified labour" as a serious problem. Andrew points out that small business owners are also facing stiff competition for labour from larger organizations.

"Sometimes it's just an issue of simply finding the right type of people who actually want to work in a small business," said Andrew. "Also, young people are disproportionately employed in small business, so we've developed checklists to help both employers and employees ensure that the right person is in the right job."

Finding the right people with the right skills is only one of several hurdles Ontario small business faces. Today's frenetic economic environment only rewards small business operators who are "fleet of foot", according to Professor Niraj Bhargava, Managing Director of the Queen's Centre for Enterprise Development (QCED) in Kingston.

"Opportunity is greater than ever before," he said. "And there is a huge wave of entrepreneurship because of all that opportunity,

which also translates into a lot of competition. But there's also the question of how you manage your growth. Small businesses can have an inherent advantage in a global economy that insists on very fast response to changing markets. But as you grow, you can lose that small business advantage."

QCED was established by the Queen's School for Business last year, to provide small business owners with the management expertise they need to ride the wave of growth. The centre offers counselling, mentoring and training programs to clients across the province, on a fee-for-service basis. QCED also works closely with the Innovators Alliance (IA), a networking organization for the presidents and CEOs of Ontario's fastest growth companies. IA is funded by corporate sponsorships and a grant from the government of Ontario.

"We recently ran a course with the Innovators Alliance that identified the top challenges facing small business," said Professor Bhargava. "High on the list was the impact of e-commerce on all small businesses, and not just the dot.com companies."

John Martin, Manager of Entrepreneurship at the Ontario Ministry of Economic Development and Trade (MEDT), agrees wholeheartedly. The ministry has just developed an e-business primer seminar that will be presented at 14 locations across the province starting this fall.

"New technology is having a profound influence on small business," he said. "And e-business is just one aspect of it. I believe that the overall challenge for small business owners is the same in this booming economy as it was during leaner times; they must be armed with relevant information, training, counselling and advice. That way, they're ready to take on any challenge, from hiring the right employees to guiding their business through a tremendous growth spurt."

Responding to new information needs and the tremendous growth in the small business sector, MEDT is expanding its network of Business Self-Help offices to a total of 38 locations across the province. Fourteen of those locations are Small Business Enterprise Centres, where entrepreneurs have access to mentoring, information and services covering management, marketing, technology and financing.

THE ONTARIO BUSINESS REPORT

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The focus of this newsletter is on business – 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.

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Comments and proposed contributions are welcomed. Please write by mail or fax.

