

THE ONTARIO BUSINESS REPORT

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Ontario Global Traders Awards recognize export success



Global Traders Provincial Award Winners: (Back row, from left to right) Tim Eby, President, Wabi Iron and Steel Corp.; Ontario Minister of Economic Development and Trade, Bob Runciman; Ricardo de Lima, Graduate, Intl. Business Mgmt., Niagara College of Applied Arts and Technology; Joseph Ouellette, President, Acrolab Ltd.; and Pam Robertson, Exec. V.P. Ont. Division, Bank of Montreal. (Front row, from left to right) Susanne Cobey, Pres. and CEO, Eagle Crusher Company Inc.; Ferry Kwik, Director of Quality Assurance and Technology, Medtronic Canada Ltd.; and Dr. Brian Mergelas, President, Pressure Pipe Inspection Company Ltd. Absent: Gary Flack, Sr. V.P. and COO, Vistar Telecommunications.

Ontario's top exporters were recognized for their achievements in world markets at the third annual Ontario Global Traders Provincial Awards, held in Toronto in May.

Twenty-one companies and individuals from across Ontario were vying for the top provincial award, after winning a regional award at ceremonies held earlier this year.

"Three years ago, our government's lead trade agency Ontario Exports Inc. issued a challenge to Ontario exporters to tap into

international markets that were largely unexplored by Ontario companies. I am proud that they accepted this challenge and were highly successful in making significant gains worldwide," said Bob Runciman, Ontario's Minister of Economic Development and Trade.

Some 350 guests were on hand as Runciman praised the province's top small and medium-sized exporters. He joined with corporate partners to present awards in six categories, recognizing outstanding export achievement.

Recipients of the 2000 Ontario Global Traders Awards were: Vistar Telecommunications, Ottawa, winning the Innovation award; The Pressure Pipe Inspection Company, Mississauga, winning the Market Expansion – Service award; Medtronic of Canada Ltd., Mississauga, winning the Market Expansion – Product award; and Wabi Iron & Steel Corp., New Liskeard, and Eagle Crusher Company Inc., Galion, Ohio, winning the Partnership award. Joseph Ouellette of Windsor won the Leadership award. Ricardo de Lima of Niagara College won the Student Achievement award.

The provincial winners were selected from regional award winners, announced in

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The Ontario Global Traders Award Winners

Leadership Award

*Joseph Ouellette, President
Acrolab Ltd., Windsor*

Acting on his belief that the Canadian mould industry could and must compete internationally, Joseph Ouellette formed the Windsor Association of Mould Makers in 1981. The Windsor Association evolved into the Canadian Association with over two hundred member firms. Ouellette is also an active public speaker, a mentor to new entrepreneurs, and he helped develop St. Clair College's three-year international trade program. Acrolab provides sales and engineering services in fifteen countries.

Student Achievement Award

Ricardo de Lima

Ricardo de Lima of St. Catharines, is a graduate of Niagara College's International Business Management program. Fluent in Portuguese, Spanish and English, he assisted Frontline Focus International, a market research and customer intelligence firm, with a project in Brazil. As Field Operations Officer, Ricardo organized a business trip and in 10 days the executive team accomplished what normally would take two to three months.

Innovation Award

Vistar Telecommunications, Ottawa

Vistar's focus is on new and emerging mobile, wireless technologies. At the heart of the company's GlobalWave system is the MT2000 modem, which is one of the smallest satellite data terminals in the world with the most advanced integration between the Global Positioning Satellite (GPS) and communications. Export sales have quadrupled over the past two years.

Market Expansion Award – Service

The Pressure Pipe Inspection Company Ltd., Mississauga

This company tests large diameter concrete water supply pipes using a patented electromagnetic system. Inspections often result in rehabilitation rather than replacement, saving water authorities and power plants millions of dollars. PPIC exports 60 per cent of its services to the U.S. and 40 per cent to North Africa.

Market Expansion Award – Product

Medtronic of Canada Ltd., Mississauga

Medtronic of Canada is the only manufacturer of implantable loop recorders used to diagnose unexplained fainting. The device, called

Reveal, records electrocardiograms that can be read by physicians. The company exports to Hong Kong, the U.S., Europe, Mexico, Latin America, Japan and Australia. *Reveal* is used in more than 1,500 medical centres.

Partnership Award:

*Wabi Iron & Steel Corp., New Liskeard
and Eagle Crusher Company Inc.,
Galion, Ohio*

Wabi manufactures iron and steel components for machinery. For the past five years, it has partnered with Eagle Crusher, a leading manufacturer of impact crushing technology, to test and improve its new alloys in components developed exclusively for Eagle products. As a result, the products produced for its client consistently perform at a lower cost and are competitive in new market segments.

The Ontario Global Traders Awards are sponsored by Ontario Exports Inc. (the Ontario government's lead trade agency) and Bank of Montreal with their Partners In Trade: Deloitte & Touche, Canadian Commercial Corporation, Export Development Corporation, the Institute of Chartered Accountants of Ontario, United Parcel Service Canada Ltd., PROFIT; Canadian Business; Le Lien Économique and Business Sense.

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Ontario Global Traders Awards recognize export success

Thunder Bay, Mississauga, Brantford and Kingston earlier this year.

Nearly 240 nominations were judged from across the province. Collectively, the nominees reported employment jumped 23 per cent over the previous year, from about 7,000 jobs to 8,600 jobs in 1999–2000. Export sales climbed from 54 per cent two years ago to 64 per cent last year.

"These results are phenomenal," said Runciman. "They speak well of the strength of our economy, and they underline the role

that exports play in creating jobs and maintaining our quality of life."

The Global Traders Awards are open to small and medium-sized enterprises, business leaders and students.

Ontario Exports Inc. joined Bank of Montreal to found the awards with other sponsors in 1998. "Our award winners make it clear that Ontario companies can compete with the best in the world and succeed," says Pam Robertson, Bank of Montreal's

Executive Vice President, Ontario Division.

Exports of goods and services bring in \$190 billion annually, account for over 51 per cent of Ontario's economy and support more than 1.6 million Ontario jobs.

The dates and locations for next year's regional awards will be announced shortly. More information on the winners, including photos of the regional and provincial ceremonies, are available online at www.ontario-canada.com/export.

Medtronic's "Black Box" diagnoses recurrent fainting

When a plane crashes, an investigator looks for the black box to explain what went wrong. Medtronic of Canada has developed a type of human black box to explain and diagnose recurrent, unexplained fainting.

Dr. George Klein, a London cardiologist felt that a "black box" would be useful in capturing the episodes for effective diagnosis. "About 13 years ago we were sitting in a Chinese restaurant in London making drawings on a paper napkin," said Ferry Kwik, Director of Quality and Technology for Medtronic. "Today we have *Reveal*."

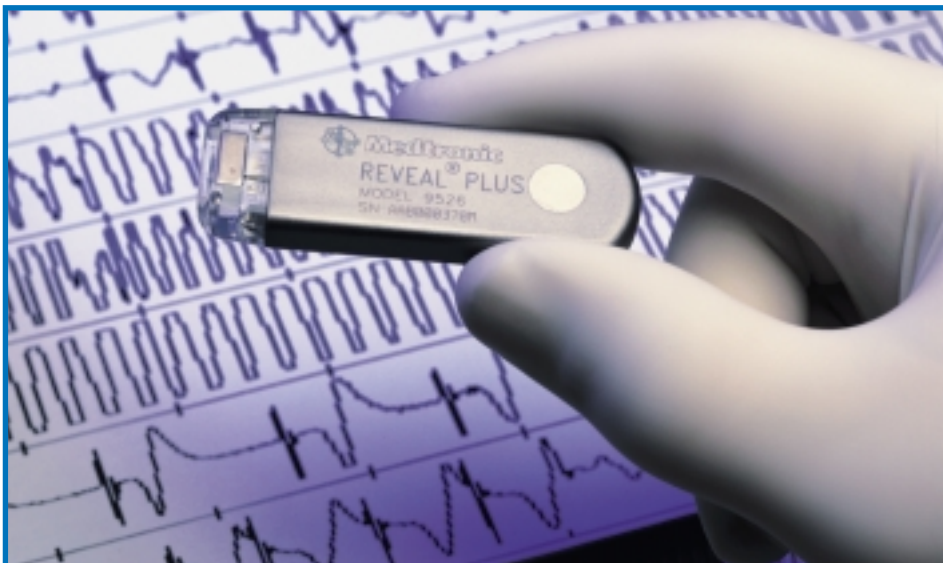
Medtronic of Canada, established in Mississauga 26 years ago, has the world product mandate for manufacturing *Reveal*, and its next generation *Reveal Plus*. "The genesis of this project is interesting. We are a small company when compared to our parent company in Minnesota, and we really had to convince them that this project was worth supporting," explained Gino Ariano, Manager of Market Development and Communication. "In the early days there wasn't official funding. But there was a lot of belief and energy from a small group of engineers, who worked closely with Dr. Klein and his study team at the University of Western Ontario."

Reveal has been implanted in more than 12,000 patients around the world, and about

1,500 medical centres worldwide use the product. Medtronic exports *Reveal* primarily to the United States and Europe, and also to Hong Kong, Mexico, Latin America, Japan and Australia. Sales of the device are growing rapidly, with \$15 million in sales in 1998 rising to \$25.5 million in 2000.

It was for this reason that Medtronic of Canada won the 2000 Ontario Global Traders Award in the category of Market Expansion – Product. "We were very pleased and excited to win this award," says Ariano. "It's a recognition of the commitment of so many who helped turn this idea into reality." The company intends to continue to broaden its export market, and is counting on the marketing and sales expertise of its parent company to help in that regard. Medtronic is also excited about new possibilities for *Reveal*, including helping in the diagnosis of epilepsy.

Alongside *Reveal*, the Mississauga operation also manufactures pacemakers. As a result of its rapid growth, Medtronic has recently completed a \$5 million expansion of its facilities and added more than 30 highly skilled jobs. There are now about 200 employees. It is due to their solid work that people around the world who experience fainting, dizziness and light-headedness are now being accurately diagnosed and effectively treated.



Medtronic has developed *Reveal* an implantable device smaller than a pack of gum. It is inserted just under the skin to help explain and diagnose recurrent fainting in humans.

VIEWPOINT



In this global economy, trade matters more than ever to economic growth and new jobs. Ontario businesses are doing their part. Exports of goods and services bring in \$190 billion annually, account for over 51 per cent of Ontario's economy and support more than 1.6 million Ontario jobs. These impressive figures continue to grow.



In this issue of the *Ontario Business Report*, we will highlight the remarkable stories, and the continuing journey, of many of Ontario's exporters.

The stories are indeed varied. From automotive products, to medical products, to industrial and consumer goods – Ontario's goods and services are recognized for their innovation and quality and they are sought worldwide. Many of these exports emanate from large corporations. But in a world filled with Web sites, video conferencing and e-commerce, even our small businesses aren't so small anymore. There are numerous shining examples of exporting success in Ontario's small and medium-sized companies.

Recently, I was pleased to present the 2000 Ontario Global Traders Awards. These awards were established three years ago by our government's lead trade agency, Ontario Exports Inc. and Bank of Montreal, to recognize the achievements of exporters. This year, almost 240 companies were nominated from across the province. The six provincial award winners were representative of the high quality of all Ontario businesses, and I join my colleagues at Bank of Montreal and all our partners in trade in offering congratulations to them, once again, as well as to the regional winners, merit winners and all nominees. These businesses are all significant contributors to the economic growth, job creation and success of our province.

In fact, that is true of all businesses engaging in international trade. Our government recognizes this and through Ontario Exports Inc., we work hard to assist our growing army of exporters, and encourage even more Ontario businesses to expand into the global arena.

We also believe that success abroad begins at home. For businesses to compete globally, it's up to us to ensure the cost of doing business in this province is equally competitive. That's why our government has lowered taxes, reduced red tape and regulation, balanced the budget and ensured that Ontario has the conditions in place that encourage business investment, job creation and growth.

The world is growing ever smaller. Trade will play an increasingly important role in Ontario's economy. Working together, we will ensure that the products and services that our businesses offer are increasingly in demand, and increasingly supplied, around the world.

Bob Runciman
Minister of Economic Development and Trade

Pro-Safe are fighting fires hands-on

In the late 1970s, Gary Joice was a fire department training officer with a problem. He couldn't find training techniques that gave firefighters the kind of real world, hands-on experience they needed. To meet the need for effective training "under fire", Joice eventually developed his own propane-powered training unit. Word of his fire and rescue simulators spread quickly, and Pro-Safe Fire Training Systems Inc. was born.

"We build systems to train firefighters to extinguish fire under conditions that closely mimic the real thing," said Joice. "They get accustomed to the heat and various other conditions, so they can react properly in a real fire."

After repeated requests from satisfied training clients, the company started manufacturing fire-training units for sale. Early orders came mainly from municipal fire departments, but it was a 1992 sale to Canada's Department of National Defence that opened up new markets.

The U.S. Navy saw Pro-Safe's mobile aircraft training system in action, and ordered a \$750,000 unit. Subsequent sales to the U.S. Air Force and Air National Guard have transformed Pro-Safe into a major exporter. Serving world markets from its headquarters in Nobel (near Parry Sound), Pro-Safe has seen its export sales grow by more than 160 per cent over the past two years. The company recently received an Innovation Award in the Ontario Global Traders program.

"Our systems simulate a whole range of typical fires," he said, "wherever they might occur on an aircraft. We work with the client before delivery, and train their instructors. We have a long-term contract with the U.S. Navy, and we are now the world leader in mobile aircraft training systems."



The U.S. Navy used one of Pro-Safe's mobile training units for a recent demonstration to members of the U.S. Congress Fire Services Caucus in Washington, D.C.

Pro-Safe also makes systems for fire training towers (the Vancouver and Winnipeg municipal fire departments are recent clients) and has commercial airport training installations in Detroit, Denver and Toronto.

Pro-Safe's reputation as a prime source of training expertise is growing. Company president Gary Joice recently returned from the U.S., where he signed a long-term contract with the U.S. Federal Aviation Authority (FAA). Pro-Safe will operate and manage the FAA's air crash training centre in Ocala, Florida. Serving clients from around the world, the International Certified Fire and Rescue Training Academy (ICERTA) will eventually offer counter-terrorism training to national security agencies, airport security operations, and law enforcement agencies.

"That gives us another area to use our skills to develop effective "hands-on" training," said Joice. "We're also looking at natural disaster simulation and training. We want to create

simulation training devices, where, for example, a wall would collapse, and trainees would learn how to deal with victim rescue."

The future looks bright for Pro-Safe, which recently demonstrated one of its systems for members of the U.S. Congress Fire Services Caucus in Washington, D.C. Sales to new clients in Spain and the Middle East are being finalized, and the company's FAA training contract promises to bring even broader exposure in world markets. Pro-Safe is also working with a U.S. partner (Environmental Tectonics Corporation) to develop sophisticated virtual reality training systems.

"I can see this type of training having three components in the near future," said Joice. "Classroom instruction, virtual reality simulations, and real-world training using systems like ours. They all combine to produce graduates who are ready for just about anything."

Ontario's beer industry targets growth in domestic and export markets

Think summer. Think hot hazy days. Good friends. Good conversation. Good food. And something to drink. What comes to mind? The Brewers of Ontario offer plenty of suggestions – lager or ale, draught or bottled, dry beer or light beer. The choices are many. The Beer Store is the place to find them all.

A completely unique operation, The Beer Store is the primary distribution and sales centre for beer in Ontario. Although owned by three Ontario breweries – Labatt, Molson and Sleeman – the system is completely open to all brewers, large or small, foreign or domestic. Today, The Beer Store sells over 260 brands of beer through 431 stores in 231 communities.

“It’s probably the most purely competitive market available to sell beer,” says Jeff Newton, Executive Director of The Brewers of Ontario. “Unlike other retail systems where brewers must convince retailers to stock their brand, brewers approach The Beer Store, pay a one-time listing fee and they can automatically list in all 431 stores. There’s even a reduced fee schedule for small brewers that’s credited for helping them gain customer access equal to larger breweries, resulting in a thriving market for specialty beers.”

The openness of the system is largely responsible for the explosion in consumer choice at The Beer Store over the past few years. The number of brewers selling in The Beer Store has increased from 15 in 1993 to 55 today. The number of brands available has increased from 105 to 260.

The beer industry is a significant contributor to Ontario’s economy. Two national brewers (Labatt and Molson), two regional brewers (Sleeman and Lakeport) and 29 micro/cottage brewers produce the equivalent of 110 million 24 –bottle cases per year. The industry employs 6,700 people directly. When the 10,500 businesses that supply services, barley, malt, corn, labels, packaging and more are taken into account, the number of related industry jobs jumps to 51,000. Last year, the industry purchased \$1.2 billion in services and inputs from Ontario businesses, and consumers purchased \$2.5 billion worth of beer.

Seventy per cent of the beer brewed in Ontario is sold domestically. “Due to a host of

factors, domestic sales have declined somewhat over the last decade,” says Newton. “Historically, 19–25 year old males have been responsible for a significant portion of total beer consumption, and that demographic has declined. The early 90s also brought an interesting convergence of events with a poor economy and poor weather patterns. While we’ve seen modest volume improvements in recent years, we’re still lagging behind the consumption rebounds of wine and spirits. Therefore, we’ve realized that we need to gear ourselves to reclaiming beer’s place as a preferred beverage.”

A primary focus in this respect is renewal of The Beer Store. A pilot project consisting of six stores across Burlington is currently testing new store designs and customer service and merchandising initiatives. “A more vibrant and dynamic Beer Store is clearly key to re-stimulating consumer interest in the beer category and growing industry volume,” says Newton. The new retail formats and marketing strategy will start to appear in other stores across the province this summer.

As with all products, the sale of beer is affected by global competition. The import category has virtually doubled in the past five years. “While this means more competition it also represents a positive development for the category,” says Newton. “More variety creates interest and lets people explore, discover and learn more about beer as a beverage. That’s good for all brewers.”

While imports have grown here, Ontario brands are finding their own niche south of the border. Ontario beer exports, which represent 30 per cent of industry production, have doubled since the early 90s with virtually all that increase going to the United States. “There is great potential for further growth, particularly when you consider the U.S. market is 10 times the size of the Canadian market,” says Newton.



The Beer Store is currently testing new store designs and customer service and merchandising initiatives as seen here at its Millcroft location.

Both major Ontario breweries are increasing their investments in advertising, infrastructure and export development to fully exploit their U.S. export potential. Labatt plans to invest over \$100 million over the next three years in capital, people and market development. Partnerships and strategic alliances are also being used to enhance distribution networks and increase sales. Molson recently invested \$133 million in restructuring its U.S. partnerships including a new marketing and distribution arrangement with Coors.

“If you’re going to succeed in export markets you have to have a healthy domestic market in which to operate. We now have that,” says Newton. “There is a positive business environment in Ontario and a supportive government that recognizes the economic contribution of the industry and the value of the cooperative nature of The Beer Store. That gives the industry the confidence to build further on the domestic market and focus on export development.” The Brewers of Ontario set growth targets for the Ontario beer industry at 1.5 per cent annual domestic volume growth. Export levels are expected to reach 40 per cent within the next five years.

Virtek – pioneering a vision for the future

Virtek Vision of Waterloo is a global leader in the development and application of precision laser systems and technology. The company markets its products within two business sectors: biotechnology and precision manufacturing which includes aerospace, pre-fabricated construction and industrial imaging.

In the last year, Virtek has experienced tremendous growth and strong sales. Bob Sandness, VP Engineering and VP Business Development, explains the three sources for Virtek's 92 per cent sales increase in fiscal 2000.

"One area has been organic growth. That includes new products we developed ourselves such as the LaserQC system, an industrial imaging product. This was developed in 1999 and has contributed substantial revenue. Other growth is a result of acquisitions. We grew our aerospace business by acquiring our largest competitor – GSI Lumonics. Although we bought their product, there was no guarantee we would retain their customers, so we had to compete and were very successful. The third growth area is in biotech.

The company's specialized biotech products include highly-sensitive, Virtek-designed ChipReaders and ChipWriters which are used in DNA research and rapid imaging of DNA microarrays. Due to exacting demands of the end-user, Virtek products are recog-

nized for a solid combination of performance, productivity, accuracy, speed and ease-of-use.

Virtek's corporate focus is clear. "Since 1996, under our current president Jim Crocker, the focus has been on our core competency, which is moving a laser beam very quickly and very precisely," says Sandness. The majority of its 120 employees are located in Waterloo, with others in Toronto and overseas offices. "While the company does a healthy percentage of research and development, it is not an R&D firm. Virtek originated as a spin-off from the University of Waterloo when it focused more on R&D."

New technologies are frequently under development within the high tech industry and Virtek is no exception. "The most exciting new development is FONA technology. FONA, or fibre-optic nucleic acid, is a biosensor technology. In simple terms, a sample is placed in one end of the sensor and in six to 20 seconds it will become apparent if e-coli or genetically altered materials are present. It's a very exciting genetic testing and screening technology that's developed in Canada." With this acquisition, Virtek adds several new product lines including a sensitive laser reading device and biosensor fibres.

Virtek produces over 100 different systems which are exported and installed in 13 countries around the world. Its precision



Virtek's templating technology is used by the TrussLine(R) system, which is used in pre-fabricated construction of roof trusses.

manufacturing products include the LaserQC, a unique Virtek-patented technology, used in the sheet metal industry where parts must meet strict specifications and tolerances. Virtek's templating technology is used in pre-fabricated construction for roof trusses and in aerospace where the shift is from building planes out of metal to composite materials. "Just about every aircraft manufacturer in the world uses our lasers to help produce their airplanes," says Sandness.

He explains that Virtek's commitment to customer support gives them a distinct competitive edge. With a dedicated customer service approach, they hope to establish long-term relationships that will enable them to work with customers on new product development. "Our goal is to be number one in each market where we operate."

GFI – clearing the air that we breathe

Clean fresh air – as Canadians, it's what we expect to breathe. In reality, dangerous vehicle emissions that contain lead, nitrous oxides, carbon monoxide and other pollutants significantly affect air quality. GFI Control Systems, Inc. is doing its part to improve our air. The Kitchener-based company specializes in the research and development, production and marketing of progressive fuel metering systems and related

components for natural gas and propane-powered automotive and industrial electronic engines. They are the leading full-system supplier to North American original equipment manufacturers (OEMs), like Ford, GM and Chrysler.

For the last decade, alternative fuel strategies have figured prominently in government policy. In the United States in 1990, changes to the Clean Air Act mandated federal vehicles to use alternative

fuels, putting cleaner vehicles on the roads. The 1992 Energy Policy Act aimed to reduce U.S. dependency on foreign oil. The Canadian Environmental Protection Act established similar mandates at home. Clean air policies in North America rely heavily on implementation by automobile makers.

"OEMs don't want to miss opportunities to produce natural gas powered and propane powered vehicles," explains the company's

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Three Ontario companies use GPS technology to become world leaders in their field.

Applanix – mapping the road to success

When Honeywell Canada restructured its operations in the early 1990s, one casualty was the company's Advanced Technology Centre. Several years of promising R&D in navigation technology were also destined for the scrap heap, until three employees decided to continue the work by forming their own company. The result is Applanix Corporation.

"The potential to further develop technology for surveying and mapping was very clear to us after a short time," said Blake Reid, Applanix President and C.E.O. "GPS (Global Positioning System) was on-line, and geographic information systems were becoming much more important. We knew it was the right technology at the right time."

Reid and his two partners – Bruno Scherzinger and Erik Lithopoulos – together with four other former Honeywell staff, set out to capitalize on the technology by using it in surveying and mapping. Their

confidence was well placed. Today, Applanix Corporation of Richmond Hill is a world leader in its field.

Installed on moving vehicles (aircraft, ships, trains, and trucks) the company's Position and Orientation Systems (POS) combines GPS and "inertial" navigation to record the vehicle's exact location and angular orientation, at a precise point in time. Surveyors and mapmakers can collect and record data in a fraction of the time required by conventional systems, boosting productivity and accuracy.

"The end users of our technology work in a number of areas including aerial survey

and mapping, seafloor mapping, road surveying, and railroad track maintenance. In every application, our technology reduces operating costs and enhances productivity," said Reid.

Reid cites a supportive R&D environment in Ontario as a factor in the company's growth, and also credits an early investment in Applanix by the Innovation Ontario Corporation.

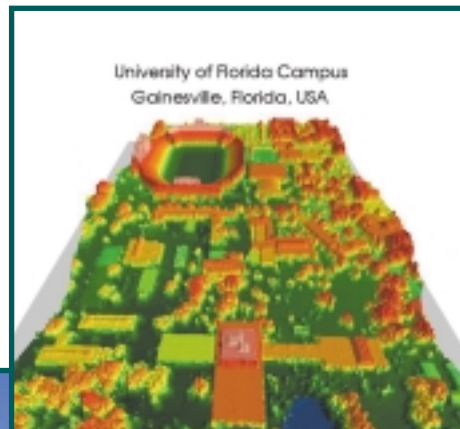
"Our efforts have been supported by government over the years, and the R&D investment tax credits have helped us develop our technology," he said. "We also have strategic partnerships with other companies, and that synergy has helped us grow as well."

Applanix has a sales staff of seven people, with branch offices currently being established in the U.S. and Germany. Exports account for 98 per cent of the company's sales. A winner in the recent Ontario Global Traders Awards, Applanix has equipment at work around the world. It recently sold two of its POS systems to the Ordnance Survey of Great Britain. In the midst of this sales success, R&D remains a top priority.

"We're just completing work on a new system that can be carried in a backpack," said Reid. "It offers a lot of technical benefits to the user, but one other positive aspect is that it can actually save a lot of trees in a densely forested area. Surveyors now have to cut down a wide swath of trees to set their "line-of-sight", but our new technology will eliminate the need for that."

Total staff has grown ten-fold to the current 70 employees, and Applanix has posted profits for 18 consecutive quarters. The company has set an ambitious sales target of \$50 million by 2004, with an annual sales growth rate of 30–40 per cent.

"We'll soon outgrow our niche markets," said Reid. "It's important for us to move into larger markets, and as costs of the technology drop, more areas will be open to us. There are new land survey uses for our technology, especially where GPS is not available. No question about it – there is huge potential for our technology."



Applanix's Headquarters in Richmond Hill. Seen above is a digital terrain model of the University of Florida (Gainesville campus) obtained using Applanix's POS/AV and Optech's ALTM 1210.

Vistar – going global without leaving the office

A technician in Paris follows the progress of a railcar across the Australian outback in real time. A trucking company manager in Toronto knows exactly when a truck carrying a load of frozen orange juice left the plant in Florida last night, and where it is this morning. In a remote corner of northern Alberta, a natural gas pipeline compressor fails, and an operator is immediately notified to prevent production shutdown.

A wireless, global remote control system is responsible for all of these scenarios and is in all of our futures. An Ontario company's technology is playing a key role in making it happen and while it may not yet be a household name, Vistar Telecommunications is already a world leader in wireless data products and services.

"Our MT2000 is one of the world's smallest, most powerful satellite tracking and data communication terminals," said Vistar president Michael Zuliani. "It has a very long battery life, which is crucial for remote operation. We use those terminals to send data of any kind to a satellite on our global wireless network."

Vistar's patented GlobalWave system lets companies monitor, track and manage their physical assets, wherever those assets happen to be located. Whether it's a mobile asset like a railcar or truck trailer, or a fixed asset like a petroleum storage tank or pipeline, Vistar's

battery-operated terminals provide a steady stream of data and position information to the GlobalWave network.

Vistar is building its global presence through partnerships. Startrack Communications of Australia is the exclusive distributor of GlobalWave in Australia and New Zealand. Telecommunications giant Alcatel operates Vistar's system in Europe, where a new network is up and running. A system will be shipped to South Africa this summer, and the company has signed contracts with partners in the Middle East, Mexico and Central America. Negotiations for South America are underway, and Vistar is currently marketing its services in Asia. In North America, the system is operated by a subsidiary, Vistar Datacom, based in Washington, D.C.

"Our goal is a complete global wireless data network," said Zuliani. "Initially, our plan was to have global coverage within five years, but we will probably have that in place within 18 months. We want to dominate the global market."

Unlike other wireless global communications networks, Vistar isn't hampered by massive

investments to launch and maintain its own satellites. The company simply rents the small amounts of bandwidth it needs on existing satellites, and uses its proprietary technology to create its own global wireless data network.

"Our costs are much lower than other companies that have invested in their own satellites," said Zuliani. "As we like to say, all of our smarts are on the ground. It's our patented technology that makes all of this possible."

Marketing its products and services through value added resellers, Vistar exports virtually everything it sells. Not surprisingly, the company was recently presented with an Innovation Award in the 2000 Ontario Global Traders program. Vistar employs 125 people in total, with most of them located at the Ottawa headquarters. The company has attracted technical talent from all over the world.

"The Ottawa area is the best in Canada for a company like ours," said Zuliani. "It's been rated as an excellent place to work and we've found that good people attract good people."



Vistar's GlobalWave system lets companies monitor, track and manage their physical assets, wherever those assets happen to be located.

Efficient, accurate technology from SiGEM Inc.

Have you wondered how police, fire, or emergency medical units determine and dispatch the closest vehicle to an emergency? The answer is GPS (Global Positioning System).

GPS can pinpoint an exact position on earth from a constellation of satellites originally positioned by the U.S. military. The satellites transmit signals to GPS receivers and determine a precise location to within 10–15 feet. Now expanded beyond military-only operations, there are numerous real world GPS applications.

As Herb Woods, President and CEO of SiGEM Inc. explains, “We create location-aware applications for our customers. We acquire the GPS information in a vehicle. We bring it back to our customers through a wireless network in real time. By knowing where a vehicle is at a particular point in time, our customers can better run their businesses.” In large volumes such as fleets that carry a million or more vehicles, knowing the status and health of any vehicle can help lease management firms run their business more efficiently.

A relatively young company, Kanata-based SiGEM Inc. began in 1997. Three subsequent acquisitions helped the company move forward by bringing valuable new skill sets to the table and established the company's corporate focus.

North America and Europe are SiGEM's target markets. Currently 60 per cent of SiGEM's revenue comes from the U.S. and 25 per cent from the U.K. One hundred and eighty people are employed at SiGEM in Kanata, focusing on R&D, sales, and prototype development and testing.

SiGEM uses the facilities of existing wireless or cell networks such as GSM in Europe, and ClearNet in Canada, for transmission. The

company provides its customers with a device that is embedded in the vehicle. It combines the GPS receiver, often the size of a cell phone or smaller, the wireless modem and on-board diagnostics that are plugged into the vehicle's electronic bus. Information is then transmitted through the cell network and into SiGEM's Web-hosted application, where customers can access it and use it in their business.

In addition to the core technology of receivers and antennae, SiGEM also provides embedded telematics units for vehicles and end-to-end fleet management solutions for taxis and para-transit vehicles. SiGEM holds 30 per cent of the world market for that business. “We are the largest provider of this type of system in the world,” says Woods.

In today's world, there are numerous applications and the list continues to grow. Delivery trucks and courier services, for example, benefit from SiGEM equipment for quicker deliveries.

Future applications appear limitless. “In a roadside assistance situation, SiGEM's equipment could allow a technician to unlock doors without going to the car. A tow truck is not required and you would save time, cost and improve efficiency,” explains Woods.

“An emerging usage is in the insurance industry, specifically with pay-as-you-go insurance.



Herb Woods, President and CEO of SiGEM. SiGEM creates location-aware applications for its customers using the GPS – Global Positioning System.

Drivers pay insurance on the actual mileage driven and pay fees based on where they drive. The industry will move forward when automotive manufacturers embed this technology into new cars. “It is predicted that that this will occur by 2005,” says Woods. “Between 50 and 80 per cent of new cars will offer this technology.”

Woods goes on to say, “Imagine on-board concierge services that will provide car owners with electronic couponing and mobile commerce capabilities. The key is to have a mass market.” And when this happens, SiGEM is poised to capitalize on these and other new opportunities.



OBPEA works to build export bridges

From doors and windows to pre-engineered homes, Ontario's building products enjoy a global reputation for top quality. Each year, more and more of the world's builders look to Ontario for premium, competitively priced building materials. But as any exporter knows, marketing a product or service internationally usually requires a significant investment of time and money.

Pamela Kanter, an international marketing consultant at Ontario Exports Inc., was the drive behind the formation of the Ontario Building Products for Export Association (OBPEA). Just over three years ago, several members of the industry discovered that cooperation through an export-focused industry group could boost their sales even further.

"Pamela saw the need for a concerted effort among Ontario companies," said Hank Delmas, C.E.O. of Madawaska Doors Inc. in Bolton, and OBPEA President. "Japan was part of the Asian region she was covering at the time, and we always had the same companies represented at the trade shows and on

the trade missions there. She saw the benefits and the synergy that we could create by forming our association, and it took off from there." Dan Pokocky of Gentek and Wayne Toyama of HCC Canada, also helped co-found the association.

Financed entirely by its 30 member organizations, the OBPEA offers foreign buyers "one-stop shopping" for a wide variety of Ontario building products and services. From flooring to roofing and all the services in between, foreign buyers can find it in the OBPEA's annual products and services directory. The group's target markets now encompass most of the world.

"The directory is published in five languages," said Delmas, "and it's distributed to 55 trade offices around the world, at trade fairs, trade shows, and anywhere our members go. It gives us all a much bigger footprint, and it makes the foreign buyer's job a lot easier."

The OBPEA's united effort gives exporters credibility with foreign buyers who may not be familiar with a particular company or product. Members share market

intelligence, sales leads, and occasionally, even shipping containers.

"The association is really building a brand image for this export sector," said Ms. Kanter. "The web site has an inquiry page, where buyers can submit their requests on-line. We also have links to related government and industry sites."

Ontario Exports Inc. is one of those sites, along with Industry Canada and the Canada Mortgage and Housing Corporation (CMHC). As Delmas explained, the close relationship with government agencies gives members a much stronger presence in international markets. The group recently made a presentation to a foreign delegation through the offices of the CMHC.

"I'm attending the Sapporo International Home Show," said Delmas. "I'll be taking a box full of our member directories with me to distribute. Everyone in the OBPEA will benefit from my trip."

For further information, check the following web sites: www.obpea.com and www.ontario-canada.com

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GFI – clearing the air that we breathe

CEO Lloyd Austin. "Now we're developing strategies for hybrid electric fuel cells for DaimlerChrysler, Ford and Ballard. We've been chosen by five different OEMs to produce hydrogen components for the future." Still, alternative fuel systems are anything but dominant. "It will be 2010 before this becomes a mainstream business," says Austin.

GFI's high tech facilities include a 54,000 sq.ft. vehicle modification centre in Cambridge. The company's employees total close to 250. GFI produces North America's highest volume of alternative fuel components. Says Austin, "on the OEM level there will be about 30,000 hybrid electrics, electrics, natural gas and propane

vehicles built in 2001. This number is spread over 12 different OEMs and while it's doable to produce 100,000 vehicles per year," estimates Austin, "the cost remains prohibitive."

Austin likens the situation to the chicken and egg scenario. He cites a "Lack of good infrastructure and product model offerings to meet customer demand and in countries where there are no incentives, cost," as significant factors that prevent serious production.

GFI's fuel systems and components must meet stringent emissions requirements, including the alternative fuel systems that GFI supplies for industrial uses. "Due to safety require-

ments and the fact they operate mostly indoors, forklifts are the most popular application. They have operated electrically or on alternative fuel for many years," explains Austin. Other industrial uses include Zamboni ice-making machines and municipal street sweepers.

With nearly 99 per cent of GFI's total production being exported to 19 OEMs in 13 different countries, the company is recognized for its advanced technologies and innovation.

"Every time someone in the world buys a car there's a good chance it has a GFI product on it. Now we'd like the world to buy more alternative fuel vehicles."



BUSINESS BRIEFS

The Best of Burlington recognized at awards ceremony



(from left to right) Gayla McDonald, General Manager, Burlington Economic Development Corporation; Robert Runciman, Ontario Minister of Economic Development and Trade; Robert MacIsaac, Mayor, City of Burlington; Rudy Reimer, President, Reimer Construction Ltd.; and Steve Parsons, Legato Systems Canada Inc.

"Shaping a high performance economy for Burlington"... that's the goal of the Burlington Economic Development Corporation. Based on its activity and success over the past year, this target is rapidly becoming a reality. Burlington's business community is growing strong and producing a healthy local economy in the process.

On June 7, 2001 the Corporation hosted its second annual awards program to recognize local businesses that have helped drive Burlington's economy through development, business expansion, job creation and exemplary training and education.

The event had a racing theme to dramatize the fast-paced changes taking place in Burlington. This included the Ford and Speedy Racecars and Team, and a high-energy video presentation that provided a snapshot of growth in the Burlington business community.

Bob Runciman, Ontario's Minister of Economic Development and Trade, was the keynote speaker. He told more than 300 business executives, "The Provincial Government recognizes the need to be bold and progressive, and for creativity to stay ahead of the competition in the business market." He added, "Business growth in Ontario will

remain healthy because of the strength of a highly trained workforce, a world-class infrastructure and an excellent business climate."

He also pointed out that the Harris government's top priorities are economic growth and job creation, and said the government is working to make Ontario's economy the best-performing in North America. Runciman said that an important aspect of this is the Strategic Skills Investment Program... a government-business partnership that trains skilled workers needed to keep Ontario businesses competitive. Other provincial measures to help economic growth include a task force to measure and monitor Ontario's productivity, competitiveness, and economic progress compared to those of other provinces and American states. Runciman said the province is helping to create jobs by encouraging Ontario's small and medium-sized businesses to expand exports and through marketing programs to attract more foreign direct investment in Ontario.

Minister Runciman noted that Finance Minister Jim Flaherty's recent budget reported Ontario's economy has grown by 25 per cent since 1995, and said that tax cuts will remain the cornerstone for keeping our provincial economy strong. He complimented the Burlington Economic Development Corporation on its successful initiatives and support to local businesses and congratulated the 2001 Award winners.

The Corporation presented awards to six Burlington companies:

- **Westbury International** – Commercial/Industrial Developer Award
- **Paletta International** – Residential Developer Award
- **E-Manufacturing Networks Inc.** – Corporate Economic Growth Award (under 50 employees)
- **Legato Systems (Canada) Inc.** – Corporate Economic Growth Award (over 50 employees)
- **Dofasco Training & Development Centre** – Learning Culture Award (under 50 employees)

- **Joseph Brant Memorial Hospital** – Learning Culture Award (over 50 employees)

Over the past 18 months, the Burlington Economic Development Corporation responded to 400 site selection inquiries. It assisted with 80 new business relocations totaling 360,629 square feet of commercial office space and 885,200 square feet of industrial space... resulting in 1,252 new jobs.

Ministry to conduct summer consultations with business and industry sectors

On June 11, 2001, Bob Runciman, Minister of Economic Development and Trade announced the first step in the government's journey to maintain a strong Ontario economy with competitive business sectors creating new jobs. It involves the removal of barriers to jobs, investment and growth – so that Ontario will remain strong and competitive with the rest of the world.

As part of this process, Ted Chudleigh, MPP for Halton, and the Parliamentary Assistant for the Ministry of Economic Development and Trade, will conduct face-to-face discussions and roundtable meetings with representatives from the chemicals, industrial, commercial and institutional construction industries, and experts in early-stage equity financing. The purpose of these consultations is to discover the existing or emerging barriers to competitiveness, and identify opportunities for building stronger businesses and industry sectors.

According to Minister Runciman, "Our business leaders and associations are the best source of information. They have the practical experience waging daily battles with their global competition. I believe this process will result in concrete ideas and suggestions to help Ontario remain competitive with the world."

Minister Runciman will report on the results of consultations following receipt of the Chudleigh report in the fall of this year.

Nor-Fab – a true north success story

Mel DeGagné was not satisfied waiting six weeks for roof trusses and other building components. He knew he could solve the problem of lengthy deliveries and decrease building delays by doing it himself. In 1984 he took his extensive experience in contracting and founded Nor-Fab Building Components Ltd.

Today Nor-Fab is a growing, medium-sized manufacturer of building components and pre-fabricated buildings. The company specializes in roof and floor trusses, gazebos, stair stringers, garden sheds, and wall panels. With an emphasis on research and development, at least two new products are added to the company's product line each year.

Brian Hagarty, Nor-Fab's General Manager says, "In our local market we are without a competitor. In a metropolitan market like Winnipeg or Toronto however, it's more competitive. Our focus has been on the U.S. There's lots of competition there but Canadians have a big advantage due to the American dollar."

Located in Fort Frances, (opposite International Falls, Minnesota) Nor-Fab's

production facility exceeds 35,000 sq.ft. and employs close to 130 people. Plans for 2001 will see the company's payroll reach 150. "We're probably the largest private employer in the area," said Hagarty.

NAFTA and the softwood lumber agreement helped Nor-Fab become one of Canada's leading exporters of "value added" products. "There's no duty on those products. They travel across the border relatively easily. The softwood lumber agreement put a tariff on American raw lumber that we did not have. This gave us an added advantage in terms of the price of our lumber," said Hagarty.

An in-house design department with professional engineers on staff, works on the development of new products and improving existing designs. "Only one other company in



Nor-Fab specializes in producing gazebos like the one seen above, for the North American market.

North America produces the quantity of gazebos that we do. By mass producing we can offer cost savings that small companies cannot." Another unique product line is the company's stair series. "We found a market niche with an original product – a 10 and 14 step riser. We are about the only company in North America who is focusing on a longer stringer and it's 50 per cent stronger than conventional stringers. It serves a unique market."

Nor-Fab sells directly to wholesalers across North America. Their products can be found in close to 4,200 retailers, lumberyards and major outlets throughout the U.S. and Canada. About 80 per cent of Nor-Fab's products are destined for the American mid-west. A new west coast customer in 2001 will allow Nor-Fab to extend its production season for the entire year. "Right now the majority of our work force is working for eight to 10 months. We used to close for two months and now we close for one week at Christmas. The seasonal window is getting smaller."

Hagarty credits a good deal of the company's success to its participation in export programs and trade missions. "Our largest customer right now is a large U.S. company who we had been trying to get for several years." A connection made during a trade mission helped speed the selling process for Nor-Fab.

THE ONTARIO BUSINESS REPORT

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We want to hear from you.

Comments and contributions are welcomed. Please write us by mail, fax or e-mail.

