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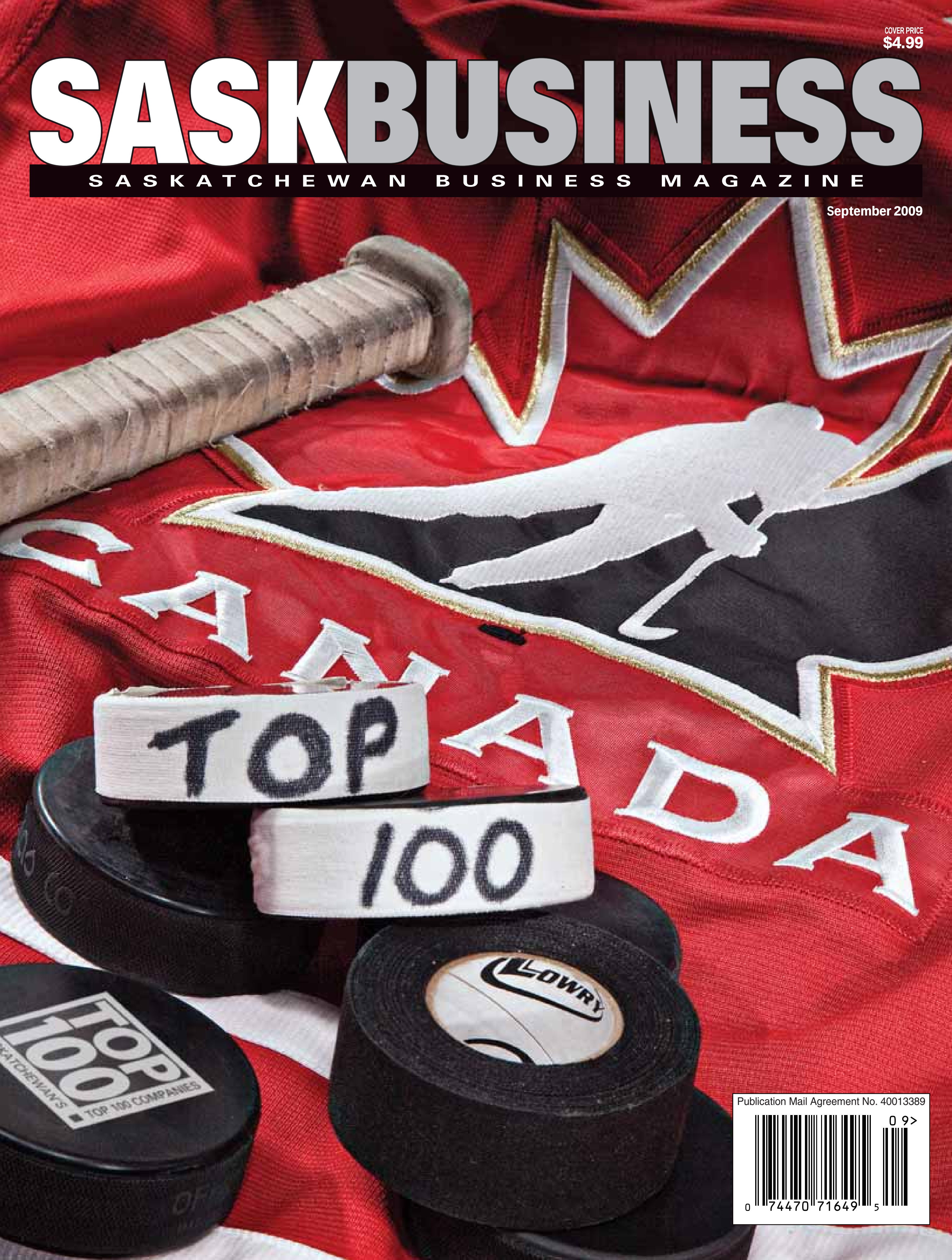
SASKBUSINESS

SASKATCHEWAN BUSINESS MAGAZINE

September 2009



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FEATURES

COLUMNS

PUBLISHER
Twila Reddekopp

EDITOR
Keith Moen

ASSOCIATE EDITOR
Paul Martin

CONTRIBUTING WRITERS
Penny Eaton
Nathan Hursh
Paul Martin
Keith Moen

COLUMNISTS
Dale Berg
Kelly E. Gould
Paul Martin
David E. White

PHOTOGRAPHY
Stuart Kasdorf
Keith Moulding

PRODUCTION
Nathan Hursh
Trevor Sellar

PRINT LIAISON
Lyle Boulton

REGIONAL SALES
Brad Traill

NATIONAL SALES
Twila Reddekopp

OFFICE MANAGER
Maureen Goldsmith

HEAD OFFICE
Sunrise Publishing
2213B Hanselman Court
Saskatoon, Saskatchewan
Canada S7L 6A8
Phone: (306) 244-5668
Fax: (306) 244-5679
Toll Free: 1-800-247-5743
email: news@sunrisepublish.com
Web site: www.sunrisepublish.com

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From the Editor

Keith Moen
Editor

You're holding in your hands, quite likely, the most momentous issue of *Sask Business* in this magazine's 30-year history. It's the 26th annual Top 100 issue, and due to the anticipation and hype surrounding previous versions of the Top 100, we've long known that this issue is a highly regarded one. What makes this year's even more so is the quality of the list itself.

We are presenting the most qualified listing of Saskatchewan's Top 100 companies ever. What's enabled us to do so is we've implemented a fundamental change in our reporting to you – for the second consecutive year, no less. We've earned the confidence of a much greater percentage of businesses – and the entrepreneurs behind them – by promising to keep their respective financial data confidential. Therefore, this year's list does not include gross revenue figures.

We've done this for a couple of reasons. First and foremost is already implied; to get a more inclusive list that is far more representative of the province's Top 100 companies. In comparisons to past years, we know we've accomplished that goal. For instance, this year's list contains more companies that generated at least $100 million in gross revenues than it does of those who did not. Similarly, gross revenues of $35 million barely secured a spot on the Top 100.

Secondly, we noticed an increasing trend amongst participating companies to opt for the 'NP' option on our survey (a request to Not Publish their financial data). Therefore, we respected these wishes but took it one step further. We believe this will entice other companies to come forth in future years as well, to make subsequent Top 100 listings even more accurate and qualified.

And finally, although we're flattered by imitators, once again, we're raising the bar to create a greater separation and a higher distinction for the Top 100 ranking that initially appears exclusively in this magazine (before it's released to and used by government departments, agencies, etc. as *the* Top 100 for Saskatchewan). Further to this point, Top 100 company representatives were invited to our second annual Top 100 Gala on September 9, where they were wined and dined before being given their commemorative award.

Although we did hear some feedback questioning our policy changes of a year ago where we disqualified the reportings of subsidiaries, we've justified and maintained that position, which in the process has established a more prestigious, exclusive and representative listing of the province's top companies.

Therein lies the origins of the Top 100 – to be a celebration of success. As it was intended, the Top 100 today remains a list to not only identify, but more importantly, to honour those companies that are deemed to be the biggest and the best among their peers. For instance, this year's Top 100 companies collectively provide employment for nearly 43,000 Saskatchewan people, or roughly eight per cent of the province's total workforce. To put it in context, that means about 36,700 companies account for the other 92 per cent.

We've also heard (primarily from companies who have chosen to forego our survey in the past) that while the financial data can be interesting, it can also be misleading. Rightly or (as we believe) wrongly, gross revenues can be misconstrued by some people to imply that these companies – and, by extension, these entrepreneurs – are making too much money. We would emphatically argue that it's quite the contrary, that they are creating wealth for us all to enjoy. For this we tip our hats and acknowledge them for making our province a better place to work, live and play.

Keith Moen, Editor
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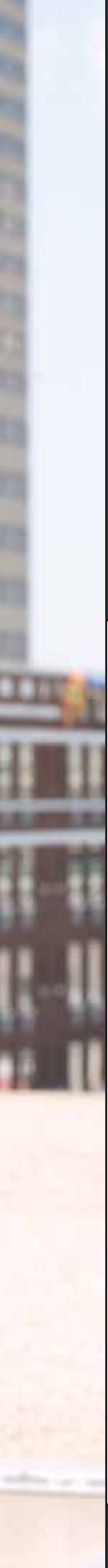
Clare Kirkland, RROC Director of Strategic Development (left)
Larry Hiles, RROC President and CEO



RROC

Solid Foundation

Written by Keith Moen
Photo by Keith Moulding

Its history may have some believe it's been built on a pile of bones, but thanks to the amalgamation of two longstanding civic entities, Regina can now lay claim to having a foundation as solid as RROC. The Regina Regional Opportunities Commission (RROC) is a new organization that developed from a merger between the Regina Regional Economic Development Authority (RREDA) and Tourism Regina. In the works since September of 2007, RROC officially came to be in April 2009 when Regina city council passed a bylaw establishing the creation of the entity.

RROC was formed because the previous organizations were working independently towards the same goal – to keep the Regina region economy vibrant by creating a climate where businesses, residents and visitors can thrive. Partnering to accomplish this shared purpose means RROC can be more effective.

Up until its dissolution on June 30, 2009, Tourism Regina has been a membership-driven organization. With more than 500 members, the merger was a question of getting the membership to agree to the merger. According to former executive director of Tourism Regina, Leon Brin, the membership didn't need much convincing.

"At our annual general meeting in April, members overwhelmingly endorsed the concept of this merger of working in partnership," Brin says. "As a result of that, we were able to take the steps that were necessary to get ourselves to the point of filing for dissolution in June, which is a fairly major step for an historic organization such as ours."

"This amalgamation received more presence in terms of street response than what I ever would have imagined. It was amazing to me the number of people who would come up to me and have their one-sentence summary of what their position was. It was really interesting to me as to how many people saw the restructuring as important and, by the way, universally positive."

A number of principles were established to guide the transition; first and foremost was that there would be no reduction in terms of funding from the city. Rather, if there was to be any adjustments made to the financial commitment, it would be an increase to the available funding.

"It's not about cutting costs, it's about creating more opportunity and leveraging resources," says Larry Hiles, the former RREDA president and CEO, who has been retained as the president and CEO of RROC. "Another principle that we adopted was all of the staff we had in place between the two organizations would all be kept on as well."

In doing so, Hiles and Brin agree that RROC will provide more benefits and more opportunity all around. They are confident a larger organization will be a more efficient one, through a higher staff retention rate, meaning less training and transition moving forward.

"Each of us struggles with retaining staff," Brin says. "Simply because of the challenge capacity and scope of jobs. We firmly believe that in the larger entity, it's going to provide staff the opportunity to move (upward within the organization) and to grow."

Convinced they need to be competitive with other employers in similar fields, RROC intends to have enough critical mass in the organization enabling them to put resources into the jobs they're creating, and by extension, creating value in the community as well.

Hiles says it's this latter component

that is key. He believes the better the organization is built, the more capable it is to position Regina as the place to be.

"One of the other key factors is we're not in competition with anybody in Saskatchewan, we're in competition with the world," he says. "And in the global economy, how do you get the attention of people to bring their resources here, their capital here, their business ideas and people? If you can't get out there and talk to them and put together a cohesive message and put resources behind it; if the organizations are too small to play that game, then you'll falter."

Aside from having a greater, stronger organization, the braintrust behind RROC are convinced that a well-developed strategic plan is crucial to achieving success. As such, RROC has adopted RREDA's 2009-2011 strategic plan and incorporated the tourism priorities of increasing leisure travel, attracting special events and obtaining conventions, meetings and trade shows. Taking a look at global macroeconomic conditions, RROC's strategic plan involves improving regional logistics, developing energy and environmental opportunities, attracting and retaining talent, increasing strategic investment and increasing start ups.

Believing current global recession conditions to be a distraction from well-established global trends, RROC believes that several global factors will transform the global economy in the first half of the 21st century. Furthermore, RROC stresses the economies that prepare for this transformation will benefit from the huge investment and innovation opportunities that lie ahead.

Clare Kirkland, the director of strategic development of RROC, has been a driving force behind this innovation agenda. He says economic success in the developed world will depend, among other things, on the ability to lead in energy efficiency, energy security and, of course, sustainable energy. This benefits Saskatchewan directly and also forms the basis for expanded exports of products and services. Increasingly, he says, this perspective also applies to water where concerns for efficiency, security, and sustainability promise to increase in value during this century.

"When you look at successful metropolitan areas, it's based on innovation. And within that innovation agenda, there's a crucial element: local market demand. In Saskatchewan, we succeed at innovation when it is based on our demanding local markets," Kirkland says.

RROC's strategic plan includes initiatives that will develop clean technologies that meet three criteria: prospective opportunities must have a demanding local market, involve local entrepreneurial commitment and meet technological due diligence. Thus far RROC has identified several projects that meet all three of these established criteria.

One of these innovative ideas deals with high-altitude wind electrical generation. Kirkland explains that unlike windmills, this wind-powered electrical generation will be delivered with tethered kites or gliders operating at high altitude where wind speeds are higher and wind power rises exponentially. "Combined with advances in energy storage, wind power can grow in reliability which is essential to becoming a major source of electrical generation," he says.

Other initiatives can also work with complementary approaches. Effluent irrigated biomass production, for example, is a simpler, less costly land-based treatment alternative to conventional wastewater treatment. "We've focused on flushing waste into water bodies since the time of the Romans. It is now well-established that land-based treatment is a superior choice, especially for land-rich Saskatchewan. Now that we are facing costly wastewater system upgrades, it is the ideal time to consider a 21st century approach," Kirkland notes.

"I think we've come up with a small list that has some substance to it," Kirkland adds. "Whether we'll get action on all of them, I'm not certain. But they've certainly been discussed thoroughly, with an eye towards revealing flaws in this logic. So far they've stood up against that. Each has real potential, and our job is to find entrepreneurs effective at developing that potential."

Other potential projects involve creating value out of waste byproducts. These range from creating algae oil from heat waste in greenhouses to the $4-billion mega polygeneration project near Belle Plaine. The poly-gen plant will potentially take petroleum waste and convert it into synthetic gases to produce electricity and capture CO_2.

> "We're not in competition with anybody in Saskatchewan, we're in competition with the world."
>
> – Larry Hiles, President and CEO of RROC

"You start to create economic opportunities around these things and the next thing you know, it becomes a really robust industrial complex," says Hiles. "It's self-fulfilling because everything adds to something that's already there."

"If you leave things to chance to see what happens, you'll get what you've always had," Hiles concludes. "But if you put some thought into how can we create some opportunity and economic activity and build a proper strategy around these things, you will be exponentially ahead of where you would have been."

With community leaders such as Brin, Hiles and Kirkland behind the RROC, clearly Regina will prosper well into the 21st century. ■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saskatchewan's top 100 companies of 2009

Introduction by Paul Martin

Photos by Stuart Kasdorf Photographics

This year's ranking of the Top 100, the place where all great Saskatchewan businesses ultimately go, is the most impressive of our 26 editions. Reason being, it is more complete than any previous version, largely because of an editorial decision to provide a pure ranking sans the gross revenue column, which in years gone by precluded many important members of our business community from participating. Nonetheless we, of course, have done our best to rank the firms in order of sales magnitude. And, for those who are curious, many of the companies included in the ranking are public so their financial data is available elsewhere.

...continues on page 23

top 100 company profiles


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08	09	Company	CEO/President	Employees**	Location	Major Shareholders
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saskatchewan's
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companies
of 2009

not available online
until january 2010

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saskatchewan's top 100 companies of 2009

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saskatchewan's
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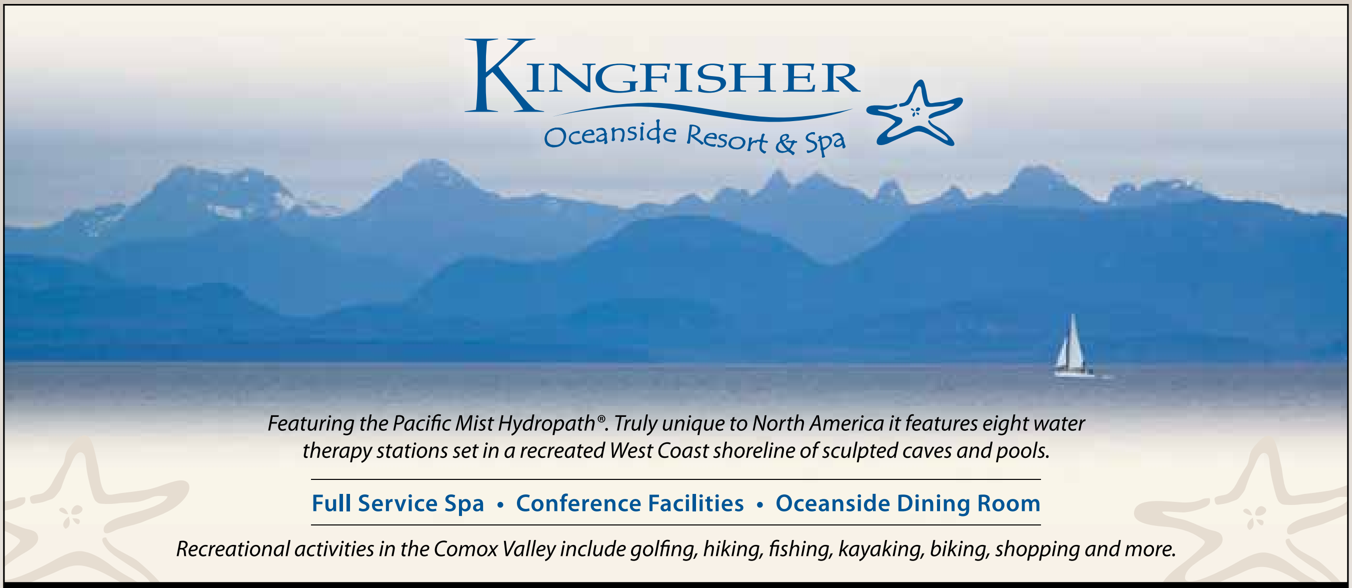
BUSINESS... *West Coast Style*



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SASKATCHEWAN'S TOP 100 COMPANIES...*continued from page 11*

The other reason this year's listing is so impressive is that it recaps what probably was the best year Saskatchewan's economy has experienced since the early days of our formation as a province.

A total of 20 new companies have been added to the list as a result of our new approach to the ranking. As always, it consists of firms that contribute significantly to the local marketplace. Furthermore, as a result of new additions appearing in the listing, we can now offer our readers a more comprehensive and accurate assessment of how various companies and sectors of the economy performed in the past year.

A YEAR TO REMEMBER

2008, undoubtedly, will go down in history as Saskatchewan's best year in economic terms. A big contributor to the province's growth and success in the past 24 months is PotashCorp, this year's top-ranked Saskatchewan firm. Its revenues approached $10 billion and vaulted PotashCorp into the stratosphere as the largest company in the nation by market cap for most of the past year. To put it another way, this is one company that is generating roughly the same amount of revenue as the provincial government.

The other perennial contender for the listing's top spot, Federated Co-operatives Limited, was not far behind.

The impact of the potash sector on the economy has been cause for a considerable amount of discussion in the province and nation in the past year. When Mosaic and Canpotex are added to the PotashCorp ranking, the importance of powerful pink potash to Saskatchewan's overall financial well-being is abundantly evident. Just as this key fertilizer ingredient has helped improve diets around the globe, it has also nourished dozens of smaller Saskatchewan firms that built their enterprises as suppliers to the industry. Canpotex is responsible for the off-shore marketings of the three major potash producers – PotashCorp, Mosaic and Agrium – while each of the companies looks after its own North American sales activity.

On a cumulative basis this year's ranking is the highest ever for gross revenues, just one further reflection of Saskatchewan's performance in the last year. Annual sales exceeding $30 million was required to find a place on our 2009 list.

In part this is a result of the new players added to this year's ranking but it is also a direct result of the growth of those firms that form the backbone of the provincial economy. From Crown corporations to auto dealers and service companies, revenues, along with their employment complement, have risen in response to the influx of new people. That, coupled with increased demand for our goods and services, benefits those who deliver them to customers here and abroad.

The Mega Group stands as the province's largest privately held firm while Regina's highly successful Brandt Group, owned by the Semple family, is Saskatchewan's largest family-owned enterprise with Siemens Transportation Group, Redhead Equipment and the Dube family's Concorde Group of Saskatoon following closely. And there were some changes this year as the corporate community became more global in nature. Norway's Yara International took over SaskFerco at Belle Plaine, while Meadow Lake Mechanical Pulp is now owned by Asian interests. Closer to home the new ownership team at WBM Office Systems makes its first appearance.

Blessed with a storehouse of natural resources, Saskatchewan has been riding the crest of the global commodity wave for a good portion of this decade. Firms such as Cameco, Areva and Claude Resources continue to play a highly visible role in the corporate community. But this list is also a potent reminder of the important but ever-changing face of agriculture. Perennials like Bourgault Industries and the inland grain terminals are once again among the province's Top 100 as are suppliers to the industry – firms such as Viterra, Alliance Grain Traders and Young's Equipment – that have expanded through mergers and acquisition as consolidation emerges as one of the most potent forces in the farm service sector. As farms grow in size, so do their suppliers it seems.

The best way to describe this year's listing in a single word is 'growth' which also is an apt characterization of Saskatchewan's commercial community in the past year. Saskatchewan truly is in the midst of a growth spurt. The Top 100 ranking provides a firsthand look at the people and organizations playing a role in turning Saskatchewan's potential into reality as we transition from Next Year Country to This Year Country. ◆

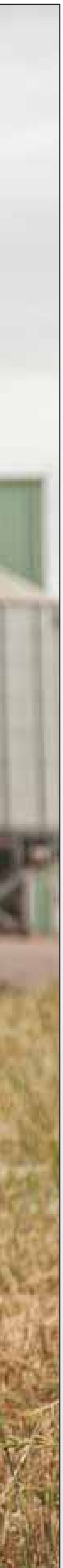
ABOUT THE COVER

To commemorate the return of the IIHF World Junior Hockey Championships to Saskatchewan, we have adorned our cover with the official team jersey of the Canadian Junior hockey team. The tournament is being jointly held in Regina and Saskatoon, December 26, 2009 to January 5, 2010.

The jersey, which will be autographed by Team Canada members, has the number 100 on its back. The jersey was auctioned off to the highest silent bidder at our Top 100 Gala, with proceeds being donated to the charity of choice by the successful bidder.

Photo by Stuart Kasdorf Photographics

Murad Al-Katib,
President and CEO,
Alliance Grain Traders



FROM PRODUCER TO THE WORLD

ALLIANCE GRAIN TRADERS/SASKCAN PULSE TRADING

20

by Penny Eaton

"2008 was the biggest year in our history…so far," says Murad Al-Katib, president and CEO of Alliance Grain Traders. The company processes and supplies quality lentils, peas and chickpeas to more than 85 countries worldwide.

The last two years have definitely been big for Alliance. Since the fall of 2007, the company has acquired three pulse processing plants in Saskatchewan, one in Australia and one in the U.S., adding to the plant that was already running in Regina. "We had four brand new plants come onstream in 2008," says Al-Katib. "The capacity of our company went up by 60 per cent." In June 2009, Alliance completed a $104-million deal to acquire the Arbel Group, the largest exporter of pulses in Turkey. This latest acquisition cements Alliance's place as the largest lentil exporter in the world.

> 2008 WAS ALLIANCE'S FIRST YEAR AS A PUBLICLY TRADED COMPANY AND THERE SEEMS TO BE NO LIMITS IN SIGHT.

Al-Katib is enthusiastic about expanding beyond Canada's borders. "It allows us to make sounder business decisions here in Canada," he says. "These operations used to be in competing markets – now they're part of our company. We're able to capitalize on our global presence."

Most people in the business community associate Murad Al-Katib with the name Saskcan Pulse Processing, which is a fully owned subsidiary of Alliance in Canada. The other facilities also operate as subsidiaries: United Pulse Trading in North Dakota, Australia Milling Group in Victoria, Australia, and Arbel Group in Mersin, Turkey. "When we completed the acquisitions, we wanted to rebrand everything under the 'Alliance' name, but the world wouldn't let us," Al-Katib explains. "The 'Saskcan' name is too well-known."

Revenues rose to $329 million compared to $79 million in the previous year, despite the global economic recession that hit last fall. While the slowing economy has affected the company, it has been very manageable because pulses are a fundamental part of the diet of millions of people around the world. "Our business is really a protein business," Al-Katib says. "People aren't really able to sacrifice protein from their diets, so the global recession has had less of an impact in our industry. In fact, overall consumption of staple items, such as pulses, rice and pasta, has actually increased during the financial crisis."

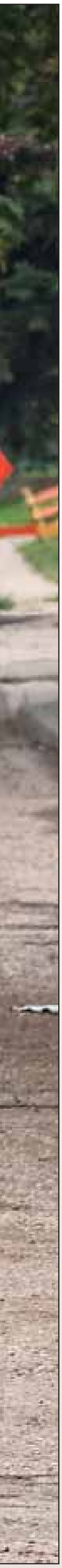
Is Al-Katib concerned about a shift away from pulse consumption as the economy starts to improve? "Not at all. The beauty of our product is that pulses are ingrained in the consumption patterns of our traditional markets. Pulses are part of the diet." Even better, he says, is that we are seeing a dramatic shift in consumption patterns in non-traditional markets like Europe and North America. "Pulses are becoming more familiar as food products here. You see hummus in grocery stores all over Saskatchewan, both rural and urban," Al-Katib points out. "Our lentils are being used in making pasta, and it's not long before breakfast cereals will contain pea or chickpea flour."

As well, there are up to 90 million people of Hispanic background in the U.S. alone. This demographic includes beans as an important part of the traditional diet. "There are going to be increasing opportunities for companies like ours," Al-Katib states.

With this in mind, Alliance has become involved in the commercialization of new bean varieties that are being developed at the University of Saskatchewan. Alliance will plant newly developed breeder seed from Saskatchewan Pulse Growers' variety release program *…continues on page 38*

Photo by Stuart Kasdorf Photographics

Wade Mitchell (right), President and CEO, ASL Paving



WHERE THE RUBBER HITS THE ROAD

ASL PAVING LTD.

54

by Penny Eaton

"Saskatchewan has always been 'next year country,' but I think next year has finally arrived," says Wade Mitchell, president and CEO of ASL Paving Ltd. "This has been a good industry for the last 15 years, and especially the last three. I don't see that changing anytime soon."

Since 1950, ASL Paving has provided road building and commercial paving services in Saskatchewan, including road maintenance, concrete work (curbs and sidewalks) and site preparation. The company no longer does highway construction. About 250 people are employed between the headquarters in Saskatoon and the branch offices in Regina and Lloydminster.

ASL Paving is the largest asphalt paving firm in Saskatchewan. They own five hot mix asphalt plants located throughout the province and supply asphalt hot mix, asphalt cold mix, recycled asphalt products, and specialty aggregate to commercial and industrial customers.

Most of their work is within 150 kilometres of an ASL office, since that is the limit of how far the hot product can be transported before becoming too cool to apply. As well, Mitchell says, ASL is content – and already busy enough – to concentrate in the three cities where they already do business. "We may be the biggest, but we still can't do it all," he says. "We're quite happy to operate in our existing markets."

This winter, ASL will acquire a new asphalt paving plant that will double the company's current capacity. The new operation is a drum plant that can produce up to 300 tonnes of hot mix asphalt per hour, and will replace the existing batch plant that puts out 160 tonnes per hour. "It's a sizeable investment," Mitchell explains, "but we firmly believe in this marketplace and want to continue investing in it." The new plant will be in place for the start of the new season in May 2010.

"2008 was almost a 'perfect storm' for us. There was plenty of work in all three cities," Mitchell says. Urban growth and infrastructure investment in Saskatoon, Regina and Lloydminster is creating consistent demand for ASL's services.

Saskatoon projects were especially big for ASL in 2008, including the construction of three new housing developments (Stonebridge, Willow Grove and Hampton Village) as well as the Saskatoon Airport's major runway reconstruction project. The jobs took a lot of extra effort, so ASL needed to hire additional employees for the projects.

"We've done very well in attracting workers," Mitchell says, "but it's still a challenge finding the right people. While it's rewarding work, it's still not a business for the faint of heart."

Paving is seasonal work, so most ASL employees work the same number of annual hours as full-time workers in other industries, but their hours are compressed into the seven months between April and October. Not for the faint of heart, indeed.

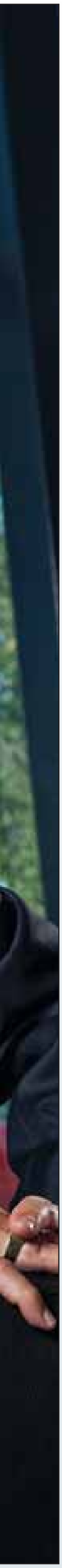
But Mitchell's employees are good at their jobs and loyal to the company. "The majority of our labour force returns each season," he says, indicating that turnover at ASL is about 10 per cent, well below the average turnover rates of more than 30 per cent in other comparable industries. "We have men who have worked (in paving) at ASL for 42 years. As well, there are 15 people in our head office who have been with us between 10 and 20 years. I'm proud that people consider this a great place to work. We must be doing something right."

Mitchell himself has worked with ASL Paving for almost 30 years now. Does he ever think about retiring? "All I've ever done is work. I don't know what else I would do. Someday I'll retire, but not today or tomorrow. I truly love what I do."

The payoff, Mitchell says, is in the pride of a job well done. "It's hard work, but it's a lifestyle – not that different than farming in some ways," he explains. "What I want employees to do is go back and see young people playing street hockey or kids learning to ride a bike and remember that they built that street. That's a good feeling." ◆

Photo by Stuart Kasdorf Photographics

Jerry Grandey,
President and CEO,
Cameco



IN IT FOR THE LONG TERM

CAMECO

5

by Nathan Hursh

A unique trait of Saskatchewan – something that sets us apart from most of the world – is our abundant supply of uranium. Saskatchewan uranium is used exclusively to provide the world with clean-burning, renewable energy.

Cameco Corporation, a leading industry player, has its head office located in Saskatoon. Not only is the company providing the world with uranium, but they're providing our province with a plethora of jobs and opportunities. Cameco finds itself at No. 5 on the Saskatchewan Top 100 list this year.

In 2008, growth in Cameco's revenue and earnings continued with the company recording $2.86 billion in revenue and $450 million in net revenue. This marked the sixth consecutive year of record revenue and adjusted net earnings.

Of the company's 3,200 plus global jobs, there are more than 2,000 in Saskatchewan, including 640 at the head office in Saskatoon where a new 60,000 square foot operations centre building was recently opened.

In 2008, Cameco observed its 20th anniversary of its founding as the amalgamation of two Crown corporations in 1988. Originally called the Canadian Mining and Energy Corporation (soon to be shortened to Cameco), the company was created at a time when uranium prices were stagnant and construction of new nuclear plants was not on the immediate horizon due to events at Three Mile Island and Chernobyl, explained president and CEO Jerry Grandey in a recent interview.

Virtually all uranium-mining companies were struggling to get by as governments and utilities dumped existing uranium supply on the market so the cost of production at uranium mines was greater than the value of the uranium, he said.

Grandey said Cameco was one of the few exceptions in the late 1980s and early 1990s as a producer making a small profit because it had low-cost production in Saskatchewan. He said Cameco perservered because of a firm belief that excess uranium inventory would be drawn down eventually and the benefits derived from nuclear energy would be rediscovered.

This unwavering commitment was a major driving point in continuing production and acquiring new exploration properties.

Building on its Saskatchewan assets, Cameco today produces about 15 per cent of the world's uranium and is seeking to double production to 40 million pounds within 10 years. The company intends to do that by bringing the Cigar Lake project in northern Saskatchewan into production as well as mine deposits in the U.S., Kazakhstan and Australia.

Events of the global economy have seen uranium prices dip, but this hasn't affected Cameco to the extent of other businesses. Long-term contracts ranging from eight to 12 years have ensured strong revenues.

"We were writing our contracts as the market was strengthening as opposed to weakening," explains Grandey, "which is sometimes hard to do. Nuclear is also an industry where our customer base is usually a well-capitalized, profitable business (that is) using uranium to generate electricity."

"Because nuclear-generated electricity is among the lowest cost in the world – lower than coal, natural gas and oil – they will run their nuclear generating plants even if the economy is good or bad."

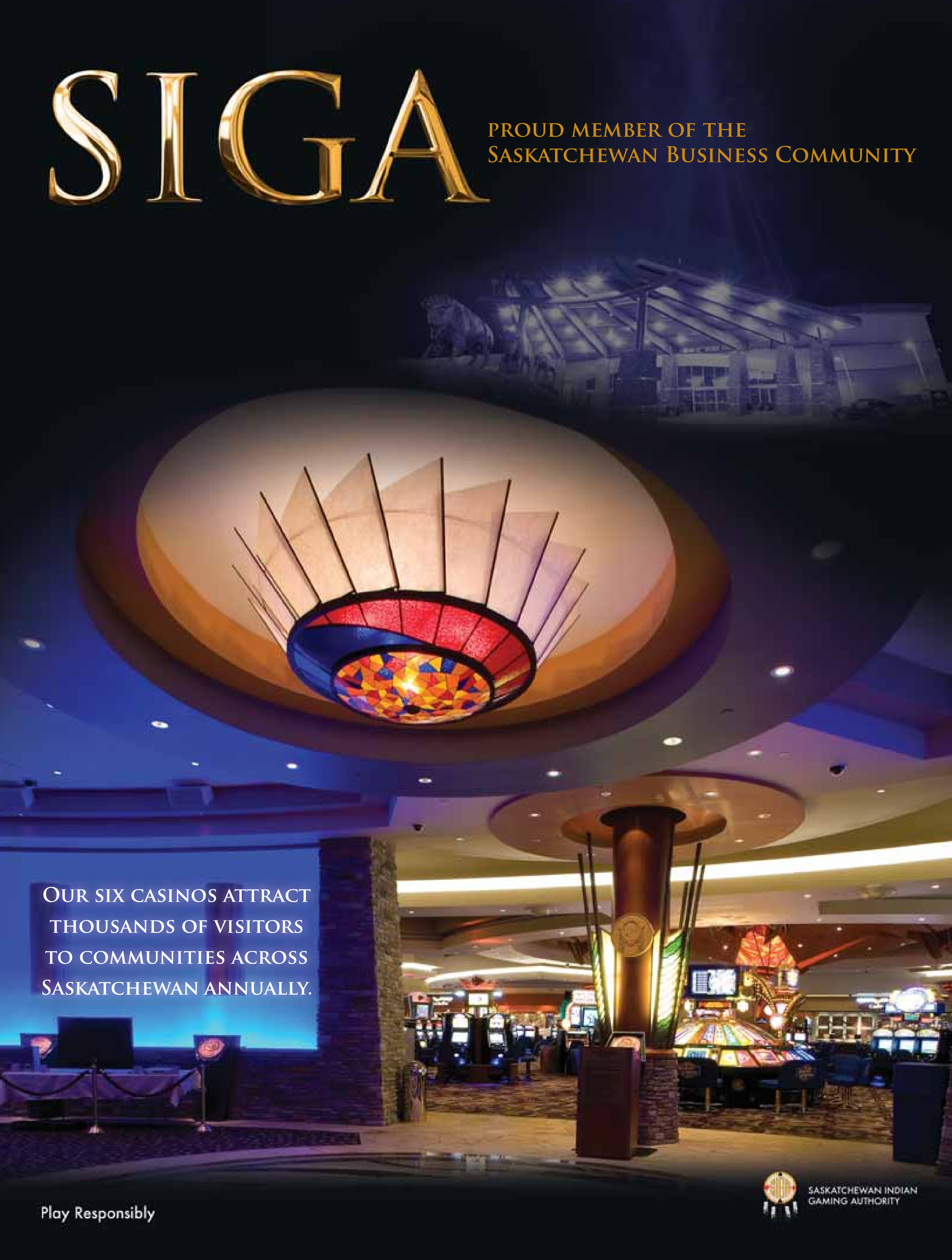
Cameco mines ore in the northern area of Saskatchewan at McArthur River, still the world's largest producing uranium mine, and the 35-year-old Rabbit Lake operation.

The northern mines provide northern communities excellent employment opportunities, while allowing workers the ability to work without having to move away from their respective homes. Approximately 1,370 people work in the northern operations and a large majority of these are of First Nation or Métis descent.

For 20 years, Cameco has had an aggressive program of producing qualified students of northern communities who could step into supervisory ranks and fill the needs of the company if the student decided on Cameco as an employer.

"We have an imperative to grow," says Grandey. "I think that's our responsibility. As Bob Dylan said 'If you're not busy growing you're busy dying.' "

By no means is Cameco done growing. The company is always on the lookout for new opportunities, although they are very selective in their investments and would only pursue something that would add value to the company and grow in a way that adds shareholder value, says Grandey. ◆


SIGA
proud member of the
Saskatchewan Business Community
Our six casinos attract thousands of visitors to communities across Saskatchewan annually.
Play Responsibly
SASKATCHEWAN INDIAN GAMING AUTHORITY

IMI Brokerage Company Ltd. expands branch office to Fort Qu'Appelle

In business, an office expansion is a distinctive accomplishment worthy of recognition and celebration. With a solid foundation whose strength is now matched by a sense of pride and accomplishment, IMI Brokerage Company Ltd. proudly makes this announcement. A 100 per cent Aboriginally owned insurance brokerage, IMI Brokerage Company Ltd. is named for its target market – Indian, Metis and Inuit people.

Company President Joan Barmby-Halcro rightly affirms that IMI Brokerage Company Ltd. is a unique partnership that operated for business in 1993. Joining Barmby-Halcro as equal owners and controllers of the brokerage firm are Ahtahkakoop Cree Nation, Beardy's/Okemasis First Nation, Frog Lake First Nation of Alberta, Muskowekwan First Nation, Pasqua First Nation, Peepeekisis First Nation, Standing Buffalo Dakota Nation, Wahpeton Dakota Nation and Waterhen Lake First Nation.

Joan Barmby-Halcro
President

Chief Roger Redman
Chairman,
Board of Directors

The company was established to allow First Nations to become directly involved in the insurance industry, which in turn has allowed IMI Brokerage to reap educational and monetary benefits.

Starting from a modest financial base and maintaining company operations on a strict budget has allowed IMI Brokerage Company Ltd. to forego operating loans or debt of any kind. With this solid footing, IMI has paid out dividends on five occasions including an overall $110,000 in 2003 to its Shareholders and another $50,000 in 2009.

Barmby-Halcro says that this money represents more than just a financial reward. "These dividends are an opportunity for us to give something back to our investors, who believe in the Company," says Barmby-Halcro, who is a Licensed Life Insurance Broker and founder of IMI Brokerage Company Ltd. "We were able to convince our Shareholders through the early years that this is a profitable business that would not only help our people, but it would pay off in the long run. Dividends and an office expansion are proof of that."

What makes Barmby-Halcro most proud are the First Nations people themselves. Ownership of IMI's structure is one that is unmatched in today's market place. "In this industry, trust and accountability are the most important things," she says.

"The dividend is proof that financially it is a good investment for us," says Chief Roger Redman of Standing Buffalo Dakota Nation, which is one of IMI's Shareholders. "Of course we entered into the investment for the financial benefits and employment creation, but more importantly for trust, accountability and service."

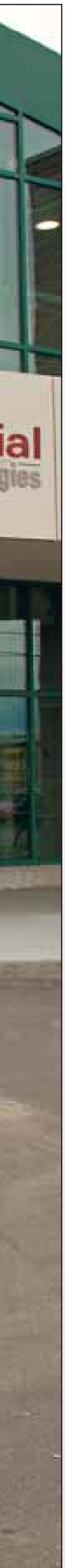
IMI Brokerage Company Ltd. has built its reputation and its business on the trust relationships it has nurtured with its clients. With its head office on the Beardy's/Okemasis First Nations near Duck Lake, SK, IMI Brokerage Company Ltd. also maintains offices at Samson Cree Nation in Alberta and St. Mary's Indian Band in British Columbia. The Fort Qu'Appelle IMI Branch will be located in the Treaty Four Governance Centre.

Its main focus is on group products for clients ranging in excess of 1,000 workers to a few employees. Products for this facet of their business include Group Pension Plans and Group Life and Health Insurance coverage. In addition to the group business individual investment advisory services, individual pension and insurance services have always been included on IMI's product list. Retirement income products, Annuities, LIF's, and LIRA's are also handled by IMI.

Barmby-Halcro says that IMI Brokerage Company Ltd. is well-positioned to continue its industry-leading position. "We are looking forward to continuing to work and help Aboriginal people tackle the competitive, complicated insurance industry," she concludes. The Fort Qu'Appelle office opened for business September 1, 2009."

Photo by Stuart Kasdorf Photographics

Conexus staff,
Circle Drive branch,
Saskatoon



GREATER THAN THE SUM OF ITS PARTS

CONEXUS

28

by Nathan Hursh

What happens when you amalgamate the oldest Credit Union in Saskatchewan, the largest agriculture-based Credit Union in the province, an ideally located Credit Union and the largest Credit Union in Saskatchewan? In 2003, Moose Jaw, Assiniboia, Holdfast and Sherwood Credit Unions became Conexus and have since become the largest Credit Union in Saskatchewan with $4 billion in assets, 118,000 members, over 1,000 staff and sales professionals, and 68 locations in the province. The business that has grown by leaps and bounds over the last six years lands itself at No. 28 on our Top 100 list.

Conexus has diversified to expand its portfolio and include other aspects of finance in Saskatchewan – most notably, Century 21 Dome Realty, Century 21 Gold and Century 21 Aim Real Estate. Also included in the Conexus enterprise are Centum Mortgage Direct and insurance services to try and encompass every aspect of credit and monetary issues of life.

Despite the success of Conexus occurring in such a relatively short period of time, the process of becoming established while initiating other Credit Union locations across Saskatchewan was a well-thought-out process. It was imperative that while doing so, the board and senior management calm any misgivings about what the company was intending to do.

"I think our biggest challenge was back in 2002-2003 with the re-branding of our organization from a number of credit unions that had a long history of service to the people and members in their geographic areas," explains executive vice-president of retail services Darren Stoppler. "It's always a challenge to get people to embrace change and it was important that our members and staff buy into the Conexus brand. So we involved staff in the process through focus groups and all other aspects of the re-branding. This way they were able to understand the advantages of the mergers and communicate them to our members."

With Conexus's inception, the plan was to offer a wide array of services and products with increased conveniences at fully integrated branches. The business model, experience and amalgamated branches gave Conexus the opportunity to offer these services from Coronach in the south, all the way to La Ronge in the north. It is these services, along with the ability to diversify to the different needs of locations across Saskatchewan, that has helped to solidify Conexus as a brand in the province.

In 2008, Conexus saw its total loans increase by 8.92 per cent, and member deposits increase by 11.25 per cent. In addition, Conexus was able to give back $6 million through a patronage payment to members. 2008 was also a year of building partnerships and expanding innovation. A full-service branch with real estate, mortgage brokerage, insurance and traditional banking opened in Saskatoon.

One of the fundamental, underlying premises behind Conexus is an outstanding commitment to Saskatchewan. For example, in 2008 staff and sales associates dedicated over 38,000 personal volunteer hours towards community initiates. Similarly, the community investment sponsorship program donated more than $975,000 in areas of health and wellness, arts and culture, youth and education and sports and recreation. On the strength of these numbers, it's safe to say economic and community development strives because of Conexus.

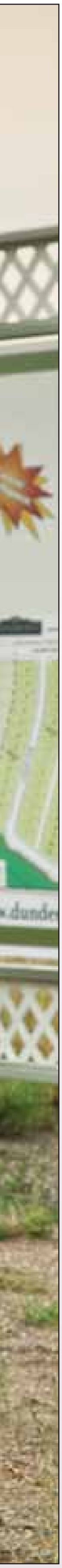
Change continues to occur at Conexus, as they welcome a new CEO effective September 14. Ian Rea steps into the position that was formerly held by Ross McLellan. Rea's leadership skills will be put to the test in guiding the company through these unprecedented times in the financial industry.

"Our challenge is the low-rate environment and squeezing margins," says Stoppler. "This requires strategies that will reduce costs and find efficiencies where possible. Our net income has returned to more historical norms."

"Growth requires capital and again we're initiating strategies to meet the challenge and that's where we're different from banks," he concludes. "We're part of the province of Saskatchewan; this is our home and this is where we do business, so we have to deal with what happens with the province. But a lot of positive things have happened and we're happy where we are." ◆

Photo by Stuart Kasdorf Photographics

Joel Teal,
President,
Dundee Developments



A FRIENDLY NEIGHBOUR-HOOD BUILDER

DUNDEE DEVELOPMENTS/ HOMES BY DUNDEE

29

by Nathan Hursh

The majority of businesses in the world have gone through their fair share of trials and tribulations before finding a formula that is successful. For Dundee Developments and Homes By Dundee this certainly rings true. Their key to success, although unique, has been a highly worthwhile endeavour. In the process, they've established themselves as one of the province's premier companies. This year Dundee Developments grace the Top 100 Companies list at No. 29.

Dundee Developments in Saskatchewan is a company formed from the acquisitions of other residential development firms. In the mid 1990s Joel Teal was a partner in a company called Preston Developments, which was being financed by the Toronto-based Dundee Corporation.

In 1996, Dundee decided to create a public real estate company and purchase Preston with all management and staff remaining with this new entity. Dundee Corporation provided financial support for the Saskatchewan-based company, which allowed expansion by acquiring development companies in Regina, Calgary and Edmonton. In each of these new centres the companies acquired had strong management teams with extensive experience and local market knowledge.

Just as Preston Developments was starting to build a reputation and corporate presence, the name was changed to Dundee Developments. It took time and energy to explain the name change to existing and potential companies, but president Joel Teal attributes the smooth transition to a smaller, close-knit community in Saskatchewan. With the name change and new ownership in place it allowed Dundee to branch out to new markets instead of being a solely Saskatoon-based company.

"Land development requires large amounts of capital," explains Teal. "So we were basically stalled in terms of any ability to expand with our own resources. When we had the opportunity to sell the company and join a much larger company, it opened the door for us to access capital and do these other acquisitions. And once we bought these other companies in these other three cities, we had access to capital to increase our land bank; because putting raw land holdings together is the core of our business."

Dundee Developments and Homes By Dundee employ 63 staff full time, but because of sub contractors they pay the wages for hundreds of people in the province. At this time the company has grown to have sales revenue in excess of $200 million annually, selling between 500 and 1,000 lots a year to home builders including Homes By Dundee. They build approximately 250 single-family homes a year in Saskatchewan, which makes them the largest builder of single-family homes in the province.

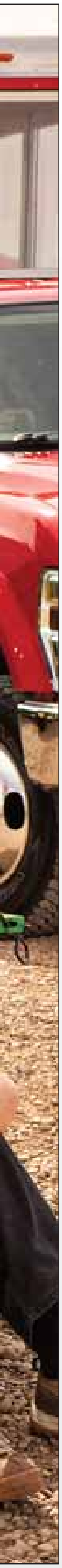
With more than 5,000 acres in their land bank for future development, Dundee is currently focused on development in Saskatchewan's two largest cities. In Regina, the Wascana View development is near completion, Lakeridge is in the latter stages of development and they've opened up an entirely new area called Harbour Landing. In Saskatoon, Dundee has three well-known residential neighborhoods: Stonebridge, Willows and Hampton Village.

Coming into 2009, Dundee was skeptical as to how their year was going to shape up. An excessive number of un-built lots from the previous year caused sales to be slow in the first five months of the year. In the last three months, however, they have had a significant upturn in land sales. This has not only been a pleasant and delightful change of events, but the outlook now appears to substantially exceed their predicted forecast.

Dundee is well-situated in the province, and because of their expansion and acquisitions in the Alberta market, they are in a comfortable position in the country. As far as future goals and outlooks go, Teal hopes that Dundee can retain their position of having a 40 to 50 per cent market share in residential development and continue to be the largest single-family home developer in the province. ◆

Photo by Stuart Kasdorf Photographics

L to R: Monica Kramer, Kim Kramer, Neil Kramer, Brendan Kramer, Michael Higgs



A BUSINESS THAT'S LASTED FOR GENERATIONS

KRAMER AUCTIONS

87

by
Nathan Hursh

Sixty years is an amazing milestone for any business. What makes it even more so in the case of Kramer Auctions is that it's 60 years as a family business and it's still going strong, as evidenced by their placing as No. 87 on the 2009 Top 100 list.

Auctions have evolved and adapted very well over the years. In the days of the late Eiling Kramer, who started Kramer Auctions in North Battleford, things weren't very easy. At that time the auction life couldn't support a family, so in Eiling's case, income was supplemented with part-time work on the ranch and the salary he received for being an MLA. In 1970, Eiling's son, Neil, joined the company while continuing to sell real estate and working part time at the ranch. Neil's wife Monica also became involved in the family business soon after. When Neil became part of the business, his father was in a position where he wanted to pursue different options in life.

"I kind of jumped right into it," Neil reflects. "The first few years were with his (Eiling's) help. Then I was totally committed to the auction business and it just so happened that my boys (as they grew up) were able to work alongside me."

Neil's sons, Kim and Brendan, are the third generation of Kramers to enter the family business. Aside from being accomplished auctioneers, both are also active behind the scenes doing sales and maintaining the business. The backbone of the Kramer Auction business gravitates around farm equipment auctions, but they've come to include real estate, industrial equipment and livestock auctions while also boasting a retail trailer dealership.

"We had the opportunity to learn the business from the ground up doing the smallest jobs and working our way up into management," explains Kim. "It comes in handy when you're doing the managerial work because you know how everything works. It also gives you appreciation for your staff doing the other work, and if they don't know how to do something, you know how to do all those little jobs and can give them a hand."

To see the management group getting their hands dirty in the preparation of an auction is reassuring to clients. It's also a key component in the Kramers' business plan; to maintain the same work ethic and quality of care that has fashioned them into a reputable company. This reputation has grown to the point where the proprietors are their own best advertising.

Alongside that work ethic comes a vast amount of knowledge, where new ideas are being brought to the table everyday. Kim and Brendan have the advantage of drawing upon more than 60 years of experience and three generations of the family. They admit they have an easier time identifying what ideas will and won't work in comparison to their father and grandfather.

"We find that to be a true advantage," says Kim, "because we're able to take new ideas that our third generation would have and compare and combine them with second-generation experiences. Then we can relate that to the experiences the first generation had. So if you put that together we have a level of experience that is second to none."

The last few years have seen the Kramers become very successful in terms of marketing and operating their auctions. Technological advancements and easier communications have provided a much more diversified market for farm auctions. Their regularly updated website sees hits from all over the world, which has transcended into much more confidence in overseas bidding. For instance, it's not uncommon for bids to come from the United States and Australia for good-quality farm equipment, from Mexico for older equipment and from the United Kingdom for antiques.

The Kramers feel fortunate to have a fourth generation of children starting to spend time around auctions, watching their grandpa in action. If past history is any indication, a succession plan may already be in place, and the milestone of 100 years as a family-owned and operated business is appearing as though it may well be an attainable goal. ◆

ALLIANCE/SASKCAN. . .*continued from page 25*

and grow more seed that will be available to growers within the next few years. "It's a new venture for us," Al-Katib says. "But we have the market knowledge to help develop this new product area."

2008 was Alliance's first year as a publicly traded company and there seems to be no limits in sight for the pulse company. A new 13,000-square-foot head office was recently completed in Regina, where about 50 staff work. In total, Alliance employs 380 staff; 200 of which are in Saskatchewan. As the company has grown, Al-Katib has been asked with increasing frequency when he will be moving his head office to a larger centre. He says it will not be anytime soon.

"Regina is the best place in the world for our business," he says. "For one thing, we're in the heart of Canada's largest production area for pulse crops. For another, I can be anywhere in the world I need to be from here."

Saskatchewan is definitely coming into its own. "I've seen a dramatic change in opinions of our province in the last 10 years," says Al-Katib. "Now, when you talk Saskatchewan, the financial community is starting to respond. This is incredibly rewarding."

Al-Katib, who grew up as the son of the mayor and doctor in Davidson, SK, has always been encouraged to be a leader in his community. After finishing university, Al-Katib moved to the United States to work. "I never planned to come back," he remembers. "But there's a lifestyle here that you don't see anywhere else. And we've got a competitive environment and tax structure that is working for business now. We're doing some great things."

The future continues to look bright for Alliance Grain. "Canada is really driving the world pulse markets in terms of production and export capacity. Production is shifting out of traditional areas," Al-Katib says.

"The opportunity is wide open to continue expansion. Our next step is spread our wings on all our pulse products," he says, hoping to replicate the success they have seen in lentils with chickpeas, peas and beans. "We're going to be a multi-billion corporation headquartered in Saskatchewan. It's a long way from my basement back in 2001. I'm having more fun today than ever before." ◆

Boards that punch above their weight

by Irene Seiferling

In an era of uncertain markets, skittish investors and skeptical stakeholders, the benefits of corporate governance are being closely scrutinized. Today's boards of directors are being challenged to demonstrate how they add value to their organizations. The most exceptional boards are actively defining both their key responsibilities and their own work processes. They are striving to punch above their weight.

GREAT BOARDS:
- Ensure the right management
- Endorse corporate strategy
- Monitor performance

The board has ultimate responsibility for three key areas.

First, the board ensures that their organization has the right management in place. Boards must hire a best-fit CEO. He or she not only oversees operations, but is also tasked with creating a corporate strategy that will drive share value upward - a herculean task, especially given our tumultuous economy.

Second, the board endorses that corporate strategy. The high performance board devotes the bulk of its attention to influencing corporate strategy and risk management. There is never one right strategy for a company, but 10 wise directors stress-testing options provide a much greater chance of success.

Myrna Bentley, CEO of Concentra Financial, praises the 'groundswell of creativity and insight' her board provided in guiding the corporation through last year's market tight spots. Too often, CEO's suggest that their boards are not aggressive enough. Boards need to understand their business fundamentals so they can inspire new ideas, challenge traditional thinking and critique management recommendations.

THE BEST BOARDS UNDERSTAND BUSINESS FUNDAMENTALS TO:
- Inspire new ideas
- Challenge traditional thinking
- Critique management recommendations

The best boards ask challenging questions. What strategic options were discarded? Why? How are we managing risks?

Third, as the strategy rolls out, the best boards diligently monitor corporate performance ... at the 50,000 foot level. The board and the CEO agree on key performance indicators which are regularly measured and presented to the board in clear-cut report format. Major change or red flags that affect strategy are readily apparent and trigger immediate response.

Top notch boards determine their own work processes. Written policies state the board's role and responsibilities, performance expectations, annual work plans, committee mandates and structures. These boards choose exceptional chairpersons with a high level of people skills and leadership qualities, whom they entrust with the vital task of ensuring board performance.

Great boards focus on their governance role, not on operations. At a time when it is 'not business as usual, but rather business as unusual', corporate director and Regina Leader Post Editor Marty Klyne warns that boards who meddle or '... wander about the corporate office, are at risk of being run over at the management level because people need to be busy running the company.'

Most of the board's work is done at meetings. The frequency, agenda, and board information packages of productive meetings are all carefully orchestrated. The best directors read and contemplate corporate information in advance.

HIGH PERFORMANCE BOARDS FOCUS THEIR WORK AND OWN THEIR WORK PROCESSES:
- Written policies
- Meeting agenda, format and expectations
- Annual work plan
- Diligent chair selection

During meetings, the chair maintains order while encouraging the frank discussions and rigorous debates that lead to informed decisions. To see a group of directors engaged in rich discussion, building on one another's input and generating breakthrough thinking and sharp-edged corporate strategy is a powerful experience.

Conscientious boards set themselves up to be useful and productive, expecting no less of their own performance than that of their CEO. Every board needs to ask "how is this corporation better off because we exist? How do we punch above our weight?

Strive for excellence - your shareholders and stakeholders deserve no less.

About the author: Irene Seiferling is the founder and principal of Board Dynamics, a professional consultancy supporting competent, confident boards of directors.

Photo by Stuart Kasdorf Photographics

Kevin Leier,
Executive Vice-President and CFO,
Mega Group

A MAJOR GROWTH CURVE

MEGA GROUP INC.

15

by Penny Eaton

"It's been an exciting time for us. We've been on a major growth curve over the past three years." While the recent economic recession has definitely had an effect on Mega, it has also provided opportunities, says Kevin Leier, executive vice-president and chief financial officer of Mega Group Inc.

"Conventional recession thinking says to cut back, sit back and wait," he says. "But that's not our philosophy. We see this time as an opportunity to keep growing, expand our services and be ready for when business gets back to a normal flow. It's been a successful strategy for us so far."

Mega Group represents more than 600 independent furniture, appliance, consumer electronics and flooring retailers in Canada, and provides services to help its members compete with "big box" retailers. These include inventory, finance, promotion and advertising, franchise systems, store renovation and design, and sales and management training.

With members in every province in Canada, Mega Group has three offices. "Video conferencing has been a godsend for us," Leier says. The Toronto office handles the group buying part of the business, while the retailing, franchising and creative services are headquartered in Montreal. The Saskatoon office is the centre for finance, member services and information technology.

Mega Group's business has actually been enhanced by the credit situation in the economy. "Our biggest challenge right now is to help our members get access to credit. When the recession hit, credit providers raised rates, cut lines of credit and asked for more security. Credit is a necessary means to facilitate business. We've had to work hard to help our retailers." The credit crunch has enhanced the membership group, underscoring the financial benefits of joining a company like Mega Group over going it alone.

The recession has impacted the company, especially in areas like Alberta and British Columbia where business has slowed significantly, but with retailers distributed throughout Canada, the effects are offset by stronger economies like Saskatchewan, Quebec and parts of Ontario.

Despite this, Mega Group continues to grow. Same-store sales are down 12 per cent this year to date, Leier says, but the addition of new business has contributed over $50 million of growth as an offset. The company has recently purchased the Canadian license to BrandSource, a company three to four times the size of Mega Group that offers similar services in the U.S.

Leier is excited about the opportunities of this new move. "The BrandSource initiative is our next step in marketing direct to consumers through Internet, TV and magazine promotions. It will be invaluable to our members," he says.

The other opportunity here is to sell additional services to the U.S. sister company. "We process between 600,000 and 700,000 financial transactions each year," Leier says of the Saskatoon division, which handles invoices and credit transactions for all its Canadian members. "Within two years, our office could provide credit and financial services for the bulk of the U.S. members as well, from right here in Saskatchewan. It's exciting to contemplate creating jobs here that build on our expertise."

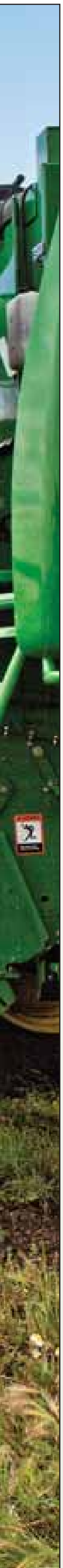
The company is also exploring other lines of business or industries that might fit well within its membership model. "Our vision contemplates sustainable growth," Leier says. "We want to expand the services we're providing and build upon our existing foundation to continue to add value to independent retail in Canada."

In 1965, five retail furniture and appliance stores in Western Canada formed a small buying group and established its headquarters in Saskatoon. This later became Mega Group. Over the years, the company expanded to include members across Canada, and it was often questioned whether to maintain the office in Saskatchewan. "The conversation doesn't really come up anymore," Leier says. "When we look at the cost of labour and of moving, and combine it with the strong economic environment, Saskatchewan has become a great place to do business and we are here to stay."

The other factor, Leier says, is access to a resource that is unique to Saskatchewan. "What differentiates Mega is our people: we're a service-based company. We're used to helping others. Just look at some of the world-class events we pull off here in Saskatoon with volunteers and a sense of serving others. This is the base of employees we draw from, and it's the one thing you just cannot find just anywhere." ◆

Photo by Stuart Kasdorf Photographics

Ron Nykolaishen,
with sons **Nolan, Chris** and **Chad**



KEEPING IT ALL IN THE FAMILY

NYKOLAISHEN FARM EQUIPMENT

80

by Penny Eaton

For more than 80 years, the Nykolaishen family has operated a farm equipment dealership in Kamsack, Saskatchewan. They have succeeded in building a company that has lasted four generations, an amazing accomplishment in today's fast-paced economy. Back in 1926, Steve and Helen Nykolaishen founded a Cockshutt dealership, which later evolved into White Farm Equipment. Over the years, George and Adeline Nykolaishen entered the business, and in the mid-1970s, Ron and Theresa Nykolaishen joined the company.

"I can't imagine doing anything else," Ron Nykolaishen, president of Nykolaishen Farm Equipment says. "I enjoy working in a family operation." In the last few years, Ron's three sons Nolan, Chad and Chris have also entered the dealership, carrying the business into a fourth generation. Few other companies can claim a similar history.

Nykolaishen Farm Equipment is located along the Saskatchewan-Manitoba border with stores in both Kamsack and Swan River. There are 66 employees between the two operations.

Everyone in the family has a place in the business. Ron manages the Kamsack store while his son Chad handles the Swan River outfit. Theresa is the office manager, son Chris joined the accounting division earlier this year, and Nolan manages the family farming operation and is part of the sales team in Kamsack. Many families would come apart at the seams with such an arrangement, but the Nykolaishens operate like the well-serviced machinery they sell. "We each have a job," Ron says, "and we all contribute in a different way to the company. Like any company – or any family – we have our challenges, but at the end of the day, we all pull together for the common goal."

The recent recession had more of a spillover effect than a direct impact on the dealership. "Even though we're based here in a small community, we're still tied to the world economy," he says. Nonetheless, the affect of the economic slowdown in other parts of the world upon Nykolaishen was relatively small. "In fact, with interest rates going down, fuel costs falling and lower vehicle prices, it's a good time to buy for many of our customers," he says.

Even with continued growth and increases in sales, Ron takes pride in giving personal service to his customers and being on a first-name basis with all his employees. "We're a pretty hands-on type of company. I talk to everyone on staff almost every day," he says. "We're a small operation and it's great to be able to do that."

The dealership took on the John Deere franchise in 1986 and has since won numerous awards for sales, parts and service excellence, including consecutive President's Club awards from 1992 to 1998, and Nykolaishen was No. 1 in Canada for combine sales in 1993 and 1996. Nykolaishen is one of the larger John Deere dealers in Saskatchewan, with a full inventory of new and pre-owned equipment. Many other dealerships do not carry as large an inventory, but as Ron says, "you can't sell it if you don't have it in stock. Our inventory is not a loss, it's a potential sale."

Customers do order their equipment in advance, but farming is an unpredictable business that often requires in-season purchases. In addition to the dealership, Ron also farms and can relate to his customers. "The constant fluctuation in commodity prices is one of the ongoing challenges of farming," he says. "Commodity prices have dropped off recently, but I can't see them staying down. We produce food, and people have to eat."

Ron is modest about their success. "We like what we're doing and we enjoy being a part of a rural community." Nykolaishen is a major employer in the town of Kamsack, with a population of 2,000. Contributing to the quality of life in a small town is important to the company – so important that the dealership includes "community commitment" as a key element in their corporate mission statement.

What's next for Nykolaishen Farm Equipment? "Our intent is to expand," Ron says. "We want to continue growing, just as we have over the past 83 years." And that is just what is likely to happen. For this family, success is in the genes. ◆

Photo by Stuart Kasdorf Photographics

Laurier Schramm, President and CEO, Saskatchewan Research Council

PROVIDING SMART SCIENCE SOLUTIONS

SASKATCHEWAN RESEARCH COUNCIL

83

by Penny Eaton

"It was a really rough year, but we met the challenge," says Laurier Schramm, president and CEO of the Saskatchewan Research Council, the province's leading supplier of applied research and development services. Over the past year, SRC conducted research contracts of over $31.8 million for more than 1,900 clients in the areas of energy, ag-biotech, environment and forestry, mining and minerals, and alternative energy.

Since its establishment in 1947, the company has seen significant growth over the years, especially within in the last seven, and was on track to continue expanding until the economic recession that hit in the fall of 2008.

"We were planning for another year of aggressive growth – at least 15 per cent," Schramm recalls. "We were motoring quite happily along when the markets collapsed last fall. It hit us like a sledgehammer."

SRC was hardest-hit in the mining and minerals sector, where they provide testing and analysis services to the potash, coal and diamond industries. Most of the exploration for diamonds in Canada is led by small and medium businesses that depend heavily on capital markets. When markets crashed, some of these businesses had to call SRC to stop work immediately because they found themselves with no operating capital.

"Suddenly, we were facing several million dollars in the red," Schramm says. "Far from the expansion we had planned on, we had to shift gears pretty quickly and figure out how to protect the bottom line."

As it has throughout SRC's 62-year history, diversity helped the company to cope. With five main business areas, it helped diffuse the impact to any one division. Even within the mining and minerals area, while the diamond sector experienced setbacks, the potash sector continued to see growth. This allowed SRC to open a new standalone facility for potash testing in 2008 and provided an opportunity to cross-train and shift responsibilities for employees affected by the economic downturn in other areas. Even with the changes, SRC still had to lay off 43 people in that division, a move that Schramm says was "very painful, no matter how necessary."

In the end, despite these challenges, SRC still managed to achieve nine per cent growth, a factor Schramm attributes to a solid board of directors and staff that was able to reduce expenses while remaining true to the company's strategic goals. "So much of success is having great people to count on," he says. "We came out of it stronger, and I think we're well-positioned to excel in the coming years."

> THE VISION FOR SRC IS TO BE THE PREMIER AGENCY FOR APPLIED RESEARCH AND TECHNOLOGY COMMERCIALIZATION IN CANADA.

SRC has a lot to be excited about for the future. Some examples:

- SRC is part of a research team that is studying how algae can soak up waste heat and flue gas emitted from industrial exhaust stacks and convert it into biodiesel and other energy sources.
- "We plan to open Saskatchewan's first hydrogen fuel station before winter," Schramm says. SRC engineers are working to convert a GMC Yukon

…continues next page

SRC. . .*continued from page 45*

Hybrid SUV into a bi-fuel hybrid that will use a combination of gasoline, natural gas and electric power.

- Agriculture and Agri-Food Canada has commissioned SRC to commercialize a DNA test that can identify different wheat varieties, a necessary technology to replace the Kernel Visual Distinguishability (KVD) system that was eliminated in August 2008.
- SRC is examining biomass conversion and syngas-pyrolysis technology to turn flax straw, wood chips, and other underutilized sources of biomass into fuel and energy.

Schramm says there are new areas which also show great promise for further growth. SRC is managing the $47.9-million, 16-year CLEANS project to assess and reclaim abandoned uranium mines in northern Saskatchewan. As that project has proceeded, more companies have approached SRC to assist in other environmental remediation projects. "It's an exciting growth area for us," Schramm says, "and it's incredibly rewarding to be a part of getting these sites cleaned up and safe again."

Schramm is very proud that the world is beginning to take notice of the expertise we have here in Saskatchewan. Nearly 40 per cent of SRC's workload is for clients outside of Saskatchewan, and this is a good thing, he says. "Our advantage in working across Canada and in global markets is that we can help our Saskatchewan clients access these markets, too." Plus, he says, it is only natural that good service is going to attract more clients, no matter where they are from.

The vision for SRC is to be the premier agency for applied research and technology commercialization services in Canada. Schramm estimates they are already in the top three and suggests an even loftier goal. "I'd like SRC to be the most admired research organization in Canada, by whatever measure people value most: workplace respect, safety, benefits, etcetera."

While SRC will continue to grow and expand, it will not lose sight of its prime objective, Schramm says. "No matter how successful we are, we're never going to forget that we're here for the benefit of Saskatchewan." ◆

BizHub- The New Home for Industry

Saskatoon has become the hub of West-Central Canada. While being one of the few places to escape the economic downturn and grow at an unprecedented rate, the prairies have attracted national and international attention from businesses that feel that Saskatchewan is the place to be.

With the positive economic situation that Saskatchewan has recently experienced, real estate investment and land development in Saskatoon have seen unprecedented growth and demand.

Concorde Group has created a haven to accommodate this demand. Their newest development is the aptly named BizHub Industrial Park.

BizHub Industrial Park has been designed to accommodate light industrial business space. Located northwest of Saskatoon on Beam Road and Highway 16, BizHub started as a vision to develop land outside Saskatoon after much success with existing land located in the city. The initial planning stage for BizHub began around twenty years ago with the plan coming to fruition in the last five years.

“We saw the city’s forty-year expansion plan and it had specifically carved out that section of land that was not going to be needed,” exclaims CEO David Dube, “so we saw this as a perfect opportunity.”

After travelling to other major North American centers, it became apparent a need for light industrial parks, targeting businesses needing a large footprint of land, but not necessarily a large building was the answer.

The concept that Concorde came up with was a first-class light industrial park designed for businesses that didn’t exactly fit the mould of an inner-city company and needed space that the limitations of dense urban area could not accommodate. Conceptual plans were drawn up but still needed approval by both the RM of Corman Park and the City of Saskatoon. After a couple years of negotiating, BizHub broke ground on the site and phase one is on track to be completed by the fall of 2009.

Location, location, location. The three words realtors swear by and in the case of BizHub, they have the location. What they also have is space. All lots are a minimum of 5 acres and can be packaged together for larger users. Paved, heavy-duty industrial roads with a wide turning radius are just one of the features that set BizHub apart from their competitors. Despite the fact that BizHub is located outside of Saskatoon, all businesses will have potable city water and a fire flow protection line enabling all buildings to incorporate a sprinkler system

Maintaining the integrity of the park was also a very important consideration. When designing BizHub, architectural controls were put in place so the aesthetics of the park were maintained and the purchasers property values were enhanced over time.

“We’re continuing to market,” explains Dube, “obviously the global economic credit crunch has slowed sales. That being said, the gears of the credit markets are starting to get lubricated and we continue to have people interested, particularly international companies, who just aren’t in a position right now to spend money. We believe that the worst of the recession is over and that as the credit markets loosen up and growth returns, people are recognizing Saskatchewan to not have entered the recession in North America, and its one more emphatic stamp that Saskatchewan is the place you have to be.”

Lots in the BizHub Industrial Park are currently for sale. For site plans, full feature lists, sales information and progress news, please go to www.biz-hub.ca or phone 668-3000.

The BizHub lots and location in proximity to Saskatoon’s city center.

BIZ INDUSTRIAL HUB

1171 8th Street East
Saskatoon, SK S7H 0S3
Phone: (306) 668-3000
Fax: (306) 668-3096
biz-hub.ca

Photo by Stuart Kasdorf Photographics

Brian Mikuliak, CEO, Supreme Office Products

A SUPREME SUCCESS STORY

SUPREME OFFICE PRODUCTS LTD.

58

by Nathan Hursh

"We enable your success" is a motto which leaves no room for selfishness, and the Regina-based Supreme Office Products Ltd. would have it no other way. Supreme is a homegrown success story but most people don't realize the scale of business they do. A perennial Top 100 company, this year they land themselves at No. 58 on the Top 100 list.

Supreme was founded in 1974 by the late Ed Bosche with the focus being on two primary things: the customer, and care for his employees. Before Supreme, Bosche was working as branch manager for the Regina location of a Calgary-based office supplier. He was notified that the Regina location would be consolidating its holdings and closing. Bosche had the option of going with the company to Calgary but doing so would mean 14 employees would be out of work. He also believed the loyal customer base they had established in Regina would be neglected due to the closure. Within three days after the closure notification, Ed Bosche started Supreme Office Products in Regina.

When opportunity arose, Bosche expanded Supreme to include locations in Saskatoon, Moose Jaw and Prince Albert, allowing the company to cater to the main Saskatchewan markets. Today, Supreme also has locations in Alberta and Manitoba and distributes products across Canada, but the principal focus has always been the Prairie provinces.

"We are proud to be a Canadian company with our head office in Saskatchewan," says Brian Mikuliak, Supreme's CEO. "The scope of our business takes many by surprise. We operate four distribution centres and have a total of about 240,000 square feet through our various facilities in eight centres. This footprint includes warehouse space, sales offices, furniture showrooms and administrative offices."

With the bulk of the business being in commercial sales as a commercial dealer and a wholesale distributer, Supreme has also diversified into educational products. These products focus on early-year learning material, daycare equipment and school playground equipment.

Being in the top 10 of independently owned office supply distributers in North America and in the top two in Canada doesn't insulate Supreme from its share of ups and downs as the economy fluctuates.

"We had a modest increase in our sales on a year-over-year basis but we had a decline in our profitability," offers Mikuliak, going on to explain there were a couple of contributing factors. "Our sales growth didn't match the model we had come up with, particularly in Alberta where there was an economic softening. That had an impact on what our results were there. Plus, we did a couple things that we saw as medium- to long-term investments in the company. Those pulled our profitability down a little bit in the last year, but not anything we're seriously concerned about. We feel that a number of changes we made last year will strongly benefit us in further years."

Certainly with the growth of Saskatchewan, the influx of new businesses and the relocation of existing businesses, this province is still on the upswing. New office space springing up all over Saskatchewan's major centres bodes well for Supreme. Whether it is the rental or lease of essential office equipment or the re-design of an office interior, Supreme has access to more than 60,000 different items. Furthermore, its team of qualified professionals are there to ensure your workplace meets the high standards of today's customer.

Not only is Supreme dedicated to making other workplaces better, they are also focused on development within their own company. They have an ongoing commitment to improve processes whenever necessary. Their ethics, leadership, creativity and commitment all play a part in striving to create client relationships that are viewed as more of a partnership.

With over 300 staff and vast amounts of facility space in Saskatchewan, the roots of Supreme run deep. When combined with their business acumen, which sees them as a regular fixture among the Top 100 Companies, it's easy to see why they are a distinct Prairie success story. ◆

Photo by Stuart Kasdorf Photographics

Vaughn Wyant, (centre)
with sons **Michael** (left) and **Phillip**

DRIVEN TO SUCCEED

VAUGHN WYANT AUTOMOTIVE GROUP

36

by Nathan Hursh

In order to succeed in business you have to gain a perspective from all areas of the workplace. Vaughn Wyant is no stranger to pumping gas, writing service orders, picking parts, selling cars, appraising trade-ins and doing some accounting all the while running a business. It's largely because of this drive that the Vaughn Wyant Automotive Group has landed itself in the No. 36 spot on the Saskatchewan Top 100 business list.

For Wyant, ownership in the automotive business started in 1980 with a Ford dealership north of Calgary. There, he was thrust into every aspect of the dealership and learned every day; getting his hands dirty and gaining a perspective of the business model he wanted to implement. With a staff of about 10 people working seven days a week, Wyant created a strong foundation around which an automotive empire could be built.

Opportunity knocked a few years later when Wyant bought Jubilee Ford in his hometown of Saskatoon in November, 1983. This truly was the beginning of the Vaughn Wyant Automotive Group (VWAG). With the business model already established, VWAG prospered and continues to do so. Today, VWAG consists of a dozen different dealerships in four different cities, with no plans of stopping. In Saskatoon alone, the Vaughn Wyant Automotive Group owns and operates dealerships that include: Ford, Mitsubishi, Mercedes-Benz, Smart Car, Audi, Jaguar, Volvo and Land Rover. Spiffy Express Lube and car washes are also included in the group and a car accessory store, Jacked Up Performance Automotive, is a newer business included under the automotive umbrella.

Vaughn Wyant Automotive Group is a family affair. Vaughn's brother David is the managing partner at the Hyundai dealership in Maple Ridge while nephew Adrian along with John Bokitch are the general managers/managing partners of the dealerships in Kelowna and Vernon. The VWAG group has created a template and business model to outline how they run each dealership and Vaughn, based in Saskatoon, feels fortunate to have such competent and qualified colleagues. To make sure things are on course, the chief financial officer will fly out every two months and Wyant will fly out every two to three months to spend a couple of days with everyone to discuss business issues and details.

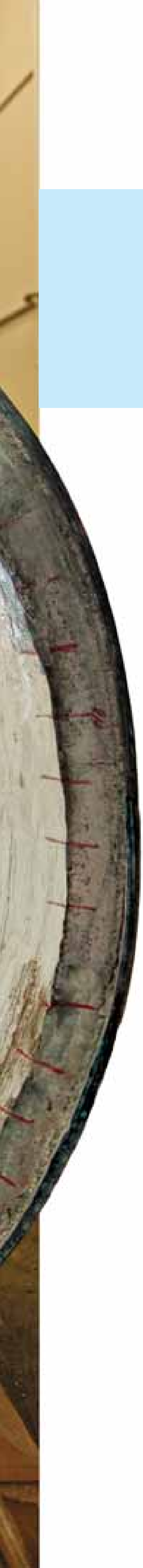
Overall, business has been great this past year according to Wyant, even though the economy has had its fluctuations. The Saskatchewan market has remained steady, he says, due to the fact that people in Saskatchewan are still optimistic and spending money.

Ten years ago the vision of the future wasn't so clear for Wyant with respect to the direction of his business. Fortunately, that vision is coming into focus, in part because he has two of his three children now directly involved in the business. His two sons, Phillip and Michael, are both university graduates in areas that directly relate to the respective careers they have undertaken in their father's business. Wyant believes that they are proving to be great additions to the company and he feels that they'll be able to take the already-successful business to another level.

"Getting business started is just a function of staying as small as you can to begin with so you can touch as much of it as you can," Wyant says. "When I started it was a small business; we had two technicians, one parts person, one gas jockey and myself. You keep it small so you can keep your labour costs low and your revenue as high as you can to make a profit."

"It's not a secret. A lot of people get into business and immediately start acting like executives, hiring people to do all kinds of things. I don't think you start running a business to do less. I think you get into business to take on more responsibility and be prepared to do the jobs that need to be done to ensure the company's success."

"We still do that." ◆



FRESH THINKING

WRITTEN BY PAUL MARTIN • PHOTOS BY STUART KASDORF PHOTOGRAPHICS

Innovation and commercialization take root in Communities of Tomorrow

Sewage treatment is recession proof. Domestic water delivery never seems to go through boom and bust cycles either.

Yet the operation of both can be enhanced by new technology, an evolution that can ultimately lead to new prospects for commercial success.

That's the driving force behind the Communities of Tomorrow, a Saskatchewan-based national economic development organization dedicated to the enhancement of sustainable infrastructure. It is a partnership of the National Research Council, the federal and provincial governments, the City of Regina and the University of Regina housed at the research park in Regina.

Now in its sixth year of operation, Communities, or CT as it's known, has been honing its focus, narrowing its target market to aiding the commercialization of technology to improve infrastructure. By definition that means it is helping arm Saskatchewan companies with the tools needed to pursue international opportunities. Sewage, water, roads, after all, are local and global in nature and the opportunities associated with these basic services are world-class as well.

"There is a worldwide opportunity," enthuses Saskatoon corporate executive Mark MacLeod who has chaired the CT board since its inception.

After the dot-com crash and the real estate bubble burst, says MacLeod, investors are looking for a place to put their money. Similarly governments around the globe are pumping money into infrastructure to stimulate their economies.

"Infrastructure is the only thing seeing billions and billions of dollars going into it," MacLeod adds. "It will fill the vacuum."

MacLeod uses terms that don't usually find their way into the everyday lexicon of a corporate executive – words like 'infrastructure innovation' spice his dialogue as he and those on the CT team discuss their role in transforming our built landscape. But how much 'innovation' is possible in road surfacing or sewage handling? How much can you improve on water flowing because of gravity?

Meka Okochi, Research and Business Development Officer, Communities of Tomorrow

It's all about finding the businesses or entrepreneurs with ideas – any ideas – that might answer those questions. CT looks for ways to turn ideas into commercially viable products or ventures.

To date the organization has provided support – financial or otherwise – to more than 100 projects, according to Meka Okochi, CT's research and business development officer.

"We are, first and foremost, an economic development agency. Innovation is a strong mandate for us – things that can benefit end users," he says.

CT can serve as a funding agency or a facilitator – bringing together ideas and those on the hunt for an innovative approach to traditional activity. With public sector partners and the national research agency, CT is uniquely equipped to be the bridge between government, particularly local government which devotes a big slice of its activity to providing infrastructure services, and the commercial world.

"When we talk with municipalities we ask if there is one thing in the market that could make your life better, what would that be? Then we go to businesses and say this municipality has this issue. We see it as an opportunity to grow," he explains.

Conversely, if the idea comes first, CT plays a role in taking it from the drawing board to the field.

"For example we can help an engineer or a researcher to flesh out the opportunities (associated with the concept). If there is potential we could develop a prototype. If they don't have the financial or human resources we can get the right expertise and some financial support," Okochi offers.

The organization's wheelhouse is the identification and development of innovation that will help advance the concept of creating more sustainable infrastructure: finding improvements in drinking water systems, mechanisms for making roads and their surfaces last longer, smarter waste management or the remediation of contaminated lands. All of these, everyone associated with the organization argues, are global opportunities. It's just that the knowledge and technology would be developed and resident in Saskatchewan.

One parallel might be the growth and evolution of agricultural biotechnology in Saskatoon. The knowledge was housed in the University of Saskatchewan ag school, which acted as a magnet to attract industry hoping to tap into this wealth of knowledge. But it begins with knowledge.

"There is no model like this in Canada," MacLeod says of the unique partnership between the academic world of the university, the applied technology abilities of the NRC and the public sector – all looking to work alongside private, corporate players.

CT is, in a way, a comparable agency that builds on the storehouse of environmental knowledge at the University of Regina and its neighbouring research park. In both cases – Saskatoon and Regina – it's about building globally capable academic and commercial clusters based on the strengths of the local campus and partnering with the National Research Council. In Saskatoon the NRC's plant biotech arm plays a key role. Regina is now home to the NRC's expanding sustainable infrastructure capacity.

The idea behind CT is to be the link between this scientific horsepower and the business community. Of the hundred-plus projects supported by CT in its first six years, half involved Saskatchewan companies. A half-dozen of these, an impressive record in the highly volatile and risky world of making new technologies commercial viable, have reached the commercialization stage. A rule of thumb in this world is that it takes 3,000 ideas to generate one commercially viable product. CT's track record is off the scale with six in 100.

They are, says Okochi, primarily industry-led projects.

"We are always looking for industry partners, finding ways to improve costs or effectiveness (with technology)," he adds.

Effectiveness is a key ingredient. MacLeod notes that the significant and rapid influx of fresh capital into the infrastructure sector means added competition as new players arrive on the scene. This, in turn, puts pressure on profit margins so anything that will lower costs is a step in the right direction.

"There are great margins in being the first to innovate," he asserts.

He points to one case in point. Ground Effects Environmental, an emerging superstar on the Regina and provincial business scene, partnered with CT to hone its technology for remediation of soil with high salinity content. It was forecast to be a $40-million market opportunity in Saskatchewan. Now the company has plans to apply the new technology in the Alberta oil sands.

"That's not a $40-million opportunity," MacLeod says of the significantly larger potential now being untapped by Ground Effects. "That technology was all pioneered with CT."

"CT was awesome," explains Ground Effects Environmental founder Sean Frisky. "It allowed us to do a field demonstration to test the technology in a way we hadn't been able to. It is the missing link in commercialization."

Frisky and his team have now expanded the scope of the basic technology developed to undertake salinity remediation to the oil fields.

His company has been working on the concept for six years and the knowledge gained in the salinity remediation work has been extended to hydrocarbons and inverted drill mud, the soil displaced by the drilling process which often contains as much as 50 per cent diesel fuel. The next step, Frisky says, is to conduct a field demonstration to recover the diesel from the mud which, historically, has been placed in landfills. While he describes these latest technologies as being in their infancy, the basic work undertaken with the support of CT is what made it possible.

Next, his firm is applying the technology to water treatment with an eye to extracting contaminants such as PCBs, herbicides and hydrocarbons. ■

Kelly E. Gould

Lawyer, WMCZ Lawyers-Mediators

Keeping it private

Private placements of shares can be efficient, if you follow the rules

You have a great idea. You've incorporated a company. Now you need the cash to put your idea into motion. That's the problem…you're tapped out from financing your last great idea and the bank won't give you money because you have no assets. Where will the capital come from?

Selling shares in your company is a common way to raise capital; however, many offerings require a prospectus, a costly and complex process. A less-complicated alternative is to offer securities privately pursuant to certain statutory exemptions from registration and prospectus requirements.

This article will not explore the types of securities that can be offered, nor will it explain the importance of a solid business plan or issues such as restrictions on resale or payment of commissions. Rather, the focus will be on private placements in a general sense and will provide an overview on the processes and timelines involved.

For a company (the "Issuer") to sell shares without filing a prospectus, potential shareholders (the "Subscribers") must fall within a statutory exemption, many of which are found in National Instrument 45-106 ("NI 45-106"). NI 45-106 has been adopted across Canada, but there are slight variances among provinces. As such, it is important to check the specific rules and regulations of each province in which you are raising capital.

Other exemptions are available, but the most common exempt purchasers are:

1. A founder of the Issuer;
2. A director, executive officer or control person of the Issuer or affiliate of the Issuer;
3. A spouse, parent, grandparent, brother, sister or child of any person referred to in #1 or #2;
4. A close personal friend of any person referred to in #1 or #2;
5. A close business associate of any person referred to in #1 or #2;
6. A person (other than an individual) of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in #1 through #5 above; or
7. An accredited investor (refer to NI 45-106 for the complete list of criteria – many are based on the net worth of the Subscriber).

> Selling shares in your company is a common way to raise capital. A less-complicated alternative is to offer securities privately.

If potential investors fall within one or more of the exemptions listed above, the Issuer can begin the paperwork involved in a private placement. The first and most important document is the subscription agreement. This contains the representations and warranties of the Issuer and the Subscriber, the exemption of the Subscriber, terms of closing, instructions for registration and delivery of the shares, as well as necessary statutory provisions.

The subscription agreement is not the only document an Issuer needs in this process. Other closing documents include Directors' Resolutions, a Certificate of Incumbency, Officer's Certificate, Reports of Trade, and a Treasury Order.

The Report of Trade is a prescribed form that must be completed and submitted to the appropriate securities commissions. It includes information about the Issuer, sets forth the subscriber information (including exemptions) and provides the total number of securities and funds raised. The Report of Trade must be submitted to the securities commission in the home jurisdiction of the Issuer and any other province in which a Subscriber resides, and must be submitted within 10 clear days of the offering's closing date. Every province administers reporting in different ways, so it is essential to refer to the regulations of each province.

The Treasury Order directs the proper registration and delivery of the shares you have sold. This will either be submitted to a trust company or your lawyer to create the share certificates or book entries as necessary.

While Subscribers fill out their own subscription agreement and exemption, the Issuer is held responsible for the accuracy of the information provided. Some securities commissions will randomly monitor the use of certain exemptions, and the Issuer may at any time be requested to provide proof that a certain Subscriber does indeed satisfy the requirements of that exemption.

Therefore, the importance of creating a well-drafted and comprehensive subscription agreement, accepting only subscriptions that are accurate and complete, and ensuring consistency in all ancillary documents and filings, cannot be stressed enough.

Kelly is a lawyer with WMCZ Lawyers-Mediators in Saskatoon. Questions and comments on this article can be sent to her at kelly.gould@wmcz.com.

Dale Berg

Senior Financial Advisor,
Assante Financial Management Ltd.

What a difference a year makes

U.S. economy is making history for all the wrong reasons

What a difference a year makes. I am writing this article on the day we're about to find out how many more billions the U.S. Federal Reserve needs to pump into the U.S. banking system to prevent the collapse of another financial institution. Every time I hear 'billions,' it reminds me of the Austin Powers movie…why spend billions, when we can spend…trillions!

To put perspective on the government spending, the average annual total reserves dating all the way back to 1926 was $50 billion. Over $2 trillion will be spent this year to get the U.S. out of their financial crisis. Unprecedented actions have been taken to support the U.S. financial system. Quite a remarkable year indeed; historic as a matter of fact. It's a very interesting exercise to look over the last few months and review what occurred and where the trillions of dollars went.

The crisis really began in August 2007 when Societe Generale, a European bank, could not honour redemptions in their hedge funds because the value of the securities held could not be determined. This set the stage and was the first indication of impending problems of which were not clearly defined yet.

It's a very interesting exercise to look over the last few months and review what occurred and where the trillions of dollars went.

Bear Sterns was once known for its top risk-management talent and was one of the largest global investment banks and securities trading and brokerage firms prior to its sudden collapse and distress sale to JPMorgan Chase in March 2008. On September 7, 2008, Fannie Mae and Freddie Mac were placed into conservatorship. The action is one of the most sweeping government interventions in private financial markets in decades.

Charles E. Merrill and Edmond C. Lynch, who founded Merrill Lynch in 1914, could not have foreseen the demise of their great institution in 2008. On September 14, 2008, Merrill Lynch was sold to The Bank of America.

September 16, 2008, AIG, the nation's largest insurance company, needs an immediate injection of $85 billion to continue to operate. The collapse of AIG was deemed too detrimental to the overall economy and therefore a structured advance to AIG was approved. In November the U.S. Federal Reserve revised the credit, increasing the total amount to $152 billion.

On September 25, 2008, the United States Office of Thrift Supervision (OTS) seized Washington Mutual Bank from Washington Mutual, Inc. and placed it into receivership. The bank, which was founded in 1889, was subsequently sold to JP Morgan Chase.

The big event was the filing of Chapter 11 bankruptcy by the company founded in 1850 by Henry, Emanuel, and Mayer Lehman, formally called Lehman Brothers. The filing marked the largest financial bankruptcy in U.S. history, and it sent the stock markets around the world in a tailspin. Banks no longer trusted one another, and would no longer do business with one another because they did not know who would be the next to fall. The LIBOR rate, which is the rate banks charge each other to borrow funds, went from one per cent to 4.5 per cent in a two-week time frame. The credit markets were officially frozen, and access to capital was virtually cut off. The G7 nations collectively guaranteed interbank lending, which then began the thawing of the frozen credit markets, but this is a slow and painful process.

On September 29, 2008, the Federal Deposit Insurance Corporation (FDIC), acting under a 1991 law empowering it to deal with large bank failures on short notice, announced that Citigroup would acquire Wachovia Corporation's banking operations.

Then in late 2008, GM, along with Chrysler, became (and continues to be) dependent on government loans from the United States, Canada and the province of Ontario to avoid bankruptcy. As of April 24, 2009, GM has received $15.4 billion US in loans from the U.S. Treasury Department under the Troubled Assets Relief Program (TARP) and are today on the doorstep asking for another $13 billion.

The last 12 months will go down in history for many reasons. I am an avid listener of Bloomberg radio on Sirius and every week some type of record is set. The fastest pace of decline in U.S. housing prices; the largest one-day loss in the stock market; the largest one-day gain in the stock market; the largest one-month gain since 1929; the most unemployed since the recession of 1981; lowest U.S. Federal funds target rate in history.

What an amazing, scary, interesting, historic year!

Dale Berg is a Senior Financial Advisor with Assante Financial Management Ltd.

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David E. White
Consultant,
Synergy Solutions Group

Putting relationship matters into perspective

It's important to keep in mind what matters most

It is easy to lose perspective in the midst of the journey. Problems can easily become all we see as they loom like mountainous obstacles, blocking out the sun. However, from a different vantage point, we can see that there is life beyond the mountain, with fertile valleys and refreshing streams.

Another way that we lose perspective is through mirages. Parched and anxious, we are attracted to an illusion, an apparent oasis in the middle of a seemingly endless desert life. We strive to attain it, yet it continues to elude us, remaining forever beyond our reach.

Perspective can help us to determine where we are at in our journey, whether the oasis is real or a mirage, and to determine our next steps. We can gain perspective by listening to what others see, and then putting the fragments together for a more complete picture. What better perspective than from those who have traveled this way before us?

Synergy recently completed research for two clients to determine metrics for success. The clients were in completely different business sectors, but the identified subject pools were approximately the same size. One pool contained a very diverse cross section of age and social demographics, while the other pool consisted primarily of retired senior citizens. There was one very significant commonality between the two clients: relationships matter. In fact, they matter more than anything.

> Perspective can help us to determine where we are at in our journey, and to determine our next steps.

I sense a bit of irony to this when I back up and look at our culture. We place great emphasis on education early on, followed by more education to attain degrees and status, so that we can secure a place of employment and begin to pour ourselves into our work to "build a life." We build bigger homes and purchase nicer vehicles, which in turn demand that we earn more. We become fearful of losing what we have attained in the manner of possessions, position and lifestyle when the economy shakes, when we are handed the dreaded pink slip, or when international competition eradicates our trade. It is as if our personal identity and all that we value are hard-wired to our business.

Within the journey of life and business we encounter a complex, unpredictable matrix of desert, mountain, and oasis experiences. These are not entirely avoidable, nor do we want to avoid them, as many of the challenges and aspirations serve to enrich our lives. The problem starts when we lose perspective.

Relationships suffer when we are tangled in our problems. If we get too wrapped up in our current challenges, we may miss out on the simple pleasure of playing catch with our son (insert Harry Chapin's "Cat's in the Cradle" lyrics here). If we become preoccupied with fear of the future, much of which we cannot control, we may miss out on being in the moment on that special date night with our daughter, depriving her of a solid foundation (one becoming more and more rare these days) of pure and proactive parental relationship.

Relationships also suffer when we are lured by mirages. Many of us started out to honourably provide for our families, ensuring that our spouse felt loved by being provided for. But what vow did we make on our wedding day? To love, honour and cherish. To cherish someone would certainly take more attention than what we provide through our preoccupation with gaining that next bump in pay, status or accolade. These end up being a mirage; leaving us thirsty for more.

Brennan Manning is an author I have enjoyed reading lately. In one of his more recent publications he suggests that we calibrate our perspective with the word "nowhere," but divided as "now" / "here." Wherever you are, stay in the moment. What's so invaluable about life and relationship that we can afford to be "killing time?" This posture does not absolve us of responsibility to plan or work for the future. It simply serves to calibrate perspective. If we gain the pay, status or accolade, but lose our relationships, (which, in the end are all that matter) what have we truly accomplished?

So, just a few questions to stir some more thought for you in your specific situation: Where are you losing touch with the people that matter most in you life? Where have you decided to chase yet another oasis, as the last one has left you still thirsty? Have you discovered a place of contentment; do you consume to live, or live to consume? Do you work to live, or live to work?

David E. White is a consultant with Synergy Solutions Group.
Questions and comments can be directed to him at david@synergysg.net.

Paul Martin
Associate Editor

It's not so bad after all

Overestimating potash revenues is not the end of the world

Back when Rod Gantefoer released his budget for the government's current fiscal year even he was expressing some doubts about the emphasis placed on the potash industry to deliver nearly one-fifth of the revenue the government was forecasting to receive. As he put it, he and his mandarins went back repeatedly to the industry to ensure they had it right.

Three months later, it turns out they – the industry and subsequently the government – overshot the mark. When the first quarter financial statements were tabled, the potash revenue figure was revised downward with an updated projection suggesting the industry would account for roughly seven per cent of overall government revenue this year.

Offsetting that downer was the news that oil was doing better than forecast and so were you and I. The budget had forecast oil in the $45 US range. Three months into the fiscal year and it was closer to $65 US although the American dollar had depreciated by six or seven points so the full impact of the gain on oil prices was somewhat muted.

Income tax revenues also exceeded expectation, perhaps the most important signal of all. Both personal and corporate tax revenues to the government were up, heralding that the economy was still performing quite well – better than expected actually at a time when the rest of the country was still wrestling with recessionary pressures.

The biggest news, though, were the potash numbers.

Obviously it provided plenty of fodder for the NDP finance critic Trent Wotherspoon and his new leader Dwain Lingenfelter to call into question the management abilities of Brad Wall and the Saskatchewan Party government. After all, they argued, if Wall missed this one by so much – $1.3 billion off the mark – what else was he missing?

It was the first real opening for the opposition to lay a glove on the premier who spent his first 18 months in office facing an opponent focused on saying goodbye to a leader and selecting a new one. Effectively the first quarter financial results were the new-look opposition's coming out party.

But is this turn of events in potash and its subsequent impact on the provincial treasury a sign that the Wall administration is not up to the job or just a bump along the road? Should it be characterized as an economic or political development?

Things have never been better, as government income tends to be a reflection of the overall economy's performance.

If you take a longer view of the situation it might be nothing more than a bump and a relatively minor one in economic terms.

In the past three years – two under the Saskatchewan Party and one under the NDP – the provincial government has seen or projected revenues of roughly $31 billion or $10.3 billion a year. Considering that this province had never previously seen annual income of $10 billion, these figures take us to uncharted waters. Things have never been better, as government income tends to be a reflection of the overall economy's performance. If the province – industry and individuals – is doing well, tax revenues will go up and vice versa.

To put it another way, we had never spent $10 billion a year in the first 102 years of our existence so $10 billion would be more than enough to cover the bills.

The problem is that the money didn't flow into the treasury in a nice, orderly fashion. It came with a $1.2-billion excess in the first year, $3 billion over projection in the second and $750 million under so far in the third year.

On average, however, revenues exceeded expenditures. That's why we as a province were in a position to retire nearly half of our accumulated government debt in a single swoop. That's why we have been in the midst of a stimulative economic cycle that contributed to overall robust growth that had Saskatchewan in front of every other province in the nation for the past 36 months, something that we haven't seen since the heady days of Saskatchewan's arrival in Confederation.

Obviously the preference would have been to avoid the dramatic shift that gripped the potash industry but it is simply something we have to deal with in a resource-based economy. Those of us who don't fight in the trenches of political warfare should keep our eye on the bigger picture, that we are in the midst of the best times Saskatchewan has ever seen, even if we have to take a somewhat longer view than those who capture the headlines every day.

After all, you and I were busy making more money and paying more taxes through all of this noise.

Paul Martin is heard daily on News Talk 650 and News Talk 980 as well as on the radio stations of the Golden West Broadcasting network in Saskatchewan.


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