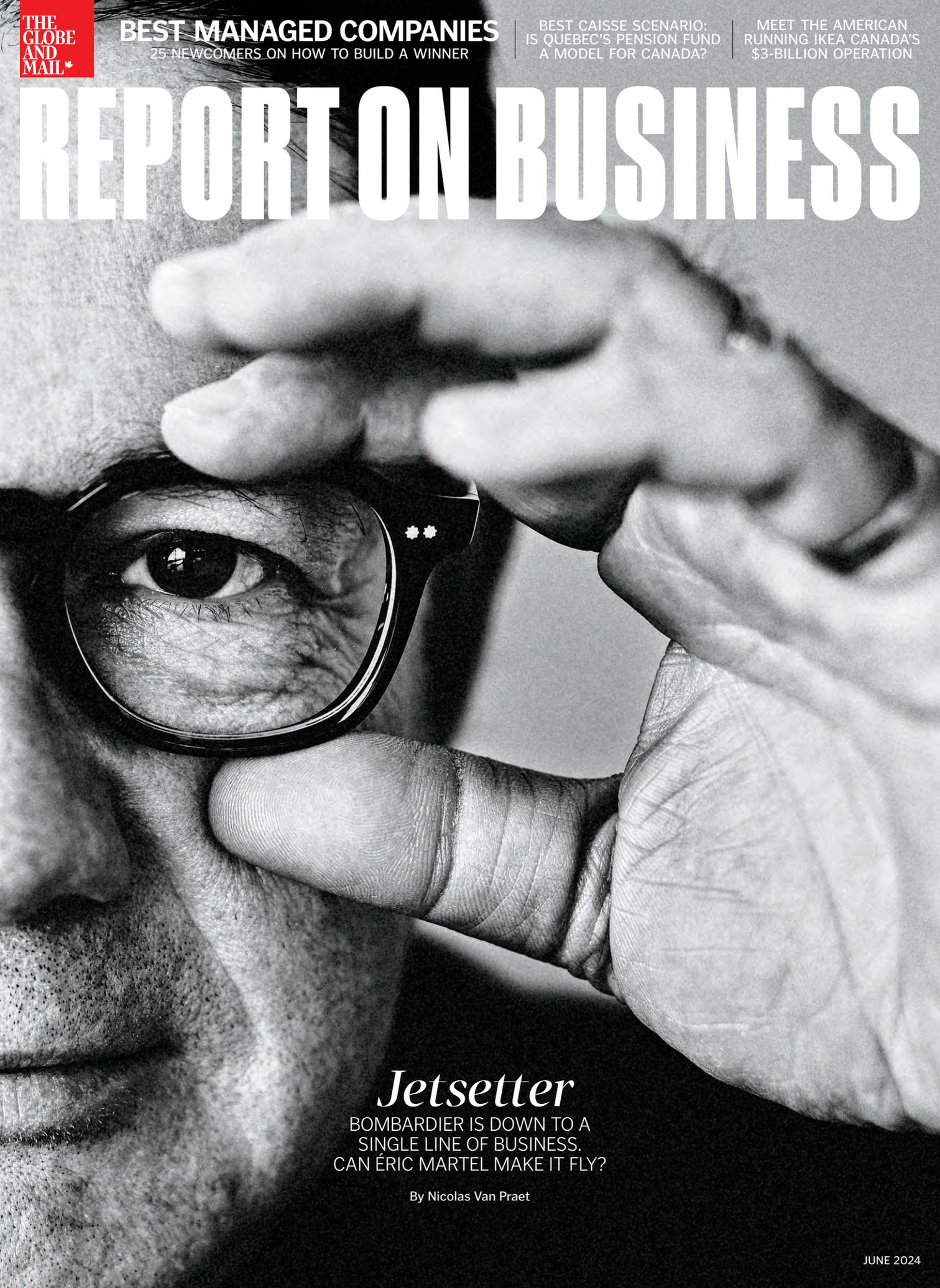


# REPORT ON BUSINESS



## *Jetsetter*

BOMBARDIER IS DOWN TO A  
SINGLE LINE OF BUSINESS.  
CAN ÉRIC MARTEL MAKE IT FLY?

By Nicolas Van Praet



CONSTANTINO AUCCA CHUTAS



BETH KOIGI



DENICA RIADINI-FLESCH



INZA KONÉ



LIU SHAOCHUANG



## INTRODUCING THE NEW LAUREATES OF THE ROLEX AWARDS FOR ENTERPRISE

They are researchers, entrepreneurs, and conservationists. Their projects use innovative strategies to protect ecosystems, save endangered species and improve human well-being. Rolex is working towards a sustainable future for our planet by supporting the efforts of these pioneers.

**Constantino Auca Chutas.** This Peruvian biologist has been planting millions of trees in five South American countries. He works with local associations to restore the high Andean forests. **Denica Riadini-Flesch.** This Indonesian economist founded a clothing company that supports sustainable clothing production while improving women's economic and social conditions in rural areas. **Inza Koné.** A pioneer primate conservation biologist in Africa, this Ivorian researcher is committed to involving local communities in preserving one of the last wild areas in West Africa, home to endangered large mammals. **Beth Koigi.** This Kenyan entrepreneur is working on a system that produces water from airborne moisture to supply drinking water to populations living in arid or semi-arid regions of Kenya. **Liu Shaochuang.** This Chinese remote sensing specialist is studying the habitat and movements of the last wild camels in the Gobi Desert to protect this unique species from extinction.

The Rolex Awards for Enterprise, launched in 1976, are part of Rolex's Perpetual Planet Initiative. They aim to support people all around the world who are working towards a sustainable future.

*#Perpetual*



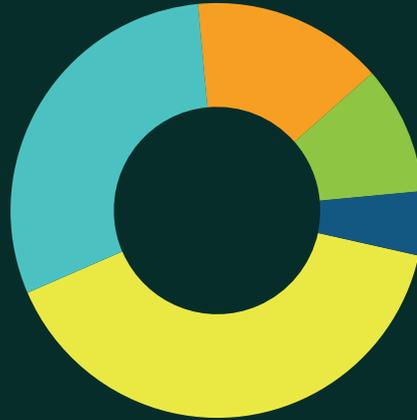
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It's Quebec's biggest pension fund manager and a champion for businesses based in the province. Now, with all eyes turned his way, Charles Emond, head of the eponymous Caisse de dépôt et placement du Québec, has to keep a lot of balls in the air. No pressure. /By James Bradshaw

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PHOTOGRAPH: STEPH MARTYNIUK



# The family way

I come from a big Maltese family. We're loud and opinionated, and we talk over one another *all the time*. I'm not saying we don't get along—we truly do. But stick us in a boardroom and ask us to come to a decision involving millions or billions of dollars, and I suspect we'd end up sounding a bit like the Rogers family circa 2021.

So, I'm always impressed reading about family-run enterprises—which comprise 56% of the nearly 500 businesses on the annual Canada's Best Managed Companies list (check it out starting on page 43). That figure tracks with the national stats: According to the Conference Board of Canada, family-owned enterprises account for 63% of private companies, generating \$575 billion in real GDP and employing nearly seven million people, or almost half of Canada's private-sector employment.

Many of the country's largest enterprises—both privately owned and publicly traded—are family operations, too, including George Weston Ltd., Alimentation Couche-Tard, Power Corp., Jim Pattison Group, Canadian Tire, Richardson

Wealth, Saputo, the Irving Group, CGI, Empire Co., McCain Foods, Linamar, Fairfax Financial, the aforementioned Rogers Communications—the list goes on and on.

It's tough to quantify how well those that are privately owned fare against their peers. But National Bank's Canadian Family Index tracks 43 large family-controlled, publicly traded companies with a combined valuation of \$700 billion and more than a million employees. According to NBC, these enterprises soundly outperformed their widely held brethren between June 2005 and June 2023, with a cumulative return of 324%, compared to 242% for the S&P Composite. That's 8.3% on an annualized basis versus 7%.

But just because family-controlled enterprises tend to outperform in aggregate (and it probably helps that many of the largest belong to oligopolies, which we're very fond of here in Canada) doesn't mean they don't mess up. Which brings us to the subject of this month's cover story: Bombardier, once the pride of Quebec—and the rest of Canada, for that matter—with divisions specializing in recreational vehicles, commercial aircraft, private jets and trains. The company, of course, is controlled by the founding Bombardier-Beaudoin clan—or, as Eric Reguly put it in a 2020 column marking the company's exit from the commercial jet business: “the overseers of one of the greatest examples of wealth creation, then wealth destruction, in Canadian corporate history.” Nicolas Van Praet traces Bombardier's fall and its recent upward run (albeit as a far smaller organization, with just one line of business) in “Nothin' but jet,” on page 22.

There's a bit of a Quebec Inc. theme in this issue, as you'll see in “Hot on the Caisse” (page 34), James Bradshaw's profile of Caisse de dépôt et placement du Québec CEO Charles Emond (who, as it happens, is the guy on the other side of Bombardier's train-division sell-off). With the feds pushing Canada's pension funds to invest more in the domestic economy, all eyes are on Emond, who's got a dual mandate: to generate strong long-term returns for Quebec pensioners while shovelling money into made-in-Quebec companies.

**/Dawn Calleja**

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# THERE IS ETERNITY IN EVERY BLANCPAIN

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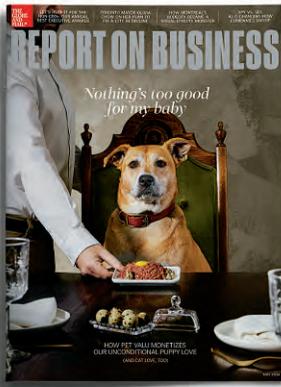
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## Dogged determination

Our cover story on retail chain Pet Valu (featuring a very good boy on the cover) brought out all the fur-baby lovers



I've been going to PetSmart, only because their enormous stores are so easy to spot (yikes—what an informed reason!). But I like that Pet Valu is a Canadian company, so I'm going to check them out. Also, Richard Maltsbarger is a pretty competent guy. Time to buy a little stock, too. —**brigd**

If Pet Valu offers a high service—and my experience with them is positive—then it's money well spent. I particularly appreciate the dog-washing facilities many provide. —**HW01**

I'm now on my 20th rescue and blind dog, and it is the Pet Valu staff and their enthusiasm that makes the store. When will society realize that staff performance and service far exceeds the "sale" items? (Politicians ought to find out, but then have you ever seen real compassion from a politician?) Great article, yet as indicated, it is the staff that makes the grade. —**Vliegende Hollander**

### Mayor on a mission

*Trevor Cole sat down with Toronto mayor Olivia Chow, who seems to have just as many defenders as detractors.*

I never in a million years thought

I'd say this, but I fully support Olivia Chow—for saying she wants workers to come back to their offices downtown to help the food courts and the workers who used to work in the food courts. I also say that Chow has been smart enough to capitalize on getting financial support from both Prime Minister Trudeau and Premier Ford, who are both seeking re-election and both need the votes from Toronto. —**app\_74921963**

I think it is unconscionable to try to force people to commute to an office when it is not necessary for business purposes, to try to prop up retail and restaurants in the downtown core. Unnecessary commuting is bad for employees, bad for their stress levels and work-life balance, a waste of money, and it's bad for the environment. If my employer forced me to the office without a demonstrable business reason directly correlated to productivity, I would pack a lunch, bring my coffee in a big thermos, and make sure I did all my shopping close to where I lived. If I were a shareholder of a company making valuable employees unhappy and stressed with unnecessarily commuting in a city with some of the worst



traffic congestion in the world, and paying for a bigger office footprint to satisfy the mayor, I would want to change the leadership in the company.

—**res ipsa loquitur**

The problem with those who think like Mayor Chow is that the solution to every problem is to tax people more or ask the feds and/or province for money, which also comes from the taxpayer. Never any idea on how to grow business or make Toronto a place where business would want to invest. Similarly, never a mention of improving efficiency among our city staff or others who are on the city payroll. —**Venezuelan BeaverCheese**

Chow is the first mayor in 20 years to tell the public the truth about city finances. And kudos to the writer for reminding us of Chow's strong fiscal performance previously at City Hall. —**scotttd**

I breathed a sigh of relief when I read this. At least it's encouraging that there was no word about solving the congestion crisis by closing lanes, and building more bike paths and pedestrian streets. Or wicked life-altering plans like transforming the highways that crisscross the region into dedicated public transit routes with parking hubs at each butterfly on-and-off-ramp. Or how about partnering with the David Suzuki Foundation to create a working group to oversee all city development? She's avoiding all the terrifying stuff the left wing has proposed (that could never work), and given her NDP background, it's amazing she didn't fall into the radical shift. —**jnextday**

Hearts and prayers to those stuck living in this rotting, decaying mess of a city. Hopefully you can experience living in a decent city at some point. —**todd\_m**



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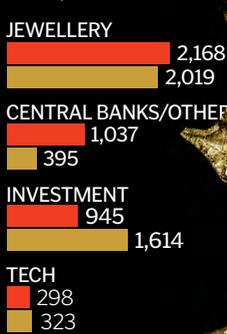


### MAN WITH THE MIDAS TOUCH

"I've worked out a few statistics of my own: \$15 billion in gold bullion weighs 10,500 tons. Sixty men would take 12 days to load it onto 200 trucks." —James Bond in *Goldfinger* (1964)

# 06/24

### GLOBAL DEMAND FOR GOLD (TONNES)

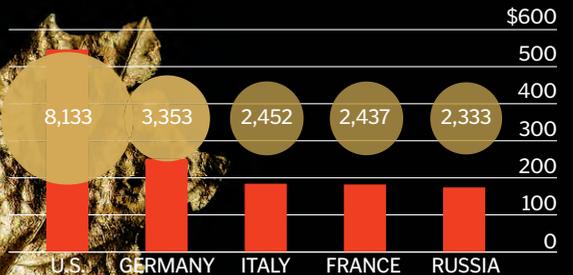


### NEW RULES

## Good as gold

A year ago, when bandits made off with \$22 million in gold from a cargo facility at Pearson Airport—our biggest ever gold heist—the metal was going for roughly \$2,000 an ounce, and it's up 16% since then. With prices at record highs, gold is on the verge of blowing past passenger vehicles as Canada's second-largest export commodity behind oil.

### LARGEST GOLD RESERVES (TONNES)



### CANADA=0

Canada began selling its gold reserves in 1980 and got rid of its last gold coins in 2015, mostly because it hadn't shown a good return and was costly to store

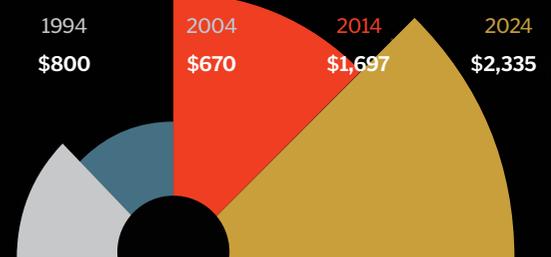
### CANADA'S GOLD RESERVES IN 1985

500 tonnes

### VALUE TODAY

# \$55 BILLION

### GOLD PRICE PER OUNCE (INFLATION-ADJUSTED US\$)



### KILOGRAMS PER CUBIC METRE

PLATINUM 21,440

GOLD 19,280

SILVER 10,480

GLASS 2,800

SUGAR 1,600

EBONY 1,200

BEEESWAX 950

ICE 925

### HEAVY METAL

# 60.8 KILOGRAMS

Gross weight of the Pepita Canaã, the world's largest gold nugget ever found, in Brazil's Serra Pelada mountains in 1983. (That's about the same weight as 60 litres of water or 20 bricks.) At today's prices, its metal value would be worth roughly \$4 million



### BIGGEST GOLD HEIST EVER

Brink's-Mat Robbery (London, 1983)

Six men posing as cops and armed to the teeth overpowered security guards and stole three tonnes of gold bullion valued at around \$264 million today. It inspired the 2023 BBC series *The Gold*



### GOLD NUGGETS AND HOT DOGS

An analyst at Wells Fargo estimates Costco is selling between **US\$100 million** and **US\$200 million** in 24-karat one-ounce gold bars each month, at \$2,000 each—well below the spot price

## THE EXCHANGE

## Some assembly required

Selwyn Crittendon is an IKEA lifer from North Virginia, and he's now the man in charge of the Swedish retailer's nearly \$3-billion-a-year Canadian operations. It's a role that also comes with the title of chief sustainability officer—and for good reason

BY TREVOR COLE

When they meet a journalist, some executives keep their enthusiasm under wraps. Alert for hazards, they strive for a protective inscrutability. And then there's Selwyn Crittendon. In the full, unedited version of this interview, which lasted an hour, the CEO of IKEA Canada used the word "love" 17 times. His passion—for retailing, for his company's conspicuous attention to the issue of sustainability—is an energy source all its own. Some of that can be attributed to the fact that Crittendon is American. Born and raised in North Virginia, he lacks the Nordic reserve you might expect from the head of the Canadian branch of the Swedish retailing giant. And certainly he has plenty of reason to be happy, given IKEA Canada's healthy financials and \$2.9 billion in sales last year. But Crittendon also represents a clear case of someone who found his calling. He's been with IKEA for 22 years—half his lifetime—rising from his first job as a customer convenience manager at a store in Woodbridge, Virginia. He arrived in Toronto last July and already speaks the names of Canadian cities and towns like someone eager to know them. In a cynical age, it's noteworthy. We met at IKEA's store in downtown Toronto.

**You arrived last July. Have you been to all parts of the country now?**

I have. By December, I'd visited every unit across the country, from Halifax to Winnipeg to Richmond to Coquitlam, and all of the GTA. It was important for me to get out and meet my 7,200 co-workers, and meet the communities we serve.

**You've been working for IKEA since 2002. Did you always imagine you'd be at this level?**

I think my greatest dream for IKEA was to be in a position where I could support or help others. No matter what the position—it could be customer experience, where I started. It could be in-store management. But it was always, what could I do to help the next person? What door could I open for others to dream, to deliver, to develop?

So, for me, it didn't matter the title. For sure, this is an awesome opportunity, an awesome responsibility. But I really do believe that me in this position, enabled by the many co-workers on my team—we can do magic.

**How is IKEA Canada perceived in the larger IKEA framework? (1)**

Almost 50 years ago, (2) this was IKEA's first chance to come into North America and really understand the North American market. We have some of the best stores globally. I think I have the most beautiful store in IKEA Halifax, the way it sits on top of the hill and overlooks the bay. We have the Store of the Year in IKEA Montreal, leading in volume, visitation and sales in North America. I really do think we have some of the best pieces in the entire IKEA universe.

1. The retailer had 2023 sales of roughly \$66 billion—up more than 12% from 2020—and has 230,000 employees worldwide.

2. IKEA opened its first Canadian store in Richmond, B.C., in 1976.



PHOTOGRAPHS WADE HUDSON



Since you've come, you've talked a lot about transformation: "transforming into the retailer our consumers want IKEA to be." It suggests that something needed to be changed. What wasn't working?

When you look back at IKEA's history, we have been solely focused on customers coming to our units from far and wide, spending the whole day out, searching, finding, picking your own goods, putting it in your car and driving back home to assemble. What we know now, and I think the pandemic has shown us, is that how customers buy, and how they want to live, is different now. So, we still have fantastic retail physical units, like you sit in here today, but we also have to introduce ways customers can shop whenever, however they want to shop. So, now we have the IKEA app, we have IKEA.ca, we have wonderful services that help them really do more. Because time and budget is limited, and we know that.

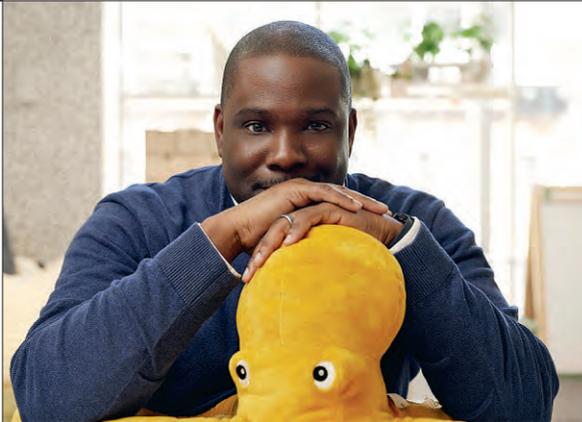
**You've been talking to customers, and a lot of their concerns are about affordability. What specifically have you heard?**

Fifty percent say they need to find a way to make their money stretch further. They're trying to do more with less. My job here is, what can we do at IKEA to make sure that all the wonderful products and services are as affordable as possible? So, we started off with our campaign early this year—an investment of over \$80 million in lowering prices on many of our paper products: Billy, Kallax and Malm.

**(3)** We're now introducing new financial services. **(4)** Affordability is the No. 1 challenge that we need to solve, and IKEA's gonna do its part.

**You've cut prices on about 1,500 products. How are you doing it—by reducing your margins or modifying the products?**

I think one misconception is that IKEA is sitting on high profit margins. IKEA has always built



on a foundation of simplicity. We work with small margins. For us, it's about finding efficiencies, whether it's in our supply system or finding ways here in the stores to be more efficient for our customers. We order more goods in higher volumes, so we can send fuller ships or fuller containers. We can source goods from our suppliers and have them shipped directly to our store, so it misses the middleman of our central distribution centres. It can be the way we look at more sustainable raw materials and lowering those costs. There are different ways that you can look at incrementally finding savings. **Anybody who's bought IKEA products over the years has seen a gradual diminishment in the quality of the product. The particle board gets lighter, there's less solid wood, the veneer is thinner, the metal connectors are now plastic. How much more can you squeeze out of the materials side of your cost equation?**

I think what you're talking about is how we've continued to revolutionize how we look at our products—especially the fittings—or our products themselves. So, I wouldn't say that we're diminishing our quality. If anything, our quality is higher than ever. I think what we're doing is being smart about how we use our resources. Maybe on some of our bookcases, instead of having full panels of veneer all the way around, you look at the areas that have the surface contact. Those are the areas that we'll

**3.** In certain product lines, IKEA has replaced veneer with what it calls a high-quality paper foil.

**4.** The company now lets customers break some purchases into four zero-interest payments. For larger purchases, such as a kitchen, IKEA has introduced a loan program backed by RBC.

protect, but do you really need full veneer on the sides, where you're never gonna see or touch that? We've been smarter about how we designed our furniture, smart about our fittings. You'll see many of our fittings not only fit the Malm dresser that I'm looking at there, but will fit others. So, we can actually reduce how many fittings we have by multipurposing. By doing that, we're saving more of our resources, more money, and we give it back to our consumers.

**This month, you raised the issue of the second-hand tax, by removing the HST on second-hand items in your "As Is" sections for 10 days. What was the thinking behind that?**

If you shop at IKEA, there's always been this "As Is" section where we have our product returns, and now we have "buy-back and resell," where consumers bring back their gently used furniture that can be put into the second-hand economy. We believe those goods are great. We're enticing a circular economy. Those products lose their value, they lose a little bit of love, but they never lose the tax. And why is that? Why should someone pay tax on the same article that's already been taxed? For us, that's an injustice. That 13% or so means a lot for some people. So, if we can introduce a way to find savings in a circular economy, then we want to have a discussion. So we hosted our initial One Home, One Planet event, called OHOP. We brought many different leaders from retail, government, academy, IKEA, to the table. Everyone wants to see a circular economy. But IKEA can't do that by itself. So at Change.org, we put up a petition to leverage our government to look at the second-hand economy and how we can remove that second-hand tax for those second-hand goods. We collected over 30,000 signatures in two weeks, and we expect to have more.

**Omnichannel is a big focus for IKEA right now. How would you describe the challenge that faces IKEA on that front?**

I love the question. We're investing more than \$400 million dollars this year in omnichannel transformation. The middle part is where we're transforming.

How do we get goods to you when you need them and how you want them? If you imagine a grid, each one of our stores is a node in that network. (5) Our website is a node in that network. Our remote customer meeting points are nodes in that network. We have a project in Richmond, B.C., where we're looking at really expanding our distribution centre. We have work happening here in the GTA. Our Halifax location acts as a mini customer-distribution centre. It fulfills all of the e-commerce orders from that unit for Halifax, PEI and Newfoundland. We now have eight plan-and-order points in the country. We have partners like FedEx. We also have partners in our pickup points. And with that network, we're able to get to areas where we didn't think we could always go. So, one store can now support and help fulfill these orders from customers in these remote areas, and that's all built off of that omnichannel transformation. So, how the customer chooses to shop with us shouldn't feel any different. What they won't notice is all the work in the background of how we move those goods, from the time you click the order to the time you receive it.

**Canada's a big country. Are there certain areas you just can't reach?**

There are difficulties in the outlying areas. So, if you talk about the Yukon or Newfoundland, there are challenges. But how do we make sure the deliveries that we make are done in a sustainable way? So, when we build a network, we're making sure that we maximize energy efficiency and zero emissions. The challenge is finding the right partners,

5

The IKEA network includes:

- 16 STORES • 8 "PLAN-AND-ORDER" POINTS IN ONTARIO AND QUEBEC • 13 PICKUP LOCATIONS • 33 "PENGUIN PICKUP" LOCATIONS • 930 FEDEX PICKUP POINTS
- 3 FULL DISTRIBUTION CENTRES (PLUS STORES ACROSS THE COUNTRY THAT ACT AS DISTRIBUTION CENTRES, TOO)

6. GoBolt and RXO are third-party-logistics companies. Toronto-based GoBolt offers warehousing, shipping and carbon-negative last-mile delivery, mostly for retailers. RXO, based in North Carolina, specializes in managed bulk transportation and last-mile logistics.

7. Through two wind farms in Alberta and rooftop solar installations on more than half of its stores, IKEA Canada generates renewable energy equivalent to approximately three times the energy it consumes. At stores like the ones in Halifax and Edmonton, that generate renewable energy on-site, whatever electricity can't be used in a single day goes back to the grid.

8. At various times—including in 2017, 2020, 2021 and 2022—IKEA has been accused of using wood from protected forests in Ukraine, Russia and Romania.

like GoBolt here, (6) with electric vehicles, or RXO. Really, that's the way of the future—partnerships.

**Why does IKEA give its CEOs the title of chief sustainability officer?**

I think it is a super cool title. For me, it's really the balance of doing great for business, but also doing great for the planet. It's my responsibility to make sure that every decision we make has an impact. We have to make sure that we continue to reduce the carbon. I'm happy to say here in Canada, with our solar panels, our two wind farms, we actually produce more energy than we consume. So we give that back. (7) If we can find ways to make affordability and sustainability come together as a superpower, so you can live more with saving more, then it's my responsibility to push that forward.

**IKEA has taken some criticism over the years for sourcing some of its timber from protected areas. (8)**

**How do you balance that history with what you're trying to do now?**

I think conversations like this raise awareness. So, if we can learn, and we can understand different points of view, it's great. But in this instance, I have to say the findings aren't correct, because I believe we have the audits that actually show that we are not only achieving the standard that we need to be at; in many areas, we go beyond. We use FSC certified wood, and we know that almost 90% of our goods either come from certified wood, or recycled materials. We're pushing hard for reuse, repair, diverting goods from

landfill, and using more recycled goods. We have water saving taps, we have better cotton in our textiles. I love the opportunity to discuss things like this, but we need the facts.

**IKEA uses sustainability measurements as part of its unit performance scorecard. But they're not tied into the bonus structure.**

**So, what impact do they have?** When you have goals tied to your performance, it's also about raising awareness. And sometimes it can be that you need to learn about a certain topic, you need to understand your impact, or the impacts by others. For me, it's not about the bonus. It's about the people we serve. If I can see my kids and their kids growing up in a world that took the time to really address these matters, that's what pays for it. That's the bonus that I will take any day. So for me, it's not tied to a financial measure, it's the right thing to do. And what's good for people should be good for business.

**There are 16 IKEA stores now in Canada. How many more will there be in a couple years?**

I can't tell all my secrets, but I am looking in many different areas right now. I think we will continue to explore in areas where we're not, but we're also gonna double down where we're at. I have stores that are really digging into the markets that they serve. I'll give you an example—the Calgary and the Ottawa stores are digging into their Indigenous people and their cultures. They have room sets that are really indicative of that customer. It's about making sure that our units represent the markets. And when we have an opportunity, using our vast network, to get closer physically, that will happen.

**This interview has been edited and condensed.**

*Trevor Cole is the author of five books, including the novel Practical Jean, which won the Stephen Leacock Medal for Humour.*



That's how much global GDP growth was driven by clean energy in 2023, according to the International Energy Agency. That's about US\$320 billion



## BIG IDEA

# Power games

Regions that work together to expand their electricity grids will have an advantage when demand surges

In the convulsive policy debate over how to electrify as much of Canada's energy system as possible, political and media attention tends to focus intensively on renewable generation—wind and solar farms, biogas plants, buzzy cleantech, modular nuclear reactors, and so on. What gets far less play is the admittedly boring network of wires and substations—high-voltage transmission lines and local distribution grids—that allow all those electrons to flow where they're needed, when they're needed.

However, to meet our net zero goals, and take steps like transitioning to EVs and heat pumps, Canada needs to significantly amp up investment in both clean electricity, as well as that far-flung transmission and distribution network. The cost is a bit of a black box. "We're going to need two or three times the amount of generation of electricity in order to fulfill our goals," says Guy Holburn, a professor of business and economics and founder of the Ivey Energy Policy and Management Centre at Western University. "We've got some reasonable estimates there of how much that's going to cost. The transmission and distribution side is a little bit harder to accurately quantify the costs."

Francis Bradley, president and CEO of Electricity Canada, says estimates for the price tag of electrification through to 2050 run from \$400 billion to \$1.7 trillion. An Ivey study reckons that 23,000 kilometres of new high-voltage transmission lines will be needed, including many that extend far into Canada's North—a vast undertaking that involves negotiations with First Nations, complex environmental approvals and, increasingly, all the risks posed by raging wild fires. "Recent work by the RBC Climate

Institute essentially says we're probably investing roughly a third of what we need to be investing in this space," Bradley says.

Here's one recent example of how renewables and new transmission should be expanding in tandem: a new \$6 billion transmission corridor being built by Hydro-Québec. That project pairs with new investments in wind farms as well as additional hydro-electric dams, which can store all that additional renewable power—that is, the electricity generated by the turbines running the pumps that fill up the reservoirs—and then dispatch it when the wind isn't blowing. The wrinkle? This line runs into New York State, a long-time Hydro-Québec customer, instead of supplying renewables to other parts of Canada.

Yet, energy policy expert Pierre-Olivier Pineau, a professor of management at HEC Montréal, argues we need more, not less, of this kind of thing. According to a 2020 study he carried out for The Transition Accelerator, a think tank that teams with other research groups, a highly integrated approach to electricity markets in northeastern North America—one that involves extensive trade in power within a mega-region encompassing New York, New England, the Atlantic provinces, Ontario and Quebec—could yield billions in savings on new renewable generation, even if consumption grows rapidly.

"More transmission is needed between states and provinces, to allow more hourly and seasonal trade in both directions," the report finds. "Global cost savings, in a 100% decarbonization context, are estimated around \$10 billion per year under regional collaboration (and more transmission interconnections), compared to a system without new interconnections."

The reason? Underutilized renewable power, from large wind and solar farms, or behind hydro-dams, can be used to help meet demand elsewhere within the region. But, as Pineau observes, this future turns on a critical precondition: that all these regions significantly expand the transmission "inertias" across

state, provincial and national borders in order to produce a single grid as opposed to the Balkanized ones that exist now. To get there, their electricity system operators would have to collaborate in ways that are, well, inconceivable at present.

At least in North America. Pineau points to Nord Pool, the 31-year-old renewable electricity wholesale market that began in Norway and is now the system operator for 20 countries, including Sweden, Finland, Denmark and the Baltic states. When there's surplus electricity in one jurisdiction, it can be sold to another where there's demand. The whole enterprise turns on the existence of a regional transmission grid in which the national systems are compatible with one another because policy makers saw it made sense.

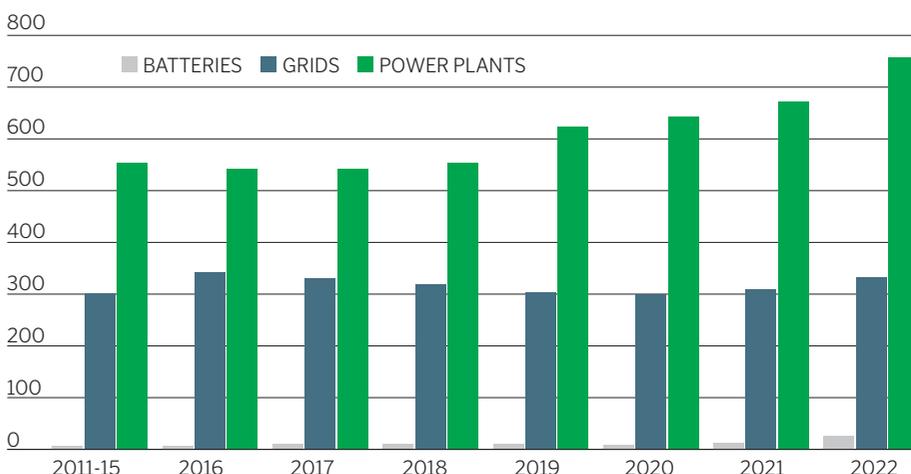
Here's the kicker of Pineau's story: "It's unlike Quebec and Ontario, which are entirely non-compatible in their planning," he says. "There's no harmonization of regulation, rules, systems planning. There's no nothing there. They don't even talk to each other when they plan."

Indeed, there's mounting evidence that unlike the Nord Pool countries, Canada's transmission and distribution infrastructure isn't growing nearly fast enough to handle the looming surge in electricity demand attributable to EVs, heat pumps, giant data centres, etc.

In fact, a 2022 survey of utility executives conducted by Ivey's Energy Policy centre found they were least optimistic about the investment climate for transmission and distribution lines. In particular, Holburn and Bradley both point to gnarly systemic barriers that stand in the way of raising the capital required to upgrade and expand Canada's local distribution networks in order to meet Canada's ambitious electrification targets.

Exhibit A: every region has a different system. In Quebec and B.C., provincially owned utilities operate the whole show. Alberta's network is market-based. Some regions use lots of natural gas for home heating and others do it all with electricity. In Ontario, electricity is shunted

GLOBAL ANNUAL INVESTMENT IN POWER CAPACITY AND GRIDS (US\$ BILLIONS)



around by Hydro One, which owns the province's transmission lines, as well as dozens of municipally owned local utilities—many of them sleepy monopolies regulated by the Ontario Energy Board, which limits how much they can invest in their grid infrastructure.

Those barriers may be preventing smaller-scale distributed renewable projects—some rooftop solar here, some battery storage there—from accessing local grids, where they would effectively reduce the need for new large-scale generation projects (such as nuclear plants), as well as the upgraded wires required to bring all that new power to the places where it's needed.

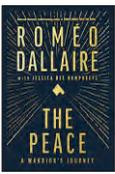
"You've got this new conversation that's starting to take place in Canada, but has taken place in a very serious way in other parts of the world, about how do you manage this increasingly distributed system," says Evan Pivnick, a program manager at Clean Energy Canada. He says some local utilities are running pilot projects to look for potential solutions. "Is Canada as a whole moving anywhere nearly fast enough on that? Absolutely not. How far behind we're lagging on the distributed energy resource conversation—that's a detriment, and holds back the affordability gains we could be making for Canadians."

Others are more skeptical: "We'll need decentralized generation that's feasible," says Pineau. However, he adds, "it makes the grid more complex. Overall, we won't be able to avoid large wind farms and large solar farms because especially in cities, the electricity intensity is so big that you cannot have enough rooftop solar panels. You will still need these transmission lines to balance generation and demand and load in different locations."

Ultimately, he argues, Canada won't reach its electrification targets without adopting a radically new approach to electricity planning—one that involves the federal government and all the provinces and territories, sitting around the same table and working out an alternative to the status quo, which is Balkanized and counter-productive.

"The real bottleneck," Pineau says, "is that we don't take energy management seriously, so we are not planning accordingly. The federation is itself a problem because the federal government doesn't have jurisdiction over energy and electricity. They are seen as intruders in electricity policies, when ideally they should be seen as a facilitator and a coordinator because we need provinces to coordinate themselves."

/John Lorinc



WHAT YOU CAN LEARN FROM...

# Kiefer Sutherland

Canada has produced plenty of megastars, but only one who's descended from both political and acting royalty. Sutherland and his growl of a voice have been bona fide stars through five decades—particularly impressive considering the actor's signature roles have been, er, somewhat complicated (including, most recently, Capt. Queeg in *The Caine Mutiny Court-Martial*). One thing's for sure: Sutherland's legacy will never grow old, and it'll never die.

/Dawn Calleja

## 1 Go hard or go home

In the late '80s and early '90s, Sutherland was one of the hottest stars in Hollywood, starring in films like *The Lost Boys*, *Young Guns* and *A Few Good Men*, and engaged to the hottest actress: his *Flatliners* co-star Julia Roberts. After she ran off with his best friend, Sutherland—who'd raised horses and owned a cattle ranch—joined the rodeo, travelling around with legit cowboys. Eventually, he became a champion roper (look it up—it's wild). As his friend Lou Diamond Phillips once said: "Kiefer doesn't just stick his toe in. He goes *all* the way in."

## Know your part

Sutherland made his name as a villain, starting in 1986 with Ace in *Stand By Me* and peaking in the 1996 thriller *An Eye For an Eye*, a portrayal so ugly that people refused to remain in his presence. Even *24*'s Bauer crosses the line into bad-guy territory, having zero qualms about torture in the service of the greater good. But no story shines without an antagonist, and Sutherland came to accept that he was damn good at being one, saying: "My rationalization as an actor is, if those characters aren't kind of awful, then the good part of this story can't be told."

## 5 Shoot your shot

Sutherland, now 57, had always dreamed of collaborating with Clint Eastwood. When he heard the legend was making his final film, the yet-to-be-released legal thriller *Juror No. 2*, he introduced himself by letter and begged for even the smallest of parts. Eastwood cast him as as the protagonist's AA sponsor (rich considering Sutherland has publicly stated he has no plans to give up the drink, despite his battles with booze). "I've had a really, incredibly fortunate career," he said about working with Eastwood. "But that's a moment that'll last with me forever."

## 2 FOLLOW YOUR GUT

When Sutherland got the script for *24*, he loved it—but he didn't think anyone else would. He dove in anyway, and the groundbreaking show debuted just a couple of months after 9/11. Sutherland's portrayal of counterterrorism agent Jack Bauer resonated with scared and angry Americans, making "Previously on *24*..." the most anticipated words on TV. The show ran for nine seasons and propelled Sutherland back into the spotlight for a whole new generation of fans.

## 4 Family matters

Though Sutherland left Toronto for Hollywood at 18, he's fiercely proud of his Canadian roots—including his actor parents, Shirley Douglas and Donald Sutherland, and especially his grandfather, Tommy Douglas, who created Canada's universal health care system. And woe betide anyone who messes with that legacy—just ask Ontario Premier Doug Ford. After Ford implied Douglas would've supported the Conservatives' cost-cutting, Sutherland posted a scathing open letter to Ford, with this kicker: "After all, I knew Tommy Douglas, and you, sir, are no Tommy Douglas." As he later told CBC Radio: "I couldn't think of anybody more diametrically different, politically and ideologically, than my grandfather. So I didn't want some young person...to just accept that at face value."



### ASK AN EXPERT

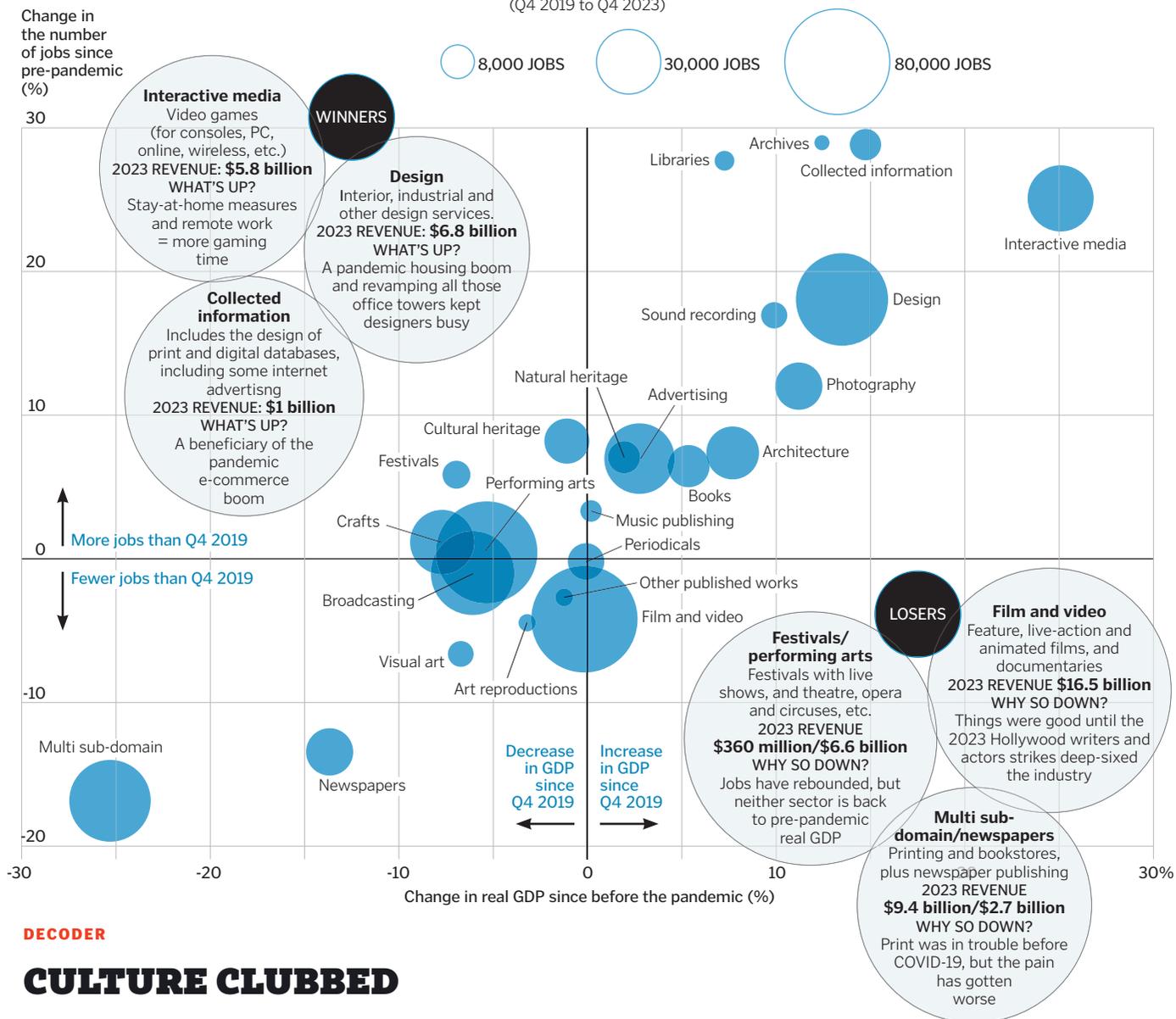
What is a "career checkup," and why do I need one?

Lisa Taylor, head of consulting firm Challenge Factory, knows all too well the feeling of "successful but not satisfied." Not long ago, she was among the 44% of Canadians who, according to a recent Robert Half survey, feel vaguely "stuck." But diagnosing the cause of your work blahs is tricky; better to spot them in advance—or better yet, avoid them altogether. That's where a career checkup comes in. "It's a moment to pause, think, and make sure your work is healthy and fulfilling," says Taylor. Like taxes, you can do this on your own—but there's value in seeking an objective third-party specialist. "Career development is a hidden sector that many Canadians don't know about," says Taylor. And before you ask if you should just be paying a visit to HR, the answer is no—they're focused only on the work portion of what Taylor calls "the full gamut of life, learning, work and community engagement." A satisfying career balances all of the above. A checkup can spot imbalances and save you from veering off the career highway—though remember that your destination can and will change. "Something that fit before may not fit anymore," says Taylor. A big move, divorce, kids—they can all change your route to fulfillment, career or otherwise. /Rosemary Counter

PHOTOGRAPH: JORDAN STRAUSS/INVISION/AP; ILLUSTRATION: JOE MCKENDRY



## RECOVERY IN THE BUSINESS OF CULTURE (Q4 2019 to Q4 2023)



### DECODER

## CULTURE CLUBBED

Creative types have been on a wild roller-coaster ride since COVID-19 shut down the economy in early 2020. But the rebound from the lockdowns has been far from even. When measured by the change in real GDP and jobs, some culture domains have boomed, while others face an ongoing crisis.

Several sectors that did well make perfect sense. The pandemic kicked into high gear what was already strong growth in the video game business (part of the interactive media sector) as a bored nation looked for distractions—*Animal Crossing*, anyone? Sectors like design (which includes interior design-

ers) and architecture also boomed, thanks to the explosion in home sales and renovations during the pandemic, though growth has slowed amid high interest rates.

Likewise, it's no surprise live-event sectors had mixed recoveries. Employment in the performing arts and festivals is back, but businesses haven't fully recovered when measured by real GDP.

Even within the same creative space, there are contradictions. While bookstores and printing shops (both included under "multi sub-domain") have fared worst of all, the actual book sector—which includes e-books and

audio books—has powered on. Canadians are still devouring books, just not in the same way they did in the past.

Yet, things are starting to look shaky for the overall culture sector. After peaking last year, real GDP and jobs have declined, reflecting a broader economic slowdown. And there could be another culture shock brewing: the rise of artificial intelligence. An onslaught of robo-artistry promises to disrupt many sectors. According to Statistics Canada, nearly one-quarter of businesses in the information and cultural industries already used AI in the first quarter of 2024.

/Jason Kirby

## FOMO INVESTING

5 things we learned from  
**DAVID RISHER**

Risher, CEO of Lyft, is a key executive in a third great disruption of his career, after roles at Microsoft and Amazon in the 1990s and early 2000s. Uber and Lyft shares both sank after the ride-hailing companies went public in 2019. But Uber soared starting in 2022, while Lyft lagged. Even so, Risher is pumped about prospects for his company and the sector. **/JD**

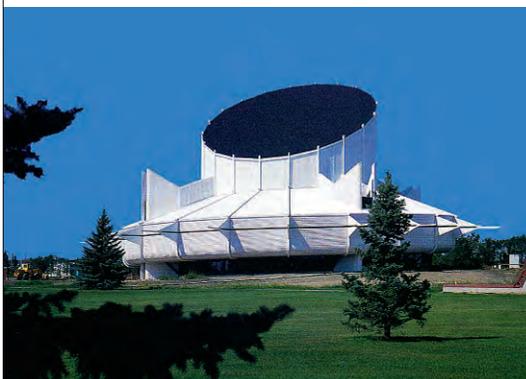
**1.** Risher, now 58, joined Lyft's board in 2021. At Microsoft, he helped launch Windows 95, and he shifted to Amazon as senior VP U.S. retail in 1997. He then founded the kids' charity Worldreader in 2009. But when Lyft searched for a new CEO in early 2023, co-founder Logan Green called and said, "David, I've got an offer I think you won't refuse."

**2.** Investors were euphoric about ride hailing in the early years. "But then COVID hit," says Risher. In some ways, Uber got luckier than Lyft. It grew horizontally, founding Uber Eats and other spin-offs, and replicating its model overseas. "People really didn't want to go out during COVID, but they did want to have food delivered to them," he says.

**3.** Lyft has grown vertically, has stuck to North America, and focuses on drivers and customers. In part, that reflects Risher's resumé—Bill Gates was very competitive, and Jeff Bezos was "all about customer obsession." But Risher is also an idealist who wants people to get out of the house. "That's really your life. You're not just on your phone," he says.

**4.** One huge debate: Are the drivers employees or independent contractors? Risher says they're clearly contractors, and he drives himself once every six weeks or so. Most drivers are part time—about 20 hours a week. And he says many are "dual apping"—they look at Lyft, Uber and maybe a food delivery service. "They're making all these choices," he says.

**5.** Ride hailing may still be shiny and new, but for growth investors, it's not rocket science. Uber now makes money, and Lyft should be profitable as it grows and exceeds fixed costs. They're a duopoly in North America—Uber at about 70% market share and Lyft at 30%. "We'll be cash-flow positive this year," Risher says. And profitable? "Soon."



## FOR YOUR CONSIDERATION

**BIRD CONSTRUCTION INC.**

MISSISSAUGA

REVENUE (2023) **\$2.8 BILLION**PROFIT (2023) **\$71.5 MILLION**THREE-YEAR SHARE PRICE GAIN **108%**P/E RATIO (TRAILING) **14.4**

Bird is the kind of company that can make seasoned value investors nervous. Its share price has more than doubled since last summer. But it's no flash in the pan.

Founded in 1920 in Moose Jaw, Sask., Bird expanded first west, then east across Canada, and went public on the Winnipeg Stock Exchange in 1949. Richard Bird, grandson of founder Hubert J. Bird, a military engineer during the First World War, still sits on the board.

In recent decades, however, the big picture got muddier. Bird was an income trust from 2006 to 2011, paying out much of its earnings in distributions to investors. The company did a fair amount of work in Alberta's oil sands, which were pounded by the 2015-16 petroleum downturn. Bird also

**BIRD CONSTRUCTION INC.**  
10-YEAR SHARE PRICE ON TSX



participated in several public-private partnerships, which were hot vehicles for contractors in the early 2010s, but Bird transitioned away from using them in complex projects in 2019.

Then COVID-19 hit, just before Bird announced the acquisition of Calgary-based construction services company Stuart Olson Inc. for \$96.5 million in July 2020. "We were all working remote," says CEO

Teri McKibbin, 60. He's proud of that deal—it showed his company could "pivot and do something transformational." Bird now operates coast to coast, with head offices in Mississauga and Calgary.

McKibbin's long background in construction should also soothe investors. He's been in the business since 1982, first with George Wimpey Canada, then 21 years with rival Aecon Group before he joined Bird in 2017, assuming the top job two years later.

With upheavals now in the rear-view mirror, investors can focus on Bird's sound fundamentals and strong outlook. At any given time, the company has hundreds of projects on the go, and it finished 2023 with a record backlog (order book) of more than \$3.4 billion.

Assignments are getting larger, too, but Bird isn't flashy. It's not a lead contractor on megaprojects such as Toronto's Pearson Airport or Ontario's highway 407. Among the recent initiatives McKibbin is proud of is work on the new LNG Canada and Woodfibre LNG export terminals in British Columbia; 50 schools across Western Canada; and the proposed east harbour transit hub in Toronto.

Bird has embarked on its second strategic plan under McKibbin, which will cover 2025 to 2027. He's also pleased about the use of "collaborative contracting" in recent years, which more appropriately balances risk between contractors and their clients.

The stock market metrics are encouraging as well—hardly any debt on the balance sheet, and a still-modest price-to-earnings ratio despite the recent share-price surge. "It feels like we've got a long runway ahead of us for growth," he says. **/John Daly**



## SMART MONEY

## JEFF MO

PORTFOLIO MANAGER  
MAWER INVESTMENT MANAGEMENT LTD., CALGARY

When Jeff Mo showed interest in the stock market as a teenager, his parents let him pick some investments for a slice of their retirement savings plan. Unfortunately, those high-flying tech funds plunged into the red when the dot-com bubble burst in 2000. After reading *One Up on Wall Street* by the legendary Peter Lynch, who advises buying what you know, the Calgarian bet on WestJet. It turned out to be a winner. Armed with a business degree, Mo was later hired by Mawer, where he further honed his stock-picking skills. His \$1.5-billion Mawer New Canada Fund (closed to investors) has widely outpaced the S&P/TSX Small Cap Total Return Index since Mo took over in 2012. Now, he also runs the newer Mawer and Manulife U.S. Mid-Cap funds. We asked Mo, 37, why U.S. mid-caps are compelling and why he likes Canadian subprime lender Goeasy.

#### Can you describe your strategy to outperform your benchmarks?

We buy wealth-creating companies that are run by excellent management teams, have a sustainable competitive advantage and trade at attractive prices. But wealth creation is more nuanced than growing revenues or earnings. It means a firm that generates high enough profits for their investors to keep their capital in the company.

#### What's your outlook for the Canadian small-caps?

I'm cautiously optimistic. Economic growth seems reasonable despite higher interest rates. We see inflation coming down. When the central bank decides to reduce interest rates, that should help risk assets like small-caps. The valuations of small-cap stocks are on average still attractive. Most companies that we own are still growing earnings.

#### Where do you see opportunities in the small-caps?

In the industrial sector, which has been hurt perhaps by a perception of a weakening economy. One name we like is TerraVest Industries, a conglomerate of niche, steel-based manufacturers. It is the largest producer of tanks for storing heating oil, propane and other compressed gases. It also makes oilfield well-head processing equipment, which could be why it's classified as an energy firm. The key is for management to continue to identify low-priced acquisitions and find significant synergies.

#### Among financials, you like Goeasy. Why's that?

It's a data company operating in the subprime financial market. Goeasy uses data analytics to lend money profitably to people in severe financial straits. It may be someone lacking a good credit rating or who lives paycheck to paycheck. But the

company can adjudicate the risk to properly price these loans. The bulk of them have interest rates averaging 20% to 30%. Goeasy started 30 years ago lending money to people buying furniture on installment, so it has a long history of writing loans. When the economy essentially stopped in 2020, Goeasy came through and still made money.

#### Your new funds focus on U.S. mid-caps.

#### What's your outlook?

Our universe is stocks with a market capitalization of US\$500 million to US\$50 billion. Last year, the U.S. market was driven largely by select, tech-related large caps. But the market performance has started to broaden to companies that are smaller than the so-called Magnificent Seven (Amazon, Alphabet, Apple, Meta, Microsoft, Nvidia and Tesla). Over the past 25 years, the average annual return of U.S. mid-caps has outperformed their large peers. There should be a return by mid-caps to their long-term average, so we think this is a sweet spot for U.S. exposure.

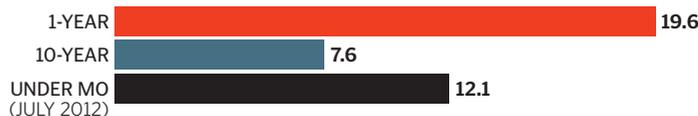
#### Your U.S. mid-cap fund owns Dollar General, whose shares had a tough time last year. Why?

It's the largest and best operator among U.S. dollar stores. When its shares fell sharply last year, we materially added to our position. It was an opportunity to buy a high-quality company with a strong competitive advantage given its real estate footprint, scale and strong brand. Last year, its operations struggled, but it is still the most profitable dollar store as measured by profit margins. Its former CEO, Todd Vasos, came out of retirement to become CEO again and has implemented lots of changes. We're seeing the results, and that's probably why the stock is up quite a bit from its bottom. We think that turnaround can continue.

/Shirley Won

#### MAWER NEW CANADA FUND (SERIES A)

ANNUALIZED % TOTAL RETURN\*



#### S&P/TSX SMALL CAP TOTAL RETURN INDEX



\*SOURCE MORNINGSTAR DIRECT; RETURNS TO MARCH 31, 2024

BOMBARDIER ONCE ASPIRED TO WORLD DOMINATION IN BOTH



# NOTHIN' BUT JET

COMMERCIAL AND PRIVATE JETS, RECREATIONAL VEHICLES AND TRAINS. NOW IT'S DOWN TO A SINGLE LINE OF BUSINESS, ALBEIT WITH AN EYE ON RECAPTURING ITS DEFENCE CRED. CAN CEO ERIC MARTEL MAKE IT FLY?

BY NICOLAS VAN PRAET

PHOTOGRAPHS BY RAPHAEL OUELLET

# É

ric Martel started as Bombardier Inc.'s CEO on a bright, sunny Monday in April 2020, and by 11 a.m., everything had already gone to hell.

The 56-year-old, one of Quebec's most recognizable executives, with his jet-black hair and black-rimmed glasses, had barely settled into his C-suite at Bombardier's head office on René-Lévesque Blvd. when then finance chief John Di Bert showed up to deliver an urgent snapshot of the company's operations. A contagious virus was tearing around the globe, and governments were closing schools, borders and factories.

Martel knew they were in a fog. But he didn't quite grasp the extent of it until that moment. Bombardier had nearly 50 plants around the world, and almost all were shut down, with thousands of employees on furlough. "Nobody's producing anything," Di Bert told him. A quick conversation with executives at the aircraft and train units confirmed the worst: All those planes and trains they were counting on to bring in cash would just freeze in place—huge hulks of metal and wiring in various stages of production with nowhere to go. The lack of revenue was a disaster in the making.

"Billions are going out the door" as he was sitting there on day one, Martel recalls now over supper at Montreal's posh Saint-James, a private club the company uses as its downtown pied-à-terre now that its headquarters have moved near Trudeau airport. A longtime business-jet customer soon phoned with more ominous news. "He says, 'Yeah Éric, welcome back, but I'm not sure I'm going to take my order because my fleet is grounded.'"

Martel characterizes what followed as cold water to the face—a moment of clarity as he contemplated the repercussions of a global health emergency. He remembers eating a sandwich he'd made himself for lunch—because no restaurants were open—and staring out the window at the orange sign adorning the tower of Hydro-Québec, the employer he'd left just weeks before. Then he looked down to the street. On the normally car-choked, six-lane downtown boulevard, a single automobile passed by.

*Whoa—this was already a big challenge, Martel remembers thinking. But it's going to be a much bigger one than I thought.*

Martel had led Bombardier's private-jet business before leaving for a five-year stint at the provincial utility. He came back to a company heavily indebted and under intense pressure. The manufacturer was on a dizzying road to reinvention, selling or shutting down assets that had represented 65% or more of its revenue. He had to complete that task and figure out a new plan for the remaining private-jet business—the orphan in what was once a vast stable of money-making Bombardier assets—all while navigating havoc in the supply chain courtesy of COVID-19.

But as operations gradually came back online, the health crisis delivered a surprise: a strong tailwind for private aviation. A few short months after he started—and with the company's transformation to pure-play business-jet maker well underway—the pandemic became an unexpected gift to Bombardier. As Martel puts it: "We got lucky."

The outbreak created what many analysts are now calling a structural increase in demand for private air travel that might otherwise have taken a decade or more. For Bombardier, it

allowed the company to build up an order backlog to anchor its business faster than it thought possible. It now has a pipeline of work stretching about two years. And that guy who was going to cancel his order? He called back a few months later asking for even more jets than before.

Business has boomed, fuelling a financial turnaround that has never in recent memory felt on more solid ground. And Martel's other revenue generators—a growing service business and budding defence unit—are starting to pay off, as well. Long-term debt, which topped US\$10 billion only a few years ago as the result of massive development costs for the CSeries airliner program, has been whittled down to about US\$5.6 billion. By the end of next year, Martel expects to achieve a debt-to-earnings ratio as low as two times, which will open up a whole new layer of capital-deployment possibilities. Bombardier could even buy back shares or reinstate a dividend—unthinkable just a few years ago.

And yet, Bombardier's journey is also very much a story of what might have been. The Quebec industrial icon once employed 80,000 people across six continents. It was one of the first Canadian global industrial conglomerates, with the size and swagger to match. Launched as a snowmobile maker out of a garage in Valcourt, Que., in 1937, the company (with a strong nudge from governments) became the third-biggest commercial aircraft maker in the world and a top-five manufacturer of rail equipment. It also dabbled in banking, airport operations and short-range air-defence missile supply.

It was founder Joseph-Armand Bombardier's son-in-law, Laurent Beaudoin, who steered the company to its greatest heights out of sheer necessity, after Ski-Doo sales tanked amid the 1970s oil crisis and heavy competition. Beaudoin's new corporate vision became diversification, and a special class of multivoting shares allowed the family to make the long-term bets that saw the company balloon in size—until much of it came crashing down.

Today, Bombardier's hopes of flipping the commercial airliner market on its head with a 100- to 150-seat jet have long evaporated. Bombardier sold the CSeries to Airbus for next to nothing. Plans to turn its rail unit into a transport juggernaut for the 21st century are equally toast—Bombardier sold the entire thing to France's Alstom, ending a five-decade run that saw it build subway systems for New York City and Montreal, streetcars for Toronto, and high-speed trains in Europe.

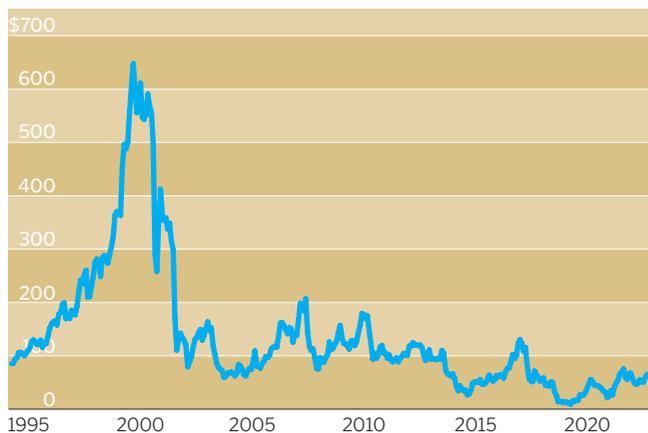
In a way, the company looks like a genius for unloading those units. Airbus is struggling to make the CSeries (known now as the A220) profitable. Alstom is having serious trouble finishing off costly train contracts signed by Bombardier. As for the snowmobile business, that was spun off years ago (the family remains involved as owners).

The new Bombardier is certainly much easier to understand. It does one single thing: sell and service corporate jets with eight-figure price tags to the who's-who of global decision-making. Given its chronic underperformance over

PIERRE BEAUDOIN, THE GRANDSON OF FOUNDER JOSEPH-ARMAND BOMBARDIER, SPENT SEVEN YEARS AS CEO AS TROUBLE PILED UP. HE'S NOW THE CHAIR



## BOMBARDIER'S BUMPY RIDE (TSX)



the past 20 years, getting that right and delivering returns to shareholders is a victory in and of itself. And it remains one of Canada's biggest manufacturing exporters and the heart of our aerospace industry, with a proven ability to invent and build next-generation planes, even if it couldn't always commercialize them. At least, that's the positive spin.

Those with a harsher take might see it another way: that Bombardier finds itself on the wrong side of the fence on two of the world's most pressing existential crises. At a time when environmental concerns are becoming more acute, and the gap between rich and poor is growing, its factories are pushing out some of the priciest and most polluting status symbols on Earth. In fact, to shield itself more against market shocks, Bombardier has shifted its business to building the largest and most expensive of these private jets, making it more dependent than ever on the world's financial elite.

How Martel plays the cards he's been dealt will determine whether Bombardier will continue its steady climb or struggle anew. The company has industry-leading products to drool over and a leadership team determined to build on that advantage. And now we're seeing the beginnings of a shift in strategy from diversification to resilience. Bombardier is no longer counting on different divisions to offset others if things go bad. Rather, it's beefing up what's left to better resist a downturn to begin with.

Still, it's fundamentally different than its main rivals in a key way, says Mehran Ebrahimi, an aerospace specialist at the Université du Québec à Montréal. U.S.-based General Dynamics's Gulfstream and France's Dassault Group are both major military contractors whose defence divisions offset and feed into their aviation units. Bombardier is building a new military arm, but it will likely never reach the size of its rivals. That leaves the Canadian company more exposed.

"Things are going well right now," Ebrahimi says. "But they have one egg in the basket. And that worries me."

**B**ombardier's biggest-ever gamble nearly pushed the company to ruin.

On a bone-chilling day in February 2015, the company's newest commercial airliner took off for its first airborne

test at Montreal's Mirabel Airport. Gathered near the runway, a small group of customers, employees and media rubbed their hands and stomped their feet in a desperate attempt to stay warm. The jet sped up and was gone in mere seconds, eating up an astonishingly little amount of pavement. A splash of hoots and applause marked the moment.

The plane was the CS300, the biggest in a new family of single-aisle jets called the CSeries that Bombardier developed to fuel the next decades of commercial aerospace revenue. Their development was Bombardier's largest-ever project, a make-or-break push funded in part by loans from the Canadian, Quebec and U.K. governments. The bet was that passengers, sick of flying through major airport hubs, would appreciate a direct link on a single-aisle jet slightly smaller than existing Boeing 737 and Airbus A320 aircraft. And that by manufacturing a plane with 15% lower operating costs, it could make it financially viable for airlines. It was an ambitious move but also a miscalculation. Bombardier soon found itself in the crosshairs of a commercial airline duopoly with much deeper pockets.

Bombardier's board had given the green light for the CSeries in 2008, the same year Pierre Beaudoin—Laurent's son—took over from his father as CEO. By the time he left seven years later, Bombardier was reeling from rising debts, a plummeting stock and ballooning costs for its marquee plane. Orders for the jet were tepid, stymied by Boeing and Airbus. The train business wasn't faring much better: A US\$1.9-billion order for high-speed double-deckers for Switzerland's Swiss Federal Railways, for example, was years late.

Adding to the strain, the company was also trying to develop two other all-new aircraft: the Learjet 85 (since abandoned) and the Global 7500 (which it brought to market and hypes today as the world's largest and longest-range business jet). Even at the highest levels, there were worries it was taking on too much. One senior executive described it as "mission impossible."

What few knew at the time is that Bombardier had already concluded it couldn't go it alone on the CSeries. The plane was late to market and over budget. It had already sucked US\$6 billion in cash to develop, and scaling up production would suck billions more before the program became profitable. Bombardier couldn't make that work, and Alain Bellemare was brought on as CEO to find a safe place for the plane to land.

"Alain came on primarily to help me figure out the CSeries," says Beaudoin, now Bombardier's chair, who joined Martel and I for supper at Club Saint-James.

Just seven months after Bellemare joined, Quebec flew to Bombardier's rescue with a US\$1-billion equity investment in the CSeries. In 2017, he would strike a deal that would see Airbus take over the program, with Bombardier and Quebec as minority investors. He'd sold the water-bomber division in 2016, and later the Q400 turboprop unit and the CRJ regional jet franchise. As Beaudoin explains, once the decision was made to unload the CSeries, the rest of the commercial aircraft business didn't make much sense.

Still, it wasn't enough to fix Bombardier's fundamental problem: an excessively weak balance sheet trying to support two remaining capital-intensive businesses—private



planes and trains—while debt maturities loomed. For fiscal 2019, the company paid US\$732 million in interest on revenue of US\$15.7 billion and tallied a net loss of US\$1.6 billion. Things were so shaky that salespeople with rival business-jet manufacturers carried Bombardier’s ugly financial statements with them on sales campaigns. Their pitch: Don’t buy from them because they’re going down. As Bombardier managers confessed, it was exceedingly difficult to sell a multimillion-dollar jet amid a whisper campaign about your impending death.

Pension fund giant Caisse de dépôt et placement du Québec had already taken a 30% stake in Bombardier’s train business for US\$1.5 billion, and Ottawa chipped in with \$373 million in reimbursable loans for business-jet development. But that still didn’t provide the cushion the company needed to get a grip on its debt. One of the businesses would have to go. The board began exploring strategic options in the summer of 2019, and a few months later, Bombardier pulled out of the C-Series partnership entirely to preserve cash. (Read more about the Caisse in “Hot on the Caisse” on page 34.)

There were serious talks with U.S. aerospace giant Textron Inc. that yielded an offer for the private-jet unit and discussions with Japan’s Hitachi Ltd. on the train business. Bombardier also looked to Alstom, entering into weeks of negotiations that derailed several times. In the end, Alstom bought the business, making it the world’s No. 2 train maker, behind China’s CRRC. It’s now locked in a fight with Bombardier over contract provisions related to the sale at the International Chamber of Commerce’s International Court of Arbitration.

Beaudoin says choosing whether to unload trains or planes was debated heavily by the board, and based as much on future prospects and geography as anything else. Offers for

**MARTEL RAN THE PRIVATE-JET UNIT BEFORE DECAMPING FOR A FIVE-YEAR STINT AT HYDRO-QUÉBEC. BUT WHEN BOMBARDIER CAME CALLING ABOUT THE CEO JOB, HE SAYS, “THERE WAS NO HESITATION”**

the two businesses were in the same ballpark, but Bombardier had just spent a lot of capital to develop the Global 7500, and it was keen to reap the rewards, building on a lineup that already enjoyed decent margins and a strong competitive position (28% revenue market share over three years to 2019). But the bigger factor was Bombardier’s footprint and history. If it kept trains, it would essentially have a company with its centre of gravity in Europe. And it wasn’t prepared to make that leap.

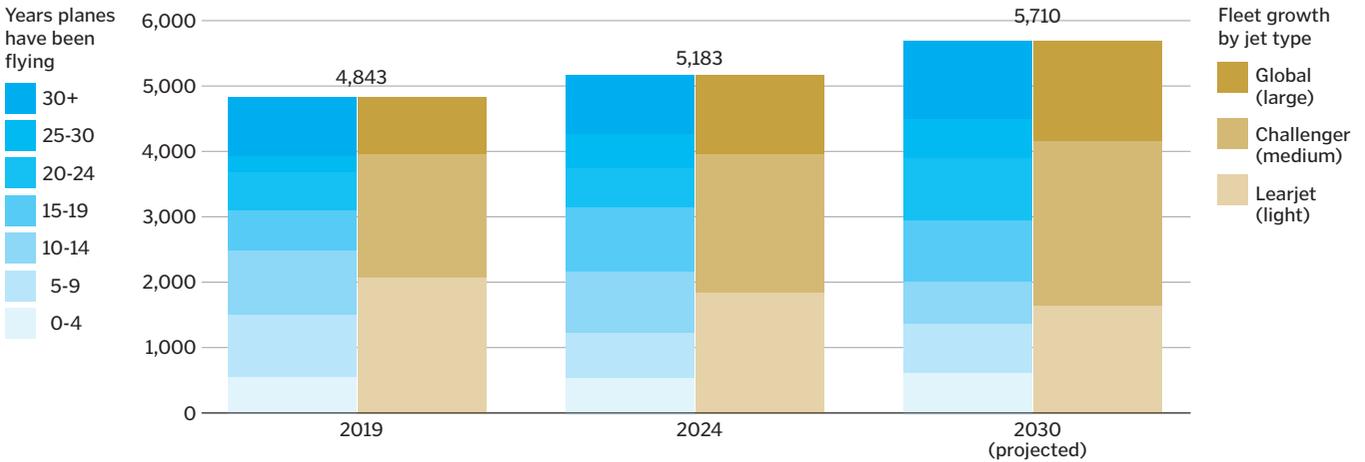
“Our roots are here,” says Beaudoin. “How we built Bombardier has been in Canada.” It came down to “which business we felt the most comfortable” with, he says—including the relationships fostered over decades with private-jet customers.

Once the decision was made, Bellemare was out and Martel in. Beaudoin says he wanted the best person he could find to stabilize the company and grow it with its refocused vocation. As the guy who’d run the private-jet unit before and already knew the business inside out, Martel was the obvious choice. The company was still a mess. Employees were demoralized, and its share price had tanked to lows not seen in a quarter-century.

Martel jumped at the opportunity. “There was no hesitation,” he says.

His first order of business was finalizing the three deals negotiated by his predecessor. COVID initially slowed things down, but Bombardier would eventually complete them in rapid succession, selling the CRJ business to Japan’s Mitsubi-

## AN AGING—AND GROWING—FLEET



shi for US\$550 million in cash in June, its aerostructures unit to Spirit AeroSystems for US\$275 million in October, and its train business to Alstom for net proceeds of US\$3.6 billion in January 2021.

Martel then brought on Bart Demosky as chief financial officer, plus a clutch of others he'd worked with previously. Together, they articulated a five-year strategy in March 2021 that hinges on winning a steady stream of business-jet orders, paying down debt, and dramatically increasing aircraft repair and service capability. They also want to build out Bombardier's defence business, tripling its revenue to more than US\$1 billion in the second half of the decade.

So far, it's working. Since Martel started, Bombardier's annual adjusted earnings before interest, taxes, depreciation and amortization have climbed to US\$1.2 billion from US\$200 million, while EBITDA margins are up to 15.3% from 3.5%. Revenue has taken off, too, rising to US\$8 billion at the end of 2023 from US\$5.6 billion in 2020. The company is selling more jets (138 last year) and has paid down US\$4.6 billion in debt. In April it rebranded, which is a big deal internally: There's a winged logo to better reflect its new identity.

That's come as the industry experienced a structural shift with increased demand for private jet travel. For about a decade after the global financial crisis, selling luxury jets was a predictable affair in a crowded market. Total billings for new aircraft amounted to about US\$21 billion in 2019, according to the General Aviation Manufacturers Association (GAMA). Competing for that business were seven major plane makers with several dozen models between them, chasing 809 sales.

COVID changed the game. Business travellers said goodbye to first class on regular airlines and booked private charters instead. Those who already had their own planes valued them even more. Private-jet flight hours climbed. And sales for new planes surged as used jets became harder to find. GAMA numbers show the top five business-jet makers today enjoy an order backlog worth US\$50 billion at last count, up from US\$27.3 billion in 2020. Bombardier alone has boosted its order book by about a third.

Data from business-aviation intelligence firm WingX shows business-jet activity as measured by flights is up 32% this year through April versus 2019. Flights in the Middle East have dropped off because of geopolitical tensions, and the European market has slowed. But the U.S. market is still growing. Visitors flying in on business jets to this year's Masters golf tournament in Georgia were 15% more numerous than last year, WingX data shows. Their ride of choice?

Mostly Cessna Citations and Bombardier Challengers.

For business leaders and wealthy individuals, it all boils down to time, says Rolland Vincent, a former Bombardier executive who's now director of Jetnet iQ, a Texas-based market intelligence service for business aviation. "Suddenly they said, 'You know what? I've got three homes. I've got a complex business structure. My family is distributed. My kids are away at college. I need to link all of those together, because life is short.'"

All of this bodes well for Bombardier, allowing Martel to beef up his order book and providing more visibility on what's to come. And other pieces of the business should help, too. By 2030, Demosky thinks half of Bombardier's sales could come from service, defence and the pre-owned plane unit, which would bring in steady cash and provide a predictability that's been absent for years. The company is eyeing acquisitions or partnerships to fill in the gaps in its own operational capability.

If Martel can get free cash flow consistently positive at a high level and hit his 2025 targets, particularly an 18% EBITDA margin and leverage at 2.5 times or better, the company's turnaround can be considered complete, says National Bank analyst Cameron Doerksen. A history of poor performance stretching back to 2001 has certainly left a scar with many investors. And the CEO will likely have to prove he can deliver consistent results over several years before convincing the most forceful skeptics. But the company is pushing through the clouds to clearer skies ahead, Doerksen says. "The stock is progressively becoming more investable."

**M**artel is walking the factory floor of Bombardier's Global jet-completion centre in Montreal, a small entourage of executives in tow.

Two shiny Global 7500s (list price US\$78 million) and one Global 5500 (US\$46 million) are parked in the white-walled delivery bay, going through final checks before the formal handover to their owners. Some buyers will retrieve their aircraft themselves, Martel says. And there's often a small ceremony to mark the occasion, with short speeches and even tears. For the skilled tradespeople making these planes

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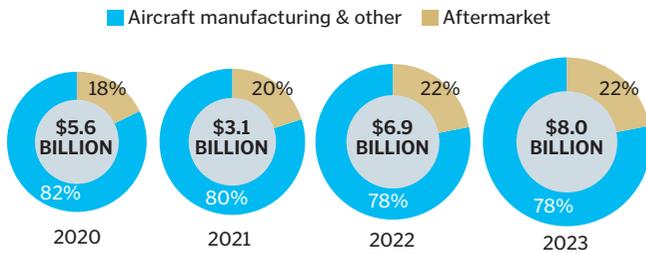
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**PAIN—AND GAIN—FOR BOMBARDIER**  
(REVENUE IN US\$ BILLIONS)



and the customers buying them, the exchange of a machine that can fly more than 14,200 kilometres at a top speed of Mach 0.925 (about 1,000 clicks an hour) can get emotional.

Martel used to run this plant years ago. And in a way, he's very much "one of the boys" every time he visits. It was he who designed Bombardier's Toyota-inspired board-check systems and workflow processes, moving the jet down the line as it gets built—something he learned from seeing the automaker build prefab homes. And it's Martel who's now championing the importance of transparent problem-solving, with a constant tally of what's going right and wrong, and quick communication with senior-level executives if they need to get involved.

The biggest issue these days? Engines. Two of the three manufacturers Bombardier uses are struggling to deliver, and Bombardier has dispatched its own employees there and to other suppliers to better anticipate issues, Martel says. At one smaller parts maker, Bombardier workers outnumber the supplier's own staff. "I've got an army there right now," he says. "It's a takeover, basically."

If Martel is serene about the situation, it's likely because he's on top of it. Those who know him describe him as industrious and conscientious, a leader who thinks several steps ahead and can rally people to his side. Growing up in Quebec City, he was an army cadet at the nearby Valcartier base and at 18 was put in charge of all 2,000 cadets in the unit. He got an engineering degree from Laval University but says that in terms of leadership and management, his cadet experience was just as important in shaping who he is today. "I learned a lot about myself, and what I could do and not do," Martel says. "We did physical training. Went into the forest. Survival. I remember a lot of black flies in those forests. It was tough. That's where you test your limits as a teenager."

No one was surprised when he applied to military college. His dream was to become a pilot, but he was rejected because his eyesight wasn't good enough. He was devastated. They offered him a spot as a navigator and work in the control tower, but he said no. Instead, he pursued electrical engineering—and was almost immediately hired after graduation to lead a manufacturing team at a Procter & Gamble plant on Montreal's West Island, an area with a significant anglophone population.

"I was the little guy from Quebec City, and I barely spoke English," he recalls. Meanwhile, half his team spoke only English, and many were old enough to be his parents. "They didn't see me as their boss. At the same time, it worked. We got stuff done." He went to Kraft Foods in engineering and production, and later to engine makers Pratt & Whitney and Rolls Royce. He started at Bombardier's train division in 2002 before moving to the aerospace arm, where he was put in charge of the Challenger and Global lines.

Those two planes are now the core of Bombardier's business. Sales teams in various corners of the world are following leads and tracking the shifting fortunes of the well-heeled in their hunt for prospective customers. And they're hitting on fertile ground. The number of ultra-high-net-worth individuals (US\$30 million in net assets or more) has grown over the past five years and now tops 425,000. Meanwhile, Bloomberg's Billionaires Index shows the combined net worth of the world's 500 richest people swelled by US\$1.5 trillion in 2023 after falling the year before. "The Silicon Valley guys, a lot came up fast," Beaudoin says. "We got to cultivate relationships there."

Martel moved three years ago to push Bombardier's lineup toward bigger and pricier aircraft, namely the mid-size Challenger and large Global, and end production of small-cabin Learjet models. That decision is now paying dividends, because the wealthy customers who can afford those planes are less affected by inflation and downturns than those buying smaller aircraft. The company's customer list is closely guarded, but if [CelebrityPrivateJetTracker.com](#) is accurate, Elton John, Matt Damon, Tom Cruise and Mark Cuban all fly Bombardiers. Fleet operators like NetJets are also big clients.

Hundreds of jets Bombardier sold 20 or 25 years ago are now getting to an age where they require more maintenance and service. The company smells a huge opportunity to capture more of that higher-margin business in the years ahead now that it has an installed base of customers to justify the investment for new service sites. Says Beaudoin: "The fleet grew, and the team started to say, 'Bring your jets home.' And that's where now it's feeding on itself."

Over the past two years, Martel has opened new service centres in Miami and Melbourne, launched construction of another in Abu Dhabi, and expanded sites in London, Singapore and Paris. In all, he's added a million square feet of service space and hired more than 250 new technicians. The CEO expects the business to generate revenue of US\$2-billion by the end of this year.

Still, selling to the rich isn't all cake and candy. Business aviation continues to have an image problem. As concerns over climate change grow, criticism of private-jet flying is morphing from a blast against cavalier corporate execs into something else: a knock on environmental responsibility. Kylie Jenner was called "a full-time climate criminal" by one user on X after reports she was taking flights as little as 17 minutes long in her Bombardier 7500. And when customers ask Bombardier to incorporate real gold in their jet's bathroom, as one client did, according to Martel, it does little to reassure the average person that the wealthy aren't completely out of touch.

According to Transport & Environment, a clean-transport campaign group based in Europe, just 1% of people, including the super-rich, cause 50% of global aviation emissions. The group says private jets are five to 14 times more polluting than commercial aircraft when measured per passenger, and 50 times more polluting than trains. Feet to the fire, some celebs have abandoned private flying almost entirely. Formula 1 world champion Lewis Hamilton sold his candy-red

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Bombardier Challenger in 2019 as part of a move toward a greener lifestyle, the *Daily Mail* reported. Other jetsetters like Taylor Swift and Jeff Bezos are buying carbon credits to offset their emissions.

Martel is fully aware of the gravity of the issue but offers some context. People think that business-jet users are always partying and having fun and going on vacation, he says. “But the reality is the guys we’re selling airplanes to, it’s a productivity tool for them.” Clients are often making quick visits to cities thousands of kilometres apart, he says. And it would be impossible to do that on commercial flights. In many ways, a Global or Challenger jet is an airborne office.

The CEO says the aviation industry has a history of making technology improvements to reduce emissions and that today’s aircraft are worlds different from those in the 1960s. He offers Bombardier’s own EcoJet research project as an example. In a remote, undisclosed location in Canada, the company is now exploring new technologies in aviation aerodynamics, flight controls and propulsion in a bid to cut emissions by half. An unmanned prototype with an 18-foot wingspan was launched last fall in the most recent round of testing. Its key feature: a blended wing-body design that, like the fins of a stingray or wings of a flying squirrel, could generate more lift and cut drag. Less drag means less fuel consumption, which in turn means lower emissions. Roughly 90% of Bombardier’s current R&D budget is earmarked for emissions reduction efforts.

It’s not a new concept. Similar research on blended wing-body design is underway in the U.S. Prototypes could eventually lead to a new Bombardier aircraft, Martel says. But that’s years away. He says the most obvious solution to reduce emissions in the near term is sustainable aviation fuel, made from non-petroleum feedstock. At the moment, supply is low and the price is high, restricting widespread use. But he and Beaudoin say there might be a path to make it work. And it runs through the very people who are now being demonized as planet killers.

“I see business aircraft users as a group of people who can force change,” Beaudoin says. “Engage them into it. And then you can start having supply of sustainable fuel at a higher price.” Adds Martel: “Our customers, if it’s available, they’ll jump on it. They’ll use it. They won’t matter about paying the extra. If they help to create the supply chain of fuel, eventually the price is going to come down.”

Maybe the most intriguing piece of Martel’s five-year strategy is Bombardier Defense. The unit sells modified private jets for high-altitude reconnaissance, signals intelligence and other applications. Bombardier makes up to a dozen specialized planes annually, but Martel thinks it can build many more. He says defence could become a US\$1-billion business. If it was “an afterthought” before, it’s a priority now.

It’s probably a shrewd bet. Nations are boosting their military spending in the face of ever-growing threats and geopolitical tensions. Bombardier aircraft were heavily used in U.S. military missions over Afghanistan, and the company says they can be adapted for many other special-mission and defence roles. The company last year won a U.S. Army contract that will see its Global 6500 jet serve as a prototype airframe for a new spy-plane program.

Martel figures there will be demand for about 375 defence-related aircraft over the next 10 years. If he can nab just a piece of that spending, Bombardier can further expand its revenue sources. The business might not deliver the same income or counter-cyclical protection its train business did in its heyday. But it doesn’t come with the same set of contract problems, either. Development costs to meet a government’s specs are typically borne by the government.

Having a stronger military business brings a less obvious benefit, too, says Dan Fong, an analyst at Veritas Investment Research. It gives the state justification for having your back in the event you get into financial trouble. If you’re able to secure a contract for a mission-critical piece of equipment, you become indispensable. “In a crunch, that government probably has no choice but to help you out,” he says. That’s not why Bombardier is pushing hard on defence, he says, but it’s part of the bigger picture.

Martel was hoping to give its nascent business a boost with an offer to supply the Canadian military with new submarine-hunting aircraft to replace its aging fleet of Aurora surveillance planes. Instead, Ottawa snubbed Bombardier and struck a sole-source deal with Boeing in November worth up to US\$6 billion for the American plane maker’s P-8A Poseidon, a modified version of its 737 jet. Bombardier’s CEO spent weeks pressing the government to hold an open competition for the contract, pitching a made-in-Canada solution with partner General Dynamics he said would be a “game-changer” for the Canadian economy and lay the foundations for a stronger domestic military manufacturing base.

Government ministers, however, prioritized urgency and proven equipment in their decision. They said Bombardier’s proposed aircraft, while based on its Global business jet, existed only on paper, while the Poseidon has been used for years by Canada’s allies. Never mind that six years earlier, Ottawa declared Boeing an industrial partner it couldn’t trust—an assessment that came after a high-profile trade dispute involving the CSeries airliner. Boeing had claimed Bombardier cheated U.S. trade rules by selling CSeries jets to Delta Air Lines at “absurdly low prices” while benefiting from unfair subsidies from the Canadian and Quebec governments. The U.S. International Trade Commission eventually ruled against Boeing, but Bombardier suspended CSeries sales to the U.S. while the fight dragged on.

Bombardier’s bosses are still bitter. Says Beaudoin: “What upsets me the most is the company that kept us out of the U.S. for two years is Boeing. And then we Canadians turn around and give business to Boeing.” Martel insists he could have met Canada’s timeline. Smart countries have a private-sector industrial and government strategy that feed on each other, he says. But in Canada, that’s now absent. Our government

is “lacking vision,” he says, and it hasn’t articulated a high-level plan. “I’m the CEO of the biggest aerospace company in Canada, and I don’t have a clue what the strategy is,” says Martel. “There’s none. There’s no aerospace strategy in this country.”

It’s a familiar complaint. In a 2019 report, the Aerospace Industries Association of Canada said Ottawa needs to articulate a new long-term vision and public policy for the sector that builds on past successes. As traditional aviation powers like the U.S. and France, and new entrants like China, move quickly to grab a piece of the world’s estimated US\$10-trillion aerospace sector, it said, Canada risks getting left behind.

Five years on, little has changed. Plane making is dominated by international players that enjoy tens of billions of dollars in backing from their governments. Meanwhile, Canada thinks it’s in the game but probably isn’t, says UQAM’s Ebrahimi. Bombardier has certainly won taxpayer support from government over the years, but not nearly on the same level of other nations, he says. And it’s not only about money. French and American heads of state are frequently the biggest salespeople for their homegrown planes, whether they be commercial airliners or business jets. Canada, meanwhile, has mostly shied away from such promotion.

That leaves Martel largely on his own—at least for now.

He’ll have to find a way to further boost Bombardier’s resilience against economic swings, because it’s not immune to a downturn. He’ll also have to find money to keep innovating, because his bigger competitors aren’t slowing down. A new Gulfstream jet will soon hit the market to compete with the Global 7500, though Bombardier will follow with an improved version called the 8000 next year. Martel says an all-new “clean-sheet” jet design isn’t needed for at least another five years, in part because there’s no revolutionary technology to justify the investment. That will go a long way to reassure investors still spooked by the massive capital spending of yesteryear. As for defence, Martel is probably playing referee for the next call. He made such a big stink over the Poseidon planes that Canada won’t dismiss Bombardier the next time a contract’s up for grabs.

The CEO takes heart in Bombardier’s ownership, without which the company would have fallen prey to an opportunistic buyer. And he cheers its culture and 18,000 employees, saying they’re as motivated as he is to make Bombardier great again. “It’s a new chapter,” Martel says. “We have ways to grow this company significantly.” You want to believe him. The “little guy from Quebec City” might not have made pilot. But he’s steering an aviation winner now. Here’s hoping it won’t be another wild ride. ■

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A DEBATE IS RAGING  
OVER WHETHER  
CANADA'S PENSION  
PLANS INVEST ENOUGH  
OF THEIR VAST  
ASSETS AT HOME. AND  
CHARLES EMOND—  
THE MAN CHARGED  
WITH PRODUCING  
BIG RETURNS WHILE  
CONTRIBUTING TO  
QUEBEC'S ECONOMY—  
IS AT THE CENTRE  
OF IT ALL

# HOT on the CAISSE

BY JAMES BRADSHAW

PHOTOGRAPHS BY RICHMOND LAM

Charles Emond leans into the microphone, ready to act out a perennial ritual for the CEO of Quebec's largest pension fund manager: parrying questions from politicians about whether its investments in its home province—which account for one-fifth of its \$434-billion portfolio—are enough.

It's late April, and Emond is appearing at a hearing at Quebec's National Assembly, where parliamentarians are zeroing in on a perceived dilution of the share of assets the Caisse de dépôt et placement du Québec has invested at home, from 26.1% a decade ago to 20.3% today. Shouldn't the Caisse, they ask, at least get back to that previous threshold?

Speaking softly in French, Emond reminds MNAs that the Caisse set a target two years ago to boost its assets in Quebec from \$78 billion to





\$100 billion by 2026. But what’s even more relevant, he says, is that with \$88 billion now invested in a province with a GDP of nearly \$500 billion, “the Caisse is the pension fund that is the most invested, in the world, in its local economy.”

Seated at Emond’s left elbow, a powerful ally—Quebec Finance Minister Eric Girard—comes to the Caisse’s defence. “We must take into account the size of the fund, the size of the Quebec economy. We can’t compare percentages from different eras,” Girard told the MNAs. “What’s important is the Caisse is a partner to the Quebec economy.”

More than ever, Canada’s largest pension funds are being pressed to play the same role in the rest of the country. The eight largest pension managers oversee more than \$2 trillion in assets, and a fiery debate has erupted around whether they invest enough of that vast pool of capital in Canadian companies, infrastructure and innovation. In March, more than 90 business leaders—including Darren Entwistle of Telus, Tony Staffieri at Rogers, National Bank’s Laurent Ferreira and Bombardier’s Éric Martel—wrote an open letter to the country’s finance ministers, urging them to change the rules for Canada’s major pension funds to encourage more domestic investment. And Ottawa has struck a working group, led by former Bank of Canada Governor Stephen Poloz, to find ways to make it happen.

Some of the pension world’s most senior figures, meanwhile, argue that Canadian funds have thrived—and drawn international praise—thanks to a strict principle of freedom from political meddling. Anything that interferes with the singular goal of strong returns with manageable risk, they argue, is a threat to the pensions their depositors expect over the long run.

This national debate has shone an even brighter spotlight on the Caisse’s unique mandate, which includes not just seeking “optimal returns” for its six million depositors (through 48 different pension and insurance funds), but doing it “while contributing to Quebec’s economic development,” as

enshrined in the provincial law that governs the Caisse.

Those two objectives are not equal: Returns come first. But in an economy where the Caisse plays an outsized role, the second part of that mandate is never far from mind—a balancing act that defines Emond’s job. “It’s not as if we say, ‘Okay, today this investment will be just about economic development, and this one will be just about returns, and hopefully, on average, it’ll be okay,’” Emond says in an interview at the Caisse’s Montreal headquarters. “Each deal is done with a huge level of financial discipline. Why? All eyes are on us, way more than elsewhere.”

Indeed, though the Caisse has assets in nearly 70 countries (spanning real estate, infrastructure and private equity, as well as stocks and bonds), it’s the centre of gravity for Quebec Inc., the tight-knit firmament of private and public companies that drive the province’s economy. It has significant stakes in most of Quebec’s flagship companies, many of which leaned heavily on the Caisse as they grew into industry champions, including Ali-

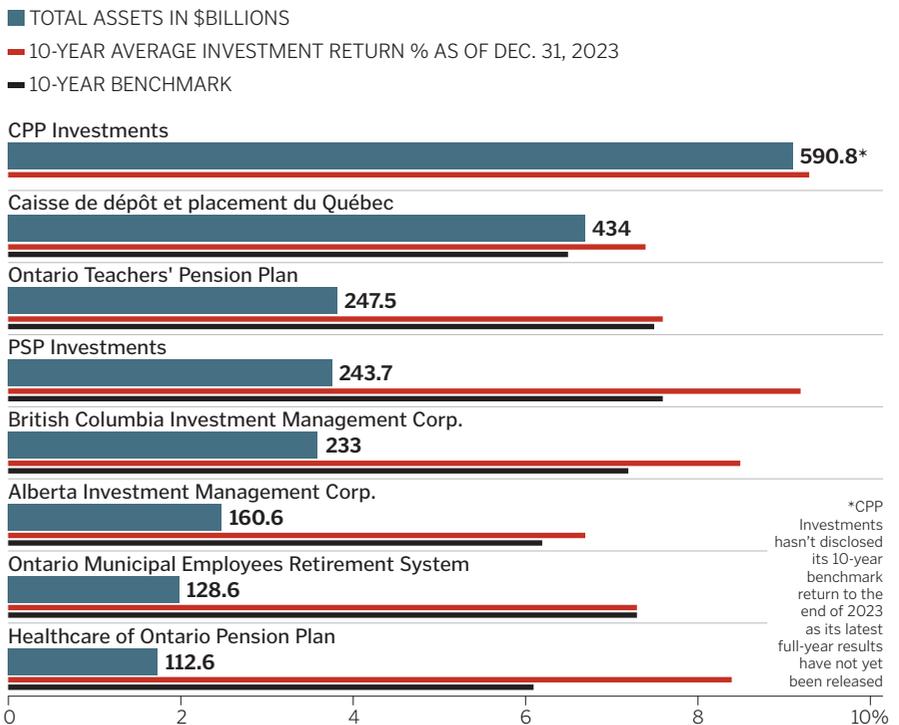
mentation Couche-Tard, CGI, Intact Financial and WSP Global.

The Caisse also has a track record of standing by struggling companies that are major employers and key cogs in the local economy. That includes bolstering Bombardier’s balance sheet at a critical moment in 2015 by buying a 30% stake in its trains unit. When French company Alstom acquired the rail business in 2021, the Caisse became Alstom’s largest shareholder. Its stake has since lost two-thirds of its value. (For more on Bombardier, read “Nothin’ but jet” on page 22.)

The Caisse also stuck by engineering giant SNC-Lavalin (now known as AtkinsRéalis), even as its share price plunged amid fraud and bribery charges, and an ensuing political scandal. The Caisse’s leaders were sharply critical, calling for the company to be overhauled. But they didn’t sell their 20% stake. The Caisse has been rewarded for its patience: AtkinsRéalis’s stock is up 75% over the past year.

In a fishbowl of public scrutiny, and through a period of global upheaval—while steering construction of the

## RANKING THE MAPLE EIGHT, CANADA’S LARGEST PENSION FUNDS



“I’d rather do projects in Quebec or in our country than on the other side of the planet,” says Emond. “If I have to have an impact somewhere, why not start with our own backyard?”



Caisse’s ambitious Réseau express métropolitain (REM), a 67-kilometre light-rail system in Montreal—the fund has largely performed well under Emond. Since he took over in February 2020, it’s posted annual returns of 7.7%, 13.5%, -5.6%—that was 2022, amid surging interest rates, when many large investors took losses—and 7.2% last year. Over 10 years, it has earned an average of 7.4% annually.

CPP Investments, meanwhile—Canada’s largest pension investor, with the Caisse at No. 2—has a 10-year return of 9.3%. But it’s hard to directly compare their returns, because pension funds cater to clients with different demographics, investment goals and tolerance for risk, and therefore measure themselves against different benchmarks. So, there’s a case to be made that the Caisse has held its own. “They both significantly outperformed their benchmark over the past five to 10 years,” says Keith Ambachtsheer, co-founder of pension consultancy KPA Advisory and director emeritus of the International Centre for Pension Management. “If you take that as an indication of the quality of management, they’re pretty much the same.”

**From Emond’s first weeks as CEO,** global investors have been blasted by successive unforeseen headwinds. “Inflation, wars, equity and bond markets going down at the same time, geopolitical risk, pandemic—name it,” he says. “It provides confidence, because it’s the ultimate test, in a certain way.”

His predecessor, Michael Sabia, had spent a decade restoring stability after the Caisse suffered huge losses during the global financial crisis of 2008-09. At the same time, Emond was rising through the ranks at Scotiabank, spending four years as the investment bank’s head of Quebec. Then he moved to Toronto to lead the bank’s entire Canadian corporate banking and global investment banking teams.

In 2019, the Caisse and Sabia lured him back to Montreal to head up its Quebec operations, private equity division and strategic planning. A year later, he beat out a handful of insiders for the top job after Sabia stepped down to lead the Munk School of Global Affairs & Public Policy. “What we were looking for, after Michael, was someone a bit different, and with different experience, too,” says Robert

Tessier, who stepped down as chair of the Caisse in 2021, after 12 years.

The job puts Emond in charge of 2,300 employees, plus more at its subsidiaries. Colleagues and fellow CEOs praise Emond for his decisiveness, quick mind and no-nonsense approach. Bonus: He picks up the phone. If the CEO of one of the Caisse’s portfolio companies—it’s invested in 5,000—needs help, they can reach him on his cell. “He responds, like, lightning-speed,” says Louis Tremblay, CEO of Quebec City-based electric-vehicle charging network provider Flo.

Jean St-Gelais, who succeeded Tessier as chair, calls Emond “the right person at the right time in the right place.”

In the depths of the pandemic and its aftermath, it fell to Emond to prevent a slide back into turmoil—no easy task, considering Caisse-owned malls, office towers, airports and trains were all sitting empty. Fewer people in Quebec were working, so there were fewer contributions flowing into the Quebec Pension Plan (whose funds the Caisse invests). And dozens of construction sites along the multibillion-dollar REM route had fallen silent under strict health and safety rules.

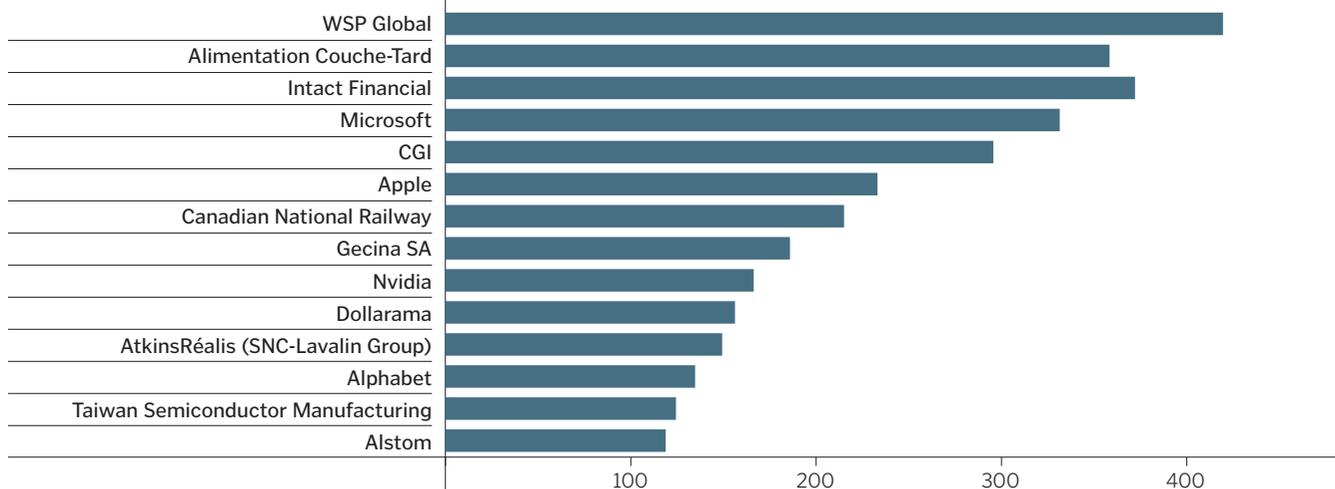
As the crisis dragged on, Emond says, “every company called in, and we sort of checked with them: ‘How much cash you got, for how long?’ So it became very, very immediate.”

As part of its response, the Caisse earmarked \$4 billion to support Quebec companies suffering the most. “To us, that’s part of our mandate—to say, ‘We’re there when it’s going well, but when you think the world is falling apart, we’re open for business.’ And that was a huge rally in Quebec—that we’re still there to help you,” says Emond. “We want to be seen and used as sort of a signature of what we call ‘constructive capital.’ And I think it paid off, because when I look at a lot of situations, with governments or elsewhere, they remember how we actually behaved.”

Earlier this year, the Caisse’s board rewarded Emond by extending his mandate as CEO until 2029—a decision that required approval from the Quebec government. But that’s just another facet of Emond’s balancing act.

## THE CAISSE'S LARGEST HOLDINGS

(TOTAL VALUE OF INVESTMENT IN \$MILLIONS)



**WSP Global is a perfect illustration** of the Caisse's above-and-beyond mentality. An engineering heavyweight, it designs bridges, offices, transportation systems and energy projects around the world, with 66,500 employees, including 12,200 in Canada. It's also the single largest publicly traded investment in the Caisse's portfolio—and likely owes its global clout in part to the pension fund's support.

In the summer of 2012, Montreal engineering firm Genivar, which had been rolling up rivals in Canada, offered \$442 million to buy British-based WSP, hoping to gain a foothold in international markets. But Genivar needed help. "At the time, we were a very small firm from Canada. When you want to convince a British firm to sell itself to a cousin in Canada, I mean, we needed some credibility, and we needed some backing," says Alexandre L'Heureux, now CEO of WSP Global.

The Caisse and CPP Investments each owned 10% of Genivar, and both agreed to buy further shares to help finance the deal. But the Caisse wrote more than a cheque. "We asked the Caisse to write a letter on our behalf to WSP to say, 'Those guys are credible, those guys are great, those guys are solid, and you should trust them—and by the way, we're there to support them financially,'" says L'Heureux. "And that had a huge impact in building credibility with the seller."

Today, the Caisse's stake in WSP is worth nearly \$4.2 billion, and the pension fund remains a steadfast backer. "If you are going through a rough patch, they are aware of the repercussions that this could have to

our employees, to our headquarters," L'Heureux says. "I feel the Caisse has always been very sensitive to that, and I have to say it has not been the case through all pension funds."

Emond says the close, almost familial relationships the Caisse has built with its portfolio companies are an offshoot of its dual mandate—and they're key to its effectiveness. "That's a signature we have. It's not a constraint to the employees—it's a source of pride."

Many eminent pension fund leaders are skeptical. In March, seven of them—including former Ontario Teachers' Pension Plan CEOs Claude Lamoureux, Jim Leech and Ron Mock; and ex-CPP Investments CEOs David Denison and Mark Wiseman—co-wrote an op-ed under the headline, "Don't meddle with Canada's pension-plan model." It took aim at any policy change "introducing unclear mandates not related to financial returns."

Evan Siddall, the CEO of Alberta Investment Management Corp., went further in his own opinion piece, arguing that prodding Canadian pension funds to invest more in Canada "asks pensioners to foot the bill for Ottawa's failure to promote Canadian economic growth and productivity."

Siddall continued: "A dual mandate muddies the waters, the opposite of a 'clear mission.' Worse, any hint of political influence over our conduct undermines independent governance."

Choosing to give a pension fund a mandate oriented toward a specific country or province looks like "a trade-off," Ambachtsheer says. "It is a consequential decision, and the data proves that in spades... The good side is, you should know more about what's hap-

pening close to home. There just has to be a diversification cost attached to having that mandate. And the upside is very hard to measure."

"You've got to tread the line carefully," Emond says, and he's wary of governments directing pension funds to invest in a certain way. But he's adamant that serving a dual mandate doesn't mean living under the government's thumb. "We're independent," Emond says three separate times during our interview. That independence is written into the Caisse's charter, and the dual mandate is deliberately vague about the extent to which the Caisse has to contribute to the province's economy.

"Will they"—meaning the provincial government—"sometimes ask us to look into something? Yes. We've looked at many transportation projects, and for a lot of them, we said, 'Maybe you could do it, but we can't, given this or that,'" Emond says. "It's about having an open dialogue with them, and they fully understand what our role is, our obligations and all of that. In the end, in terms of talking about pressure, I never felt that pressure."

There have been, and always will be, politically sensitive investments. When Quebec-based hardware chain Rona Inc. faced a 2012 takeover bid from U.S. competitor Lowe's, the province vowed to find a way to fend it off. The Caisse initially increased its stake in Rona but, four years later, when Lowe's tried again, the Caisse agreed to sell.

"That caused us political grief, but it was the right decision to make, and the Caisse decided," says Carlos Leitão, who was Quebec's finance minister from 2014 to 2018 and now serves on

the Bank of Canada's board of directors. "I think 20 years ago, the decision would have been made differently. In the last 15 or 20 years, I think we are getting it right, or we're getting it close to being right in terms of a workable dual mandate. There were some problems in the past, clearly. But I think the governance of the organization has been greatly improved."

There are checks and balances that help guard the Caisse's independence, says François Dauphin, CEO of the Montreal-based Institute for Governance of Private and Public Organizations (IGOPP). One is the intense scrutiny on the Caisse. "People want to make sure that they do get the same returns as they would" in any other pension fund, Dauphin says.

The Caisse's long investment horizon, and the fact that its leaders sometimes outlast governments, affords another layer of protection.

The government selects board members, including the chair, and approves the CEO, which certainly gives it influence. But those appointments

are guided by recommendations from board committees, and if government ignored all input, "you would see people resigning from the board," Dauphin says. "They wouldn't accept that."

Tessier, the former chair, held his fingers up in the shape of a zero to show how many times the government called to tell him to do something. "It never happened," he says.

The current chair, St-Gelais, who spent his career in finance and provincial government, says he "would never agree to let the government put its hands in the Caisse decision-making process. I will just stand up and tell the government, 'You have to stop doing this—it won't work with me, and you will have to find someone else if you want to go this way.'"

Ultimately, says Dauphin, there may be one sure-fire defence against undue influence or criticism: "Good results, and long-term good results. They did not let go of their returns to invest in the local economy. In that sense, I think it's probably the best answer they can give."

**Just east of the tracks at Du Quartier** station, where the new REM trains link Brossard to downtown Montreal, new condos, apartments, offices and retail stores are springing up next to the big-box shopping centres that mark the border with green farmers' fields.

The Solar Uniquartier real estate project is billed as a "transit-oriented development" that's capitalizing on the new commuter rail line. There are 4,300 housing units being built, and major firms such as Laurentian Bank of Canada, private equity firm Novocap and consulting giant KPMG have taken office space.

The new complex is part of the \$9 billion in economic impact Emond says the REM has already created for Montreal, with only one five-station line up and running, and three more lines with 21 additional stations still to come.

The REM project, with \$4.6 billion in investment from the Caisse, is a tangible example of the pension fund's role in the province's economic development. It's ambitious, important infra-

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structure that's been highly scrutinized and often criticized, but provides a template for what the Caisse can do.

When the pension fund embarked on the REM in 2015, under Sabia, it created a separate subsidiary, CDPQ Infra, to manage major infrastructure projects. That represented a bold leap in its business strategy, from investing into managing construction and operating large infrastructure, and CDPQ Infra now has 111 staff. Emond wants the Caisse's infrastructure teams to do fewer, larger projects, and the REM has been a lesson in the promise in peril of that strategy.

The two-car driverless trains on the REM route to Brossard are smooth and modern. They arrive every three and a half minutes at peak hours, bypassing the bridge traffic over the St. Lawrence River that routinely snarled the commuter buses it replaces. But it hasn't been an easy ride to get here. There were construction delays, including from an unexpected detonation of century-old explosives inside the Mount Royal Tunnel. CDPQ Infra made a

public apology for service disruptions last November, and the system that manages the trains from a central control room needed a January update to make it more reliable. There were also noise complaints from residents in the Griffintown neighbourhood, since mitigated by grinding the rails and installing plastic sound absorbers.

"It's not easy. The people at the Caisse are learning what it is to be involved in day-to-day operations and construction of such a big project," says St-Gelais. "For now, the goal is to deliver. That's what we're doing. Afterwards, we'll look at the lessons learned, and see to what extent we want to continue in the same way or change things for future projects. But so far, we're very pleased with what we've done."

The Caisse's depositors and pensioners should be happy, too, Emond says. "We're going to make great returns out of this."

The REM experience, combined with the increasingly turbulent investment climate in key markets abroad, such as China, the Middle East and

India, will shape the Caisse's future plans for large projects. "I'd rather do REMs or other types of adjacent projects in Quebec or close by in our country than to go do another REM, for example, on the other side of the planet," Emond says. "If I have to have an impact somewhere, why not start with our own backyard?"

As one possibility, the Caisse is drawing up a bid to invest in a federal high-frequency rail project linking Toronto and Quebec City, but there are also alternatives. "There's things that are being brought to us in terms of social infrastructure that might be quite appealing," Emond says. "I'd rather broaden and diversify here, and then replicate and multiply the same thing abroad."

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**The first year of Emond's second term will be pivotal, for the pension fund manager and the global economy.**

Economic growth is likely to be lower. Interest rates are expected to come down but remain higher than



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they were for much of the previous decade. Ditto inflation. Artificial intelligence could reshape investing and day-to-day business, and geopolitical tensions are likely to be high. “It ain’t gonna get less complicated,” Emond says. “We’re getting used to it. We’ve got to brace for it. But I think the last four years proved the fact that we have a portfolio that is well diversified and that our strategies have been paying off, and that it can withstand a lot of turbulence.”

Pension funds, known for patiently placing long-term bets, have had to adapt quickly to volatile markets.

When the pandemic reshaped working and shopping habits, pressure mounted on commercial real estate owners that owned malls and office towers. In response, the Caisse has completed about 300 transactions worth \$50 billion in the past three years, cutting its exposure to offices and malls in half, and pouring money back into logistics, industrial and residential properties that are performing better.

Now, with a restructuring of its real estate arm under way—merging subsidiaries Ivanhoé Cambridge and Otera Capital with its in-house investment teams—the Caisse expects to save about \$100 million a year. More than that, Emond expects it to yield a simpler, nimbler organization. “You had three different boards of directors, three investment processes, duplication, triplication, systems that didn’t talk to each other,” he says.

With public markets becoming more volatile, the Caisse has also retooled its processes to allow it to adjust its positions more quickly, and blended data scientists into investing teams to better use data to inform decisions.

To squeeze better performance out of the Caisse, Emond has tried to instill a culture where everything it does can be put on the table and debated. “I’m a big, big believer in actually having a mindset of pushing our limits all the time,” he says.

Is that hard for a large pension fund, responsible for safeguarding hundreds of billions of dollars for pension payments owed decades into the future?

“Here? No. And I’ll tell you why,” Emond says. “This dual mandate brings a DNA... I’m privileged because I don’t have to find a mission for this organization.”

# Congratulations to these recent appointees

Andrew Saunders, President and CEO of The Globe and Mail, extends best wishes to the following individuals who were recently featured in the Report on Business Section of The Globe and Mail newspaper. Congratulations on your new appointments.




**Genevieve Bouthillier**  
to Senior VP  
Growth and Impact  
Investments  
BDC



**Diane Lafontaine**  
to Chief, Corporate  
Strategy and  
Stakeholder  
Engagement Officer  
BDC



**James Mabey**  
to Chair of its  
2024-2025 Board  
of Directors  
The Canadian Real  
Estate Association



**Perry Bellegarde**  
to Chairperson of  
the Board  
First Nations  
Bank of Canada



**Jim Giannopoulos**  
to Global CEO  
GHD



**Chris Hunter**  
to CEO-Americas  
GHD



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Canada's Best Managed Companies—now in its 31st year—celebrates excellence among private Canadian-owned enterprises with revenue of \$50 million or more. In the following pages, we profile 25 newcomers to the list, starting with nimble Ottawa-based housing developer Minto Group (which has a surprising sideline easing retirees into the Jimmy Buffett lifestyle). You'll also find the secrets to success from companies in a wide array of industries, from halal meat to cosmetics distribution to last-mile logistics and shatterproof packaging. These companies join a host of repeat winners that must requalify each year. To read more about the methodology, see page 59.



# HOME ADVANTAGE

WHAT CANADA NEEDS NOW MORE THAN EVER IS HOUSING, AND LOTS  
OF IT—PARTICULARLY RENTAL UNITS. AND IT JUST SO HAPPENS THAT  
MINTO GROUP KNOWS A THING OR TWO ABOUT BUILDING THEM

BY JOHN LORINC

PHOTOGRAPHS BY ALEXA MAZZARELLO





# WHEN WAS THE LAST TIME

the very weight of a nation's future well-being came to rest so heavily on the shoulders of a single industry?

Here we are, at the nadir of a housing crisis the likes of which has not been seen since the end of the Second World War, if the political rhetoric is to be believed. In a country where 90% of all housing stock is built by the private sector, home builders and developers now face multiple fate-defining challenges: making up for years of under-production; repairing the old housing ladder that allowed previous generations to build equity through home ownership; catching up with demographic churn; decarbonizing our built form...the list goes on.

And though tasked with these enormous civic burdens, builders must also contend with their own: figuring out how to make projects pencil when the cost of everything is shooting up; navigating flat sales due to high interest rates and soaring prices; finding all the men and women prepared to build these new homes; securing land that isn't environmentally ruinous.

So, what's a home builder to do?

Minto Group, the venerable Ottawa developer of both condos and apartment buildings, has come up with a set of compelling answers: lean in to a lucrative side hustle in the U.S. involving active-senior developments and branding by an A-list celebrity (albeit a dead one); take full advantage of the updraft in prevailing rents, which is one of the less, shall we say, savory sides of the apartment building business. And, most important, work both sides of the development street, which in Minto's world means having the chops to develop purpose-built rentals as well as condos, as conditions dictate.

In fact, after two decades of condo investment muscling aside rental, Minto's experience with the latter positions the company to address perhaps the largest void in the market right now. With ownership completely out of reach for the vast majority of urban Canadian renters, housing experts and policy-makers argue that the way out of the housing crisis is way more purpose-built rental, as well as more targeted incentives—better construction loan guarantees, further cuts to HST on affordable housing and so on—to direct capital toward purpose-built rental projects.

According to research compiled in March 2024 by the Task Force for Housing & Climate, Canada needs about 2.2 million new units of purpose-built rentals by 2030 to achieve a balance between supply and demand, and thus rent stability—i.e., almost 40% of the additional housing required to accommodate projected population and demographic shifts.

“We've always been building rentals and condos in parallel,” says Minto CEO Michael Waters. “The skill sets are very fungible between the two. We see it as one of our strategic advantages. There are periods of time—now, in Toronto, for example—when the condo market is very, very soft. But the skill sets that worked for condo work for rental, so we can continue to pursue the development pipeline, but taking development sites and pursuing them as rentals.”

**WHEN WATERS STEPPED INTO THE CEO JOB BACK IN 2013, he took over a family-owned real estate empire whose mission had grown a bit fuzzy.**

The firm (a new entrant on the 2024 list of Canada's Best Managed Companies) traces its roots to the mid-1950s, when four brothers—Louis, Gilbert, Irving and Lorry Greenberg—set up an Ottawa home-building company in the heady postwar baby-boom era. Within a decade, they'd built more than 5,000 homes in the national capital and had become one of the city's largest private landlords. Minto has the distinction of having built Canada's very first highrise condominium in 1969, and blocky 11- and 12-storey complexes in suburban Ottawa in the late '70s, about a decade after Ontario passed its first condo law. (The units in these brutalist slabs were quintessentially 1970s, with sunken living rooms, shag carpets and “decorative screens” separating foyers from living areas.) Unlike most of its Canadian peers, Minto also set up a U.S. division, in Florida, around the same time.

Although Minto has long been a household name in the Ottawa region, Torontonians likely first heard of the company in the early 2000s, when it managed to snap up a rundown provincial office building in midtown and embarked on plans to erect a pair of highrise condos (at 54 and 34 storeys, they were considered enormous then; today, not so much). Long before Toronto's real estate market went berserk, the project became a political lightning rod, inciting a fierce backlash among North Toronto homeowners, who predicted—not incorrectly—that those towers would transform



CEO Michael Waters surveys a new development in the Ottawa suburb of Kanata

their leafy neighbourhoods. Minto has worked hard to stay out of the limelight ever since.

By the early 2010s, the company—which eschews the flash and mass market branding of GTA-based rivals like Mattamy Homes, Tridel and the De Gasperis empire—owned a collection of real estate assets that didn’t hang together all that coherently.

Waters is an accountant by training who spent five years at Intrawest, the ski-resort powerhouse. He was a member of its Vancouver-based acquisitions team, and that stint provided a crash course in real estate development. “Whenever you’re acquiring a site and underwriting a new deal, you effectively have to look at the entire value chain for that piece of land,” he says. “Taking it through the approvals process, developing a concept for the ultimate product, costing it, developing a marketing plan, and taking it to financing. All of that effectively needs to be compressed into your underwriting.”

When he joined Minto in 2007 as CFO, the company was still, in his words, “very much a family-run business.” Roger Greenberg, who was CEO, is now on the board, along with other members of the family. By the time Waters became CEO, there were no more Greenbergs in executive positions, and a bit of drift had set in. “We had exposure to a lot of different asset classes,” Waters says. “We were in industrial real estate and hospitality and retail and office.”

While some developers, like Menkes and Rio-Can, operate in multiple sectors, the denizens of Canada’s building industry often stay in their own

lanes: office, commercial, residential, mixed-use residential (i.e., condos on top of commercial podiums). Pension funds own many of the big malls, as well as specialized asset classes like retirement homes. The legacy apartment builders, such as Greenwin, are mainly in the property-management business, although some have begun adding towers and stacked townhouses to the bases of older apartments. As for the home builders, many now do both single-family and highrises.

With the blessing of his board, Waters began divesting those portions of the Minto portfolio that didn’t fit with the company’s original strong suit, which was residential and (later) mixed-use residential. “In many ways, [the sell-off] sort of brought us back to our roots,” he says. “From our perspective, it was the most defensible strategic advantage we had.” The hobbling of the office sector during and since the pandemic vindicated that strategy, Waters adds. “I’m glad we did it, because we were able to avoid the office asset class and some of the more damaging effects of COVID-19.”

Again, unusually for real estate developers, who tend to stay in a given region, Waters began pushing Minto into new markets—Edmonton, Calgary, Montreal. In 2018, the firm spun off its apartment assets into a REIT via a US\$200-million IPO—a deal that saw 4,279 units transferred from a privately held Minto Group subsidiary to a new publicly traded entity. Waters and Julie Morin, the CFO, recently left their dual-appointed roles at the REIT because it had grown sufficiently to justify a full-time executive team. The REIT has continued to acquire apartment buildings across Canada and now owns more than 7,700 units. (To put that number in context, Canada currently has 5.4 million apartments.)

Minto, it must be said, arrived late to the REIT game, and is considerably smaller than rivals like CAPREIT and Morguard (which operates across North America and owns assets in all the property sector’s verticals). What’s more, the Minto Apartment REIT has had a bit of a bumpy ride. With a market cap of around \$600 million and 2023 revenue of just under \$160 million, the REIT’s shares didn’t recover from the pandemic plunge, and its return on equity is below water, for now. Yet a March 2024 analyst report from RBC Capital Markets seemed bullish, noting



MINTO'S JIMMY BUFFETT-BRANDED PROMISE OF AN EASYGOING LIFE AND SLIGHTLY MORE ROBUST CROWD TOOK HOLD ALMOST IMMEDIATELY. A FEW HUNDRED PEOPLE LINED UP IN THE PARKING LOT NEXT TO THE FIRST SALES CENTRE THE NIGHT BEFORE IT OPENED

that the shares were priced at a significant discount to net asset value compared to others in the space. “Q4 saw a strong recovery from a weak prior-year quarter,” RBC concluded, adding that “earnings growth is now more reflective of strong fundamentals.”

“Strong fundamentals,” in this case, is Bay Street shorthand for vacancy rates in large urban markets of almost zero, which means property-management firms like Minto can command sky-high rents and max out lease hikes when units change hands. It’s a grim reminder that in a housing crisis, landlords are invariably in a position to dictate terms.

Yet, in response to mounting pressure from politicians and planners, Minto is also looking to build new residential buildings that include affordable units, including on several sites on major corridors in Vancouver. Minto veteran Dan Dixon, senior vice-president of corporate affairs, points to four towers currently under development that will cost \$750 million and include more than 900 rental units, a fifth of them designated affordable, per the City of Vancouver’s definition. Those deals were driven in part by a Vancouver zoning policy that provides density bonuses for purpose-built rental, Dixon says. “This is a great example of governments putting incentives in place that developers use, because they make economic sense and produce socially desirable outcomes.”

As recently as a decade ago, those Vancouver projects may well have been condos. But Minto’s ability to pivot between condos and rentals provides much needed flexibility in a market that’s surprisingly temperamental, given all the apparent pent-up need. “Our product, when we design it, can be a rental product or a condo product, and we also always think about it this way,” says VP of development Agnieszka Wloch. “This is a moment that benefits the agile.”

**IN A SECTOR FLOODED BY DEEP ONE-PLUS-BEDROOM CONDOS MARKETED TO** investors, Minto has sought to differentiate itself in the homeowner business with some variations, such as houses that can contain an optional guest suite (for multigenerational buyers) or stacked townhouses with more family-size units, such as a multiphase project in Eto-bicoke, a postwar suburb on Toronto’s west flank, dubbed Westshore.

Perhaps the most daring of these moves involves Minto’s approach to sustainability, which, in some of its projects, extends further than the now standard use of LEED certification to signal (to planning officials, shareholders and buyers) a certain climate consciousness. Dixon and Joanna Jackson, Minto’s vice-president of sustainability and innovation, point by way of example to a five-tower project in Oakville, Ont., dubbed Oakvillage, which will use a “district heating” system powered by a combination of geothermal and gas boilers, to deliver heating and cooling to all the units in the complex.

Municipally owned district heating systems, which involve centralized boilers and chillers connected to multiple buildings, have been commonplace in some cities for generations. But smaller bespoke versions

connecting a series of towers or a subdivision are a relatively new and somewhat risky innovation. They typically aim to spread out some of the capital expense of installing a geo-exchange system, which involves boring deep holes in the ground to tap into the heat of the Earth or to offload heat in the summer. With Oakvillage, Minto is outsourcing the district heating to a private firm that specializes in operating these low-carbon mini-utilities on behalf of property managers or condo corporations. Dixon says that as Minto decarbonizes its portfolio to meet the firm’s 2050 net zero goal, geothermal power is expected to play an ever-larger role. “This is a relatively new decision for us,” he says. “Going forward, we’re modelling all of our new purpose-built rentals with geo-exchange and then are pursuing that on projects under construction now.”

Jackson explains that for a builder that plans to own and operate an apartment for decades, net-zero math at the front end makes sense. Rising natural gas prices and carbon taxes will drive up energy costs, so upfront capital investments in low- or no-carbon heating and cooling, as well as energy-efficiency features (a well-sealed building envelope, double- and triple-pane windows, optimized HVAC controls and so on), will produce lower operating expenses in the long term. “It makes sense to put in the extra cost up front and go geothermal right from the get go.”

Jackson is also tasked with retrofitting Minto’s older apartment buildings, some of which still have old-school boilers and inefficient single-pane windows. There are thousands of postwar apartment buildings across Canada in dire need of so-called deep energy retrofits, such as a complete exterior redo, new HVAC systems, better insulation, high R-value windows—the works. While the environmental and operational payoff is significant, the capital cost of such projects is prohibitive.

Dixon says Minto’s strategy will be to undertake energy-efficiency or net-zero upgrades over a period of a few decades, to spread out the expense by undertaking those projects when certain components of the building’s various systems need replacement. “It helps to spread out the dollar spend,” he says. “We very much are developing what I call a portfolio approach to dealing with the problem of the conversion.”

One of the first, an early-2000s building in Toronto’s Yorkville district, is now undergoing this kind of renovation with help from a City of Toronto deep retrofit program. The plan involves replacing original chillers that were nearing the end of their usable lives with modern electric air-source heat pumps, and the older gas boilers available for backup. When it’s done, that 17-storey building’s energy consumption will be halved, and Jackson expects to see a 70% reduction in carbon. “It was really the ideal time to say, ‘Okay, what can we do differently? How can we make some improvements and not just go for a like-for-like replacement?’”

# IN EARLY 2017,

executives at Tampa Bay-based Minto Communities USA, which has been building subdivisions in Florida and South Carolina since the late 1970s, were plotting out a new freedom-55 style project in Daytona Beach when the owner of the land they were buying introduced them to a team from Margaritaville Holdings, which was scouting for a site for a themed restaurant. On its website, Margaritaville describes its location as “in the tropics somewhere between the Port of Indecision and Southwest of Disorder”—the laidback empire created by the late singer-songwriter and high priest of chill Jimmy Buffett. Over the years, the savvy entrepreneur became a billionaire in part by trafficking in good times—cruises, all-inclusives, eateries and anything else that appealed to his legion of “parrotheads,” as Buffett fans describe themselves.

“They had a keen interest in active living for several years, but they just didn’t know how to approach it,” Minto Communities USA president Michael Belmont recalls. “The landowner put us together, and it was quite remarkable how similar our vision was for this active-living lifestyle community.” Belmont pitched the Minto board on a partnership, with Minto building enclaves of freehold houses and cottages arrayed around a kind of town centre anchored by Margaritaville’s branded amenities and events—everything from good-time bars and pickleball courts to fitness clubs, bandshells and cafés, and even the occasional appearance by the original parrothead himself. These shuffleboard-free projects would be dubbed “Latitude Margaritaville.”

Minto, which says it has built and sold about 34,000 new homes across the southeastern U.S., certainly didn’t invent the active-living retirement community. In fact, the 900-pound gorilla of such real estate plays can be found about 90 minutes west of Daytona Beach—The Villages, a sprawling retirement cluster filled with golf carts, nine-hole greens and Republicans. Its population now exceeds 100,000 residents.

The Buffett-branded promise of an easygoing life and slightly more apolitical crowd took hold almost immediately. Belmont recalls that a few hundred people lined up in the parking lot next to the first sales centre the night before it opened. “We set up some movie screens and tried to make sleeping in a parking lot as enjoyable as possible.”

One of the first buyers was a Florida realtor named Kelley Sarantis, who seized on the oppor-

tunity but also wanted to live in this new residential theme park. She thought the idea was “brilliant.” “I felt like they both were bringing so much to the table.” Soon after she took possession, Minto called to say that some “bigwigs” were coming to visit, and would she mind if they dropped by. “Well, it ends up that the bigwig who came into town and knocked on my door was Jimmy Buffett,” Sarantis recalls. “He came in and he said, ‘Hey neighbour,’ and met my two yellow labs and showed us pictures of his Cavalier King Charles spaniels, and we just laughed about life. He said to my husband, ‘Can you believe this is all because of a song?’”

The partnership—an unlikely pairing between a low-key Ottawa home builder and pop-music royalty—has been highly successful. In the seven years since Minto began marketing Latitude, the company has sold 7,596 units, including 6,051 closings, with a backlog of 1,545 homes in the pipeline. There are now three Minto/Latitude communities—two in Florida and one in Hilton Head, S.C.—and Belmont says the company is in the process of closing a deal to buy the land for another one near Houston. At least some of the original buyers, Sarantis says, were pandemic work-from-homers who weren’t yet ready to retire.

However, the buzziness of the parrothead lifestyle can fade a bit after the novelty has worn off for new buyers. Sarantis says she and her husband now make less use of the amenities than they did at first. “When you first move here, you’re doing everything, every activity, every possible thing you can do,” she says. “It’s all new. And then, you settle in a little bit so it becomes a little less of an everyday thing.”

Sarantis has another perspective on the projects, which is the churn in the homes, many of which she represents when they go on the market. “Right now, we have 72 homes for sale in the Latitude Margaritaville location [in Daytona Beach], and there’s about 3,000 homes,” she says. “So math wise, a little more than 2%, which I feel is a very low number.” A scan of the listings, however, shows that quite a few are on the market for the second or third time since they were built in 2019 or 2020. “What I am seeing is that some of the people who signed up five, six years ago maybe weren’t intending to be investors,” she says. “But now they’re seeing a lot of equity sitting there and they’re going to say, ‘You know what? Let me cash in and move on to maybe something where I may not get the amenities, but I can pad my pocket and make my life a little easier.’”

Belmont, for his part, insists there’s fairly low turnover, largely because Latitude is a retirement community geared to a somewhat younger buyer. Still, time marches on, and either the parrotheads will age in place, or they’ll move elsewhere, making way for a new flock. He does, however, allow that with both new-home and resale prices skyrocketing in recent years, some owners have been eyeing all that new-found equity. But he doesn’t anticipate that turnover will become a big deal. Neither does he expect a hangover after the boom, nor a flagging of interest because of Buffett’s death last year. “They definitely hold their value,” Belmont says. “I think the lifestyle that goes along with it has a lot to do with the value.”

Back in Ottawa—which, like so many other chilly regions, supplies locales like Florida with a pipeline of retirees and snowbirds—Michael Waters allows that Minto’s hookup with Jimmy Buffett wasn’t on anyone’s bingo card back in 2017. “It was not intuitive, for sure,” he says with a bit of a sheepish smile, “but it’s proven to be a marriage that kind of works. They’ve been good partners. We’ve found them to be dependable and reliable.” Those projects, with thousands of homes constructed amazingly quickly in the midst of a pandemic and then a brutal supply chain crisis, “have been a real engine of growth. We just caught on to something there, perhaps accidentally, but it’s proven to be pretty energizing.”

Far from the staid ethic of Ottawa’s business community and the weightiness of Canada’s housing crisis, Minto, like any reasonably fit young senior, had enough, well, flexibility to seize on something novel when opportunity knocked.

# YOU MUST BE NEW HERE

THE LEADERS OF  
THE LATEST CLASS  
OF CANADA'S BEST  
MANAGED COMPANIES  
SHARE THE  
LEADERSHIP LESSONS  
THAT HAVE HELPED  
THEM SUCCEED

BY LIZA AGRBA

It's no mean feat to make it onto the list of Canada's Best Managed Companies. For 31 years, the program has been rigorously vetting the top mid-market privately owned companies in the country, with Deloitte's team of coaches, internal and external judges and, of course, the companies themselves, putting in hundreds of hours to ensure only outstanding contenders make it to the finish line.

So, what does it take to be a Best Managed Company? "These are companies that are purpose-driven, always evolving and looking to the future," says Lorrie King, who leads the global program, which has spread to 46 countries. "They understand the need to change, and they care about their customers. But every Best Managed Company is also uber-focused on development and succession, and making sure their

people feel valued." Derrick Dempster, who co-leads the Canadian program with King, adds: "The leadership is just superior to their peer group. They spend more time and energy preparing and educating and making themselves better, and that's how they differentiate themselves."

King and Dempster are looking forward to adding even more great companies to the program. "When we compare our generation to our kids, they're smarter than we are—evolution makes it so," says Dempster. So it is with Best Managed: "Generally speaking, the quality of the portfolio continues to elevate."

Meet this year's newest additions.

PHOTOGRAPHS BY HAMIN LEE  
PROP STYLING BY CHRISTINA YAN





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*No risk, no reward*

## **Emballage Cartier**

(Saint-Césaire, Que.)

91 employees

26,000+ annual deliveries

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Packaging isn't exactly the sexiest part of the consumer goods business—David Cartier, CEO of the Montreal-based packaging firm Emballage Cartier, is the first to admit that. It's all about the R&D and marketing, not what a given product ends up being wrapped in en route to its destination. And when you're not all that high on a potential client's priority list, adding value is that much more important. So, 12 years ago, Cartier took a big risk, creating a Canada-first packaging optimization lab.

The lab simulates shipping conditions down to the tiniest detail. If a client wants to send a pallet from Chicago to Toronto, for instance, Cartier recreates the freight journey—whether via truck, plane or boat—to simulate the friction, vibration, compression and temperature changes along the way. From there, it's about finding weaknesses in the packaging and optimizing accordingly. Sometimes, it's as simple as adjusting boxes and tape. Occasionally, Cartier will work with a supplier to invent an all-new solution. For one recent client—Rotec, which manufactures hospital beds—Cartier's improvements saved \$72,000, with a 35% reduction in material and labour costs, and 17% less plastic.

What started as three machines in the back of a warehouse is now a fully equipped lab—and a core part of Emballage Cartier's value proposition. But getting clients on board wasn't easy. "This sort of thing just wasn't done," says Cartier. "Purchasers would traditionally select options off a list, and most had never heard of an approach involving this type of simulation testing. We had to embark on an education campaign for everyone in the supply chain."

For its first three years, the lab made no money. But clients eventually caught on to its value. To date, Emballage Cartier has invested \$1.2 million in the 5,000-square-foot facility—and in 2023, innovations made in the lab netted the equivalent of 781,600 plastic bottles taken out of circulation and 40 cars removed from the road. And it's still the only facility of its kind in the country.

## BEST MANAGED COMPANIES 2024

*Know what you don't know*

### **A&H Steel**

(Edmonton)

65 employees (350+ in peak season)  
110,000 sq. ft. of shop space

Glenise Harvey doesn't have your typical CEO bona fides: Before taking over her family's steel-reinforcing business, along with her stepbrother Craig Kotun, she spent 30 years as an elementary school teacher. "I didn't know as much about rebar as Craig, but I did know a thing or two about inspiring and leading people," she says. When Harvey joined A&H, there wasn't much of a company culture to speak of, beyond a focus on finishing the job. "I saw an opportunity to focus on how the work was getting done and who we were being in the process," she says. Recognizing both what she brought to the table and the gaps in her knowledge, Harvey hired two consulting firms to help guide the transition, eventually landing on a set of core values. She then got to work operationalizing them through the entire company, which completes 300-plus projects each year. The firm's aggregate "culture quotient" score, based on employee surveys, went from 7.5 out of 10 in 2016 to 9.2 in 2023.

*Alignment is everything*

### **Acadia Group**

(Saskatoon)

100 employees (225 in peak season)  
150+ pieces of heavy equipment

Five years ago, a faction of Acadia Group's managing partners decided the construction conglomerate needed to explore new sectors and geographies—namely, opening an office beyond its Saskatoon headquarters and providing heavy equipment support to the railway sector. But one of its owners, then close to retirement, was wary of big changes so near the end of his tenure. That led to an internal tug-of-war at the nearly 50-year-old company. President and CEO Jason Horner realized that if he wanted the expansion to succeed, he'd need to get everyone pulling in the same direction. He and his fellow partners arranged to buy out the objecting owner (and on good terms—he con-

tinued to work for Acadia on a contract basis), leaving the rest of the team free to chart a new course. The new office didn't pan out, but railway work is now one of Acadia's largest business lines. "If you're looking at making changes to your business model, make sure everyone is aligned," Horner says. "And if they aren't, resolve that before you make your move."

*Turn blockades into building blocks*

### **Amico Group**

(Windsor, Ont.)

825 employees  
75 clients

Amico Group has been on the receiving end of some pretty ugly competitive tactics. In the mid-'90s, it took on a road-paving project in Lakeshore, Ont., only to have a rival leverage its influence to deny the young company access to local asphalt. When Amico arranged an alternative from across the border in Detroit, it found the road to the work site blocked by competitors' equipment. Eventually, Amico negotiated a resolution with one of said competitors and completed the job, but the incident had a lasting impact on the way it does business. "While laying down the asphalt, we also laid down a cornerstone principle that underpins our strategy and fuels our growth today: Own the supply chain," says president and founder Dominic Amicone, who now oversees 12 operating companies in three locations across Ontario. The firm bought into a regional asphalt company—and didn't stop there. "Repeatedly applying that principle has helped us grow into a diversified and vertically integrated structure," says Amicone. "It lets us offer our clients single-source accountability and better manage the scheduling issues that often plague others."

*Disrupt yourself*

### **Bockstael Construction**

(Winnipeg)

186 employees  
\$220M+ in annual revenue

When Bockstael celebrated its 100th anniversary back in 2012, things were going well for the construction firm—at least on paper. But CEO Carmine Militano saw the writing on the wall. "The sands were shifting beneath our feet," he says. "There was significant industry consolidation, several new market entrants buoyed by an expanding market, and the average size of projects in our addressable mar-

# 550,000

TOTAL EMPLOYEES NATIONWIDE

# \$202 BILLION

TOTAL 2024 SALES





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*Leverage ground-level intel*

## **Omega Tools Corp.**

(Langley, B.C.)

350 employees

7 million+ pounds of steel consumed each year

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When it comes to business development, CEOs have a number of avenues to consider, like hiring consultants or doing market research. But there's another, oft-overlooked way to move your business forward: Hit up your employees for ideas. It's one thing to perfunctorily ask for feedback, of course, and another to truly tap into ground-level intelligence and use those insights to drive positive change. Dave Cecchin, president of plastics tooling company Omega Tools, found a way to do just that.

In 2018, Cecchin launched a series of informal forums with the office's millennial and Gen Z employees (free doughnuts included). Omega already had processes in place to transfer knowledge from the older generation down. But this was about drawing untapped knowledge from younger workers. There was a strict no-idea-is-bad policy; everything was jotted down on a whiteboard and then voted on by the group. Each winning idea was assigned a mini board of directors that included a young champion, an older mentor and support staff. The unofficial board then collected data: Is the idea feasible? Who else is doing it and how? How much would it cost? Workable ideas got the green light.

One such proposal was conveniently prescient: A young team member argued for part-time remote work, and a small pilot was carried out in 2019. When COVID-19 hit, Omega was that much better prepared for the shift to remote work. Another idea led to a major upgrade to the firm's online presence when it was pointed out that Omega's website was so vague that it was hard to figure out what the company actually did. Cecchin commissioned a total revamp, got Omega on social media, and hired a full-time marketing and communications professional. The result was a major boon for its hiring process.

"Having grown up in this industry, I benefitted from amazing mentors, so I know first-hand the power of knowledge transfer from one generation to the next," says Cecchin. "This project was about real two-way listening."

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*Own the supply chain*

## **Amir Quality Meats**

(Brampton, Ont.)

200+ employees

300+ customers in 9 provinces

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In the halal meat industry, strict adherence to religious standards is essential, and consumers place immense trust in processors to uphold these values throughout the supply chain. Consequently, for Amir Quality Meats—a Muslim-owned and -operated halal meat processor and distributor certified by the Canadian Council of Imams—consumer confidence in its due diligence is the bedrock of the business. For years, buying meat from suppliers worked out fine, barring the odd hiccup here or there. But then the company experienced immense growth, to the tune of 650% between 2018 and 2022. Clearly it was doing something right—and a less forward-thinking CEO than Tony Aziz may have become complacent.

Not so in this case. “We took a strategic view of the business and homed in on our mission, which is to make halal more accessible,” says Aziz. “We realized that to continue to grow and serve our customers and community, we needed to have more control.” The company had to somehow both meet growing demand and maintain the integrity of the supply chain; relying on external suppliers would no longer suffice.

In late 2022, Aziz acquired a poultry facility in Arthur, Ont., and set about upgrading it to a state-of-the-art, halal-compliant facility. To date, he’s invested about \$50 million into the abattoir, which sits on 90 acres of land and will span 60,000 square feet when complete. “Control over the supply chain ensures complete traceability over the process, and that’s incredibly important to us,” says Aziz. “With this facility, and through establishing our own relationships with farmers, we’re making sure we not only have enough supply to cater to our current needs, but our future ones, too.”

Vertical integration isn’t for the faint of heart; it demands substantial upfront investment and escalates management complexity. With a 12- to 18-month window for completion for the facility, Amir Quality Meats is far from realizing a return on its investment—but this is a play at longevity, not short-term gain.



# BEST MANAGED COMPANIES 2024

ket was increasing.” To stay competitive, Militano decided the company had to evolve. In 2013, Bockstael embarked on a process that would redefine its client experience—and, given that it involved retooling the entire company, it was a high-stakes bet. The upshot was radically increasing the granularity of the information shared with clients—including 200- to 300-line budgets, and comprehensive reports that detailed every problem or issue and how the company intended to address it. When projects stalled during COVID-19, instead of attempting to hold clients to their commitments via *force majeure* clauses—which protect parties from situations beyond their control—it developed and used a risk assessment tool to collaborate with clients on mutually agreeable plans. The result? Significant and sustained growth—revenue has tripled over the past decade.

## Diversify your client base

### Earth Rated

(Mont-Roy, Que.)

70 employees

25,000 retail partners

If you have a dog, it's likely you've used Earth Rated wipes, toys or poop bags—the company's products are sold in more than 40 countries, everywhere from major brick-and-mortar chains like Walmart and Target, to online retailers like Amazon and Chewy. But when brands get big, says CEO Abby Gnanendran, they tend to over-rely on major clients. The price of that is torpedoing the speed at which a new product goes from innovation to market; the behemoths of the brick-and-mortar retail world have long stretches between reset dates, when they put new products on shelves. By maintaining part of the focus on pet independents and online retailers, the company achieves rapid and smooth transition from innovation to market. “That means we can out-innovate our competitors on a regular basis.” It's hard for a Goliath to stay nimble, but Earth Rated can move a product from the lab to the shelf within a month.

## Roll up your sleeves

### Franklin Empire

(Montreal)

600 employees

5 assembly/repair shops

Cliff and Bernie Backman are the third-generation leaders of Franklin Empire, Canada's largest independently owned

electrical distributor, with 23 branches across Ontario and Quebec. But the co-presidents didn't simply swan into the executive suite as soon as they'd graduated from business school. They've been working at Franklin since high school, when they spent summers and weekends doing just about every job the company had to offer. From helping out with shipping in the warehouse and working the floor in counter sales to customer service, purchasing, and pricing (which was a manual job back in the day), the brothers got their hands dirty—and crucially, got to know how every department works first-hand. “It really gave us deep insight on the challenges every department faces, which helps inform our leadership today,” says Cliff. “And having come in as third-generation owners, it was an important way to earn the team's trust.”

## Be transparent with your partners

### Global Container Terminals

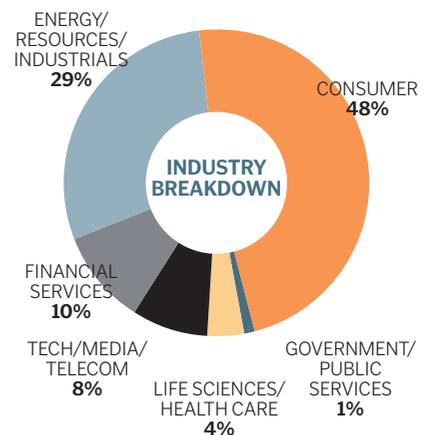
(Vancouver)

253 salaried employees and

1,625+ ILWU members

Serves the world's top 20 container carriers

Global Container Terminals—founded in 1907 on Canada's West Coast—recently made a major tech upgrade to its rail yard. That included automation technology reducing the number of rail crane workers by more than a third. Naturally, its labour partner, the International Longshore Warehouse Union (ILWU)—of which more than 1,600 members work for GCT—initially wasn't thrilled. But increased capacity on the same footprint brought in more jobs through volume than were initially lost. “The best way to communicate this was to be open with the union,” says GCT CEO Eric Waltz. “We were honest about what they would lose and what they would gain. That allowed us to strike new commitments with them. It's about sharing a vision, even if you look at a situation from different angles.” By staying transparent with its labour



partner, Global Terminals maintained the relationship, and everyone came out on top in the end.

### *Walk the floor*

#### **Green Diamond Equipment**

(Moncton)

360 employees

300+ tractors sold per year

In 2016, John Reddin merged his Reddin Equipment with Green Diamond. “Before the merger, I was a competitor,” he says. “So while I had plenty of ideas and strategies in mind at the outset, I knew that earning the trust and respect of my new team members was paramount.” To that end, before making any major changes, he personally visited each store and learned his new team’s culture and dynamics on the ground, instead of from up-high. Putting rubber to the road also gave Reddin the in-depth view he needed to make decisions, whether that meant reassigning staff at his 15 locations or reorganizing operations. In the wake of a merger, leadership isn’t just about bringing new ideas to the table—it means understanding and integrating cultures, and getting your own feel for the lay of the land.

### *Many hands make light work*

#### **Groupe Mondial**

(Saint-Lambert-de-Lauzon, Que.)

250+ employees

\$65 million in annual revenue

When it comes to leadership, Groupe Mondial founder and president Louis Veilleux isn’t exactly a lone wolf. He shares control of the industrial subcontracting company with 17 other people, all of whom have been with the business for a long time—and all, he says, play a major role in its governance. That democratic attitude extends to Veilleux’s succession plan, which he’s been carefully crafting for almost 20 years. It doesn’t centre on just one or even a few individuals, but a

## **BEST MANAGED COMPANIES 2024**

whole group he hopes will carry Groupe Mondial into future generations. He even plans on appointing co-CEOs. “I share power because I don’t want my mistakes to be too burdensome for the company,” he says. “I was a punk when I was young. I don’t really believe in a single person having power over everyone.” Veilleux’s approach may be unconventional, but with \$65 million in annual revenue, plus strong profits and growth, you can’t argue with the results.

### *Don’t seize every opportunity*

#### **Homes by Avi**

(Calgary)

250 employees

Building homes in 35 communities

When Alberta-based builder Homes by Avi acquired a site for a large-scale, multifamily rental development a few years ago, CEO Charron Ungar couldn’t shake an uneasy feeling. Demand for a higher-density project was strong in that particular market, but something felt off—largely because the company’s core business is single-family homes. “We had the skill set, but it would have been a major drag on our human resources and taken away from our core base of operations,” says Ungar. “We would’ve been stretched too thin.” Homes by Avi, which was founded back in 1978, ended up offloading the site, not because it wasn’t a great opportunity, but just because it was meant for somebody else. “We use an investment committee model that helps guide our decisions and test the assumptions in every opportunity we consider,” says Ungar. “We place high value in being selective in what we take on, which has proven successful for us.”

### *Support equals service*

#### **Humberview Group**

(Toronto)

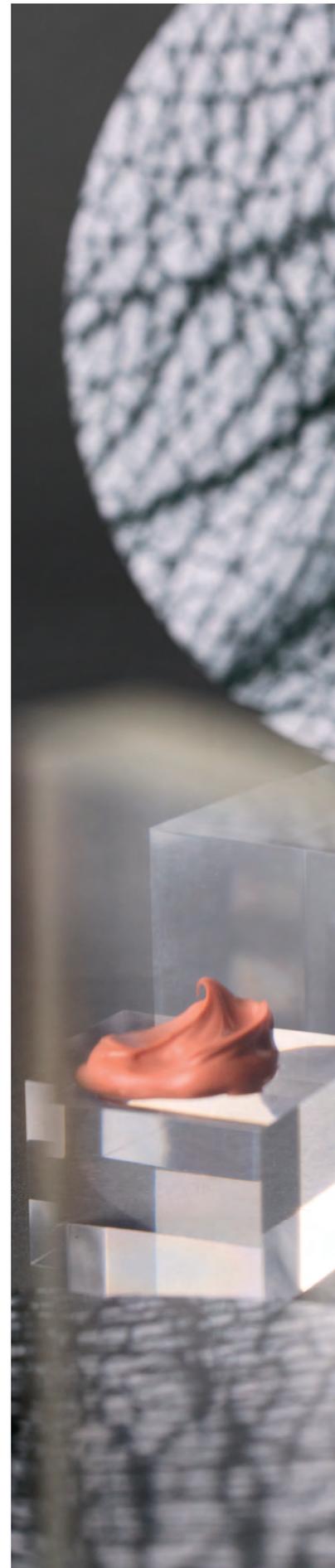
1,400 employees

47,000 vehicles sold in 2023

Humberview Group started as a single dealership in Toronto in 1971, with the founding philosophy: “Serving our customers better, each and every day.” In 2019, the word “customer” was purged from the motto. That change—to “Serving you better, each and every day”—didn’t reflect a new ambivalence for excellent customer service at its 20 dealerships. Rather, it was an acknowledgement that treating your team—not just your customers—with care is the best way to guarantee it. At Humberview, team members aren’t sub-

# 56%

PROPORTION OF BEST  
MANAGED COMPANIES  
THAT ARE FAMILY-OWNED





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*Confidence is key*

## **Prestilux**

(Laval, Que.)

95 employees

3,000 points of sale

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Of all ways to land in the top job, the death of your mentor is arguably the most challenging. That's what happened to Marie Farel when she assumed the leadership mantle at cosmetics marketer and distributor Prestilux. "It was a shock—he passed away over the weekend, and the following Tuesday, I was appointed president," says Farel, who had been vice-president of marketing and strategy. "But I refused to get lost in self-doubt. I just went for it."

Prestilux distributes cosmetics products on behalf of brands and, according to its contracts, a change in leadership is enough to release a brand from its obligations. So, Farel didn't just have to learn how to run a company on the fly; she had to avert potential catastrophe by convincing her company's customers that she was fit to lead. "I was quite young and a woman president in an industry where that's still uncommon," she says. "If they wanted to, every single brand could have walked away."

Sure, there were some unpleasant meetings. But Farel confidently pursued a new vision for the company—promising not only to maintain current operations, but to expand beyond Prestilux's focus on skincare. Following market trends, Farel moved into fragrance and natural health, and doubled down on digital channels, in addition to brick-and-mortar. The company now distributes on nine different e-commerce platforms, and turnover in that division has doubled every year. In a bid for agility, Farel also abandoned Prestilux's one-stop-shop model, allowing clients to choose to engage its marketing, distribution, logistics or other services—or all of the above—as their needs demand. And to guard against risk, Farel makes sure that no single brand dominates more than 15% of the company's portfolio.

In the end, not only did Prestilux not lose a single contract (except for one that was set to expire before she took over), but it signed on numerous new clients and retail partners. Today, it's performing better than ever, thanks to Farel turning a potential firestorm into an opportunity for innovation.

jected to annual reviews. Instead, each one gets a “personal development plan” that focuses more on their experience than their performance. “If a manager has an issue with someone’s sales, they should be addressing that throughout the year,” says CEO John Esplen. “These sessions are an opportunity to fortify connections between our team members. The true secret to customer service? If you treat your people right, they’ll treat everyone else right.”

### *Balance strategy with a front-line focus*

#### **Integricon**

(Vaughan, Ont.)

129 employees, 300+ contractors  
3,500+ claims handled in 2023

Under Desmond D’Silva’s leadership, Integricon—which restores residential and commercial properties—has expanded from Ontario to Alberta, and now has nine offices between the two provinces, with 74% revenue growth over the past five years. But the CEO has his sights set on a truly national expansion. Of course, with growth comes the risk of weakening your core competencies. In Integricon’s case, with its consistently high consumer-approval ratings, that core is an exceptional client experience—arguably important in any industry, but especially so in the high-stress world of property restoration. D’Silva doesn’t shy away from a high-level approach—Integricon recently started building strategic business units, instituting a revenue goal of \$10 million per unit within three years. But the company’s strategy also centres on treating employees the same as they would valued clients and promoting from within as a general rule. “Our overarching strategy does not work without the front-line-focus mindset, and vice-versa,” says D’Silva. “By keeping these priorities in delicate balance, we can grow in numbers without diluting our strengths.”

### *Listen to the front line*

#### **Italian Centre Shop Ltd.**

700+ employees  
\$110 million net worth  
5 Alberta locations

Teresa Spinelli took her first steps in the pasta aisle of her father’s Edmonton independent grocery store. At 13, she became a cashier, and from there she took on numerous roles both on the floor and at head office before becoming CEO in 2000. Spinelli drew on all her years of

experience at the Italian Centre to make a major leap in leadership strategy: moving away from top-down directives. “I sit here in my office and don’t know what’s happening on the ground,” she says. “But the person out there slicing salami? They know everything there is to know about that—and how we can make it better.” Since then, the five-store chain’s strategy has more or less been driven by employees’ ideas, from a refreshed warehouse-receiving policy to the “Nifty 50 report,” which helps each location prioritize its 50 best-selling products. “True success,” says Spinelli, “has come from listening to the collective wisdom of our team.”

### *Tenacity will get you everywhere*

#### **Joseph Haulage**

(Stoney Creek, Ont.)

151 employees, 249 owner operators  
350-unit-plus fleet across North America

For most of its history, Joseph Haulage offered one service: dump trucks. But in 2005, Geoff Joseph, its second-generation owner, spearheaded its evolution to what he calls a “one call gets it all” model. He wanted the company to offer a comprehensive range of transportation services, from flatbed trailers that move construction and building projects, to fuel delivery trucks and pneumatic tankers for concrete plants. Even the logo changed from plain text to an overlaid oval to symbolize the new full-circle approach. It was an audacious move—both competitors and naysaying internal voices said his goal was too ambitious. Over the years, it took a nearly \$70-million investment, and some of the company’s new business units seemed overbuilt well before they began to realize a return. It was worth it. In 2010, the company’s revenue sat around \$5 million—that’s up to around \$100 million today.

### *Get outta the way*

#### **MAD Elevator**

(Mississauga, Ont.)

280 employees  
100,000+ MAD-equipped elevators

MAD Elevator—a manufacturer of fixtures, interiors and other elevator components—was a 20-person team in 2008. And despite having ballooned to 280 employees, longtime CEO Steve Reich-Rohrwig has staunchly resisted implementing elaborate bureaucracy and approval mechanisms. “We spend so much time making sure we hire great people who have a growth mindset, training them, and aligning them with our values,” he says. “Why would we then spend even more time controlling and supervising their day-to-day? The best thing

we can do for them and the company is get out of their way.” Sure, mistakes happen—on one occasion, a team member spent \$3,000 to airfreight a \$1,500 product across the country overnight. A manager may not have approved the decision, but on further review, it turned out to be the right call. Micromanagement can lock competent team members in a box. If you empower them to do their jobs, Reich-Rohrwig says, they’ll make the right decisions the vast majority of the time.

### *Live your culture*

#### **Oaken Equipment**

100 employees  
5 locations in Ontario

On a Sunday morning in March 2020, Kai Sørensen—CEO of Canada’s largest Bobcat dealer network, Oaken Equipment—sat in front of his computer staring at a list of his employees. The pandemic had financially upended the business, and only eight weeks after rolling out “the Oaken Way”—a codified set of company values, the first of which was “People First”—he faced the prospect of selecting team members to lay off. It would’ve been the right move for the firm’s near-term financial health, but Sørensen couldn’t do it. Instead, he kept everyone and paid them 100% of their salaries (or topped them off to 100%) even before the Canada Emergency Wage Subsidy was announced. “In retrospect, it was the right decision,” says Sørensen. “It emboldened our team and inspired a great deal of loyalty to our people-first culture, especially compared to the choices made by other companies in our industry.” The business began to rebound in late 2020. Since then, Oaken Equipment has more than doubled its staff, added two new locations, and grown its revenue by 75%, selling more than 1,000 machines each year.

### *Keep it simple*

#### **O’Dell HVAC Group**

102 employees  
6 offices in Ontario  
283% revenue growth since 2020

Until 2019, O’Dell HVAC Group was a band of partners and employees with no concrete management structure. As the company’s sales ramped up, that started to change—but the org chart stayed fairly lean, with minimal middle management and lots of room for entrepreneurial spirit in the ranks. When O’Dell acquired Ottawa’s Walmar Ventilation in 2021, the team doubled to 60 overnight—and as the firm added 40 team members over the next year and a half, its president, Nathan Martin, started to wonder whether it might be time to add some depth to the structure.

“I was looking at what bigger companies were doing, but what stopped me is a conversation with a mentor. He reminded me that our management structure should reflect our core values. And for us, a crucial one is staying nimble,” he says. “I thought I had to add all this complexity, but that conversation gave me confidence in the way we were doing things.” Now, Martin is intentional about maintaining a lean operation—O’Dell has six mid-level managers, and in keeping with its values, no immediate plans to layer on.

### Go with the flow

#### ProFab Group

(Saint-Apollinaire, Que.)  
300+ employees  
2 plants, 180+ home models available

Rising interest rates slowed the single-family home market and caused a surge in demand for rentals. In 2021, ProFab Group—a modular and factory-made home builder that had long specialized in single-family homes—responded by branching out in a bold new direction, fuelled by its acquisition by the private equity fund Kairos Capital Management. By expanding its portfolio to multi-dwelling units and rentals, plus building components like walls and roof trusses, ProFab evolved to meet a changing market—without losing its identity as a modular construction company. It also added architecture and engineering to its repertoire of services, and blended traditional building methods with its usual modular process, all in an effort to become a

comprehensive service provider. In an increasingly unstable world, a static business strategy is a recipe for irrelevance—ProFab is tackling the needs of today’s market and shoring up its capabilities for whatever the future has in store.

### Foster healthy living

#### Scotlynn

(Vittoria, Ont.)  
1,800+ employees  
150 million pounds of produce grown and packed in 2023

In 2014, Scotlynn CEO and president Scott Biddle was training for the Cain’s Quest Snowmobile Endurance Race—a grueling six-day, 3,100-kilometre event. Soon after he began working with a personal trainer, he noticed an improvement in his focus at work, which includes overseeing six locations across North America and a million shipments of produce each year. “It occurred to me that if this was how much better I was feeling, I should offer the same opportunity to the people who worked for me,” he says. In a fairly unconventional move for a shipping and logistics company, he hired a full-time personal trainer and chef/dietician for the office. He also built a full kitchen, and a gym complete with weights, rowing machines and stationary bikes. Today, keeping fit is an entrenched part of the company culture—as is taking full advantage of the free, nutritious food available throughout the work day. Not everyone opts into working out, of course. But those who do exercise in teams to keep each

other motivated, which Biddle says has been a major boon for team collaboration.

### Think global, act local

#### SideFX

(Toronto)  
163 employees (148 full time)  
2,126 customers from 71 countries

SideFX is the company behind Houdini, 3D animation software that’s been used by nearly every major visual effects (VFX) studio, including Disney, Pixar, DreamWorks and Sony. As a private Canadian company, it was always competing with much bigger fish, so it was crucial for it to find the right niche. Initially, SideFX focused on VFX for high-end features—think *True Lies*, *Twister* and *Children of the Corn*. “But over time, that focus on feature films wasn’t enough to support our aspirations for growth,” says CEO Kim Davidson. “We knew we had to expand our focus without going too far afield.” That meant disregarding well-meaning suggestions to shift into effects for architectural and product design, which was promising, but would have taken the sales and marketing teams too far outside the company’s scope. In the early 2000s, SideFX doubled down on the game and TV market, which had accounted for only a small portion of sales. Now, they make up a sizeable portion of its business. And though non-media customers are part of the picture, films, games and TV are the throughline. “The temptation is to grow in every direction, but to stay on track, we have to be disciplined,” says Davidson.

Two additional newcomers to the Best Managed Companies list are:

**Avantis Coopérative**, a Quebec-based agriculture co-op, and **Patrick Morin Inc.**, which operates hardware stores across Quebec.

## CANADA’S BEST MANAGED COMPANIES

### METHODOLOGY

Established in 1993, Canada’s Best Managed Companies recognizes excellence in private Canadian-owned companies. *The Globe and Mail* is a media sponsor of the program in partnership with Deloitte.

To be eligible for the Best Managed program, companies must be headquartered in Canada and have revenues of \$50 million or more. In terms of ownership, companies must be privately owned, including private equity portfolio companies. They can also be Canadian-owned co-operatives or foreign-owned with Canadian-based headquarters; a private company where the management team resides in

Canada; or a Canadian-owned closely held public company with fewer than 50% of their shares or units traded.

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

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

the organization.

Best Managed companies must also prove their culture and commitment by building a strong corporate culture and legacy, actively developing their people and leadership team, providing a holistic compensation system, and addressing continuity issues with the company.

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

For the fourth pillar, Best

Managed companies are expected to install strong governance structures, use KPIs to manage their progress, maintain a strong balance sheet and apply the financial discipline required to drive revenue growth, improve operating margin and increase asset efficiency.

For 2024, there are 27 new Best Managed Companies on the total list of 493. The remaining 466 companies are divided into three groups based on the number of years they’ve been included in the program. Best Managed winners: two to three years; Gold Standard winners: four to six years; Platinum Club members: seven plus years.

# BEST MANAGED COMPANIES

2024

# STILL THE BEST

WELCOME BACK  
TO THESE 466 BEST  
MANAGED COMPANIES

**PLATINUM CLUB**  
7 OR MORE YEARS ON THE LIST

	COMPANY/HEADQUARTERS	SECTOR
1	<b>AV Gauge &amp; Fixture Inc.</b> Oldcastle, Ont.	Consumer
2	<b>A&amp;W Food Services of Canada</b> North Vancouver	Restaurants
3	<b>Acadian Seaplants Ltd.</b> Dartmouth, N.S.	Agriculture
4	<b>Adastra Corp.</b> Toronto	Information technology
5	<b>AFD Petroleum Ltd.</b> Edmonton	Oil and gas
6	<b>Agilus Work Solutions</b> Edmonton	Business services
7	<b>Agri-Marché Inc.</b> Saint-Isidore, Que.	Agriculture
8	<b>Agrocrop Exports Ltd.</b> Bolton, Ont.	Agriculture
9	<b>Airstart Inc.</b> Mississauga	Energy, resources and industrials
10	<b>Alliance Energy Ltd.</b> Regina	Energy
11	<b>All Weather Windows</b> Edmonton	Manufacturing
12	<b>Almag Aluminum</b> Brampton, Ont.	Mining
13	<b>Altis Recruitment &amp; excelHR</b> Ottawa	Business services
14	<b>Amisco</b> L'Islet, Que.	Manufacturing
15	<b>Anatolia Tile + Stone</b> Vaughan, Ont.	Consumer

	COMPANY/HEADQUARTERS	SECTOR
16	<b>Aplin</b> Calgary	Business services
17	<b>Apollo Health and Beauty Care</b> Toronto	Manufacturing
18	<b>Arbor Memorial</b> Toronto	Death care
19	<b>Arconas</b> Mississauga	Industrial products
20	<b>Armco Group of Cos.</b> Halifax	Real estate
21	<b>Armour Transportation Systems</b> Moncton, N.B.	Transportation
22	<b>Armstrong Fluid Technology</b> Toronto	Manufacturing
23	<b>Arpi's Industries Ltd.</b> Calgary	Industrial products
24	<b>Artopex Inc.</b> Granby, Que.	Industrial products
25	<b>ASL Distribution Services Ltd.</b> Oakville, Ont.	Transportation
26	<b>ASL Paving Ltd.</b> Saskatoon	Construction
27	<b>Associated Engineering</b> Edmonton	Consulting
28	<b>Atlantic Coated Papers</b> Whitby, Ont.	Forestry and paper
29	<b>ATS Traffic Ltd.</b> Edmonton	Consumer
30	<b>Avison Young</b> Toronto	Real estate
31	<b>Bäckerhaus Veit Ltd.</b> Mississauga	Food manufacturing
32	<b>Bayshore HealthCare</b> Mississauga	Life sciences and health care
33	<b>BBA</b> Mont-Saint-Hilaire, Que.	Energy, resources and industrials
34	<b>BCF SENCRL LLP</b> Montreal	Business services
35	<b>BEST - For a cleaner world</b> Coquitlam, B.C.	Business services
36	<b>Bill Gosling Outsourcing</b> Barrier, Ont.	Business services
37	<b>Biron Groupe Santé</b> Brossard, Que.	Life sciences and health care
38	<b>Bison Transport</b> Winnipeg	Transportation
39	<b>Black Cat Wear Parts</b> Edmonton	Manufacturing
40	<b>Blue Water Group</b> Dartmouth, N.S.	Wholesale and distribution
41	<b>BMI Canada Inc.</b> Boisbriand, Que.	Consumer
42	<b>Boire &amp; Frères Inc.</b> Wickham, Que.	Agriculture
43	<b>Bond Brand Loyalty</b> Mississauga	Consumer
44	<b>Borger Group of Cos.</b> Rocky View County, Alta.	Industrial products
45	<b>Boston Pizza International Inc.</b> Richmond, B.C.	Restaurants
46	<b>Boulangerie St-Méthode Inc.</b> Adstock, Que.	Food manufacturing
47	<b>Bradford Greenhouses Ltd.</b> Springwater, Ont.	Consumer
48	<b>Brandt Group of Cos.</b> Regina	Industrial products
49	<b>BrettYoung</b> Winnipeg	Consumer
50	<b>BroadGrain Commodities</b> Toronto	Agriculture
51	<b>Brock Solutions</b> Kitchener, Ont.	Industrial products
52	<b>Bryton Marine Group</b> Vernon, B.C.	Manufacturing
53	<b>Burnbrae Farms Ltd.</b> Mississauga	Consumer
54	<b>C.A.T. Holding</b> Coteau-du-lac, Que.	Consumer
55	<b>Cactus Restaurants Ltd.</b> Vancouver	Restaurants
56	<b>Campbell Bros. Movers Ltd.</b> London, Ont.	Consumer
57	<b>Campus Living Centres</b> Toronto	Government and public services
58	<b>CANA Group of Cos.</b> Calgary	Construction

	COMPANY/HEADQUARTERS	SECTOR
59	<b>Canad Inns</b> Winnipeg	Hospitality
60	<b>Canarm Ltd.</b> Brockville, Ont.	Wholesale and distribution
61	<b>Cando Rail &amp; Terminals</b> Brandon, Man.	Transportation
62	<b>Capital Paving Inc.</b> Guelph, Ont.	Construction
63	<b>CBCL</b> Halifax	Consulting
64	<b>CBI Health</b> Toronto	Life sciences and health care
65	<b>CCI Inc.</b> Cochrane, Ont.	Consulting
66	<b>CenterLine (Windsor) Ltd.</b> Windsor, Ont.	Automotive
67	<b>Challenger Motor Freight</b> Cambridge, Ont.	Transportation
68	<b>Chandos Construction</b> Edmonton	Construction
69	<b>Charger Logistics</b> Brampton, Ont.	Transportation
70	<b>Charm Diamond Centres</b> Dartmouth, N.S.	Retail
71	<b>Cherubini Group of Cos.</b> Dartmouth, N.S.	Manufacturing
72	<b>Clio</b> Burnaby, B.C.	Technology
73	<b>CMiC</b> Toronto	Tech, media and telecom
74	<b>Coast Capital Savings CU</b> Surrey, B.C.	Financial services
75	<b>Coleman's Food Centres</b> Corner Brook, Nfld.	Grocery
76	<b>Conestoga Cold Storage Ltd.</b> Mississauga	Storage
77	<b>connectFirst Credit Union</b> Calgary	Financial services
78	<b>Contrôles Laurentide</b> Kirkland, Que.	Industrial products
79	<b>Cooke Aquaculture Inc.</b> Blacks Harbour, N.B.	Food manufacturing
80	<b>Cowan Insurance Group</b> Cambridge, Ont.	Financial services
81	<b>Cowater International</b> Ottawa	Business services
82	<b>Crosbie</b> St. John's	Oil and gas
83	<b>D2L Corp.</b> Kitchener, Ont.	Education
84	<b>Dancor/Coreydale</b> London, Ont.	Energy, resources and industrials
85	<b>Day &amp; Ross</b> Hartland, N.B.	Transportation
86	<b>Deca Cables</b> Trenton, N.S.	Manufacturing
87	<b>Diamond Schmitt</b> Toronto	Architecture
88	<b>Dilawri's Crown Auto Group</b> Winnipeg	Automotive
89	<b>Dillon Consulting</b> Toronto	Business services
90	<b>DPI Construction Management</b> Toronto	Construction
91	<b>Driving Change Automotive Group</b> Regina	Automotive
92	<b>Durabuilt Windows &amp; Doors Inc.</b> Edmonton	Manufacturing
93	<b>E.B. Horsman &amp; Son Ltd.</b> Surrey, B.C.	Wholesale and distribution
94	<b>E.C.S. Electrical Cable Supply</b> Richmond, B.C.	Wholesale and distribution
95	<b>Eastlink</b> Halifax	Telecom
96	<b>EBC Inc.</b> L'Anctienne-Lorette, Que.	Construction
97	<b>Electrozad Supply Co. Ltd.</b> Windsor, Ont.	Consumer
98	<b>Emmerson Packaging</b> Amherst, N.S.	Manufacturing
99	<b>Engineered Air</b> Calgary	Industrial products
100	<b>Equipment Sales &amp; Service Ltd.</b> Toronto	Wholesale and distribution
101	<b>Esri Canada</b> Toronto	Technology

	COMPANY/HEADQUARTERS	SECTOR
102	<b>Evertz Technologies Ltd.</b> Burlington, Ont.	Technology
103	<b>Farrow</b> Windsor, Ont.	Customs agent
104	<b>Fastfrate Group</b> Vaughan, Ont.	Consumer
105	<b>Fengate Asset Management</b> Toronto	Financial services
106	<b>Fenplast Portes &amp; Fenêtres</b> Candiac, Que.	Manufacturing
107	<b>Fillmore Construction Mgmt.</b> Edmonton	Construction
108	<b>First Industries Corp.</b> Edmonton	Consumer
109	<b>Fisherman's Market</b> Halifax	Wholesale and distribution
110	<b>Flanager Foodservice</b> Kitchener, Ont.	Wholesale and distribution
111	<b>FLOFORM Countertops</b> Winnipeg	Retail
112	<b>Forest Group of Cos.</b> Vaughan, Ont.	Construction
113	<b>Fountain Tire</b> Edmonton	Automotive
114	<b>Fourgons Transit Truck Bodies</b> Laval, Que.	Energy, resources and industrials
115	<b>Fresh Direct Produce</b> Vancouver	Wholesale and distribution
116	<b>Friesens Corp.</b> Altona, Man.	Manufacturing
117	<b>Fruit d'Or Inc.</b> Villeroi, Que.	Retail
118	<b>FWS</b> Winnipeg	Business services
119	<b>G Adventures</b> Toronto	Travel
120	<b>G&amp;L Group</b> Concord, Ont.	Industrial products
121	<b>Genesis Hospitality Inc.</b> Brandon, Man.	Hospitality
122	<b>Gentec International</b> Markham, Ont.	Wholesale and distribution
123	<b>Genumark</b> Toronto	Retail
124	<b>Geotab</b> Oakville, Ont.	Technology
125	<b>Gerrie Electric Wholesale Ltd.</b> Burlington, Ont.	Wholesale and distribution
126	<b>GHY International</b> Winnipeg	Customs agent
127	<b>Giampaolo Group</b> Brampton, Ont.	Manufacturing
128	<b>Giftcraft Ltd.</b> Brampton, Ont.	Wholesale and distribution
129	<b>Global Relay</b> Vancouver	Technology
130	<b>GoodLife Fitness</b> London, Ont.	Fitness and wellness
131	<b>Govan Brown</b> Toronto	Construction
132	<b>Graham</b> Calgary	Construction
133	<b>Grascan Construction Ltd.</b> Toronto	Construction
134	<b>Great Little Box Co.</b> Richmond, B.C.	Manufacturing
135	<b>Greenfield Global Inc.</b> Toronto	Manufacturing
136	<b>Gregg Distributors LP</b> Edmonton	Wholesale and distribution
137	<b>Groupe Atwill-Morin Inc.</b> Montreal	Restoration
138	<b>Groupe Deschenes</b> Montreal	Wholesale and distribution
139	<b>Groupe Germain Inc.</b> Quebec City	Hospitality
140	<b>Groupe Master</b> Boucherville, Que.	Wholesale and distribution
141	<b>Groupe Montoni Construction</b> Laval, Que.	Real estate
142	<b>Groupe Novatech Inc.</b> Sainte-Julie, Que.	Manufacturing
143	<b>Groupe Robert Inc.</b> Rougemont, Que.	Transportation
144	<b>Groupe Savoie - Résidences Soleil</b> Boucherville, Que.	Long-term care

	COMPANY/HEADQUARTERS	SECTOR
145	<b>Groupe Trans-West</b> Lachine, Que.	Transportation
146	<b>Harnois Énergies</b> Saint-Thomas, Que.	Wholesale and distribution
147	<b>Harry Rosen Inc.</b> Toronto	Retail
148	<b>Hatch</b> Mississauga	Consulting
149	<b>Home Hardware Stores Ltd.</b> St. Jacobs, Ont.	Retail
150	<b>Hopewell Group of Cos.</b> Calgary	Financial services
151	<b>Houle Electric</b> Burnaby, B.C.	Energy
152	<b>HTS</b> Toronto	Industrial products
153	<b>Hunter Amenities International</b> Burlington, Ont.	Manufacturing
154	<b>Hylife Ltd.</b> LaBroquerie, Man.	Agriculture
155	<b>I.M.P. Group International Inc.</b> Halifax	Aerospace
156	<b>Imperial Manufacturing Group</b> Richibucto, N.B.	Manufacturing
157	<b>Integral Energy Services Ltd.</b> Airdrie, Alta.	Business services
158	<b>Island West Coast Developments</b> Nanaimo, B.C.	Construction
159	<b>ITC Construction Group</b> Vancouver	Construction
160	<b>J Sonic Services Inc.</b> Saint-Laurent, Que.	Wholesale and distribution
161	<b>J.L. Richards &amp; Associates Ltd.</b> Ottawa	Business services
162	<b>Jayman BUILT Group of Cos.</b> Calgary	Real estate
163	<b>Jefo</b> Saint-Hyacinthe, Que.	Agriculture
164	<b>Johnston Group Inc.</b> Winnipeg	Financial services
165	<b>Johnvince Foods</b> Toronto	Food manufacturing
166	<b>JV Driver Group</b> Edmonton	Other
167	<b>Kaizen Auto Group</b> Calgary	Automotive
168	<b>Klick Health</b> Toronto	Advertising
169	<b>Klohn Crippen Berger Ltd.</b> Vancouver	Consulting
170	<b>Kohltech Windows</b> Debert, N.S.	Energy, resources and industrials
171	<b>Kriska Transportation Group Ltd.</b> Prescott, Ont.	Transportation
172	<b>Kruger Products Inc.</b> Mississauga	Consumer
173	<b>Lakeside Process Controls</b> Mississauga	Consulting
174	<b>Lancot Ltée</b> St. Laurent, Que.	Wholesale and distribution
175	<b>Layfield</b> Richmond, B.C.	Industrial products
176	<b>Le Groupe Dissan</b> Anjou, Que.	Wholesale and distribution
177	<b>Lemay</b> Montreal	Architecture
178	<b>Les Emballages Carrousel Inc.</b> Boucherville, Que.	Wholesale and distribution
179	<b>Levitt-Safety</b> Oakville, Ont.	Wholesale and distribution
180	<b>Lindsay Construction</b> Halifax	Energy, resources and industrials
181	<b>LMS Reinforcing Steel Group</b> Surrey, B.C.	Industrial products
182	<b>Location Brossard Inc.</b> Dorval, Que.	Transportation
183	<b>Location d'outils Simplex</b> Montreal	Industrial products
184	<b>Logel Homes</b> Calgary	Financial services
185	<b>Long View</b> Calgary	Tech, media and telecom
186	<b>Lorneville</b> Saint John, N.B.	Energy, resources and industrials
187	<b>Losani Homes</b> Stoney Creek, Ont.	Financial services

	COMPANY/HEADQUARTERS	SECTOR
188	<b>M. Sullivan &amp; Son Ltd.</b> Arnprior, Ont.	Energy, resources and industrials
189	<b>Magasins Trévi Inc.</b> Mirabel, Que.	Retail
190	<b>Maisons Laprise Inc.</b> Montmagny, Que.	Energy, resources and industrials
191	<b>Maple Lodge Farms Ltd.</b> Brampton, Ont.	Consumer
192	<b>Maple Reinders</b> Mississauga	Energy, resources and industrials
193	<b>Maritime Paper Products LP</b> Dartmouth, N.S.	Manufacturing
194	<b>Maritime Travel</b> Halifax	Travel
195	<b>Maritime-Ontario Freight Lines</b> Brampton, Ont.	Consumer
196	<b>MasterBUILT Hotels Ltd.</b> Calgary	Hospitality
197	<b>Mastronardi Produce (Sunset)</b> Kingsville, Ont.	Consumer
198	<b>McCain Foods (Canada)</b> Toronto	Food manufacturing
199	<b>McDougall Energy</b> Sault Ste. Marie, Ont.	Oil and gas
200	<b>McElhanney</b> Vancouver	Engineering
201	<b>MDS Aero Support Corp.</b> Ottawa	Aerospace
202	<b>Medcan</b> Toronto	Life sciences and health care
203	<b>Mega Group Inc.</b> Saskatoon	Business services
204	<b>MHS Inc.</b> Toronto	Business services
205	<b>Miller Waste Systems Inc.</b> Markham, Ont.	Utilities
206	<b>Mircom Group of Cos.</b> Vaughan, Ont.	Manufacturing
207	<b>mobileLIVE</b> Toronto	Technology
208	<b>Modern Niagara Group Inc.</b> Ottawa	Construction
209	<b>Molinaro's Fine Italian Foods</b> Mississauga	Food manufacturing
210	<b>Morrison Homes</b> Calgary	Real estate
211	<b>Mr. Lube Canada</b> Richmond, B.C.	Automotive
212	<b>Murray Auto Group</b> Winnipeg	Automotive
213	<b>MyHealth Centre</b> Toronto	Life sciences and health care
214	<b>Napoleon Group of Cos.</b> Barrie, Ont.	Manufacturing
215	<b>Nautel</b> Hacketts Cove, N.S.	Tech, media and telecom
216	<b>Nicola Wealth</b> Vancouver	Financial services
217	<b>Novexo Inc.</b> Laval, Que.	Consumer
218	<b>NRT Technology Corp.</b> Toronto	Tech, media and telecom
219	<b>Number TEN Architectural Group</b> Winnipeg	Architecture
220	<b>Oceanex Inc.</b> St. John's	Transportation
221	<b>Odlum Brown Ltd.</b> Vancouver	Financial services
222	<b>Omicron Canada Inc.</b> Vancouver	Construction
223	<b>OpenRoad Auto Group Ltd.</b> Richmond, B.C.	Automotive
224	<b>O'Regan's</b> Dartmouth, N.S.	Automotive
225	<b>OSL Retail Services</b> Mississauga	Business services
226	<b>Oxford Frozen Foods Ltd.</b> Oxford, Ont.	Food manufacturing
227	<b>Paladin Security Group</b> Burnaby, B.C.	Security
228	<b>Palliser Furniture Ltd.</b> Winnipeg	Manufacturing
229	<b>Paterson GlobalFoods Inc.</b> Winnipeg	Agriculture
230	<b>Payment Source Inc.</b> Ottawa	Tech, media and telecom

# BEST MANAGED COMPANIES

2024

	COMPANY/HEADQUARTERS	SECTOR
231	<b>Payworks</b> Winnipeg	Technology
232	<b>PCL Construction Group</b> Edmonton	Construction
233	<b>PD Group of Cos.</b> Edmonton	Construction
234	<b>Pelican International</b> Laval, Que.	Manufacturing
235	<b>Pennecon</b> St. John's	Industrial products
236	<b>peopleCare Communities</b> Waterloo, Ont.	Long-term care
237	<b>Point S Canada</b> Boucherville, Que.	Consumer
238	<b>PointClickCare</b> Mississauga	Technology
239	<b>Polycorp Ltd.</b> Elora, Ont.	Manufacturing
240	<b>Pomerleau Inc.</b> Saint-Georges, Que.	Construction
241	<b>PrairieCoast Equipment</b> Chilliwack, B.C.	Agriculture
242	<b>PRIMED Medical Products</b> Edmonton	Life sciences and health care
243	<b>Procom</b> Toronto	Business services
244	<b>PTI Transformers</b> Regina	Manufacturing
245	<b>Quadra Chemicals</b> Vaudreuil-Dorion, Que.	Wholesale and distribution
246	<b>Questrade, Inc.</b> Toronto	Financial services
247	<b>R.V. Anderson Associates Ltd.</b> Toronto	Architecture
248	<b>Red Sun Farms</b> Kingsville, Ont.	Agriculture
249	<b>Rex Power Magnetics</b> Concord, Ont.	Utilities
250	<b>RGD Group of Cos.</b> Calgary	Business services
251	<b>Richardson International Ltd.</b> Winnipeg	Agriculture
252	<b>Robinson</b> Winnipeg	Wholesale and distribution
253	<b>Rocky Mountaineer</b> Vancouver	Transportation
254	<b>Romet Ltd.</b> Mississauga	Energy, resources and industrials
255	<b>RWDI Group</b> Guelph, Ont.	Consulting
256	<b>Sask. Mining and Minerals</b> Chaplin, Sask.	Mining
257	<b>Scandinavian Building Services</b> Edmonton	Janitorial
258	<b>Servus Credit Union</b> Edmonton	Financial services
259	<b>Shah Canada Group of Cos.</b> Woodbridge, Ont.	Consumer
260	<b>Sierra Supply Chain Services</b> Toronto	Food manufacturing
261	<b>Sifton Properties Ltd.</b> London, Ont.	Financial services
262	<b>Simpson Seeds Inc.</b> Moose Jaw, Sask.	Consumer
263	<b>SiriusXM Canada</b> Toronto	Tech, media and telecom
264	<b>Skyline Group of Cos.</b> Guelph, Ont.	Real estate
265	<b>Solutions 2 GO</b> Brampton, Ont.	Wholesale and distribution
266	<b>Source Atlantic</b> Saint John, N.B.	Wholesale and distribution
267	<b>South Country Equipment Ltd.</b> Emerald Park, Sask.	Agriculture

	COMPANY/HEADQUARTERS	SECTOR
268	<b>Southmedic Inc.</b> Barrie, Ont.	Life sciences and health care
269	<b>Southwest Properties</b> Halifax	Real estate
270	<b>Spin Master Ltd.</b> Toronto	Entertainment
271	<b>St. Joseph Communications</b> Toronto	Media
272	<b>Standard Products Inc.</b> St. Laurent, Que.	Manufacturing
273	<b>StarTech.com</b> London, Ont.	Tech media and telecom
274	<b>Steam Whistle Brewing</b> Toronto	Food manufacturing
275	<b>Steele Auto Group</b> Dartmouth, N.S.	Automotive
276	<b>Stelpro</b> St-Bruno-de-Montarville, Que.	Industrial products
277	<b>Strike Group LP</b> Calgary	Oil and gas
278	<b>Summer Fresh Salads Inc.</b> Woodbridge, Ont.	Food manufacturing
279	<b>Superior Glove</b> Acton, Ont.	Industrial products
280	<b>Tap &amp; Barrel Group</b> Vancouver	Restaurants
281	<b>Techmation Electric &amp; Controls</b> Airdrie, Alta.	Energy, resources and industrials
282	<b>Tenaquip Ltd.</b> Senneville, Que.	Wholesale and distribution
283	<b>Terrapro Inc.</b> Sherwood Park, Alta.	Industrial products
284	<b>The Central Group</b> Mississauga	Marketing
285	<b>The Dufresne Group Inc.</b> Winnipeg	Retail
286	<b>The International Group Inc.</b> Toronto	Oil and gas
287	<b>The K-Line Group of Cos.</b> Stouffville, Ont.	Energy
288	<b>The Oppenheimer Group</b> Coquitlam, B.C.	Agriculture
289	<b>The Shaw Group Ltd.</b> Halifax	Manufacturing
290	<b>Transport Bourassa</b> Saint-Jean-sur-Richelieu, Que.	Transportation
291	<b>Trico Homes</b> Calgary	Real estate
292	<b>triOS College</b> Mississauga	Education
293	<b>Trotman Auto Group</b> Surrey, B.C.	Consumer
294	<b>Trotter &amp; Morton Group of Cos.</b> Calgary	Construction
295	<b>TuGo</b> Richmond, B.C.	Financial services
296	<b>Turkstra Lumber Co. Ltd.</b> Hamilton, Ont.	Forestry and paper
297	<b>UCS Forest Group</b> Mississauga	Forestry and paper
298	<b>United Van Lines (Canada) Ltd.</b> Mississauga	Transportation
299	<b>Vector Construction</b> Winnipeg	Construction
300	<b>Vision Group</b> Montreal	Life sciences and health care
301	<b>Waiward Industrial LP</b> Edmonton	Industrial products
302	<b>Wakefield Canada Inc.</b> Toronto	Wholesale and distribution
303	<b>Walters Group Inc.</b> Hamilton, Ont.	Industrial products
304	<b>Wesgroup Equipment</b> Surrey, B.C.	Energy, resources and industrials
305	<b>Westcorp Inc.</b> Edmonton	Real estate
306	<b>Western Sales Ltd.</b> Rosetown, Sask.	Agriculture
307	<b>Weston Forest</b> Mississauga	Wholesale and distribution
308	<b>Weston Wood Solutions Inc.</b> Brampton, Ont.	Wholesale and distribution
309	<b>WGI Westman Group Inc.</b> Sunnyside, Man.	Manufacturing
310	<b>White Spot Ltd.</b> Vancouver	Restaurants

	COMPANY/HEADQUARTERS	SECTOR
311	<b>Wildstone Construction Group</b> Penticton, B.C.	Construction
312	<b>Winters Instruments Ltd.</b> Toronto	Energy, resources and industrials
313	<b>Woodbridge</b> Mississauga	Manufacturing
314	<b>Workleap</b> Montreal	Tech, media and telecom
315	<b>WZMH Architects</b> Toronto	Energy, resources and industrials
316	<b>Zulu Alpha Kilo</b> Toronto	Advertising

## GOLD STANDARD 4 TO 6 YEARS ON THE LIST

317	<b>Acadian Construction</b> Dieppe, N.B.	Construction
318	<b>AIL Group of Cos.</b> Sackville, N.B.	Energy, resources and industrials
319	<b>AirSprint Inc.</b> Calgary	Aviation
320	<b>Almita Piling</b> Edmonton	Energy, resources and industrials
321	<b>Artitalia Group Inc.</b> Montreal	Manufacturing
322	<b>Averna</b> Montreal	Energy, resources and industrials
323	<b>Barkman</b> Steinbach, Man.	Manufacturing
324	<b>BE Power Equipment</b> Abbotsford, B.C.	Manufacturing
325	<b>Bee-Clean Building Maintenance</b> Edmonton	Janitorial
326	<b>Behaviour Interactive</b> Montreal	Tech, media and telecom
327	<b>BioScript Solutions</b> Moncton, N.B.	Life sciences and health care
328	<b>Caron Transportation Systems</b> Sherwood Park, Alta.	Transportation
329	<b>CEDA</b> Calgary	Environment services
330	<b>Chambers Transportation Group</b> Vernon, B.C.	Consumer
331	<b>ClearTech Industries Inc.</b> Saskatoon	Energy, resources and industrials
332	<b>Cofomo</b> Montreal	Info technology
333	<b>Conestoga Meats</b> Breslau, Ont.	Meat processing
334	<b>Crawford Packaging</b> London, Ont.	Industrial products
335	<b>Crystal Group</b> Toronto	Cosmetics manufacturing
336	<b>De La Fontaine</b> Sherbrooke	Energy, resources and industrials
337	<b>Delnor Construction Ltd.</b> Edmonton	Construction
338	<b>Donna Cona Inc.</b> Ottawa	Consulting
339	<b>Eddy Group Ltd.</b> Bathurst, N.B.	Wholesale and distribution
340	<b>Element Technical Services</b> Calgary	Wholesale and distribution
341	<b>emergiTIL Inc.</b> Richmond Hill, Ont.	Business services
342	<b>Energera Inc.</b> Acheson, Alta.	Business services
343	<b>Franchise Management Inc.</b> Woodstock, Ont.	Restaurants
344	<b>FYidctors</b> Calgary	Life sciences and health care
345	<b>Go Auto</b> Edmonton	Automotive
346	<b>GrainsConnect Canada</b> Calgary	Agriculture
347	<b>Groupe Boucher Sports</b> Sainte-Foy, Que.	Consumer
348	<b>Groupe Tornatech Inc.</b> Laval, Que.	Manufacturing
349	<b>Gusto 54 Restaurant Group</b> Toronto	Consumer
350	<b>H.H. Angus &amp; Associates Ltd.</b> Toronto	Energy, resources and industrials
351	<b>Henry's</b> Toronto	Retail

COMPANY/HEADQUARTERS	SECTOR
352 HGrégoire Saint-Eustache, Que.	Automotive
353 Index Exchange Toronto	Advertising
354 JNE Welding Saskatoon	Industrial products
355 Lamour Group Montreal	Retail
356 Le Groupe Beaucage Sherbrooke, Que.	Consumer
357 Les Toitures Hogue Blainville, Que.	Construction
358 Ig2 Montreal	Advertising
359 Magna IV Engineering, Inc. Edmonton	Energy, resources and industrials
360 Marco Group Ltd. St. John's	Construction
361 Mary Brown's Markham, Ont.	Restaurants
362 Mattamy Homes Toronto	Real estate
363 McKeil Marine Burlington, Ont.	Consumer
364 Medicom Pointe-Claire, Que.	Life sciences and health care
365 Membertou Development Corp. Membertou, N.S.	Government and public services
366 mform Construction Group Toronto	Construction
367 Mikisew Group of Cos. Enoch, Alta.	Government and public services
368 Mint Pharmaceuticals Inc. Mississauga	Life sciences and health care
369 MOBIA Dartmouth, N.S.	Tech, media and telecom
370 Modern Beauty Supplies Calgary	Wholesale and distribution
371 Mondou (Groupe Legault) Montreal	Retail
372 MP Lundy Construction Inc. Ottawa	Energy, resources and industrials
373 Mulvey & Banani Toronto	Engineering
374 Muraflex Montreal	Energy, resources and industrials
375 Nanometrics Inc. Kanata, Ont.	Technology
376 Naylor Building Partnerships Inc. Oakville, Ont.	Engineering
377 Neighbourly Pharmacy Toronto	Life sciences and health care
378 Nightingale Mississauga	Manufacturing
379 Osmow's Mississauga	Consumer
380 Peavey Industries LP Red Deer, Alta.	Consumer
381 Polykar Saint-Laurent, Que.	Manufacturing
382 Prével AG Inc. Saint-Hyacinthe, Que.	Agriculture
383 Previa Quebec City	Tech, media and telecom
384 Priestly Demolition Inc. King City, Ont.	Demolition
385 QSL Quebec City	Transportation
386 Quinlan Brothers Ltd. St. John's	Fisheries
387 Regional Group Ottawa	Financial services
388 Rockwood Custom Homes Calgary	Construction
389 Seasons Retirement Communities Oakville, Ont.	Life sciences and health care
390 Sharethrough Montreal	Technology

COMPANY/HEADQUARTERS	SECTOR
391 Showcase Brampton, Ont.	Consumer
392 Spectrum Health Care Toronto	Life sciences and health care
393 Spinrite Listowel, Ont.	Retail
394 State Window Corp. Vaughan, Ont.	Energy, resources and industrials
395 StemCell Technologies Vancouver	Technology
396 Targray Kirkland, Que.	Resources
397 Techo-Bloc Inc. Saint-Hubert, Que.	Retail
398 The Deveraux Group of Cos. Regina	Real estate
399 The Inland Group of Cos. Truro, N.S.	Transportation
400 The PUR Company Inc. Toronto	Consumer
401 Turf Care Products Canada Newmarket, Ont.	Consumer
402 Viva Naturals Toronto	Food manufacturing
403 VMAC Nanaimo, B.C.	Automotive
404 Wellington-Altus Private Wealth Winnipeg	Financial services
405 Whitewater West Industries Ltd. Richmond, B.C.	Manufacturing
406 Wills Transfer Ltd. Smiths Falls, Ont.	Transportation

#### BEST MANAGED 2 TO 3 YEARS ON THE LIST

407 ABC Recycling Burnaby, B.C.	Energy, resources and industrials
408 Adfast Canada Inc Saint-Laurent, Que.	Consumer
409 Aquifer Group of Cos. Saskatoon	Consumer
410 Automobile en direct.com Inc. Saint-Constant, Que.	Automotive
411 Beaudoin Canada Gatineau, Que.	Energy, resources and industrials
412 Birch Mountain Enterprises LP Fort McMurray	Energy, resources and industrials
413 Blendtek Cambridge, Ont.	Consumer
414 Bondi Produce & Specialty Foods Toronto	Wholesale and distribution
415 Book Depot Inc. Thorold, Ont.	Wholesale and distribution
416 Brookdale Treeland Nurseries Ltd. Schomberg, Ont.	Agribusiness
417 Caravan Group of Cos. Oakville, Ont.	Consumer
418 Carrington Group of Cos. Edmonton	Construction
419 Centra Windows Langley, B.C.	Manufacturing
420 Champlain Seafood Dieppe, N.B.	Consumer
421 CMP Advanced Mech. Solutions Châteauguay, Que.	Manufacturing
422 Dilawri Group of Cos. Toronto	Consumer
423 Diversicare Canada Toronto	Long-term care
424 Elite Integrity Services Calgary	Energy, resources and industrials
425 Energy Transport Group LaSalle, Que.	Consumer
426 eStructure Data Centers Montreal	Tech, media and telecom
427 FourQuest Energy Edmonton	Industrial services

COMPANY/HEADQUARTERS	SECTOR
428 Gincor Werx Mattawa, Ont.	Energy, resources and industrials
429 Groupe Morneau Saint-Arsène, Que.	Consumer
430 Groupe Renaud-Bray Inc. Montreal	Consumer
431 Inflector Environmental Services Ottawa	Industrial services
432 Innovair Solutions L'Islet, Que.	Manufacturing
433 Ironclad Developments Inc. Springfield, Man.	Financial services
434 ITI Quebec City	Consulting
435 L. Fournier et fils Inc. Val-d'Or, Que.	Mining
436 LCI Education Montreal	Government and public services
437 Lee Valley Tools Ltd. Ottawa	Consumer
438 Light Speed Logistics Inc. Rocky View County, Alta.	Consumer
439 Logistec Montreal	Environmental services
440 Logistik Unicorn Inc. Saint-Jean-sur-Richelieu, Que.	Consumer
441 MedSpa Partners Inc Toronto	Life sciences and health care
442 Metro Supply Chain Group Inc. Montreal	Consumer
443 Mevotech LP Toronto	Consumer
444 Miralis Inc. Saint-Anaclet, Que.	Manufacturing
445 New Look Vision Group Saint-Laurent, Que.	Retail
446 Norbec Boucherville, Que.	Manufacturing
447 Norda Stelo Inc. Quebec City	Construction
448 P3 Veterinary Partners Inc. Oakville, Ont.	Life sciences and health care
449 Policaro Group Brampton, Ont.	Automotive
450 Ren's Pets Puslinch, Ont.	Retail
451 Roy. Anjou, Que.	Maintenance services
452 Rustica Foods Anjou, Que.	Retail
453 Samuel, Son & Co. Oakville, Ont.	Industrial products
454 Seaboard Transport Group Dartmouth, N.S.	Consumer
455 Seafair Capital St. John's	Government and public services
456 Six Nations of the Grand River Development Corp. Ohsweken, Ont.	Government and public services
457 StackAdapt Toronto	Technology
458 Synergie Canada Inc. Boisbriand, Que.	Consumer
459 The Universal Group Langley, B.C.	Energy, resources and industrials
460 Therrien Nicolet, Que.	Energy, resources and industrials
461 Transit Lévis, Que.	Consumer
462 Tri-Mach Group Inc. Elmira, Ont.	Manufacturing
463 Trudell Medical Ltd. London, Ont.	Life sciences and health care
464 Tulloch Engineering Huntsville, Ont.	Energy, resources and industrials
465 Urban Life Solutions Rocky View County, Alta.	Landscaping and maintenance
466 Westech Industrial Ltd. Calgary	Technology





## Pet project

**Jacqueline Prehogan** launched Open Farm so her pugs could eat more sustainable food. Now, the company is a market leader in sustainability

I was driving in a snowstorm and got stuck next to a transport truck carrying pigs. There was something about that moment, when we were inching along together, that I started to think, *Where are these animals coming from? Where are they going?*

My husband, Isaac, and I started to make the connection between the way ingredients were raised and grown, and the nutrition of what we were eating. We wanted to know where our food was coming from. We had two pugs at that time, and we wanted to do the same for them—they're part of the family. So, we started to look for pet food that was humanely raised and sustainably sourced. It really didn't exist. So, we decided to create it ourselves.

The best part is that we're showing you don't need to choose between a humane product, a sustainable product and a good-quality product. But a lot goes into that. We have an industry-leading animal-welfare program where 100% of our meat has third-party animal-welfare certifications. We want to make sure that any farm animal that's been in our supply chain was treated with kindness and respect. This is important, because 25% of all the meat produced in the U.S. goes into pet food.

**2.5  
BILLION**

Animals that become part of the pet-food supply chain each year

**85%+**

Open Farm's year-over-year growth since 2015

# A quarter of all meat produced in the U.S. goes into pet food

When we started, our supply chain didn't exist. We had to go knock on doors and explain why we were different, and why it would be good to work with us. The result is that we built this incredible proprietary supply chain.

Now, we have three really big goals. The first is our zero-waste-to-landfill goal. Pet food is responsible for 30% of the environmental impact of meat. It's massive. And the packaging waste is pretty much all going to landfill. We want to transition all our product packaging to the most recyclable substrates available by 2025. And we're tracking to that.

We also have a goal to advance regenerative agriculture across a million acres of land by 2030. One of the challenges there is that there are no universal standards. So, we've worked with the University of Missouri to create a set of standards across different proteins and crop ingredients that we can open-source to these farms. Right now, we have 100,000 regenerative acres out of a total of 500,000 that we're sourcing from, so we need to grow it tenfold.

And finally, in 2020 we committed to reducing our carbon emissions by 42% by 2030. That's a huge task, because we need to reduce our emissions from our 2020 baseline when we're growing by more than 80% every year. It's going to be about electrifying our manufacturing operations, essentially.

When we started, nobody was talking about ethical sourcing. Now you see a lot of other brands at least talking about it, understanding that they need to do better. And our reach goes beyond the pet industry—we're advocating for better transparency for *all* consumer packaged goods. Many years ago, we introduced a first-of-its-kind feature on our website that allowed you to call up a list of every ingredient in our products, the source of origin, safety reports and certifications. Last year, we doubled down, adding QR codes to all our products so pet parents can scan them on the shelf. And we're the first pet-food company—and one of the only CPG companies—to publish the greenhouse gas emissions of every one of our products via QR code.

What keeps us up at night is making sure we never make a mistake that could've been avoided if we had just better planned for it and been more thoughtful. It's not sexy—it's just the nuts and bolts of building a great company.

/Interview by Alex Mlynek

Celebrating **70** Years of Flavor



Thank you for making Mastronardi Produce  
one of Canada's Best Managed Companies

*Mastronardi*<sup>TM</sup>  
**70**

[SUNSETGROWN.COM](http://SUNSETGROWN.COM)

CANADA BEST  
MANAGED  
COMPANIES

Platinum member

**15**  
YEARS IN A ROW



Congratulations to the  
exceptional businesses that  
have been named Canada's Best  
Managed Companies for 2024



As a long-time supporter of the Canada's Best Managed Companies program, we salute these businesses with their relentless ambition to revolutionize their community, workplace and industry.

**Congratulations to the 2024 winners!**