THE GLOBE AND MAIL

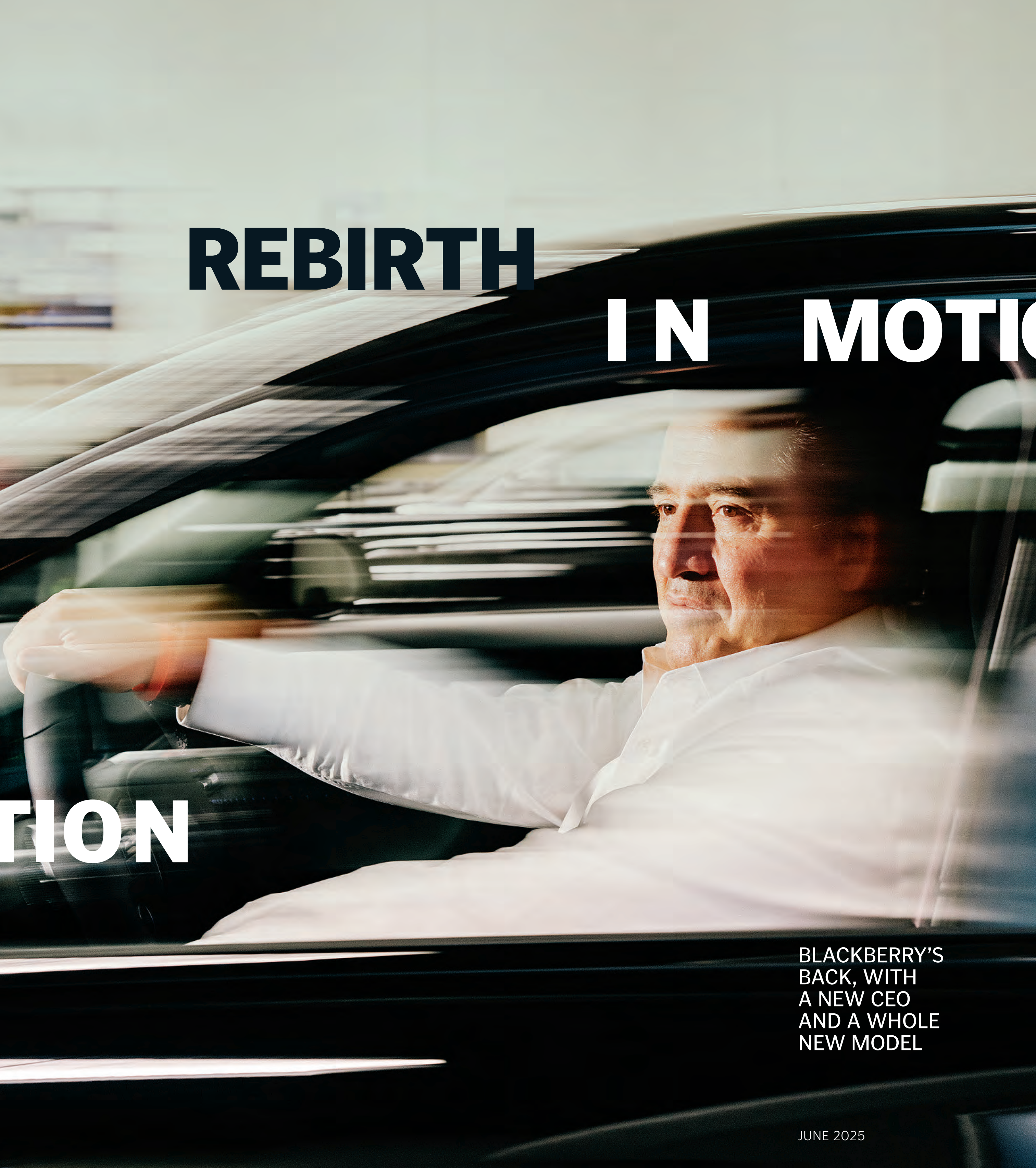
MIOVISION'S TRAFFIC TECHNOLOGY HELPS UNJAM CITY STREETS

WHAT LEADERS CAN LEARN FROM CANADA'S BEST MANAGED COMPANIES

MADE-IN-CANADA MANUFACTURING IS TOUGHER THAN YOU THINK

WHY FINANCE MAVENS AND MOVIE STARS ARE OBSESSED WITH STOICISM

REPORT ON BUSINESS



REBIRTH
IN MOTI
TION

BLACKBERRY'S BACK, WITH A NEW CEO AND A WHOLE NEW MODEL

JUNE 2025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How the golden rule guided Debra Doucette's career, *page 62*

COVER PHOTOGRAPH SHOT EXCLUSIVELY FOR ROB MAGAZINE BY JOHN KEALEY; (LEFT) RACHEL PICK

Look who's back

I can still conjure the sound and feel of my first BlackBerry—that oh-so-satisfying click-click-click as my thumbs flew over the keyboard. I admit I was a bit of a late adopter—I was still triple-tapping texts on my flip phone until nearly the mid-2000s. But once I finally upgraded, I became a convert to the Research In Motion religion. That delightful tactility wasn't the only thrill of owning a BlackBerry, though. It was that the device—then pretty much the hottest piece of consumer tech *in the world*—came from just down Highway 401 in Waterloo, Ont.

Every Hollywood star, politico and corporate titan had a CrackBerry practically glued to their hands at all times. Beyoncé slept with hers. Drake had one plated in 24-karat gold. When the world economy began to unravel in early 2008, Wall Streeters learned of the collapse of Bear Stearns's stock via buzzing BlackBerrys carried in holsters on their belts. Barack Obama caused what seemed at the time to be a major national security kerfuffle after he insisted on bringing his beloved BlackBerry to the White House when he took office in 2009—he just couldn't live without it.

All of this propelled RIM's co-founders, Jim Balsillie and Mike Lazaridis, to phenomenal wealth—at the company's peak, they were worth billions apiece. Waterloo became a high-tech hub that attracted some of the smartest people in the world.

We all know what happened next, though: The iPhone debuted in 2007, and its touchscreen technology—which Balsillie and Lazaridis initially dismissed—slowly ground BlackBerry and its clickety keyboard into irrelevance. Obama, by the way, clung to his beloved device until 2016, the same year BlackBerry stopped selling handsets altogether.

The company is still around, though it bears little resemblance to the BlackBerry of old, as you'll read in Sean Silcoff's story, "Drive to Survive," on page 22. It took nearly a year of requests to persuade the company's newish Long Island–raised, Dallas-based CEO, John Giamatteo, to sit down for an interview. But Sean finally brought him around—which makes sense, because if there's one reporter the media-shy chief exec could trust to get the story of BlackBerry's transformation right, it's Sean. After all, he literally wrote the book (along with former *Globe and Mail* reporter Jacquie McNish) on BlackBerry, *Losing the Signal*, which debuted 10 years ago this month. (The book was *very* loosely adapted into the laugh-until-you-weep Canadian-produced film *BlackBerry*, which premiered in 2023.)

I first met Sean back in 1999, at the height of the dot-com boom, around the same time the first BlackBerry (billed as an email pager) made its chunky debut. He sat in the cubicle across from me at the business magazine where we worked, and his energy level could best be described as Alex P. Keaton in the speed episode of *Family Ties*.

Sean hasn't changed all that much in the past 26 years. But BlackBerry sure has—from world-dominating icon to, well, turn to the story to find out. **/Dawn Calleja**

Have feedback? Email us at robmagletters@globeandmail.com

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PHOTOGRAPH ON LOCATION AT THE CHASE BY DANIEL EHRENWORTH

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Diversity of opinion

Simon Lewsen's cover story traced the growth of and subsequent backlash against diversity, equity and inclusion. Bottom line: It wasn't just Trump.

Being colour- and gender-blind is the goal. Thou shalt not discriminate. As the article suggests, create a curtain to hide a candidate's identity, thereby only hiring the best person. Merit over tokenism must win out. DEI may have meant well but was highjacked by activists. **—Zagdig**

Another case where an excellent concept has been ruined by terrible execution. Improperly applied, DEI becomes blatant discrimination that is used to exclude Canadians from opportunities. **—Glober5**

End of an icon

Chris Taylor's oral history of Nortel's peak generated dozens of reminiscences.

Got juiced just reading this piece. Is the book in the works? After that, option for a movie! *Blackberry*—another rise-and-fall tech saga—was one of the best flicks of 2023. **—Rich Mole**

I heard John Roth speak at an event in Halifax, and the room was silent as people took in every word. Just a year or two later, it was over. **—Mr. Jones2**

The problem isn't the government or even the banks—it's the executives and shareholders. How many Canadians get a little wealthy, and then feel the urge to sell out to foreign buyers or get distracted by non-core vanity projects? We need more executives like Murray Edwards (CNRL) and Tobias Lütke (Shopify), who want to build and operate world-beating enterprises based in Canada. **—Berilo**

To boycott or not to boycott

John Lorinc's Big Idea wondered whether they work. Reader reactions were mixed.

Emotions are a strong factor. It just feels darn good to buy Canadian instead of American! **—Leslie Webb**

It seems the author is conflating the inability of people to follow through on their boycotting with the idea that boycotts don't work. If everyone boycotted a product, and that boycott had no shelf life, it would be very effective indeed. **—Chris Maddock**

Love the title. And the tongue-in-cheek aspect is exactly how I feel about most boycotts. **—Peter Kosacky**

CORRECTION
In our Best Executives package (May), we suggested that the CEO of New Look Vision Group stepped down in 2022; in fact, it was the company's previous CFO who stepped down.

PITY THE MEGA-RICH
Luxury house prices grew by just **3.6%** in 2024, compared to the long-run trend over the past two decades of **4.5%**

06/25

NEW RULES

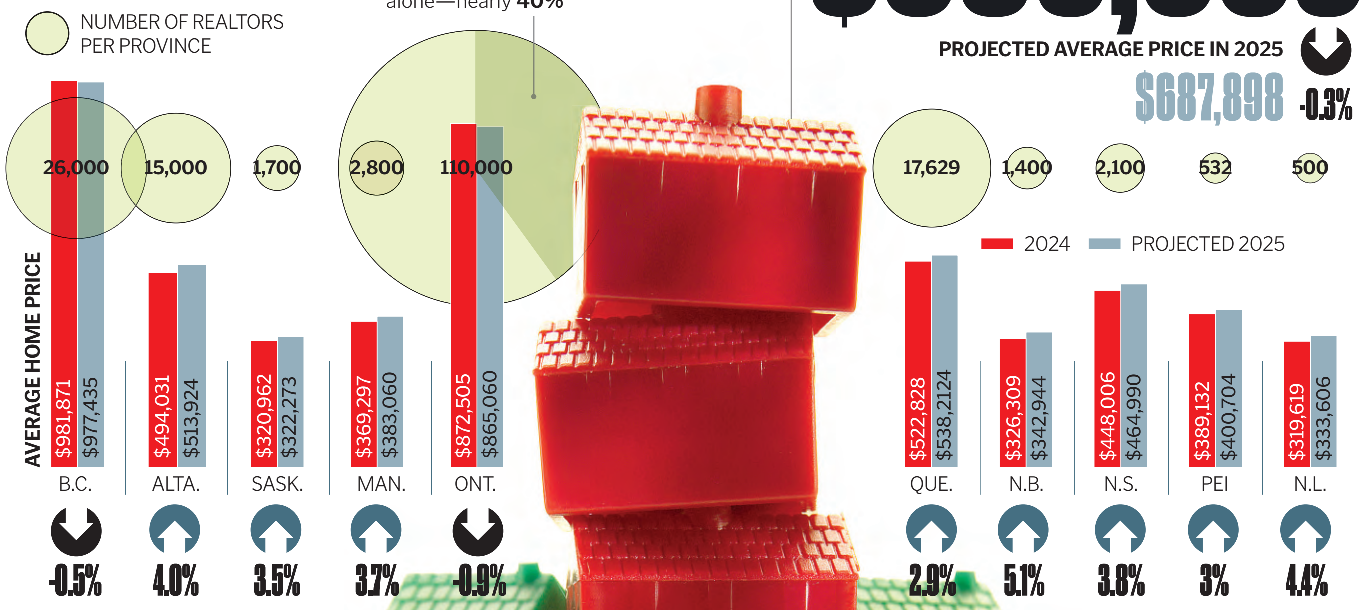
Home stretch

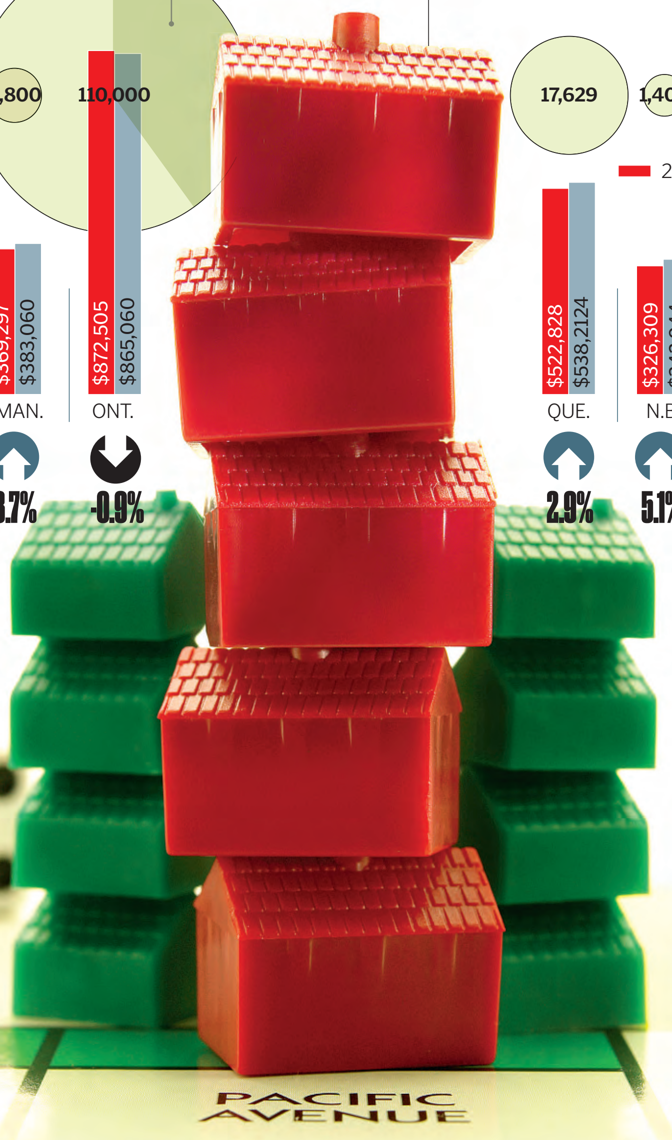
For realtors, spring is traditionally the most wonderful time of the year—peak season for home buying and selling. But the market is deeply unsettled these days, with global economic woes compounding a market that's been sluggish since the Bank of Canada began hiking rates back in 2022. And that likely means another year of lower commissions.

AVERAGE HOME PRICE IN CANADA (2024)

$689,665

PROJECTED AVERAGE PRICE IN 2025
$687,898 -0.3%





AVERAGE AGE OF FIRST-TIME HOME BUYERS IN CANADA

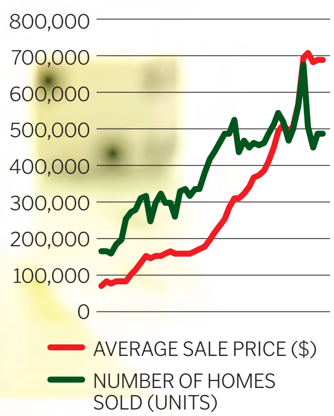
2014	36
2019	38
2024	40

MOST EXPENSIVE PROPERTY LISTED ON MLS

$58.8 MILLION

200 feet of oceanfront property in West Vancouver with five bedrooms, seven bathrooms, an oceanside pool and an outdoor spa designed by architect Russell Hollingsworth. The annual property-tax bill: **$193,706**

NUMBER OF HOMES SOLD VS. AVERAGE SALE PRICE (1980-2024)



PHOTOGRAPH BY CLINTON HUSSEY

THE EXCHANGE

Export, eh?

For Canada, expanding our trade horizons has become the existential issue of the Trump era. Enter Alison Nankivell, the new CEO of Export Development Canada, which helps thousands of businesses each year establish trade in well over 200 countries globally.

BY TREVOR COLE

You may recall that a few months ago in this space, as we talked about the challenges faced by Canada's exporting companies, Saskatchewan's Murad Al-Katib, head of AGT Foods, singled out one of the country's Crown corporations for praise. He called Export Development Canada "the most competitive export credit agency in the world." We decided to follow up on that tribute by checking in with EDC itself. That meant talking to its new boss. Last year, Alison Nankivell had begun a big turnaround at innovation incubator MaRS Discovery District in Toronto when she abruptly announced she was leaving to return to EDC, where she'd once worked for 15 years. Since February, the newly installed CEO has been steering the agency mandated to help Canadian companies reach and succeed in foreign markets. Every year, some 28,000 Canadian companies benefit in some way from EDC's financial and knowledge support. (1) In 2024 alone, the Crown corp helped enable $123 billion in exports, foreign investment and trade development. At a time when global trade has been disrupted by an unstable U.S. administration and many Canadian exporters have questions about their future, it's EDC's job, and Nankivell's, to provide some answers.

You were at MaRS for less than a year. Why did you make the sudden jump to EDC?
My whole background had been international trade. I had been working in the venture market and in the innovation economy for the past decade, mostly through BDC and then my time at MaRS (2). This was an opportunity to come back to a place where I started my career, at a really interesting moment for Canada. My view is that there's a lot to do to make us much more of a global trader than a continental one. And the privilege of being part of that exercise just felt too good to pass up.

At MaRS, you quickly restructured the organization and chopped staff. (3) After a few months here, what's your assessment of what EDC needs as an organization?
MaRS was a different situation because there was a financial crunch. At EDC we're self-sustaining, so the challenge for us is to get ready to be part of a nation-building exercise for our aspirations on trade. Where can we build efficiencies to get more volume, more throughput faster with the resources we have? Given we have one of the largest project finance teams in Canada, how do we reorganize ourselves to have more capacity to work on some of these very significant and complex projects to enable more east-west trade? Also, there's a process of digitization we're going through to automate some of our core products and services. We're trying to accelerate that so people can spend more time on the more bespoke types of problem solving. A lot of companies now need much more differentiated types of financial support.

I gather there was a surge in inquiries about trade diversification at EDC in the initial stages after Trump's tariffs. (4) How did you handle that?
That was actually a huge effort, and it was exhausting. When the tariffs first hit, we had a pulse-check on every aspect of our customer engagement. Across the country in our 16 offices, we had our ear to the ground. We also developed a very strong dialogue with the Canadian banks, which we work quite closely with. Because we provide a lot of guarantees to them to increase their support of working capital to their own clients. It's been challenging because there's been so much confusion, it's hard for businesses to act. It's hard for them to know what they need from us, because they don't know exactly yet the ripple effect of these changes, to understand where the pain points are going to be in their business.

Especially when a tweet from the president can change everything.
Exactly. What we learned is, the key thing you need to do is reassure. And this is what we were trying to do with the banks. Reassure clients that we will support you with working capital. Because it becomes a liquidity crunch if you're not sure whether people are gonna reject your exports—because suddenly if it's a tariff X high, they might say, "I don't want that contract anymore." Or it might be that your imports are

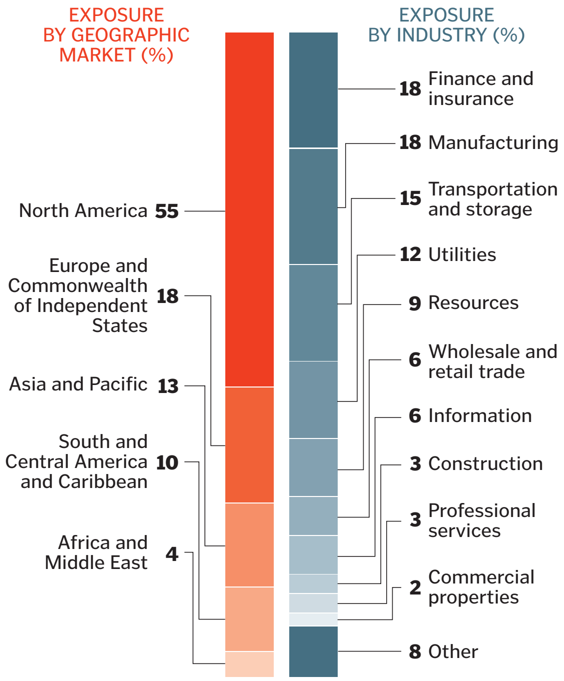
1. A 2024 study EDC conducted with Statistics Canada estimated that Canadian companies supported by EDC generate 23% more revenues, employ 16% more workers and are 6% more productive.

2. Nankivell spent 10 years at BDC Capital, where she was senior vice-president. There were reports that she was frustrated by the challenges at MaRS.

3. At MaRS, Nankivell reduced staff from 140 to 101 in a few months, and cut executive ranks by more than half.

PHOTOGRAPHS ALEXA MAZZARELLO

EVERYTHING EVERYWHERE ALL AT ONCE
IN 2024, EDC FACILITATED $123 BILLION IN EXPORTS, FOREIGN INVESTMENT AND TRADE DEVELOPMENT



suddenly more expensive, and that's having an impact on your working capital. There's so many parts in the dynamics of global trade that affect a business. People now are trying to think through their supply chains, and they're trying to build resiliency into their operations. All we can really do, as a financial partner, is say, "In this turmoil, we'll be there for you. Keep talking to us, tell us what you need, and we will support you."

At the beginning of the year, about 77% of Canada's exports went to the U.S. Where do you see that number being in a few years?

The United States is always going to be a core part of Canadian trade. **(5)** But I think success, maybe, is getting it down to 65% or 60%. But the other thing you have to think about is, there's always the next generation of businesses emerging. For example, clean tech. Under the Biden administration and the Inflation Reduction Act, you had a huge pull of Canadian companies setting up clean-tech operations in the United States. That's no longer the case. Now they're focusing more on Europe. **(6)** Emerging industries are going where they see greater alignment in the priorities of a country. In Europe right now, energy security is important as they try to find greener baseload energy technologies that will allow them to rely less on Russian gas. That will have an impact on the future direction of our exports. The United States is still key. But Asia is growing at a much faster pace. Europe has certain areas that are very simpatico to Canada's offerings. There are many good, positive trends happening toward diversifying our trade. It's a question of whether we seize on them.

Mark Carney will lead a Liberal government for perhaps the next few years. How will that affect EDC?

Our mandate's the same regardless of which government is in power. But we expect to see more nation-building projects, because it's become evident that our trade-enabling infrastructure is not sufficient. We are lacking the infrastructure to move commodities—the scale of ports, the spur lines needed for that, the logistics and storage facilities. If you suddenly want to have agricultural trade with a significant number of new countries, you can't do that until you increase the ability to move product. So we sense that, working with other sister Crown corporations, we will be very much part of that solution.

Last spring, the government directed EDC to increase its appetite for risk, to get more money flowing to Canadian companies. Does that directive still apply?

Yes, I think so. That's really a challenge to us to use our capital wisely to do even bolder and bigger things to help our clients, because when you're trying to diversify, or you're doing things that are really new for a company, it's generally beyond the kind of risk that a Canadian chartered bank would take. Say you're a Canadian company and you're thinking of setting up a facility somewhere in central Europe. Your Canadian bank won't cover that. It's up to us to do that. And we have to make sure we're comfortable with the risk and the security, and that's a harder challenge. One of the things I'm very focused on in my early months here is to make sure that we are doing things that are not just complementary to the banks, but net additive. Canadians who want to undertake M&A to have more capacity to operate in multiple jurisdictions or maybe just scale up their own operations in Canada so they can produce for a number of different markets—that generally takes a more junior form of debt, which is higher risk. That's the piece that we are being called upon to do more of.

What do you need to see to feel comfortable giving companies the money you're talking about?

You have to understand the business plan. You have to understand what they're trying to do and where they're trying to go. How do we partner with you, and how do we bring our insights? Remember, we have 25 offices abroad. We have a lot of international lending relations. We know quite a lot about what's going on in the world and where there are partnerships that can be good for a company.

When you're giving a company a loan, what conditions do you attach?

Our ability to work with a company is premised on the fact that they're either already involved in international trade, or they have a plan to grow into a market, and they need some help of a type that they can't get from their bank. Or they need help working with their bank. Then we get involved. That's the first hurdle.

I'm asking about conditions because EDC was involved in a very complex deal recently to provide equity financing for Sheertex. There were a lot of conditions attached to that money, including

4. Overall web traffic to EDC's website is up by more than 350% compared to 2024, with tariff-related content representing 20% of visits so far this year. EDC has fielded 2.5 times the number of customer questions via its Export Help Hub compared to this time last year. The Trade Impact Program's page has had over 16,000 visits to date, with phone and email inquiries triaged by frontline teams.

5. Canada and the U.S. trade an average of $2.5 million in bilateral goods and services every minute of every day, with the U.S. exporting roughly US$970 million in goods to Canada on a daily basis. We're also the largest export market for 36 U.S. states and in the top three for 46 states.

that the CEO had to promise to comply with a specific social media policy. (7)

That was in our venture program, where we were part of a syndicate. This was the consensus of the majority of the investors. If you're an investor with five or six others in a company, you have to, as a group, decide what those conditions are going to be.

But that's not typical.

No, because that's the one piece of our business, on the equity side, that operates more in a purely domestic way. We went into that to support an early-stage company that was growing. Sheertex does have exports, but our equity program is much earlier than our lending. Our lending is working much more with companies that are already cashflow positive. They're growing. Our equity and our venture is moving much more into the earlier stage. And much of that work we started to get involved in during COVID-19, where we did matching programs with BDC to keep the venture capital ecosystem going.

Last December, before you arrived, the auditor general took EDC to task for its $50-billion COVID loan program, saying that $3.5 billion in loans went to ineligible companies, and EDC's poor management compromised the value of money for CEBA. (8) **You weren't there then, but what are you doing to address those concerns?**

Well, first of all, as you say, I wasn't there. But I think that was a very important program. I think at one point it probably touched about 76% of the business community. So it was very impactful, and the results now—we're at about 84% of all of those loans being repaid. All of the things that were in the auditor general's report we have followed up with, and we're well on our way to resolving any concerns the auditor had.

One of the concerns was that EDC relied too heavily on the international consultancy Accenture. What did Accenture do for you?

Again, I don't have all the details. Accenture helped in setting up and administrating some aspects of it, because it was such a significant growth of loan activity, and doing that on top of our core work, and then on top of the additional equity work we were doing, helping with BDC on the venture capital ecosystem—there was a capacity constraint.

Are you still relying on Accenture?

No. I mean, our CEBA program activity that we're doing is winding down, and they're not involved with us on that anymore, to my knowledge.

Before we go, I want to ask you about your time in Mumbai during the 2008 terrorist attacks. You were actually one of the hostages in the Oberoi Trident Hotel. Can you talk a bit about that experience?

It was surreal. My colleague and I were eating in the lobby and, like a lot of foreigners, we were eating a little earlier than most of the people. And so we left and went up to our hotel rooms, and about 20 minutes after we left, the terrorists came in and started machine-gunning everybody in the lobby.

Oh, my.

So we were very lucky. But I actually got locked out of my room, because the security system came down, and they locked all of the doors. And I actually had been on my way to my colleague to say, "What's going on? There seems to be all this noise." And so she had to let me into her room. We spent the next 36 hours together while there were grenades and bombs and all this stuff going on. Fortunately, I had brought a local phone as well as an international phone, so I was texting with the consulate. There were people checking on us and keeping us briefed on what was going on. We couldn't have had better support. Moments like that, they burn in your memory a sense of the goodness of people. I don't think I ever saw such extraordinary grace in such a difficult moment as I saw from the people of India.

Lastly, this is an anxious time for a lot of Canadian businesses. If you could put your hand on the shoulder of those who are trying to manage this new environment, what would you tell them?

I'd say, "I think we have this." I know there's a lot of anxiety about Canada, but the more time I've spent talking to companies, the more I realize we're much better than we think. And most of the time, you just need a coach, somebody to tell you that. And to tell you that whatever you're trying to aspire to do, you can do it. And we'll be there to help you. I'm very confident that difficult periods move you to a new period of growth. That's what this can be. We can really change. The orientation to be much more global in our thinking, and much more confident in our ability to compete anywhere in the world, will probably give a sense of renewed energy, especially to the next generation of businesses, by seeing that happen now.

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.*

6. In 2024, EDC facilitated $9.7 billion in business activity for 500 companies in the clean-tech sector.

7. In March, EDC contributed US$6 million toward a US$40-million bailout of Sheertex, which makes rip-free tights, after founder and CEO Katherine Homuth admitted on LinkedIn: "We've missed timelines. We've burned through cash. We've had to make brutal choices between growth and survival." Investors were not pleased.

8. That's the Canada Emergency Business Account, a program the feds launched to bolster small and mid-size businesses during the pandemic.

64,988
Number of Canadians with US$10 million or more in wealth, according to the Knight Frank Wealth Report

905,413
Number of Americans with US$10 million+

Float on

No matter what Trumpian trade chaos comes our way, the loonie's free-floating exchange rate should soften the blow

Drowned out by the din from Donald Trump's tariff war is a second front in the president's obsession with eliminating his country's trade deficit: the U.S. dollar. Some of the administration's advisers want to devalue the greenback to bring manufacturing back to the U.S. Others want to reduce the dollar's role as the world's reserve currency. According to the IMF, the greenback accounts for almost 60% of all foreign currency reserves held by international central banks and other financial institutions. (A Belgian-American economist named Robert Triffin predicted this phenomenon in the 1960s, when he theorized that a country whose currency is used as a global reserve tends to have systemic trade deficits.)

Regardless of whether the logic behind Trump's tariff-plus-dollar-devaluation strategy, dubbed the "Mar-a-Lago Accord," is economically sound, the question for Canadian policy makers is this: What are the implications for the loonie? After all, for a country that still depends on U.S. exports and a low Canadian dollar to power international demand for our goods, the Mar-a-Lago Accord poses what seems like an existential threat to the loonie, that (undeserved) butt of countless Canadian jokes featuring "Monopoly money" in the punchline.

For years, the Bank of Canada's approach has been to let the exchange rate float so it serves as a shock absorber against all manner of body blows, from roiling commodity prices to, well, trade wars. How does that work? Say next year's FIFA World Cup creates a surge of a million visitors to Toronto, all of whom buy Canadian dollars to spend here. This demand for Canadian dollars increases the loonie's value. Here's the shock-absorber part: The higher dollar will dampen that tourism to bring demand more in line with supply. "Whenever you have a flexible exchange rate, it smooths the economy, so the economy is much more stable than otherwise would be the case," says Walid Hejazi, a professor of economic analysis and policy at the University of Toronto's Rotman School of Management.

Consequently, Canada's foreign currency reserves—a tool that some countries use to intervene in global markets to defend the value of their currency—tend to be low. Currently, our reserves stand at about US$126 billion, or roughly 5% of GDP, compared to an average of about 13% for other advanced economies. Heck, we don't even have a stash of gold bars. "In contrast to some other central banks, the Bank of Canada doesn't hold a large war chest of reserves to keep the Canadian dollar from fluctuating against the U.S. dollar," says Timothy Lane, a visiting professor in the Max Bell School of Public Policy at McGill University and a former Bank of Canada deputy governor. In fact, Canada hasn't intervened to stabilize the Canadian dollar for more than a quarter-century—neither during the 2008 credit crisis nor in the early days of the COVID-19 pandemic.

Even now, with Trump's perverse

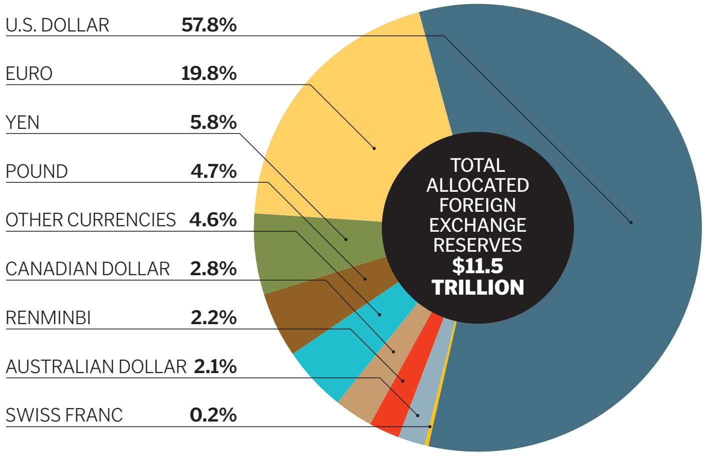
PHOTO ILLUSTRATION REPORT ON BUSINESS MAGAZINE/GETTY; CHART SOURCE IMF threat to kneecap our economy to eliminate a trade deficit caused almost entirely by the inexpensive Alberta crude we ship to refineries in Illinois, the Bank of Canada has kept its foreign-reserve powder dry. "The effect of the tariffs," says Lane, "is probably largely going to make our products less competitive, and some of that is going to be counteracted by the effect of a weaker Canadian dollar."

Hejazi says the Bank of Canada does have options. It could, for example, fix the exchange rate to the U.S. dollar—a move that would likely be politically untenable and, more to the point, relinquish control. He points to the BoC's spring interest rate cut, which contrasted with the U.S. Federal Reserve's unpopular decision to stand firm. "If you have a fixed exchange rate, you lose flexibility," Hejazi says. "That would make us even more vulnerable to people like Donald Trump."

Some central banks take a Goldilocks approach, intervening in currency markets to manage their exchange rates within a desired band. For example, during the Obama years, China faced intense criticism about the artificially low value of the renminbi (a.k.a. the yuan) and allegations of currency manipulation. Chinese central bankers eventually responded by allowing the renminbi to appreciate, meaning more imports, but no more than 5% per year. "What they were trying to do," Hejazi notes, "was get their businesses to adjust to this new reality."

With a central banker as prime minister, it seems unlikely that Canada will depart from an approach that has worked well (including when Mark Carney was head of the BoC). Yet Canadian policy makers have to contend with not just a new era of extreme uncertainty, but an administration that sends out wildly contradictory signals. Trump wants to vanquish the U.S. trade deficit, Lane notes, but is not prepared to allow the U.S. dollar to be dislodged from its prestigious role as the world's default currency. "On the one hand, they want the U.S. to remain the dominant world currency," he says. "On the other hand, the logic of being the dominant world currency is that other people have to want to hold it, and for other people to be able to hold it, they have to get it. And the way they get it is by selling stuff to the U.S. and getting paid for it in U.S. dollars."

ALLOCATED GLOBAL CURRENCY RESERVES
(% Q4 2024, IN US$)

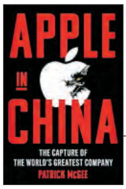


Indeed, at an IMF/World Bank conference held in April, U.S. Treasury Secretary Scott Bessent—who seems to have become the meat in Donald Trump's sandwich—was asked point blank whether the dollar's pre-eminent status was a privilege or a burden. "I actually am not sure that anyone else wants it," Bessent reportedly said, according to *The New York Times*. The *Financial Times* cast the question more starkly: "Can the dollar remain king of currencies?"

Hejazi stresses that while a floating loonie provides a necessary cushion against Trumpian chaos, the policy is not, in and of itself, sufficient. Like many other observers, he argues that the Canadian government needs to get serious about diversifying our international trade and bolstering private-sector productivity after decades of under-investment. He recently completed a paper, to be published later this year in *Canadian Public Policy*, showing that during the run-up of the Canadian dollar in the early to mid-2000s, the firms that prospered had invested in R&D to create more innovative and distinctive goods that still found offshore customers, despite the high dollar.

There's a curious footnote to all the psychodrama about the U.S. dollar in the Trump era. Over the past several years, the Canadian dollar has quietly become more widely held in international currency reserves. These days, according to the IMF, it's sixth in terms of the size of all foreign reserve holdings, after the U.S. dollar, the euro, the yen and the pound, but ahead of the renminbi—despite the fact that China's economy is many times larger than ours. "We're not a large economy," Lane points out, "but we still have some features that make for a good reserve asset. We have a pretty open financial system and reasonably liquid financial markets. We have the rule of law. We have a pretty stable political environment. We have a fairly predictable regulatory framework."

In short, in a world that's watching aghast as the U.S. scores one own-goal after another, our free-floating loonie looks a bit more like the safe currency harbour that the greenback was for all these decades. Maybe it's time to pack up the Monopoly money jokes, once and for all. **/John Lorinc**



7-WORD BOOK REVIEW

Apple in China: The Capture of the World's Greatest Company by Patrick McGee

Apple built China's electronics dominance, placated authoritarians

06/25

WHAT YOU CAN LEARN FROM...

Ryan Reynolds

He's not only a genuine Hollywood megastar and the most effortlessly charismatic human ever to walk this Earth. Canada's favourite Ryan (sorry, Gosling) is also a savvy investor and marketing genius. **/Dawn Calleja**

1 Try, try again

He might be one of the world's most successful actors, but 48-year-old Reynolds has starred in plenty of dogs (see No. 2). Critics absolutely pan you? Shake it off, move on—and joke about it later.

2 YOU CAN'T SPEND YOUR WAY TO SUCCESS

Green Lantern is generally regarded as the worst comic-book adaptation ever. But Reynolds learned some valuable lessons from his painful Hal Jordan experience: "Too much money and too much time wrecks creativity," he has said. "And constraint is the greatest creative tool you can possibly have." No amount of cash can save a poorly conceived idea.

3 NEVER SETTLE

Reynolds started developing *Deadpool* in 2004. Due largely to studio shenanigans, he was forced to debut the character in the 2009 *X-Men Origins: Wolverine* but hated the portrayal that was foisted on him. So did fans. He persevered until he won absolute creative freedom, and the first foul-mouthed, critically acclaimed *Deadpool* film, released in 2016, grossed US$782 million worldwide. Its two sequels grossed even more, and the third installment is the highest-grossing R-rated film ever.

4 Marketing is everything

Reynolds is no silent partner. He often becomes the quirky, hilarious spokesman for many of his investments, including Mint Mobile. Five years after he accrued a 25% stake, T-Mobile bought it for US$1.4 billion. He bought a majority stake in Aviation Gin in 2016; Diageo acquired the brand four years later for US$610 million, based largely on his genius as creative director. Since he took over Wrexham AFC in 2020—and created a hit docuseries about his and Rob McElhenney's adventures in Wales—tourism earnings in the town have tripled. Oh, and the team just won a third straight promotion. Next up: reversing the fortunes of Alpine, currently ranked No. 9 in F1.

5 Give back

The prolific philanthropist most notably uses his star power to raise money for Toronto's SickKids Hospital. And as SickKids Foundation CEO Jennifer Bernard told us, for Reynolds, it really is all about the kids. "He came for a visit on my second day... No security, regular street clothes. Drove up, went through a side door. And we always send our stars a package on the kids. He knew every kid's name. He knew their story, he knew their parents... Ryan, honestly, is a national treasure."

ASK AN EXPERT

As a boomer boss, how can I better relate to younger generations?

New employees seem to get younger every year. And keeping them happy at work isn't rocket science, even if their values are different from yours. CIBC surveyed four generations of Canadians about their ambitions—not just for money, but for health and wellness, personal relationships and passion. And it charted a steep generational incline when it came to the importance of "positive movement toward ambitions"—a.k.a. following your dreams—from boomers (61%) to Gen X (66%) through millennials (72%) and Gen Z (81%). "Mine is the first generation that reframed ambition to include passion," says Sheba Zaidi, a millennial who quit her desk job to start Mahara Mindfulness. "People are far more nuanced now, and they know many things make up a full life." That is, they value family, relationships, travel, meaning and fulfillment just as much as, if not more than, titles and money, which is why they demand flexibility, don't answer late-night emails and aren't as keen to climb a dull corporate ladder. Rather than seeing that as apathy or disloyalty, boomer bosses need to acknowledge and integrate that ethos into the working relationship. "People sense when their boss sees them as a worker clocking hours," says Zaidi, "and they sense when you care about what they care about." If you're open-minded, you'll find their passion to be infectious. **/Rosemary Counter**

PHOTOGRAPH JEMAL COUNTESS/GETTY IMAGES; ILLUSTRATION JOE MCKENDRY

THE ECONOMY OF...

The art of getting Stoic

Philosophers don't tend to sell out worldwide speaking tours, but Ryan Holiday is hardly your typical philosopher. The U.S.-based author of 12 bestselling books—who recently wrapped up a tour of Australia, Europe and Canada—has helped turn Stoicism into a cultural phenomenon, spawning a cottage industry of books, podcasts and newsletters for people eager to learn how to adopt the ancient philosophy of virtue and self-control in a turbulent world. **/Dave McGinn**

75

Rough number of ancient philosophers associated with Stoicism, beginning around the third century B.C. In addition to Seneca and Epictetus, this includes the Roman Emperor Marcus Aurelius—the most powerful man of the second century, who collected his private thoughts on Stoicism in *Meditations*, arguably the most famous Stoic text in history. The book is now a consistent bestseller—nearly two millennia after it was written. As Stoic-in-action Arnold Schwarzenegger says: "It is unbelievable to see how the emperor's words have stood the test of time."

7 million

Followers Holiday has across YouTube, Instagram, TikTok, Facebook and X. His posts feature everything from his interviews to his all-time favourite books on leadership and more, plus insights into Stoic heavyweights such as Seneca, Epictetus and Matthew McConaughey. Kidding about that last one, but you *will* find several posts featuring the *Dazed and Confused* star discussing Stoicism. Alright, alright, alright.

PHOTO COLLAGE MATTHEW BILLINGTON

5 million+

Books Ryan Holiday has sold, in 40 languages. His breakout hit *The Daily Stoic: 366 Meditations on Wisdom, Perseverance, and the Art of Living* has sold more than two million copies since it was published in 2016. It's also spent more than 300 weeks on bestseller lists.

Broicism

The pejorative term for dudes who think Stoicism is the cheat code to absolutely crush it, bro. A way to learn virtue and self-control? Nah. As Holiday says: "If Stoicism is making you an asshole, you're doing it wrong."

$465.5 million

Initial box office gross (in US$) for the 2000 blockbuster *Gladiator*, which featured Richard Harris as Marcus Aurelius. Though Stoicism is never mentioned, the film's star, Russell Crowe, pushed for Stoic themes to be woven into the film, which led to a sales bonanza for *Meditations*. The 2024 sequel is built around Aurelius's (fictionalized) grandson. Are you not entertained?

$100 million

Lifestyle guru Tim Ferriss hasn't built his entire empire on Stoicism, but it has helped him amass that considerable net worth (in US$). Ferriss has written five *New York Times* bestsellers, including *Tools of Titans: The Tactics, Routines, and Habits of Billionaires, Icons, and World-Class Performers*. If you're an entrepreneur, Ferriss claims he can show you how to use Stoicism to thrive.

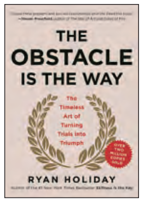
42

Number of current podcasts with the word "Stoic" in the title. Holiday's *Daily Stoic* has been downloaded more than 150 million times (with guests including Josh Brolin, Malcolm Gladwell, Patrick Dempsey, Rupi Kaur and McConaughey). But there are plenty to choose from, whether it's the bite-size segments in *Stoic Coffee Break*, the *Vegan Stoic* or the youth-focused *The Gen Z Stoic*. Having trouble guiding your team at work? There's always the *Stoic Leadership* podcast.

STOIC TRANSLATOR

SIX KEY STOIC PHRASES TO LIVE BY

"The impediment to action advances action."
—Marcus Aurelius



IN OTHER WORDS: Embrace challenges if you want to learn and grow.

"You have power over your mind, not outside events. Realize this, and you will find strength."
—Marcus Aurelius

IN OTHER WORDS: You can't control anything but your own feelings and reactions.

"True happiness is to enjoy the present, without anxious dependence upon the future." —Seneca

IN OTHER WORDS: Chillax. There's no point worrying about the future—just live in the moment.

"The key is to keep company only with people who uplift you, whose presence calls forth your best."
—Epictetus

IN OTHER WORDS: Ditch your doomsayer buddies—they only drag you down.

"Men are disturbed not by things, but by the view which they take of them." —Epictetus

IN OTHER WORDS: It's not events themselves that freak us out, but our own perception of those events.

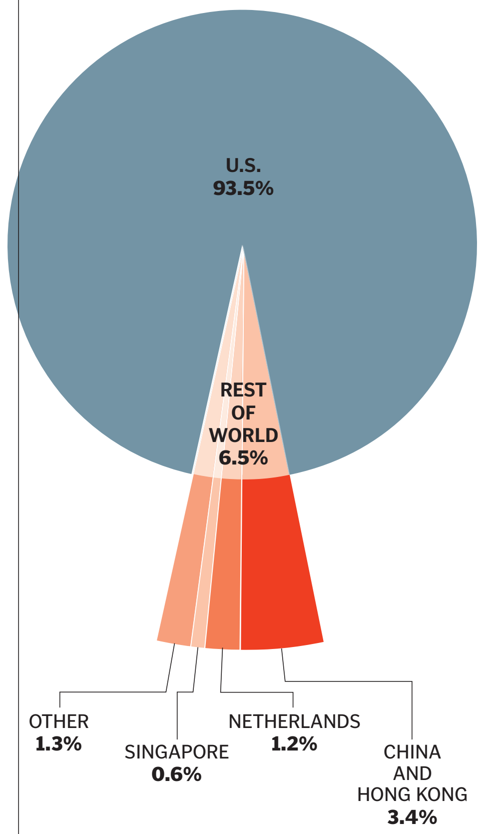
"Wealth consists not in having great possessions, but in having few wants."
—Epictetus

IN OTHER WORDS: True wealth is being content with your life, not chasing money.

60 YEARS
That's how long 95-year-old **Warren Buffett** presided over Berkshire Hathaway, making him by far the longest-serving CEO of a major company. He'll retire at the end of 2025

NON-U.S. SHARE OF CANADIAN PETROLEUM EXPORTS
(ROLLING 12-MONTH SUM)

DESTINATION OF CANADIAN PETROLEUM EXPORTS SINCE START OF TRANS MOUNTAIN PIPELINE



DECODER

OILS OF WAR

U.S. President Donald Trump's trade war has kicked up a long-overdue debate in Canada about the need to diversify its exports, and oil is emerging as a prime example of how infrastructure can make that happen.

In May 2024, the Trans Mountain pipeline expansion finally began operations after years of delays, cost overruns and a takeover by the federal government. Almost immediately, the pipeline—which has the capacity to move 850,000 barrels a day to the West Coast—began to shift Canada's energy export picture. As of March, Canada's bitumen crude exports to non-U.S. markets climbed to roughly 7%, after being stuck at around 3% for years. The pipeline is also credited with earning Canadian oil producers better prices—the discount at which Western Canadian Select heavy crude sells compared to the U.S. West Texas Intermediate benchmark price has narrowed to less than US$10 a barrel, close to US$5 a barrel better than the historical average, according to TD Bank economist Marc Ercolao.

China has been the largest non-U.S. market snapping up Canadian oil exports over the past year, but other markets include the Netherlands, Singapore, Spain and India, according to Statistics Canada trade data.

This could put Trump's isolationist bravado to the test, especially as the U.S. shale boom shows signs of slowing. Even though the U.S. is now the world's largest oil producer, it doesn't extract enough to meet domestic demand (putting the lie to Trump's assertion that it needs nothing that Canada has to sell). As such, the U.S. relied on Canada for two-thirds of its oil imports last year. Meanwhile, many refineries in the U.S. Midwest are built to process the type of heavy oil Alberta produces.

Which is likely why Trump limited his tariffs on Canadian energy imports to 10% compared to 25% for many other goods (at least those that aren't compliant with the United States-Mexico-Canada Agreement.)

But with a growing share of Canadian oil now headed to non-U.S. markets, and consensus building about the need for new pipelines, it's a reminder of why even more trade diversification is needed. **/Jason Kirby**

PHOTOGRAPH RICK WILKING/REUTERS

FOR YOUR CONSIDERATION

KEYERA CORP.
CALGARY

REVENUE (2024) **$7.1 BILLION**

PROFIT (2024) **$486.6 MILLION**

THREE-YEAR SHARE PRICE GAIN **33%**

P/E RATIO (TRAILING) **20.0**

Ask Keyera CEO Dean Setoguchi if the Alberta oil patch is back to normal after the crude-oil price collapse in 2014-15 and the COVID-19 pandemic in 2020 and 2021, and he laughs and says, “I don’t know if there’s ever a normal.”

Industry veterans in Calgary deal with upheavals almost all the time, and Keyera has put some impressive numbers on the board. Revenue has almost tripled since dipping to $2.5 billion in 2015 and 2016, Keyera maintained its dividend and has increased it (from $1.26 per share a year in 2014 to $2.08 now), and after the company’s share price plunged to a pandemic low of less than $15 in early 2020, it’s traded just above $40 lately—near its pre-collapse records.

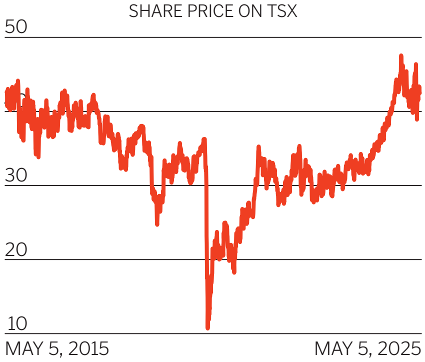
As Setoguchi explains, much of Keyera’s success is based on picking the right targets—including where in the West to operate and what businesses to be in. For non-energy specialists, Keyera is a midstream operation—not extracting oil and gas itself (upstream) or selling gasoline or other retail products (downstream). Spun out of Gulf Canada Resources in 1998, Keyera went public during the Alberta income trust boom in 2003.

Setoguchi, now 58, was born and raised in Lethbridge, Alta., and earned an accounting degree there. He joined Keyera as CFO in 2008 and worked his way up to CEO in 2021. He loved the entrepreneurial spirit of the boom. “There were hundreds of companies,” he says. Now, there are much fewer.

Keyera has three main lines of business: gathering and processing natural gas from producers through a network of pipelines and plants; liquids infrastructure, which involves producing and storing natural gas liquids (NGLs); and marketing, which Setoguchi says is basically buying

NGLs from Keyera’s system and “building a margin in between.” Products the company sells include propane, condensate (which allows thick oil sands crude to flow through pipelines), butane and iso-octane (used in high-octane gasoline).

KEYERA CORP.
SHARE PRICE ON TSX



Being mid-size helps Keyera stay nimble. “A $100-million project still means something to us,” Setoguchi says. And the company has expanded in the fast-growing Montney and Duvernay regions in recent years. It aims to grow its earnings before interest, taxes, depreciation and amortization at a compound annual rate of 7% to 8% from 2024 to 2027.

Setoguchi also thinks a lot about the role natural gas and natural gas products should play in our energy mix. “We should really be focusing as a nation to help supply the world,” he says, “and lower the dependence on higher-carbon-emitting forms of energy like coal.” **/John Daly**

FOMO INVESTING

Five things we learned from Bhawana Chhabra

Barely 100 days into the Trump administration, the world is in economic turmoil. Investors who seek safety have stampeded into gold. The price of bullion has increased from US$2,300 an ounce to about US$3,300 over the past year, and Toronto’s Rosenberg Research predicts it could hit US$6,000 within five years. The firm’s lively senior market strategist, CFA Bhawana Chhabra, explains why. **/J.D.**

1. “The latest leg of the price rally is very sharp,” Chhabra says. Nevertheless, she expects the surge in bullion to continue over the next few years. That said, Chhabra says investors should “expect a consolidation” in the price—possibly more than one. If US$6,000 sounds bold, consider where the price was in a lull in early 2019: just US$1,300 an ounce.

2. There have been three strong bullion price surges in recent decades—all during upheavals. After then–U.S. President Richard Nixon suspended convertibility by central banks at US$35 an ounce in 1971, the market price soared to US$850 in 1980. The price also soared during the commodities boom from 2000 to 2011 and since the end of 2018, when the trade war under Trump 1.0 broke out.

3. Is gold a commodity like other metals? Chhabra says it’s unique. There is “little industrial demand,” and it’s “part of the human psyche, as it has been a store of value for thousands of years.” Although she acknowledges she’s a bit biased because she’s from India, where gold has a central role in the country’s culture as a symbol of wealth, and a part of marriage and other rituals.

4. Chhabra is also a millennial, age 39, which influences her view of economic upheavals. “The U.S. dollar is the only reserve currency I’ve ever known,” she says. But now there is a lively debate among economists about which country and currency will be dominant in future decades. “The U.S. dollar could lose its power at the margin,” she says. “This is positive for gold prices.”

5. There is a theory that investing in gold producers gives buyers more leverage than investing in bullion. But the S&P/TSX Global Gold index has climbed by only about 40% since 2020, whereas bullion has almost doubled. Rosenberg Research doesn’t recommend specific gold stocks, but Chhabra offers a tip: “Go with producers with mines in stable countries or the whole gold miners’ index.”

SMART MONEY

WILLIAM ALDRIDGE

SENIOR VICE-PRESIDENT, PORTFOLIO MANAGER AND CO-LEAD OF THE NORTH AMERICAN EQUITIES TEAM, MACKENZIE INVESTMENTS, TORONTO

William Aldridge's interest in stocks began during the 1990s bull market. But riding his bike to work as an analyst for a Toronto investment bank put him on a path to his dream job as a portfolio manager. (Well, that and an MBA.) He often ran into fellow cyclist Robert Tattersall, co-founder of mutual fund firm Saxon Financial. Tattersall invited Aldridge for tea and offered him a spot on his Canadian small-cap team. After Saxon was acquired by Mackenzie Investments in 2008, Aldridge was appointed portfolio manager. His mandate includes the $699-million Mackenzie Canadian Equity Fund, whose F series has outpaced the S&P/TSX Composite Total Return Index over the long haul. We asked why he's bullish on Canada's two railways and likes Bombardier.

What's your strategy to outperform your index?
We don't refer to value or growth but would call it a more opportunistic strategy. Key to our philosophy is patience to get the timing right. Markets are noisy and volatile, so we seek to use that dynamic to our advantage. We manage risk by diversifying by market-cap weightings and sectors. We also aim to mitigate risk by not chasing high-quality winners trading at high multiples. We may own U.S. equity exchange-traded funds to gain easy exposure to high-quality technology and health care names, which are limited in Canada, and to small-cap stocks for more diversification.

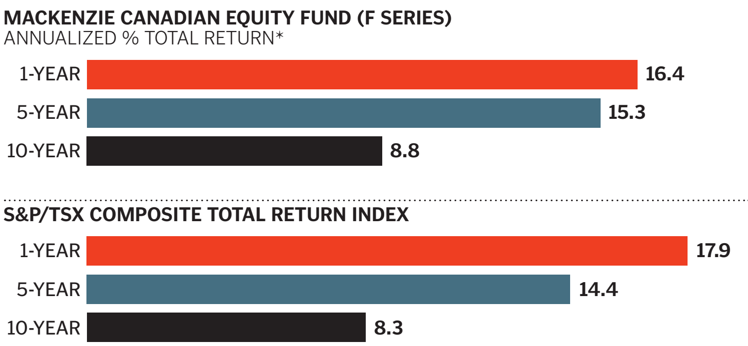
What's your outlook for the Canadian market given the tariff threats and hikes by U.S. President Donald Trump?
We are bullish long-term but, understandably, sell-offs in the market give people little comfort. With the strong market returns over the past couple of years, it has been more challenging to find good ideas for our mandates. If the market is selling stocks inordinately because of tariff worries, that becomes an opportunity for us.

Why are CPKC (formerly CP Rail) and CN Rail top holdings if tariffs can hurt volume growth?
We recently raised our weightings in Canadian railways because their stocks came on sale as investors became fearful around tariff risk. But railways are great businesses. They have excellent pricing power because no new ones are being created. It will likely be challenging from a volume perspective in the short run, but they are resilient companies. Their stocks have been trading at compelling valuations, and we think that will reward us over time.

Your fund's gold stocks have benefitted from the metal surging to the US$3,000 level. What is your outlook for the sector?
Gold holdings serve as a degree of protection for investor returns when things are more challenging economically. But the price of gold is very difficult to predict. We get around that by looking at the cost of production, which is much lower than the cost of gold today. We feel that Agnico Eagle Mines, Kinross Gold and Franco-Nevada are the best positioned companies in a very tough sector.

Your fund owns Bombardier, whose stock has been range-bound for the past decade. What's the attraction?
The Bombardier of today is not the Bombardier of old. It was a diversified company that has spun out its train and regional jet businesses. It is now a very focused business-jet company under new leadership. Bombardier and Gulfstream Aerospace are the only truly global competitors in this space, and the barriers to entry are extremely high. For those who find the world a bit scarier and can afford it, flying privately makes a lot of sense. Bombardier has de-risked its balance sheet; it generates significant cash flow and has an attractive valuation. It also has recurring revenue from aircraft maintenance and a small, but growing defence business.

Given that you run an all-cap fund, what is another smaller company that you like?
Small-to-mid-size companies make up about one-third of the fund. We like CAE, which makes flight simulators to train pilots for commercial airlines, business jets and military aircraft. It also gets recurring revenue from providing additional training to pilots every year so they can maintain their licence. Demand for pilots is also growing globally as more people fly often. That's a strong tailwind for the business. **/Shirley Won**



SOURCE MORNINGSTAR DIRECT. RETURNS TO APRIL 30, 2025; *ALDRIDGE TOOK OVER THIS FUND ON JAN. 1, 2014

PHOTOGRAPH GREG TRUMPER


QNX
QNX
ONTARIO
CTVB 687

DRIVE TO SURVIVE

BlackBerry is nothing like the company whose smartphones once ruled the world. Now it's looking to dominate another market entirely—inside your car. Can new CEO John Giamatteo get investors on board?

BY SEAN SILCOFF

PHOTOGRAPHS BY JOHN KEALEY

A

Seeing Machines, a QNX partner, helps keep drivers focused by detecting when they've fallen asleep, are using their phone or have stopped watching the road

As a kid, John Giamatteo had a single dream: to one day lead an NFL team to the Super Bowl, just like his underdog-turned-icon hero, Joe Namath.

But by his sophomore year of high school, he knew it wasn't going to happen. He'd virtually stopped growing, ending up at 5-foot-9, and his coach dropped him from quarterback to defence. That's when his dad—a one-time phone repairman-turned-manager—gave his crestfallen son a pep talk. "He pulled a pen out of his pocket and said, 'You're going to make a career with this pen. You're going to get an education, and you're going to have a professional career. That's going to be your journey,'" Giamatteo recalls more than 40 years later.

That journey led him to begin his career at Nortel Networks in the 1980s. Now the native of Long Island, N.Y., has the first quarterback gig of his career, leading another notorious Canadian tech company: BlackBerry Ltd.

Before we go any further, yes, BlackBerry is still a thing. If you haven't been paying attention (and you're not alone), the company that popularized the smartphone and built Waterloo, Ont., into a tech hub, gave up on handsets in 2016, and went all in on software and services. Through its QNX subsidiary, it's now a leading supplier to automakers of the sophisticated operating systems that underpin autonomous and advanced driver-assistance functions. If your car stops you from veering into oncoming traffic, you probably have BlackBerry to thank. It also sells secure communications software to governments, and critical infrastructure providers like ports and nuclear power plants.

That's not to say the company formerly known as Research In Motion was in particularly good shape when Giamatteo became CEO in December 2023. Under his predecessor, John Chen—hired in November 2013 to be its saviour—revenue growth was tepid, and the company was bleeding cash. BlackBerry was a jumble of businesses, and the board was considering a spinout of QNX to revive the stock, which was languishing at under $4, about where it had been 20 years earlier. (All currency in U.S. dollars.)

A year and a half later, BlackBerry is on its most stable footing since the iPhone and Android blew up its business in the late 2000s. Giamatteo and his team have slashed $150 million in annual costs, refinanced its debt, cut the headcount by 37%, shed more than a quarter of its real estate space and sold its once-promising cybersecurity business, Cylance, for a huge discount. BlackBerry has also narrowed its net loss to near break-even—though the bigger story is that adjusted operating earnings have soared, and it's generating cash again.

The stock jumped in December on the Cylance news and soared above $6 early this year, though it's since given up its gains thanks to the economic uncertainty unleashed by Donald Trump. But company followers are happy with the rebirth in motion. "The tough decisions that needed to be made have been made," says Niall O'Keeffe, co-founder of

Fifthdelta, a U.K. hedge fund manager that bought into BlackBerry in 2021. Giamatteo, he says, has put BlackBerry "back on offence, where it's generating cash and can actually invest in the fast-growing areas."

Even EdgePoint Wealth Management—which invested in BlackBerry between 2008 and 2012, and later called that a mistake—has bought back in, amassing 12.2 million shares.

With revenue of $535 million in its last fiscal year, the company now has greater control over its destiny than at its 2011 peak, when that topline number was $19.9 billion. It "has completely turned the corner," says BlackBerry's chair, Dick Lynch, who oversees a board that has largely turned over in the past couple of years. "We know the businesses we're in, we know how to optimize those businesses, and we know what we need to do to grow them." Giamatteo, Lynch adds, "has been a very positive, transformative event."

But investors expect more. "It's always going to be, 'What will you do next year?'" Giamatteo says. One part of that answer is: Deliver solid revenue growth at QNX. But it also means confronting a decision in the not-too-distant future that could cut much of BlackBerry's ties to Waterloo. "Anything is on the table if it makes sense for shareholders."

G

Giamatteo is nothing like BlackBerry CEOs past. He's not mercurial and sharkish like Jim Balsillie or a technologically consumed genius like Mike Lazaridis. He certainly bears no resemblance to the soft-spoken Thorsten Heins, the towering German technocrat who briefly succeeded the company's longtime co-CEOs. And he's a dramatic departure—a welcome one, according to employees—from the aloof and imperious Chen. As CEO, Chen had his own car and driver (paid for by BlackBerry), flew by private jet for work (or, if a jet wasn't available, in first class—a stipulation in his contract), and travelled with an entourage that included a security detail and chief of staff.

Giamatteo, meanwhile, is perfectly happy to fly coach on cross-country hops (he's based in Dallas but typically visits Canada at least once a quarter). His hotel of choice is distinctly middlebrow, too: Hilton's Homewood Suites or La Quinta. "He's a kind of Bruce Springsteen of the executive world," says chief people officer Jennifer Armstrong-Owen, who joined Giamatteo at BlackBerry after working with him at Seattle-based RealNetworks in the 2000s, one of several former co-workers who followed him on his Canadian adventure. "He's the same person to the bellhop, to the waiter, as he is to a CEO."

With his slicked-back salt-and-pepper hair, fondness for business-casual attire and distinctive accent reminiscent of fellow Long Islander Billy Crystal, Giamatteo comes off as a congenial what-you-see-is-what-you-get everyman (one who says "holy cow" a lot). He's not the visionary type. "I'm more of the operational guy who's making the trains run on time," he says.

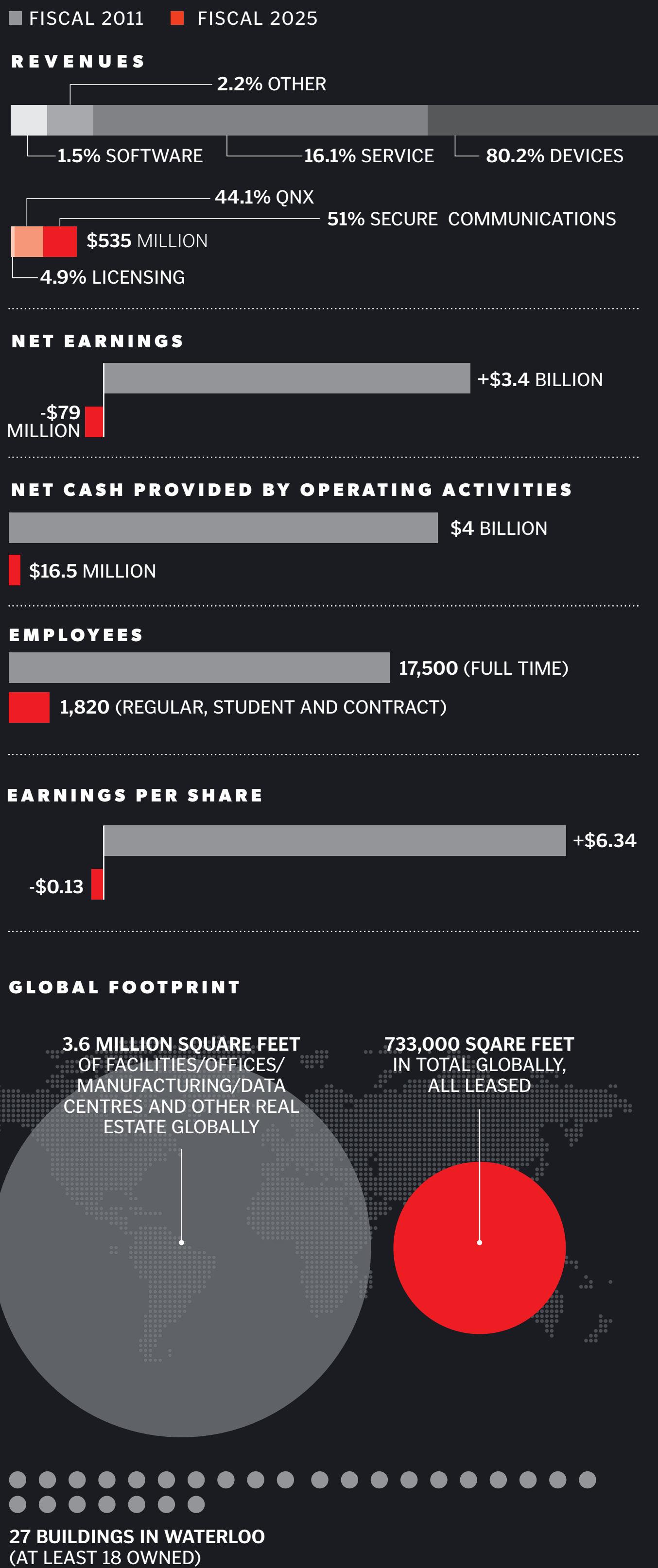
Chen was no visionary, either, but he was paid like one. When he was hired in 2013, fresh off his turnaround of database software vendor Sybase, Chen received stock awards worth more than $84 million, with a salary of $1 million and a guaranteed annual bonus of $2 million. When his contract was renewed in 2018, he got another $106.3 million worth of stock awards. Giamatteo, meanwhile, is paid $700,000 annually and can earn up to that amount in bonus, though it's not guaranteed. His stock award upon becoming CEO was worth just $6 million.

"I like to think of myself as a pretty simple person," says Giamatteo, who has three adult daughters with his wife, Stephanie. "I live a private life. I'm very family oriented. I generally don't get too involved in that kind of media stuff."

Indeed, it took a year to persuade him to sit down with *Report on Business* magazine for his first media interview as CEO. That might not be due solely to Giamatteo's modesty. In April 2024, four months after his appointment, a former executive sued both

BLACKBERRY THEN AND NOW

BlackBerry has changed exponentially between 2011—when Jim Balsillie and Mike Lazaridis were still co-CEOs—and today



Giamatteo and BlackBerry for sexual harassment, discrimination and wrongful termination. By November, a California judge had tossed all complaints against him and many (but not all) claims against BlackBerry. "I'm very pleased that all of the claims against me were dismissed with prejudice, which is a statement," he says (this means the claims can't be refiled). "I know who I am. I know my values that I was brought up with."

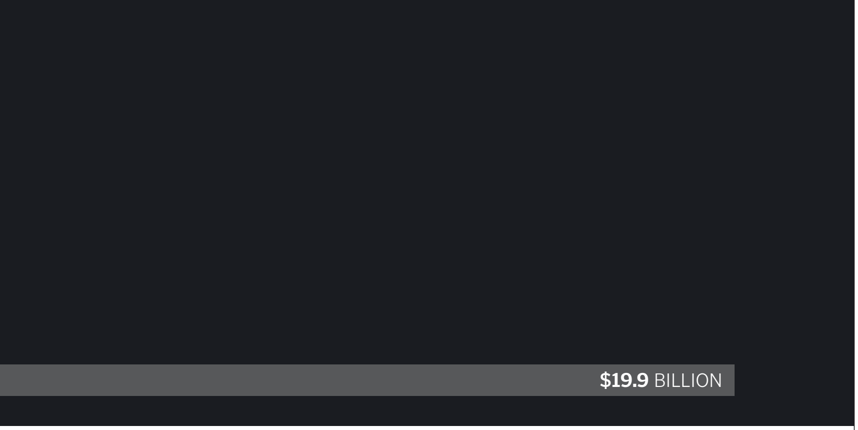
By his own account, Giamatteo had an "extraordinarily happy" childhood in the largely middle-class hamlet of Bellmore, N.Y., on the south shore of Long Island, within walking distance of his extended family. When his two older siblings moved out, they stayed in Bellmore, too. "It was definitely our family town," he says. The Giamatteos were staunch Italian Catholics, and every weekend they piled into the station wagon and headed to church, where John was an altar boy. When he wasn't at mass or in school, he was usually outside playing street hockey, baseball and, of course, football.

In 1986, during his second year of undergrad at St. John's University, a private Catholic school in Queens, Giamatteo had two life-altering experiences: He spent a term in Europe, which opened his eyes to the world beyond Bellmore; and he applied for a summer internship at Nortel, at his sister-in-law's suggestion. He spent the summer at Nortel's Wall Street office, and after graduating from St. John's, he returned as a financial analyst supporting regional sales teams.

For Nortel, those were the glory days. AT&T had been busted up earlier that decade, and all those recently hatched "Baby Bells" were upgrading their networks with digital switching and transmission technology. Giamatteo gained notice in the early 1990s after he internally championed a team member's suggestion that Nortel aggressively lowball its bid for a big switching contract. By foregoing margins on the deal, Nortel could win higher-margin sales of follow-on offerings once the equipment was installed. The gambit worked, and it influenced how Nortel bid on contracts elsewhere.

Giamatteo joined Nortel's leadership development program, rotating through sales, customer support and product roles before landing a coveted international posting in 1999 in Asia, overseeing a sevenfold sales increase in Korea. After the telecom bubble burst in 2001, he was sent to Japan to rationalize the business and return it to profitability—which he did. By his late 30s, Giamatteo was president of Nortel Asia Pacific, with his eye on the CEO suite.

It wasn't meant to be at Nortel, however. After an accounting scandal consumed the company, Giamatteo moved to Seattle in 2005, becoming chief operating officer of streaming pioneer RealNetworks, where he lasted five years before his young family got tired of the rain. In 2010, they uprooted for Dallas, where he became COO of an insurance software provider called Solera Global Technology. He was supposed to run the business while the CEO focused on the big picture,



but things didn't go according to plan. "Four months into the job," he says, "I realized the CEO didn't really want to let go."

From there, he moved to cybersecurity business AVG Technologies, again as COO, to help take it public. "We needed someone who had the maturity, could build the systems to take things we were doing and grow it," says Dale Fuller, then AVG's chair. "John was an integral part of that. He had the natural skills to be a leader."

AVG went public, but the board passed over Giamatteo in favour of a higher-profile outsider as CEO. Disappointed, he hit the road again, landing in 2013 at cybersecurity giant McAfee as president and chief revenue officer of its consumer business. Private equity firm TPG bought control of McAfee in 2017 and signed senior leaders to three-year contracts. When those were up, Giamatteo was packaged out.

At 53, he was well off, unemployed and unable to work for a rival for a year. As the pandemic took hold, he got fit, golfed and cooked, wondering whether to get back in the game.

Then BlackBerry called looking for someone to run its cybersecurity division. Even though it wasn't for the top job, Giamatteo was keen, once his non-compete ended. He figured the CEO post would open up before long, since Chen was in his mid-60s. "He'd been a bridesmaid for a long time," says John Dimitropoulos, who worked with Giamatteo at Nortel, RealNetworks and McAfee, and is now BlackBerry's chief strategy officer. "He said to me, 'I think this is the one.'"

By the time Giamatteo joined BlackBerry in 2021, Chen's lustre was long gone. The veteran Silicon Valley turnaround artist had arrived eight years earlier, initially skeptical he could fix the floundering smartphone franchise but lured with that rich stock award. BlackBerry was in full-blown crisis. Its touchscreen phones, based on the new BlackBerry 10 operating system, were a flop. During Chen's first few months, BlackBerry shed thousands of employees, wrote down unsold phone inventory and sold off most of its real estate. That year, BlackBerry posted a $5.9-billion net loss.

Chen was loath to let the phone business die on his watch, but after three years of further declines, he gave up. Fortunately, the business remained a significant source of cash. CrackBerry users who clung to their devices kept paying service fees that yielded $3.5 billion during Chen's tenure. And its server software, originally used by organizations to manage their BlackBerrys, and later other mobile devices, remained a viable, albeit declining, business known today as BlackBerry Unified Endpoint Management.

Meanwhile, BlackBerry copied other fallen tech stars by shaking down companies it claimed were using its trove of intellectual property, suing if necessary to get them to pay for licences. Those efforts generated another $1.4 billion in revenue over the eight fiscal years ended Feb. 28, 2023. The company even won a $940-million arbitration award from chipmaker Qualcomm in 2017 after overpaying upfront royalties for phone sales that never materialized.

While those revenues kept BlackBerry alive, it couldn't remain a corporate fungus feeding off decaying assets forever. Chen believed its traditional strength in cybersecurity was a solid foundation for expansion. In 2014 and 2015, BlackBerry paid a combined $765 million for three companies that today make up the core of its Secure Communications business: secure messaging company Secusmart; AtHoc, maker of a crisis communications platform for government agencies; and Good Technology, a rival device-management business.

The stock had a decent run, and in spring 2018, BlackBerry reported its first annual net profit in six years. "I would not call us in a turnaround mode anymore," Chen told Bloomberg TV. "Now we're really delivering."

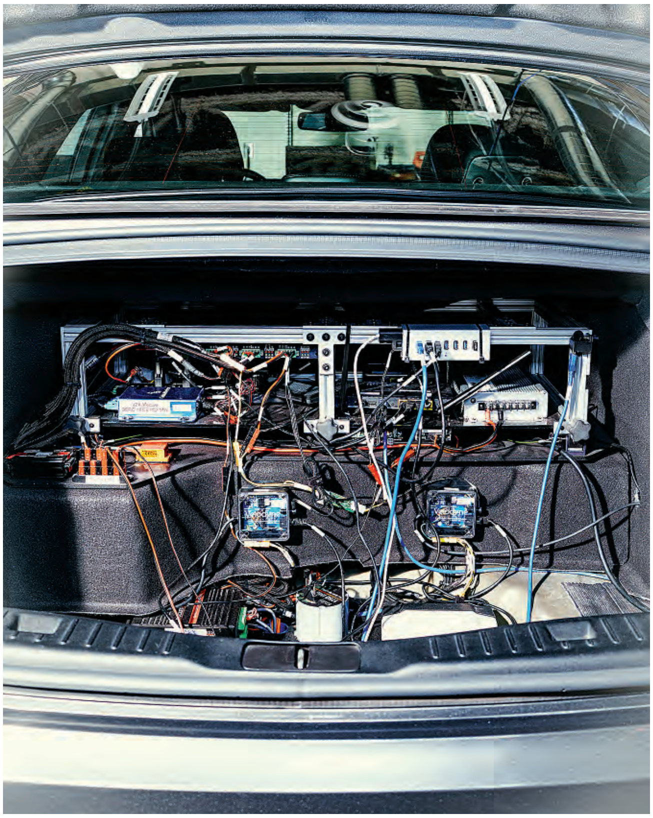
Lead director Prem Watsa, who'd recruited Chen and was chair of the compensation, nomination and governance committee, negotiated a five-year contract extension for the CEO. Later that year, BlackBerry bought Cylance for $1.4 billion, its biggest acquisition ever.

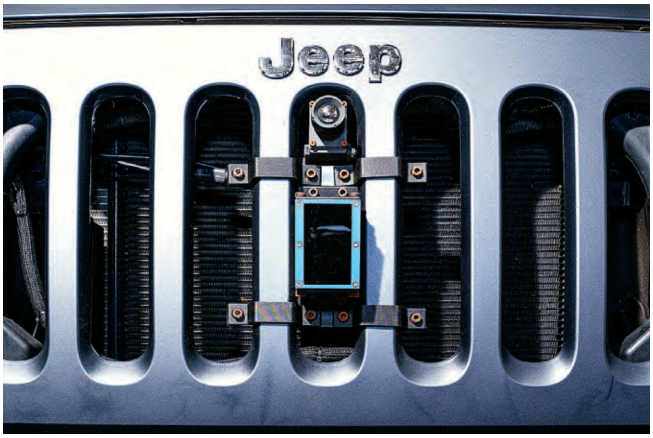
But BlackBerry's results remained choppy, and none of the acquired businesses seemed to blossom. Plus, the senior ranks were in constant flux: A former Boeing and Cisco executive joined as president in 2019 and left that same year. His replacement lasted just 17 months. Cylance founder Stuart McClure got $29 million in restricted equity to stick around after the acquisition because the board deemed his leadership critical. He bolted after just a few months, leaving behind his earn-out.

Chen's autocratic, distant management style didn't help. "He'd remind you in executive meetings that he was the decider," says one BlackBerry insider. Few employees ever got the chance to meet him, since he worked from an office in San Ramon, Calif. (Chen didn't respond to an interview request.)

Meanwhile, Chen's pay package generated unwelcome attention, which picked up after BlackBerry's stock price quadrupled and then retreated over a few days in January 2021. Retail investors, spurred by social media investment mavericks like WallStreetBets, were speculating wildly in shares of faded companies like GameStop, AMC and, yes, BlackBerry. The "meme stock" moniker embarrassed the company's employees and perplexed regulators. "No one had ever seen that sort of thing before," says Lynch. "It was a disruption to the evidence of what progress we were actually making."

CFO Tim Foote, who led investor relations at the time, had built BlackBerry's credibility with institu-





Inside a Lincoln MKZ (above), sensors detect objects, provide adaptive cruise control and more. Prototype sensors on the grille of a Jeep Wrangler (right) help the car navigate, even in low visibility

tional investors, only to see many sell into the rally. "And then they were all gone," he says. "By the time the tide goes out, you were back to square one."

Even worse, the meme-stock surge unlocked three million of Chen's restricted stock units that were meant to vest when they hit certain price thresholds—but from a fundamentals-driven share-price appreciation, not a bogus rally. Chen's windfall automatically triggered the sale of $24.8 million of his stock to cover his tax bill. That wasn't his fault, but the optics were terrible.

At BlackBerry's annual meeting in June 2022, goaded by proxy advisers including Glass Lewis & Co., shareholders flunked the company in a non-binding say-on-pay vote. They also nearly voted out Watsa, whose Fairfax Financial is BlackBerry's largest investor. Watsa left the board in February 2024.

Chen's final year at BlackBerry was grim. A $600-million sale of its legacy smartphone patents fell through when the buyer couldn't raise the necessary financing, and BlackBerry finally unloaded the portfolio in early 2023 for $200 million plus future royalties. That prolonged sale process suppressed licensing revenue, which diminished cash flow. So did weaker financial performance by its cybersecurity business. Cash and short-term investments dwindled, and BlackBerry faced a deadline to repay $365 million in debentures in late 2023 (which it partly financed by issuing higher-yielding notes after Giamatteo took over). The stock reached its lowest level in 20-plus years, down 40% from when Chen joined.

There was little the board could do, however. Chen's contract contained a time bomb. If he was terminated—or even if the board reduced his authority, duties or responsibilities, or made a material change to strategy that he disagreed with—it would force the vesting of a $90-million cash payment. In its weakened state, BlackBerry couldn't afford to ditch him. "It totally neutralized the board," says another company insider. "They were not able to make John do anything he didn't want to do. They were stuck with him" until his contract expired on Nov. 3, 2023.

By that time, the board had a good idea who its next CEO would be. It had quietly initiated a process to select someone who understood the business and its complexities, and who would "be credible in all aspects, to all audiences," as Lynch puts it. Giamatteo, he says, "had a following of people who thought he was really good at what he did."

The quarterback from Long Island was finally getting the callup—albeit to what looked like a last-place team.

It was mid-October 2024, and analysts were gathered at the New York Stock Exchange for BlackBerry's first investor day of the Giamatteo era. The morning event kicked off with a video that started with one question on a big screen: "Do you know what the company BlackBerry does today?"

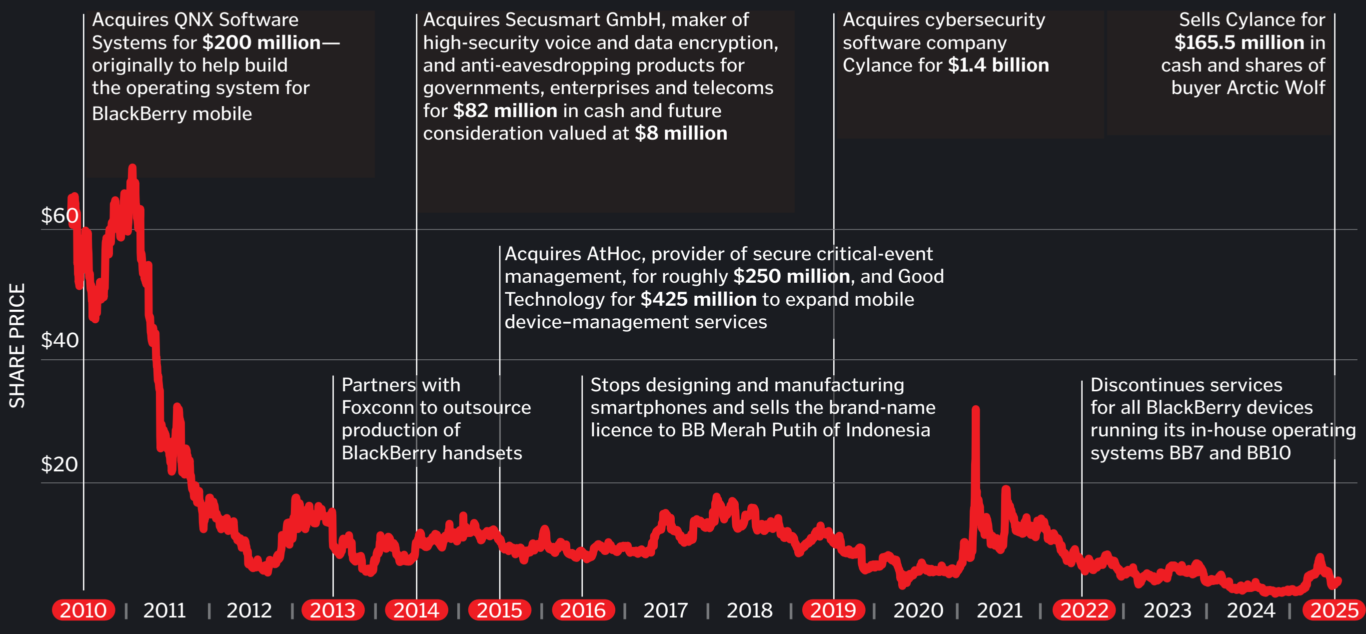
What followed were responses from random people on the streets of New York. "Uhhh, I didn't know they still existed," one man said. A young woman recoiled in disbelief that BlackBerry was even still alive.

Moments later, Giamatteo emerged onstage. "When people hear the name BlackBerry," he told the crowd, "quite often one question comes to mind: 'BlackBerry, are you still around?'"

Over the next few hours, he and his team would highlight what they'd been up to over the past 10 months. Breaking the ice with a little humility signalled Giamatteo wasn't afraid to address the company's challenges and faded legacy.

Giamatteo's down-to-earth leadership style has already lightened the mood inside BlackBerry. He readily mixes with employees and is "not this iconic thing you're never going to talk to who stands on a pedestal. He's just in the group—no entourage, no security," says QNX's COO, John Wall. "It's a completely different style" than Chen's.

FROM PHONES TO SOFTWARE



Phil Kurtz, BlackBerry's chief legal officer, adds that when Giamatteo holds town halls, he feeds off employees' energy rather than just broadcasting remotely to the masses. "He wants and accepts very candid feedback," says Kurtz. "It's easy to feel appreciated."

BlackBerry has undergone more than a culture shift. Giamatteo has remade how the company operates. And while it hasn't quite regained darling status among investors, hundreds of millions of people still use BlackBerry's products.

The company's standout division is QNX, whose sophisticated operating system dominates the so-called software-defined vehicle (SDV) space even more than BlackBerry once did the handset market. Today, roughly one-fifth of cars built each year are software-defined, and QNX is in 90% of them. That's more than 255 million vehicles with QNX on board. And as automakers increasingly shift to building computers on wheels, QNX sits in pole position.

When two ex-Citadel hedge fund managers set up Fifthdelta in 2021 to invest in industrial companies in the automotive space, everyone they surveyed talked up SDV. "And what was consistent across every original equipment manufacturer, every car company, was QNX," says O'Keeffe. When they started digging, he says, "we got very excited." Car makers were abandoning their own software-development efforts and choosing QNX. The product was cheap—automakers pay an average of about $10 per car—so those that chose QNX were unlikely to replace it. Within months, BlackBerry was Fifthdelta's top holding.

QNX was founded in 1980, building the nucleus of powerful operating systems. Its tech was embedded in Cisco routers, nuclear power plants, air traffic control systems and credit card authorization systems. By the time BlackBerry bought the Ottawa-based company in 2010 for $200 million (it had been owned since 2004 by car stereo maker Harman International), it was also making digital infotainment systems for upscale cars. That's not what interested Lazaridis, however: He wanted QNX engineers to build BlackBerry's next mobile-device OS. BlackBerry "couldn't have cared less" about QNX's automotive venture, says Kurtz, who worked on the deal. "It paid its bills. No one did anything to kill it, but it wasn't given a ton of oxygen." From 2010 to 2014, says Wall, who led QNX's car software group, "nobody was paying attention to me."

Well, maybe no one inside BlackBerry. While its handset business disintegrated in Waterloo, Apple set up shop next to the QNX facility in Ottawa and began picking off dozens of its engineers to work on its autonomous electric vehicle project, Titan. The defectors included QNX founder Dan Dodge, a University of Waterloo prodigy who preached that software was the key to modern life. (Apple came after Wall, too, but he says he preferred working with customers to hatching internal projects.) Meanwhile, car makers were adopting Google's Android OS for their infotainment needs, and Wall was concerned his business would disappear, "just like what happened to BlackBerry."

There was an off-ramp, however: Wall's group saw that it could develop other systems inside increasingly digitized vehicles. The group pivoted hard in the mid-2010s, developing advanced driver-assistance and safety systems, then broadened its offerings so customers could use its platform elsewhere in the car, too. QNX was conceding the infotainment war to conquer a much bigger opportunity. By the 2020s, big automakers were asking it to build a vehicle-wide foundational platform that would underpin the digital cockpit, as well as the instrument clusters, surround-view sensor systems—and even

▲ QNX created a digital twin of this robot, designed to handle delicate movements and force with great accuracy

support infotainment applications.

The ploy worked. In fiscal 2025 (ended Feb. 28), QNX generated revenue of $236 million, up from $130 million in 2021. The long-term fundamentals remain sound, despite some automaker delays and industry uncertainty due to Trump's tariff war. BlackBerry is also exploring further uses for QNX tech in the medical, industrial and rail sectors.

As Giamatteo became CEO in late 2023, BlackBerry abandoned a plan to take QNX public but retain majority control. Investors weren't keen on it, says Giamatteo, and he didn't think it was the solution to creating near-term value. Instead, he zeroed in on BlackBerry's cybersecurity division, where he'd spent two years as president. During that time, Giamatteo overhauled its go-to-market sales and marketing strategy, and consolidated its bloated R&D group. With the entire company under his charge, he established QNX and cyber as two standalone units, and focused on stopping the rapid decline in BlackBerry's cash reserves, in part by eliminating roles in finance, legal, HR and IT.

As Giamatteo and his team dug deeper, they isolated the cybersecurity unit's biggest problem: Cylance. It had come to market with anti-virus software driven by artificial intelligence that protected devices from the cloud. Revenues grew robustly, reaching $151 million the first full year BlackBerry owned it. But as people worked remotely in the pandemic, making networked devices more vulnerable to attacks, market demand shifted toward products that provided detection, response and remediation—known as EDR—capabilities. While Cylance tried to stop malware invasions, EDR also fought the problem from inside, like battling a rodent infestation. Big companies embraced EDR, and demand for Cylance from Fortune 500 companies withered. Cylance shifted to serving smaller companies, but sales kept declining. It tried to catch up by building its own EDR offerings but that was expensive, and larger competitors vastly outspent it on marketing. By last October's investor day, Cylance was on track to generate $90 million in revenue and lose more than $50 million that fiscal year. BlackBerry couldn't afford to keep that up, Giamatteo told analysts.

Another revelation: Cylance's losses obscured a decent bottom-line performance from the rest of the cyber unit. With Cylance, it was barely breaking even. Without Cylance, it was a cash cow, generating $52.3 million in operating profits last year. The management team decided Cylance was "probably a better asset outside the company," says Giamatteo.

In late 2024, BlackBerry announced it was selling Cylance to U.S.-based Arctic Wolf Networks, paying $144.6 million, barely 10% of what BlackBerry had shelled out for it. Nonetheless, analysts were pleasantly surprised—it was like found money for an asset they'd deemed worthless.

The cyber unit (since rebranded as Secure Communications) now has a narrower customer set of governments and critical infrastructure providers, which has focused its sales and marketing efforts, according to Jean Treadwell, the group's marketing VP, and another recruit who worked with Giamatteo at Nortel and McAfee.

But the rest of Secure Communications will probably find itself following Cylance out the door eventually. The unit might now have a better financial profile, but O'Keeffe says it remains a hodgepodge of a business that's far less exciting than its corporate sibling. "Selling is the outcome we'd like to get to eventually," says O'Keeffe.

It's not hard to see why. QNX has a strong long-term growth story. Secure Communications doesn't, and it's dragging down BlackBerry's valuation. Though the units are roughly the same size, QNX is worth far more. CIBC analyst Todd Coupland values it at seven times estimated fiscal 2027 sales and 30 times forecast operating earnings. He pegs the cyber unit's value at three times 2027 sales and 12 times earnings. That makes QNX worth between $2.25 and $5.01 per share, compared to just $0.39 to $1.95 for Secure Communications.

BlackBerry has plenty of options. Secure Communications is profitable, resilient and has great customers in a solid market—the ideal profile for a private equity takeout. BlackBerry could sell it and invest the proceeds in QNX, acquire another company, buy back shares or retire its $200-million debt. Or it could hang on and try to squeeze out some growth—though opportunities are limited. Its best hope is Secusmart, whose SecuSuite secure messaging platform features tight protocols and locked-down features that make it a strong alternative to Signal for sensitive government communications—a fact BlackBerry has promoted around Washington, D.C., in the wake of the Signalgate scandal.

Or BlackBerry could wait out the current market volatility and keep banking cash from Secure Communications. "Those are the big questions getting asked" by the company's leadership, says Dimitropoulos. "Which of those gives the greatest shareholder value and the best return? And if there's a market slowdown, is cash king—or is cash flow king? Is having a big balance sheet the right thing to do in a downturn, or making a bunch of cash flow so you can fund your business through the downturn that might be ahead?"

Of course, selling Secure Communications would greatly shrink BlackBerry's presence in Waterloo, and it's a good bet the remaining company would take a new name (probably QNX). Giamatteo doesn't seem particularly sentimental about the prospect. For now, he says, selling is not part of the plan. "But if we felt the best outcome for shareholders was to divest the business, I don't think we'd hesitate."

But let's give the guy a minute. He's barely arrived, and he's already done what his predecessors failed to do: stop the bleeding and give BlackBerry options. When your biggest problem is figuring out what to do with your growing pile of cash, that's a good start.

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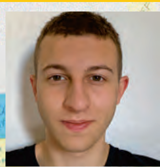

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THE CASE FOR ALTERNATIVES

DAVID PICTON'S CALL TO REINVENT CANADIAN INVESTING

When markets get chaotic, like in recent months, David Picton doesn't sleep much. "The bags under your eyes grow," says the Toronto-based founder of Picton Mahoney Asset Management, which has more than $13 billion in assets. "It's part of the responsibility in trying to ensure our products are helping people reach their goals with greater certainty. It sometimes comes at a personal cost."

Thanks to how Picton and his team approach the market, though, they're prepared for times like these. He wants others to feel the same. That's why, over the past 20 years, his firm has worked tirelessly to help transform the way Canadians invest, bringing more certainty in outcomes to investors. How? By aiming to build portfolio solutions that better withstand bear markets, yet still have the potential to excel in all markets.

This change in thinking is one that Picton feels is necessary today. For 40 years, investors have experienced great returns with reasonable levels of downside risk by investing in a portfolio of 60% stocks and 40% bonds. While the two asset classes performed well on their own, this approach also worked because of the significant diversification benefits they provided each other. However, in a world where stock and bond valuations are more elevated, and where these assets are moving more in unison with each other, a simple 60/40 portfolio becomes more vulnerable to sudden shocks, such as inflation spikes, slowing growth or misguided tariff policies.

The potential lack of differentiation between the movements in these two assets means 60/40 portfolios aren't as diversified as they used to be.

That leaves investors with more volatility and downside risk than they've become accustomed to. Consider 2022: the S&P 500 dropped by nearly 20%, while the Bloomberg U.S. Aggregate Bond Index also fell by 13%. That year was one of the worst for traditional 60/40 portfolios.

When Picton co-founded Picton Mahoney in 2004, he saw how the largest pension plans were repositioning themselves to bring new ideas into portfolios with good return potential and positive diversification benefits. Many of the best plans focused on mitigating risks by owning a collection of uncorrelated assets—strategies that would either increase in value when stocks or bonds fell or would at least decline much less. Better outcomes followed when the downside was mitigated through better portfolio construction.

To enhance diversification, these institutions added alternatives, including proven hedge fund strategies, such as equity market neutral, long-short credit or merger arbitrage. The goal? To generate returns regardless of market conditions. These shifts made sense to Picton, but retail and high-net-worth investors have generally had less access to these types of strategies. As a result, many Canadian portfolios have become less equipped to deal with greater volatility and uncertainty over time.

A BETTER WAY TO **INVEST**

As Picton sees it, one of the Canadian financial industry's major shortcomings is its over-reliance on the 60/40 portfolio. For the last two decades, Picton has encouraged investment advisors, individual investors and industry peers to evolve their investment processes by exploring ways to use alternatives to deliver better financial outcomes. "Alternatives offer greater diversification benefits than the traditional 60/40 asset mix that advisors and their clients have mainly defaulted to for decades," he says.

Yet, when it comes to their use, Picton notes Canadian investors are missing out on a rapidly expanding market. In 2010, alternative asset classes represented just 6% of the global investable market, but the Chartered Alternative Investment Analyst Association expects that figure will hit 24% this year. In Canada, the liquid alternative investment market stands at $57.4 billion in assets under management (AUM), and while growing, its percentage within portfolios still lags behind many other developed markets.

Picton wants to bring adoption in Canada in line with the rest of the world. His firm is advocating for a new standard for portfolio construction that moves investors closer to a 40/30/30 portfolio, which is 40% equities, 30% bonds and 30% alternatives. "We believe investors need to shift assets into different return streams that either better diversify traditional portfolios or enhance their return potential," he says. "Our product suite of alternatives is designed to do just that."

35.6%

Growth in liquid alternatives in Canada over the past 12 months*

$57.4 billion

AUM in liquid alternatives in Canada*

$30 trillion

Expected AUM (USD) in alternatives globally by 2030†

HOPE FOR THE **FUTURE**

Since co-founding the firm more than 20 years ago, Picton has focused on creating portfolios that aim to lower risk without compromising returns. Now, though, he's setting his sights on the next 20 years, aiming to make alternatives a bigger part of Canadian investor portfolios. As part of this goal, his firm will undergo a rebrand in June, adopting a more streamlined and modern aesthetic. The company's updated modern look will help it stand out in a sea of sameness within the traditional fund management industry, appealing to existing advisors and their clients, along with the next generation of financial professionals and investors.

With a new message, "Build from the bear up," Picton is embracing the positive qualities of the bear—strength, adaptability and resilience—to help drive home the importance of alternative ways of investing. Picton is taking a contrarian view, transforming the traditional symbol of down markets and fear into a message of preparation and optimism. He's encouraging advisors and investors to learn from the bear to better prepare for risk, which should help them achieve their financial goals with more certainty.

To that end, Picton is confident in the future prospects for Canada and for Canadian investors. "From crisis comes an opportunity for tremendous improvement and growth," he says. "In spite of the recent turmoil, the seeds of positive change are starting to take hold and Canada is poised for a better future." As a Canadian-founded company, he's hopeful that his message of putting greater certainty at the centre of a portfolio will resonate with more advisors and investors. His firm won't rest until it does.

"We're proud of what we've done, but we are not at all complacent," he says. "We are investing heavily in all our processes to continue to improve them because investors have come to rely on us for better outcomes. We take that responsibility very seriously. I will have a lot of sleepless nights if we're ever not living up to that promise."

SOURCES: *SECOND ENGINE, AS OF Q1 2025; †PREQUIN

Chris (right) and Stephen Schroeter co-run the family business

KINGS OF THE GRILL

Barbecue maker Napoleon has been playing up its made-in-Canada bona fides ever since Donald Trump unleashed trade mayhem on our economy. But building more products at home is easier said than done

BY CAROL TOLLER

PHOTOGRAPHS BY CHRIS ROBINSON/FUZE REPS

NAPOLEON BBQ has never shied away from waving the Canadian flag. It first strung up a Maple Leaf outside its plant on the outskirts of Barrie, Ont., in the 1980s, and the flag has become part of company lore because of what happened when founder Wolfgang Schroeter hopped on his motorcycle to get a glimpse of it from a nearby highway. He rode too fast, flew around a curve at high speed and skidded out on gravel. "I was doing everything fast in those days," Schroeter is quoted as saying in a book of Napoleon lore.

These days, the company's still moving fast, building out a brand that includes fireplaces, furnaces and HVAC systems, and it's waving the flag more vehemently.

In an open letter released in February, as U.S. President Donald Trump launched his tariff war on imports from Canada, Schroeter and his family urged consumers to rally behind homegrown manufacturers. "As the economy faces uncertainty," they wrote, "we invite you to join us in strongly supporting not only Napoleon but all Canadian businesses."

The letter's we-are-Canadian message—signed by Wolfgang, his wife and co-founder, Ingrid, and their sons Chris and Stephen, who now serve as co-CEOs—could make Napoleon barbecues a hot choice this grilling season as the trade war rages on. "People are definitely looking for Canadian stuff," says Ethan Barlow, a sales associate at Barbecues Galore in Edmonton. "We've really noticed it since the tariff talks started."

Take a closer look at Napoleon's barbecues, though, and you'll find evidence of the harsh reality of manufacturing in Canada: While its high-end Prestige line is made here, its lower-end grills are all produced in China—a fact the company is transparent about. "We'd love to manufacture everything here," says Chris Schroeter, but it just isn't possible.

To stay competitive with big-name brands like Weber, Napoleon started offshoring in the late 1990s, though it still aims to make as many of its products as it can in Ontario. Ultimately, 55% of its revenue comes from made-in-Canada products, says vice-president of marketing Garry Scott. Napoleon's commitment to domestic manufacturing makes it a major employer in the province's Simcoe County region. More than 1,000 people work at its three plants outside Barrie and at a fourth in Mississauga.

Napoleon hasn't escaped the impact of tariffs and Trump's trade rhetoric—U.S. sales represent almost 30% of its barbecue revenue, and it's already had to raise prices there to offset import costs to its U.S. distribution centre. But it's still aiming for growth south of the border (where marketing focuses on the company's motto, "Innovation Built Better"), as well as in Europe, where the made-in-Canada message also appeals. "We're finding the story really resonates."

So while other businesses lament the trade war, Napoleon isn't fretting. The company that's as made-in-Canada-as-it-can-be won't reveal sales figures or say how much the tariff war has impacted orders and sales, but Scott says with a delighted smile that so far, Napoleon is having a "very good year."

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STEP INSIDE THE CORPORATE HEADQUARTERS at 24 (wait for it) Napoleon Rd., and there's no question you've entered a family business. Instead of bland corporate art, a giant wooden-relief portrait of Napoleon riding a horse hangs on one wall. On another are framed ads that the company ran in 2018 to introduce Chris and Stephen as the new CEOs, with photos of them as children and taglines like, "Our parents taught us it was okay to play with fire."

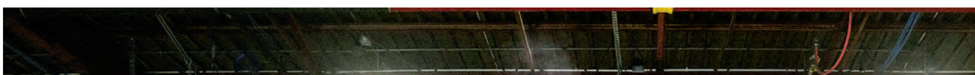
What's even clearer is how intensely proud the Schroeters are of the business they've built. *The Art of Fire*, the self-published history they like to give visitors, meticulously documents the family's trajectory, from Wolfgang's birth in 1949 and his early years in Germany (home to more motorcycle crashes), through details of the couple meeting in Kitchener, Ont., to the launch of a company that now sells its products in more than 70 countries.

Stuffed with corporate ephemera including drawings from Wolfgang's trade-school workbooks, receipts from early suppliers and photos from dozens of company events, it's exhaustive, a little goofy (one former employee makes an appearance in photos dressed as a fairy) and full of the sturdy pragmatism that built the company: The third of five business convictions the book lists as core to Chris and Stephen's beliefs is, "Decisions based on common sense, and firm values go a long way."

Ingrid and Wolfgang, both now in their 70s, officially stepped away after handing the reins to their sons, but it's clear they still like to be involved. Wolfgang continues to assist with R&D, and Ingrid still takes on projects like the new book they're preparing to commemorate the company's upcoming 50th anniversary. "If we don't like something, we say, 'You've got to improve it,'" Ingrid says, rapping her knuckles on the table. There's a smile on her face but a no-nonsense tone in her voice. She means it.

In many ways, the story of the company she and her husband founded in the 1970s is an old-fashioned one—the kind of immigrant-makes-good narrative that's become rarer in Canada lately. Ingrid sums it up matter-of-factly: "If you work hard, you get somewhere, especially in Canada." Though the facts suggest there's more to it than that.

Wolfgang, a tool-and-die maker who arrived in Canada in 1969, launched his



The Schroeter brothers man the grill at Napoleon's headquarters in Barrie, Ont., where their parents started building wood stoves 50 years ago

KETCHUP (PREVIOUS) AND MUSTARD DRIPS GETTY IMAGES

first business making metal railings and wrought-iron patio furniture, but soon moved into wood stoves. A skilled tradesman with a keen eye for innovation, he built a stove for his father-in-law, and his design proved not only viable but appealing—a neighbour soon requested one. Not long after that, he and Ingrid founded Wolf Steel (the official name of the company that owns Napoleon) and began making stoves out of a rented facility in Barrie. Wolfgang handled the design and manufacturing, while Ingrid oversaw sales and admin.

The company thrived, helped by the oil crisis of 1979, which sent sales skyrocketing as North Americans looked for alternate ways to heat their homes. As business grew, the Schroeters moved into gas-powered products, including fireplaces and inserts, but the focus on cold-weather items created a challenge: Demand was highly seasonal. The company's lines operated at capacity during the first half of the year, making inventory for the busy fall sales season, but after that, orders dropped, and staff had to be laid off. So in 1995, the Schroeters plugged the seasonal gap by introducing a new offering, cooking grills, with a production schedule that was the opposite: They're typically produced in the latter half of the year and shipped to stores in time for early spring. "We needed to keep production going," Ingrid says, "and we wanted to keep our staff working."

The name the Schroeters chose for their barbecue brand was one they'd established with a line of stoves: Napoleon. They borrowed it from a bottle of brandy Wolfgang spotted in a liquor store when he was looking for inspiration for decorative elements to add to the stoves' doors. The name appealed to them because it represented "power and prestige," Chris says, and they've leaned into the image in the past, hiring people to dress as Napoleon and walk the floor at corporate events and trade shows.

Today, barbecues represent 65% of total sales, and Napoleon is aiming to become a top brand in a crowded category where big U.S. players like Weber, Traeger, Pit Boss and Char-Broil eat up sizeable chunks of the market.

From the beginning, Napoleon has aimed to create a niche for itself at the higher end of the market—the priciest model in its Prestige line, the Pro 825, has six burners, an integrated smoker and rotisserie, and room to grill as many as 51 burgers. The Pro 825 sells for about $6,000, and at that price, the company can afford to manufacture it in Canada. (The line's material costs have so far been relatively unaffected by tariffs, Scott says, since the steel used to make them is primarily Canadian.)

But to dominate the barbecue category, Napoleon needs to sell at lower price points, too, and that's where it encounters the challenges faced by many Canadian manufacturers. Its less expensive barbecues are made at two facilities it owns in Guangzhou, China, where lower labour and material costs enable them to make models that sell for under $1,000. Later this year, it will also open a manufacturing facility in Mexico, a move the company needs to make to stay competitive, says president Mike Tzimas.

Tzimas, who joined in 2020 from the auto industry, says Napoleon is "very protective" of the made-in-Canada status of many of its products, but making everything here simply isn't viable. The term "made in Canada" can itself be misleading: Federal regulators don't require a product to be 100% sourced and manufactured here to receive the designation. Products are labelled "made in Canada" if more than 50% of the cost of making them has been incurred in Canada, and the last significant transformation—for barbecues, that means assembly—happens here.

In the case of some barbecue parts—including ones used to make the Prestige line—the challenge isn't that sourcing them in Canada would be more expensive, Tzimas says. It's that no Canadian—or, in many cases, North American—supplier exists. "We do as much as we can here," he says, but expanding the company's Ontario manufacturing operations would require the sort of investment it can't afford to make on its own. And government support isn't likely to come, Tzimas says, in part because Napoleon's size puts it in a "sort of no-man's land." It's too big to get the loans and subsidies that small businesses receive, and too small for the direct partnerships that industry leaders like Magna or Linamar benefit from. "We're somewhere in the middle, which makes things difficult."

Brendan Sweeney, managing director of the Trillium Network for Advanced Manufacturing, credits the company with building a business that can support 1,000 Canadian workers and remain globally competitive. As for sourcing parts or making entire models in China, there's virtually no way to avoid that given how the global supply system has evolved over the past few decades, he says. "There's no putting the toothpaste back in the tube. As much as possible, Napoleon is sticking to its roots. But if your competitors are in China or Mexico, you've got to be there, too."

Mass-market sales are critical for growth, not only because of the high sales volume they represent but because of the exposure they offer: Research conducted for Napoleon indicates that 70% of gas-grill consumers remember brand names, so having a presence in chain stores helps establish brand awareness that the company can leverage to sell its other products. Only 4% of fireplace and furnace buyers, by comparison, can recall the name of a manufacturer.

In Canada, Napoleon products are carried by big-name chains like Home Depot and Lowe's, but in the U.S., the brand hasn't penetrated in-store yet,

Napoleon’s top-of-the-line Prestige ’cues are built in Canada and feature knobs that light up to signal whether the gas is on or off

though its products are sold online by the big players and through an extensive network of dealers. The company has invested “tens of millions” of dollars building name recognition south of the border, where it highlights quality and innovative features like illuminated knobs that change colour to show whether the gas is turned on or off.

The current economic headwinds have “added complexities,” Tzimas says, joking that he can now recite parts of Section 232 of the U.S. Trade Expansion Act off the top of his head. He started holding twice-weekly meetings with high-level staff in November, he says, when Trump’s threats began, to talk through possible scenarios. “I probably know more about tariffs than I should,” he says as he turns to a whiteboard and starts drawing a diagram of inventory moving between territories, and how and where tariffs apply.

As of April, Napoleon has raised prices in the U.S. by about 10% to cover tariff expenses, after having already incurred about $1 million in fees during the early stages of Trump’s threats, when it wasn’t clear whether they’d stick. “But we’re not panicking,” Tzimas says. The company has dealt with supply chain issues in the past, he notes, especially during the pandemic, when demand for barbecues soared and the company had to ramp up production during a turbulent time for suppliers. “We’re staying focused and hoping cooler heads prevail.”

BEYOND TRADE WARS, BARBECUE MANU-facturers face other challenges, too. Grilling traditions vary across cultures and regions, Tzimas says, so the same product mix doesn’t work everywhere. The French have a penchant for griddles and planchas, while southern Europeans like charcoal grills. Germany has a gas-grill culture that’s similar to Canada’s, though when Napoleon first tried selling barbecues there in 1998, the Germans were skeptical—the grills were too big for their outdoor spaces. (It adapted by making smaller models with foldable side shelves.)

Consumer tastes are constantly changing, as well. Lately, that’s meant more interest in electric grills. Napoleon responded by launching a full-size electric model this past Earth Day, with Wi-Fi and bluetooth connections that let barbecuers monitor and manage their burgers and steaks via an app.

Napoleon prides itself on its innovation. One of the reasons its early wood stoves took off was the glass door Wolfgang designed, a unique feature that he anticipated would appeal to customers. Employees are encouraged to contribute ideas to improve Napoleon’s products and production lines, and on a recent day in April, a whiteboard near one assembly line boasted four ideas for increasing output. Currently, Napoleon’s most significant R&D efforts focus on creating products for the net zero home, a category it aims to expand into in the future.

As for whether Trump’s 51st-state threats will drive more Canadians to buy Napoleon barbecues, Sweeney isn’t entirely convinced. Consumers are fickle, he says. “Canadians like to think they’ll pay more or drive an extra five kilometres to buy Canadian, but if Home Depot is closer, that’s where they end up going.” So while surveys show that Canadians say they want to support Canadian businesses, Sweeney has never seen conclusive research that links that sentiment to actual purchasing decisions.

In the end, though, that may not matter. Napoleon’s Canadianness is helping to establish its brand, and the company deserves credit for growing as big as it has and not selling. “We need more companies like this,” says Sweeney. “Canada is like a Christmas tree farm. We’re good at growing trees, but when they get to a certain size, we cut them down.”

Tzimas says the company has no plans to stop flag-waving, even when the trade war ends. “There’s no us-versus-them mentality. Regardless of the political rhetoric, we’ve got great partners [in the U.S.], and we’re going to continue to grow the brand. But that doesn’t mean we can’t be proudly Canadian. I think you can hold both simultaneously: We love our neighbour, and we’re proud to be Canadian.”

As for the company’s flagpole, Wolfgang picked himself up that day back in the 1980s. The gravel deeply embedded in his skin was painful, so he rode his bike back to HQ without taking a good look at the new pole. But fastidious to the end, he drove back later in a car, and he liked what he saw: He’d planted his flag in the perfect location.

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What makes for winning M&A strategies – and is the time right for them?

David Savard, managing director, head of Mergers and Acquisitions and Private Capital Advisory, National Bank.

Dollarama Inc. helps customers find deals on a daily basis. The Montreal-based retailer announced in March that it has entered into a deal of its own to acquire The Reject Shop Ltd., the largest discount retailer in Australia.

It's an example of the potential of mergers and acquisitions (M&A) to unlock value and transform a business, says David Savard of National Bank, which acted as financial advisor to Dollarama.

Dollarama, which has over 1,600 locations across Canada, already owns a 60.1-per-cent interest in Dollarcity, a Latin American value retailer. With its latest acquisition, Dollarama is extending its reach to a new international market, presenting a clear path for growth through an established platform.

While some Canadian companies may be wary of making major corporate moves in these times of economic uncertainty, one strategic consideration should stay on the table: having a thoroughly thought-out M&A strategy.

"This environment favours the prepared, ready to play offence and defence and using M&A to their advantage," says Mr. Savard, managing director and National Bank's head of Mergers and Acquisitions and Private Capital Advisory.

Opportunities remain for buyers and sellers

Coming into 2025, Mr. Savard adds, there were tremendous tailwinds for M&A activity. Interest rates were falling and investor enthusiasm was high. Global private equity had about $2-trillion in 'dry powder' (the amount of capital committed but not yet deployed) to shop for companies around the world, including in Canada, a report by McKinsey notes.

While this year has seen a highly unpredictable business environment, Mr. Savard says there are still opportunities for astute buyers and sellers in Canada. Deals are still being done.

Goals vary, from increasing a customer or supplier footprint in new markets, to divesting non-core business lines or selling companies outright. Whatever the objective, M&A deals don't happen overnight. Nor would a buyer or a seller want to rush the process.

In-depth preparation is essential for sellers to get the best value and for buyers to optimize transaction benefits without overpaying.

"You don't want to be scrambling once a deal is almost ready to close due to insufficient due diligence and a lack of integration planning," Mr. Savard says. "A lack of preparation, and inadequate legal and financial advisory support, can negate the financial and operational benefits that well executed M&A transactions can provide."

A disciplined strategy is key

The challenge for many companies is a lack of in-house M&A expertise. Working with experienced partners can be beneficial for both buyers and sellers.

The right advice can assist sellers in determining their objectives, and what they can do to get the best outcomes in a deal, from optimal process design and negotiation strategy through to transaction structuring and closing. For buyers, the goal is to integrate tailored M&A planning into broader growth plans, with advice on target selection, approach strategy and deal execution.

Over the years, National Bank has helped Canadian companies expand overseas as well as supporting international investors looking to acquire companies in Canada. To be relevant in today's market, Mr. Savard says M&A advisors must foster global connections.

"We cover close to 1,000 funds worldwide, including private equity funds, family offices, direct-investing pension funds and all major sovereign wealth funds. And there's a lot of interest in Canada, even in the current uncertain business environment."

Proper planning and disciplined execution, supported by experienced third-party legal and financial advisors, helps to minimize transaction risks. It also assists in cutting through today's uncertainty to identify and capitalize on buy- and sell-side opportunities.

"Those with well-designed M&A strategies can take advantage of volatility and complete beneficial deals while their competition remains idle," Mr. Savard says.

He expects to see an increased pipeline of companies – in sectors such as energy, basic materials, technology, services and selected areas of consumer and industrial products – that are looking to buy, sell or find partners to grow.

Despite current volatility, there are always ways to seize opportunity. "The main message is that M&A remains a relevant and highly effective corporate development tool no matter the market."

Harry Sunner
Durabuilt Windows and Doors

PHOTOGRAPH KELSEY MCMILLAN

SIMPLY THE BEST

For 32 years, Canada's Best Managed Companies has been celebrating excellence among private Canadian-owned enterprises with revenue of $50 million or more. We talked to the latest crop of newcomers to the list, starting with Miovision, whose tech is helping cities fight traffic congestion. Plus, you'll find the secrets to success from 20 other new entrants in a range of industries, from construction to neighbourhood taverns to glove making. The Best Managed program also includes hundreds of companies that have requalified year after year. We talked to the CEOs of five of them about what they've learned from their leadership journeys—and what you can, too. To see the full list, visit tgam.ca/bestmanaged.

> Stopping traffic: Kurtis McBride co-founded Miovision while doing his master's at Waterloo

TRAFFIC SUCKS

IT COSTS US BILLIONS IN LOST PRODUCTIVITY, SPEWS CARBON AND DRIVES UP ANXIETY. CAN MIOVISION'S TRAFFIC-BUSTING TECH GET US UNSTUCK?

BY JASON MCBRIDE

PHOTOGRAPHS BY BRE ELBOURN

IN 2017, Toronto—forever a city where the car is king—set out to do the impossible: ban private automobiles from a major downtown street. King Street West runs from the Financial District to the Fashion District and beyond, and is lined with some of the city's glitziest venues—Roy Thomson Hall, the Princess of Wales Theatre, the TIFF Lightbox. It's also home to the Toronto Transit Commission's busiest streetcar route, and that year, in a bid to relieve overcrowding and improve travel times on the line, Toronto launched a pilot project that restricted motorists from travelling along King, eliminated on-street parking and improved pedestrian infrastructure.

It was, not surprisingly, controversial. Drivers complained that the new regulations were confusing and unfair, pedestrians grumbled that motorists flouted the rules, local restaurants insisted the project was killing their businesses. The whole thing threatened to blow up in the city's face.

But Toronto had a secret weapon: technology made by a company in Kitchener, Ont., called Miovision. Founded in 2005, Miovision pioneered the use of computer vision in traffic management, allowing municipalities to understand their traffic flow in granular detail and adjust infrastructure, mainly traffic signals, to make it move more efficiently. Co-founder and


espec

CEO Kurtis McBride (no relation) likes to call his company "the smartphone of the intersection."

Toronto installed dozens of Miovision's proprietary camera systems along King and the surrounding streets, and these gathered, 24-7, high-resolution video of each passing vehicle and pedestrian. Those same systems then used algorithms to translate that footage into data about the volume of traffic, but also how long cars were delayed at specific lights, how many near-miss accidents there were, and whether drivers complied with the new rules in general. "There were a lot of questions, and we needed to have KPIs to measure the effectiveness of what we were doing," says Roger Browne, the city's director of traffic management. "At the time, there was no other technology as advanced as Miovision's. No one was operating at that same degree of accuracy." A year and a half later, the city declared that daily weekday ridership on the King streetcar had jumped 16%, with travel times improved by four to five minutes. Based on that data, Toronto decided to make King a permanent transit priority corridor.

This wasn't Miovision's first success story, and it wouldn't be its last. If anything, its tech has only become more urgently needed (which has helped drive three-year revenue growth of nearly 350%). While the King streetcars still run with relative ease, traffic in Toronto has, notoriously, accelerated from headache to crisis. According to the Toronto Region Board of Trade, the city's streets are now congested for 11 hours a day, up from nine hours in 2019. Torontonians have the longest average travel time in North America. Earlier this year, the Dutch geolocation company TomTom, which releases an annual Traffic Index, ranked Toronto the eighth-worst city in the world for congestion (Vancouver was No. 5), with Torontonians losing 77 hours a year stuck in rush-hour traffic. The economic, environmental and social effects are profound. Productivity and competitiveness are crippled, investment evaporates, carbon emissions increase, and overall quality of life is severely diminished—nobody who's sat for hours on the 401 needs to be told that gridlock's been linked to stress and depression. A report released last year by the Canadian Centre for Economic Analysis estimated that all told, congestion costs Ontario an eye-watering $56.4 billion a year—and growing.

The reasons for this are legion and sadly familiar: a rapidly growing population and aging infrastructure; construction on virtually every street; underfunded public transit; an endless parade of delivery vans and e-bikes; entitled BMW owners who treat red lights like suggestions. But a lesser-known cause is the fact that Toronto, like most cities around the world, still relies on an old-school system of traffic signals set to fixed schedules, unable to quickly adjust to increasing or declining numbers of road users. It's a system that hasn't kept pace with increasing demand for complete, multimodal streets or the explosion in last-mile delivery services. It's a system that Miovision was expressly created to change.

IF YOU THINK sitting in a traffic jam is tedious, try spending your weekends counting the cars in one.

In 2004, when he was an engineering student at the University of Waterloo, McBride got a job doing exactly that. As part of a summer co-op program, he did some software development for a transportation engineering company in Toronto, and to make a little beer money, he joined a bunch of other students on a weekend traffic count. It wasn't exactly a fun task—standing by the side of the road in downtown Toronto in the middle of July, manually counting cars with an electronic clicker board—but it was a life-changing one. "You can imagine the accuracy of the data that was coming out of that," he tells me. "And then you'd see the important decisions that were being made with that data on the other side." Those decisions, chiefly around how traffic signals were timed in an intersection, were also, McBride realized, being made too infrequently—every

< The Miovision Scout has a 360-degree camera to capture traffic data in real time (left); a technician assembles a Scout camera (below, left); Miovision's headquarters is housed at Catalyst 137, an innovation hub launched in partnership with McBride (below, right)

five years or so—and not keeping pace at all with how quickly traffic was evolving in the city.

There had to be a better way, McBride thought, and in 2005, while doing a master's at Waterloo, he created it: AI-powered software that could take video footage of traffic and extract from it a more precise vehicle count. It could also tell whether those vehicles were cars, buses, trucks or bicycles; how fast they were going; and how they interacted with each other and with intersections. Such data points, arranged by the system into accessible charts and graphs, were extremely valuable to traffic agencies; it could guide them when deciding to widen a road, change the timing of a traffic signal or reduce speed limits. It could even provide "near-miss" analytics, allowing a traffic engineer to identify potential safety risks, anticipate future collisions, and adjust roadways or intersections accordingly. That same year, to commercialize this technology, McBride, who's now 45, co-founded Miovision with two other Waterloo students. They moved into hardware, as well, building a self-contained, battery-powered unit that now comes equipped with a 360-degree camera that can capture, process and upload video on the spot and in real time. They called it the Miovision Scout. "We changed the model," McBride says. "Now we had one person in a truck with 20 cameras who could do the same amount of counts it used to take an army to do."

Scout was a relatively niche product, designed largely for traffic engineers. But it was a hugely successful one. Ten years later, it was being used in 17,000 municipalities in 50 countries, and that year, Miovision raised $30 million in a venture funding round led by Montreal's MacKinnon, Bennett & Co., then the company's largest shareholder. As its manufacturing needs grew, it moved from downtown Kitchener into a former tire factory that McBride, along with a couple of other investors, transformed into a massive tech hub they called Catalyst 137. In addition to Miovision's own offices and 20,000-square-foot factory, the 465,000-square-foot building now houses about 25 startups, a large co-working space and a cluster of financial services.

A decade in, McBride began to recognize that traffic infrastructure writ large was also ripe for disruption. Increasing numbers of cities were becoming "smart"—that is, leveraging digital technology and data collection to improve the lives of residents. But intersections were still, in a word, dumb. Traffic signals were (and largely still are) low-tech, analog systems—basically, a bank of light switches on a timer, turning on and off. Signals could be adjusted to behave differently during specific times of the day, but they couldn't reflect real-life, real-time traffic conditions. And if you wanted to add functionality to an intersection—say, installing an induction loop in the pavement so a car could trigger a light to change—each instance of that meant a new capital purchase, a new truck roll-out, a new maintenance issue.

By that point, though, the iPhone had also been around for almost a decade, transforming a simple cellphone into a nearly infinite array of different devices: a camera, a flashlight, a computer, a jukebox. What if Miovision did something similar, McBride thought, consolidating all the functionality of an intersection into a single piece of hardware that could meet the most common intersection needs at once? "If you look at a problem from first principles," McBride says, "there's often a better way to solve it than the way it's being solved in the market." That insight led to a whole new generation of integrated Miovision products that included more sophisticated cameras and myriad software applications, all of which could be plugged into an intersection and bring it into the 21st century. The company built a lot of this functionality itself; other capabilities came through acquisitions—between 2021 and 2024, Miovision acquired six different companies.

Some of the capabilities were relatively simple, like video detection. Instead of digging up the pavement for the aforementioned induction loop, a Miovision camera could do the work of activating a green light on a little-used side street. Or a Miovision system could be used to communicate to a traffic team that a signal was malfunctioning. Detroit's traffic signals were constantly being knocked out by rolling brownouts, and crews spent an inordinate amount of time just driving around looking for those. It was a drain on the traffic department's budget and slowed down emergency vehicles. Miovision systems plugged into the city's intersections sent text messages indicating when the signals went down, and crews could immediately respond to those specific problems.

Other applications were more sophisticated. The sequencing of traffic lights is traditionally co-ordinated by an electro-mechanical traffic signal controller whose timing is programmed by a traffic agency based on historical traffic patterns that can be minutes, days or even years old. In contrast, Miovision's so-called adaptive signal technology enables a traffic light to respond as needed to unexpected congestion or reduced capacity. Miovision deployed the systems in Boston, Pittsburgh and Portland, reducing average travel times by 25% and emissions by 20%. As part of a pilot in Peterborough, Ont., adaptive signals deployed on the city's busiest street resulted in almost $1 million in travel-time savings, 106,700 litres less fuel used and a 273-ton reduction in carbon emissions. In 2022, Peterborough city staff recommended expanding the tech to 20 other intersections throughout the city. Two other Miovision technologies—emergency vehicle pre-emption and transit signal priority—essentially allow first responders and public buses or streetcars to directly communicate with traffic signals to request green lights or extend green-light cycles under certain conditions. This has been successfully implemented in Waterloo, as well as in smaller cities in California and Texas.

Such technology might also soon be available in your own car. Last year, Miovision acquired the U.S. company Traffic Technology Services, which pioneered so called vehicle-to-everything (V2X) technology. (It also has insight into 80,000 intersections.) Its systems allow private vehicles to "talk" directly with traffic signals through the dashboard, telling drivers the optimal speed to use to avoid red lights. Audi is currently Miovision's largest customer for this technology, but McBride sees the biggest market in delivery fleets, for which such systems would reduce delivery times, fuel usage and carbon emissions.

To get to the point where that's possible, however, Miovision needs to be deployed in far more intersections. Out of about 400,000 existing intersections in North America with stoplights, McBride says that his company can currently be found in around 66,000 of them. "We really need to get to scale with the number of intersections that we have on our platform," McBride says. "That's a big focus for us now, to just build the density of our network. We've done pilots with almost all the automotive manufacturers, but we need penetration for them to want to roll out."

GIVEN TORONTO'S on going traffic woes, it might surprise you to learn that the city currently has 213 people working in its traffic management department, the one Roger Browne runs. This April, however, faced with a public increasingly frustrated and infuriated by gridlock, Mayor Olivia Chow created a new position that would effectively rule this department. The new traffic czar would be tasked with streamlining all its moving parts, and accountable for its successes and failures. A candidate is set to be announced this summer.

Who this czar will be is still anybody's guess, but if there's one thing they might consider when they take the job, how about earmarking some more money for Miovision? At the moment, the company's systems are deployed in roughly 100 intersections across Toronto (out of more than 2,500). But given the sheer enormity of the traffic problem, and Browne's enthusiasm for Miovision, a question inevitably arises: Why aren't they in every intersection?

According to McBride, Miovision began selling its systems to Toronto around the same time it began selling them to Chicago. Today, its coverage of Chicago is 10 times that of Toronto—about 40% of intersections in the Windy City. Browne's explanation for this is unsurprising: "It's always a benefit-cost type thing when it comes to these deployments." A Miovision system can cost upwards of $50,000 per intersection, and the city has limited resources. Sometimes, Browne says, you also don't need all the functionality that comes with that price tag: "If all I want to do is provide an advance left turn for turning vehicles, I'm going to cut an $800 loop in the pavement."

But Miovision can also help direct those dollars. In 2016, the city created a new traffic agent program, deploying these agents to guide vehicular and pedestrian traffic through particularly troublesome intersections. A data collection survey determined that such agents reduced blocked intersections by 90%. By the end of the year, the city will expand that program from 20 agents to 100. While not specifically committing to Miovision, Browne also adds that a "key pillar" of Toronto's congestion management strategy is to increase the use of detection technology in general.

Traffic hasn't just increased, though; it's also become more complex. With the rapid emergence and convergence of AI and robotics, McBride is certain that complexity is only going to grow. He expects that, within a few years, the old-fashioned traffic signal will be a thing of the past; intersections will be completely digitized and automated. To keep up, Miovision is doubling down on its own complexity. V2X technology was one major step in that development, but McBride's larger ambition for the company is to become, in a decade's time, infrastructure-to-everything, with infrastructure including whatever kind of autonomous vehicle might be delivering your afternoon cortado.

"The amount of mode shifting that's going to happen in the next 10 years is going to be dramatic," McBride says. "We almost won't recognize what's driving down the road." With any luck, or a few more Miovision systems installed, you won't be stuck behind it.

WHAT SETS CANADA'S BEST MANAGED COMPANIES APART? EXCEPTIONAL LEADERSHIP. WE TALKED TO BOSSES FROM 20 OF THE NEWEST ENTRANTS TO THE LIST FOR THEIR ADVICE ON BUILDING A SUCCESSFUL BUSINESS
BY LIZA AGRBA

ILLUSTRATIONS BY D. MCFADZEAN

20 LESSONS FOR EVERY LEADER TO LIVE BY

01 Three bottom lines are better than one

KBL Environmental (Leduc, Alta.)
500 employees, 430 million kilograms of waste reused or recycled annually

KBL Environmental's trucking division is finding cleaner ways to move heavy loads. Some of its fleet now runs on partially hydrogen-powered systems and augmented fuels, cutting back on the usual prehistoric goo. The company is also rolling out tech that converts used motor oil into diesel—a win for northern communities without access to natural gas and a measurable way to offset emissions in places that need it most. That data gets passed on to clients, with some companies using it in their own ESG reporting—one reason KBL can confidently charge a premium for its services.

It's all part of a bigger push to track and reduce emissions year over year, a key pillar of KBL's commitment to the triple bottom line: people, planet and profits. The company publishes detailed ESG reports that lay out everything from greenhouse gas targets to how much waste it diverts from landfills. On the people side, KBL runs regular engagement surveys and invests seriously in leadership development, with a strong record of promoting from within.

"The triple bottom line is about not only having the policies, but genuinely living by them," says KBL's CEO, Jeff Dirks. And it's working—KBL has posted a compound annual growth rate of more than 100% over the past five years. Here, success is measured in impact as well as dollars—and leadership means taking responsibility for both.

02 Birds of a feather work better together

T&T Power Group (Wellesley, Ont.)
150 employees, 15 acquisitions across Canada

Acquisitions are central to T&T Power's growth strategy—but the factors you'd expect to facilitate a smooth integration don't always hold up. In one case, the retailer and service provider of industrial and commercial power equipment acquired a nearby business, expecting a straightforward transition. Instead, turnover surged, and aligning on goals was like pulling teeth.

Another acquisition, finalized just a week before the COVID-19 pandemic, posed much tougher logistical challenges. The business was located far away, and once travel restrictions kicked in, in-person meetings became impossible. Yet this time, the integration was seamless. Turnover was low, collaboration came naturally, and the team quickly rallied around a shared vision.

The difference? Culture. "Even though the first company was practically in our backyard, there was distrust from the start," says T&T president Tyler Van Dyke. "From our perspective, they were more focused on presentability than rolling up their sleeves."

Now, screening for cultural fit is a non-negotiable. That means spending meaningful time with leadership—and going as far down the chain as the target company allows, usually middle management. "If you're too far apart on culture," Van Dyke says, "it either means you need to invest more time planning—or you walk away."

03 Structure sets you free

RCS Construction (Bedford, N.S.)
140 employees, 195 projects completed in 2024

RCS Construction was stuck. It was 2012, and the general contractor's revenue had plateaued at $75 million. Its leaders had no idea how to spur growth. At the time, its organizational structure was siloed—leaders and managers didn't have a unified system for making decisions, and operations were manual and reactive. Without strategic directives to help set the course, time management was largely a matter of individual preference.

Enter the entrepreneurial operating system (EOS)—a framework that's sort of the business-management equivalent of the control room on the Starship Enterprise. The system gave RCS's leaders and managers a structured way to communicate, prioritize and solve problems. When the company wanted to execute a much-needed website and search engine optimization overhaul, for instance, it used the EOS to break the project down into clear milestones and assign tasks in an organized way.

RCS's lack of structure had crept in so gradually, no one noticed how limiting it had become—like the proverbial frog set on slow boil. Since adopting the new system in 2013, revenue has more than doubled. And in what was previously an opaque process, staffing needs suddenly became clear—and with a shiny new website completed in record time, it became that much easier to recruit top candidates in a competitive market.

04

Think like a customer

Fortigo Freight Services (Etobicoke, Ont.)
650 employees, 98.5% on-time performance

You might assume that in our hyper-connected world, transportation is tracked to the last mile. But the reality is that many businesses still rely on outdated, manual systems with limited visibility once freight leaves the warehouse. Elias Demangos, founder and president of Fortigo Freight, is keenly aware of that fact—and the headache it causes his clients. That's why he directs his team to approach every client relationship with a simple mantra: Think like they do so you can better solve their problems.

When clients want savings, Fortigo doesn't offer a box-standard solution and throw up its hands. Instead, it analyzes every detail of an operation to find hidden inefficiencies that only a company with its particular set of skills could catch. "The way I see it, the more complex a client's problem is, the more value we can add," says Demangos. "You can look at a challenge and say this is difficult, or you can say this is an opportunity—this is where we create real value, deepen integration and strengthen the partnership."

By thinking and acting like an extension of its clients, rather than a separate entity with distinct interests, Fortigo drives a genuine value proposition and builds loyalty in a competitive industry. "That's our edge," says Demangos. "Clients tell us, 'We never thought about it this way.' Because they're not just looking for trucks—they're looking for smarter ways to run their business."

Empower your people

Coffrages Synergy Formwork (Lavaltrie, Que.)
1,500 employees, 70+ simultaneous projects across Eastern Canada

Early in her career, Isabelle Côté, founder of the Quebec-based concrete formwork company Coffrages Synergy, mentored a young employee struggling to find her footing in a new leadership role. Her mentee was capable and intelligent, but lacked the confidence to take charge. Côté could have done what many leaders do—take back the reins and micromanage. Instead, she adopted the position of a gentle guide.

Rather than offering answers, she asked questions. What do you think is the root cause of this challenge? What resources do you think would help you move forward? If you could try any solution without worrying about failure, what would it be?

Her mentee ended up finding her confidence—and became one of the team's strongest leaders in the process.

"I often tell people that leadership isn't about being the smartest person in the room; it's about creating leaders who will surpass you in skill and confidence," says Côté. "The true measure of my success isn't how much I achieve, but how many people I help grow into their potential." And sure, that's part of how Côté has built an industry-leading company, but her approach is also about legacy. "If I can help others find their confidence and become leaders in their own right, I'll consider that my greatest achievement."

05

> THEN VS. NOW: 1993 50 COMPANIES/2025 494 COMPANIES

06

Sustainability is strategy

Fresh Prep (Vancouver)
600 employees, 19 grams of single-use plastic eliminated per meal

Fresh Prep is Canada's only B Corp–certified meal-kit company, which means it does things a little differently than its competitors. Instead of the hefty cardboard boxes emblazoned with meal-kit logos you might see on your neighbour's porch, Fresh Prep delivers its meals in reusable, insulated cooler bags. Most of its kits come in a signature "zero waste" format: Rather than wrapping ingredients in layers of single-use plastic, Fresh Prep uses dishwasher-safe, reusable plastic cups that double as mixing bowls (read: fewer dishes for you to wash).

This approach saves an average of 19 grams of single-use plastic per meal compared to traditional packaging. And with a 95% return rate, the company's system works—because customers get it. "The biggest cost in this business is loyalty," says Daniel Clark, an assistant professor of entrepreneurship at Western University's Ivey Business School. "Fresh Prep has focused on providing meal kits in a way that engenders loyalty."

Roughly 80% of meals in Alberta and 60% in B.C. are delivered in Zero Waste Kits; Ontario and Quebec are closer to 10%, but the company's goal is to reach 80% by the end of the year.

Balancing profitability and sustainability is anything but a zero-sum game. When companies clearly communicate their values, one reinforces the other.

Culture + rock-solid operations = success

Watson Gloves (Vancouver)
170 employees, 2,500+ SKUs

Marty Moore took the reins of glove manufacturer and distributor Watson Gloves from his father, Barrie, who had in turn inherited the business from his dad, Dinty. In terms of personality, the senior Moores couldn't be more different. Dinty had a finance background and was meticulous (some might say a stickler) about the company's books. He grew up in the Depression and would go so far as to reuse envelopes for outgoing mail. Barrie, on the other hand, was known more for the quirky names he gave various gloves; travelling around the world; and giving out big hams to staff at Christmas.

"I like to say I'm a hybrid between my grandfather and my dad," says Marty, now executive chair. "My dad embraced the loyalty of his staff, the fun of Watson Gloves and the company culture. He also liked taking chances, being innovative, and not being afraid to fail. My grandfather, on the other hand, was much more fiscally responsible. I've learned that to succeed at leadership, you need a balance of both."

07

Today, Watson Gloves still throws legendary staff parties—but the books are just as tidy as when Dinty was in charge.

08

Purpose fuels potential

EFW Radiology (Calgary)
600 employees, 400,000 patients served annually

Developing a pipeline of future talent is smart business no matter what industry you're in. And in radiology, it's crucial—at least for EFW. It partners with post-secondary institutions across Alberta to offer hands-on training for students in ultrasound, radiologic technology, nuclear medicine and medical office programs—hosting 78 practicum students in the past year alone. The company also plays a key role in advanced medical training, supporting 11 radiology residents and offering 12 fellowships in partnership with the University of Calgary's Cumming School of Medicine last year.

But EFW also looks for talent in unexpected places. Beyond formal programs, the company actively supports career growth from within—helping administrative staff like receptionists and clerks transition into clinical roles such as sonographers or licensed practical nurses. It even goes so far as to make sure there's a job waiting for these candidates once they get the training they need.

In a recent employee engagement survey, 96% said they feel as though they contribute to their employer's mission of exceptional care. And that, says EFW's CEO, Jackie Simonelli, is why someone who starts at the reception desk might feel inspired enough to pursue a career in health care. "We're always talking about our mission," she says.

09

Drive the vision (even if it hurts)

Globocam (Montréal-Est, Que.)
590 employees, 7 new sites in 7 years

Maxime Boyer took over Globocam, a network of truck dealerships in Quebec, from his father. He had a new vision—and he had to make some difficult decisions to make it happen. The company, like many in the industry, was traditional, steady and slow to adapt. Over the past five years, Boyer has pushed through more than 200 changes, from expanding into Ontario and diversifying service offerings to restructuring operations and modernizing the company's digital infrastructure.

Central to his strategy was building a culture that embraces experimentation and data. He introduced AI tools for pricing and market mapping, launched predictive maintenance programs and piloted new technologies like exoskeletons for technicians. Some initiatives didn't land—an early software rollout faltered due to poor implementation—but Boyer treated the setbacks as part of the learning curve.

The most transformative shift came at the top. Boyer replaced nearly all of Globocam's executives and directors, bringing in leaders who shared his appetite for bold action. It wasn't easy, but it was necessary. With a new site opening every year for the past seven years, he's positioned the company for faster growth, greater agility and a future that looks very different from its past.

10

Leave no call unanswered

Smith and Long (Markham, Ont.)
1,500 employees, 8 offices across Canada

During a major flood in Toronto, a client of skilled-trades contractor Smith and Long faced a critical failure: It operated an e-commerce fulfillment warehouse, and the facility flooded due to the lack of a backflow prevention system. Smith and Long dispatched a team immediately. When they arrived, the warehouse was so submerged that they had to navigate the premises in a small tin boat, carrying tools and equipment across waterlogged floors to reach the source of the issue. It was a dramatic response but emblematic of the company's culture: Do what it takes, without delay. (That is, within an hour, in the vast majority of scenarios.)

In another instance, during a company retreat, many frontline managers were offline when an emergency call came in at 3 a.m. A client had lost power and needed an industrial generator delivered urgently. The call escalated through the company's response system until it reached Smith and Long's president, Robert Riopelle. He took the call, located the right team member, and had a generator delivered and installed within the hour, restoring operations.

Responsiveness is one of the company's core values for relationships with its clients, which range from universities and hospitals to data centres and manufacturing facilities. No call for help goes unanswered—even if the company president is the one picking up in the middle of the night.

11

Ignore the market cycle

Capital Asset Lending (Markham, Ont.)
56 employees, $1 billion+ in assets under management

In the wake of the 2008 financial crisis, leaning into a mortgage brokerage he'd run for over a decade, Raj Babber made the decision to start funding deals himself—a huge risk, to put it mildly. Traditional lenders were retreating, and creditworthy borrowers with non-traditional income—self-employed professionals, investors, small business owners—were being left behind. Rather than pull back, he saw an opportunity to build something new.

With $250,000 in starting capital and support from friends and family, Capital Asset Lending was born in a deeply uncertain time. The early strategy was simple: Serve one client at a time, and let results drive referrals. By 2013, the firm launched its own fund to strengthen its risk profile and access bank financing. Today, Capital Asset Lending manages more than $1.1 billion in assets and is one of Canada's largest private mortgage investment corporations.

Rigorous underwriting, prudent loan-to-value ratios, and efficient, common-sense lending is its throughline. While the business has scaled significantly, the philosophy has remained consistent: Offer straightforward, reliable solutions in an industry known for complexity. "We've always stuck to our meat and potatoes," says Babber. "Over the years, we've evolved to a higher calibre of borrower, but we haven't changed how we do it. We're common-sense lenders. If you have a home and it meets our criteria, we will lend on that."

> 55% OF BEST MANAGED COMPANIES ARE FAMILY-OWNED

12

Be decisive, build trust

Troy Life & Fire Safety (Owen Sound, Ont.)
1,250 employees, 28 offices across Canada

During the pandemic, a long-term care home's fire alarm system started malfunctioning—it just wouldn't stop ringing. The building owner was in panic mode, since his usual service provider refused to send anyone because of a COVID-19 outbreak on site. Desperate, he phoned his electrician, who suggested calling Troy Life & Fire Safety, a sales and service provider for safety systems. Within 30 minutes, a Troy technician was on the way.

"There was a building in distress affecting a bunch of people," says president Jim McCoubrey. "Our technician masked up and felt comfortable going out. In my view, we were just doing our job—and that's responding to emergencies." That call led the building owner to move all his fire protection contracts to Troy. He didn't need a sales pitch; he just needed a company to show up when he called for help.

Troy takes a similarly action-oriented approach to recruitment in a field few know much about. Through try-a-trade events at colleges and community centres, Troy introduces the work using real equipment—like fire panels or sprinkler pumps—and walks people through what the job actually involves. "It's not unusual for people not to know much about our industry," McCoubrey says. "So we show them."

13

Show, don't tell

Bannister Automotive Group (Kelowna, B.C.)
1,250 employees, $1.2 billion in revenue

Some leaders do their jobs from behind a desk. Not Bannister Automotive partner Mark Bannister. He's always preferred to lead from the floor. In the automotive business, that can be the difference between an effective team and one that flounders. When challenges arise in Bannister's sales department, the standard isn't to hand down instructions; it's to step in and model what good actually looks like. That might mean a sales manager sitting in on a tough customer conversation, or a general manager running a meeting to demonstrate tone and direction. "There's a big difference between telling people what to do and showing them," says Bannister, whose parents started the company. "The latter is how people grow."

It's an approach he's used throughout his career and one he reinforces with his leadership team. In service, for example, sales advisers are trained to conduct a vehicle walkaround. Rather than just explain the process, however, managers are expected to demonstrate it, too—hood open, components explained, step by step.

This style requires balance, Bannister acknowledges—support shouldn't slide into micromanagement, and stepping in should build confidence, not diminish it. But the core belief is clear: "Business gets better when our people get better," Bannister says. "And people get better when they can see how it's done."

14

Don’t deliver halfway

DirectDial/THINQ Technologies (London, Ont.)
50 employees, 15-year average tenure on the leadership team

When a major client in the construction industry approached DirectDial with a lucrative new deal, “yes” would have been the easy answer. The client wanted to expand its relationship with the IT provider by outsourcing a 24-7 multilingual IT help desk. At the time, DirectDial was actively building its global managed services offering, but it wasn’t quite ready to make its world debut.

It was a hard decision, but DirectDial chose to walk away. Taking on the project prematurely would have risked a poor outcome—not just for the help desk, but potentially for the entire client relationship. Instead, DirectDial helped the customer find a partner better equipped to meet its immediate needs. “Trying to do everything for that client and falling short would have been far more damaging than stepping back and offering an honest solution, even if it meant involving another provider,” says DirectDial founder and CEO Greg Bruzas.

Today, DirectDial’s global support capabilities are fully established, and while it could now deliver that same service that customer came looking for, it hasn’t tried to reclaim the business—the client is happy with the way things stand, and that’s good enough for Bruzas. That’s the type of long-term, values-based trust DirectDial built its reputation on.

15

Community insight drives better decisions

Leopold’s Tavern (Regina)
980 employees, 26 locations in Western Canada

There are many ways to make decisions in the hospitality business, from good ol’ gut instinct to data-driven analysis. For Matt Pinch, founder and CEO of Leo’s Group, making decisions comes down to community feedback.

That goes for both customers and employees. Leopold’s has a large social media following; activity on socials helps the chain of taverns zero in on new locations, determine where to allocate charitable donations and even decide on new menu items. (Recent buzz around poutine topped with a comically large “mega” mozzarella stick helped cement the latter’s place as a standalone menu item).

Staff, meanwhile, contribute ideas via regular surveys, monthly all-hands meetings and a three-day annual retreat called Leo’s Fest. At one recent retreat, the team overwhelmingly agreed that brunch could use some improvement—as a result, Leo’s rolled out an improved menu, complete with more drink options and better value (in other words, the same portions for less).

“We’re a feedback-based company,” says Pinch. “Our staff are closest to the customer, so they know exactly what works and what doesn’t. When we think about how to deliver a better hospitality experience, we pay careful attention to what they have to say.”

16

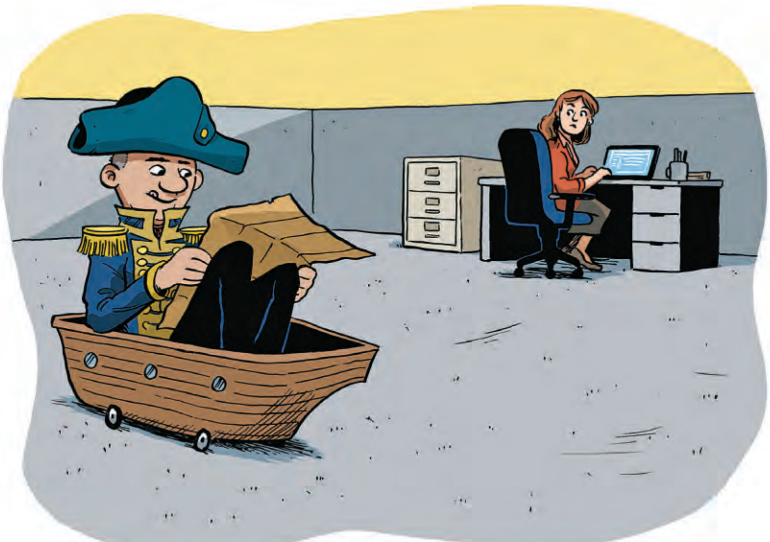

Chart your own course

Microserve (Burnaby, B.C.)
500 employees, 500,000 people used Microserve’s IT solutions last year

IT services provider Microserve has been around since 1987, but formal business planning only began in 2012. In the early years of trying to bring more structure to the company, Microserve focused its efforts on improving communication and teamwork. A lack of alignment within the leadership team meant that work was often scattered or even conflicting.

At the same time, the company was undergoing a major cultural transition—from a founder-led business to a second-generation family company, where both generations were actively involved at the executive level. Each year brought incremental progress guided by a mantra introduced by one of their earliest business coaches: Progress, not perfection.

“There are many books and systems out there about how to structure and plan your business,” says president and COO Heather Schaan. “We borrowed from different experts and methodologies but ultimately came up with something uniquely suited to our business.” That something is the Microserve Operating System (MOS)—a custom-built approach to strategic planning that’s the result of years of experimentation, iteration and borrowing what worked from different sources.

In 2020, the company complemented its custom planning system by creating an operational excellence department to lead cross-departmental transformation efforts. Since then, Schaan says the MOS has helped reduce order-to-cash time by 51%, supported organic growth of 111%, and strengthened collaboration across teams and geographies.

Lead with compassion

Royop Development (Calgary)
82 employees, 780 tenants

In the early days of the COVID-19 pandemic, when stay-at-home orders threatened to shutter small businesses across the country, Royop made a compassionate decision. With many small, family-run businesses on its tenant roster, the developer’s leadership team understood a basic truth: If tenants couldn’t sell goods or services, they couldn’t pay their rent, no matter how much they might like to.

While many property owners hesitated, skeptical of their tenants’ financial hardship or unwilling to share in the risk, Royop took swift, proactive action. Anticipating a shutdown of unknown duration, the company sent a letter to all of its tenants offering two months of free rent, no strings attached. It was a lifeline in a time of fear and financial instability, especially for mom-and-pop shops on the brink of bankruptcy.

“On the wall of our lunch room, we have a client accountability statement,” says CEO Jeremy Thal. “We act with a sense of urgency to all customer needs, we have our clients’ best interests at heart, and we provide efficient, cost-effective solutions.” Government support eventually followed, but those first two months of breathing room saved many businesses from going under. In the end, Royop lost zero tenants. Plus, the experience built trust: Tenants know they’re not just occupants but partners.

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8

Innovate—but not for its own sake

Manugypse (Quebec City)
270 employees, 3 locations in Quebec City, Boucherville & Mirabel

Innovation may very well be the buzzword to end all buzzwords. For Steve Rancourt—general manager of Manugypse, which manufactures and distributes interior systems products like steel studs—investing in flashy new ideas is only worth it when you can articulate a very specific use case.

That mindset led to the creation of Manugypse's dedicated IT and innovation department, where a team of specialized engineers works with other departments to streamline operations and implement practical solutions. Key word: practical. This department's job is to add value to existing processes, rather than chase abstract or flashy innovations. "Their focus is to ask people how they can make their work more efficient or just sit next to them, see how they work and what can be done better," says deputy general manager Jean-Michel Rancourt, Steve's son.

For instance, the company has significantly reduced errors by automating certain workflows, and introduced an iPad app for daily warehouse equipment checks. At Manugypse, small, consistent improvements—think 1% every day—win out over massive disruptive overhauls. "A lot of innovation in our industry consists of great ideas that are hard to implement, do not offer direct savings or are not coherent with the way a company works," says Rancourt. Not so at Manugypse.

> $211 MILLION AVERAGE FORECASTED 2024 REVENUE FOR NEW WINNERS

19

Breakdown? More like breakthrough

Pitbull Energy Services (Edmonton)
350 employees, 260 trucks

During his first shift operating a vacuum truck, Pitbull Energy's founder and CEO, Sami Hayek, worked 30 straight hours in the middle of nowhere, shovelling sand until exhaustion left him crying. Eventually, he started pushing sand out of the back of the truck with his feet. Everything was on the line—he owed the bank nearly $200,000.

Hayek moved to Canada from Lebanon at 14 and struggled to stay on track. After a blunt talk from his brother—"You either make something of yourself or you don't"—he headed to the oil rigs to earn some fast money. He told co-workers he'd start his own business one day. They laughed. Within a year, Hayek had saved $85,000 and bought his first truck.

The early days were tough, but more experienced drivers helped show him the ropes. He added a second truck in 2009 and a third in 2012, building the business on customer service and operational excellence. By 2013, he'd hired a CFO, and the company was growing fast. Then the 2015 oil crash hit. Revenues dropped by 50%, and most of his competitors folded. Hayek didn't.

Today, Pitbull is thriving, with two recent acquisitions and a new training facility for operators. Hayek has built a resilient, growth-focused business with little more than sand, grit and a work ethic forged somewhere during that minor breakdown in hour 30 of an excruciatingly long shift.

20

Communication banishes uncertainty

Lou-Tec (Montreal)
500 employees, 24 branches in Quebec & Ontario

Lou-Tec's raison d'être is renting out heavy machinery, and its CEO, Jean-Marc Dallaire, regularly visits six or seven of its branches each quarter, holding rotating committee meetings in different locations to speak with staff and managers. During one such visit, a delivery driver flagged that he and his colleagues often had long stretches of downtime, even as the company relied on subcontractors for deliveries. At the time, Lou-Tec's centralized dispatch system—which wasn't based in Montreal—tended to overlook available in-house staff. The executive team changed the system to ensure its own employees' time and skills were put to better use, reducing subcontracting costs in the bargain.

That level of direct communication has helped buoy the company over the past two years, which have been turbulent, to put it mildly. After all, Lou-Tec's primary client base comes from the construction sector, which has been rocked by rising interest rates and inflation. By getting feedback from the ground up, leadership finds efficiencies that would be hard to spot from the top down.

In addition to site visits, Lou-Tec relies heavily on an internal communication platform called Workplace—essentially a company-specific version of Facebook—where employees and leaders share everything from business updates to team shout-outs and lunch photos. Most importantly, it keeps the conversation flowing. "We make a point of encouraging two-way communication with our team," says Dallaire. "We want people to ask questions—whether they're on site or online—even if they're tough questions to answer."

One additional newcomer to the Best Managed Companies list:
Blais Industries, a Quebec-based builder of sustainable infrastructure.

WHAT I'VE LEARNED

WE TALKED TO CHIEF EXECS FROM FIVE VETERAN BEST MANAGED COMPANIES ABOUT THEIR BIGGEST MISTAKES, WHAT KEEPS THEM UP AT NIGHT, AND THEIR BEST ADVICE FOR BOTH UP-AND-COMING ENTREPRENEURS AND SEASONED LEADERS ALIKE

BY DAWN CALLEJA

Samir Kulkarni
SHOWCASE

(Brampton, Ont.)
Kulkarni's family business has its hands in all sorts of industries, from manufacturing to tech to finance. In 1999, it bought part of a quirky Edmonton-based retailer with 12 stores. Now it has 150 outlets in Canada and the U.S., and a devoted following among trend-addicted shoppers.

PHOTOGRAPH BY DANIEL EHRENWORTH

> I grew up under the guidance of my father and uncle. I'd go with them to the office starting when I was six or so. It put business into my blood.

> In 1999, I was finishing my graduate degree at Yale, and all my business-school friends were headed either to Wall Street to be investment bankers or to Silicon Valley to be dot-com mavens. It was a contrarian move at that time—one, returning to Canada, and two, going into the old-school business of brick-and-mortar retail.

> We envisioned creating a mutual fund of trends, using the principles of investment management. Diversification—not overly concentrating on one asset class. Momentum trading—assessing demand, and knowing when to get in and when to get out. Cost averaging—so as a trend declines, demand might drop, but the cost might drop, too.

> A lot of the buying was based on gut feel, relationships with vendors, visiting trade shows and taking bets on products. That's not reliable, and it's painful when there's a mistake.

> With the advent of big data in 2008, for the first time we could access online search data, analyze it, and put math and science behind consumer demand. We started to stumble across patterns of correlation between search volume, social posts and mentions, and demand. That's when the business transformed from instinctual buying to data-science-backed buying.

> Every trend starts with a demand driver. In the old days, that may have been a TV commercial or radio ad or celebrity mention. As social media has grown, the demand driver has become social—primarily Facebook, Instagram and TikTok.

> The challenge with social media is everyone has a hyper-personalized experienced. I may see something blowing up on my feed and think it's the hottest thing, and my neighbour may have never heard of it.

> We built a trend watcher using generative AI that watches 50,000 social media videos every day to help us identify objectively what's trending.

> Our entire organization is aligned around the trend model. We can buy a product within hours, and get it on shelves in a week or two. For trends where there's no product or distributor—just a viral video—we can design and develop a product, and bring it to market within 53 days.

> Dubai Chocolate was popularized last year by TikTok influencers. Our team strategized this trend and developed a shelf-stable recipe along with local producers, and helped them scale up. We launched it under our Oasis Treasures brand, and we're now the leading retailer of Dubai Chocolate in North America.

> Tariffs are definitely negative for retailers and will most certainly lead to inflation, which is a bit tragic, because after all the challenges of the past few years, including the pandemic, this is an entirely man-made problem.

> Seize opportunity. The market is moving faster than ever. By adapting more quickly than others, you can win.

> With speed comes the risk of failure, but a good plan today is better than a perfect plan tomorrow. Failure is part of R&D.

Harry Sunner
DURABUILT WINDOWS AND DOORS

(Edmonton)
When Sunner was just 19, he and his dad moved from England to Edmonton to take over a small, poky window company with 10 employees. Three decades later, Durabuilt manufactures 1,000 windows and doors a day, and employs more than 750.

PHOTOGRAPH BY KELSEY MCMILLAN

> I've always had an entrepreneurial spirit. I was a high-risk high achiever, thinking too fast. My father is more conservative, more reserved. He thinks of the worst-case outcomes more often than needed. So, one optimist and one pessimist—that alignment has worked really well. You can make well-informed decisions when you have two different sets of eyes, two different thinking methods, as much as those conversations are tough or frustrating.

> For $600,000, you could be in the window-and-door business. Nowadays, you need $20 million or $25 million just to be in the game. You can't be a mom-and-pop shop the way we started.

> Automation comes in stages and phases. You need to have a five-year plan. Where are your bottlenecks? Where is simple human manufacturing not working or not efficient anymore? We still employ 750 people, but we compete with bigger organizations across the globe. Fifteen years ago, we probably would've needed 1,500 people at this scale.

> Innovation is in our people, it's in software, it's in the building envelope, it's in our product, it's in how we do business. It's systemizing our business every day, and it's talked about every day. It's a constant process.

> Out of all the G7, we're the country with the least manufacturing. Canada doesn't even make its own glass anymore. All our glass comes from U.S., Mexico and around the world.

> How do you lead an organization when you go from 100 people to 300 to 400 to 700? There are times when you look at firing yourself. Just because you own the business doesn't give you the right to the CEO seat.

> Human capital is the most important thing. We're in the people business—we just happen to make windows and doors.

> We've had our years of pain and rain, where you chase growth and you're not making any money, and it's kinda senseless. We've been there and done that. Now, it's more about deep, entrenched planning. If we want to grow by 20%, we unpack everything that's going to be impacted: people, leadership, equipment, software, logistics, capability. What needs to improve?

> At this moment, the impact of tariffs is quite minimal, but if the next phase is enacted, we're looking at substantial inflation on products. It's pretty black and white—it gets transferred to the end user.

> We're constantly seeing who's doing better than we are. I thrive on being in a room where I'm not the smartest person.

> We have a very young, energetic leadership group, including my daughter, who leads our marketing division. We've pivoted the whole company around leadership and succession.

> Learn the power of people. A lot of times I hear from entrepreneurs, "I can't grow—I have 35 people, and I have to do everything." And they get stuck. You have to be prepared to delegate.

> My dad is the chair now. When we're having a bad day, he comes in and says, "You may think you're having the worst day of your life, but you're not." He's that guy.

Christiane Germain
GERMAIN HOTELS

(Quebec City)
Germain and her brother, Jean-Yves, opened their first hotel in 1988. Today, they own 19 sleekly designed properties across the country, from St. John's to Calgary.

PHOTOGRAPH BY KARENE-ISABELLE JEAN-BAPTISTE

> My parents had two restaurants—one was the first steakhouse in Quebec City, in 1962. When we'd go for dinner there on a Sunday evening, as soon as people were waiting in line to get in, we'd have to finish our meal and leave the table. Serving people has always been in the DNA of our family.

> I've always worked with my family—I don't know anything else. It hasn't always been easy, but then again, is there anything that's easy all the time?

> My brother and I had run restaurants. The day we opened our first hotel, in Quebec City, I went to the door to greet our first guest and took him directly to his room instead of the check-in desk. I was used to welcoming guests and taking them to their table. All this to say, I didn't know much about the hotel business, but I learned quite rapidly.

> One of the things that set us apart was our bathrooms—instead of having regular bathtubs, we had these really large glass showers. At that time, that was very unusual. Design set us apart.

> You have to find your niche—what makes you different. But you also have to really *feel* that thing. It has to be in line with who you are. Never underestimate the value of the human component of what you're doing.

> Technology, no matter how you apply it, has changed many of the ways we do things. We used to have phones in all the rooms, and guests making phone calls was a good revenue generator. And we lost that. You have to adapt—sooner rather than later.

> Airbnb did affect the business, but I don't think we lost customers. More people started travelling because Airbnb existed, and maybe some of those travellers would want to try a hotel, too. I have no problem with Airbnb. My problem is more related to the rules not being the same for them as they are for us.

> The pandemic almost killed us. We had to lay off 1,000 people in a couple of days. It was a bad dream. We had to close five of our hotels, but we couldn't even lock the doors, because a hotel is always open. We didn't have locks. It was crazy.

> I've always been someone who relies on intuition. You can't teach that. With almost 20 hotels now, you have to come up with a way of doing things that you can put on paper. Then you have to hire good people and teach them how to do those things.

> You have to know how to make money, but making money should not be the reason for starting a business. You have to be patient and make decisions that are good for the future of the organization.

> I remember my parents telling me, "You have to set an example, whatever you do." And that can be tough. At times, I was too strict with myself, always thinking about what was good for the organization and forgetting about me.

> So many women try to be perfect at everything, and it drives them crazy. You have to let some things go.

> Now we're working with our children—my daughter and three of my brother's kids. Sometimes you have to stand back and let them make their own mistakes. But it's the same for them as it was for my brother and me. This is their life.

Jean-Paul Deveau
ACADIAN SEAPLANTS

(Dartmouth, N.S.)
Deveau's dad, Louis, started Acadian in 1981, harvesting a long, stringy seaweed called *Ascophyllum nodosum*. Today, it ships a variety of products to 80-plus countries, including a crop biostimulant; additives used in animal feed; multicoloured seaweed used largely in Japanese salads; and several products that find their way into the human food chain.

PHOTOGRAPH BY ALY AMBLER

> I walked into my parents' house after finishing my engineering degree and my mother said, "You don't have a bedroom anymore—your father has started a business, and you're welcome to sleep on the couch." That was the beginning of Acadian Seaplants.

> Today we have employees in 22 countries, and subsidiaries in the U.S., Mexico, Brazil, China, India, Ireland, Scotland and Italy. We have two research facilities, in Canada and England, with about 50 researchers on staff, including 15 PhDs, and four manufacturing sites in Canada, plus one in Ireland and one in Scotland. So we've grown since my old bedroom.

> Seaweed is fixed. It doesn't swim away. So our scientists can quantify it, we can measure its growth rates, and we can then manage it properly. By doing that, we assure our own long-term supply. It's money well invested.

> We've been doing sustainability for the past 25 years. Irrespective of what the current political people are saying, those initiatives are here to stay, and those that embrace sustainability will do better in the long run than those who do not.

> When we started, we were only buying wet seaweed, drying it, baling it and sending it to the Americans to create value. My father understood we needed to invest in technology to differentiate ourselves and add value. It's not simple, it's not easy, it's not cheap, but it works.

> In the early days, I had a good lead in Japan. But we couldn't afford for me to go—it was too expensive. My dad goes, "Get on the plane, go over there, get in front of the client, and watch what happens." So I did. I met three or four potential customers, and we're still doing business with them today. That's how we've built our business over the years. We've lived by that lesson.

> I'm a 30-year seaweed guy. But I realized we were morphing from a seaweed company that made agricultural products into an ag company that has seaweed as its primary material. We needed to bring in ag management that knew how to develop these markets. We hired this one guy, Nelson Gibson, and 52 people he'd worked with have now joined us, along with their Rolodexes. So now we do business with the largest ag distribution companies in the world because we brought these people on.

> A lot of family values go into a family-run organization. You feel it. The people feel it. If we have to do something that's painful, it hurts. So there's a level of passion that is quite different.

> You gotta put together a plan. You gotta have some meat behind the plan. Once you get that plan, then you gotta execute that plan. Invariably you will deviate from that plan, then you gotta put together another plan to get back on track with the original plan. And you will do that over and over again.

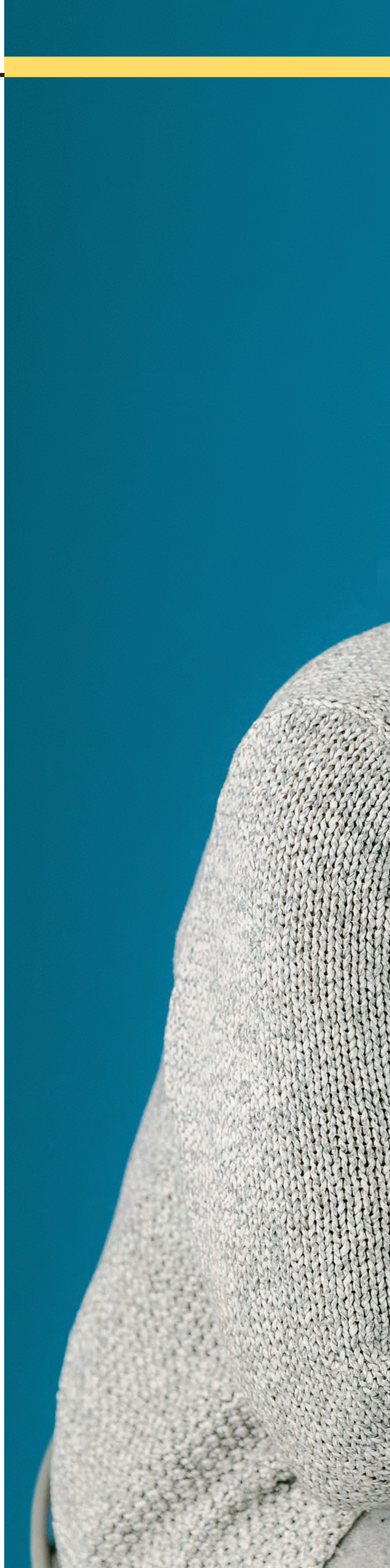
> What do you do in an environment where you're not sure what the rules are going to be? You don't want to fall into a trap of "I'll wait till it settles down," because that becomes paralysis. And it's not gonna settle down.


PIONEER

Debra Doucette
ODLUM BROWN

(Vancouver)
Doucette didn't plan on spending her career in financial services. Then she landed at Odlum Brown, a century-old independent investment firm that felt like family. She spent 17 years as CEO—a role she's just handed off to her successor, Trevor Short—but remains executive chair.

PHOTOGRAPH BY RACHEL PICK



> I got the lowest of the lowest jobs in an investment firm when I was very young, and I loved it. I loved how every day was different.

> The golden rule was something instilled in me at the dinner table. But at Odlum, you see it play out in so many ways. I'll give an example: We encourage our analysts to own the stocks they recommend. And not only do our analysts eat their own cooking; all of us do. Unfortunately, you don't bat 1,000. If something doesn't work out, we own it. We're invested personally right there along with our clients.

> What I learned during the dot-com crisis and relearned again in '08—and we're seeing it again now—is that what clients want to hear is not that you've got the solution to everything. They want to hear that you're just as worried as they are.

> You can't hide from a problem. You've got to stand up and say, "Today I know this, and today I'm going to do this." People just want to know you're on it.

> In 2023, we did a client survey for our 100th anniversary. We got 500 or 600 personal anecdotes, about how either their adviser or the firm had helped them through a difficult moment—the death of a spouse, a divorce, a life-altering thing. They felt that shoulder squeeze. When I'm having one of those days, I pull those answers out, and it reminds me what we're actually here to do—and that we're doing it.

> When I first started, we had a person on the trading desk who key-punched orders all day, and we'd have to wait till the following morning to see the trades. But the actual relationship side of the business is the same. You know your clients, and your client knows you. And I think that's what will sustain our business going forward.

> I'm not one to feel anxious. But it feels like the world is shifting. I know this will sound a bit Pollyanna, but I fundamentally believe you can't control what will happen—you can only control how you react to it, stay true to your values and make the best decisions you can with the information you have at the moment.

> I've always told my team, "Ski the black diamonds first." I tackle the hardest thing on my desk first thing in the morning.

> Make a call—most often, doing something is better than doing nothing.

> I jokingly say I've gone from being the decider to the opiner. It's hard to give up the CEO title, but it was time. People need to see rejuvenation. I'm still gonna be around as chair, but it's been really gratifying and a lot less scary than I thought it was gonna be.

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 privately owned, headquartered in Canada, and have revenues of $50 million or more. In terms of ownership, a company must be privately owned, including private equity portfolio companies. They can also be Canadian-owned co-operatives; 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 develop their people and leadership team, provide a holistic compensation system, and address continuity issues with the company.

To show their capabilities and innovation, Best Managed companies develop valuable capabilities and resources, are highly execution-oriented, focused on productivity and innovation, and thoughtful about hiring the right people to execute their 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 2025, there are 22 new Best Managed Companies on the total list of 494. The remaining 472 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. See the entire list online at tgam.ca/bestmanaged.

Game changer

Miriam Verburg, the founder and executive producer of Bloom Digital Media, believes in play with purpose

Video games are where young people are learning how to be people

Since graduating from art school, I've always had jobs in technology. But when I moved to Toronto after my master's in communications, I was lucky enough to get a job working for what's now called Sago Mini as a project manager. They make games for kids. I loved it. I was like, *I don't want to make any more utilitarian technology; I just want to make video games.*

When Sago had to let me go due to hard times in the industry, I used that as an opportunity to start my own thing. I can say I bootstrapped Bloom, but Centennial College was there, NSERC was there, EI was there, and ultimately, Ontario Creates paid for 50% of the first game we made. If there were none of those programs, Bloom wouldn't exist.

Long Story, our first game, is about dating. But the secret goal was always to help kids who are 14 and just getting interested in that stuff, by giving them more information about how to make choices that support their growth and happiness.

Later Daters had a similar impetus, but for people who are aging and going into the second act of their lives. We designed it with millennials in mind because we noticed young people were really feeling like, "I'm 26 and I haven't done anything yet. My life is over." So we were like, "Experiment with being a senior citizen. Date. Get your kicks. Enjoy life without the stress of wondering what you're going to do and how are you going to become a functional adult." And it seemed to work.

Working on Disney Villains Cursed Café was a direct result of Later Daters. Someone on [Twitter] tagged us and a person at Disney saying that our game would be a great match for a visual novel based on Disney intellectual properties. We started having DM conversations, and then we had a few meetings. The whole thing grew from there. This relationship was 100% made by the internet.

One of the things we do that's great is we try to uncover stories that aren't being told and tell them. So a game about Disney's villains—thinking about what their experiences are, what they want to achieve and what struggles they're facing—is just weird, right? That's kind of perfect for us.

For Bloom, Disney was a big part of the game plan. It's very hard to launch your own IP now. So working with companies that have characters that are beloved and going, "We can bring those characters into a new context or create new worlds for those characters" is a good way to still do what we love, but not have to bear a lot of the cost of developing that audience interest.

I try to think about how we're serving people with our games. Video games are where young people are learning how to be people. These online spaces aren't just escapes. Single-player games aren't really what young people are doing. These are spaces of socialization. They're places where kids are learning how to be humans. We've got to make games that teach kids to be the humans we hope we're creating in our society. These are the things that keep me going.

/Interview by Alex Mlynek

ILLUSTRATION KYLE SCOTT