

# REPORT ON BUSINESS

DOUG  
PUTMAN  
HAS  
REVIVED  
BRANDS  
LIKE  
HMV  
AND  
TOYS'R'US,  
AND  
HE HAS  
LOTS  
MORE  
MONEY  
TO SPEND.  
INSIDE  
HIS  
STRATEGY  
TO MAKE  
RETAIL  
FUN  
AGAIN

## RESURRECTION MAN

BY JASON KIRBY

# Building Historical Art Collections

## Coast to Coast to Coast



**Lawren Stewart Harris, R.C.A., C.C., "North Greenland Coast", The Arctic, 1930**

Oil on Canvas, 30 x 40 inches

**Exhibitions:** *Arctic Sketches by Lawren Harris and A.Y. Jackson, R.C.A.*, Art Gallery of Toronto, 1931 · *Seventh Annual Exhibition of Canadian Art*, National Gallery of Canada, Ottawa, 1932 · *An Exhibition of Paintings by the "Canadian Group of Painters"*, Art Gallery of Toronto, 1936 · *Canadian Group of Painters Travelling Exhibition*, National Gallery of Canada, Ottawa, 1936-37: Western Tour (1936): Winnipeg Art Gallery; Calgary Stampede; Edmonton Museum; Vancouver Art Gallery; University of Saskatchewan, Saskatoon; Eastern Tour (1937): Acadia University Fine Arts Club, Wolfville, NS; Dalhousie University, Halifax, NS; St. John Art Club, Saint John, NB; Netherwood School, Rothesay, NB; Provincial Normal School, Fredericton, NB; St. Andrews Art Club, Saint Andrews, NB; Newcastle Art Club, Newcastle, NB; Sackville Art Club, Sackville, NB; Art Society of Prince Edward Island, Charlottetown, PE; Lord Amherst Chapter of the I.O.D.E., Amherst, NS; Louisbourg Chapter of the I.O.D.E., Sydney, NS · Canadian National Exhibition, Toronto, 1938 · New York World's Fair, 1939

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**2 EDITOR'S NOTE**

**7 NEW RULES**

All the Zoom meeting dos and don'ts you'll ever need. Full bookshelf behind you? Nope—too risky. Pants? A must

**8 THE EXCHANGE**

As Minister of Everything, Chrystia Freeland always has a full plate. Next on her list: reigniting the economy and keeping up with the dishes at home

**13 BIG IDEA**

Whistleblowers often help transform companies into more ethical operations. But almost all of them also get fired

**16 EXPLAINER**

Is CEO pay a runaway train? Actually, it's moving along as it should—and for some quite valid reasons

**18 WHAT YOU CAN LEARN**

Timeless business lessons from Bugs Bunny and the rest of the Looney Tunes gang. Plus, after two rough years, how do you prepare for the next COVID-19 twist?

**20 DECODER**

Economists often debate grim choices, like whether to accept more COVID-19 deaths if it boosts economic growth

**22 FOR YOUR CONSIDERATION**

This hardware distributor is a hot growth stock—and has been for decades. And just how liquid and profitable is investing in fine wine?

**24 SMART MONEY**

Markets and politicians sometimes throw curves at RBC fund manager Jennifer McClelland. She keeps cool and keeps her funds growing

**60 TURNING POINT**

Eric Ethier staged events for doctors and drug makers, and in late 2019 he got a tip: PPE. That's what MedSup Medical now sells—and lots more

27

**MEET THE CHANGEMAKERS**

Problems also create opportunities. Meet 50 emerging leaders with the smarts and enthusiasm to tackle some of the most challenging issues of our time—climate change, inequality and more—and inspire the rest of us on a path toward a brighter future. **By Rosemary Counter and Tamar Satov**



Patricia Gauthier  
General Manager,  
Moderna Canada  
Page 30

44

**I WILL REVIVE**

Doug Putman is an outsider from Hamilton who's bought HMV, Toys'R'Us Canada and other beat-up brands like it's still 1999. But he's no flip artist—he'll hang on as long as it takes to turn them around. **/By Jason Kirby**

52

**HIGH OF THE TIGER**

To know the Giant Tiger discount chain is to love it, whether you're a longtime customer or an employee. Even as it adopts next-generation technology, it remains so comfortably familiar. **/By Katherine Laidlaw**



## Back to the future

I still remember the day I bought my first record—Aerosmith's *Pump*. Judge if you will, but it was 1989, I'd just turned 13, and I had a raging crush on Joe Perry. I rushed home from Music World, tore off the plastic wrap and gently placed it on my parents' Technics turntable. It wasn't long before CDs became the dominant source of tunes, but for Gen Xers, music stores remained the centre of teenage life. It's no wonder they served as a setting for so many of the movies that shaped that generation: *Empire Records*, *Pretty in Pink*, *High Fidelity*.

But as music went digital, most of those shops disappeared. No more Music World and Sam the Record Man. And no more HMV, once the biggest chain in the country. That's where our cover subject, Doug Putman, comes in. In 2017, the *Hamiltonian* bought what was left of HMV in Canada, determined to revive the music-store experience. Now he operates 70 shops under the Sunrise Records banner, plus 110 HMVs in the U.K. Putman has bet big on vinyl—sales grew by 8% in 2021—and a new generation is learning to love the crackle and pop of records (or at least the joy of buying an album of songs meant to be played together, in a particular order). To read about how Putman amassed a portfolio of companies that employ 20,000 and generate billions in sales—from

music, toys, tea and more—check out “I will revive,” by Jason Kirby, on page 44.

It's not just Jason's story that has me feeling nostalgic. I'd hoped we'd be back in the office in time for my first issue as editor-in-chief. (James Cowan has moved to the newspaper, where he's leading our enhanced investing and personal finance coverage.) In the *Before Times*, I spent more hours with the magazine team than with my own kids. We'd put in long days yelling over cubicles and huddling around our communal table, piled high with printouts and old issues and takeout boxes. But we've barely seen each other in real life since March 2020. Things started to look up in late fall, but then came Omicron, which means I edited this issue in my dining room (where this photo was taken), while my children “learned” virtually beside me.

We were beset by COVID-related problems. Reporters were burned out after a relentless two-year news cycle. PR people fretted over how we would safely interview and photograph executives. One fully vaxxed photographer tested positive just before a shoot with Patricia Gauthier, the head of vaccine maker Moderna Canada, necessitating a last-second switch. A few days before going to press, we had to reschedule our photo shoot with Finance Minister Chrystia Freeland because anti-vaxxers took over downtown Ottawa.

In the end, I hope this issue will help you find some optimism amid the gloom in our annual *Changemakers* package (page 27), learn what it takes to build a \$2-billion-a-year retail brand with a cult-like following (“High of the Tiger,” page 52) and gain some insight into Freeland's pandemic recovery plan (“Minister of Everything,” page 8).

By the way, I still have that *Pump* album. And I can still sing every word. /Dawn Calleja

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*Report on Business* magazine is published 7 times a year by The Globe and Mail Inc., 351 King Street E., Toronto M5A 0N1. Telephone 416-585-5000.

Letters to the Editor:  
 robmagletters@globeandmail.com.  
 Copyright 2022, *The Globe and Mail*.  
 Indexed in the Canadian Periodical Index.

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Publications mail registration No. 7418.  
 The publisher accepts no responsibility  
 for unsolicited manuscripts,  
 transparencies or other material.  
 Printed in Canada by Transcontinental  
 Printing Inc.

*Report on Business* magazine is electronically available through subscription to Factiva.com from Factiva, at factiva.com/factiva or 416-306-2003.

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# RESEARCH WITH PURPOSE

The DeGroot School of Business congratulates Catherine Connelly on being selected as one of The Globe and Mail's Top 50 Canadian Changemakers

Connelly's research focuses on:

- The experiences of Canadian temporary foreign workers, employees living with disabilities, and contingent workers
- The effects of leadership styles on leader well-being
- Knowledge hiding in organizations

**Catherine Connelly**  
Canada Research Chair and  
Professor of Organizational Behavior



## Follow the leaders

Two of our CEOs of the Year, Mohamad Fakih of Paramount Fine Foods and Keith Creel of CP Rail, drew high praise for their 2021 performance

Mohamad Fakih is a great leader. More of our corporate leaders could learn from his example. —**GROb1603**

Dude is a legend. I used to hit the Yonge-Dundas location a lot, and Fakih was frequently there managing the floor personally, tending to staff and customers alike with incredible energy. If capitalism truly was like his model (it mostly isn't), we'd have a sustainable, kind society. —**DJL2**

We have too few top-level executives like Keith Creel who can make things happen despite the odds. CP is in excellent hands. —**ckernzie**

CP Rail is a perfect example where size doesn't matter. It's where and what you do with that size that pays dividends. —**john l gee**

### The law of averages

Jason Kirby's feature, "Objection," looked at why young lawyers are saying no to Big Law—fat paycheques be damned

Law is a rewarding profession for senior partners who hire 10 juniors, work them to exhaustion for five years, then dismiss nine of them. Juniors work very hard to make seniors rich, but many don't become partners. It's a system of exploitation—it has some resemblance to feudal Europe. —**Starlight**

The problem is that not only have lawyers' salaries not kept up with inflation, they

definitely haven't kept up with the costs of law school and housing in Toronto, which have increased dramatically more than inflation. —**cboyle3**

### The Uberization of work

John Lorinc's *Big Idea*, "Retooling the gig economy," examined how gig employment is changing the rules of work

I've been a gig worker since the early 2000s, but as a professional. As this article states, not all independent workers (which is what I feel we are) are in the food industry or driving cars. Lots of us are professionals and love the autonomy of working on our own. In some ways, there has never been so much work for freelancers, either.

For me and other people like me, the biggest risk isn't the security of full-time employment (and quite frankly, there's not much security in that anymore anyway), but the need to find some security in benefits in the event our health fails while we're working independently. Full-time employment, at least with reputable employers, offers a measure of protection. When you're on your own, it's a whole other story, and often paying for benefits insurance is very expensive.

What would be great is more group benefit packages made available to gig workers and a mechanism whereby it could be made to work. There have been some attempts at this, but so far they've been pretty lame. —**Gizella**

### CONTRIBUTORS



**Katherine Laidlaw** has won multiple National Magazine Awards for her writing, and teaches narrative longform at both Carleton University and NYU. In "High of the Tiger" (page 52), she tried to pin down what makes quirky retailer Giant Tiger a success.



**Daniel Skwarna** is a Toronto-based documentary photographer whose work has won numerous awards. He photographed clean-tech researcher Phil De Luna for our Changemakers package (page 27).



**Jason Kirby** joined The Globe and Mail as a reporter in June 2021 and wrote this month's cover story, "I will revive" (page 44), about turnaround artist Doug Putman.

Have feedback? Email us at [robmagletters@globeandmail.com](mailto:robmagletters@globeandmail.com) or tweet us @robmagca

### ADVISORY BOARD

Each month, we ask the leaders of Canada's Top Growing Companies one question

### What's your biggest concern as the world returns to normal?

#### DAN EISNER

CEO, True North Mortgage

► Inflation. If it rises rapidly, it will lead to higher mortgage rates and really put a stress on homeowners. To guard against that risk, we are advising our clients to take a fixed-rate mortgage.

#### DR. JANET AIZENSTROS

Founder & Executive Chair, Ahava Digital Group

► I hope we don't return to normal. I think our society had accepted and even succumbed to the normalized dysfunction of our previous daily realities. It's time we forge new paths in uncertainty, accept what our "new normal" is right now, and become open to the fact that our world and personal realities are currently uncertain—whether we like it or not.

#### SAM PROCHAZKA

Founder & CEO, GoodMorning.com

► My biggest concern remains unchanged: being able to consistently attract, retain and enable great people to accomplish extraordinary things. The challenge is in understanding what "normal" will look like when COVID is finally behind us, and ensuring we adapt accordingly.

#### MATT JOHNSTON

Co-founder and CEO, Collective Arts Brewing

► The pandemic has changed where and how we work, what and how we purchase, and when, how and with whom we socialize. It has fundamentally affected our needs and wants as individuals and consumers, meaning we need to adapt as an organization. Our consumers are looking for a unique experience, whether they're on a patio or at home on the couch. In turn, we are focused on how to add creativity into their everyday. For our team, we're working on a hybrid work plan where possible to ensure we get the best out of at-home flexibility and at-office engagement as we continue to manage these changing times.



JOSEPH COOK,  
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TECH ENTREPRENEUR



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BIOMEDICAL ENGINEER



KRITHI KARANTH,  
CONSERVATIONIST



BRUKTAWIT TIGABU,  
EDUCATOR



BRAD NORMAN,  
MARINE BIOLOGIST



GRÉGOIRE  
COURTINE,  
NEUROSCIENTIST

## A FUTURE WORTH PIONEERING

**Pioneers. Guardians.** These men and women spend their life's energy striving for the preservation of our planet. They have identified some of its deepest wounds and ailments. They have designed unique solutions to save endangered species, to recycle plastic waste, to protect agriculture, to restore ecosystems, to improve living conditions... All bold, visionary programs that they develop in all four corners of the planet, to make it perpetual. And since 1976, the Rolex Awards for Enterprise support these pioneers, the guardians of a future never certain, yet always worth reinventing. For a perpetual planet.

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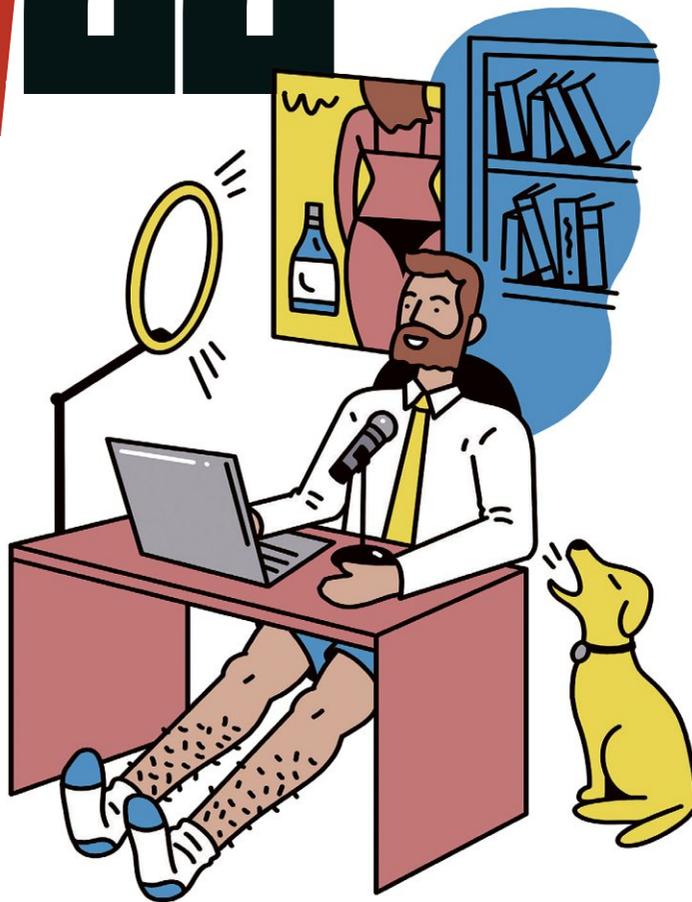
# 03/22



**\$7.3 BILLION** Zoom founder Eric Yuan's personal net worth (US\$)

WHEN IT WAS DIFFICULT TO HEAR, VIEWERS THOUGHT THE TALK WAS WORSE, THE SPEAKER LESS INTELLIGENT AND LESS LIKEABLE, AND THE RESEARCH LESS IMPORTANT

—2018 study on importance of audio quality from USC and Australian National University

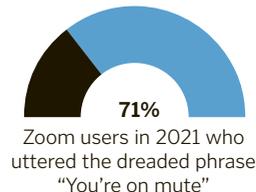


NEW RULES

## Lights, camera, meeting

We've spent two years working from home now, racking up literally *trillions* of minutes on Zoom, a platform most of us had never even heard of before March 2020. Yet many of us are still struggling with our WFH setups. You know who you are—it's time to up your Zoom game.

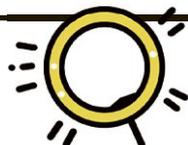
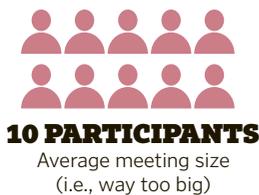
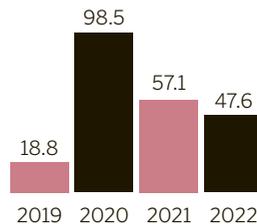
### POPULAR ZOOM LOCALES THAT AREN'T A DESK



**3.3 TRILLION** Annual meeting minutes

**54 MINUTES** Average meeting length (i.e., way too long)

### ZOOM MARKET CAP BILLIONS US\$



**DO**

Invest in a dimmable ring light to avoid looking dark and grainy; at the very least, sit with the sun behind your computer, not at your back



**DON'T**

Sit in front of cluttered bookshelves or walls (or at least remove questionable books or artwork first). A safe bet: a blank wall with a plant beside you



**DO**

Spring for a dynamic microphone, which won't pick up as much background noise (such as your loud fridge or screaming children)



**DON'T**

Look down into your camera—no one wants to see up your nose



**DO**

Wear pants. Always. Even if you're *positive* you'll never stand up

## THE EXCHANGE

# Minister of Everything

Chrystia Freeland has taken on some of the Liberal government's toughest portfolios. Now she faces her biggest challenge yet: ensuring Canada's economy emerges from the pandemic stronger than ever

BY TREVOR COLE

In an alternate universe, you would know Chrystia Freeland only as a writer and journalist, as an eminent authority on Vladimir Putin and the oligarchs who feed off him, perhaps eventually as the editor-in-chief of this newspaper or the Financial Times. You would see her on talk shows, on the lecture circuit, publishing another award-winning book examining the ways of wealth and power. That was the train she was on in 2013, when she decided to jump the track and enter national politics. Since being elected in 2015, she's become known as Justin Trudeau's Everything Minister, his one sure bet, parachuted into critical jobs at crucial junctures—minister of international trade, of foreign affairs, of intergovernmental affairs, deputy prime minister and, lately, minister of finance. In every job, she has delivered. Her next assignment is a federal budget that will carve a path forward for a nation facing multiple challenges. She spoke to us via Zoom from Ottawa, in front of a quartet of Canadian flags. Frequently during the hour, Freeland would lean forward to make a point, toward her computer's webcam, and strike the surface in front of her, the rattling of pens becoming the sound of her certainty.

**You've been Finance Minister for a year and a half. It's been a pretty challenging time for the economy. What's working right now?**

Broadly, Canadians have done a remarkable job dealing with COVID-19 and the recession. I will take you back to when COVID first hit and we had those immediate lockdowns. That was the worst economic experience for Canada since the Great Depression—17% drop in GDP. Three million people lost their jobs. That is just a huge, devastating blow. And as we are speaking at the end of January, 108% of jobs recovered. Jobs recovery in Canada is the strongest, as of this moment, in the G7. (1) GDP, as of this minute, is almost fully recovered. And even that doesn't tell the full story, because Canadian households, on average, have

1. According to government figures, as of Dec. 14, 2021, Canada had recouped 106% of jobs lost in the pandemic, compared to 83% for the U.S.

2. The Economist ranked Canada's economic performance 10th among OECD countries during the pandemic, tied with Australia and one spot behind the U.S.

more savings and less debt than they had before the pandemic struck. Canadian small business has been remarkably resilient. As of this minute, the number of bankruptcies are lower than before the pandemic, and there are more active businesses today than before the pandemic. **Inflation is higher than it has been in 30 years, at 4.8%. How does that match up with your expectations?** I am very focused on affordability for Canadian families. And I know that is challenging for a lot of people right now. This is clearly a global phenomenon. And actually, inflation, while elevated in Canada, is lower than in many of our peer countries—the U.S., 7%. The U.K. is higher than Canada, Germany is higher than Canada. So, there are some global pressures bearing down on us.

Things like supply chain. Things like energy prices. I will also say I have a great deal of confidence, as should all Canadians, in the Bank of Canada. We thought very carefully and worked closely with the Bank on its mandate renewal and were very clear about the pre-eminent focus on the inflation target. So, people should be really confident, as I am, that the Bank will do its job. When it comes to affordability, we are making investments to help with that challenge. I'll point to childcare. Fees are going to come down by 50% this year for a lot of families.

**Since 2019, the federal deficit has gone from 1% of GDP to 15%. Has there been a sea change in how governments consider the notion of debt and deficit?**

The extraordinary investments the federal government made when COVID hit to keep the economy going are, I think, fully justified when you see the results. (2) Going forward, our government remains committed to a declining debt-to-GDP ratio, as we were before the pandemic hit. I do believe government has a role to make investments for the long term that can increase the economic capacity of the country, and to run deficits to do it. In the green transition, for example. Those are investments that pay off.

**You mentioned concerns around affordability. That is a real issue in housing. It's pretty obvious Canada is in a prolonged and extreme housing bubble. So—** I am not so sure I would agree with that characterization, Trevor. But carry on. **The U.S. housing market corrected with the 2008-09 crisis. Canada's market never did. Now many Canadians are struggling to participate in home ownership. You're suggesting you don't see the problem the way I do. What's your view?**

I would urge us, as I do on many issues, not to do something which is all too easy for



## 5 LONGEST CONSECUTIVELY SERVING CANADIAN FINANCE MINISTERS



**William Stevens Fielding**  
(PM: Wilfrid Laurier)  
July 1896–Oct. 1911



**Paul Martin**  
(PM: Jean Chrétien)  
Nov. 1993–June 2002



**Jim Flaherty**  
(PM: Stephen Harper)  
Feb. 2006–March 2014



**William Thomas White**  
(PM: Robert Borden)  
Oct. 1911–Aug. 1919



**Douglas Abbott**  
(PM: William Lyon Mackenzie King and Louis St. Laurent)  
Dec. 1946–June 1954

Canadians to do, which is to think we're Americans. We live in the same media space. We speak their language, as it were, and it can be easy to think their problems are our problems.

**But our problem is much greater than in the U.S.**

Well, the structure of the Canadian economy and Canadian society are very different, and that includes housing. Our banking system, and the way our banking system approaches risk, is very different. Another really important difference is that Canada has the fastest growing population in the G7. Having said that, the core of your question I absolutely accept. People need to be able to afford homes for our economy and our society to continue to grow and flourish. So, I absolutely see housing as one of the core issues we're looking at as we go into the budget. I do think supply is at the heart of the challenge. (3) We need to build homes for a growing country.

**The supply issue is not just in houses to buy, but also homes to rent. Even those aren't being built.**

I totally agree. The federal government has an important role to play, working with municipalities and provinces, in increasing supply, including a mix of rental supply. I think now is the time for new energy in the building of co-ops. We also need to do things in terms of the financialization of housing. We need to see housing as homes for Canadian families and not a financial asset. I want to be very clear that our government

has absolutely no intention of altering the position on capital gains on the principal residence of Canadians. That is a very important part of how Canadian society works. Where we need to be thoughtful is in foreign money flowing into Canadian housing and turning that into a financial asset. That's not what Canadian houses are meant to be for.

**Regarding capital gains tax:**

**You're not going to change how it affects principal residences.**

**What about the equity markets?**

No intention to go there.

**Great. So—**

Can I say one more thing about our economic thinking?

**Go ahead.**

I really feel now that what Canada needs is a very positive, optimistic growth agenda. We need it because we all know that we have ahead of us the green transition, which is going to be really challenging. (4) So there is an imperative to deliver growth. The starting blocks are the kinds of social infrastructure policies we are really going to be driving. Things like early learning and childcare, the Canada workers benefit, investments in education, in housing, in an immigration policy which allows us to grow the labour force. I really see this suite of measures as a very powerful pro-growth agenda, which Canada, I think, is uniquely positioned to enact. Because we're a country that is able to embrace immigrants, because we are a country that is still a society that works and believes in investing in people.

**Let's move beyond Canada.**

3. Freeland referred to research published by Scotiabank in May 2021 showing Canada has the lowest number of housing units per 1,000 residents of any G7 country.

4. Freeland mentioned a report from the Office of the Superintendent of Financial Institutions and the Bank of Canada. Published in mid-January, it said, among other things, that income for oil and gas companies could fall by 80% by 2050, while their probability of debt default could rise by some 200%.

5. Deese is director of the National Economic Council and an authoritative voice on the U.S. auto industry.

**How would you characterize our relationship with the Biden administration in the U.S.?**

I would characterize it as very good.

**Should we be happy the Build Back Better bill didn't get passed? That was going to hurt our EV industry.**

Well, the Build Back Better bill is a question for the United States. I believe they are still debating it. When it comes to EV incentives, that is something we have been very focused on. I've been working with Brian Deese (5) and with Treasury Secretary Janet Yellen. The Americans absolutely do understand that any protectionist action that runs contrary to NAFTA (6) is something Canada would respond to forcefully. Our approach there is, hope for the best, prepare for the worst.

**Is that your approach to growing political instability in the U.S.?**

Again, that characterization of the U.S. was yours and not mine, Trevor. I think Canada needs to work very hard to have an effective relationship with the U.S. administration, no matter who is in office. But also with the legislature, on both sides of the aisle, and with people in state houses and with mayors. We need to be working with U.S. unions and U.S. business.

**What's to be done regarding our increasingly troubled relationship with China?**

Well, let me first say how happy I am that Michael Spavor and Michael Kovrig are home. As foreign minister, I got to know their families. I think all Canadians felt their pain and the dignity and courage with which they conducted themselves.

**Can we keep it on an economic level?**

A hundred percent, Trevor. Although the arbitrary detention of Michael Kovrig and Michael Spavor is a fact and a reality that all Canadians should bear in mind in our ongoing relationship with China. That's why I started there. I think we need to be very clear-eyed about the challenges

China poses to Canada, to the world and to its own people, including the Uyghurs. We need to remember that China does not hesitate to throw its weight around, particularly dealing with a middle power like us. And we need to be very thoughtful about the human rights issues in China. It is also a huge force in the global economy. China is a very important actor, therefore, when it comes to climate change, which is the pre-eminent existential issue for human beings. So, we need to be prepared to stand up to China.

**Your government is discussing an investment deal with Taiwan. How do you anticipate China will react?**

I learned, in the NAFTA negotiations, not to answer hypotheticals and also to leave others to answer questions about their own actions.

**Does the increasing isolationism we're seeing in other parts of the world suggest Canada should strive to make its economy more self-sufficient?**

I wouldn't necessarily describe what we're seeing always as isolation. What I think we are seeing is protectionism, maybe neomercantilism—a kind of reversion to a 19th-century-type world of great powers and big trading blocs trying to throw their weight around. In that kind of world, Canada needs to be smart. It is a very different world from the one we're accustomed to, either with Pax Britannia or Pax Americana. I think we have to do three things: We have to continue to build an alliance of like-minded democracies. We have to think about what our economic vulnerabilities are, and that does mean we need to think about resilience in supply chains. We learned that during COVID, trying to buy things like PPE, vaccines and so forth. And we need to think about it in areas like batteries for EVs, semiconductors and solar panels. That work is happening. Finally, we need to have a strong defensive game. Take out those



**6.** Technically the new deal is called the U.S.-Mexico-Canada Agreement, or USMCA, which Freeland negotiated. But the name hasn't caught on in Canada.

**7.** In an effort to populate and develop Western Canada, the Dominion Lands Act of 1872 allowed individuals and companies to obtain land grants of a "quarter-section," or 65 hectares. (It should be noted that treaties with First Nations peoples required them to surrender their land to the Crown.)

**8.** Freeland's father, Donald, was a farmer and lawyer. Her husband, Graham Bowley, is a British New York Times reporter.

insurance policies, invest in resilience, try to look around corners. But I think there are some real opportunities for Canada, as well: critical minerals and metals, the whole EV supply chain. We have the capacity to be a really key player.

**Is there a danger that Canada remains a resource economy, if you're focusing on what's coming out of the ground?**

First of all, I don't believe in talking down natural resources. Canada is fortunate to be richly endowed. That's a strength to build on. Second, when I talk about a critical minerals and metals strategy, I think about it in terms of something that starts with what we have in the ground and looks to build something that goes all the way up the supply chain to a finished car. And by the way, we do manufacture cars in Canada, too.

**At least for now.**

Oh, we're gonna continue. And I know you know this, but it's perhaps less known than it should be: We are becoming a real technology hotspot.

Toronto, Vancouver, Montreal—these are places that are seeing stronger growth in the tech sector than Silicon Valley. We are creating jobs, and we are creating companies. I see the export of Canadian services as a real area of growth. A politician I look back to is Sir Clifford

Sifton, maybe because I grew up on the Prairies. He thought about Canadian growth as people plus railways plus land equals a growing Canada. For me, it is people plus homes plus education—I would add early learning and childcare as part of that—equals a growing Canada. With Sifton, it was a quarter-section. **(7)** With some new Canadians, it's gonna be a tech company. That's a reality.

**Speaking of childcare, you're a working mom with three kids at home. How have you managed over the past couple of years?**

Much more easily than anyone working in a long-term care facility or a hospital or a grocery store, or any of those really hard jobs so many people have been doing. Having said that, I bet I have loaded more dishwashers than any Finance Minister in Canadian history, hitherto. And that does give you some perspective on the challenges working mothers face. And for sure, I have been really focused on making life easier for working parents, especially mothers. I want them to be able to fully contribute, and I want young women not to feel like they have to make a choice between being a mother and having a great job or going to school. You can do both.

**You had a very heady career as a journalist and writer in front of you, and you chose to go into politics. Why?**

My dad told me I had to. My dad and my husband. **(8)** I grew up in Alberta in the age of the Alberta Heritage Trust Fund, which provided generous scholarships. And I got a whole bunch of them. My dad said to me, "Canada has invested a lot in you. You might win, you might lose. But you owe it to Canada to give it a try."

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

*Trevor Cole is the award-winning author of five books, including The Whisky King, a non-fiction account of Canada's most infamous mobster bootlegger.*

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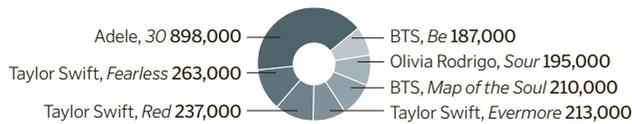
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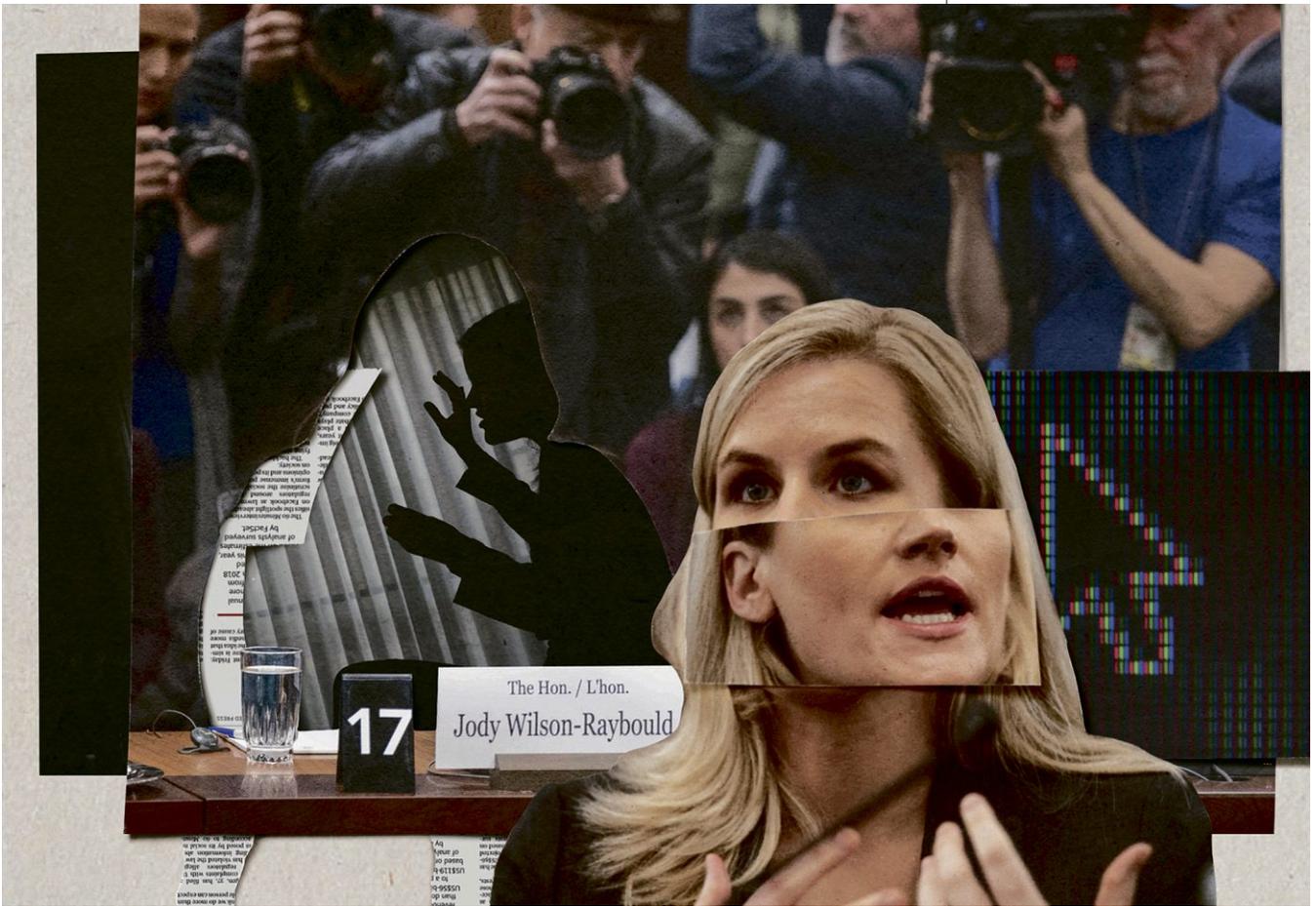
## CDs are back

40.6 million CDs were sold in 2021, up 1.1% from 2020.

Here are the top sellers:



For more on the old-school music boom, see page 44



## BIG IDEA

# Morality play

How to inspire your employees to behave ethically—and call out any wrongdoing they might encounter on the job

**T**here are few spectacles as riveting as the public unburdening of a whistleblower, those lone (or lonely) souls who come forward to call out the misdeeds of formidable corporate or institutional actors, often fully aware of the blowback that awaits. Yet even in this deeply compelling sphere, few have dished salacious secrets quite like Frances Haugen, the former Facebook executive whose October 2021 revelations before Congress about the social media giant's algorithmic predation shocked even the most jaded tech watchers.

Having leaked thousands of pages of internal documents even while insisting she never set out to become a whistleblower, Haugen walked away with a book deal and harbours plans to set up a non-profit geared at social media's abuses. But given her profile and notoriety, one wonders whether she'll ever again work for another company.

Haugen joins a strange truth-tellers club populated by bureaucrats, utility managers, pharmaceutical brass, mobsters-turned-state-witnesses, and one-of-a-kind figures like former justice minister Jody Wilson-Raybould and Chelsea Manning, formerly of the U.S. Army.

"Former," in fact, may be the only common denominator among all these characters.

Facebook's stock lost 10% of its value during Haugen's testimony (though that has mostly returned since November). Still, the inverse question begs: Are companies that conduct themselves ethically—or at least don't leak salacious details about dubious business practices—rewarded with stronger profits and share performance?

Many assessments suggest they are. A 2008 *Journal of Business Ethics* study of the largest companies on the TSX found a "statistically significant" correlation between corporate values and performance. More recently, *IndustryWeek* reported that firms scoring high on a 2019 ranking of ethical companies outperformed other large-cap stocks by more than 10% over three years.

Between the pandemic and skyrocketing interest in environmental, social and governance (ESG) investing, there's more

## A brief history of corporate whistleblowers

pressure than ever on companies to do the right thing, from ensuring workers are safe from COVID-19 to reducing their carbon footprint. Less clear is how the leaders of large organizations should go about fostering a culture that prizes ethical conduct and encouraging employees to speak up if they witness wrongdoing—without fear of reprisal.

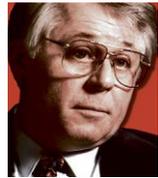
Organizational behaviour expert Tunde Ogunfowora, an associate professor at the University of Calgary's Haskayne School of Business, has sought to peel back the workings of organizations that reward what he describes as “morally courageous behaviour” among employees. In a new study based on surveys with dozens of leaders and workers, Ogunfowora and two co-authors, Addison Maerz at Queen's University's Smith School of Business and Christianne Varty of York's Schulich School of Business, offer some insights into what makes such organizations tick. For starters, they tend to have leaders who model ethical behaviour, hire managers who share their values, and encourage employees to take moral ownership of what they do and see. The study also cites evidence that leaders should take care to send out the message that working in ethically responsible ways is a means for employees to help their firms “do the right thing.” According to Maerz, a post-doctoral fellow in organizational behaviour, ethical leadership tends to have a “trickle-down effect.”

All of which is easier said than done, especially if the problematic conduct is coming from the people signing paycheques. But Maerz says the pandemic has altered this calculus because every company now faces issues of workplace safety that have life-and-death implications. Some have responded by clearly signalling their desire to ensure health and safety protocols; others, not so much. Ogunfowora points to stories over the past



### ◀ Mark Whitacre

Archer Daniels Midland price-fixing scandal (1992)  
**FALLOUT** Three execs—including Whitacre, who also embezzled millions from ADM—were sentenced to jail time, and ADM paid a US\$100-million fine



### ◀ Jeffrey Wigand

Brown & Williamson tobacco tampering scandal (1996)  
**FALLOUT** Led to the tobacco industry paying a US\$368-billion settlement to 40 states in 1997



### ◀ Sherron Watkins

Enron accounting fraud (2001)  
**FALLOUT** Enron went bankrupt, and several execs, including CEO Ken Lay, were convicted of securities and wire fraud, and other crimes



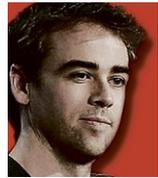
### ◀ Cynthia Cooper

US\$3.8-billion WorldCom accounting scandal (2002)  
**FALLOUT** WorldCom filed for bankruptcy, and Canadian CEO Bernie Ebbers went to jail for fraud and conspiracy



### ◀ Ken Pereira

Ties between Quebec's largest construction union, the mafia and the Hells Angels (2009)  
**FALLOUT** The Charbonneau inquiry's 1,741-page report found “widespread and deeply rooted” corruption in the construction industry



### ◀ Tyler Shultz

Fraud at blood-testing startup Theranos (2014)  
**FALLOUT** Founder and CEO Elizabeth Holmes was recently convicted of criminal fraud, and Theranos's US\$9-billion valuation evaporated



### ◀ Susan Fowler

Toxic sexism at Uber (2017)  
**FALLOUT** Co-founder and CEO Travis Kalanick was forced to resign

two years about employees facing blowback simply because they insisted their co-workers wear masks or observe physical distancing protocols. “Prior to the pandemic, many corporate leaders might never have considered role modelling and promoting morally courageous behaviours, especially if they do not operate in traditional ethically sensitive industries where misconduct and whistleblowing are [the norm],” he says. “Today, all organizations have to deal with

pandemic-related morally courageous behaviours in one form or another.”

Ogunfowora stresses that ethical leadership isn't merely a communications issue. He points to a growing body of evidence showing the onslaught of firms seeking to cloak themselves in the soft glow of a well-resourced ESG program is mostly promoting skepticism. “People tend to question the underlying motives of such organizations,” he says. “Is the company talking about its commitment to social justice or the environment now because it's good for business or because it truly believes in the cause? Or is there a mix of motives?”

Yet Concordia University associate professor Claudine Mangan, the RBC Professor in Responsible Organizations, argues the tone at the top is critical. Messaging from the CEO, even when aimed at outside stakeholders, will send a potent signal to internal audiences about the state of their “moral reasoning.” In a recent essay in *The Conversation*, she noted that Air Canada CEO Michael Rousseau's inability to speak French in a French-speaking province signalled to subordinates which language truly matters.

She also makes the point that silence (or the proverbial turning of the blind eye) is another form of communication that can incite ethically problematic or even criminal behaviour. “Perpetrators are encouraged, victims silenced; bystanders know about the behaviour but don't stop it,” she wrote. Mangan's examples include revelations about Uber founder Travis Kalanick, whose tolerance of rampant sexual harassment at the ride-hailing giant led to his resignation.

Quite apart from the longstanding debate over the relationship between ethics and profits, there's little doubt the publicity associated with ugly disclosures can harm a company's reputation. In the aftermath of Haugen's disclosures,

for instance, Facebook raced to change the channel by hyping its new Meta brand. Another recent example: Qantas, the Australian airline that has bragged for years about its unblemished safety record, is fighting criminal charges after an employee went public with allegations about the company's lax cleaning practices and the risk of catching COVID-19 during flights.

Maerz adds that social media has made it far easier for employ-

ees to go public anonymously. He also speculates that pandemic work-from-home rules may have made it less socially awkward for employees to speak out against co-workers they no longer see daily. "The hesitancy that comes with speaking up and harming your fellow employees might actually not be as big of a factor."

One point seems increasingly clear in this whistleblowing moment: Companies that stray from the moral straight-and-

narrow will likely be hearing from the growing ranks of activist shareholders that have made huge reputational bets on good governance. BlackRock springs to mind—with US\$10 trillion in assets under management, it has the power to bend a large swath of the corporate world to its sustainably focused will. As Mangan says, "You have shareholders who actually care about the conditions in which companies operate."  
**/John Lorinc**

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## EXPLAINER

# Over compensating

Sure, there are some fat-cat CEOs out there. But here's why a 17% pandemic pay boost might not be as bad as it sounds

To retail investors, the calculation used to determine an executive's total compensation can be mystifying. The most straightforward component—cash salary—is often also the smallest part of the mix, which can include options, performance-related bonuses, long-term incentives, pension allotments and executive perks like use of the corporate jet. Elon Musk for instance, earned a 2020 salary of zero dollars—yet Bloomberg estimates his total compensation for the year was worth US\$6.7 billion. And these packages can sometimes seem untethered from a company's actual performance—especially during these rocky pandemic years. Canada's top-paid CEO in 2020 was Canopy Growth's David Klein, who made a total of \$45.2 million even as the company posted a net loss of \$1.3 billion. But according to executive compensation consultant Ken Hugessen, CEO pay isn't as out-of-whack as many shareholders might believe.



### Is executive compensation really out of control?

Considering the five most highly paid CEOs on the TSX made a combined \$140.7 million in 2020, you might be tempted to say “hell yes.” But in Hugessen's most recent analysis of the TSX 60, CEO compensation has increased by 5% over five years. “It's better than a kick in the shins,” he says, “but the idea that executive compensation is a runaway train? It moves forward, but it's not that exciting.” Yes, there are some glaring exceptions, but Hugessen insists they're not the rule. And he points out that compensation for a particular year might reflect a company having to entice a new CEO or be based on performance from years past. **What impact has the pandemic had on executive pay?**

It might seem obscene that compensation for Canada's top executives rose by 17% in 2020—an average of \$171,000 each—while half of workers making \$17 an hour or less lost their jobs in the first couple of months of the pandemic (and still haven't fully recovered), according to the Canadian Centre for Policy Alternatives. But bear in mind a lot of the typical exec's compensation is tied to stock. “For a surprising number of busi-

nesses, COVID-19 hasn't been a bad thing, and in many cases, it has been a downright good thing,” says Hugessen. The S&P 500 Index finished 2020 up 16%, despite an initial pandemic rout. The S&P/TSX Composite, meanwhile, eked out a gain of just over 2%. (The indexes were up 27% and 16%, respectively, in 2021, so expect to see plump payouts disclosed in this year's proxies, too.) **What has driven the adoption of say-on-pay votes?**

Countries including the U.S., Australia and Switzerland have adopted mandatory say-on-pay votes, allowing shareholders to cast a ballot on executive compensation. In Canada, say-on-pay is voluntary. Nonetheless, the Shareholder Association for

Research and Education reports 71% of companies in the S&P/TSX index hold such votes anyway—after all, it's better to be proactive than face a potential shareholder revolt. Overall, Hugessen believes say-on-pay has improved director accountability. “Boards have sometimes been seen as too acquiescent to whatever management wants to do, including how they pay themselves,” he says. “Exposing directors to this non-binding vote certainly raises their sensitivity and has made them feel more accountable to the shareholder community.”

### How often do companies lose say-on-pay votes?

Out of 204 companies that held say-on-pay votes for 2021, only six resolutions failed—all companies that had negative one-year and three-year shareholder returns in the previous calendar year. It comes down to two factors, says Hugessen. “If it seems pay has gone up while shareholders are suffering, whether that's the case or not is almost secondary,” he says. “And then it moves to the proxy—how much time you spend ensuring shareholders understand why you've done what you've done. If both those aren't there—content and storytelling—then you're at risk.”

### TOP-PAID CHIEF EXECUTIVES AT PUBLICLY TRADED CANADIAN COMPANIES IN 2020





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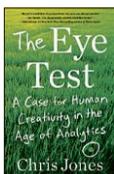
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So ask yourself this: When all is said and done, will you have done and said enough? Will you have drifted along with the tide, or helped to steer the ship towards a worthier vision? After all, vision and responsibility are more powerful than power alone. So, while you sit in your chair, be sure to rise to the occasion. Better your best. Give guidance that resonates, because it does. And use your power to take everyone to the forefront of new thinking. Towards new ideas and better standards. Because what happens in our boardrooms helps shape the future of our country. Who sits in those rooms matters.



WHAT YOU CAN LEARN FROM...

# Looney Tunes

The Warner Bros. franchise produced some of the funniest cartoons of the 20th century. Two decades ago, a cable deal largely purged Looney Tunes from the airwaves, and WB is now trying to rebuild the nearly 100-year-old brand with film releases like 2021's *Space Jam: A New Legacy* and the series *Looney Tunes Cartoons*. Here are some looney lessons on how to build a successful brand—and make sure it stays that way. **/Jaime Weinman**



ASK AN EXPERT

This pandemic has me rattled—so much change in so little time. How can I brace for whatever comes next?

If the past two years have taught us anything, it's that even the unthinkable can become reality in an instant. That's why Kian Gohar, founder of L.A.-based innovation firm GeoLab, preaches what he likes to call "radical adaptability." A couple of his key tenets:

First, start thinking of your staff as a pile of Legos rather than a stack of blocks. "Each individual is unique, so before you tackle any problem, build a unique model with specific characteristics to best solve it," says Gohar. Should a piece fall out of place, your structure remains intact.

Next, think both big and small: "Zoom out five to 10 years and ask, What could my industry look like?" Then work backward to identify technologies or strategies you could work on in the next year to prepare for any number of futures. Some of these experiments won't prove fruitful; others will. In the meantime, you'll be flexing your radical-adaptability muscles for the next big shift to come. **/Rosemary Counter**

1.

## Don't Micromanage

Producer Leon Schlesinger didn't pretend to be an expert on animation, so he put talented young directors in charge and told them what they needed to do to keep their jobs: Stay under budget and stick to the house style—anything for a laugh. Then he left them alone to do things their own way.

## Go Ahead, Be Trendy

Do topical references damage your brand in the long run? Looney Tunes suggests they don't. The creators filled their cartoons with references to comedians, actors and current events. But that didn't hurt their longevity. Foghorn Leghorn is based on two long-forgotten radio comedy characters, but apparently kids find a loudmouthed Southern rooster inherently funny. Keeping your brand up to date doesn't mean it'll go out of date.

2.

## 3. Follow the leader (with a twist)

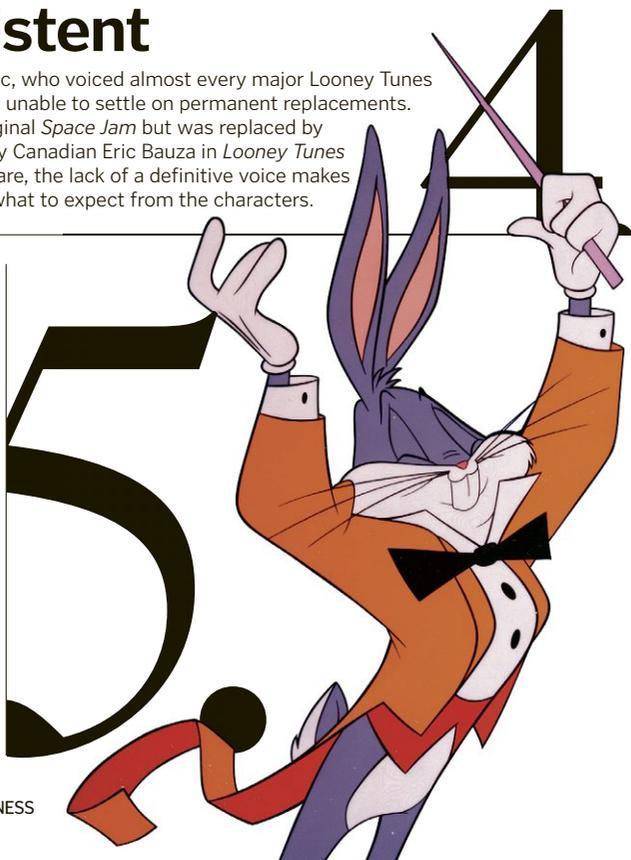
Looney Tunes borrowed heavily from Walt Disney. The name itself was a play on Disney's *Silly Symphonies*, and Bugs Bunny was influenced by a character from Disney's *The Tortoise and the Hare*. But Looney Tunes soon identified an unmet consumer demand: Disney's cartoons were rarely laugh-out-loud funny. So it became the home for Disney-style talking animals who were much more cynical, violent and funny than Disney could ever be.

# Stay Consistent

Since the 1989 death of Mel Blanc, who voiced almost every major Looney Tunes character, Warner Bros. has been unable to settle on permanent replacements. Billy West voiced Bugs in the original *Space Jam* but was replaced by Jeff Bergman in the sequel and by Canadian Eric Bauza in *Looney Tunes Cartoons*. Good as all the actors are, the lack of a definitive voice makes it harder for audiences to know what to expect from the characters.

## Maintain visibility

Though the original Warner Bros. cartoon studio shut down in the early 1960s, Looney Tunes remained a huge money-maker for decades, thanks to endless broadcasts on many different channels. The brand didn't falter until the turn of this century, when one U.S. cable network got exclusive rights to the cartoons. Most kids grew up not knowing Sylvester the Cat, Yosemite Sam or Wile E. Coyote. A deal that reduces your brand's visibility can cost you in the long run—and that's, as Daffy Duck would say, despicable.





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Population that has received at least one COVID-19 vaccine dose

U.S. and Canada  
77%

Asia-Pacific  
73%

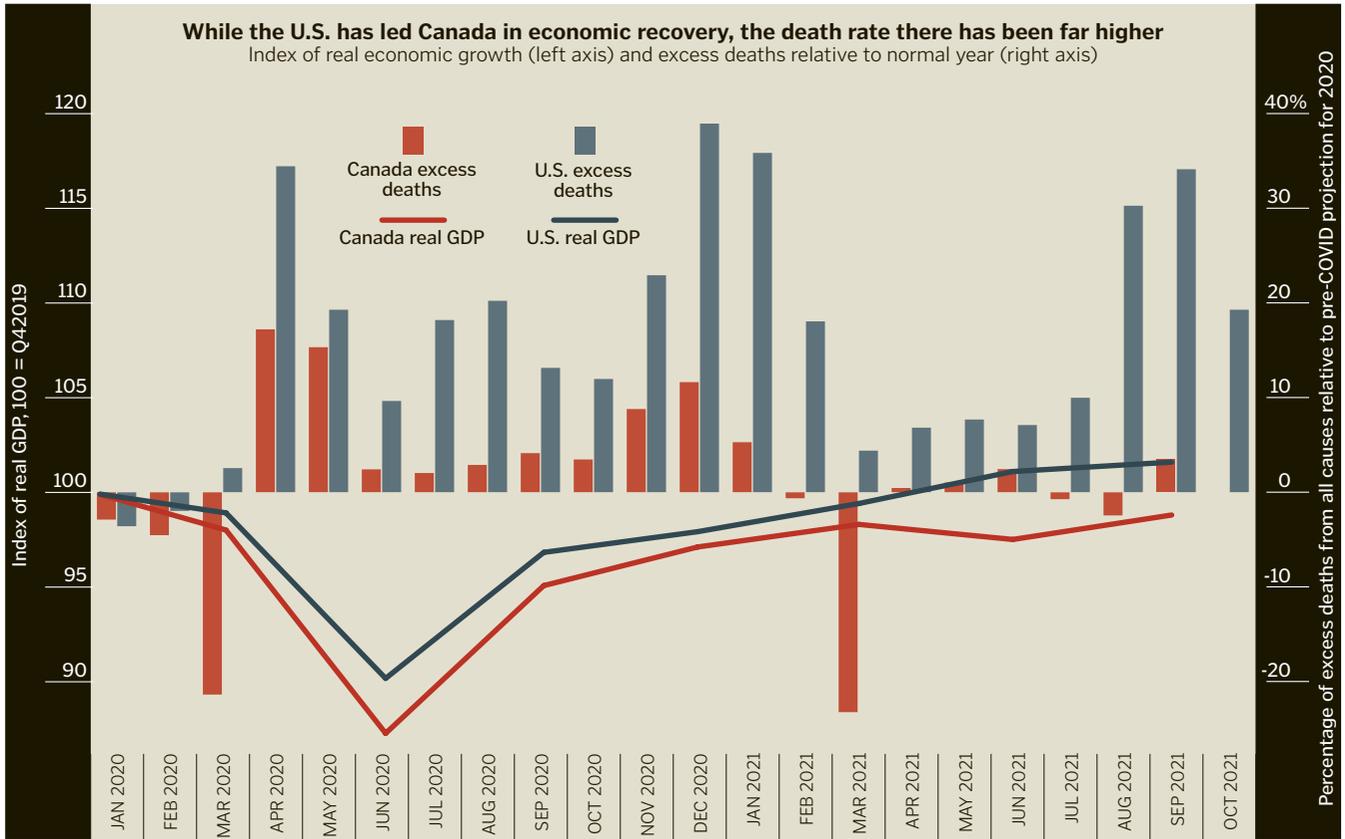
Latin America  
73%

Europe  
67%

Middle East  
52%

Africa  
15%

**4.77 BILLION**  
Total doses administered globally



**DECODER**

**THE DISMAL SCIENCE**



From the earliest days of the pandemic, the world has struggled to find a balance between epidemiology and economics. Put simply: save lives or save jobs—death or dollars. As we enter year three, the different approaches taken by Canada and the United States are becoming glaring.

During the first lockdown in March 2020, then U.S. President Donald Trump articulated what would come to be the overriding American pandemic ethos: “Our country wasn’t built to be shut down. America will, again, and soon, be open for business. We cannot let the cure be worse than the problem itself.”

Since then, the U.S. has recorded 866,000 deaths from COVID-19 (as of January 2022), by far the highest number of

deaths in the world in absolute terms. While President Joe Biden’s administration has taken a tougher stance on vaccinations, keeping the economy open has remained priority No. 1 at both state and local levels. As such, the U.S. has notched the fastest economic recovery in the G7 and, compared to the last pre-pandemic quarter, has grown nearly three times faster than the OECD nation average.

Canada offers a striking contrast on both counts. With Ontario and Quebec, the two largest provinces, implementing some of the strictest COVID measures in the world, Canada’s economy has yet to claw its way back to pre-pandemic levels. But Canada’s official COVID death count, adjusted for population, is

one-third that of the U.S.

The gap between the two countries’ approaches grows even starker when using excess mortality—or how many people died from all causes compared to what would be expected in a normal year—as a measure of the pandemic’s death toll. It captures direct COVID deaths, but also those who died as a consequence of the pandemic, be that unreported COVID fatalities, drug overdoses or patients with life-threatening conditions who were unable to get treatment because of hospital overcrowding. As the chart shows, excess deaths in the U.S. have dwarfed those in Canada. (Canadian data for October wasn’t available yet.) It’s a steep price America has seemed more than willing to pay. **/Jason Kirby**

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## FOR YOUR CONSIDERATION

### **RICHELIEU HARDWARE LTD.**

MONTREAL

REVENUE (2021) **\$1.4 BILLION**

PROFIT (2021) **\$142.3 MILLION**

THREE-YEAR SHARE PRICE GAIN **119%**

P/E RATIO (TRAILING) **19.8**

The word “entrepreneur” sometimes scares seasoned investors. It calls to mind young CEOs hell-bent on growth at any cost, who load up their companies with debt and often flame out within a few years.

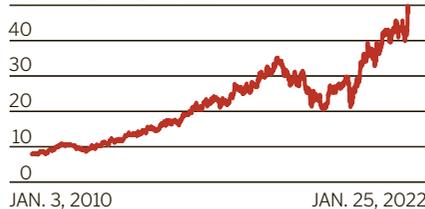
That’s not Richelieu CEO Richard Lord’s M.O. “My soul is to be an entrepreneur,” he says—not just one who makes a lot of money but who also contributes something lasting to society. As for the *young* part, the grey-haired CPA, who has a quick and

infectious laugh, politely declines to tell me his age. But he’s been in charge of the importer, manufacturer and distributor of specialty hardware since 1988, and few CEOs have a stronger record of long-term growth and share-price appreciation.

When Lord joined the company, it had just \$13 million in annual sales. “Now, it’s a \$1.4-billion company, and very profitable,” he says. Richelieu has 49 distribution centres in Canada and 57 in the United States—with the U.S. picking up—and offers more than

#### RICHELIEU HARDWARE LTD.

50 SHARE PRICE ON TSX



130,000 products. Many of them are components and finishings for kitchen cabinets, closets, and other types of storage and furniture.

In some ways, it helps to describe what Richelieu is not. Even 15 years ago, Lord says, some investors would ask, “Do you compete against Home Depot?” In fact, Richelieu is a specialty distributor. Only about 20% of its sales go to retailers—and Richelieu sells to all the big-box chains, including Home Depot, Lowe’s, Rona, Home Hardware and others. The lion’s share goes to manufacturers and installers, and that’s still a fragmented and very promising market.

As it was in 1988, Lord’s strategy is growth. He’s made 79 acquisitions over the years, including five in fiscal 2021 (which ended on Nov. 30) and three since then. Yet Richelieu has never carried any significant long-term debt. “We produce more cash flow than the acquisitions we make,” says Lord.

Richelieu went public on the TSX in 1993, and after expanding across Canada, it entered the U.S. in 1999. The company hasn’t suffered any long-lasting downturns, though Lord says there was a fright during the first two months of the pandemic, when sales plunged 45%. But now they’re back on track and growing. “You can easily imagine \$2 billion is not very far,” says Lord, who owns about 8% of the company. As for succession, “I am surrounded by a fantastic team,” he says. But he’s not stepping down any time soon. “I think I am okay for the time being.” /John Daly



## FOMO INVESTING

### 6 things we learned from Atul Tiwari

When an old baseball card or other collectible sells for thousands of dollars—or more—ordinary people often leap into the market. Last year, Tiwari—a member of the Confrérie des Chevaliers du Tastevin, a global society of Burgundy aficionados—became CEO of Cult Wines Americas, which gives investors title to cases of fine wine without having to store the stuff themselves. /JD

Tiwari used to be a securities lawyer. He spent 17 years with Bank of Montreal, including setting up and running its ETF division, and was CEO for Canada for Vanguard Group, the U.S. fund giant, for seven and a half years. Cult Wines Ltd., the global parent for Cult Wines Americas, is based in London.

“Everybody who has a home cellar has had their cooling unit break down,” he says—and yes, he has a home cellar, too. If the wine you store there is an investment, is it insured? And can you document its provenance? New blockchain technology will let Cult Wines trace history back to the vine.

Liv-ex is a London-based exchange for wine, and it updates its 1000 index of the world’s most traded fine wines daily, as well as sub-indexes. “In 2008, the S&P 500 was down 38.6%, but the Liv-ex 1000 was down 0.6%,” Tiwari says. “It’s a really great buffer for your portfolio.”

“France still dominates,” he says. About 80% of Cult Wines’ benchmark allocation is in Bordeaux, Burgundy and Champagne, 10% is Italian, and 10% is the rest of the world. And London still dominates trading. Cult Wines stores its almost 100,000 cases in a refurbished airplane hangar.

“Cult Wines is not securities regulated, because you actually own the wine,” Tiwari says. The company doesn’t issue securities, such as depository receipts. But it is transparent and follows know-your-client procedures. There’s lots of financial data and lively wine lore on its website, too.

“Part of our mission is to make wine investing more accessible—bringing in younger demographics and people of colour like myself,” he says. Cult Wines portfolios start at \$12,500 in Canada. And from \$390 million under management worldwide now, it’s aiming for \$1.5 billion within five years.

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11% Canadian inflation rate in 1974—the country's highest since 1960. It was up 3.5% over 1973

0.3% Inflation rate for 2009—the lowest in Canada since 1960

03/22

SMART MONEY

## JENNIFER McCLELLAND

VICE-PRESIDENT AND SENIOR PORTFOLIO MANAGER,  
NORTH AMERICAN EQUITIES, RBC GLOBAL ASSET MANAGEMENT INC.

Jennifer McClelland's RBC Canadian Equity Income Fund got off to a rough start when it launched in 2006 to invest in high-yielding income trusts. Three months later, Ottawa dropped a bombshell by announcing plans to tax trusts like corporations by 2011. Although the news was a shock, McClelland and co-manager Brahm Spilfogel easily retooled the strategy to focus on dividend stocks, in addition to real estate investment trusts (REITs). The fund has grown to \$3.3 billion in assets and has outpaced the S&P/TSX Composite Index, including dividends, since inception. We asked the 51-year-old portfolio manager why she's bullish on some retail REITs and likes fertilizer giant Nutrien.

### How has your fund managed to outperform the index?

We try to keep our cool—whether it was the blow dealt to income trusts, the 2008 financial crisis or the pandemic. With the big sell-off in March 2020, REITs were down about 50%, and the price of oil fell to zero. Sentiment was horrible. However, an ongoing dialogue with management teams and our analysts trying to figure out worst-case scenarios helped our outperformance last year. Retail REITs, for example, were hit hard, but we had added to our exposure, and the sector rebounded. Markets can be irrational in difficult times, but trying to manage that noise has paid off long term.

### You also run the \$2.3-billion RBC Canadian Equity Fund. What's your outlook for the domestic market?

We are positive on financials, particularly Canadian banks, given a rising interest rate environment and a pick-up in loan growth. We also like the energy sector, where there are companies with strong balance sheets and disciplined production growth. We see a tightness in oil supply, so the commodity price, which has been around US\$80 per barrel, should remain strong. Everybody expected demand to fall off the cliff with COVID-19, but that hasn't happened. We own Canadian Natural Resources, which has exposure to the oil sands. It's a low-cost operator with a strong balance sheet and is run by managers who have made smart acquisitions.

### Why do you like some retail REITs?

These REITs have been hurt by COVID shutdowns and capacity restrictions, but there's another side to the story. We like mall operator RioCan REIT because it also has a large portfolio of development

growth that's not reflected in its unit price. With its mixed-use properties, including apartments and condos, it's well positioned to benefit from population growth and immigration, which has been held back by the pandemic. We also own First Capital and Choice Properties REITs, which have residential developments, too. As house prices keep rising, there's increased demand for rentals and affordable housing. We're positive on seniors' housing, too, particularly Chartwell Retirement Residences, which will get a tailwind from population growth and aging demographics.

### Nutrien has seen two CEOs resign in less than a year. Why do you still like this stock?

This global leader in fertilizer production has been a core name for us, particularly after the merger of PotashCorp, the commodity producer, and retailer Agrium. We like Nutrien because the commodity price environment is extremely strong, and the business strategy hasn't changed despite the CEO turmoil. Crop prices are rising, so demand for fertilizer and various nutrients is high. Given global supply constraints, Nutrien—which has excess capacity—is well positioned as a swing producer of potash and can influence prices.

### High-yielding dividend stocks can get hurt by rising interest rates. How have you repositioned your equity income fund?

The biggest risk for an income portfolio is the impact of inflation. I try to ensure there's a balance between cyclical names or those with commodity exposure, to offset interest-sensitive stocks. We had anticipated this bottoming of interest rates for a while. We're also slightly more focused on companies with a visible dividend growth trajectory. For instance, we own pipeline operators Enbridge and TC Energy, which should show modest dividend growth over time.

/Shirley Won

#### RBC CANADIAN EQUITY INCOME FUND (SERIES F) ANNUALIZED % TOTAL RETURN\*



#### S&P/TSX COMPOSITE TOTAL RETURN INDEX



\* RETURNS TO DEC. 31, 2021; SOURCE MORNINGSTAR DIRECT

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**RADICLE**

# CHANGEMAKERS

We could all use a little inspiration as we grope our way through year three of the pandemic. That's especially true when we consider the long list of challenges we'll still be facing when COVID-19 is finally behind us, including climate change, racial injustice and income inequality. So it's perfect timing for our second annual Changemakers package, a

celebration of emerging leaders who are finding pragmatic solutions to the world's most intractable problems.

Our search began with a call for nominations, both from the business community and from across The Globe and Mail. Finalists were evaluated based on their ideas, accomplishments and impact. Out of hundreds of submissions, we

narrowed it down to 50 entrepreneurs, academics and executives whose dedication, perseverance and enthusiasm might just give us the lift we need to make it through the pandemic—and encourage us all to make some changes of our own.

*By Rosemary Couter  
and Tamar Satov*



## PHIL DE LUNA

Director, Materials for Clean Fuels Challenge program, National Research Council of Canada

photograph by Daniel Skwarna

Solar cells and wind turbines are powerhouses for generating clean electricity, but 70% of global greenhouse gas emissions come from sectors that aren't easy to electrify—think steel and cement making, chemical production, agriculture and heavy transport. If Canada hopes to achieve net-zero emissions by 2050, we need to develop other ways to decarbonize these industries—and fast.

That Herculean task is Phil De Luna's mandate at the National Research Council of Canada. In 2019, the now-30-year-old became the organization's youngest-ever director, leading a seven-year, \$57-million research program to create transformative technologies that will help Canada decarbonize and mitigate the worst effects of the climate crisis.

"I'm a research capitalist," says De Luna of his role at the NRC, where his program oversees more than 40 researchers in Vancouver, Toronto, Ottawa and Montreal. "Whereas a venture capitalist looks for companies to invest in, I look for the best research to invest in and co-develop, and my return on investment is achieving carbon targets."

He's certainly got the scientific street cred for the job. As a PhD student at the University of Toronto in 2016, De Luna did groundbreaking work in the emerging technology of carbon capture and conversion. While it normally takes thousands of years for fossil fuels to form underground, he was removing carbon

dioxide from the air and turning it into electrofuels within minutes.

"Phil took the lead in developing a strategy to understand what was really going on at a deep physical-chemical-nanoscale level," says U of T professor and research adviser Ted Sargent, who admires the way De Luna handled the rigorous peer-review process. "He took the feedback seriously but not personally, and he used it as an opportunity to do better science."

It paid off. De Luna has published 42 academic papers in journals including *Nature* and *Science*, and has had more than 9,000 citations in the past five years, putting him among the top 0.1% most-cited researchers in the world. Now some of the NRC researchers he oversees are partnering with universities and startups to build on his findings and scale up the process of converting CO<sub>2</sub> into fuels or other chemicals. A fridge-sized machine, for example, has the same carbon-conversion power as 10,000 trees.

Other research projects under his purview focus on producing clean hydrogen, a low-carbon alternative to natural gas. And because the climate-change clock is ticking, the NRC and its partners built an entire facility of "self-driving" labs—automated laboratories where artificial intelligence and robotics accelerate the discovery process for new clean energy materials, such as batteries, thermoelectrics and hydrogen catalysts. "Within 20 minutes, the robots plan which material to make, mix the ingredients, synthesize the material, test its properties, record the data and predict the next material to make," says De Luna, adding that it would take human scientists at least 10 times longer. "So instead of needing 20 years and \$20 million to find and scale the next clean-tech material, the goal is to take only two years and \$2 million."

And if that's not enough of a contribution, De Luna—who grew up in Windsor, Ont., after his family emigrated from the Philippines when he was five—also ran in the last federal election as the Green Party candidate in Toronto-St. Paul's. "We need to bring more science to politics," he says. "And I wanted to inspire other young people to run." /Tamar Satov



## MARGARET KENEQUANASH

CEO, Wataynikaneyap Power

*photograph by David Jackson*

Margaret Kenequanash has been a fierce advocate for First Nations communities for more than 30 years. The first female chief of the North Caribou Lake First Nation in northern Ontario (about 320 kilometres by plane due north of Sioux Lookout) has held positions across many industries, from health to finance to education to community development. Her latest and most ambitious endeavour is Wataynikaneyap Power, an 1,800-kilometre transmission line that will deliver reliable electricity to remote northern communities that desperately need it.

These nations currently depend on diesel-powered generators, which creates a host of problems both for the communities that use them and for the planet. The largest generators in use are just one megawatt, and most communities are already operating at maximum power capacity. So when they inevitably surpass the load restriction, the generator fails and the whole community's power goes out. "In the summer, this affects our food and water. In the winter, our elders and children are in danger," says Kenequanash. Plus, diesel is dirty: Burning it produces 40% more CO<sub>2</sub> than natural gas, and the impact of a spill during the trip north (often on ice highways) could be catastrophic to local waterways and land. It's prohibitively expensive, too. Connecting remote communities to the electrical supply would save roughly \$1 billion over 40 years.

Enter Wataynikaneyap Power, which translates to "line that brings light" in Anishiniimowin. It's a partnership between 24 First Nations communities and St. John's-based electric and gas holding company Fortis Inc. (the former have a 51% stake, the latter 49%, along with several private partners). Its mission is to help First Nations communities eliminate diesel power by connecting them



to the provincial transmission grid, bringing stable electricity to 20,000 people. It will also help cut millions of tonnes of GHG emissions.

Connecting these communities has been a priority for decades, but the project didn't really get going until Kenequanash came on board as CEO five years ago. "I'm always struck by Margaret's tenacity and focus on getting the project completed according to the principles set out by the 24 First Nations partners," says David Hutchens, Fortis's CEO. "Her sense of vision and leadership is always present."

Under Kenequanash's watch, some 1,600 transmission towers have been installed since 2019, and 70% of the right-of-way has been cleared for 3,000-odd more. COVID-19 admittedly affected progress, as have the effects of climate change and rampant wildfires. But she isn't losing sight of what's at stake for her people—and it's not just a lightbulb. "Think about if you lived in a sandbox and there's power in the sandbox but nowhere else," she says. "Work and business can only happen in that area. That's very restrictive. In terms of community development, it stops most of it."

Kenequanash has the sometimes complicated job of liaising between the corporate energy world and First Nations communities (including her own), which she describes as "a little like putting a square into a circle." But procrastination is no longer an option. "Indigenous people can't sit and wait for reliable energy's arrival," she says. "We need to be involved in the major infrastructures that are happening in our homeland. We need to have a say in our communities and our future generations."

At least in this corner of the world, Kenequanash is the one advocating on behalf of Indigenous communities. "My job," she says, "is to deliver those messages to make careful and responsible partnerships that bring about real change. I'm trying to get each to understand the other so we can both move forward." This year promises to be particularly rewarding, she adds, when the substation in Pickle Lake goes active. Among the many nations that will finally be connected is her own.

**/Rosemary Counter**

## PATRICIA GAUTHIER

General Manager, Moderna Canada

*photograph by Duane Cole*

On Nov. 30, 2020, U.S.-based pharmaceutical and biotech company Moderna completed Phase 3 clinical trials of its mRNA-1273 vaccine, announcing it was 94.1% effective against COVID-19. That same day, Patricia Gauthier became Moderna's first—and, for two months, sole—Canadian hire.

"Day one when I joined, we were looking at Health Canada approval in the next three to four weeks. Doses shipped from Europe needed to be in the country before Christmas, and I was the only Canadian employee," says the 45-year-old originally from Trois-Rivières, Que., who left her role as head of the vaccines business unit at GlaxoSmith-Kline (GSK) Canada to take on the formidable challenge. "It was quite inspiring and humbling."

Since then, Gauthier has not only successfully secured a continual supply of the world's most in-demand (not to mention life-saving) product for Canadians, but she also built her now 12-person team from scratch and forged critical relationships with the government and other stakeholders. "There's not a huge history of deep trust between pharma and government," she says. "Transparency helps build trust very quickly, so I chose to be radically transparent with the media and government."

A case in point: In April 2021, Gauthier informed the federal minister of public services and procurement there might not be enough supply of European-manufactured vaccines to meet Moderna Canada's second-quarter commitments, and convinced Health Canada to expedite regulatory approval of its U.S.-labelled product. "That allowed us to over-deliver, so in June we could move ahead with second doses," she says.

A lawyer by training, Gauthier worked at McCarthy Tétrault for five years before going back to school in 2007 to earn her MBA at HEC Montréal. She subsequently joined GSK, where she held a number of roles, including chief of staff and head of government affairs and market access. "Patricia and I had some complex negotiations with the Government of Canada on tight timelines," recalls Josée Gravelle, GSK's head of legal commercial excellence, global pharmaceutical. "I know how hard she pushes to make sure Canadians are at the heart of those discussions. She really tries to strike a balance between doing what's best for patients and what's best for stakeholders."

Starting in the fourth quarter of 2021, Gauthier came through again with millions of booster shots for Canadians, and Moderna announced it would begin clinical trials in early 2022 on a vaccine specifically designed to combat the Omicron variant. But she's also looking ahead to the next pandemic that could threaten world populations: Last summer, Moderna announced it had reached an agreement in principle with the federal government to build an mRNA vaccine production plant in Canada within a couple of years, thanks in large part to her negotiation efforts. "We don't know what the next disease will be," says Gauthier, "but we want to build a model where we can offer solutions to various potential pandemic viruses in the future so Canada will be ready."/TS





## SHANNAE INGLETON SMITH

Co-founder & Head of Influencer Talent, Kensington Grey Agency Inc.

*photograph by Jorian Charlton*

Shannaë Ingleton Smith was on maternity leave from her job as a national account manager at Rogers Communications in 2016 when she started thinking about the faces her newborn daughter, Kensington, would go through life seeing portrayed in the media. Would any of them look like her? “For me growing up, seeing a person of colour featured on TV shows or in ads or on the cover of a magazine—it happened, but they were few and far between,” she says.

Five years later, Ingleton Smith has built one of the world’s top boutique management agencies (named after her daughter, of course) that focuses on Black social media influencers—putting them front-and-centre in marketing campaigns for major names including Unilever, Procter & Gamble, Nike and the Gap. “We invoiced for over 1,200 campaigns in 2021 for brands in Canada and the U.S.,” says the 41-year-old, who founded Toronto-based Kensington Grey with

her husband, Sean, in 2019, and now employs 10 full-time staff.

Given that most of the 26 influencers signed to the agency have at least 100,000 followers on social media channels such as Instagram, TikTok, YouTube and Twitter, those campaigns go a long way toward boosting representation for diverse audiences. Moreover, Ingleton Smith is doing what she can to foster long-term transformative change by asking potential brand partners tough questions about what steps they’re taking to dismantle systemic racism. “Depending on the answers, we had to let some go,” she says. “We need to make sure we’re not being used as a prop to make a company appear diverse when they’re not. This is a world where authenticity matters.”

Indeed, that authenticity makes Ingleton Smith a successful influencer in her own right, says Alexandra Nikolajev, senior lead, creator content and partnerships at Pinterest, who had her create content for the image-sharing platform at the beginning of the pandemic focusing on activities parents could do with their kids during lockdown. “Shannaë really puts herself into her work and inspires others with her energy, which resonates with the audience,” says Nikolajev. “It’s something innate in who she is, and it’s that authenticity that makes an impact.”

She’s also a shrewd negotiator, ensuring the agency’s Black talent is appropriately compensated in a nascent industry where pay structures are still being developed. “At first, brands didn’t see this as a genuine career. But you’re a copywriter, photographer, stylist and product manager,” says Ingleton Smith, who prefers the term creator to influencer. “Black women, in particular, were undercharging, so there was some education required on both sides.”

With Ingleton Smith’s guidance, a handful of Kensington Grey’s influencers grossed more than \$1 million last year, and several others earned half a million. “Some were able to buy their first homes,” she says. “These are life-changing, earth-shattering, trajectory-changing differences in the lives of the people we work with.” /TS



## BENJAMIN ALARIE

Co-founder, Blue J Legal

photograph by Angela Lewis

If you've never sat through a law class, here's the answer to most of the questions that get asked: "It depends." Needless to say, it can be a frustrating and not overly helpful response. "Well, of course it depends!" says University of Toronto Law professor Benjamin Alarie. "On what? To what extent? It can be a lazy response dressed up as a sophisticated one."

In the lawyers' defence, however, law can be a slow-moving, precedent-based industry where verdicts are indeed based on small differentiating details. Alarie is convinced it doesn't have to be that way, and when he was promoted to associate dean with tenure in 2011, he found himself in a unique spot to make real and immediate change. First, he revamped the grading process. Next, admissions. Finally, curriculum, which hadn't seen a major change since the 1970s and might not get another one for a very long time. "It became clear we were designing curriculum not just for 2012," he says, "but for 2050 and beyond."

What the law might look like a century from now is anyone's guess, but if you had to gamble on something, you'd be wise to bet on technology. "With the understanding that computing power will continue to grow exponentially, I was awestruck by the potential of machine learning and AI algorithms for law," he says. When Alarie's post as dean ended, and with some time off to enjoy, he partnered with two like-minded U of T colleagues—Anthony Niblett and Albert Yoon—to build an algorithm that predicts a judge's likely ruling in advance.

Now reconsider that canned "It depends" response. What if all factors could be considered, the answers plugged into the software, and a prediction made of a judge's likely ruling? "If I could tell you, as a lawyer, there's a 96% chance we're going to win this case, then the other lawyer knows 4% is not worth fighting for," says Alarie. Moreover, the software steers you to similar cases, ranked in order of statistical similarity. "Our algorithms help lawyers make decisions about when and how to proceed, and over time, there will be fewer slam-dunk cases clogging up the courts."

Blue J Legal launched in 2015, focusing its predictive software on tax law—Alarie's personal expertise. Two years later, and having expanded to include employment law, it launched commercially. As an American version currently rolls into the U.S., all the big accounting firms across Canada are now using Blue J, as is the federal government. But where Blue J could sell a premium product only to those who can afford it, it's instead committed to making the software accessible to those who need it most. "We provide the platform to legal aid and pro bono organizations to give access to low-income clientele, too," says Alarie.

The accuracy of his software is already over 90%, and as new cases are added to the system, that number could increase. "Blue J could make everyone's job in this field easier," he says. "Except judges—judging will probably become a lot more challenging." /RC



### AALI R. ALIZADEH

Co-founder and CTO, Giatec Scientific Inc.

Civil engineer Alizadeh was on a fast-track to academia when he “got really sad to see crumbling infrastructures” all around. He reasoned the problem was concrete, which has been used the same way (basically, more is more)

for hundreds of years and the production of which is responsible for 7% of greenhouse gas emissions worldwide each year. “There’s a huge opportunity to make concrete more environmentally friendly just by reducing the amount of cement used,” he says. For that, Alizadeh used AI and IoT to monitor concrete’s lifecycle, accounting for everything from traffic to weather, to optimize use and reduce waste. His “SmartMix” AI, as he calls it, can help the industry mix a leaner concrete that could cut GHG emissions by up to 20%.



### DIONNE LASLO-BAKER

Founder and CEO, DeeBee’s Organics

Though Baker trained in maternal fetal toxicology, it wasn’t until she had her own kids to feed that she started thinking about nutrition, more specifically, popsicles—which tend to be either cheap sugar-water or expensive fruit

bars that hog freezer space. DeeBee’s has found a sweet spot in between, with organic, fruit-based freezies that don’t need to be frozen until you bring them home. Her formula—free from artificial flavours, sweeteners and preservatives—is top secret, but Laslo-Baker says customers can be sure no fruit is wasted and that her process is sustainable, with the factory being almost completely solar powered.



### ELIZABETH COULOMBE

Co-founder, Tero

Composting is crucial to help reduce waste that ends up in landfill, but it’s not particularly convenient. “Most people don’t have the space or time, or don’t want the mess or odour or flies,” says Coulombe. Tero is a countertop appliance

that solves those issues. Feed it veggie scraps, leftovers, even dairy and animal-based products (though no bones), press a button, and Tero’s heat and filter technology turns your scraps into nutrient-rich fertilizer in just a few hours.



### RENE BLANCO

Co-founder and CEO, Labora

While an international MBA student at Simon Fraser University in Vancouver, Blanco set out to simplify the process by which foreign workers have long been paid. Instead of a worker cashing a cheque from a farmer and sending

the money home via money transfer, where the worker’s beneficiary retrieves it and finally deposits it in a foreign bank, Labora does it all in two clicks: one for the farmer to send it to Labora, the other for Labora to deposit it into the beneficiary’s account. “One lump sum speeds the process, eliminates bank fees and gets preferential exchange rates,” says Blanco. While slashing admin work for employers, Labora even helps employees with T4s, tax returns and more.



### CHITRA ANAND

Partner and Managing Director, Clariti Strategic Advisors

“Intrapreneurship” is the increasingly sought-after skill of entrepreneurship within an organization. Anand is the country’s leading thinker on the subject, and she teaches orga-

nizations exactly how to harness, foster and retain that unique talent. “Companies are in dire need of these creative, innovative people, but they don’t build the culture to keep them,” says Anand, a self-professed “career intrapreneur” who now gives back to the business world via eye-opening talks to corporations, businesses and governments.



### JONAH RUBIN

Senior Advisor of Diversity, Equity and Inclusion, BMO

BMO manager Rubin came out six years ago, when he met his now-financé. “Prior to that, I didn’t think I was gay or think about it at all, really. I had no real concept of inclusion until

it affected me.” That brave admission is true of too many, few of whom have decided to make the positive changes Rubin has. He first joined BMO Pride and was promoted to DEI advisor, where he developed the “Road to Allyship” program for people who think like he used to. The program has since created a pilot pronoun project that teaches branch staff to address customers with inclusivity and sensitivity.

“Jonah is committed to breaking down barriers, testing the norm and challenging it in a meaningful way to create an inclusive society where everyone can bring their authentic self to work. His guidance and personal commitment to action plays a significant role in shaping the decisions we make and in the evolution of diversity, equity and inclusion at BMO.”

—Karen Collins, Chief Talent Officer, BMO Financial Group



### PAULINA CAMERON

CEO, The Forum

Driven by its mission to “leave no woman behind,” The Forum is a nationwide charitable network that helps connect and mentor female entrepreneurs—5,500 of them since March 2020. “Women entrepreneurs are the

change the world needs,” explains the career entrepreneur and bestselling author of *Canada 150 Women: Conversations with Leaders, Champions and Luminaries*. “Women start businesses with things like living wages and environmental responsibility already embedded,” says Cameron, who became CEO three years ago. “When we support them, we support a better world.”

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Martin Basiri, co-founder of  
ApplyBoard, 2022 Changemaker

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**CATHERINE CONNELLY**

Professor of Organizational Behaviour, DeGroot School of Business, McMaster University

Passionately devoted to “workers that research tends to overlook,” Connelly’s paper on the business case for hiring people with disabilities has been downloaded almost 100,000 times. The HR prof has recently advocated for workers with disabilities and the surprising benefits—professional and financial—of hiring this oft-overlooked group of “loyal workers with above-average performance and low turnover.” Connelly’s indisputable evidence is convincing bosses to ditch old preconceptions and hire people of all kinds.



**ERIN HOLLEY**

Senior Member of Technical Staff, Introspect Technology

The hardest part of Holley’s job might be explaining it at parties. The company makes sensors, cameras, displays, and other test and measurement tools for high-speed digital applications in a variety of industries, including aerospace, automotive, telecom and medical automation. Her particular invention is the SV5C-12 memory interface, which tests and debugs memory modules by replacing expensive automated equipment with increasingly smaller and faster tech. The SV5C-12 is bigger than an iPhone but smaller than a laptop, she adds, and conveniently fits in her bag.



**RHEA SIMMS**

Senior Manager of Global Programs, Planeterra

The future of tourism will be local, sustainable and socially responsible. Simms is making that happen by liaising with 305 communities in 72 countries to help them ensure tourism in their area “puts money back in the hands of the locals.” The self-described small-town girl from Newfoundland is making a big-time difference in the world by bringing training, support and networking opportunities to local tourism enterprises, and encouraging travellers and travel companies to prioritize community tourism. Even better: Planeterra’s services and support are available for exactly zero dollars.



**GWENNA KADIMA**

Talent and Organization Consultant, Accenture

Kadima co-founded Accenture’s Black Outreach Learning and Development (a.k.a. BOLD) initiative, created its student mentorship program, and even piloted an AI-powered inclusion- and diversity-certification platform for the company’s 5,450 Canadian employees—all to promote Black talent at Accenture and beyond. “We want to ensure Black Lives Matter isn’t just a moment; it’s a sustainable long-term movement where Accenture’s resources can lead to better experiences for Black employees here and the Black community everywhere,” says Kadima.



**ERIC BECKWITT**

Co-founder and CEO, Freightera

Beckwitt had one of those ideas so simple and obvious you might assume it already existed: “It’s like Expedia but for freight,” he says of Freightera, now the 28th fastest-growing tech company in Canada. “In five to 15 seconds, our system searches 20 billion ‘lanes’—think of them as flights that are going a certain direction—and lets companies hitch a ride.” Every carpoled load reduces GHG emissions by up to 62% compared to the industry average.



**SARAH LANDSTREET**

Founder and CEO, Georgette Packaging

Landstreet’s resumé is full of twists and turns: mechanical engineer, cupcake shop owner, Ivey Business School student and, finally, sustainable packager. “I like solving unsexy problems,” she says, and shipping cupcakes revealed “a very opaque, old-school industry” desperate for modernization. “Consumers are demanding better branded packaging that looks great and isn’t destroying the planet.” For them, Landstreet created knowyourpackaging.com, where users can track exactly where that coffee cup came from and where it’s going. Georgette also designs sustainable packaging with the lowest possible impact on the planet and uses carbon offsets to cover the rest. (Fun fact: Landstreet will soon move on from Georgette to attend med school.)



**SHARON NYANGWESO**

Founder and CEO, QuakeLab

“QuakeLab is a full-stack inclusion agency that spans much further than HR,” says Nyangweso, who sees her business in terms of before the May 2020 murder of George Floyd and after. “People used to come to us for crisis management or damage control, but after George Floyd, everything changed. Now employers come to us asking to avoid these diversity problems to begin with.” Nyangweso’s work looks beyond “aesthetic diversity” and toward “the policies, practices and foundational pieces of organizations.” A QuakeLab report, which spells out sometimes uncomfortable truths, offers a complete analysis of management processes and exactly how they affect marginalized groups.



**ALLISON VENDITTI**

Founder, Moms at Work

When Ontario pushed aside pay transparency legislation, Venditti decided to launch one of the country’s first compensation-transparent job boards. “We know women, especially women of colour, are paid less—and I’m tired of being told it’s because of the way they negotiate,” says the former HR pro and 40-year-old mom of three, whose national advocacy and professional group for working mothers has 10,000 members. Fifty employers have already signed on to the job board. Last year, Venditti lobbied the federal government to temporarily lower the number of hours needed to qualify for EI—allowing more parents to receive benefits during the pandemic.



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## SCOTT STIRRETT

Founder and CEO, Venture for Canada

At the helm of one of the country's fastest-growing non-profits, Stirrett is on a mission to foster entrepreneurial skills in communities that need them most: young, BIPOC, LGBT+ and disabled Canadians. "Last year, VFC connected 3,000 people with the practical experience they need at startups and small businesses across Canada," says Stirrett, who spent two years at Goldman Sachs before devoting himself to philanthropy full time—at the tender age of 22. "I didn't realize how audacious this was; youth makes people not fear failure," says Stirrett, now a well-seasoned 30.



## ALEXANDER SINORA

Co-founder, Black Wealth Club

Every year, the Black Wealth Club chooses 50 emerging Black leaders across Canada and bombards them with the resources and support they deserve: workshops, speakers, networking, mentoring. BWC is "my way of giving back to my community," says 26-year-old Sinora, a consultant at McKInsey who also sits on the Black Canadian Youth Approach's advisory board. "We talk a lot about inclusion," says the Montreal native, "but we should be talking more about access."

"Alex is really working to make a change, not just talking about it. I co-founded the BWC with Alex, and I have opened my network to the cohort of 50 young Black leaders through events with industry leaders. Alex and I believe that innovation and progress happen when networks collide, and the BWC is a great catalyst for such collisions."

—Paul Desmarais III, CEO, Sagard



## AJA HORSLEY

CEO, Drizzle Honey

Sometimes a great idea is just an old one rebranded. A few years ago, the Calgary-based environmental scientist and backyard beekeeper saw bees finally getting the attention they deserved. But though honey was sweet, it wasn't exactly sexy. "None of the honey companies out there were very cool, to put it bluntly," she says, "so we set out to make honey a bit flashier." Drizzle's sleek line of raw honey comes infused with ingredients like chili or cacao, and its swanky social media feed urges young consumers to "get your Drizzle on."



## STEPHANIE CHOO

Partner and Head of Investments, Portage Ventures

Choo joined Sagard's venture capital business five years ago to lead a new generation of fintech—"early-stage entrepreneurs trying to shape the future of financial services," she says. Choo is writing multimillion-dollar cheques to the coolest, fastest-growing fintech ideas she can find. In Canada, that includes Wealthsimple, KOHO and Conquest. "I'm looking for small companies with big potential in some kind of not-yet-disrupted space."



## CHARLES DAVID MATHIEU-POULIN

Senior Advisor, Circular Economy, TC Transcontinental

In theory, the container you recycle finds new life as, say, a plastic chair or a spork. In practice, manufacturers don't want our used plastics because they can be difficult (and costly) to turn back into resins. To address this problem, TC Transcontinental uses a circular economy strategy: It starts by making sure all its packaging is compostable or easily recyclable; then it helps recycling centres optimize their operations. Finally, it turns post-consumer plastics back into packaging. "By doing the right thing, we are also meeting a market demand for more sustainable packaging options," says Mathieu-Poulin, 34, an environmental engineer who's been the driving force behind the company's strategic approach to sustainability.



## SHADI McISAAC

Co-founder and CEO, Ownr

Only two out of every five would-be entrepreneurs take the leap to launch a business; of those who do, only half will survive. McIsaac is working hard to up those odds. "My end game is five out of five," says the creator of this legal tech platform that helps entrepreneurs launch and grow. For a reasonable lump sum and a small annual fee, Ownr (owned by RBC Ventures) will handle the sometimes-intimidating paperwork—registration, incorporation, company management and annual filings—so entrepreneurs can focus on the big picture. "We're simultaneously reducing the barrier of entry and increasing the confidence of entrepreneurs," says McIsaac. Since launching in 2017, Ownr has helped more than 65,000 Canadian entrepreneurs launch their businesses, and its revenue grew by 217% in 2021.

"Under Shadi's leadership, Ownr is increasing the opportunity for all Canadians to take the leap into small business creation. The platform has quickly gained traction as one of the most innovative solutions RBC Ventures has deployed in the market, and it is creating meaningful, long-term value for the bank and the broader economy."

—Dave McKay, CEO, Royal Bank of Canada



## KEZIAH MYERS

Executive Director, ADVANCE

Diversity in Canadian music is something of a smokescreen. "On the stage you'll see Drake and Kim Davis, sure, but at the networking gala, they'll be the two Black music professionals in a crowd of 600," says Myers. Moments like those and many more became the catalyst for the 2020 founding of ADVANCE, Canada's Black Music Business Collective, which seeks to challenge old stereotypes "of Black person as creative, singer and entertainer—but never the executive decision-maker." The growing collective will advocate for Black professionals and create programming to advance their careers.

Congratulations

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CoFounder,  
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2022  
REPORT ON BUSINESS  
CHANGEMAKERS





**MARTIN BASIRI**

Co-founder and CEO, ApplyBoard

Basiri came from Iran to Canada in 2010 to study engineering. “It was very, very hard to choose a city, a university, a degree when you’ve never been to the country and don’t speak the language,” recalls Basiri. It was this complicated

process of choosing that inspired ApplyBoard. The software uses AI and machine-learning tech alongside a team of 1,500 counsellors in 25 countries to help students navigate everything from tuition to visa assistance. Thanks to ApplyBoard, students have won more than \$50 million in scholarships and financial aid over the past two years alone.



**ALEX KJØRVEN**

CPO, Ourboro

For homebuyers discouraged by the ever-climbing cost of real estate, Ourboro’s model might be the answer. “Most prospective buyers can manage a down payment of 5%, but not 20%,” says Kjørven. Ourboro’s win-win idea:

“You find and choose a home, put in a portion of the down payment, and we put in the rest.” Live in and maintain your home, pay a mortgage like you would anyhow, and the magic happens when you’re ready to move (which 90% of people will do within a decade). “Then you get your principal payments back, and what’s left over—plus appreciation—is split with Ourboro in the ratio you started with.” Her biggest hurdle is the old notion that “you either own 100% of your home or you own nothing. It doesn’t have to be that way.”



**CLAIRE McLOUGHLIN**

Co-founder, Friendly Composting

When food waste goes into landfill, it produces methane, which traps 25 times more heat in the atmosphere than carbon dioxide. With that in mind, McLoughlin, 27, and her roommate Katie Forsyth, 29, launched a composting service in

Kamloops, B.C., that now collects 3,000 kilograms of food waste each week and delivers it to a nearby farm to compost into nutrient-rich soil. “A ton of people want to do their part to mitigate climate risks,” says McLoughlin, “but municipalities are slow making these changes.”



**DENIS NAGASAKI**

Managing Director, Strategy & Client Success, Silicon Valley Bank Canada

California-based SVB, which opened a Toronto branch in 2019, provides loans to tech startups so they can grow and hit their targets before the next round of funding. “We’re supporting Canadian entrepreneurs who are leveraging technologies that will make lives better,” says Nagasaki, 32, one of the bank’s three original Canadian employees, who has helped grow the operation to 40 staff. Big-name clients include Shopify and KOHO, plus innovators in biotech, agriculture and climate science.



**DONNA LITT**

Co-founder and COO, Uvaro

The pandemic has hit retail and service workers hard. Uvaro’s online program retrains these workers to pivot to a sector with huge demand for labour and lots of opportunity for growth: tech sales. “Entry-level positions in Canada

average around \$50,000, while the upper end is about \$250,000,” says Litt, 34, who started the company with her brother, Joseph Fung. Since January 2020, more than 300 people in Canada and the U.S. have graduated from Uvaro’s program, with an 80% job placement rate and salary increases of up to 120%.

“Donna has been a champion in seeking representation in sales roles for people from all walks of life in technology companies. More recently, she spearheaded a \$50,000 scholarship fund for BIPOC women who lost their jobs during the pandemic. Her leadership, tenacity and drive to level the playing field is a force unstoppable.”

—Janet Bannister, Managing Partner, Real Ventures



**CAROLYN DUBOIS**

Executive Director, Water Program, The Gordon Foundation

Data on Canada’s freshwater health—including whether a source is drinkable and its fish safe to eat—has traditionally been hard to come by. That’s because the researchers, community groups and government agencies that collect such information haven’t had an easy way of sharing their data. “It often sits on private servers,” says DuBois, 37, who developed an open-source DataStream platform so stakeholders can share and build off each other’s knowledge. Water monitoring groups in the Mackenzie Basin, Atlantic Canada, Lake Winnipeg Basin and Great Lakes area have now uploaded more than 12 million data points accessible to anyone, including scientists and policymakers.



**JOHN THOMAS**

Executive Advisor & former President, SFU Aerospace

At just 23, this fourth-year computer engineering student at Simon Fraser University in B.C. has an impressive CV. He works a part-time remote job at Apple (natch) as a product management engineer, has designed a smart credit platform for HSBC, is creating artificial gravity equipment to help mitigate the negative health effects of zero gravity on astronauts in space, and launched a startup that’s building new tools for deep sea and space exploration.

Then there’s his work with SFU Aerospace, where a group of about 150 students work on robotics, drones and satellites. In 2022, they’ll launch a tiny satellite into space that anyone can use to take a picture of their location on Earth. The group has also engaged hundreds of elementary and high school students in workshops that teach them coding and robotics, and thousands more through appearances at Vancouver’s Space Centre and Science World. “I only ever got to experience any of this stuff in first-year university, so that’s kind of cool,” says Thomas.



**ANIE ROULEAU**

Founder and CEO, Baléco Inc.

Weekly migraines from a fragrance sensitivity lead Rouleau to create the Unscented Co. line of eco-friendly home and body care products in 2016. But beyond helping consumers who can't tolerate strong-smelling soaps and cleansers,

the Montreal-based venture is changing industry standards through its use of refillable and plastic-free packaging. In 2020 alone, it prevented the use of more than 854,000 plastic bottles, and inspired its main competitor, Attitude, to launch its own small bottle-refill stations.



**MIRIAM TUERK**

Co-founder and CEO, Clear Blue Technologies

"In the same way half the world's phones are now wireless, we believe half the world's power should be wireless," says Tuerk, whose company is building technology to deliver smart, clean, renewable, efficient and cost-effective power to the billions of people in the world who still lack access to reliable power. From its headquarters in Toronto, Clear Blue projects currently use sun and wind for telephone systems, streetlights and agriculture in 37 countries, from Norway to Nigeria to New Zealand.



**AMIN BASHI**

Co-founder and Chief Product Officer, Bloom

Retirement planning is usually about finances, not finding post-career purpose. "You might have a hobby, but it doesn't define you," says Bashi, 30, who partnered with Jeremy Dabor, 29, to help "Bloomers" in Canada and the U.S.

discover what they care about. For as little as \$149, participants get 12 hours of online group sessions with a certified retirement coach so they can pinpoint their strengths and passions, build community, and create a personal retirement life plan.



**RACHAEL NEWTON**

Founder, nixit

Originally from the U.K. by way of Canada, Newton was living in the Caribbean when menstrual product waste became impossible to deny. "On an island, when you actually see piles of discarded tampons that take 500 years to degrade, I couldn't just toss my waste in a bin and move on." Instead, she came back to Canada and launched nixit, a menstrual cup that's one of just a handful authorized for sale by Health Canada. "We're changing the conversation around periods just by educating people on the choices that are available," says Newton.

# Max Chan: Changemaker



Senior Vice President,  
Corporate Development

Thank you, Max, for changing the way our industry looks at sustainable finance.

Your dedication and insight helped Enbridge become North America's first energy company to issue Sustainability Linked Bonds—proof positive of our evolution as an ESG leader and our commitment to achieving net-zero emissions by 2050.

As a champion for diversity, a crusader against cancer and an advocate for people experiencing homelessness, your impact is also felt far outside the ledgers of the financial world. Enbridge is proud to celebrate the changes you've helped us make—and the changemaker you are.



**HEATHER McDONALD**

CEO, LOFT Community Services

Seniors with mental health and addiction issues can end up in hospital for years—long-term care homes often won't accept them, and their needs are too great for them to be released into the community. The not-for-profit LOFT provides permanent supportive housing for 1,000 such seniors at 14 sites in the Toronto area—at 65% to 90% less than hospitalization would cost. More importantly, it's a welcoming space that gives residents independence. "My parents died in a car accident when I was 17, and without my sisters I would have been adrift," says McDonald, a former social worker. "That's why I'm so interested in helping others and to find them a place where they belong."



**TED FLEMING**

Founder and CEO, Partake Brewing

Whether for health, dietary or other reasons, more Canadians are looking for non-alcoholic alternatives to their favourite beverages—at least some of the time. "There's a movement, driven by Millennials and Gen Z, who want to have a good time and socialize but also be in control," says Fleming, a Calgary-based non-alcoholic craft beer producer whose business has grown more than 2,000% in three years. By offering consumers a high-quality adult drink without alcohol, Partake is helping to combat the social stigma experienced by non-imbibers.



**SAM MOD**

CEO and Co-Founder, FreshWorks Studio

In 2013, software engineering grad Sam Mod emigrated from India to pursue his MBA at the University of Victoria. Now the 33-year-old employs hundreds in his app development firm, with annual revenues of more than \$20 million. Recent notable public sector projects include the B.C. Vaccine Card, a proof-of-vaccination platform; and Foundry, a B.C. Health app that provides youth and their caregivers with free counselling and mental health support. "Mental health issues have escalated during the pandemic," says Mod, "so it's really made a huge difference."



**MAX CHAN**

Vice-President, Treasury & Enterprise Risk, Enbridge Inc.

How do you put your money where your mouth is on environmental, social and governance (ESG) goals? For Enbridge, the answer is sustainability-linked bonds, which connect those goals to capital markets. "Talk is cheap, so we've taken it a step further," says Chan, who leads Enbridge's treasury team and brought the innovative financial instruments to market. "The bankers tell me it was the first SEC-registered SLB, and one of very few ever issued in the energy sector globally." If the energy giant misses its environmental goals, the bond coupons step up 40 basis points—essentially paying a penalty to investors.



**PHILIP CUTLER**

Co-founder and CEO, Paper

As a former sixth-grade teacher in Montreal, Cutler saw what inequality looks like in the classroom. "I would assess all the students the same but realized they didn't all have the same access to support at home," says the 33-year-old entrepreneur. So, he set out to level the playing field by offering high-quality tutoring services to all students at no cost. The result is Paper, which now has 340 employees and 2,000 qualified tutors serving 1.5 million students across the U.S. Public school districts pick up the tab and provide devices to each student, while partners such as Verizon offer internet hot spots for home use so students can access live online help in English, French, Spanish and Mandarin.



**SUMREEN RATTAN**

Co-founder and COO, Moment Energy

This Vancouver-based startup is scoring an environmental hat trick by turning end-of-life electric vehicle batteries into energy storage units. The innovative solution reduces waste, allows Indigenous and other off-grid communities to switch from polluting diesel generators to clean energy, and gives on-grid businesses a way to store electricity at night for use during peak-demand hours. "Our storage units last for seven to 10 years, providing a second economy for EV batteries," says Rattan, 26, one of four SFU systems engineering grads who founded the company.



**JESSICA YAMOA**

Founder and CEO, INNOVATE Inc.

Underrepresented communities are at the heart of everything Yamoah does, from building awareness about the value of inclusion to helping diverse entrepreneurs access government grants. Now the Ghanaian-Canadian is launching a three-year VIP program to help foster the career development of Black women. "There are a lot of programs for youth," she says, "but when your next step is senior management, the support isn't there."



**ROB STEIN**

President, Skyline Clean Energy Asset Management

Skyline manages a portfolio of 70 clean energy assets that have produced enough power in the past three years to replace nearly 32,000 barrels of oil. Because those assets are backed by long-term government agreements, Skyline's socially responsible investment fund has had an 8.1% average annual return since inception. "We've given retail investors the opportunity to invest in clean energy, and they benefit from a risk perspective," says Stein.



### HEATHER ODENDAAL

Founder and CEO, WNORTH

The best way to get more women into the C-suite is to make sure there are plenty of candidates in the pipeline, says Odendaal, who created her B.C.-based organization in 2015 to close the gender power gap in Canada. More than 1,000 female senior managers, directors, VPs and entrepreneurs participate in WNORTH's annual conference, workshops, events and courses, with substantial results. "Of the 300 people who took our Leadership Mastermind program," says Odendaal, "58% got promoted within a year."



### HANNAH SENNIK

Co-founder and CEO, Rekammend

Rekammend's word-retrieval app gives patients who've suffered a stroke or traumatic brain injury their voices back. Neurological impairments can affect the ability to speak, write and type, and existing word-finding tools are painfully slow—averaging just 10 words per minute. Sennik's platform uses predictive text, AI and GPS technologies to boost that rate sixfold. "So, if you're at the grocery store or the bank, it will suggest phrases that you might use or have used there before," says the 24-year-old systems design engineer.



### LEENA YOUSEFI

Founder and CEO, YLaw

With an aim to restore mental health to a profession rampant with anxiety, addiction and burn-out, family lawyer Yousefi launched a legal firm that does away with the 24-7 work culture. Her 25 employees, including 14 lawyers, in the Vancouver area work four nine-hour days (with an hour break for lunch). "I was prepared to lose 10% of profits, but we didn't experience any decrease in billable hours, and we doubled our size and revenue," says Yousefi, who plans to expand the firm nationally this year.



### SAJ SHAPIRO

President, Radicle Group Inc.

Calgary-based Radicle helps companies find ways to reduce their emissions—then calculates their resulting carbon credits so they can trade them on the market for cash. "A big part of our client base is oil and gas, but we also have retail stores, coffee distributors, commercial developers and farmers," says Shapiro. With five offices in Canada, the U.S. and Brazil, Radicle is having a global impact: So far, it has reduced seven million tonnes of carbon dioxide—equivalent to 1.5 million cars driven for a year.

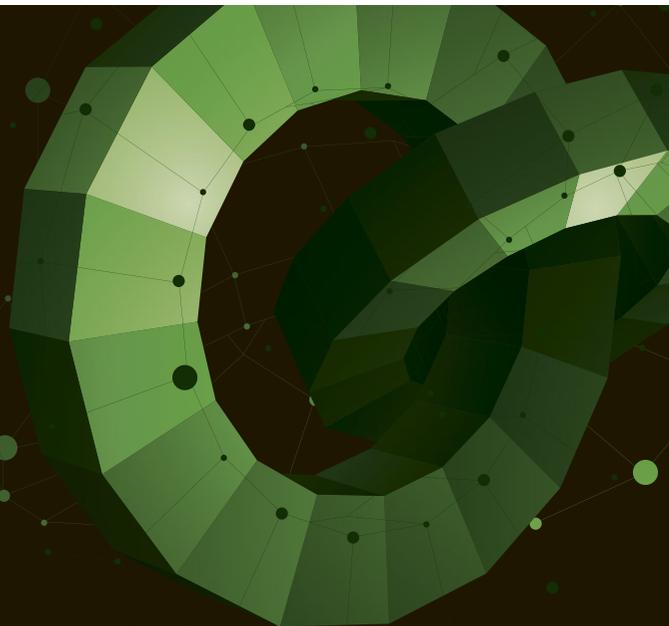
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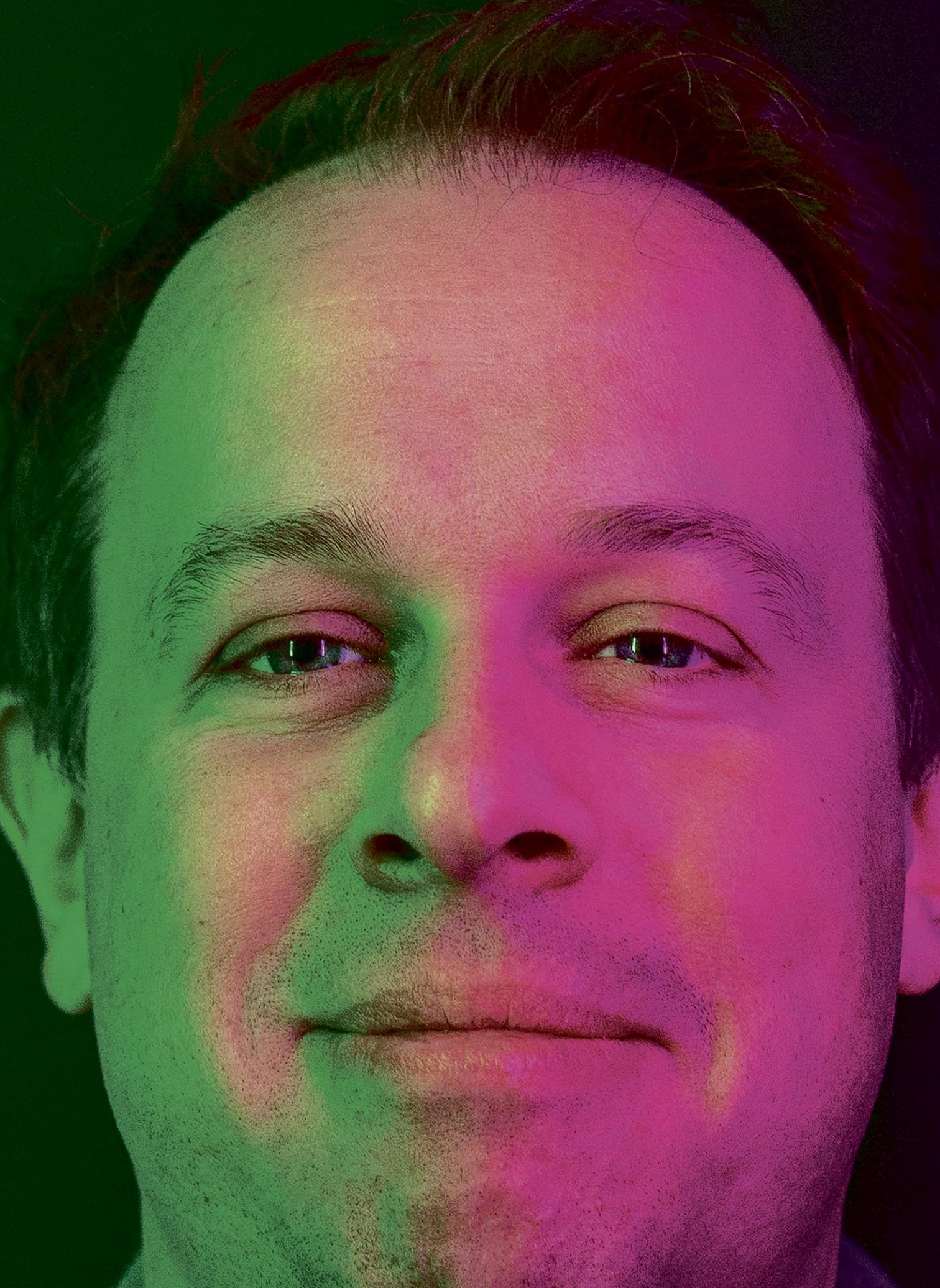
BY JASON KIRBY

RE

TURNAROUND  
ARTIST DOUG  
PUTMAN HAS  
AMASSED A  
PORTFOLIO OF  
COMPANIES—  
INCLUDING HMV  
AND TOYS'R'US—  
THAT EMPLOY  
20,000 PEOPLE  
AND GENERATE  
BILLIONS IN  
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AND HE HAS  
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TO SPEND.  
THERE'S JUST  
ONE PROBLEM:  
NOBODY ON BAY  
STREET KNOWS  
WHO HE IS

VIVE

PHOTOGRAPHS BY  
GEOFF FITZGERALD



# DOUG PUT- MAN IS A MAN TORN.

From the cluttered office he shares with his mom and dad in a three-storey warehouse on the edge of Ancaster, Ont., Putman has quietly built an empire out of buying broken or underperforming companies and turning them around. His appetite for deals is unrelenting. In the past three years alone, Putman Investments has acquired more than a dozen businesses, including HMV in the U.K., where he rescued it from bankruptcy, and Toys'R'Us Canada, along with an assortment of restaurants, toy manufacturers and a U.S.-based retailer of entertainment-related memorabilia. Now he's hungry for more. "The thrill for me is about getting into a business and making it better," says the 37-year-old university dropout. "We're trying to pound the pavement to see what's out there that would be a fit for us.

There's one problem: Nobody seems to know who Doug Putman is. "I'll be honest," he says, "we don't get an awful lot of people coming to us with deals."



Aside from talking publicly about his few blockbuster buys, Putman's business activities have flown well below the radar. That's by design. He tightly guards his privacy—if he could have his way, no one would pay attention to what he does. This whole process of having a story written about him was deeply uncomfortable: Minutes after I reached out to one toy industry insider, Putman sent me a text saying people had started to alert him that I was poking around. Maybe he gets it from his father, Bob Putman, a former steelworker who quit his job in the early 1990s to start Everest Toys, the distribution company on which everything has since been built; Bob refused even to be interviewed about his son's accomplishments. "My family is just really private," says Putman. "I think people look at you in a different way the more successful you become, and I think it's better to have them look at you as if nothing's changed. When no one knows you, there's just something nice about that anonymity."

But when no one knows who you are, it's hard to make deals. When Putman wanted to explore buying Toys'R'Us, he resorted to cold-emailing Prem Watsa, the CEO of Fairfax Financial, which bought the toy chain in 2018 after its insolvent U.S. parent put it up for sale. It was Putman's only option. He's a complete outsider when it comes to Bay Street's traditional deal-making infrastructure; he barely even takes on debt to do deals, so his relationship with the banks is confined largely to short-term operating lines of credit, along with mortgages on Putman



It's a long way from Putman's office in Ancaster, Ont., to Bay Street—both figuratively and literally

Investments' real estate holdings in the Hamilton region.

Nor does he believe in flipping companies for profit—a standard practice in the turnaround world—which means he has no use for investment banks. “Doug who?” responded one downtown Toronto investment banker when asked if he knows the guy. “I personally don’t know Doug Pullman,” admitted a commercial real estate broker in nearby Hamilton, butchering Putman’s last name. Even Google, which knows everything about everybody, isn’t overly helpful: Search for “Putman Investments” and the search engine unhelpfully and unrelentingly insists you must be looking for *Putnam Investments*, the giant U.S. money manager.

Which is remarkable, given the multinational enterprise Putman has assembled. All told, his roster of companies now employs more than 20,000 people in Canada, the United States and the U.K. As a private business, Putman Investments doesn’t release financial information, but when pressed, Putman says total sales amount to “many billions” of dollars. “If you’d have talked to me 10 years ago and asked where we’d be today, I’d never have thought this,” says Putman, clad in his usual grey hoodie and looking more likely to start selling you crypto than a Magic Mixies Magical Misting Cauldron. “Really, most days when I walk into a Toys’R’Us, I still shake my head. Like, I own this. This is pretty amazing.”

In the small pond that is the Canadian business world, Putman is arguably the biggest nobody you’ve never heard of.

**S**itting in Putman’s cluttered office at Everest, amid frat-boy novelties like a life-size statue of Jason from *Friday the 13th* and a cheeky cursive neon sign that could say “luck” if you stare at it long enough, there are almost no indicators of the stealth wealth Putman has amassed. He doesn’t pretend to live a modest life, but he doesn’t flaunt his riches, either—though Putman admits he has developed a passion for collecting luxury watches and sports a Patek Philippe Aquanaut, a five- or six-figure timepiece, under the sleeve of his hoodie. He’s also started to collect art—mostly Canadian, he says, including some Group of Seven pieces, as well as works by Saskatchewan landscape painter Ivan Eyre.

As an outsider from the world of finance, Putman has little in common with the broader turnaround world, populated as it is by MBA grads in tailored suits working at private equity firms. He launched his first venture at 16, when he got his driver’s licence and set up fruit-and-vegetable stands around Hamilton, hiring five friends to run them. He enrolled in a business program at Wilfrid Laurier University but dropped out in his first year. “I was never the best student in the world to begin with,” he says. “I wanted to be an entrepreneur, and in my mind, I wasn’t learning how to do that.”

Instead, he joined Everest, then still a five-person operation, where he toiled in the warehouse before trying his hand at sales. One of his first big accounts was Toys’R’Us. Another was Sunrise Records, a small chain of record stores in southwestern Ontario.

In 2014, Sunrise’s owner, Malcolm Perlman, decided to sell. Putman—then 30 years old—sat down with his dad and his mom, Karen, to decide whether the family should branch into the riskier world of retail. (He still talks over every deal with his folks. Karen, he says, is always the voice of caution—the worst-case scenarioist—while Bob usually argues that any problem can be overcome if you just work harder.)

In the case of Sunrise, Karen had good reason for trepidation. The music world was changing at lightning speed, with digital downloads eviscerating the market for CDs and DVDs. But Putman knew records had started to enjoy a resurgence, and the market for pop culture collectibles and kitsch was booming. So he bought five Sunrise stores and reconfigured them to sell more vinyl—both the round musical variety and in the form of Funko Pops, the big-headed figurines whose popularity had started to explode. (Never heard of them? Go ask your kids.) When HMV Canada fell into receivership three years later, Putman took over the leases on 70 of its locations and converted them to the Sunrise banner.

An even bigger opportunity was about to fall into his lap. In late 2018, the HMV chain in the U.K.—where the retailer with its dog-and-gramophone logo got its start a century ago—was on the verge of death. Five years earlier, London-based Hilco Capital, the private equity-backed turnaround shop, had paid \$75 million to rescue HMV from insolvency. But now, faced with a combination of digital disruption, falling foot traffic and uncertainty over Brexit, Hilco had filed for insolvency on the chain’s behalf.

Putman knew HMV would be going on the block just after Christmas 2018, but he hadn’t decided whether to pursue a deal. Instead, he flew to Hong Kong with his wife, Kerri, to attend a toy fair, then took her on a seven-day side trip to Koh Samui in Thailand for a “long, long, long-overdue” honeymoon. (The couple married on a Saturday in 2015; by Monday, Putman had flown to Los Angeles for toy meetings.) In the

end, Putman decided the opportunity was too good to pass up. After just four days of talks, he signed a deal to acquire HMV's U.K. operation. The cost: \$1.5 million.

The price tag was misleading, as Putman points out. HMV was losing roughly \$9 million a month—losses he had to absorb until he got the chain back on its feet. That meant he had to act fast.

Putman approaches every turnaround job the same way. He becomes fiercely involved for the first three to 12 months and then steps back to let the company's own managers take over. During that initial phase, he and his right-hand man, Jesse Gardner—a former Deloitte accountant who first joined Sunrise Records as controller in 2017—meet with employees, renegotiate leases with landlords and try to strike better deals with suppliers. In the case of HMV, that meant flying to the U.K. for two weeks a month for several months and “going over the place with a fine-tooth comb to give it the treatment it needed,” says Phil Halliday, whom Putman later recruited as HMV's managing director. “Doug is a straight talker, and he's not overly precious with regards to tradition and the way things had been done in the past. He challenged the status quo, and HMV needed that.”

Putman's plan was to stock stores with more collectibles, toys, T-shirts and, yes, Funko Pops. Much like his Sunrise overhaul, he also put far greater emphasis on vinyl sales, which he says the chain had been understocking. It was a prescient move. Since 2018, vinyl sales in the U.K. have climbed nearly 50% to \$235 million, according to the U.K.'s Entertainment Retailers Association, leading last year to the first annual increase for physical music sales in 20 years. That's been driven in part by young, digital natives who consider the physicality of a record player to be a novelty. (“When you hear someone say they don't have a record player, it's kind of weird, and everyone tells them you've got to get one,” a 20-year-old relative in Liverpool told me recently, before describing scenes of young people spending hours at the local HMV, sifting through albums—a scene that sounds more like 1992 than 2022.)

Under Putman's ownership, HMV is also expanding its brick-and-mortar footprint after years of shrinkage. Last year, the chain moved out of five locations after the landlords refused to budge on rent, often moving into bigger spaces. Meanwhile, HMV opened five new outlets in 2021, including the 25,000-square-foot HMV Vault in Birmingham, the largest music and entertainment retail space in Europe. Halliday says HMV plans to expand from 110 stores to 150.

The infamously fickle British press has taken a shine to Putman. His willingness to say whatever's on his mind helps. When Put-

man told a reporter for the Mail on Sunday that his wife's initial reaction to hearing HMV was up for grabs was to say, “No \*\*\*\*ing way,” that became the bold-type headline for the story. (Putman says his wife was “insanely supportive” of his decision to buy the chain but had misgivings about the effect the stress would have on his health.)

For industry insiders across the pond, HMV's transformation is a welcome relief after years of stagnation. “Doug is clearly into music and entertainment, so you could tell this wasn't just a business transaction—some guy wanting to own all of High Street for some Machiavellian reasons,” says Drew Hill, managing director of Proper Music, the U.K.'s largest independent music distributor. “He's made tough decisions, but he's had a definitive idea of how the stores should look. It's not just another version of the same old thing.”

#### DOUG PUTMAN'S 5 RULES FOR A SUCCESSFUL TURNAROUND

##### BUY AT THE RIGHT PRICE

“If you plan to own a company long term, there's no magic formula for calculating inventory and extracting a return, even if it busts the business. We ask, What is this going to cost us to turn around? How many people will we have to let go? What are the severance costs? How many landlords will work with us? How many suppliers? Do we believe we can raise margins? You have to map out how much the business is going to cost until you get to the busiest time. In retail, that's December.”

##### BE READY TO SPEND MORE THAN YOU EXPECTED

“If you think you're going to put in \$1 million, you're going to end up putting in \$2 million or \$3 million. Also don't underestimate how much more time it will take. You have to be totally honest with yourself about how bad it could be.”

##### BE AWARE

“If you sit down with the company and everything looks great but they're losing money, be afraid, because you're missing something, and that is going to come back and hurt you.”

##### TROUBLE IS USUALLY AT THE TOP

“In a struggling business, the top level is usually disconnected from lower levels who really understand what the customer wants. You're going to have to make some hard decisions and move out some top people, and that comes with big severance costs.”

##### GET READY TO FIGHT

“When you buy a turnaround, you're in fight mode for X number of months. You're going to fight with landlords, suppliers, internal people. You're going to have to be okay with knowing it's going to get bad. It takes a certain personality to say, ‘I'm okay with the dumpster fire I just bought.’”

In an era when hot money is falling over itself to chase growth stories in tech, cannabis and crypto, Putman continues to zag toward unloved brands and businesses. It's a strategy that has allowed him to buy otherwise unwanted companies at drastically reduced prices. Then he capitalizes on nostalgia and hot trends—like collectibles, a market that grew 28% in Canada in 2021, according to NPD Group—to boost revenue. And because he doesn't borrow heavily or face any pressure to generate short-term returns, he only needs to get businesses back to operating profitably to find success.

Putman's acquisition of FYE (For Your Entertainment), a chain of 200 stores across the United States that sell entertainment and pop culture merchandise, is a perfect illustration of his strategy. According to regulatory filings, Putman had walked away from talks with FYE's owner, Trans World Entertainment, at least twice since 2018, balking at the original US\$35-million asking price. By February 2020, he'd talked them down to US\$10 million, a price that included US\$40 million in inventory. In its last fiscal year pre-Putman, FYE reported a loss of US\$50.7 million. He says it's now back in the black (though he won't provide details) and has opened a handful of new locations, including two in Canada. The bright orange-and-white store in Toronto's Eaton Centre, which opened in June 2021, teems with toys, games, anime, K-pop merch, collectibles, gifts, turntables, headsets, music and, of course, rows and rows of Funko Pops.

Putman is making a bold bet—that the death of physical retail has been greatly exag-

Unparalleled glory:  
The market for pop  
culture kitsch is hot,  
and so is this lamp  
from the cult classic  
*A Christmas Story*



gerated. People, he believes, don't just want to buy stuff off their phones; they want the kind of experiences and support best delivered in-store.

That wager has been put to the test during COVID-19. The pandemic took a huge bite out of sales at Sunrise, HMV and T. Kettle, a chain of tea shops Putman launched in 2020, when he bought 45 DavidsTea locations after the company filed for bankruptcy protection. HMV alone saw its revenue collapse by more than half last year, to \$155 million, according to regulatory filings.

A plunge like that would leave most business owners staring at the ceiling all night. But Putman has the luxury of taking the long view. That's because, unlike most businesses that expand rapidly through acquisition, Putman has done so without load-

ing up on debt—at a time when most Canadian companies have gorged themselves thanks to ultralow interest rates. Putman, meanwhile, has an almost pathological aversion to borrowing money. He typically finances deals through cash flow generated by existing businesses or, in the case of larger takeovers, by mortgaging his company's "significant" real estate holdings, which include warehouses, office space, retail space, and land in and around Hamilton. Even then, Putman maintains a low debt-to-equity ratio of around 20%, far below what's typical in the commercial real estate sector. "On the one hand, leverage allows you to buy bigger things," he says, "but if you max yourself out, you don't have a lot of maneuverability when something bad happens." Like COVID-19? "Exactly. Our businesses shut down, but we knew we could weather the storm for X amount of time. It just lets me sleep better at night."

It's hard not to notice the similarities between Putman's investing M.O. and that of billionaire businessman Jimmy Pattison, even if one is 93 and the other is yet to turn 38. Both take a long-term view of the companies they buy, unlike traditional turnaround shops funded by private equity. "They look at the value they can get out of a business and know there is an end to the runway," he says. "I don't buy anything if I don't believe it has unlimited runway if run correctly. I'm a great buyer but a terrible seller. I've never sold anything that I've bought."

Both Pattison and Putman also operate their holding companies with a flat structure. Pattison employs 16 people who oversee his \$13-billion-a-year business, leaving the day-to-day management of each division to company presidents. Putman's operation is even leaner: Putman Investments has just six direct employees, making it one of the biggest small businesses out there.

It's an approach similar to that of another famous value investor, Warren Buffett. Berkshire Hathaway, the company that controls Buffett's vast holdings, has just 24 employees. Not surprisingly, Putman counts himself a Buffett fan and is currently wading through *Poor Charlie's Almanack*, a dense 500 pages of speeches and talks delivered by Buffett's right-hand man, Charlie Munger.

One of Munger's comments jumped out at Putman. If you took away the top few deals he and Buffett had done together, they'd have a good record, but not an exceptional one. It was a reminder that it's not always about how many deals get done, but the deals themselves.

Now the Oracle of Ancaster must make sure Toys'R'Us turns out to be not just a good deal, but a great one.

One thing the pandemic lockdowns did was give Putman an opportunity to be home for dinner for the first two and a half years of his daughter's life. It's an understatement to say family is important to Putman. He counts his father, Bob, as his best friend, has lunch with him every day, and says he strives to be as good a dad to Hadley as Bob was to him. "All of this is fluff," he gestures around the office. "All that really matters is your family, and that's not corny bullshit. So every decision I make could mean spending less time with my daughter."

Last March, as Putman fired off an email introducing himself to Prem Watsa at Fairfax, he was already plotting how to balance what was sure to be a punishing initial workload and spending time with his family. "Everything in life is a give and take, so when you look at my schedule right now, the two things I try really hard to do is be there when my daughter wakes up—so I can ask her if she had any dreams—and then I'm always home for bedtime," he says. "My workouts to lose my COVID weight are optional. Bedtime with my daughter is not."

After five months of talks with Fairfax, Putman won the toy chain, though he won't disclose how much he paid. "It was obviously great for us, and I think it was a good deal for Fairfax, as well. Both sides have to feel like they're winning," he says. (Watsa did not respond to requests for an interview.) Whatever the price, it was likely lower than what Watsa paid, since the deal didn't involve all the real estate on which the toy stores sit. That means in some locations, though not all, Watsa is Putman's landlord.

The deal caught the close-knit toy industry by surprise. "It was a huge deal to bite off, so I was shocked," says Diane Goveia-Gordon, who spent 22 years running toy companies and who has known Putman for 15. "At the same time, it seemed like a Doug thing to do." As brutal as the pandemic has been for many retailers, it's been a boon for toys. Canadian sales increased by 8% in 2021, to \$2.3 billion, according to NPD Group. That's half the pace of growth the sector saw in 2020, when lockdowns first sent parents scurrying for stuff to entertain their kids, but it's still well ahead of the 1% sales drop in pre-pandemic 2019. "The toy industry has been one of the most recession-proof industries out there, because in recessions parents want to spend money on their kids," says Goveia-Gordon. "One of the big challenges is post-COVID—now that we've had this nice sales surge, how are we going to maintain that momentum when families go back to having camps, movies and organized sports?"

On the distribution side, Everest represents some of the largest toy makers in the world, including Hasbro, Mattel and Melissa & Doug, in their dealings with non-toy retailers that still sell toys (think hardware stores and pharmacies). In terms of revenue, Everest is a "nine-figure business," according to Putman. The company also owns several toy makers itself, including Crazy Forts, which sells an array of fort-building kits that were especially popular during COVID. According to Toy World Magazine, Walmart and Amazon have each been selling 100,000 of the kits annually.

Changes are already happening at Toys'R'Us. Putman says his aim is to make the stores fun again. "When I think of Toys'R'Us, the reason you come in is for the experience with your kids that you can't get online," he says. "Yes, your kid is probably going to have a meltdown, but a meltdown is a sign of a good visit." (Putman is not immune: His toddler had one inside a store recently.) He's tapping associates for ideas. A store in Hamilton has been running scavenger hunts, an idea he plans to roll out elsewhere. He's also adding extensive book sections. It's a shrewd tactic: After parents break down and buy a toy for their kid, they can assuage their guilt with a book.

A more hard-knuckle turnaround is unfolding behind the scenes. Putman is negotiating with vendors at a time of supply chain bottlenecks and rising inflation. He's also taking a tough stance with landlords. "As soon as you realize you can't get a deal, you put up a 'store closing' sign," he says, pointing to the recent closure of a Toys'R'Us in Kamloops, B.C. "One of three things always happens: You close it, the landlord bends, or you move to a new location." In Kamloops, Toys'R'Us is now on the hunt for a new location.

Putman is already thinking ahead. He wants to expand the number of Toys'R'Us locations in Canada. And using HMV's head office and warehouse space, he's building a U.K. and European distribution company called DKB Toys (an acronym for Doug, Karen and Bob). He also has his eye on the U.S., where no national toy chain exists—and certainly nothing like his Canadian stores, which combine Babies'R'Us and Toys'R'Us under one roof. He won't be using the Toys'R'Us name, however—it's held in the U.S. by a brand management firm that recently teamed up with Macy's to roll out 400 "shop-in-shop" locations inside its department stores.

Instead, Putman is working on a plan to launch an entirely new chain built around New Jersey-based Alex Brands. Once a fast-growing stable of toy brands, Alex shut down at the start of the pandemic, at which point Putman bought the brand and parts of the company, including Alex Craft, Scientific Explorer and Zoob building kits, and relaunched it. By the end of 2022, he hopes to have five Alex Baby and Toy stores in different states, including Florida. "We'll open five stores, pause and digest, and see what's working," he says. "If it's what I hope it is, then in 2023 we go crazy."

How big would he like Alex Baby and Toy to get? While insisting he doesn't have a top-line number in mind, Putman runs through some scenarios and suggests 400 locations would be the sweet spot. "If you start looking at the metrics in Canada, we do \$1 billion with 80 stores. So 400 stores could be a \$5-billion business," he says, before catching himself. "This is going to be one of those 'walk, don't run' situations. Parents aren't going anywhere. Kids aren't going anywhere. We've got time."

Meanwhile, between growing his music business, launching a U.S. toy chain, rolling out a toy distributor in Europe and expanding his real estate portfolio—between all of that—if you happen to have a clunker of a business that needs turning around, Doug Putman would probably like to hear about it. ●

#### PUTMAN'S GREATEST HITS

##### OCTOBER 2014

Buys five Sunrise Records locations

##### FEBRUARY 2017

Buys 70 HMV Canada stores

##### FEBRUARY 2019

Buys HMV in the United Kingdom

##### FEBRUARY 2020

Buys 200 FYE stores in the United States

##### JULY 2020

Buys Alex Brands of New Jersey, which owns Scientific Explorer, Backyard Safari and more

##### OCTOBER 2020

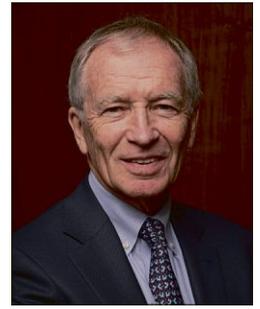
Launches T. Kettle after buying 45 locations from bankrupt DavidsTea

##### AUGUST 2021

Buys Toys'R'Us Canada from Fairfax Financial

# Congratulations to these recent appointees

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



*Phillip Crawley*



**Peter D. Montano**  
*to Vice President,  
Projects*  
B2Gold Corp.



**Patrick Duncan**  
*to Partner*  
Birch Hill Equity  
Partners



**Sean Makins**  
*to Partner*  
Birch Hill Equity  
Partners



**Neil McCarron**  
*to Partner*  
Birch Hill Equity  
Partners



**Tim Haney**  
*to CEO*  
Dentons



**Heidi Dutton**  
*to Board of Directors*  
Gibson Energy Inc.



**Kevin Johnson**  
*to CEO*  
GroupM Cañada



**Jean Paul (JP) Gladu.**  
MBA, ICD.D  
*to Board of Directors*  
The Institute of  
Corporate Directors



**Rima Ramchandani**  
*to Board of Directors*  
Plan International  
Canada



**Paula Sahyoun**  
*to Board of Directors*  
Plan International  
Canada



**John Raines**  
*to President*  
TELUS Agriculture



**Lucinda (Lucy) E. Main**  
*to Partner and  
Co-Chair of its Wills,  
Trusts and Estates  
Practice Group*  
WeirFoulds LLP

# WHAT CULTURE OF THE TIGER

# OF

By Katherine Laidlaw



Photographs by Megan Moore

# THE

Giant Tiger has built a cult-like following among customers who thrive on the thrill of the find. But its real secret lies in how it treats its employees





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Bringing better savings.  
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ENGLISH CUCUMBER

# DEEP

**D** in the belly of a warehouse swirling with activity, John Hubbard tilted his head and stared into the Matrix. Whenever he had a moment, he'd come to marvel at the towering apparatus before him, a black grid of flickering lights under which the newest members of his team worked tirelessly. They looked like black bugs, or miniature driverless Go-Karts, or villains from the Nintendo universe. But Giant Tiger had harnessed their powers for good, and these pickers could pack pallets like none he'd ever seen. Hubbard, the company's vice-president of operations, remembered when the consultants first suggested a fleet of robots to work the warehouse. He was fascinated, immediately struck by the engineering and efficiency of it. The machines could pack 3,000 cases per hour, equal to 21 humans.

When Hubbard first pitched the idea, lifers at the company dismissed it. Giant Tiger is a family-owned and family-operated business, and change is tough even for—maybe especially for—the steadiest of ships. “That’s not us,” the employees said. One of them cautiously suggested that if the company wanted technology, it could try installing some conveyor belts. But Hubbard had the CEO on side. When a current of fear ran through the company—*surely this meant layoffs*—management assuaged it by reassuring its 10,000 employees that no one would be let go, and the human pickers in the warehouse would be reassigned. Hubbard was proud to work for a company that took care of its own. And when Giant Tiger's new distribution centre opened south of its Ottawa home base in September 2018, he became the only VP of ops in Canada to oversee a team half-human, half-robot. The lanky Hubbard, blue beaded bracelets hanging from his wrist, felt like he was staring into the future, one that operated with a low thrum and the mesmerizing quality of a Tetris game. They'd be able to send thousands more items to the far reaches of the country every day, serving their customers better than ever before. Months later, news of a new coronavirus would make it to the far reaches of the country, too, and with it a crisis the likes of which he'd never seen.

In many ways, Giant Tiger was better prepared than most when the pandemic hit. The company had its own fleet of trucks, carting supplies across the country to its stores six times a week. It had recently invested in a new website that



had a selection mirroring in-store stock. Then there were the robots. By fate or good fortune, the company had become the first in Canada to staff its warehouse with a team of robots that picked and packed its cargo. Robots, after all, can't get COVID-19. What really helped the company thrive, though, was the same thing that has helped it grow from a single shambolic location overlooking Ottawa's Byward Market to a discount chain with more than \$2 billion in annual revenue, and stores in more than 260 towns and cities across the country: the ethos that, at Giant Tiger, everyone is family.

To know Giant Tiger is to love it. From its managers to its customers to the staff stocking its shelves, the company has nurtured a devotion to the brand and its core values that verges on cult-like. “We’re all working together: common values, common goals, people’s common purpose,” says Paul Wood, the company's CEO. “It’s really just about operating our business in ‘the right way.’ It may sound cheesy or corny, but there’s a way to do things that is fair and equitable and upfront and straightforward. And that’s who we are.” That common purpose? A laser-beam focus on cheerfully getting its customers what they need, when they need it, at the lowest price possible.

If a discount retailer infused with kindness and staffed by robots seems incongruous, that’s because it is, right down to the company’s mascot, a tiger optimistically named Friendly. Where Walmart has saturated its customers with its sheer volume of products, and Dollarama has the dirt-cheap mar-

ket cornered, Giant Tiger has positioned itself as the discount chain with heart. Its owner-operators embed in the communities they serve, stocking inventory tailored to their customers' needs. (Locations in cities stock more cat food, for example; rural outposts favour dog food.) The products, too, are a whimsical mish-mash: groceries and clothing and housewares and toys. Where else could you find Le Creuset-like Dutch ovens (\$100) under the same roof as spray-paint for snow (\$10), a two-pack of lightbulbs (\$1.50), yoga mats (\$9.98), Pilsbury-cinnamon-bun-scented candles (\$2), a bed-in-a-bag (\$50), stock pots, coffee makers, plush Baby Yoda dolls, a Himalayan salt-crystal night-light, superhero pint glasses, crocheted ponchos, tropical houseplants, and a fridge in the shape of a Coors Light beer can? "When I think back to my childhood, I think about going up to the Muskoka area to a friend's cottage and going into town on a rainy day. Giant Tiger was a place you popped into. You didn't necessarily need anything. But you knew if you went in, you were going to find something really exciting and fun. And that could be something for your kitchen. It could be a toy. It could be a T-shirt," says Jessica Godin, vice-president of supply chain for the company. "There's still a whole portion of the store that's very clearly tied to Giant Tiger's roots, which is the treasure hunt."



**Giant Tiger has long been the only shop** of any size in some of the towns it serves across the country. But once the pandemic set in, getting families a reliable supply of flour, yeast, eggs and toilet paper became absolutely mission critical. The company reacted with tensile resilience, inside and out. Within the first week, it had sent all its office employees home indefinitely. In-store employees across the country were among the first to wear masks and put up plexiglass dividers. They received GT gift cards to help them with necessities. The company became one of the first in Canada to give its employees a wage premium, one that it kept in place until the end of 2020. (Loblaws, by contrast, ended theirs after three months.) It hosted pop-up vaccine clinics in store parking lots. Employees at the warehouse put in hours of overtime those first nights, picking up shifts for others who had to take care of their vulnerable loved ones, determined to provide communities with the essentials—milk, bread, hand sanitizer, thousands and thousands of rolls of toilet paper. They knew that in some of these towns, a GT truck rolling in was considered an event.

Store managers began to set meetings with one another at 5 a.m., ensuring they were able to troubleshoot concerns before their staff began to arrive at 7. When vaccines became available, the company paid each employee a flat fee to cover childcare or transportation so they could get the shot. And in the midst of spiking inflation, a disrupted supply chain, and a global pandemic dragging on and on, maintaining cheap and cheerful is getting tougher for everyone. "There's a survival instinct that kicked in last year," Wood says. "It's been an insane amount of challenge and unexpected disruption for everybody. The employees have stepped up in ways we couldn't imagine. For me, it's a challenge to channel that appropriately. Because people can't work at the ragged edge of disaster all the time."

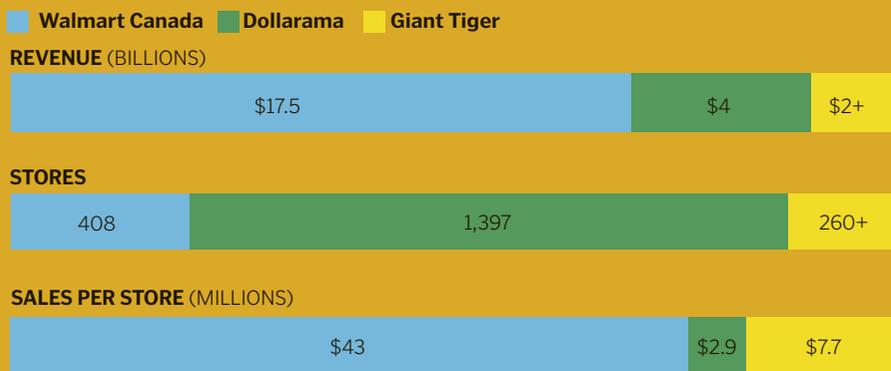
When I visited GT HQ in the fall, though, every employee I spoke to seemed comfortable on the precipice. They spoke about the company with a reverence often reserved for religious calling. By day's end, they seemed to me an ambush of

tigers, running in stride, united by purpose and duty-bound to deliver Canadians affordable food to eat, clothes to wear, and items to cook, clean, live and play with. It would take more than a pandemic to stop them. "Giant Tiger has always had a very strong focus on our people," says Godin. "So it wasn't that much of a pivot, when the pandemic hit, to immediately focus on our people. Because if we don't keep our people strong and healthy and resilient, then everything else is going to fall apart." Hubbard, who oversees the company's distribution warehouse, agrees: "We're a beacon of light in dark times, when people don't know what's going on. By the fourth week of the pandemic, it was unbelievable. Morale was through the roof." Alison Scarlett, from GT's communications department, tells me she often asks in interviews what a prospective hire would do if the performer they'd hired to play Friendly the Tiger at an event didn't show up. "What do you do? And anybody who doesn't say, 'I put on the costume,' I'm like, Ooh, I don't know. That one question tells me, are you willing to roll up your sleeves and do what needs to be done? If your answer is, 'I'm going to pick up the phone and scream at a vendor,' I'm like, Ooh, you're not giving me the warm and fuzzies." Want to work here? You best be prepared to suit up. James Johnstone, the company's burly and bearded



Six months into the pandemic, Giant Tiger veteran Paul Wood succeeded retiring founder and CEO Gordon Reid, who opened the first store in 1961

associate vice-president of transportation, who manages the company's 130-strong fleet of trucks, drives three hours a day, across a provincial border and back, because he's so proud to work at GT. "Early on, everyone looked around and said, 'We have a job to do here.' I think it was a personal push just to get through this and make sure we kept going together," says Johnstone. "We had drivers, and it was really scary for them. It was lots of unknown unknowns. And they definitely had a sense of duty to go and deliver. One of our drivers told me he had a lady following him because she needed toilet paper. She followed him right to the store. And then she said, 'Thank you for coming.'" Johnstone finished his anecdote a bit breathless, and I paused. Was it really possible that there were 10,000 people all working earnestly toward a greater purpose in the form of the cheapest and cheerfulness discount chain in the country? That, I thought, is some potent Kool-Aid.



Rod Fleming is the unofficial mayor of Embrun, Ont., where he owns store No. 52. "There's never a bad day at Giant Tiger," he says



**The road into Embrun, Ont.,** home of store number 52, is lined with grassy fields so lush and Kelly Green they could be store-bought were it not for the spotted cows gnawing them down. A half-hour drive from Ottawa, Embrun's main drag begins with a tractor dealership, a used-car shop and a fast-food joint called The Hot Potato. It's clear Tigre Géant (most of the town of 7,000 is Francophone) is a destination—it's the biggest building on the block, and cars fill the sprawling parking lot on this rainy weekday afternoon. Waiting to greet me is Rod Fleming, the manager turned franchise owner of 52 and the unofficial mayor of Embrun. Standing amid bins of bubble-popper toys (99¢), Fleming smiles wide when I ask about his day. "There's never a bad day at Giant Tiger," he says.

Fleming is a ruddy-faced Newfoundlander who arrived at GT from a competitor-that-will-not-be-named. (Hint: rhymes with Valmart.) Like many of GT's franchisees, he graduated from the company's training program, which involves a stint as a store manager before entering into a franchise agreement. (The company once signed over stores to members of its team for \$1, to keep it an affordable prospect for longtime staff, but Wood says that's no longer the case. Still, he says the fee to own and run a location is modest.) That makes him the sole owner of his business, and he runs 52 like he would a town. He calls himself the leader, not the boss, of his staff of 50. His day begins the moment his feet hit the asphalt in the parking lot, he says, scanning its surface for litter. When his employees are struggling, he sends flowers or gift baskets or asks how he can help. "A personal connection makes all the difference," he says. And when Embruners are in need, they, too, call Rod. When the senior's home in town ran out of toilet paper, he donated six bales at a time when getting more from the warehouse was impossible and his customers were desperate, too. "I heard a cry," he says simply. He once dyed his hair blue and donned an Olaf costume to help raise \$2,350 for the Heart and Stroke Foundation. Fleming estimates he donates \$25,000 worth of food annually to the town's food bank. He hands out gift cards at the women's shelter down the street, sponsors sports teams and events at the local fair. The wall by the cash is peppered with thank-yous and team photos and awards for service.

When I ask Fleming about Sam Jamieson, he turns solemn and begins to tell me a story. He first met Jamieson 20 years ago, outside a Walmart. Fleming worked inside; Jamieson

stood outside selling poppies. Both men lived in the area and came from the East Coast. A vet who'd served in both World War 2 and Korea, Jamieson shared war stories with Fleming, and the pair got to know each other's families. When Fleming moved over to Giant Tiger, Jamieson came, too, stationed outside with his box of red felted flowers. "My staff would take care of him," Fleming says. "They'd make sure he had coffee, make sure he had scratch tickets—he always liked those." They were colleagues, friends, something closer to family. When Jamieson moved into the seniors' home, Fleming visited every week with his son. Jamieson died early in the pandemic; the isolation really got to him, Fleming says. Even now, customers ask where he is. In the spring of 2021, Rod walked into the Embrun legion where Sam's family hosted a celebration of life for their father and grandfather. The room was filled with well-wishers, and photo collages—of his navy days, his family days—peppered the walls. Ron looked up and saw a photo of him and Sam, smiling side-by-side, and beamed.

We wander the aisles, passing racks of ponchos and quilted jackets, flannel shirts he'd ordered in to brace against the impending chill. For Fleming, this work isn't all about the human connection. He's in it for the thrill of the game, too, feels retail in his marrow when he's tailoring his inventory to suit his customers and eyeing managers who manage to outsell him. "When I travel, I will go in other stores to take mental notes. I'll pop in as a customer. I'm in and out quick," he says. He cracks a sly smile.



**Like so many things at Giant Tiger**, Fleming's friendly rivalry with his fellow store owners is rooted deep in tradition. For years, company founder Gordon Reid could be found on Saturday mornings in his office on Ottawa's George Street, ringing up his franchisees and asking after their sales numbers, encouraging them to stay scrappy. When one particularly competitive owner crowed about finally beating his rival in sales one week, Wood says Reid asked why he hadn't surpassed the next-highest owner. "It took the wind out of that owner's sails for about five minutes," Wood says with a laugh. "And then he said, 'You know what, you're right. Let's go.'"

When Reid turned 13, he got his first job at Simpson's department store in Montreal. He'd spent his childhood basking in the smell of popcorn as his mom worked the sandwich counter at a Woolworths variety store in Vancouver. After the Reids relocated, he got a job to help with the family's bills. He also got hooked on retail. By 20, he was working as a travelling salesman. As he crisscrossed the U.S. working for an importer, he noticed an emerging slate of discount stores gaining ground on the department stores of his childhood. "I thought, *Boy, this is going to happen in Canada, too, so I better get going.*" he told a reporter in 2010. He spent \$15,000 on the idea, opening the company's first location in Ottawa's Byward Market in May 1961.

Seven years later, he began to franchise and implemented a model that endures today, one that rewards sweat equity and gives longtime employees management training and the option to buy their own location for a nominal fee. He introduced a profit-sharing agreement that everyone, from truck drivers to cashiers to store managers, qualified for, hoping to cultivate a genuine we're-all-in-this-together ethos. Reid instilled a sense of loyalty so deep that everyone—from the CEO to transportation fleet co-ordinators to warehouse pickers—still calls him,

Head of supply chain Jessica Godin relished visits to the store as a kid, likening it to a treasure hunt—an ethos she tries to maintain today



with striking reverence, Mr. Reid.

In 2020, he announced he was retiring from the chain. He'd taken Giant Tiger from one store to 260. He was in his mid-80s. When it came time to appoint a new CEO, there was no dynastic jockeying of the Rogers variety. Reid's son, Scott, a local Conservative MP, would become chair of the board. And Wood, the company's COO coming up on his 18th year at GT, would take over as chief executive.

Wood stepped into the role amid a swelling second COVID wave, undeterred from the vision of progress he held for the company. He has an ambitious expansion plan: He's eyeing the 300-store mark, with a target of five to seven openings a year. The real estate team is constantly scouting locations in unserved markets like B.C. and Newfoundland. He's overseeing the final touches of a head-office renovation that will welcome his staff back when it's safe to return. Some days, he lumbers around its upper floor, with its expansive cafeteria, walls of windows and cascading greenery, taking in the view alone.

The past four years have brought an onslaught of change. The company's output outgrew its distribution centre—it now sees 6,000 SKUs through its warehouse per day—and the manual system employed there. Until just before the pandemic, each picker on staff would be given a pick list, on paper, of products and the number of boxes needed per order. They'd grab their cart and the sheet of stickers, and head down the dim aisles,



wending their way through a selection of items that could, at times, seem infinite, particularly when boxes couldn't be found, stickers were tossed out and pallets sent out to stores short of stock. "Automation was a massive leap. We couldn't have survived the pandemic without that ability to deal with the volume spikes," Wood says. "People said, 'That's not really Giant Tiger.' No, actually, we can still do it in a frugal or fiscally responsible way. I think that started opening people's minds, that being frugal doesn't mean being cheap and doesn't mean we can't invest intelligently in our future."

That commitment to frugality guides everything the company does. It targets markets where it can quickly emerge as the most indispensable game in town, popping up in strip malls on the outskirts rather than in the downtown core. Two years ago, Giant Tiger moved its distribution centre from Ottawa down to Johnstown, an hour's drive south. The move meant employees who once owned condos in the city could now afford sprawling homes nearby. It's also a seven-minute drive to Highway 401, which for a company that sends a fleet of 130 delivery trucks across the country, amounts to 860,000 fewer kilometres driven and a savings of more than \$1 million a year.

Construction on the new facility, which stretches the length of 10 football fields, finished in September 2018. Tucked away in its labyrinthine halls are a quiet room for meditation and prayer, a cafeteria that subsidizes healthy foods like salads, and a gym whose windows overlook the apple orchard Reid insisted

be planted on the property. Employees used the first apple crop in 2018 to bake him a pie and delivered it to his doorstep.

How successful this bet on its people—customers and employees—will be for Giant Tiger's bottom line is difficult to measure. As a privately held company, the corporation doesn't release its financials, and Wood will say only that sales top \$2 billion a year. It sounds fantastic, I tell him, maybe even a little fantastical: Investing in employees' health and wellness, doing right by the communities it serves to the tune of \$2 million in donations a year, all while offering quality goods at the cheapest prices in the country? "That's the challenge," he says mirthfully. "It's not getting easier." It's the first and only time all day that a flicker of stress crosses his face.



**Back in the early 2010s,** Giant Tiger got a tip that a U.S. competitor was coming to town. It had long been rumoured that Target, Walmart's cooler cousin, was planning a Canadian expansion, and now, in 2013, it was here. The leadership team leapt into action. "We knew that it was going to be a challenge to our market—and could be a threat," Wood says. The company took a hard look at itself and settled on its helter-skelter aesthetic. It began a chain-wide renovation, painting, organizing and brightening each of its stores. Some were redesigned completely. It pulled its womenswear designing in-house, introducing new lines designed to appeal directly to GT's target customer: the busy, bargain-hunting mom. Managers positioned the new clothes right smack at the front of their stores, followed by house-brand cozy baby clothes. When Target started moving into dozens of empty Zellers locations across Canada in March 2013, GT was ready. "It's about retaining that connection to the customer and staying relevant to them, providing an offering and an experience that they feel happy about when they're in the store. That they think, *Hey, this is fun,*" Wood says. Target, meanwhile, was plagued with stock shortages, its stores were dingy, and the prices were higher than those of its U.S. counterparts. Less than two years later, Target announced it would pull out of the Canadian market. "Good riddance," one customer wrote on the company's Facebook page. "You obviously don't understand Canadians." Giant Tiger responded by moving into some of Target's vacated spaces.

With Zellers' closure and Target's exit, Walmart Canada—with annual sales of \$17.5 billion—is left as the chain's greatest competitor. GT's revenue has increased two-fold over 13 years. (By comparison, Dollarama's annual sales come in at around \$4 billion.) Melding Walmart's strategy of making itself indispensable in smaller markets with Canadian Tire's franchise model has been a uniquely successful combination, says Ian Lee, associate professor at Carleton University's Sprott School of Business. The challenge Giant Tiger faces in its next generation is expanding without losing that community connection. "As they scale up, they'll be going head-to-head in the same cities with Walmart," says Lee, who uses the company as a case study in his marketing courses. "It's going to be interesting to see how they survive and prosper. Walmart is formidable. It's a David-and-Goliath story, there's no question about it."

Still, what Giant Tiger has that the Goliath doesn't, Lee says, is heart. "They understand their customer," he says. "They've stripped out the frills. The timing couldn't be better right now—in the pandemic, with the disruption of the supply chains, the inflation spike. I predict 2022 is going to be a stellar year for

this company. They're in the right place at the right time." Of course, the store's familial feel likely wouldn't survive an IPO or acquisition. But Wood says the Reid family has no intention of changing a model that's worked increasingly well for them as the years have passed. For now, they're keeping the privately held company in the family.



**Attached to the imposing head office** is store 82, so named for its placement in the queue of GTs. Store 82, however, is the face of Giant Tiger's future, the prototypical redesign for what the chain's other locations will eventually look like, too. We take the tunnel, a corridor joining head office to 82. Once we hit the floor, Wood can't help but stand out at a gangly 6-foot-5. The store is a far, far cry from the aisles cluttered with cardboard boxes of toothpaste and Venus razors, Ring Pops and pool noodles I roamed in Pembroke, Ont., as a kid. Back then, the store's design resembled a frenetic game of Tetris someone was always just about to lose. Today, the store looks like its designer spends just enough useful time on Instagram. Splashy yellow accents accompany black block letters overlaid on light-grey walls. "Treat yourself," "You are magic," "Looking good," the change rooms call out in sunny yellow spray-paint as we walk by. At every turn there's mention of smiles or savings or hot buys or Giant deals.

As we wander the store, Wood—soft-spoken, bespectacled and dressed in a crisp ice-blue shirt—points out the design

changes that make its interior feel airy and bright. Warmer lighting, cleaner sightlines, lower shelving and wayfinding signs. Standing beside a rack of father-son Superman capes in the menswear section, he stops to greet an employee named Trish. "How are things going, with COVID?" she asks. "Oh, yeah, you know. Okay, considering," he tells her, staring into the middle distance. He looks back to her. "Thanks for being here," he says. "They need us," she replies, emphasis hers. We walk on.

Around another corner, a customer approaches us. She's a mature woman, maybe in her late 50s, and she asks Wood where she can find the mousetraps. He points to the spot, tucked behind grocery shelves of carefully curated dry goods. When we make our way past the cashiers, who smile through partitions of plastic, and a few self-serve checkouts the company is testing out, we end up back where we started, amid racks of on-trend neutral crew-neck sweaters and lacy peplum camisoles, in womenswear. Swivelling her cart back toward Wood, the customer returns with a pointed dispatch from hardware. "You don't have mousetraps," she says, clearly miffed. Only rat traps, and those would be too big for her unwelcome visitors. "I just wanted to let you know," she finishes. Wood listens patiently. "If you go see Darren, the man at the front of the store?" Wood offers buoyantly. "Tell him what you just told me, and we'll be sure to get those in for you." She smiles and her cart rolls on, half-empty for the other discoveries the aisles hold for her. It's not until later that it occurs to me she must have recognized him from his ever-presence in the store. And hers. Wood wasn't even wearing a name tag. •

## The VFC Community is proud to congratulate Scott Stirrett for being named a Changemaker.

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# Our team has been working 24 hours a day for two years now

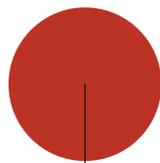


## Masked man

**Eric Ethier's** Quebec-based events company got a tip just before the pandemic started: Stock up on PPE. It did, and MedSup Medical was born

I was running an events company in 2019 that did some work for pharmaceutical firms and doctors—seminars, stuff like that—and we also manufactured customized masks and isolation gowns for them. Before Christmas that year, our suppliers started telling us they were getting a lot of orders from Chinese provinces and governments, and warned us we'd better get ready. So we ordered a ton of PPE. At the time, it was super-cheap. Then the pandemic struck, and our customers asked us to help them get PPE. We were the only ones who had these products on hand, and that's how we rapidly ramped up MedSup. Now we're one of the largest medical distributors in the country. Other distributors are based on a just-in-time model. They don't have a huge inventory ready to be delivered in case of an emergency. We have warehouses full of masks and other PPE—that's how we've been able to rapidly supply governments and huge retailers like Costco.

Our next step is to bring medical device expertise back to Canada. We're manufacturing masks here



**8 million tonnes**  
Pandemic-related plastic waste created by 193 countries



**26,000 tonnes**  
of it is now in the world's oceans

in Montreal, but those are super-simple. So we've created our own research and development branch to manufacture new products, including test kits, which are far more complicated than masks. Right now, we're extremely dependent on Chinese manufacturers. There's no real production here in Canada—there's repackaging, but not expertise. With our friends mainly from Université de Sherbrooke and Bishop's, we're creating a new line of Canadian-made testing kits. We've also partnered with an R&D company to develop brain scanners for assessing neurodegenerative diseases. PPE is the trend right now, but we sell way more than that. And we can't just rely on having one or two high-paying government contracts for manufacturing—we need to be competitive on the international market.

Another thing we're doing is trying to make the medical industry more sustainable. On a typical day, we ship 20 truckloads of PPE around the country. That's a lot of plastic, and since the pandemic is in part due to global warming, taking care of the environment will prevent more disease in the future. So we invested in technology to recycle PPE and created the Go Zero recycling program. We bring used PPE to one of our depots across the country, where it's quarantined and decontaminated before being broken down and turned into new recyclable products. Go Zero is now a separate company with its own external audits, so our customers can have full confidence in the program. The challenge we faced early on was people saying, "Masks aren't recyclable." Before the pandemic, medical devices were only in the hospitals, and the general public didn't know that much about the pollution they created. Now everybody's extremely conscious of it, and we have to make sure we fulfill our promise to have more sustainable products.

Our team has been working 24 hours a day for two years now. Everybody here knows that so many Canadians are relying on MedSup, and we're asking a lot from our employees. We're giving a lot, but we're doing what we want, and we're having fun, too. We're young and agile. I'm 35 years old, and I don't have a boss.

/Interview by Alex Mlynek

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