

Spring 1998

# Access West

Western Economic Diversification Canada - Newsletter



## Western Canada is Starting to See the Influence Small Businesses Have on the Economy

WD has spent 10 years working towards the goals of continued jobs and growth for the West and reports are starting to show results for Canada and for the West. A recent study by the international consulting firm KPMG reveals that Canada has lower overall business costs than the United States and five leading European countries. Canada is a world-class place in which to invest.

The innovative study, *"The Competitive Alternative - A comparison of business costs in Canada, Europe and the United States,"* revealed that it costs 5.4 per cent less, on average, to start up and run a company (minimum 90 employees) in Canada than in the U.S. - which amounts to a savings of one \$1 million (U.S.) a year for some companies. In some high-tech sectors such as software production, our advantage is up to 15 per cent over the U.S.

The study suggested Canada would lead the industrial world in economic growth this year and next. According to the Organization of Economic Development, Canada had the highest rate of return on capital of all the G-7 countries at 19.2 per cent. The findings of the study are based on a KPMG financial model which compares significant location-sensitive cost factors for each of the chosen industries (electronics, food processing, medical devices, metal fabrication, pharmaceuticals, plastics, software production, telecommunications equipment) across seven selected countries (Canada, France, Germany, Italy, Sweden, U.K. and U.S.).

*So what does this mean for the West and for small businesses?* Western small businesses are one of the most important contributors to Canada's ever-growing economy. About 2.2 million people work as entrepreneurs or for small firms with less than 50 people, comprising 51 per cent of the workforce in the four western provinces.

According to the November Labour Force Survey by Statistics Canada, 1997 was the best year for employment growth since 1994. The survey found that job growth picked up in November after a two month lull, creating 34,000 jobs in Canada that month alone. Of those jobs, 19,000 were in the West including 7,000 in Saskatchewan - the province with the fastest job growth that month. November's good results gave a boost to the total annual job creation. Over the last 12 months, 331,000 jobs were created in Canada, of which 105,000 were in the West.

WD has made headway regarding the growth of small business in the West with the development of several loan programs offered in cooperation with financial institutions throughout growing industries such as telecommunications, agricultural value-added processing and health. WD has several other programs in up-and-coming industries and is discovering new and innovative ways to help small businesses succeed.

From the young entrepreneur to the small business owner ready to reach international markets, and almost every type of small enterprise in between, WD and its network of professionals can help.

For further information on WD's small business programs and services offered throughout Western Canada, call **1-888-338-WEST (9578)**. If you would like a copy of the KPMG study visit their Web site at: [www.prospectus.com](http://www.prospectus.com), or contact the Department of Foreign Affairs and International Trade at **(613) 995-9403**.

### Inside:

- WEI Conference slated for June
- Francophone economic development plan
- Building a good business reputation
- Regional news from the WCBSN



Western Economic  
Diversification Canada



*A  
Message  
from  
Ron Dubamel,*

*Secretary of State  
for Western  
Economic  
Diversification*

*10 years and WD's still going strong*

*WD has served the West for the past 10 years...  
so, what does the future bring?*

A decade ago, Western Economic Diversification, as the name implies, was tasked with the mandate to "diversify the economy in Western Canada." While the mandate hasn't changed in the past 10 years, the programs and services offered by the Department - and the way in which they are delivered - are significantly different today.

WD has moved from offering grants and contributions to providing all western Canadians with access to small business information and advice, and loan funds through its partnerships with the Western Canada Business Service Network. Each member - WD, Community Futures Development Corporations and the offices of Canada Business Service Centres and Women's Enterprise Initiative - brings a unique and valuable contribution to the group.

The Network provides over 100 points of service throughout the West where small businesses can acquire a wide range of resources including information on government, business services, programs and regulations as well as where to access small business loans, obtain business counselling and mentoring support. All of these services are available free of charge to small and medium-sized businesses located in Western Canada.

Working together, Network partners can help western Canadians succeed in developing and maintaining the strength of the economy and contribute to continued development of jobs and growth in small business throughout the West. Call WD today and find out what we can do for you and your small business.

*If you would like to be added to our mailing list  
or have small business questions and comments,  
please contact the editor at:*

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## *Building on the natural vitality of francophone communities*

A key priority for the Department of Western Economic Diversification is the economic development of francophone communities in western Canada. Many local groups and provincial associations have taken the lead in promoting the economic development of francophone communities, but the economic viability and the potential for future development of these communities has been underestimated and the many and varied success stories have remained largely unknown outside the local communities.

In partnership with the provincial groups and local business groups and entrepreneurs, WD has targeted a number of departmental programs and services towards francophone communities to build on their natural vitality and their qualified bilingual workforce. The Department is actively assisting in a wide number

## *Speakers Corner*

*When recently asked about keeping and maintaining your company's reputation in a small community, we went to Mae Deans, Senior Research Associate at the Western Centre for Economic Research at the University of Alberta, for her thoughts.*

A good reputation is essential especially in small communities where everyone knows everyone else and if they don't know you, they may have "heard" of you, your parents and yes, even your grandparents. Remember, your reputation may not be based solely upon you, the business owner.

In a recent study of business service owners by the Faculty of Business at the University of Alberta, these owners considered a good reputation to be the most important factor contributing to their competitive edge. Why then is the issue of reputation so important?

Reputation is the way people look upon a business and its owner. Quality of work, personal attention to customer needs or speed of service are elements that contribute to creating a reputation. Customers, suppliers, employees, family, friends, local newspaper editors and journalists and even competitors are just a few of the people who keep abreast of your company's activities. These people hold the key to the success of your business. Any decision you make has the potential to affect the relationship your business has with the people it serves.

of community-driven initiatives to promote and develop the economic viability of French language minority communities in Western Canada.

For example, the francophone tourism sector in Western Canada has shown remarkable growth in recent years. WD provided a contribution to the *Association canadienne-française de l'Alberta (ACEFA)* for a multi-phase project commencing with the creation of an inventory of francophone tourism products and services in the province of Alberta, followed by case studies of francophone tourism small and medium-sized businesses, a market demand analysis, and the identification of human resource issues. This initial work was expanded to create a pan-western francophone tourism action plan.

Recent initiatives include an undertaking by the four western provincial francophone economic development associations to establish and promote La route de la Francophonie, a tourism corridor which would link a network of francophone tourist

attractions in Western Canada. The provincial associations made a presentation on pan-western tourism at the *Deuxième forum des gens d'affaires francophones du Canada* held in Winnipeg from February 12 to 14, 1998.

WD is involving its partners in the Western Canada Business Service Network - which includes the offices of the Community Futures Development Corporations, Canada Business Service Centres and Women's Enterprise Initiatives - to promote and maintain the economic development of these communities. The long term goal of the Department is to increase the participation of the provincial economic development associations in providing business services to francophone communities.

If you would like further information regarding WD programs and services for francophone communities, please contact WD at **1-888-338-WEST (9378)** or visit our Web site at [www.wd.gc.ca](http://www.wd.gc.ca) for information in English or [www.deo.gc.ca](http://www.deo.gc.ca) for information in French.

As a business owner absorbed in the day-to-day operation of your business, neglecting your company's image is easy. Creating and keeping a good reputation is hard work, but using some listening skills may simplify it. Davis Young, in his book *"Building Your Company's Good Name"* outlines several steps to keep track of your company's reputation.

**1. Ask the professionals.** Ask your lawyer or accountant for their honest point of view. Seek someone who will give you an opinion that you value and trust.

**2. Deputize your employees.** Train your employees to keep their ear-to-the-ground. No matter what business you are in, you need to know what people need, want and think. You gain by having your employees involved.

**3. Take a walk.** Keep as visible as possible. Take a walk around the office, shop or plant. Visibility creates enthusiasm, promotes teamwork and gives employees a chance to tell you about their job.

**4. Watch the leaders.** Develop a list of business people whom you admire; watch and listen to what they are doing. Watch the successful and unsuccessful businesses in your industry. What are they doing differently and how does that impact upon their business?

**5. Get involved in your trade association.** Don't just join a group, get involved on a committee. You will gain a wealth of information and perhaps gain some valuable networks in the process.

**6. Listen to your critics.** A great deal of time is spent cultivating and bringing in clients and customers. When a valued customer or client leaves, find out why. Pay close attention to that nasty letter or unsatisfied customer.

**7. Watch the non-traditional signals.** If you have moved into a new building or premises, are they too extravagant? You may be indicating that your company is raising prices. If your business is undergoing a crisis, whose cars are in the parking lot?

Your company's reputation is just as important as the product or service you provide. Listening is a key to learning and maintaining your company's reputation. So when you stand behind your product or service, remember, your company's good name is right there beside you.

#### *Feature Articles from the previous issue of Access West*

Small companies mean big business as one of the most important contributors to the western economy.

Find out where small business people can find financing.

Increase the value of your small business with WD's Agricultural Value-Added Loan Programs.

Marketing your business on a shoestring budget.

The Entrepreneurs with Disabilities Program is proving to be a big success in rural communities.

WD has a new Deputy Minister, Oryssia Lennie

Alberta and Saskatchewan preview supplementary inserts offering regional news from Network partners in **Access - Alberta** and **Access - Saskatchewan**

# *Demand for clean air alterna*

While Alberta's booming oilpatch has been a boon to most oil servicing companies, demand for environmental friendly products and services is soaring. And Red Deer's ***XL Air Pressure Service Inc.*** couldn't be happier since it started offering oil producers a clean air alternative for pressure testing pipelines.

The company's owner and president, Linda Yelich, formed XL Air in February 1995 after she saw her other company, Excel Pressure Testing Inc., turn away too many requests for air pressure testing. She recognized a need for a new environmentally-friendly service and saw an opportunity to expand while at the same time provide a dedicated employee, Marc McRae, a chance to fulfill a lifelong dream.

Oil and gas producers like air pressure testing because it's cheaper, faster and more environmentally friendly compared to other methods being used. Air is compressed, pumped into a line and, after the test, released back into the atmosphere. In conventional "fluid" pressure testing, liquid methanol/water must be handled

carefully, recaptured and disposed of properly. With less handling and preparations needed, air testing is both safer and up to four times less expensive than fluid-based methods. It's also seven times cheaper than pressure testing with nitrogen gas, another material used in the oilpatch.

*To keep up with demand and ensure it could maintain a high level of service, XL Air has continually added new equipment to its fleet. Unfortunately, like most businesses experiencing rapid growth, XL Air's rate of expansion and growth outstripped its conventional sources of financing.*

As well as pressure testing pipelines, XL Air provides air drilling services for underbalanced drilling of gas wells. The medium used allows exploration companies to detect and evaluate low pressure gas reserves that may otherwise go undetected due to fluid contamination.

The company has adopted pink and blue as its corporate colours and the International Eagle tractors used to

transport the loads sport an interesting contrast to the trailer mounted compression equipment. "Our air compression equipment is new to this industry and is state-of-the art," says Bob Gould, a key member of XL Air's operations team. The units are equipped with high-volume, high-pressure compressor/booster units. The boosters are capable of delivering a flow rate of 1.3 mmscf/d and pressures of 2,500 psi plus discharge that is unique to the industry. Specifications in the design of the boosters were



# ive pressuring XL Air to grow



originally determined by both McRae and Gould, as they knew what was needed to make them the best in the oilpatch. Yelich dubbed each of her colourful units with names such as "Pink Lady" and "Air Man." She also incorporated the colour scheme into Excel making them the most "colourful" oil patch servicing companies in the industry.

Both XL Air and Excel are benefiting from the boom in the Alberta oilpatch as spending, drilling and well-licensing levels vault beyond previous records. However, the massive growth in the sector has caused some headaches because of rig shortages, manpower shortages and a lack of other oilfield services such as those supplied by XL Air and Excel. This growth, combined with a desire by producers to minimize environmental hazards and control costs, has put tremendous "pressure" on XL Air to keep up with its own success. "Demand for air pressure testing and air drilling is growing so fast" says Yelich, "we had to turn down work the past two seasons despite renting equipment to supplement our own."

To keep up with demand and ensure it could maintain a high level of service, XL Air has continually added new equipment to its fleet. Unfortunately, like most businesses experiencing rapid growth, XL Air's rate of expansion and growth outstripped its conventional sources of financing. "We came to a point that, while our bank was interested and supportive, it's hands were tied," says Yelich.

"Then we heard about a new *Environmental Technology Loan Program* being offered by TD Bank, Western Economic Diversification (WD) and Environment Canada. Through the program, we were able to work with WD and arrange for higher risk financing from TD Bank to purchase more equipment," explains Yelich. "Without the incremental financing, we wouldn't be able to meet growing demand for our service, resulting in lost revenues and new clients."

The Environmental Technology Loan Program is one of a dozen small business loan programs arranged by WD in cooperation with a number of financial institutions. Through the programs, small businesses involved in a wide range of technology-related ventures or projects can access patient and flexible loans from \$50,000 to \$1 million. The loan programs are also unique in that WD provides eligible small businesses with free information and advice on a wide range of financing alternatives. While WD underwrites the programs and is responsible for first stage eligibility reviews, each bank makes the decision on all loan approvals independently. Environment Canada, whose role is to provide TD Bank with technical and market evaluations on incoming applications, views the loan program as an important element in advancing the development of environmentally friendly technologies and the creation of jobs and growth in the West.

"The incremental financing provided through the loan program has helped position us for future growth," says Yelich. With a record number of wells being drilled, new pipelines proposed and growing demand for Alberta natural gas and oil, the "patch" is expected to keep rolling through the year 2,000. "If we can keep up, we should be able to significantly add to our overall revenues in the next few years," she adds.

XL Air and Excel employees now number 14, however with a record number of wells in operation for 1997 and a number of major pipeline expansions underway, Yelich expects to be hiring more staff for both companies. "We want our clients to continue recognizing XL Air and Excel as among the best - through service, equipment and expertise - in the industry."

"And don't think we can't handle the pressure," she says. "Pressure is our middle name."

# Passion and Commitment... Women's conference promises to deliver

by Sue Townley, Owner, Quest Communications  
Conference Manager

## What does it take to run a successful business?

Entrepreneurs the world over tackle this question on a regular basis, searching for the right mix of attitude and ability to create a sustainable business. But what does the right attitude look like, and how do you know if you have the right skill set?

The folks at the *Alberta Women's Enterprise Initiative Association (AWEIA)* believe success has a lot to do with feeling passionate about what you do. Passion and commitment help give you the energy, perseverance and enthusiasm to carry you through the difficult challenges, as well as the capacity to enjoy the fruits of your labor. But passion isn't enough to be successful. You must also achieve excellence in three key management areas: production of goods or services, marketing and financial management.

Most entrepreneurs don't possess all of the necessary skills in each area, so the key, then, is to focus on what you are passionate about and build a strong management team to complement your skills.

It is with this focus on passion and skills that AWEIA proudly presents the *1998 pan-western conference "Women Entrepreneurs: Sustaining Your Passion"* on June 12 & 13, 1998 at the Shaw Conference Centre in Edmonton. This two-day event will appeal to women who are currently starting or operating a business.

The conference sessions are produced by Sirolli Institute, led by Dr. Ernesto Sirolli. Drawing from his unique concept of Enterprise Facilitation, Dr. Sirolli will help you develop and grow your business by initially examining the passion and skills required for success. Then, Dr. Sirolli and his colleagues will teach you to assess your strengths and establish your own managerial support team. We believe this knowledge will leave you feeling invigorated and recharged as you continue your pursuit of success.



Dr. Ernesto Sirolli

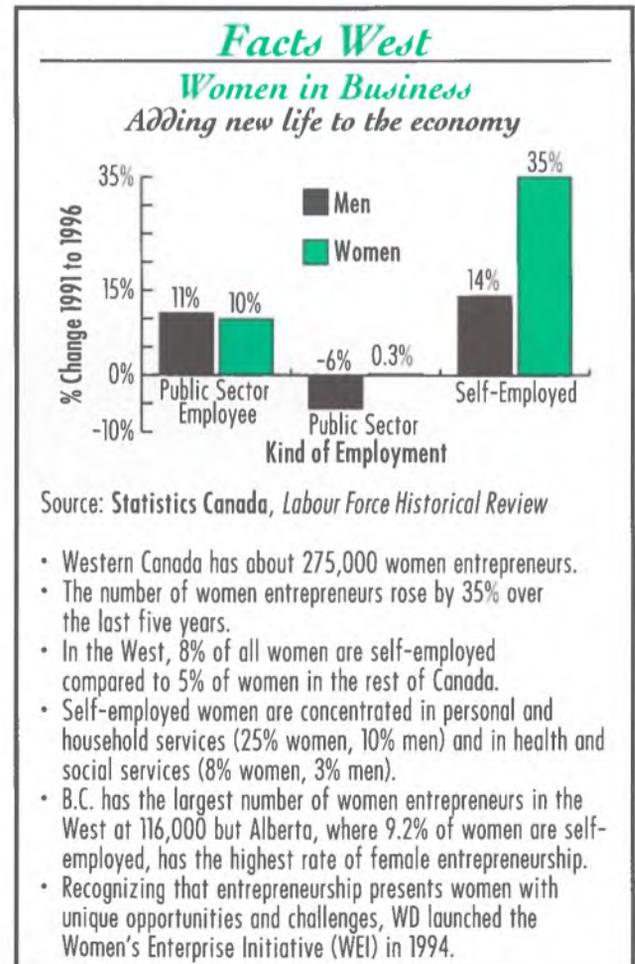
The conference Gala Dinner will be a true celebration of women entrepreneurs! Following a sumptuous four-course meal, enjoy

the antics of Women in Comedy, a live show featuring some of the hottest female comics in Western Canada. Headlining the show is popular Edmonton comic Zandra Bell, also known as Shirley Best. Resplendent in her department store couture, Shirley will delight you with her earthy quips and insights into women and their challenges in life. She's sure to distinguish herself as one of the conference highlights!

To register for the conference or for more information, contact Sue Townley at Quest Communications in Calgary: phone (403) 238-4967 or e-mail [stownley@telusplanet.net](mailto:stownley@telusplanet.net).

*Early-bird registration fee is \$125 plus GST prior to April 30th, or \$150 plus GST after April 30th. Don't delay registration is limited and all registrations must be received by May 29th.*

See you in Edmonton!



## Glas Aire Industires - An Export Success Story

# A solution to Catch 22 that's as easy as ITPP



Richard Chow,  
Graduate



Omer Esen,  
Glas Aire  
General Manager

How can we break into new export markets if we can't afford the expertise, and how can we afford to hire the expertise if we don't break into new markets? ▼

▲ How can I get the job if I don't have the experience, and how can I get the experience if I don't have the job?

"Our Japanese success is largely due to Western Economic Diversification," says Glas Aire General Manager Omer Esen. "The ITPP program has paid off very well."

In 1995, Glas Aire of Vancouver came to WD for help in entering the Japanese market. Glas Aire, a manufacturer of car and truck accessories, also wanted to excel at designing and refining products to satisfy this demanding market.

To get there, they had to hire people with marketing, engineering and design knowledge. We had just the program for them - the International Trade Personnel Program, or ITPP.

Under The International Trade Personnel Program, Western Economic Diversification will pay a portion of the salary when a company hires a recent, qualified graduate who's either unemployed or under-employed to help implement their international marketing strategy. Call us for more details

As a result, Glas Aire now has contracts with Japan's Toyota and Nissan. Not bad!

As for Richard Chow, he's gaining valuable experience in his field.

"Many companies have tight budgets and need an incentive to hire recent graduates," says Richard. "The ITPP is such an incentive. It's given me valuable employment while allowing Glas Aire to sell its products to the Japanese market."

Jobs and growth means helping western Canadian small businesses like Glas Aire and recent graduates like Richard Chow reach their goals. That's what we're all about, and Glas Aire is achieving its goals in the international market.

Now, what can we do for you.



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## The Power to Influence

### Projecting a Professional Business Image

Projecting a professional image will give you a high return in the long run. Your customer sees what you present to them. If your company's physical appearance from letterhead to business cards appears polished and professional so will your business. When your customers are confident with how you present your business it increases the chances of them recommending you to others.

Developing a corporate image and carrying it throughout your entire business operation is one way to project a successful business image which will last in the minds of your customers. This means not only do your business cards have your company name, logo and pertinent information, but so do your invoices, information sheets, brochures and sales materials. You need to take the time to develop a corporate image that reflects you, your company and how you conduct your business.

Forming your corporate image starts with developing your logo and company colours. The colour or number of colours you decide on isn't what makes the look of success, it's how you apply them. Logos are a bit more tricky. You must be careful not to infringe on another company's corporate identity.

When deciding on a logo, do some comparisons. Gather a number of samples and spread them out all together and ask yourself some questions. Determine which one stands out, what is the focus, what makes it interesting and so on. Then develop ideas for your company's image based on the answers.

Your logo makes a unique visual impression linking your company with an image. Every time the image is seen the hopes are the image will trigger the customer to think of your company (or its products) at the same time. As people in the same industry think of the same images which reflect their business, the challenge is to come up with a unique logo. Colour and a well-crafted logo can take what is common and make it unique and make your company stand out from the crowd. Here are a few ideas on developing your image.

- The logo for your company need not be related to your type of business. It can be an abstract design, company initials, a name or just about anything that isn't copyrighted or trademarked by someone else.
- Modify the typeface or combine it with a graphic.
- Some computer graphics programs make designing a logo quite easy. They allow you to distort type, rotate it and much more. Typographic programs give you the opportunity to create your own fonts or make blends of existing fonts to come up with entirely unique typestyles.
- Many "clip art" books available at art stores and libraries are full of ideas for logos.

Your business card is the one piece of paper used to represent your company after you have left the meeting with a potential client. It has the power to influence prospective customers by making a statement about you and your business. The perception developed will either allow the relationship to grow or put it to an end.

Your business card should be easy to read and well designed so that the most important information (company name and logo, telephone and fax numbers, and your name) is clear. E-mail and Web site addresses if used, should be typeset at a smaller point size and separated from the other information.

Don't attempt to produce your business card yourself. After all your hard work developing your image take the extra step in having a printing company add the finishing touches and produce it professionally. The return on this investment will be well worth the initial cost which is quite reasonable due to the number you will print.

If you would like additional help with your business ventures, contact a partner of the *Western Canada Business Service Network*. They can help you with your business plan or provide you with the information you need.

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