



Incutech nurtures new high-technology firms

The infant mortality rate is dropping for businesses in New Brunswick. At least, that's what Incutech Brunswick Inc. hopes.

Opened in October of last year, Incutech is a Fredericton-based incubation centre for new high-tech businesses. Manager Don Doucet says that Incutech is there to assist new businesses until they're strong enough to survive on their own.

More than 90 per cent of high-tech companies fail within two years because the entrepreneur doesn't have expertise in all business areas. In contrast, Doucet says most incubation centres in North America boast a 90 per cent success rate.

Incutech is helping entrepreneurs by offering rental subsidies, shared office services and professional business counselling. And while all the businesses now using the services are located in the Incutech building, Doucet hopes that will soon change.

"We want to put businesses in other New Brunswick locations on par with those here," he says. To do that, Incutech is offering the same services to entrepreneurs outside of Fredericton through the Outreach program.

"We subsidize their space rental at the location of their choice. Secondly, they have access to the same expertise as the tenants here," Doucet says. "We put on seminars, and if travel is required, we pay the cost." Incutech will also help pay the cost if the business seeks technical expertise.

Applicants must submit a business plan, but assistance is available in its preparation. The plan is judged by a selection committee made up of Don Doucet and one representative each from the University of New Brunswick, the Research and Productivity Council and the Innovation Centre (another entrepreneur support program).

Located in the former forestry building on UNB's Fredericton campus, the centre is sponsored by the University as well as the Research and Productivity Coun-

cil. The building currently has seven tenants, all taking advantage of the services.

One company is already proving the program can succeed here. Mynic Inc. is successfully producing and selling an electronic data recorder for measuring wood volumes in the forest industry. The instrument is selling as far west as Saskatchewan, and most large New Brunswick companies have already purchased it.

But Mynic Inc. still has a lot to learn according to founder Mike McCormick. It's for that reason Doucet expects companies to use the facilities at Incutech for 18 to 24 months before moving out on their own. Although there isn't really a time limit, leases are reviewed yearly and most successful companies will need to move to acquire more space.

Incutech is receiving \$1.3 million over four years through a federal/provincial sub-agreement on Industrial Innovation and Technology Development. ISTC sits on the Management Committee which administers this sub-agreement. However, Doucet hopes the program will continue beyond those four years.

By the end of the fifth or sixth year Doucet believes Incutech should be entirely self-supporting.

Revenues come from the tenants' rent and the two per cent of preferred shares that Incutech receives in exchange for its services.

So it would appear that this is one program that is truly counting on the success of its own work to continue. And in keeping with its interest in the future success of business, the seventh tenant at Incutech is Junior Achievement of Fredericton, an organization that encourages the creation of infant companies.

If you would like more information on Incutech or its Outreach program, phone Don Doucet at (506) 453-4500 or 1-800-561-4038 (in New Brunswick only).



"There's a lot of innovation out there."

Editor's note: This is the second in a series of articles featuring member organizations of ISTC's Technology Forum and other groups who are key players in the province's science and technology activity.

Located in an old house in Fredericton is a group of people waiting for new and exciting things to be invented. This eighteenth century home is now the office of the Innovation Centre New Brunswick. The government-funded organization helps entrepreneurs, innovators and inventors commercialize new technologies.



Inventor David Coombs points out a feature of his gradient maker to Daniel Pelletier, the Innovation Centre's Marketing Consultant.

Johnston House, at 124 St. John Street, has been home to the Innovation Centre since April 1988. According to Director Al Gallant, the staff has answered more than 370 inquiries since then.

The Centre's mission is to accelerate the creation of technology-based ventures in New Brunswick. Gallant feels that there is much potential for innovation in this province. However, he says although the ideas are always out there, most entrepreneurs fall short when it comes to patenting, finding venture capital, and business planning and marketing.

The Centre helps its clients evalu-

ate Ideas and Inventions, and if the item passes the criteria for commercialization, then they go to the next step. The Centre's knowledgeable staff will help clients access the necessary business planning and marketing expertise.

The Innovation Centre has a policy of not duplicating services available in the private or public sectors. They see their role as creating work, not taking it away from someone else.

The program is funded under the federal/provincial sub-agreement on Industrial Innovation and Technology Development. ISTC is a member of the Management Committee which administers the agreement.

Gallant stresses that the Innovation Centre is not a life-support system: "Our goal is to help identify and enhance ventures that have the potential to prosper in a competitive environment."

So far six clients of the Centre are actually manufacturing and marketing their inventions. Gallant says the figure is slightly high because people were just sitting on their inventions until some encouragement came along. Similar centres across the country have a one and a half to two per cent success rate, which is what he hopes the Centre can maintain when the initial influx is over.

One of their clients developed a gradient maker for labs doing research on viruses and microbiology. The labor-saving device has been selling as quickly as university professor David Coombs can produce them.

That's the kind of success Gallant likes to see: "We've been surprised by what people have come up with. There's a lot of innovation out there."

Maybe someday the old house on St. John Street will be an historical landmark for some important Canadian invention.

Calendar of Events

Date	Event	Location	Sponsoring Organization	Contact
Jan. 15	Strategic Partnering TOP	Moncton	ISTC	J.-G. Bernard (506) 857-6578
Feb. 1 - 2	Environment Symposium	Moncton	ISTC	Eric Robichaud (506) 857-6450
Feb. 6	International Marketing of Technology TOP	Moncton	ISTC	J.-G. Bernard (506) 857-6578
Feb. 14	Consultants TOP	Moncton	ISTC	John Richard (506) 857-6459
Feb. 14 - 16	Aquaculture Canada Exposition	Saint John		Bob Dunnington (506) 757-8936
Mar. 1	Data Bases TOP	Moncton	ISTC	J.-G. Bernard (506) 857-6578
Mar. 15	Plastics Technology TOP	Moncton	ISTC	J.-G. Bernard (506) 857-6578
Mar. 15 - 16	Managing a Small Manufacturing Firm	Newcastle	C & T	Charles Allport (506) 453-2876
Mar. 24 - 26	Atlantic Building Materials & Show	Moncton	ABSDA	John Ward (506) 858-0700

GLOSSARY

- Industry, Science & Technology Canada
- Technology Orientation Program
- N.B. Department of Commerce and Technology
- Atlantic Building Supply Dealers Association

Preliminary stage completed for N.B. trade study

Preliminary results have been collected from a needs analysis study commissioned to formulate a trade strategy for New Brunswick.

After two months of extensive research over the summer period, Dr. N. Schaefer of the University of New Brunswick and Dr. M. Zeltoun of Université de Moncton successfully completed their preliminary findings by means of 50 in-depth interviews with companies who export from New Brunswick.

The study examines the needs of exporters and looks at 10 additional companies who have potential to export in the future. These 10 firms have products that are competitive enough to export but to date, haven't done so. The potential export companies were chosen from a list of 100 which took part in the New Exporters to Border States Program (NEBS).

Some preliminary observations can be made from the analysis of the exporting companies. They are as follows.

Several exporters are concerned about the rising value of the Canadian dollar relative to the American dollar. The negative effect on exports becomes more pronounced when high interest rates are considered.

Limited availability of resources to the small and medium sized firms was cited as an obstacle to increasing their export levels.

A solid marketing strategy as well as more sophisticated production techniques should be developed for New Brunswick products.

Most exporters are aware of the Free Trade Agreement (FTA) and don't consider it a threat. Many exporters see limited opportunities resulting from the FTA. However, for a few companies, the impact of the FTA is considered to be severe and they need to adjust.

These are just a few basic findings from the study.

After the information was gathered, three general conclusions could be made.

Firstly, the study looked at what

motivates companies to export. Findings revealed that because of the complexities involved in exporting, a company fully commits itself to exporting or it doesn't export at all. Businesses don't start exporting on a small scale and grow — it's either feasible or not feasible to export.

Additionally, exporting companies want individual attention rather than generic programs. Although most are aware of different programs that are offered by both the federal and the provincial government, many require more specific information.

Thirdly, it is found the longer a company is exporting, the less the government is needed for support.

Conversely, the shorter the length of time a company is in business, the more government assistance is needed.

In addition to these conclusions, improvements have to be made to insure New Brunswick firms are aware of state-of-the-art technologies in their sectors.

Final recommendations of the overall project will be released in January of 1990 by the 11 members of the Trade Advisory Committee. The recommendations will indicate what public and private sectors should be doing to increase economic activity in New Brunswick.



Connors Bros. Limited wins Canada Export Award. Hoisting the Canada Export Award pennant at a recent celebration in Blacks Harbour are (left to right) Fraser McLeod, Personnel Manager, Connors Bros. Limited, Fraser Walsh, VP Canning at Connors, Greg Thompson, MP Carleton-Charlotte, Vincent Taddeo, VP Marketing for the company, Guy-André Gelinis, Director, Senior Trade Commissioner at ISTC's International Trade Centre, and Heinz Schaefer, Connors Bros.' Export Manager. The New Brunswick company was selected from several hundred entries across the country for their success in breaking into new markets and for introducing a new product into the world marketplace. Connors hosted a number of their employees at a luncheon in Blacks Harbour recently to help celebrate the achievement.

Plans underway for environment symposium

A major symposium is being planned for February 1 and 2, 1990 in Moncton. It will bring together a number of key players — governments, universities, industry associations, business people and interest groups— who will consider environmental problems in New Brunswick, and identify opportunities for industrial spinoffs and scientific research.

Heightened global emphasis on sustainable development has increased international commitments to clean up existing pollution problems and prevent future problems. In turn, this has increased the opportunity to supply environmental products and services both to domestic and international markets. The international environment industry is relatively young, and opportunities exist for New Brunswick companies to make the

environment their business.

ISTC, along with Environment Canada, the provincial departments of Commerce & Technology and Environment, the Environmental Sciences Research Centre at the University of Moncton, and the Premier's Round Table on Environment and Economy are partners in planning and hosting the symposium.

A number of knowledgeable, dynamic people will be making presentations on topics within two broad themes — Smart Resource Management, and Industries and the Environment. Mr. David Runnalls, Associate Director of the Environment and Sustainable Development Program at the Institute for Research on Public Policy will deliver the keynote address at a dinner on February 1.



Pre-registration is essential; the fee for symposium attendance before January 12 is \$125 and \$145 after. For more information please call Joanne Lewis (505-857-6669) or Eric Robichaud (506-857-6450) at the ISTC office in Moncton.

New Brunswick companies honoured with excellence awards

Belleisle Foods Limited of Belleisle Creek, Kings County and Triangle Kitchen Ltd. of Dieppe were among the winners in ISTC's Canada Awards for Business Excellence program for



1989. Both companies received Certificates of Merit in the Small Business category. Their entries were selected from hundreds across the country and reviewed by a panel of judges from business and industry. These companies, recognized for their excellent performance, reflect the potential for New Brunswick industry at home and abroad.

George Petty, Chair and CEO of Repap Enterprises Inc., was the winner of a Gold award in the Entrepreneurship category. Although Repap is a Montreal based company, Mr. Petty was recognized for his entrepreneurial

activities in the Miramichi area of the province.

Now in its sixth year, the Canada Awards for Business Excellence program provides national recognition for outstanding business achievements. Performance is recognized in

nine different award categories. The competition for these awards is open to business enterprises throughout Canada of all sizes and in all fields. For information on the 1990 awards program, contact the ISTC office in Moncton at 857-4782.

New trade brochure for Canadians

External Affairs and International Trade Canada has recently published a brochure on Canada's year in trade for 1988-89.

The brochure, Meeting the Challenge of Global Competition, outlines Canada's performance in international trade and explains how the government is helping Canadians to compete for markets in a world that is becoming increasingly competitive as we approach the 21st century.

The brochure explains the actions being taken to implement the Free Trade Agreement, the opportunities ahead, and the trade priorities for the years to come.

For more information, please call ISTC's International Trade Centre in Moncton at 857-6452 or 1-800-332-3801.

In use at Repap:

ALCELL process could change pulp industry

Yet another use has been found for alcohol.

A new pulping process that could change the world pulp industry is being developed, tested and implemented in Newcastle, New Brunswick.

Repap Enterprises Inc. is a Canadian owned, fully integrated forest products company which had approximately \$1 billion in revenues last year. The company is presently conducting trial runs at its Newcastle mill using the ALCELL process which was designed to produce 33 tonnes of pulp per day.

ALCELL is an alcohol-based pulping process rather than sulphur-based. The results are good news for the environment and the economy.

The ALCELL process doesn't produce the noxious air pollutants that prevail with conventional pulping processes. Furthermore, ALCELL pulp bleaches easier, so it requires fewer bleaching agents, a major source of dioxin pollution in the industry.

The process should also result in a higher profitability. Since it is a more simplified system than conventional methods, it takes less time to produce equivalent amounts of pulp. And less complicated equipment means shorter construction periods. The ALCELL process is similar to the refining of crude oil and also results in marketable by-products. Combined, all these economic advantages mean it may be possible to build smaller mills, requiring less initial capital investment.

"This project represents one of the largest R & D undertakings in Canada," says Wayne Boardman, ISTC's senior industrial and sector development officer who has been involved with the project from the beginning. "It has the potential to make a major contribution to employment growth and to the environment in a key resource sector."

The ALCELL process is based on the principal that wood is not just a source of cellulose fibres, but a material with several valuable components. Wood chips are treated with a series of hot alcohol solutions to extract the lignin (the component that



The Alcell Demonstration Plant in Newcastle, New Brunswick designed to produce 33 tonnes of pulp daily. It, along with other Repap projects in this Miramichi community, helped the company's Chair and CEO, George Petty, win the Gold award for Entrepreneurship in the 1989 Canada Awards for Business Excellence program.

binds wood fibres) and other substances. This leaves a mixture of cellulose fibres similar to that produced by chemical pulping processes, but without the sulphur. Lignin and other potentially valuable by-products can then be recovered from the solution for sale, allowing the alcohol to be distilled and re-used.

Repap chair George Petty believes that the ALCELL process has great potential significance to the world's pulp and paper industry and to Repap's position in the industry. The company's goal statement includes the commercialization of the ALCELL pulping process.

The company hopes to first integrate the process into the coated paper operations at Newcastle, N.B. and then make the technology available globally. Repap-Ferrostaal Inc., a newly formed joint venture with Ferrostaal A.G. of West Germany, has a mandate to build ALCELL mills on a turnkey basis worldwide. It is expected further economic benefits will be

realized to Canada from this partnership.

The ISTC commitment to the project is \$32.5 million, approximately half the original estimated cost of the ALCELL demonstration plant. Appropriately, the project could mean environmental and economic advances for the entire industry. Existing sulphite mills, which are economically endangered by environmental pressures, can be retrofitted. As well, hardwood can be used in the ALCELL process along with other previously under-used or non-usable resources.

The project includes the investigation of market potential for by-products such as lignin for use in the manufacture of particleboard, and wood sugars for use as livestock feed, as well as the possibility of establishing a 'satellite' industry for producing the ethyl-alcohol required for the process.

Further information on the project can be obtained by calling the ISTC office in Moncton at (506) 857-6284.

Trade Shows & Buyers' Missions

Information on the following initiatives of External Affairs and International Trade Canada may be obtained by calling (506) 857-6452 or Zenith 1-800-332-3801.

AGRICULTURE, FOOD PRODUCTS AND SERVICES

Middle East

Food Show,
Mefex '90 Bahrain February/90

United States

Solo Food Show Boston February/90
Solo Food Show Seattle February/90

Middle East

Saudi-Ag, Riyadh March/90
Foodex 90 Japan March/90

FISHERIES, SEA PRODUCTS AND RELATED SERVICES

United States

Seafood Show Boston March/90

FOREST PRODUCTS, EQUIPMENT AND SERVICES

United States

Northwest Lumbermen's
Association January/90

CONSUMER PRODUCTS

United States

Solo Contract
Furniture Show Boston January/90
Canadian
Crafts Mission Boston January/90
Wood Heating
Show March/90
Apparel Mission Detroit March/90

MINE, METAL, MINERAL PRODUCTS AND SERVICES

United States

Aime Conference
and Show Las Vegas March/90

EDUCATION, MEDICAL AND HEALTH PRODUCTS

United States

New England
Health Care
Assembly Show March/90

CONSTRUCTION INDUSTRY

United States

The Builders Show Atlanta January/90
New Jersey
Builder Show Atlantic City March/90
Northeast
Construction Boston March/90

GENERAL OR UNASSIGNED ISB

United States

Miami Boat &
Sailboat Show Miami February/90

Looking for Trade and Industrial Shows relevant to your firm other than those listed above? The ISTC office has a DIRECTORY OF WORLD-WIDE AND INDUSTRIAL SHOWS, with indexes by Subject Areas and by Countries. Telephone (506) 857-6452 or Zenith 1-800-332-3801 to access this information.

Publications Corner

The following publications are available from the ISTC Business Services Centre in Moncton. Drop in or call 1-506-857-ISTC.

- Meeting the Challenge of Global Competition
- Canadian Steel Mill Products — A concise description
- A guide to Food Trade Shows in the USA 1989-1990
- A guide to Apparel Trade Shows in the USA 1989-1990
- Exporter's Guide to Asean 1989
- Exporter's Guide to South Asia 1989
- Microelectronics and Systems Development Program
- Strategic Technologies — An overview
- Small Business in Canada — Growing to Meet Tomorrow 1989
- Venture Capital in Canada — A Guide and Sources

I S T C New Brunswick

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Made in New Brunswick

Companies wishing to take advantage of this feature may do so without charge simply by sending sufficient material on product or service of no more than 50 words and a glossy black and white photograph to "Made in New Brunswick", *ISTC New Brunswick Newsletter, Industry, Science and Technology Canada, P.O. Box 1210, Moncton, New Brunswick, E1C 8P9*. As the newsletter is produced in both official languages, please send material in English and French if it is available.



Belleisle Foods Ltd. is a family business that started in 1950. It is growing rapidly with a 300 per cent increase in staff since 1985 and plans

to expand its product line from eight to 25.

Peter Pope along with his brothers Fred and Roy Jr. run the rural-based company which specializes in Chinese cuisine. The brand name, Belleisle Farms, is estimated to have 70 per cent of the eggroll market in Atlantic Canada.

As well, the company recently improved its production process and increased storage facilities. As a result of this expansion, Belleisle products are reaching the Ontario market. The New Brunswick-made Chinese cuisine

can even be found in supermarket freezers as far west as Manitoba.

The family business has proven to be a success story. Belleisle Foods Ltd. recently received a Certificate of Merit in the small business category in the 1989 Canada Awards for Business Excellence program.

Contact:

Peter Pope, Director of Administration and Sales,
Belleisle Creek, NB, E0G 1E0,
Tel: (506) 485-2564



CAROFLEX INC.

Based in Beresford, New Brunswick, Caroflex Inc. is the largest manufacturer of vertical and mini blinds in the Atlantic provinces. The company started in 1985 with eight employees and now staffs 30 full-time professionals. J. Rene Beaudet is

founder and president of the company.

In addition to vertical and mini blinds, Caroflex manufactures the more traditional roller blinds, also known as window shades. Remaining very competitive with all Canadian

manufacturers, the company produces only high quality products.

The venetians and verticals are distributed to retailers in New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Quebec. Caroflex calls on all Maritimers to promote its products.

CONTACT: J. Rene Beaudet

President
920 Principale Street
P.O. Box 148
Beresford, New Brunswick, Canada,
E0B 1H0, Tel.: (506) 548-4566



In 1984, Roger Fournier purchased Triangle Distributors Ltd. which is now known as Triangle Kitchen, a manufacturer and wholesaler of kitchen cabinets. When he first took over, there were approximately 20 employees and production capacity was 6000 square feet. To date, Triangle Kitchen has in excess of 28,000 square feet and during peak periods it employs 60 people.

Triangle Kitchen is known as the "kitchen cabinet company". However, the company also specializes in bathroom vanities and household items such as china hutches. Producing more than 20 varieties of kitchen cabinets, the company builds standard modules of its products but has the capacity to build custom units as well.

Triangle Kitchen's latest expansion

started in January of 1989. As a result, the company will have one of the most technologically advanced manufacturing facilities in Canada.

The two types of cabinets, the European style and the face frame, manufactured by Triangle Kitchen are also sold in international markets, including Bermuda, United States, St. Pierre and Miquelon.

Triangle Kitchen was the recipient of a Certificate of Merit in the small business category in the 1989 Canada Awards for Business Excellence program.

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