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RISING STARS

Although 13 in number, the 2010 class of Rising Stars is a diverse group destined to make their own luck in the Canadian oil and gas industry



The road to success

CETAC-West offers a road map
for green entrepreneurs

Plus: Eliminating deadly distractions, CHOA sets a bolder future, and where nukes might fit

The road to success

Eight out of ten start-ups ultimately fail, but CETAC-West has a roadmap it hopes will improve the odds for green entrepreneurs

by R.P. Stastny

Two mule deer graze in front of the conference entrance, oblivious to the people shuffling by in the half-light on their way to or from the dining hall. The humans aren't particularly moved either. This is Banff Centre after all, where this year's CETAC-West Entrepreneur to CEO Workshop is being held.

"Do you know what your company's white space is," asks Joe Lukacs, president and chief executive officer of CETAC-West. The acronym stands for Canadian Environmental Technology Advancement Corporation. Since 1994, the western branch of this not-for-profit firm has helped over 1,000 small and medium-sized enterprises develop and commercialize new environmental technologies. But that role may now be at risk in the wake of the recession.

Lukacs poses the white-space question to about 50 entrepreneurs, past alumni, business advisors, and a handful of industry research and support government representatives gathered from across western Canada. Outside the room's northwest-facing wall of glass, sunshine lights the trees of Tunnel Mountain. If the wisdom of running industry in a sustainable, environmentally responsible manner was ever in question, it's self-evident here.

"White space—is it patents a company holds?" someone suggests.

Not quite, Lukacs says.

The term "white space" came up in a morning presentation by Michael Carten, president and chief executive officer of Sustainable Energy Technologies, a public company that develops and manufactures power conversion products for the renewable energy industry. In discussing the company's technology, Carten said, "We own the white space."

"Is it the market segment the company operates in?" is another suggestion.

No, it's narrower than that.

"It's a company's competitive advantage."

Closer, but there's more to it.

This interactive approach is typical of what the Entrepreneur to CEO Workshop has become. When the annual event began years ago, it was primarily a week-long, lecture-driven opportunity for entrepreneurs to get away from the telephone calls, meetings, and daily grind to think about and focus on their business strategy and to learn the principles that drive business success.

The workshop has evolved since then. It's still a week of 14-hour days of instruction, case studies, and networking, but it's no longer just experts presenting to a group. It's more discourse. It's a room full of people who, by virtue of their diverse backgrounds and experience, help solve one another's business challenges. A "mini-MBA," if you like. ▶



The Entrepreneur to CEO workshop is an intensive two week exercise designed to give participants the tools for success.

grounded in the realities of technology and how its application can solve some of the energy industry's most vexing problems.

Through a broad range of entrepreneur support services, Lukacs' team at CETAC-West manages to turn the dismal failure rates of small businesses on their head. Ninety per cent of the entrepreneurs it works with succeed.

"We don't pick winners. We make them," is the philosophy. And each year, there are impressive wins.

Some of CETAC-West's alumni include folks like Sean Frisky, founder and president of Ground Effects Environmental Services and an inaugural Oilweek Rising Stars inductee who built a 35-employee, multi-million-dollar company specializing in oil-contaminated soil remediation.

Another alumni is Scott Van Vliet of Environmental Refuelling Systems, who quietly catapulted a modest business into a booming \$50-million-a-year enterprise by elevating environmental responsibility to the same high standard as safety in the delivery of on-site fuel services to remote oilsands projects.

Another is Terry Moffatt, a serial entrepreneur of five successful start-ups and current president of Sirius Instrumentation and Controls, which offers a product line of both emissions-reducing and conventional instrumentation. Like some other

To be sure, the challenges facing start-ups are daunting. About 80 per cent of new businesses fail in the first year. The statistics vary from sector to sector, but not by much. Some studies give the same failure rate a longer run of three or five years. But all the studies serve a sober warning to anyone who has a good idea and wants to turn it into a business.

Lukacs is well aware of the odds stacked against the entrepreneur. Before taking the reigns of CETAC-West, he founded and managed a successful firm specializing in reducing sulphur emissions from sour gas-processing facilities.

As a businessman, he understands it's not luck but knowledge and connections that can make the difference. As a pioneer in environmental services, he holds a vision of reducing industry's environmental footprint. As a professional engineer, he's



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Joe Lukacs (right), president of CETAC-West, presents the organization's 2010 Entrepreneur of the Year award to Terry Moffat, president of Sirius Instrumentation and Controls.



alumni, he has returned to the Entrepreneur to CEO Workshop to share his knowledge.

The group is now nipping at the heels of a good definition of white space.

The Team Moffatt table offers this: "It's the competitive edge a company has around its technology."

That's the direction Lukacs and workshop lead Dr. Blaine Lee, president of Calgary-based LeeMartin Associates, want to go with this idea. The "white space" concept turns out to be one of those key principles that becomes a touchstone for other discussions during the week.

It's a week that covers much terrain—from business strategy and marketing through to financial management and financing options. Along the way, clarity is brought to such key concepts as what actually constitutes significant market-driven competitive advantage, what is a technology-adoption curve and where along its line is the best place for a new business, what are a business's sources of power, what is market push versus market pull—and that's just part of the first day.

For people with limited exposure to business principles, the workshop is an eye-opener. For those who operate under the mistaken view that a good idea will sell itself, it's better that

they smell the coffee now than spend valuable resources chasing a dream with a blindfold on.

A sense of how valuable it can be to fully grasp even a simple business principle is provided by Russ Hebblethwaite in a case study. Upon seeing the oily mess below the valves and piping of above-ground oil storage tanks, as well as the lost time and money spent to get the frozen equipment to work properly, someone recognized there had to be a better way.

That someone wasn't Hebblethwaite, though. It was a hot tub repairman named Darryl.

Darryl's idea was to hide the valves and pipes inside the tank, in a recessed chamber protected from the elements by an access door. Presto! Drips and spills are contained. Everything stays warm and functioning properly. ▶

SEPAC would like to congratulate our own
Michelle Chidley
 on becoming one of Oilweek's 2010 Class of Rising Stars!



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Darryl shopped his idea to tank manufacturers to no avail and he didn't have the money to get a unit in the field. Then he met and teamed up with Hebblethwaite, who did have the resources to develop the product but who also understood that the tank manufacturers weren't "the ones feeling the pain." It was the truck operators and producers who were stuck with the extra costs and delays of shipping their oil—and in eventually cleaning up the mess. So in 1996, Hebblethwaite launched Enviro Vault Canada and pursued a two-pronged marketing push to simultaneously convince producers and the tank manufacturers.

Asking, "who feels the pain?" may be common sense, but it's also a chapter out of Entrepreneurship 101. Being clear on this allows the entrepreneur to move on to the hard work of building a business. And building a business often calls upon different talents than just coming up with a good idea. So at the request of Darryl in 1998, Hebblethwaite became the sole shareholder.

Most of Day 4 is dedicated to funding options. And understandably so—money affords power. It is one of the critical resources of a business, along with such things as control over land, transportation, and energy. But access to money has also become more difficult across many sectors, including the not-for-profit sector, following the global economic meltdown.

CETAC-West's range of entrepreneur support services actually constitutes quite a machine. Besides putting on the annual Entrepreneur to CEO Workshop, it helps its clients with marketing assessments, technology and competitive-advantage analyses, and financing evaluations. It organizes Round Tables where business and industry sector experts test, prod, and provide advice to entrepreneurs.

CETAC-West also matches entrepreneurs to experienced business mentors or even helps form advisory boards to guide and advise. In 16 years of businesses, CETAC-West has compiled an impressive Rolodex of investors, potential sector partners, technology demonstration providers, and alliance opportunities.

All of this takes money to keep running. That funding has traditionally come from a combination of fees-for-services which, given the financial constraints of start-ups, are typically collected on a pay-when-you-can basis, and from the federal and Alberta governments. Ballooning government budget deficits now force CETAC-West to struggle with at least one of the same challenges faced by many entrepreneurs: operating cash flow.

Fortunately, CETAC-West also has an impressive track record of successes to recommend it to further funding even when governments have to count every cent. Besides all the support services it provides and the \$100 million it has helped its clients raise over the last decade, perhaps the most telling statistics CETAC-West provides is this: in 2008, 100 of its alumni generated \$200 million in annual revenues and employed more than 950 people.

"Our work has impact," Lukacs says in a private conversation in the lobby.

Lukacs is in his mid-70s, but his characteristic intensity and commitment to a cause, whether to building his own business or in providing a social good, hasn't dulled. He's clearly not going to take this latest challenge sitting down.

"Our role is to build capacity for green technologies," he says. "We provide a significant economic, environmental, and social benefit." ■

Confirming what we already knew.



From the first time we met 2010 Rising Star recipient Kim Farwell, P.Eng. we knew she would be an inspiring addition to our industry and community. Kim continues to outshine herself every year by adding to an already impressive list of accomplishments. In her role as President of The Association of Professional Engineers, Geologists and Geophysicists of Alberta she leads by example. As a Syncrude employee she makes advances in commercial bitumen extraction processes. It's no wonder Kim was also honoured with the prestigious APEGGA Early Achievement Summit Award®. Congratulations from Syncrude and your 57,000 fellow APEGGA Members.

