

The Technology Fast 50: SECTORAL AWARDS

Leaders in their field despite economic woes

Companies honoured for superior financial performance, management and products

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When the whole economy is beginning to slow down, even the guys doing well start to feel it.

As with almost everything in the world of business lately, the rate of expansion is slowing in high-growth technology companies, a new analysis by Deloitte & Touche LLP shows.

Each fall, the consulting firm ranks the fastest-growing Canadian technology companies in what it calls the Technology Fast 50.

This year's results show these companies aren't immune to the effects of a global slowdown, according to John Ruffolo, head of Deloitte's technology, media and telecommunications group.

"The combined average growth rate of all these 50 companies fell like a stone," he says. "Last year the average [five-year] growth rate was around 3,700 per cent, this year it's about 2,400 per cent."

Against the tough economic backdrop, made rougher by the drying up of venture capital funds, four companies in various sectors are being honoured by Deloitte for their leadership performance.

They are PlateSpin Ltd. (software sector), RuggedCom Inc. (telecommunications), Evertz Technologies Ltd. (hardware), and Westport Innovations Inc. (emerging technology).

Along with poring over companies' audited financial statements, the judges chosen by Deloitte also consider competitive advantages, management, as well as size, growth and market attractiveness.

Despite the various economic challenges, the four sectoral winners managed to show they had superior financial performance, management and products, Mr. Ruffolo says.

"To win the leadership award you really had to demonstrate as of today you are the dominant player in your category."

Here's a look at the four leadership award-winners.

Evertz Technologies

Rolling out a new product is one thing, but getting the red carpet rolled out for your products is quite another.

And so it was for Burlington, Ont.-based Evertz Technologies Ltd. this year, when the company won an Emmy. Specifically, the Philo T. Farnsworth Corporate Achievement Award was for long-term contributions that benefited television technology and engineering.

Evertz designs, develops and manufactures hardware and software for broadcasters and television service providers. Sales in fiscal 2008 increased 36 per cent, to more than \$272-million.

The company, which has 800 employees, grew over the past decade largely by drawing smart graduates from three universities nearby - University of Waterloo, University of Toronto, and McMaster University, says chief executive Romolo Magarelli.

"It's homegrown talent we've nurtured over the years, to be faster and smarter than our competition," he says.

The future of Evertz lies in the realm of infrastructure for high-definition television and IPTV, or Internet Protocol Television, which is a system where digital TV is delivered using Internet Protocol via a network, according to Brian Campbell, executive vice-president of business development.

The company's manufacturing base is in Canada, partly to control its proprietary technology and also because that makes it easier to oversee quality, Mr. Campbell says.

PlateSpin

If your office's information technology confuses you, you're not alone. Chances are your own IT department needs a system just to figure out what to plug in where, how to integrate new equipment, how to make sure 100 machines aren't running at 10-per-cent capacity, and so on.

A system that helps your office tech department visualize the computer system at work is made by Toronto-based PlateSpin Ltd., which was recently acquired by Novell Inc. for \$205-million (U.S.) in cash.

Stephen Pollack, PlateSpin's chief executive and chief strategist, says his strategy is to manage the company day to day, integrate new products and increase partnerships.

Sticking to this simple business plan is helping PlateSpin achieve growth, and Mr. Pollack is wary of getting too far off his mandate.

"A lot of companies fail," he notes, "because they get distracted off of their course."

RuggedCom

Operating in a difficult environment isn't a problem for Woodbridge, Ont.-based RuggedCom Inc. chief executive Marzio Pozzuoli.

In fact, that's what he's built a business around.

RuggedCom, which makes communication networking equipment designed to operate in harsh or extreme environments, has had 104-per-cent compounded annual sales growth from 2002 to 2008. Most of its clients are in the power industry, such as Hydro One Inc. and Hydro-Québec, whose challenges include working in areas with extreme electromagnetic interference.

The company has had 16 consecutive quarters of record sales growth, Mr. Pozzuoli says.

The next big challenge is to become what he calls the communication backbone of the "smartgrid," a planned upgrade to the existing power grid that will use newer technology than the decades-old system whose failings were made abundantly clear during the Eastern Seaboard blackouts in the summer of 2003.

Like Evertz, RuggedCom.com manufactures its products domestically.

Westport Innovations

The garbage trucks that patrol our streets every week are beginning to clean up their act, thanks to new engine technology by Vancouver-based Westport Innovations Inc.

"We're trying to get people to shift off fuel and onto gaseous fuels," says chief executive David Demers.

The cost of these engines - about \$30,000 - is on the same level as the diesel engines.

But Mr. Demers's task is to convince large fleets to switch over their fuelling protocol and infrastructure, using engines built jointly with Cummins Inc., of Columbus, Ind.

"We start with large fleet vehicles - they fuel at the same place, they have air pollution controls," says Mr. Demers, who is also interested in eventually focusing more on smaller markets such as taxis and family cars.

Year-over-year growth for the company has been 50 per cent, Mr. Demers says.

He says landfill methane is another fuel source that has captured his interest.

"The garbage guys are excited: We pay them to haul it away, they make fuel out of it, and they sell the fuel and use it for free, too," he says.

"Right now, they flare the landfill gas because it's such a big greenhouse gas."

In addition to the sectoral leadership awards, Deloitte issues a list of 15 companies recognized as being top performers in environmental technology.

Westport Innovations was also recognized in this year's "green 15" listing.

Theresa Ebdon is a producer for Business News Network.

Leadership awards

Recognized by Deloitte as top performers in each technology subsector.

COMPANY	LOCATION	SECTOR	PRODUCT/SERVICE
PlateSpin Ltd.	Toronto	Software	Data centre management solutions
RuggedCom Inc.	Woodbridge, Ont.	Telecom	Rugged communications equipment
Evertz Technologies Ltd.	Burlington, Ont.	Hardware	HDTV, IPTV equipment
Westport Innovations Inc.	Vancouver	Emerging technology	Engine development and manufacture

Technology Green 15

Companies recognized by Deloitte as top performers in environmental technology

COMPANY	LOCATION	PRODUCT/SERVICE
6N Silicon Inc.	Mississauga	Solar energy
Alter NRG Corp.	Calgary	Clean-coal energy
Aqua-Pure Ventures Inc.	Calgary	Water remediation
ARISE Technologies Corp.	Waterloo, Ont.	Solar energy
Distech Controls	Brossard, Que.	Smart building - HVAC
EnviroTower	Toronto	Smart building - HVAC
GEEP Inc.	Barrie, Ont.	Recycling
Ground Effects Environmental Services Inc.	Regina	Soil, water, air remediation
Hemisphere GPS	Calgary	Clean agriculture
ProSep Inc.	Montreal	Water remediation
QuestAir Technologies Inc.	Burnaby, B.C.	Hydrogen energy
Sempa Power Systems Ltd.	West Vancouver, B. C.	Smart building - HVAC
Sustainable Energy Technologies Ltd.	Calgary	Smart grid - inverters
Timminco	Toronto	Solar energy
Westport Innovations Inc.	Vancouver	Clean transport - trucks

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