

Family Project is now International Business Venture

by Bill Armstrong

In 1992, Ladimer Kowalchuk invented an accessible bathtub to help his aging father. That one-off tub has evolved into a line of products that is attracting buyers from around the world.

Necessity truly was the mother of invention for Kowalchuk, who grew up in Ituna, a town of about 700, near Fort Qu'Appelle.

"My dad was a big man, and a butcher. After years of carrying heavy pieces of meat, his knees were shot. At family gatherings he would say, 'Find me a tub with a door', but we couldn't find anything suitable."

We grew by 250 per cent last year, and we'll grow another 200 per cent this year.

Kowalchuk, who is a carpenter, created a wooden form for what became the Standard Safety Bath, a walk-in bathtub made of fibreglass.

"Now I'm in the soup," Kowalchuk laughs. "I've spent about \$5,000 for a mold for one tub for my dad, so we built a few more, created Safety Bath Inc., and went to some trade shows. Growing the business was a slow process until three years ago, when we invested more into marketing the product."

Since then, Safety Bath has experienced a breathtaking growth spurt. Product demand outgrew the original facility in Ituna, so manufacturing

moved to a vacant building just outside of town. The original location became the office housing six staff members. Another 12 employees handle production and shipping, and two or three people will be hired to produce the So-Lo Safety Bath, a full size bathtub/shower combination with a door. The acrylic bath will be manufactured in another facility located in Ituna.

Kowalchuk is anticipating substantial growth for his business. The boomer market beckons.

"The contractors who build for the condo and empty-nester market want a full size acrylic tub, which the So-Lo offers," says Kowalchuk. "Where we might sell one unit in an enriched

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Photo: Safety Bath Inc.

In August, Australia received its first shipment of 20 Safety Baths. An importer in Novosibirsk, Russia is seeking certification for the Safety Bath so that it too can start selling the compact sitting tub with a door.

Investing in Lentils

By Darrell Noakes

A new lentil splitting plant in Zealandia, 90 kilometres southwest of Saskatoon, will nearly double production and employment at Can-India Pulses International.

The \$5 million facility will add 100 metric tonnes of production daily — about five shipping containers' worth — to Can-India's two existing plants. An additional nine employees will be needed to operate the new splitting plant.

Construction of the new plant, including installation of specialized, highly guarded technology from India, will wrap up in September says Can-India Director Donald Hanley. The new positions will be filled by master splitters from India who know the machinery and can train the other employees.

Can-India Pulses International Limited was established in 2005, when Samyak International Ltd. of Indore, India, bought into Pro Can Seeds Ltd., which had operated in Zealandia for more than a decade. The partner company has three existing plants in India and is a renowned leader in lentil splitting.

Although the new plant will process mainly red lentils, green lentils, chick peas and peas will also be processed in the facility.

"The new facility will allow us to split more of our product as well as add some value," says Hanley.

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Photo: Susann Hodges

Can-India employee Kim Horovenko checks lentils to be cleaned and sorted. Lentil crops in Saskatchewan have expanded from 3,000 acres in 1970 to 1.9 million acres in 2004. The province is responsible for 97 per cent of Canada's lentils production.

From Family Project to International Business Venture

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housing or assisted living development, we can sell a So-Lo for every unit in a new condo building."

The Saskatchewan Trade and Export Partnership, Export Development Canada and the Canada Export Centre have helped Safety Bath reach new customers.

The dealer network - 75 dealers across Canada, and a growing number in the States - will always be the backbone of the business, according to sales manager Don Hardy.

"North America is our primary focus right now, although we want to be an export player," said Hardy. The company has already established international contacts. Safety Bath Australasia, an authorized sales representative in Sydney, Australia received its first shipment of 20 tubs in August, 2006. A company in Novosibirsk, Russia, is seeking certification to import the tubs.

"We will likely add two or three people as So-Lo production increases," said Hardy. "The labour base is good, and overhead is relatively low. Ituna is in a central location, so we can ship all over. We're pretty excited about our future here." !

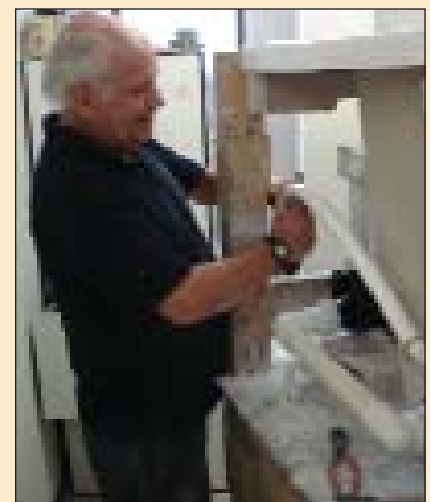


Photo: Safety Bath Inc.

Safety Bath employee John Naumetz works on the drain system.

Software Designers Passionate About Saskatoon

by Darrell Noakes

When business partners Amit Gupta and Trent McConaghy needed a home for Solido Design Automation Inc., they chose Innovation Place in Saskatoon for its strong investment community, hi-tech expertise, and quality of life.

The business partners have been through the start-up process before with another company, Analog Design Automation that they sold to a California investor in 2004.

“After we sold Analog Design Automation, we were looking at new markets and new challenges in semiconductor chip design and on that basis we started Solido in 2005”, says Gupta.

The city’s high tech sector has reached what Gupta calls a critical mass. The combination of companies locating in the city, the influence of Innovation Place and the establishment of the Canadian Light Source synchrotron has created an environment where employees have a sense of mobility in their careers.

Gupta and McConaghy see Saskatoon as an ideal environment for growing their business.

In addition, Gupta and McConaghy can see how Saskatchewan’s investment community has grown a great deal over the past decade.

In June, the company announced that it had secured \$2.5 million in first round funding from BDC Venture Capital, Investment Saskatchewan and private investors.

The funding will allow Solido Design to expand its engineering team and bring to market pioneering transistor-level design enhancement solutions that will address emerging challenges for analog/mixed-signal, custom digital and memory designers.

“A lot of investors here are looking to diversify their investment and are really supportive of high technology companies,” Gupta says. “Plus, the talent pool here is really strong. The electrical engineering and computer science programs at the University of Saskatchewan have been able to attract a lot of people.”

High technology employees, especially electrical engineers, computer scientists and engineering physicists, can progress throughout their careers within Saskatoon, a situation many would not have found as recently as six years ago, he says.

“You have mobility within Saskatoon, which traditionally wasn’t the case. Now, there are so many companies in Saskatoon recruiting and employing that sector of talent.”

Opportunity to grow is highly appealing to good employees, says Gupta.

“As a result, we’ve been able to attract employees from other provinces.”

Three employees were enticed to move back to Saskatoon after taking employment outside the province. Another three had been looking outside the province, but stayed because

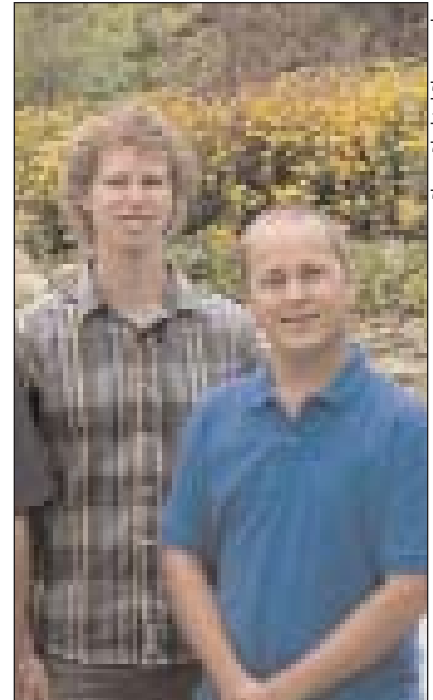


Photo: Bluebird Photography

With backgrounds in engineering and computer science, Kris Breen (l) and Shawn Rusaw (r) returned to Saskatchewan from Edmonton and Vancouver to pursue their hi-tech careers with Solido Design Automation.

of the opportunities, and one relocated from Ontario.

Gupta says that in addition to looking for satisfying and fulfilling work, people want a city where they can raise their families. Saskatoon provides a cost of living and quality of life people find attractive. !

Provincial Update

MENTORSHIP PROJECT UP AND RUNNING

Business Mentorship Institute of Saskatchewan (BMI) is running a pilot project in the Battlefords region to connect local businesses and increase business competitiveness. The project encourages successful businesses to act as mentors, providing advice and guidance to fledgling businesses with similar needs.

Anyone who has been in business for one year and is considering expanding, exporting, or diversifying product lines, or who is seeking advice on accounting and marketing, may qualify as a protégé. Workshops and participant recruitment are underway, and the pilot project will serve as a template for business mentorship projects across Saskatchewan.

GLOBAL TRADE LESSON IN CHINA

University of Saskatchewan students Yujin Gu, Angela Jansen, and Chris Wickenhauser, and Grade 12 student Chris Stoicheff joined 28 other Canadians for a two-week Junior

Team Canada (JTC) economic mission in August.

The JTC mission was designed to show Canadian youth the impact that global trade has on economic development. The delegation also met with youth leaders to discuss human rights, education, good governance, private sector development and trade.

PRECEDENT-SETTING LEGISLATION PROMOTED IN ENGLAND

Saskatchewan is the first jurisdiction in the world to define a framework for the long-term monitoring and maintenance of decommissioned mining sites. Industry and Resources Minister Eric Cline promoted the precedent-setting legislation at the World Nuclear Association Annual Symposium in London, England, September 6th-8th.

Saskatchewan's Reclaimed Industrial Sites Act protects human and environmental health and safety. It also improves the investment climate by providing clarity for the private sector.

In his remarks to nuclear industry leaders, Cline said the Act addresses a critical need and is a response to stakeholders – industry, environmental organizations and residents of the North – asking for a clear, prescribed process to guide how Crown land is managed after a mine or mill site has been decommissioned and transferred back to the province.

MEADOW LAKE AIRPORT FLIES AGAIN

Resurfacing on the runways, aprons and taxiways of the Meadow Lake Airport is now complete and the airport has been reopened to air traffic.

As part of the \$2.5 million resurfacing project, the air tanker apron and associated taxiways were strengthened to accommodate Saskatchewan's new land-based air tanker, which is used for fighting forest fires.

The result of the work is that one-third more fire retardant can be delivered to fires in one-third less time.

TEAM SASKATCHEWAN GOES DOWN UNDER

Team Saskatchewan's mission to Australia and New Zealand, in August, drummed up interest in Saskatchewan's investment opportunities.

The trade mission was built around the Agricultural Biotechnology International Conference (ABIC) in Melbourne. Since its inception in Saskatoon in 1996, the event has grown to become one of the world's premier conferences on agricultural biotechnology.

Members of the mission also met with investors, agriculture machinery companies, and representatives from the business community. 🇨🇦



Photo: Industry and Resources

(l to r) David Fagan, Geronimo Farm Equipment Pty Ltd. located in Cowra, NSW Australia, met with Dale Botting, Saskatchewan Trade and Export Partnership and Industry and Resources Minister Eric Cline during the Team Saskatchewan mission to Australia and New Zealand. Geronimo Farm Equipment is a supplier of farm machinery manufactured by Rite Way Manufacturing Company located in Imperial, Saskatchewan.

Heavy Weight Technology is Light on Traffic Flow

by Darrell Noakes

In a global village where transportation systems equal economic opportunities, highway traffic management technology is big business. A recent \$3.3 million contract awarded by Transport Canada re-affirms International Road Dynamics Inc. (IRD) as a leader in traffic data collection systems.

In July, Saskatoon-based IRD announced that it would supply “weigh-in-motion” and traffic data collection systems at 80 sites throughout Canada. The contract is part of Transport Canada’s initiative to investigate the full costs of transportation.

“Understanding traffic flow — the types of vehicles, mix of vehicles, and speed — is standard information that highway planners and designers need,” says Terry Bergan, CEO of IRD. “Typically, cars cause congestion. Trucks cause highway damage, especially overweight trucks.”

While trucks for transporting goods are vital to the economy, illegal overweight ones are not. In fact, they are an expense item in terms of highway maintenance.

IRD's claim to fame, says Bergan, is the ability to weigh vehicles at highway speeds, in motion.

It is an international reputation. In 2005, the company won the contract to collect data on all vehicles throughout the United States as part of the country’s long-term pavement performance program.

“The backbone of any economy is the ability to ship goods and materials,”

says Bergan. “The primary way of doing that is by truck.”

“Why would you invest money in roads that are going to fall apart in a couple of years? Highways are built to last for 10 or 15 years.”

On a typical day, 1,200 trucks might go past a truck weigh station. It’s not feasible to stop to weigh and inspect every truck. IRD’s weigh-in-motion



Terry Bergan, CEO of International Road Dynamics Inc. knows that the backbone of any economy is the ability to move the goods.

(WIM) weighs the truck on the highway, the automatic vehicle ID on the truck identifies the truck so that its safety and operation records, and cre-

dentials are checked, and if all is okay the truck is allowed to carry on without delay. This allows inspectors to focus on the violating trucks and saves the truckers and the economy time and money. Typically, over 98 per cent of the trucks are not stopped.

“You keep the trucks out on the highway,” says Bergan. “It saves everybody time and money.” Not to mention the environmental aspect of reducing emissions produced from starting and stopping.

Fleet management systems and other vehicle-based technologies are also important to IRD’s global markets.

Under a joint venture, IRD is the North American supplier of onboard vehicle systems for the German electronics and electrical engineering company Siemens AG. Precision Drilling, IRD’s largest deployment worldwide, uses the company’s fleet management systems to improve driver safety.

“In its simplest form, the system is a black box underneath the dash, hidden from view, and it monitors the performance of the driver” says Bergan.

Bergan says, “IRD is a proud Canadian company. Over 90 per cent of our business is exported from Canada.” IRD has offices throughout the United States, and in Chile, Brazil, and India. !

Industry News



Photo: Whitemud Resources Inc.

ESTEVAN REGION

- Three Weyburn-based inventors are going to Toronto to take part in a new reality show, *The Dragon's Den*. If they are successful at pitching five multimillionaires for the startup capital they need, Ron Knox, Johnny Knox and Dave Honig will receive up to \$1 million to help develop and market the Knoxcooter, a scooter propelled by lightly bouncing on it. *The Dragon's Den* airs on CBC Wednesday nights starting October 4.

MOOSE JAW REGION

- Chaplin's sulphate plant is getting a \$25 million upgrade to begin immediately with completion scheduled for September 2007. The upgrade includes replacing its current natural gas-fired burners with "clean coal" technology. This is the first

retrofit of the Chaplin processing plant in 24 years. It will result in zero emission of typical by-products from burning coal.

NORTH BATTLEFORD REGION

- The Battlefords is sending a trade mission to Fort McMurray to look at workers commuting by air between the Battlefords and Fort McMurray. Five people representing Battlefords REDA, Town of Battleford, City of North Battleford, Battlefords Tribal Council, Battlefords Tourism and Battlefords Chamber of Commerce will attend.

SWIFT CURRENT REGION

- A project near Kerrobert to convert waste heat into electricity should be fully operational by December. SaskPower announced last year the

Alliance Pipeline's Kerrobert compressor station had been selected as a partner for the Crown Corporations Environmentally Preferred Power (EPP) Program. The \$17 million project will provide an extra five megawatts of continuous electricity into the SaskPower grid.

YORKTON REGION

- Ken Sopkow has sold his group of publications, *Canora Courier*, *Kamsack Times*, *Preeceville Progress* and *Norquay North Star*, to Fore Front Enterprises Ltd. of Estevan, effective August 1. Brent Kersey is the new publisher and editor and Jennifer Kersey is the office manager. ❗

Correction:

In the summer issue, an article on the Western Canada Farm Progress Show (WCFPS) International Business Centre featured a photo of Dr. Grant Royan speaking with international visitors at the Canadian Western Agribition (CWA). While WCFPS and CWA both operate at IPSCO Place in Regina, the organizations have no direct connection and target different audiences.



Image: Whitemud Resources Inc.

New Mine and Processing Plant Produces Additive for High Strength Concrete

New Kaolin Mine Produces Additive for High Strength Concrete
Whitemud Resources Inc. will begin construction of the Gollier Creek Kaolin Mine in October.

The mine, located in the Rural Municipality of Old Post No. 43, will encompass three open pits with an initial kaolin production of 150,000 tonnes per year. The facility will cost an estimated \$50 million and will be completed by October 2007.

The mined kaolin will be turned into metakaolin using an on-site kiln. Metakaolin is used as an additive by the concrete industry to produce high strength concrete.

The company estimates the facility will employ 26 people directly and another 25 to 30 people indirectly. Up to 100 people will be employed during the construction phase.

Investing in Lentils

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“Instead of shipping the raw product out of here, we're going to finish it. We're going to put it in the final bags that you find at the grocery stores.”

The plant's location, “centre ice” for Saskatchewan's pulse industry, provides efficient highway and rail access to markets, says Hanley.

Much of Can-India's production of red lentils goes to Turkey, Pakistan and India while whole green lentils go to South America. A growing North American market also takes the company's production.

More than 4.5 million acres of pulses, 80 per cent of the Canadian total, are grown in Saskatchewan. Saskatchewan is the world's leading exporter of lentils !



Skilled Trades Forecast

A made-in-Saskatchewan boom in engineering and industrial projects will spark a high demand for many skilled trades over the next few years according to a new provincial forecast of labour requirements in the construction industry from 2006 to 2014.

The report by the Construction Sector Council (CSC) and its partners says employers can expect recruiting challenges until 2009 for carpenters, heavy equipment operators, plumbers, roofers and shinglers, steamfitters, pipefitters, sprinkler system installers, and welders.

The forecast says that from 2006 to 2014, the province will have to replace more than 3,600 retiring workers, these are in addition to those who will be needed for new projects.

The report is available on the CSC website at www.csc-ca.org

Economic Indicators

EMPLOYMENT

- In August 2006 501,500 people were working in Saskatchewan. According to Statistics Canada Labour Force Report, job numbers for August 2006 increased by 9,200 (+1.9%) when compared with the 492,300 people working in August 2005 (seasonally unadjusted).
- The job numbers are the highest on record for the month of August. The previous record was set in August 2005 (492,300).

MANUFACTURING

- In June 2006 manufacturing shipments in Saskatchewan increased by 9.9%, to \$907.6 million, compared to June 2005. In the first six months of 2006, manufacturing shipments in Saskatchewan increased by 12.8%, to \$5.8 billion, compared to the same period in 2005.

EXPORTS

- In June 2006 Saskatchewan's international exports of goods increased by 7.6%, to \$1.2 billion, compared to June 2005. In the first six months of 2006, total international exports of goods increased by 13.4%, to \$7.4 billion, compared to the same period in 2005.

HOUSING STARTS

- In July 2006 urban housing starts in Saskatchewan increased by 21%, to 302 units, compared to July 2005. In the first seven months of 2006, urban housing starts in the province increased by 13%, from 1,380 units in 2005 to 1,564 units in 2006.

FORECASTS

- For 2007 private sector forecasters are expecting positive growth of 2.9%, on average, for Saskatchewan. Real GDP growth rates range from 2.5% by Global Insight and Bank of Montreal to a high of 3.1% by BMO Nesbitt Burns.

CAPITAL INVESTMENT

- In 2005 capital investment in Saskatchewan increased by 4.6%, to \$7.8 billion, compared to 2004. This year, capital investment in Saskatchewan is projected to increase by 6.7%, to a record level of \$8.3 billion. This would be the fourth-highest growth rate among the provinces, and above the national average.

BUILDING PERMITS

- In July 2006 the value of building permits issued in Saskatchewan totalled \$137.2 million, an increase of 91.8% from \$71.5 million in July 2005. In the first seven months of 2006, the value of building permits issued totalled \$652.5 million, an increase of 29.3% million, compared to the same period in 2005.

RETAIL

- In June 2006 retail sales in Saskatchewan increased by 6.3%, to \$1.1 billion, compared to June 2005. In the first six months of 2006, retail sales totalled \$5.5 billion, an increase of 6.5%, compared to the same period in 2005. !



Photo: Artec Photographic Design Ltd.

Garrett Pich has a flair for the extraordinary. PichPosh Inc.'s cupcakes for the bath look so real export officials asked him to submit the paperwork for gourmet food items.

Aiming to pay off his student loan as quickly as possible, this self-described struggling writer with a degree in Film Studies made a discovery; there is a loyal, enthusiastic market for his handmade, fragrant bath bombs and beauty products. PichPosh Inc., he says, "pretty much exceeded my early expectations."

The retail outlet in Regina's Northgate Mall is doing well, and growing numbers of repeat customers order from the PichPosh website, especially from the US. "Americans are very comfortable ordering over the Internet. They come back for more every few weeks."

Pich plans to further develop his company's line of health and beauty products, which are "by far the best sellers." His next retail presence will likely be in the Toronto market. He's also looking for a larger factory space; demand has outgrown his current downtown Regina location.

PichPosh Inc. employs three people year-round, with more pitching in during the Christmas season. While the big chains strive for low-cost, off-shore production, Pich proudly bucks the trend. "We're one of very few companies serving customers who want unique, handmade bath and beauty products," he says.

-Bill Armstrong

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