

## THE FUTURE OF BUSINESS: Sustainable Growth, Innovation and Staying Ahead of the Curve

### PANEL DISCUSSION ON INNOVATION

**Featuring:** Dr. David Antoniuk, P.Eng., CEO/Co-Founder, Applied Quantum Materials; Justine Barber, CEO/Co-Founder, Poppy Barley; Cory Jodoin, President, Jen-Col Construction; Stéphane Zanon, CTO, RIVA Inc.

**Moderating:** James Richardson, MBA, MNP

Before getting panel members to introduce themselves, James Richardson, MNP, said that “most innovation is a mashup of things we already have.” The following is an abridged version of the live discussion.

**James:** David, let’s start with you. What is Applied Quantum Materials?

**David:** We’re an advanced materials company. We make nanomaterials and quantum dots that we put into various configurations such as nanocomposite polymers. We design these materials to solve problems for companies. We’re working on security features, sensors, lighting systems, etc. We’re doing things with tires and solar windows. We use these nanomaterials for various everyday life applications.

**James:** You said sometimes your clients have a problem that needs a product. Or, more interestingly, sometimes you have a product that needs a problem.

**David:** In one case, we had a technology that we thought could be useful for a major multinational client, so we approached them. We convinced them this was the way their product was going, that they needed to be competitive and we could give them an edge. We worked with them to develop a new nanocomposite material. It was a difficult process — their materials were something we’d never worked with and our materials were something they’d never seen. So, we combined them and came up with a solution in about six months that would help them be more competitive in their industry.

**James:** There’s that mashup, but the driver was to create something new. Cory, tell us about Jen-Col.

**Cory:** Jen-Col Construction is a mid-sized general contractor. We do commercial work all over the province. The construction industry is not necessarily associated with being innovative, so we just try to move forward and make construction a good experience for our clients.

**James:** Right. If you’re going to build something for me, I probably don’t want you to be too innovative — unless it’s been tested and it stands up. But we’ve previously talked about how you’ve innovated on the customer experience side.

**Cory:** At the end of the day, we serve our clients. We work with internal partners, subtrades and a bunch of people, but we want everyone who touches every project to have an unrivalled experience. We ask ourselves “What would work well for our people and for our clients?” And then we try to map out that process. Most people don’t expect to love renovating their building for the next year. Instead, we talk about a great outcome — what really matters to that client and how can we deliver on it?

**James:** What’s one pain point you’ve been able to shift for your customers?

**Cory:** It’s about asking questions at the beginning and not assuming to know

what they want. Asking them “What’s your expectation of a great job? What will matter to you at the end?” And working to that. I think you learn something every day. If you try to be better in the afternoon than you were in the morning, it’s a small continuous improvement. Never a quantum leap.

**James:** How do you drive continuous improvement with your team?

**Cory:** We process-mapped how to deliver a project from start to finish. We identify the good clients and put pillars in place to set those projects up for success — through winning the project, the planning, the execution and closing it out. I liken it to a recipe. Follow the recipe and then judge the results. If you want to tweak it later, do it. But follow a solid recipe to start.

**James:** Justine, give us an overview of Poppy Barley.

**Justine:** We are a vertically integrated omnichannel brand that sells shoes and accessories. “Vertically integrated” means we develop and then directly sell all of our own product. We have factories and stores. We don’t wholesale. “Omnichannel” means we have retail, ecommerce, and popups across Canada. “Brand” I define as the stories that customers will tell about your company. You’re not just a physical product, but far more.

**James:** Poppy Barley has an interesting approach to the supply chain. Did you go after this or stumble across it?

**Justine:** I think the hardest thing about fashion is its negative cash-flow cycle; you buy all your inventory and then you hope it will sell. And often the lead time between those two things is about a year. But a lot can happen in that time. You can have a global recession, a late spring, size 8s become super popular, or you have an unexpected bestseller.

I think a lot of companies go under because they tie up all of their cash and then one of those things happens. In contrast, we stay close to our supply chain. Instead of scheduling a few big orders a year, we have our two primary factories in Mexico, where we schedule weekly production time. Then the Friday before it goes on is when we decide what they’ll make. It allows us to say, “This is an unexpected bestseller, we need more of this,” and be super agile.

When we launch a new product, we launch in a small way, see how it performs and then keep raw materials that can be interchangeably used across enough products so we can put the best one that week into production. We also do “near-shoring”—manufacturing everything in Mexico, for example—which is more expensive than a China / Vietnam option. but it gives us, if we need it, one-day priority shipping to get to Canada.

We mostly stumbled across it. In the beginning, it was all made-to-order customer footwear, then we started offering stock and realized there was great strength in being able to take our supply chain we originally had for made-to-order and revamp it in a way that maximized how we could deliver stock footwear.



**James:** So, a core element of scaling and where you were on the made-to-order was to maintain that agility and look for a supply chain configuration that would work for that?

**Justine:** Yeah, I think moving into stock really helped accelerate our sales, but then retaining the supply chain of made-to-order, I think, just really manages our risk.

**James:** There are real side benefits of not carrying inventory. Stéphane, tell us about Riva.

**Stéphane:** Riva is a software development company. Our developers are based in Edmonton and our technical support is out of Edmonton and Nova Scotia. We've taken the company from 10 people to 110 in the last 5 years. Our product is a turnkey computer system that will synchronize different types of databases together.

Typically, an organization has a sales automation system to help their sales teams be more efficient and then maybe a technical support system to help their support team be more efficient. But they're typically separate because you want the best of breed for each. Those systems don't usually talk to each other, so you end up doing dual data entry, or one system has one set of info about a product that does not align with another. Our turnkey system synchronizes different types of databases together, so with email, for example, as soon as you scheduled an appointment, that appointment shows up in all your different systems so you can bill for it automatically or report on it so someone in another office sees that you're meeting with a customer. It helps that full lifecycle of communication.

**James:** You've done a great job working with customers if you've grown that much and that fast. What do you do with customers who think they want something but really don't know what they need?

**Stéphane:** We like to say we're customer funded, which means we have to be successful with every project. We run a very agile software development model that allows us to be retrospective in the strategies we use week-to-week in order to solve challenges. Instead of trying to decide "this is what the project will look like two years from now," we focus on "the minimum viable product." What is the most immediate deliverable we can give a customer to drive the most value with the investment they're willing to make? And then you do that every week.

At the end of the week, we may say, "That didn't work. Let's not do that again." Or "That worked well. Let's do that again." We ensure the team is self-empowered to change process without requiring executive approval because the projects change over time. Requirements change over time. The people that best drive the changes are those on the ground that get the customer feedback.

**James:** What's important to pay attention to in terms of innovating?

**Stéphane:** Our number one office rule is: Don't bitch about what you're not willing to fix. If you have a problem, let's find the solution. The product we sell today came out of an internal need; we had multiple systems that didn't talk to each other. Instead of complaining, we built a product to service it. And now that's completely revolutionized what we do. And that's now the only thing we do. This new product has taken us from 12 to 110 people.

**James:** Justine, tell us how you came to your ah-ha moment where you knew you had to change?

**Justine:** We've gone from 2 to 35 employees in 5 years. In the beginning, you hire and you grow and at some point, after doing everything yourself, you have to switch to leading, not doing. But you're so busy doing that you never get to leading. And you can get stuck there.

Our two maternity leaves ended up helping us. I went and then Kendall went. With one gone, the other had to draw the line: "I need to do this, but everything below the line either needs to be delegated down or cut." I think we defined "essential leadership," which is now mainly about resourcing—everything around budgets, cash flow, loans if you need them, and getting the right people and managing their time.

Second would be structure, including "Mastery, Autonomy, Purpose," reporting relationships, everything that enables people to do their job. Third would be hiring the right people, but even more important is retention.

For us the two biggest things have been compensating well and then making room in your employees' lives so they can have a life outside of their job. Things like flex time or work from home or vacation. For us, it was realizing employees work harder for you because they appreciate those benefits without them being a negative to you.

For the most part, I think it's getting crystal clear on priorities and allowing the employee to be successful instead of being pushed and pulled in a million directions.

**Stéphane:** We have a similar approach. We have different roles / responsibilities we try to make clear so everybody knows the component they own. "I'm responsible for this but if I'm going to make changes, who do I need to talk to in the organization?" So the reasons behind the decisions that were there are still true when you make those changes.

Having a very clear map of roles and responsibilities allows management to get out of the way. As long as the team knows who to talk to and when to reach out for help, you can continue to execute at full steam.

**Cory:** We say "It's about what's right, not who's right." If it's about who's right, you better like having a lineup at your door. When it's about what's right, your people are empowered to know the direction and make those decisions.



**James:** David, besides needing the deep technical expertise, how do you build and maintain your team of people?

**David:** People dynamics are really important. Start with a small team and ensure good communication. We had an excellent techie person... but people skills? Not so much. As a result, there was lots of tension in the team. For the good of the company, we had to let the person go. We brought in other people — better-suited personalities and similar technical skills. We found some with even better technical skills in a different area. We took advantage of that and found new opportunities to grow in developing a new product stream.

In the opposite scenario, we had a candidate with an excellent personality, lots of interest, a little cautious and green, but in five months we watched her blossom. We encouraged staff to participate in workshops, seminars, forums, so they could get used to public speaking to better represent the company. We assigned her to a workshop in her area of expertise and she did a phenomenal job. So we like to draw out other skills.

**Cory:** It comes down to a culture of sitting down and being able to ask questions—empowering your team so they understand the why of what we're doing and know they can share ideas. Every person in the company can make an impact and improve something.

I used to think innovation was about inventing the iPad — some big thing. Now I think it's about the small things and steps that you don't necessarily value until after. It's about finding better ways of doing things to keep work engaging for everyone.

**James:** Justine, how do you empower the team at Poppy Barley?

**Justine:** The WHY is very important. If you work in a silo, you might know what's best for your area but you don't know what's best for the organization. Giving people the big picture of the company's priorities and different areas of work will help them master their job.

We also practise open-book management — sharing sales but also the full budget, down to cash. "Great that we sold this many shoes, but the margin was this and this is what it did to our cash position." When you give people the full picture, we're all motivated to go the same direction.

**Stéphane:** We also review our financials with our team so they can see their direct contributions. It gives them clarity of purpose and shows that their contributions matter. Whether theirs is a micro or macro idea, it has a snowball effect.

When the team sees, say, 50 percent growth this year, they can look back and say, "Wow, all those retrospectives and planning meetings were worth it." It validates their purpose and contribution. It helps the culture—showing that their contributions have a direct impact on day-to-day operations.

**Cory:** If you have an employee wondering if they're contributing to the team, they won't think about what they can do better.

**Justine:** I have a good example of that. Here in Canada, most people recognize that, yes, employees need to care to do their best work. Treat them well, use open-book management, be pro-employee. We started bonusing out our shoemakers in Mexico. There was a large standard of living difference, so we wanted to give them more for their work. It made a huge difference in how they make our shoes. Now they care about us as a company, so they treat our shoes differently than the other footwear they produce.

**James:** So, you need the technical skills, the communication, the people looking to make a difference. How does design thinking play into it — looking at what the customer needs and building to that?

**David:** Our company is driven by innovation. Everything we do is new. Some materials we make - we're the only company in the world that makes it. We're only learning ourselves what it can do. Innovation is important. We live and breathe it. Companies come to us with a problem. Can you solve it? In some cases, we try an approach and it doesn't work. We try another, which works. If we're successful, our clients are happy. We've just given them a whole new product line and then we become their supplier.

**James:** So, fail fast to find the success? Keep what works, stop what doesn't.

**Stéphane:** And get feedback. That returned item gives you twice as much information as the successful project. Failing fast is more important than succeeding.

**James:** In your organizations, you don't innovate for its own sake. There's a purpose and a benefit. In practical terms, why are you innovating?

**Stéphane:** To stay relevant. The technology cycle is 18 months. We must constantly stay ahead of the curve. If we're not innovating our projects and deliverables, our competition will catch up and outpace us if. If you don't apply lessons and learnings to the next release / build, then you'll start falling behind.

**Justine:** In fashion, if you're not innovating, you're dying. It's very competitive. I think that's what makes it fun, though. I'd rather work on something new or solve a new problem than follow existing processes with no change.

**Cory:** In construction, the way buildings are built there's not a lot of change. Carpenters don't design or engineer, but they might find a better way of doing things. The easiest way to lose a great employee is by making them do the same thing over and over when they know a better, more efficient way.

**David:** Cory and I talked at the break about how our companies could be working together — for example, a new solar window that generates electricity for construction. If we could combine those ideas, you've revolutionized how you create net-zero buildings. There are ways that traditional companies can work together to address the latest energy policies and requirements.

**James:** We'll end on that note, which takes us full circle — showing how most companies are mashups of what we already have. Thanks, everyone.

