

MANITOBA
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**FASTEST-GROWING
COMPANIES SURVEY
2010**



Leading Business Growth

By **BOB ARMSTRONG**

Photo (left to Right): **Mike Millard, Paul Neufeld, Mel Buhler**

New technology, new markets, and new approaches to business have stimulated MANITOBA BUSINESS MAGAZINE'S FASTEST-GROWING COMPANIES to create opportunities in cities and town across the province transforming old businesses and creating new ones.

Take Southern Comfort Mechanical Inc., as an example. Growing environmental awareness combined with government incentives and attractive financing programs have spurred growth at the Niverville firm that specializes in 'geothermal' heating and cooling.

Southern Comfort Mechanical Inc., has grown from two employees to 28 since it incorporated in 2001. The company, owned by partners Mel Buhler and Paul Neufeld, is a full-service mechanical contractor that also deals with conventional heating and cooling, plumbing and hydronics, water and sewer treatment.

But it's geothermal that has heated things up for the firm, which currently has approximately 150 units of multi-family housing under construction using the technology, according to Mike Millard, who works in business development for SCMI.

“Probably the biggest component of our business now is multi-unit residential, especially life-lease buildings,” says Millard.

With multi-unit residential projects on the go in Steinbach, Winnipeg, Selkirk and Portage La Prairie, the company also does geothermal installations in community centres, recreational facilities, government buildings and private homes, both in new construction and retrofits.

By transferring the heat from deep underground into buildings, geothermal can reduce energy costs by 60 to 70 per cent, says Millard. And the energy that is used in heating is electricity to power the heat pump, rather than fossil fuels.

Manitoba Hydro offers attractive financing and incentives are available from both the federal and provincial government to encourage customers to pursue geothermal. That has led to “unbelievable growth” in the field. From 1980 to 2009, 6,500 geothermal installations were completed in Manitoba.

To keep up with demand, SCMI has added 1,500 square feet of office space and established a sister company (co-owned by SCMI’s partners and one other partner) called TruEnergy Source Inc., to install the loops of subterranean pipe that are part of a geothermal energy system.

SCMI was awarded the 2008 Prize for Excellence by the Canadian GeoExchange Coalition and the 2008 Best Practices Award for Affordable Housing by the Canadian Mortgage and Housing Corporation for an installation in Cross Lake, Manitoba, which has been formally recognized as the first residential geothermal installation by a First Nations community in Canada.

The company has also taken its expertise overseas in the last two years, working closely with Manitoba Trade and Investment, Foreign Affairs and International Trade Canada and the National Research Council of Canada to promote geothermal heat pump technology, strategic Manitoban partnerships, and Manitoba’s geothermal expertise abroad in both Dubai and Abu Dhabi.

MANITOBA HARVEST

A Manitoba company founded to create new markets for crop farmers has shown that a recession isn’t a recession for everybody.

“Growth in 2009 in the middle of a recession reflects the fact that people are increasingly interested in their health, their environment, and green products,” says Mike Fata, CEO of Manitoba Harvest, a hemp processor.

With more than half of the company’s products exported, mostly to the U.S. market, Manitoba Harvest is tapping into multi-billion-dollar markets for its products.

Fata says responsiveness to consumers has been key to growth.

Two of the new products launched last year were directly responding to consumer interest. Last year, Manitoba Harvest added an unsweetened version to its line of hemp drinks, and produced a soluble version of its hemp protein powder. The company connects with consumers at more than 50 trade shows and other events per year, not just for the food business but for people interested in healthy and active lifestyles. Since hemp is high in heart-healthy Omega 3 and Omega 6 fatty acids, it appeals to health and fitness-minded consumers.

The company’s line of hemp drinks gives the firm a part of a \$1 billion a year North American market for non-dairy milk substitutes. The largest share of that market is currently occupied by soy products, but given that soy contains allergens, hemp drink is poised to take a growing share, says Fata.

Hemp drink also gives the company a presence in mainstream grocery stores, expanding the company’s presence beyond the health food sector.

Soluble hemp protein can be added to the popular fruit drink known as ‘smoothies’ – either made at home or in ‘smoothie’ stands – to make them into a complete meal. Growing health consciousness has made smoothies an \$8 billion-a-year business, Fata notes.

The company also sells hemp powder, seeds and oils both to individual consumers and to other companies that use the products to make energy bars and other products.

In the past two years, the company has grown from about 20 employees to 37, which includes several sales staff located outside Manitoba, as well as office and processing staff based in Winnipeg.

The company processes “a couple of million pounds” of hemp seeds per year, says Fata, mostly from Manitoba. The firm’s origins were in the 1990s,

“Many people make business complicated when it really isn’t. You buy low, sell high and pay your bills. But you have to know your business. We don’t lose money very often.”

when Manitoba farmers were looking for ways of coping with the loss of the Crow Rate grain subsidy and looking for new profitable crops to grow. Today, in addition to Fata and his co-founders, the firm has a number of farmers as investors.

The loss of the Crow Rate reinforced a trend toward a smaller number of larger and larger farms across Canada. And that trend has had a big impact on the businesses that depend on agriculture.

“There’s a lot of consolidation in the industry,” says Bernie Chabot, noting companies in Alberta with large numbers of equipment dealerships throughout that province.”

CHABOT IMPLEMENTS CO.

Consolidation in the agricultural sector prompted a three-generation family farm equipment business to expand throughout southern Manitoba over the past four years.

Chabot Implements Co. of Elie, Manitoba, turns 75 years old in 2010, with four distinct dealerships offering a wide range of farm, construction, yard and garden and recreational equipment.

“There’s a lot of consolidation in the industry,” says Bernie Chabot, noting companies in Alberta with large numbers of equipment dealerships throughout that province.

“You need a minimum of two dealerships to survive,” he says. Bernie, who has a mechanical background, runs the Chabot dealerships in Elie, Manitoba, and Steinbach, while younger brother Gilles, who has a finance background, runs the Portage La Prairie and Neepawa, Manitoba dealerships. Their sister, Brigitte Beaudry, works in the accounting department at the company as do Bernie’s son Corey

and daughter Brooke. More than 60 employees are employed over all in sales, service and administration.

According to Bernie, the Chabots’ combination of skills has helped them manage growth and diversification of the company.

The family’s original Case IH dealership in Elie was started in 1935 by their grandfather, Charlie Chabot, then taken over in 1960 by their parents, Maurice and Eveline Chabot. After Gilles joined the family business about six years ago the brothers decided that with all the change and consolidation in the industry they had to grow or they would be taken over



SCMI is proud to be ranked 9th in Manitoba Business Magazine's Fastest-Growing Companies Survey 2010.

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Southern Comfort Mechanical Inc.

is a nationally-recognized, award-winning mechanical contractor specializing in the following divisions:

- Geothermal Heating and Cooling
- Conventional Heating and Cooling
- Heat Recovery Ventilation
- Plumbing and Hydronics
- Water and Sewage Treatment
- Mechanical Service

