



WINNERS CIRCLE

Canadian companies that value corporate culture are striking it rich. *SR2*

NATIONAL POST, THURSDAY, NOVEMBER 29, 2012

CANADA'S 10 MOST ADMIRABLE CORPORATE CULTURES

The culture club

By Mary Teresa Bitti

When Marty Parker, president and CEO of executive search firm Waterstone Human Capital, founded the firm 10 years ago, he did so on the value of understanding clients' organizational cultures to the best degree possible. That meant honing in on the behaviours that made people successful in those organizations.

"We wanted to focus on how they were successful. By understanding that, we felt we could do much better search work," Mr. Parker says.

To gain that understanding, in 2003 Mr. Parker and Waterstone surveyed hundreds of Canadian leaders about corporate culture. At that time the term was ill-defined; Mr. Parker wanted to find out if business leaders viewed culture as an asset that drove performance.

"At the end of the Canadian Corporate Culture Study, we asked the question: What Canadian organizations do you feel have cultures that have enhanced performance?" Mr. Parker says. "We came a way with a list of about 60 companies and rank ordered them."

That initial survey and resulting list has since turned into Canada's 10 Most Admired Corporate Cultures Program. Waterstone recruited a board of governors who understood culture as a driver of performance, built a nomination and submission process and set the governors the task of assessing the submissions based on a set of specific criteria: vision and leadership; cultural alignment; rewards and recognition; innovative business achievement; corporate social responsibility; financial performance; and key performance indicators. Each is equally weighted across a seven-point scale.

Eight years later, the program has grown both in size and vision. This year, there were well over 600 nominations, 176 finalists and, finally, 10 winners across four categories: Enterprise, which includes companies with \$500-million in revenue and above; mid-market, which includes organizations with revenues between \$100-million and \$500-million; growth and small cap, those companies with revenues less than \$100-million; and the broader public sector.

Moving to four categories is the latest and biggest refinement of the program this year.

"In the past, we organized winners by region and historically had more large enterprise companies as winners," Mr. Parker says. "Over the years we realized that the program



GETTY / THINKSTOCK

Canadian companies that build a strong corporate culture are showing a remarkable record of success, studies show.

was not as representative of the Canadian organizational landscape as it could have been. Medium and small organizations are driving the economy. To compare apples to apples we needed to segment the program and compare companies of the same size. We also decided to focus on the great work being done in the public sector."

Organizations are nominated through the Canadian Corporate Culture Study or directly on the Waterstone site. *National Post* also runs full-page advertising outlining the nomination process. Organizations must be either a Canadian company, a Canadian subsidiary or fall into the not-for-profit category. Nominees are invited to make detailed submissions. Submissions are collected through to the end of May, at which point the team at Waterstone interview the executives between June 1 and Sept. 15. Those interviews are added to the submissions and forwarded to the board of governors, which is largely comprised of former winners. They then have about five weeks to

review the submissions and come together in November, discuss each nomination and vote in real time. The winners were announced on Nov. 27 (see page SR2).

"When this program started to take off four or five years ago, we realized the vision for the program went well beyond showcasing the companies that were getting culture right," Mr. Parker says. "We believe sharing best practices

of bringing organizations together."

He points to Telus as an example of an organization that has a lot to offer in terms of how to make corporate culture a competitive advantage.

"We all know Telus in terms of its creative and external brand: 'the future is friendly.' What may not be so obvious is the fact that Telus has aligned that brand to its internal brand or culture and, in fact, to everything it does. As a result, Telus has achieved higher shareholder returns in the 13 years it has made culture a focus than all the global incumbent telcos. CEO Darren Entwistle was well ahead of the curve. He understood if you can capture the essence of who you are as an organization and align your values, organization systems, compensation, training, recruitment to who you are, that will impact performance. That is a mark of excellence."

In fact, when you consider the three-year compound annual growth rate of Canada's 10 Most Admired Corporate Cultures of 2011, these companies

have significantly outpaced the S&P/TSX 60 by 1,300% when it comes to asset growth and 600% on return on revenue.

"Every year Canada's 10 outperform Canada's biggest and best," Mr. Parker says. "It's because they have been focusing on who they are."

The vision for the program going forward is to continue to grow just as it has over the past eight years: organically, based on the sharing of best practices by winners.

"Almost 40 years ago Peter Drucker said culture eats strategy for breakfast. This program shines the light on something that always existed, it just wasn't identified as culture," Mr. Parker says. "There have been great examples of corporate culture over the years. What we are doing is providing a mirror and, in some ways, a projector, as well as an opportunity for organizations to learn from each other at our annual summit in February and, new this year, regional summits. Hopefully, that continues and grows."

National Post

Every year, Canada's 10 outperform our biggest and best

will impact Canadian competitiveness on a global scale. The program is an opportunity for organizations to learn from each other, regardless of size and sector, and get better. Embracing that vision has enabled us to be at the centre

WE RECRUIT FOR FIT

At Waterstone, we help our clients build great organizations. How? By helping them find and keep the best people. Because the best people – the ones that 'fit' the culture – ultimately drive performance.

This year’s Canada’s 10 winners represent what we have always known: Great people — who are the right fit — create great cultures, and great cultures create a competitive advantage that generates outstanding results — Marty Parker, Waterstone Human Capital

The value of diversity

Waterstone Human Capital has announced this year's winners of the Canada's 10 Most Admired Corporate Cultures. Established in 2005, this prestigious program recognizes Canadian organizations for having a culture that has helped them enhance their performance and sustain a competitive advantage.

Winners were chosen from hundreds of submissions, based on five criteria: vision and leadership; cultural alignment, measurement and sustainability; rewards, recognition and innovative business achievement; corporate performance; and corporate social responsibility.

For the first time, Canada's 10 was expanded to encompass four distinct business categories: Enterprise, Mid-Market, Growth & Small Cap and Broader Public Sector.

According to Marty Parker chairman and CEO of Waterstone Human Capital Ltd. and chair of the program's board of governors, these new category distinctions better reflect the Canadian business landscape and the diversity of organizations that are driving the economy.

He adds that this year's winners are the most dynamic and diverse ever seen in this program. "Every one of these businesses has a unique corporate culture story to tell. The common attribute, however, is their ability to align their corporate culture with their behaviour and their business goals. Research has shown that high-performing companies — whether success is measured by customer acquisitions, market expansion or organic growth — consistently demonstrate visionary leadership that drives and maintains a strong corporate culture.

"This year's Canada's 10 winners represent what we in the executive search business at Waterstone have always known," Mr. Parker states. "Great people — who are the right fit — create great cultures, and great cultures create a competitive advantage that generates outstanding results, in both good times and in bad."

The winners:

GROWTH & SMALL CAP

Canada Goose Inc., Toronto Founded in a small warehouse in Toronto more than 50 years ago, Canada Goose has since grown to be recognized internationally as one of the world's leading manufacturers of extreme weather outerwear. Even today, the company continues to carry on all of its production activities in Canada.

Eckler Ltd., Toronto Eckler Ltd. is Canada's largest independently owned actuarial consultancy, servicing a variety of insurance and insurance-related products. As one of the country's longest-established practices, the company is known for its actuarial excellence and professional integrity, and ongoing commitment to explore innovative actuarial methods.

Frima Studio Inc., Quebec City Frima Studio Inc. was founded in 2003 by Steve Couture, Philippe Bégin and Christian Daigle, to craft video games and digital entertainment for all platforms and screens. Through continued acquisition and new business development efforts, the company has grown to become the largest Canadian-owned gaming studio.

Greystone Managed Investments Inc., Regina Greystone Managed Investments is an institutional investment counselling firm serving the investment needs of pension funds, endowment funds, nonprofit organizations, universities, unions and corporations across Canada. The firm's mission is focused on understanding clients' needs and objectives, while providing value-added investment performance.

Harbour Air, Richmond, B.C. Harbour Air was founded in 1982 with two small de Havilland Beaver seaplanes and a plan to service the forest industry. Since then the company has expanded to become the world's largest all-seaplane airline. It provides a wide range of aviation services, from private charters and scenic adventure tours to scheduled flights within the B.C. region.

Infusion, Toronto Infusion is considered a global leader in the field of emerging technology. Its mission is to solve business problems by combining expert software engineering with appealing user experiences and design. Services include custom architecture, training and mentoring, hosting and support, and user experience and design solutions.

North Shore Credit Union, North Vancouver For more than 70 years, North Shore Credit Union has been providing financial services to members in the North and West Vancouver, Squamish, Whistler, Pemberton, Vancouver and Burnaby communities. It is known for its commitment to helping its members reach their personal or business goals.

Rocky Mountain Soap Co. Inc., Canmore, Alta. Rocky Mountain Soap Co. is passionately committed to finding the most nurturing and therapeutic ingredients for the production of their 100% natural bath and body products. The company began as a 300-square-foot shop selling handmade soaps. Today, it has 10 stores and a production workshop where it produces its expanded product line.

Solium Capital Inc., Calgary Solium is a developer of risk mitigation solutions that help stock plan administrators secure the accuracy and integrity of data, while ensuring compliance with industry standards. Its fully automated, web-based and scalable solutions help to simplify daily processes for administrators and improve service to customers.

The Great Little Box Company, Richmond, B.C. The Great Little Box Company has been producing boxes and cartons for customers for more than 25 years. From its modest beginnings of only three employees and a 5,000-sq.-ft. plant, the company has gone through continued expansion. Today it has more than 300 employees working in four locations across British Columbia and neighbouring Washington.

MID-MARKET

CBI Health Group, Toronto CBI Health Group is a privately-owned Canadian health care services and management company dedicated to providing an integrated approach to health management. The company works collaboratively with customers to deliver precisely tailored, timely and predictable solutions that ensure successful outcomes.

Eagle Professional Resources Inc., Ottawa Eagle is a privately owned professional staffing company specializing in the recruitment and placement of technology, finance and accounting professionals, as well as executive and management consultants. With 10 offices across Canada, it is one of the country's most successful staffing companies.

GoodLife Fitness, London GoodLife Fitness has been educating, motivating and helping Canadians reach their fitness goals since 1979. Its associates are dedicated to helping customers gain strength, boost their confidence, manage their weight and enjoy life to the fullest.

Harry Rosen Inc., Toronto Harry Rosen is an iconic high-end men's clothing specialty retailer. Its renowned personal approach to customer service has been its guiding principle since it was founded six decades ago. Today, there are 15 Harry Rosen stores in seven major Canadian markets, and more than 700 associates dedicated to delivering customers an enjoyable and memorable experience.

Maple Leaf Sports & Entertainment Ltd., Toronto MLSE is Canada's pre-eminent leader in delivering top-quality sport and entertainment experiences to fans. This privately held organization owns the Air Canada Centre, the Toronto Maple Leafs, the Toronto Raptors, the MLS' Toronto FC, and the AHL's Toronto Marlies, as well as website and television properties.

Maxxam Analytics, Mississauga, Ont. Founded more than 40 years ago, Maxxam is the market leader in analytical services and solutions to the energy, environmental, food and DNA industries. Maxxam's 2,200 dedicated employees proudly lead the industry



TYLER ANDERSON / NATIONAL POST

Waterstone Human Capital CEO Marty Parker notes this year's winners show the value of corporate culture.

in depth of technical and scientific expertise and serve customers through its national network of laboratories.

Mr. Lube Canada Inc., Delta, B.C. Founded in Edmonton in 1976 by the father-and-son team of Arnold and Clifford Giese, Mr. Lube specializes in no-hassle, fast-turnaround oil changes. Since the company established its franchise program in 1981, it has grown to 115 locations from coast to coast and become Canada's largest quick-lube brand and automotive service provider.

National Leasing, Winnipeg National Leasing has been providing Canadian businesses with equipment financing since 1977. Today, it has grown to become the country's largest Canadian lessor for small to mid-size transactions. It has introduced a number of new innovations to the leasing industry, including an electronic lease application process to ensure rapid turnaround.

Descartes Systems Group Inc., Waterloo, Ont. Descartes is a global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Descartes' B2B network, the Global Logistics Network, integrates more than 35,000 trading partners to its cloud-based Logistics Technology Platform to unite their businesses in commerce.

Wakefield Canada, Toronto Founded in 2005, Wakefield Canada is a privately owned company focused exclusively on servicing the Canadian automotive and commercial heavy duty aftermarket. With an employee base of more than 140 people, Wakefield provides sales, marketing and distribution solutions to more than 5,000 customers in a broad range of sectors.

ENTERPRISE

Acklands-Grainger Inc., Richmond Hill, Ont. Acklands-Grainger is Canada's largest distributor of industrial, safety and fastener products. It has built its success on offering customers the convenience of a single-source solution, with the largest selection of in-stock brand-name products from the world's top manufacturers and the largest exclusive private-label offering in the industry.

Cineplex Entertainment, Toronto Cineplex is a leading entertainment company operating one of the most modern and fully digitized motion picture theatre circuits in the world. It has 133 theatres in Canada, serving 70 million guests annually. Cineplex's numerous businesses include theatrical exhibition, food services, gaming, alternative programming, media, digital solutions and online sales.

CN, Montreal CN offers integrated transportation services including rail, intermodal, trucking, freight forwarding, warehousing and distribution. The company and its operating railway subsidiaries span Canada and mid-America, from the Atlantic and Pacific oceans to the Gulf of Mexico, serving the ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and key metropolitan areas.

LoyaltyOne, Toronto LoyaltyOne is a global provider of customer insight and strategy, marketing and loyalty programs and customer experience management to Fortune 1000 com-

panies. LoyaltyOne's offerings include Canada's Air Miles Reward Program — North America's premier coalition loyalty program — and a full suite of customer-centric service offerings.

McDonald's Restaurants of Canada Limited, Toronto McDonald's Restaurants of Canada Limited and its Canadian franchisees own and operate more than 1,400 restaurants and employ more than 80,000 Canadians coast-to-coast. Approximately 75% of McDonald's Canadian restaurants are locally owned and operated by independent entrepreneurs.

National Bank, Montreal Founded in Quebec City in 1859, National Bank has grown to become a powerful integrated financial group that is ranked among the world's strongest banks. It has a network of more than 440 branches in Canada, as well as a network of representative offices, subsidiaries and partnerships that serves clients in the United States, Europe and other parts of the world.

PCL Constructors Inc., Edmonton PCL is a group of independent construction companies that carries out work across Canada, the United States, the Caribbean and Australia. These diverse operations in the civil infrastructure, heavy industrial, and buildings markets are supported by a strategic presence in 32 major centers.

Telus, Vancouver Telus is a leading national telecommunications company that provides a wide range of communications products and services including wireless, data, Internet protocol (IP), voice, television, entertainment and video to 13 million customer connections. Telus is one of the first Canadian companies to be named the most outstanding philanthropic corporation by the Association of Fundraising Professionals.

The ALDO Group, Montreal The ALDO Group is a privately-held company specializing in the design and production of quality fashion footwear, handbags and accessories. By the end of 2012, the ALDO Group will operate more than 1,600 retail stores in Canada, the United States, the United Kingdom, and Ireland as well as in 76 franchised countries.

Walmart Canada, Mississauga, Ont. Established in Canada in 1994 with the acquisition of the 122-store Woolco division of Woolworth Canada, Walmart Canada operates a growing network of more than 300 stores across the country, employing more than 85,000 Canadians. Each store carries close to 80,000 products ranging from apparel and home décor to electronics and grocery.

BROADER PUBLIC SECTOR

Camp Oochigeas, Toronto Camp Oochigeas offers year-round programs for children affected by childhood cancer at various sites in Ontario, including Muskoka, SickKids Hospital, its Ooch Downtown facility in Toronto and in the community. Through its programs, 800 children affected by cancer can enjoy fun and meaningful experiences at no cost to their families.

Canada Mortgage and Housing Corporation (CMHC), Ottawa CMHC is Canada's national housing agency dedicated to assisting Canadians who cannot afford housing in the private market. Established in 1946, the agency has grown to become Canada's

premier provider of mortgage loan insurance, mortgage-backed securities, housing policy and programs, and housing research.

Humber College Institute of Technology and Advanced Learning, Toronto Humber is committed to student success through excellence in teaching and learning, providing programs for 25,000 full-time and 57,000 part-time students. Its broad range of career-focused credentials includes bachelor degrees, diplomas, certificates and postgraduate certificates, as well as apprenticeship training.

McGill University, Montreal McGill's 11 faculties and 11 professional schools offer more than 300 programs to 38,000 graduate, undergraduate and continuing studies students. Now celebrating its 190th anniversary, the university ranks first in Canada and 18th in the world among medical-doctoral universities.

Medavie Blue Cross, Moncton Medavie Blue Cross provides health, travel, life and income replacement products to group and individual customers and administers various provincial and federal government-sponsored health programs. Through subsidiary companies it also manages ambulance services in New Brunswick, Nova Scotia, Prince Edward Island and the Muskoka region of Ontario.

Metrolinx, Toronto Metrolinx is a Government of Ontario agency that was created to improve the co-ordination and integration of all modes of transportation in the greater Toronto and Hamilton area. The organization's mission is to champion, develop and implement an integrated transportation system for the region that enhances prosperity, sustainability and quality of life.

Mount Sinai Hospital, Toronto Considered one of Canada's pre-eminent patient care, research and academic health science centres, Mount Sinai Hospital is known for excellence in the community and beyond its borders. Its organizational goals focus on patient and family-centered care, increasing its roles as a teaching hospital and enhancing community health partnerships.

North York General Hospital, Toronto North York General Hospital is one of Canada's leading community teaching hospitals. Serving the community since 1968, its 5,000 staff, physicians and volunteers provide a wide range of acute care, ambulatory and long-term care services at three sites. As a teaching hospital, its culture is dedicated to preparing future physicians, nurses and healthcare professionals.

Plan Canada, Toronto Founded in 1937, Plan is one of the world's oldest and largest international development agencies dedicated to ending global poverty and improving the lives of children. Currently working in 68 countries, it provides communities with the tools they need to break the cycle of poverty and build sustainable solutions for improving their lives.

Providence Health Care, Vancouver Providence is one of the largest faith-based health care organizations in Canada, operating 16 sites in Vancouver. Its 1,000 physicians, 6,000 staff and 1,500 volunteers deliver compassionate care to patients and residents in British Columbia while training medical professionals and making innovative advances in research.

National Post

“*Defining fit is not easy. It’s really about understanding the behaviours that make people successful in your organization and finding those in new hires. Organizations realize engaged employees drive results*”

Key to success: Hiring for fit

By MARY TERESA BITTI

In today’s business climate, culture can be all.

“A strong corporate culture is the single greatest asset an organization can have and the really great organizations know this,” says Marty Parker, president and CEO of executive search firm Waterstone Human Capital, creator of Canada’s 10 Most Admired Corporate Cultures program and author of *Culture Connection: How developing a winning culture will give your organization a competitive advantage*. “These organizations understand that culture drives performance.”

They also understand that for culture to drive results, that message has to come from the top.

“There is a definite awareness that culture starts with leadership and that in order to build a strong corporate culture you have to hire for fit,” Mr. Parker says. “In our 2011 Canadian Corporate Culture Study, 85% of respondents reported that fit was more important than skills when hiring. This is up from 37%, when we first started conducting this survey of business leaders in 2003.”

The fact is skills are the cost of entry, as success is the cost of entry at the leadership level.

The question is, how were you successful? That comes down to organizational fit, Mr. Parker says. “Defining fit is not easy. It’s really about understanding the behaviours that make people successful in your organization today and finding those in new hires. Organizations realize engaged employees drive results. The question is, how do you get engaged employees? When you feel simpatico, that’s alignment and that is fit. And it starts with defining who you are as an organization.”

Mr. Parker points to Mr. Lube, one of this year’s Canada’s 10 Most Admired Corporate Cultures winners, as a leadership and company that have done just that. “Mr. Lube CEO Stuart Suls has really figured out who they are and all their systems are aligned around what you and I might call work/life balance but what they call One Life,” Mr. Parker says. “In his view, your life is both professional and personal. If you have to take your child to the doctor during a work day, then do it, but it’s also expected that you will get the things you have to do done. It’s up to the individual how that happens. It’s not balance. It’s one life. Culture and the study of culture is about what makes you, you. Organizations know if they get that right and align

themselves to culture, engagement and outcomes will follow. It is the first step to recruiting for fit.”

Mr. Parker outlines a few key best practices to help ensure you are bringing the right people into your corporate culture:

Know yourself Find your high performers across the organization and across functions. Talk to them and observe them, to understand what makes them successful. Consistent themes will emerge in terms of how people are successful. “Once you do that and identify those core behaviours you can articulate your corporate culture. For example, at Waterstone we describe ourselves as humble, hungry, smart, in that order. It took us a long time to figure that out but that is the key to our culture and to succeeding here. We are a professional services firm and so humility is important; we are here to serve and support our clients. Hungry is important because you have to work hard in our business or you won’t survive. Finally, judgment is critical in our business. How you behave is the cornerstone of culture.”

Practice continuous recruitment Sit down with your leadership teams and figure out which roles could lead to succession issues. Identify your top talent and where they could go in the organization and discuss what you can do now to prepare those high potential people to move forward. The next step is to create a virtual bench of candidates — these are people outside the company to watch. This isn’t about contacting them; it’s about knowing who the high performers are.



GETTY CREATIVE IMAGES

Recruiting for fit is key to a high-functioning workplace.

It’s a good idea to have your HR team identify businesses that share a similar corporate culture as they are logical places to look when the time comes. Doing this will also give you competitive and market intelligence on that function or role. If you want to recruit for fit, you can’t just look inside your own organization or rely on search firms. It takes time.

Interview for fit Start at the beginning, because that’s how life works. You want to find out their career arc because this will also give you insight into how their life unfolded: the judgments they made, where they got lucky, how they moved from one role to another, how they used a network, their thinking from one role to another. As you do this, collect the names of people the candi-

date reported to and worked with. This will allow you to develop your own gut feel into how and why things happened and will give you an understanding of the person as well as a list of people to contact.

Look beyond the interview How did the candidate interact with the person at reception? Conduct follow-up non-interview meetings outside the office. “I have a wonderful client who goes through a rigorous process that doesn’t feel like a process. It feels like building friendships and always ends up with lunch or dinner, most likely with a spouse... The objective is to try and get to know the whole person so you can determine if the behaviours that led to their success are transferrable to your work environment. For example,

if you want to find out if they are resourceful, when you book the second meeting give them the opportunity to talk to X to prepare for the interview. Their action or non-action gives you more information.”

Recruiting for fit should never take place on an island

This means seeking the opinion of the judgment stars in your organization. They are the skeptics ... you should include them in the process. Then debrief as a group. Live sharing of feedback triggers richer conversations and leads to more insights. Talk about the behaviours you’re looking for, where you saw it. And if you haven’t found it, point that out. This isn’t about filling a role. It’s about finding a fit.

Direct the referencing process Use those names you collected in the chronological interview. “What we want in a referencing report isn’t glowing remarks; we want a 360 view of the individual. It’s a change in mindset and it’s a hard one, but it’s important.”

Build an integration plan based on your culture It should include mentoring and showing your new hires exactly what you do and how you do it. When they represent that behaviour, make a fuss about it. Have a third party — someone they do not report to — touch base at regular interviews. This will allow you to cut off potential issues, which often come down to misunderstandings.

At the end of the day, recruiting for fit is a process. “It starts with understanding who you are and it ends with understanding who you are,” Mr. Parker says.

National Post

Together

We thank our 23,000 proud railroaders for their dedication, teamwork and passion.

Find your place at CN. Visit jobs.cn.ca

CANADA'S 10 MOST ADMIRABLE CORPORATE CULTURES 2012 Presented by Waterstone

“ *With weak corporate cultures you usually have things like high turnover, customers with medium to low levels of satisfaction and just generally they are not as successful — Larry Rosen, CEO/chairman, Harry Rosen Inc.*

Overcoming culture shock

FRESH START

By PAUL BRENT

Whether we consciously realized it or not, all of us have witnessed first-hand the result of terrible corporate cultures. Whether it's poor service, uncaring sales teams or the general sense that the company would be as happy to do without your business as it would be to take it, all are instances of bad cultures in action.

“With weak corporate cultures you usually have things like high turnover, customers with medium to low levels of satisfaction and just generally they are not as successful,” says Larry Rosen, chief executive officer and chairman of high-end men's wear retailer Harry Rosen Inc.

By contrast, companies with strong corporate cultures stand out and compel people to seek them out, the retailer notes. “Isn't it exciting to go into an Apple store and see the passion that the people working in the store have for the product? How exciting it is, how busy it is, because there is something going on there. [Apple] is an example of a great culture.”

Just as visitors to an Apple outlet effortlessly soak up the culture of cutting-edge technology, simplicity and service, people almost instinctively recognize the opposite, says the retail executive.

“There are also companies that you go into and you realize that they don't have a love of their customer: Loving your customer, wanting to make your customer extremely satisfied, is a cornerstone of a great corporate culture,” he says. When encountering a poor corporate culture, “you feel like a number; you shop there because you have to and if a better alternative existed” you would take it.

Harry Rosen's customer-first culture traces its roots back to the company's humble beginnings in 1954, when Larry's father and his uncle Lou opened a made-to-measure store on Parliament St. in Toronto. “Like all great entrepreneurs they willed a business into existence through their passion, their love of the customer,” says the second-generation retailer. “They learned about each customer, they kept records, they serviced their needs and they developed a very, very personal interaction with their customers.”

Harry Rosen managed to



SPECIAL PHOTOGRAPH

Nurse Next Door co-founder John DeHart learned the value of establishing culture early.

hang on to that customer-centric focus even as it added staff and stores, growing into a company today that includes 16 stores and nearly \$300-million in sales.

While the men's wear retailer was fortunate to hit upon a winning corporate culture from the start and have visionary founders ensuring that the company did not stray from its winning formula, a large percentage of businesses are not so fortunate.

It's a reality that John DeHart knows only too well. The co-founder and chief executive of Nurse Next Door Home Care Services of Vancouver soon learned that creating a business and creating a successful culture do not neces-

sarily go hand in hand.

“We started the business 11 years ago and, just like any entrepreneur, when we start a business we have the best of intentions to build a great company with great people,” he says. “A funny thing happens when you build a business: Your culture builds itself if you do not really focus on it.”

In the case of Mr. DeHart's company, torrid growth going from zero employees to 1,000 employees in just four years, meant Nurse Next Door created a culture by default, rather than by design.

The CEO was not happy with the end product. “I literally walked in the door and looked around and said, ‘This is not a happy place, I am not

a happy entrepreneur and I don't have a happy company.’ I certainly experienced what a bad culture is within my own company.”

Mr. DeHart became “a student of culture” after that CEO epiphany. Formerly an entrepreneur in the high-tech industry in Europe and the United States, he set out to examine “the best brands that endured the test of time,” such as Southwest Airlines. He soon found all of these powerful brands had equally powerful cultures behind them stemming from a foundation of core values that were brought to life in every level of the organization.

“We realized that was the secret: To take these kind of

airy-fairy concepts called core values and bring thing to life,” he says.

Over the past six years, the company has “been maniacal” about its culture and turned things around to the extent that it is now recognized for having a top culture and regular winner of ‘great workplace’ awards.

Mr. DeHart says the warning signs of a poor or toxic corporate culture are not obvious but are instead evidenced by operational challenges that never seem to go away.

For example, attracting and keeping top talent is more difficult for businesses with weak cultures. “If you don't have a great culture you are not going to keep them that long unless you are consistently paying so above market that you are probably not as competitive” as direct rivals.

In Nurse Next Door's early “bad culture” years, Mr. DeHart recalls difficulty attracting the best people and suffering from high turnover among his staff.

“It is very expensive over time because you are always paying more, hiring costs are expensive, training costs are expensive and a new employee takes six months to a year to really get up to speed.”

Inability to keep their best people, replace them or deliver on their service promise to customers, are all products of a poorly performing corporate culture and can ultimately hobble a business, he says.

“It is one of the big negative impacts that only shows up after years after building a business.”

National Post



Thank You

to our employees for your passion, professionalism and performance. **Together we make a difference.**


CMHC is honoured to be named one of Canada's 10 most admired corporate cultures in the broader public sector.

Merci


à nos employés pour leur passion, leur professionnalisme et leurs réalisations.

Ensemble, nous changeons le cours des choses.


C'est un honneur pour la SCHL d'avoir été nommée l'un des dix organismes les plus admirés pour leur culture d'entreprise dans l'ensemble du secteur public canadien.




We love our work



We love our team



We're not the only ones



Take good care.

Mr. Lube is proud to be ranked among the nation's “best places to work” as one of Canada's Most Admired Corporate Cultures™ of 2012. We love what we do and who we do it with, and it shows in every aspect of our business. Congratulations to the entire Mr. Lube family. We're honoured to be in such great company.

Learn more at mrlube.com

“We have always had an emphasis on creating a good culture and a good place to work. As the organization grew, we needed to be a bit more formalized to help maintain and perpetuate that culture — Rob Vanderhooft, Greystone Managed Investments

Make-or-break factor

GROWTH/ SMALL CAP

BY DENISE DEVEAU

For small-cap businesses, having the right people on board can be a make-or-break factor in ensuring ongoing success.

Founders of emerging companies are under more pressure than other types of businesses when it comes to hiring, says David Kinley, president and vice-chairman of Waterstone Human Capital Inc. in Toronto.

“An emerging company could die overnight if they don’t have the right people around the founder,” Mr. Kinley says. “But with the right people, they can flourish.”

Having a solid team in place is especially critical to keeping the business culture on track after the founder leaves, he explains.

“In many ways, it’s the founder that sets the culture [of a small-cap company]. But they also need to put the right things in place to sustain it.”

At Canada Goose, a manufacturer of extreme weather outerwear, president Dani Reiss agrees that culture starts from the top.

“In our case, it was created without me knowing it,” Mr. Reiss says. “It revolved around me being passionate, enthusiastic and collaborative about everything we do.”

That approach has always played a key role in his hiring decisions, and it has permeated the company culture

to drive exponential growth. Since Mr. Reiss took over in 1997, Canada Goose has grown 3,500% and employees have expanded from 40 to 1,000 across the country.

Given that his business model tends to “swim upstream” and not follow convention, it’s critical for Mr. Reiss to attract and retain like-minded people. “This atmosphere draws certain types and rejects others. It’s almost a self-selection thing,” he admits.

Like Canada Goose, The Great Little Box Company’s culture started with Bob Meggy, president and CEO. He bought the assets of the business when it was in receivership in the early 1980s and built the corporate culture from the ground up.

Over the years he has refined his cultural approach to five key principles — all of which revolve around people. First and foremost is hiring for fit.

“Basically, we want nice people, because a poor choice can cost you three times that person’s salary. A good one earns you three times their salary,” Mr. Meggy says.

Second is tailoring recognition and appreciation to meet employee needs and wants. Third is ensuring people understand what is required on the job. The other components are internal communications and employee work life. The company also has a profit-sharing plan that Mr. Meggy says plays a big part in getting everyone on board and focused on results.

Thanks to his efforts, turnover is



MATTHEW SHERWOOD / POSTMEDIA NEWS SERVICE

Dani Reiss, president of Canada Goose, notes a passion at the top of a company can have positive influence throughout.

extremely low and the company continues to thrive despite the fact competitors are struggling. “Manufacturing is going downhill for some, but we’re growing all the time,” he says.

At Greystone Managed Invest-

ments in Regina, employees account for a large number of the business’ shareholders.

“The opportunity to be a shareholder is available to everyone, not just certain positions,” notes Nola

Joorisity, managing director and chief financial officer. “I think that makes us fairly unique.”

With 130 employees, Greystone is a relatively small business. Regardless of the size, however, “We have always had an emphasis on creating a good culture and a good place to work,” says Rob Vanderhooft, CEO and chief investment officer. “As the organization grew, we needed to be a bit more formalized to help maintain and perpetuate that culture.”

A strong client service ethos lies at the heart of the firm’s success, notes Frank Hart, president and managing director. “Teamwork and giving back to the community are baked into our DNA. As an investment firm, we believe that groups make better decisions than individuals, so we don’t have star investors. Everyone makes decisions collaboratively.”

A testament to the success of this approach is the fact that Greystone is the only investment management firm to rank in the top seven of the Focus Elite Group, a distinction that is based on employee surveys on culture.

Given the relatively small employee numbers, establishing a cultural connection with everyone is a critical cornerstone in Greystone’s success.

“The evaluation [of new hires] works two ways,” Ms. Joorisity says. “The person has to fit the culture and we have to fit them. When Frank came in as president, he had to go through the same process as any new hire. No one gets a pass when it comes to cultural fit.”

National Post

MID-MARKET

Climate change part of push for success

BY DENISE DEVEAU

Building a successful corporate culture can often demand big changes when you’re a mid-market company. In many cases, leaders coming into the fold are faced with legacy programs that don’t exactly suit a growing business. At the same time, they need to strike the right balance between preserving existing cultural strengths and establishing a new direction that suits the times.

When Art Mesher, CEO of Descartes Systems Group Inc., took the helm of the Waterloo, Ont.-based company eight-and-a-half years ago, his first step was to take all stakeholders through a formalized culture framework that would turn the software service provider from a culture of selling to a culture of serving.

The acronym they came up with was LEARN (Listening, Educating, Articulating, Researching and Networking). Since establishing that framework the company has experienced eight consecutive years of exceeding revenue and profit expectations.

“When I’m asked why, I’m very convinced it’s because we have a metrics-driven culture that is focused on results and aligns with our business strategy,” he says.

For Mr. Mesher, culture is much more than promises to treat employees fairly or be honest with your customers. “That’s what everyone should be doing anyway. What makes a business tick is how the culture is aligned. To do that you have to lead with a framework and tools managers can use.”

A major principle that led the cultural transformation was a commitment on everyone’s part to park egos at the door, he says. “Everyone — including customers and suppliers — needed to work together in a transparent way.”

It’s very simple for those involved, Mr. Mesher notes. “If

a person fits the culture, they tend to stay a very long time. If not, they leave really fast. I’d say a majority of our people have been here more than five years, and a large number have been here 10 to 15. That’s remarkable for a technology-based industry.”

Stuart Suls, president and CEO of the rapidly growing Mr. Lube franchise in Delta, B.C., believes that it’s the corporate culture that has allowed the business to grow 35% in the last five years. In fact, expectations are it will see another 20% growth over the next three years.

That prosperity wasn’t always the case. The company started in 1976 as a family-owned operation. By the early 2000s its growth had stalled for the most part. So when Mr. Suls joined the firm in 2008, he took a good, hard look at the business culture.

“I felt we had two distinct camps. There were a lot of elements of the family values business culture. At the same time, we needed a pub-

lic model that required a more structured formal process around governance and professional management.”

In looking at the disparate pieces, Mr. Suls could see that the culture wasn’t as well defined as it could be, so franchisees and suppliers weren’t working well together. “What I saw was a really well-intentioned group of people who weren’t talking the same language or communicating effectively.”

The new cultural strategy focused on making sure everybody understood what they were talking about, he says.

“It was about communications, professionalism, respect and believing what others had to say was important. Then once we actually followed up on what we said we were going to do, it led to a much more open environment.”

One policy of note is acknowledging any communication that comes in within two hours, whether you have the answer or not.

“It’s a way of saying [to your customers], ‘I see you, I hear you, and I’m looking you in the eye.’”

Another is his One Life approach, in which employees are given the space to do what is natural in their lives.

Ultimately, Mr. Suls believes that whatever the business, people do want to work together. “Sometimes, they just don’t know how.”

National Post



SPECIAL PHOTOGRAPH

Stuart Suls, CEO of Mr. Lube, says the company emphasis on corporate culture helped power significant growth.

120,000 In-Stock Products

2,600 Team Members

175 Branches

6 Distribution Centres

1 of Canada's Most Admired Corporate Cultures

Acklands-Grainger is proud to be recognized as one of Canada's 10 Most Admired Corporate Cultures for 2012

ACKLANDS GRAINGER
INDUSTRIAL • SAFETY • FASTENERS

1.888.602.0000
acklandsgrainger.com

“ *It’s all about the people at the end of the day. Whether it’s someone at head office or a part-time student at the theatre, winning is all about the employee — Ellis Jacob, president/CEO, Cineplex Entertainment*

LARGER-THAN-LIFE CULTURE FIT

ENTERPRISE

By Denise Deveau

Sustaining a corporate culture within a large-scale enterprise can take on larger-than-life proportions. The scope and complexity of staying the course with a corporate culture is especially challenging when dealing with leadership transitions, market growth, and ongoing structural changes.

Claude Mongeau, president and CEO for CN in Montreal, says the company has undergone a remarkable journey over the past 17 years. “We started from being a crown corporation that had a stodgy corporate culture and was clearly not the best railroad. From that point we have set a bold vision and execution of a business agenda that has transformed us into a North American leader in rail transportation.”

In transforming the culture, CN began by creating a ladder to success, he explains. “It starts with accountability. Accountability breeds execution. Discipline breeds reliability. And engagement brings innovation.”

Since 1995, the company has gone from just under a \$2-billion market capitalization to \$35-billion and ranks among the fifth-largest companies in the country.

The biggest point of pride for Mr. Mongeau, however, is the 23,000 employees he calls passionate railroaders. “They are the key ingredient. Railroads all have the same locomotives, tracks and markets. But the people are why CN is leading by such a wide margin.”

Another enterprise that has undergone a renaissance in its own right is Toronto-based Cineplex Entertainment. Having executed some major deals, including the purchase of Famous Players in 2005, Ellis Jacob, president and CEO, describes the activity as a move to drive the “reincarnation of the movie experience.”

For Mr. Jacob, “It’s all about the people at the end of the day. Whether it’s someone at head office or a part-time student at the theatre, winning is all about the employee.”

Employee engagement



TYLER ANDERSON / POSTMEDIA NEWS SERVICE

Cineplex CEO Ellis Jacob says staff throughout the organization are on board with the concept of providing customers a happy theatre experience.

is critical because Cineplex touches countless numbers of people across the country, he believes.

“Our focus has always been a passion for excellence and keeping the experience relevant for our guests.”

The common trait everyone from the top down at Cineplex has is the passion to succeed and to provide guests with the best experience possible, he says.

“We call it the Cineplex way. A lot of people work on the front lines, and they all feel part of this wonderful company.”

Cineplex keeps the momentum going by offering all sorts of perks, from scholarship opportunities to free movies. “It’s all about keeping them engaged. We truly believe that everyone here is doing something really important,” Mr. Jacob says.

While selling safety equipment may not have quite the glam quotient as the entertainment industry, Richmond Hill-based Acklands-Graininger is a company that has an equally compelling corporate culture success story to tell.

As a business that prides

itself on customer service, the company has quadrupled sales revenues in the past 10 years to \$1-billion by focusing on expanding services to its existing customer base and strategic acquisitions to reach new markets. Behind that success is the people factor, says Eric Nowlin, president.

“We have 2,800 team members who would jump through hoops or run through a brick wall to get a rush order to a customer in the oil sands or get a large piece of equipment to a transportation client. That is what has made us a leader

in MRO [maintenance, repair and operation] distribution in Canada. It sounds trite, but when you can execute well, you create a reason for customers to rely on you.”

Having recently joined the firm, Donna Pascal, vice-president of human resources, says the culture was a significant drawing card.

“They really do walk the talk. Their performance drivers — wow the customer, have a winning attitude, drive for the best results, make the team better and lead the way — are on everyone’s perform-

ance review. This is a company that has a very clear direction on where it wants to go and the behaviours it expects its people to follow. It’s very important that people joining us have the right value system.”

Mr. Nowlin says a lot of time is spent on ensuring cultural fit for all of its people. “I feel like we have a very engaged team that understands their role in achieving our goals: helping customers save time and money so they come back again and again.”

National Post

BROADER PUBLIC SECTOR

Negotiating a maze of bottom lines

By Denise Deveau

When the conversation turns to corporate culture, the broader public sector can provide a somewhat unique perspective.

“The major difference is that the private sector primarily has a single bottom line,” says Heather Connelly, managing director, public sector practice for Waterstone Human Capital in Toronto. “The public sector has multiple bottom lines, so leadership has to be able to navigate through all that.”

Given that salaries can be lower and the hours longer than the private sector, culture is an exceptionally important drawing card, she adds. “The culture must find other ways of accommodating their passion for a cause. If they have a really rich culture whose values align with those of its people, generally they will stay the course and perform better.”

Leaders at CMHC (Canada Mortgage and Housing Corp.)

in Ottawa have learned to be proficient at balancing multiple bottom lines. According to Karen Kinsley, president: “Not only is our mission to help house Canadians that are unable to address housing through their own means, we also operate as a crown corporation in a competitive commercial environment. So we have two distinct aspects to our mandate: social policy and commercial operations.”

She notes that the key to success is the strength of the partnerships it develops, including industry, stakeholders and community groups. Whatever the interaction may be, passion, professionalism and performance are embedded in every aspect of the corporate culture. “These have been part of the CMHC DNA for many, many years,” Ms. Kinsley notes.

She strongly believes that culture in an organization has a direct impact on performance. “What we are saying is nothing new in terms of our



DAVE CHAN / POSTMEDIA NEWS SERVICE

CMHC president Karen Kinsley says the organization’s multiple mission statements provide a tricky course for staff to manoeuvre.

organization, but it’s certainly something we have always highly valued and respected.” The tie-in between culture and business success is reflected in the fact that CMHC has experienced a 12-fold increase in activity levels for the organization in the past two-and-a-half years alone.

“It all comes back to the key elements of our culture,” Ms. Kinsley says. “The first is vision and knowing how to turn that vision into reality. The second is a strong focus on results and having regimented

systems to measure progress. The third is working in partnerships to lead activities with and through them. Once people understand that, all you have to do is get out of the way and let the commitment, passion and dedication of your employees go to work.”

Plan Canada president and CEO Rosemary McCarney in Toronto also understands what it takes to juggle many different priorities and stakeholders. The organization works with 65,000 communities globally in its mission to

support and promote human rights. “We must always keep an eye on what that means to those people and their communities,” she says. “At the same time, we are interfacing with the more than 200,000 Canadians who support us.”

She describes Plan Canada’s role as a bridge between those who trust them with their hard-earned after-tax dollars and delivering on the promise to the communities and children they serve. “Trust for the donors and communities we serve is sacred. Our role

is to bring back stories, and demonstrate accountability and financial reporting to our donors. We also talk to the communities about what they want to know about Canadian donors.”

The other stakeholder group that carries equal weight is Plan Canada staff, Ms. McCarney says. “If they’re not able to perform their best, if they’re not committed to the mission and business of the organizations, we can’t make this happen. If we do something wrong our reputation suffers, as well as the not-for-profit sector as a whole in Canada.”

Staying aligned and true to the values of the organization permeates each aspect of operations, from the people who travel to vulnerable communities to those who manage the fort back home. “Onboarding here is a continuous process because the world and development needs change all the time.”

According to Ms. McCarney, the mission is the easy part to embrace. “It’s not always as easy to fulfill. The business side of running a not-for-profit organization is equally important. You can’t be true to the mission if you don’t have great financial and reporting systems, flawless IT, and processes that help you make tough choices. In our world, everything is based on trust and confidence.”

National Post



ALDO

**PROUD
WINNER**


CANADA'S 10
MOST ADMIRED
CORPORATE CULTURES™ 2012
Presented by Waterstone

