

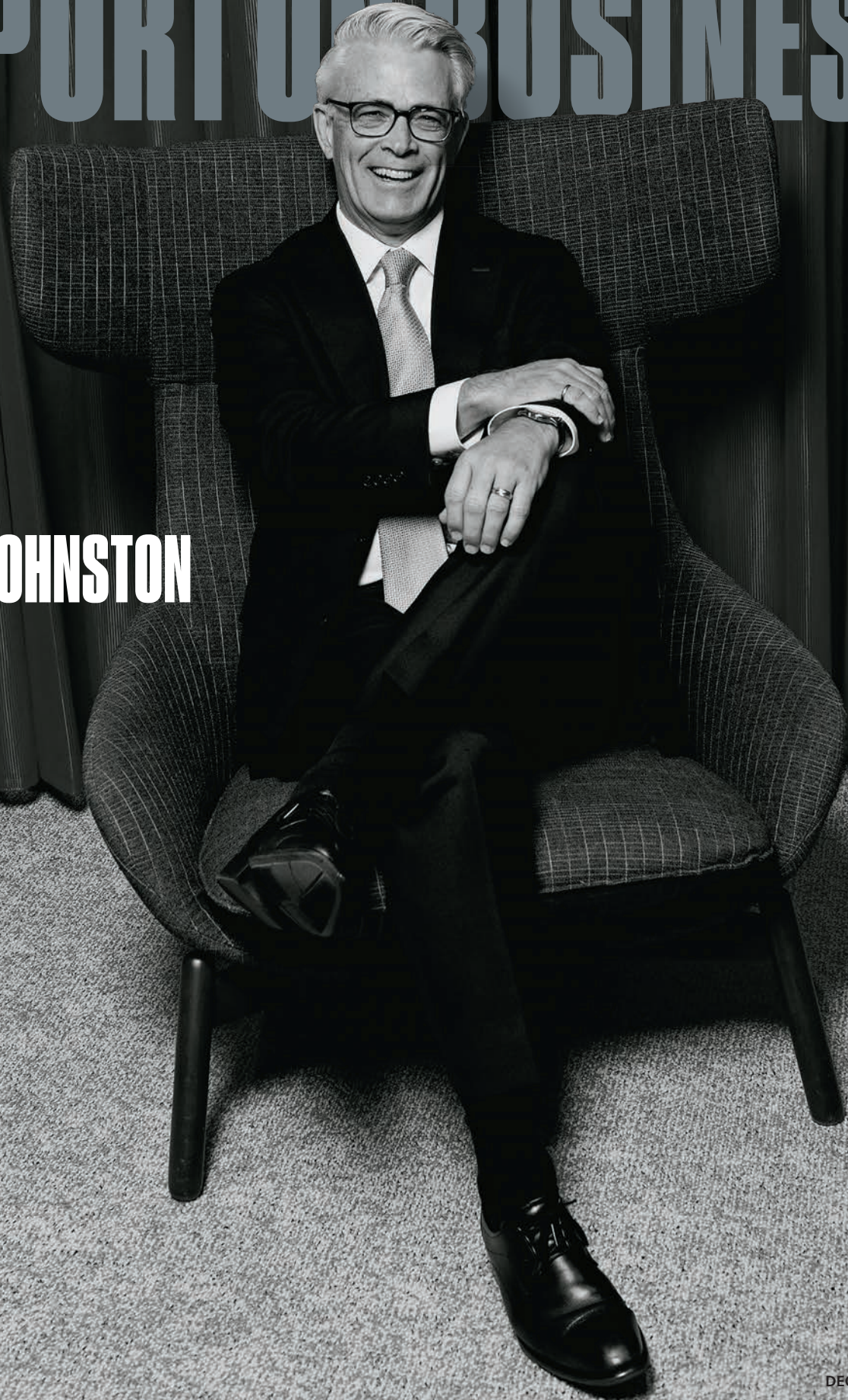
REPORT ON BUSINESS

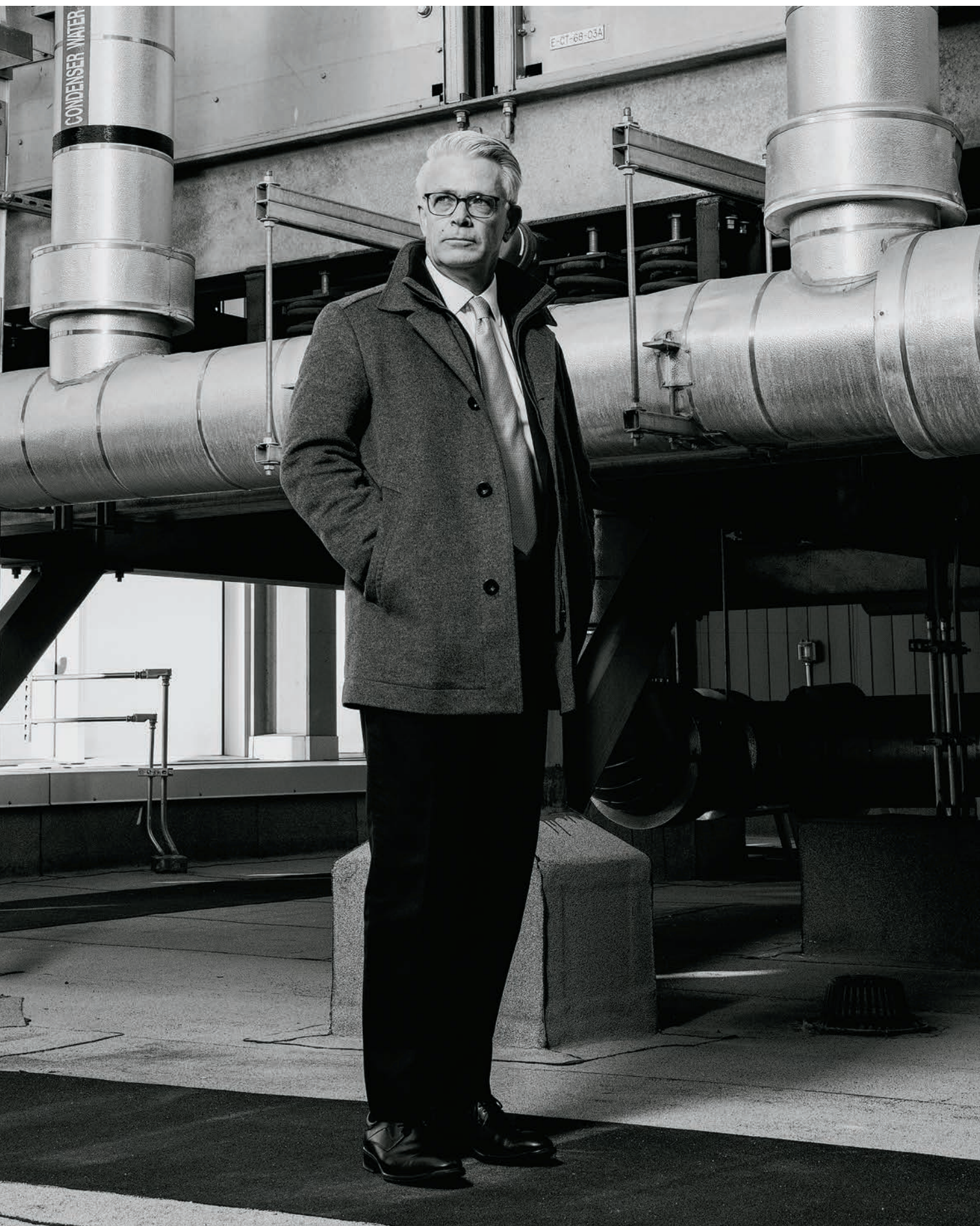
CEO
OF
THE
YEAR

STANTEC'S

GORD JOHNSTON

IS BUILT
DIFFERENT





GORD JOHNSTON
RESCUED STANTEC
FROM THE BRINK.
NOW, IT'S AN
ENGINEERING
JUGGERNAUT
WITH 60,000
PROJECTS UNDER
WAY WORLDWIDE—
AND A NO-JERKS
POLICY THAT STARTS
AT THE VERY TOP
BY TREVOR COLE

BUILT

DIFFERENT

STRATEGIST OF THE YEAR

GORD JOHNSTON

Right now, somewhere near you, Stantec is starting on something big. The numbers alone make that likely—at any moment in time, the giant Edmonton-based engineering and design firm has about 60,000 projects underway around the world. That project down the street could be a building or a water filtration system or some piece of vital infrastructure. But here's the thing: Until you're staring at it, you probably won't know about it. And you're not meant to know, because it's a secret.

The company that hired Stantec? Can't say their name. The trucks Stantec uses? The vests or jackets they wear? Can't show their logo.

The project staff who need to be hired? Can't come from the local community.

If people at dinner ask a Stantec employee what they're up to in the area, they might say, "We're just here doing some...environmental work."

Uh-huh.

These are non-government projects we're talking about. Stantec does plenty of federal, state, provincial

and city projects, and because they use public money, those are all out in the open. Some of their recent projects include Vancouver's Broadway subway extension; the US\$2.1-billion modernization of Chicago's Red and Purple lines; a redesign around the U.K.'s Reading Station; a 9,000-panel solar farm in South Wales; and a spate of Metrolinx projects in Ontario, including the 15-station Ontario Line (though nothing connected to the ill-fated Crosstown Eglinton LRT). But when Stantec is working for the private sector, NDAs are signed, lips are sealed, and sometimes even people in other Stantec departments can't know.

When a company is trying to get a jump on its competitors, says Gord Johnston, Stantec's CEO, "that confidentiality piece is paramount."

As any Stantec executive will tell you, this engineering and design business they're in is a relationship business. Relationships are built on trust and reliability. Many of Stantec's clients have been with the firm for decades, some since it was founded 70 years ago.

It's rare to be able to say of a company as old as Stantec, and as big—with 34,000 employees in 450 offices flung across dozens of cities in the U.K. and Australia, along with Milan, Brussels, Lima, Taipei, Dubai and more—that it's just now coming into its own. But how else would you put it? Since Gord Johnston took over as CEO at the beginning of 2018, Stantec's market cap has risen from roughly \$4 billion to nearly \$18 billion. From a low of less than \$28 in 2019, its share price has grown a staggering 450%. The company took about six decades to build its annual net revenue to \$3.4 billion, and over Johnston's term, that number has almost doubled, to about \$6 billion in 2024, while its adjusted EBITDA has nearly tripled, to \$980 million. RBC Dominion Securities analyst Sabahat Khan, who covers Stantec, says these years "have been the most transformative in that company's long history."

There are a lot of reasons for the recent success, but they boil down to two: the moment Stantec finds itself in and the man at the top. And it's no secret to anyone familiar with the company's rise that, for a while, it looked like it might go a whole other way.

We've entered a golden age of engineering and design. In the United States, the 2021 Infrastructure Investment and Jobs Act alone is pushing over US\$1.2 trillion of government funding into water, transportation, broadband and power-grid projects. Added to that are the billions being invested in data centres and new manufacturing facilities by companies coerced by the Trump administration into onshoring their operations. In Canada, the Carney government is spending billions trying to will major projects into existence in an effort to resist America's gravitational pull. And around the world, governments are having to replace or repair hundreds of thousands of aging bridges, water systems and other pieces of major infrastructure, while needing at the same time to respond to revolutionary forces like climate change, a growing demand for critical minerals and rising concerns about resource security.

Stantec happens to be expert in all of these things.

The company separates its efforts into five verticals: infrastructure (accounting for 28% of its business by revenue); buildings (22%); water (21%); environmental services (18%); and energy and resources (11%). And one of the truths of conjuring big things is that any one project—a mine, a bridge, a hospital, a flood control system, a data centre—might require the work of experts from any or all of those disciplines. So when a retail giant needs a new distribution centre, it could hire five different consulting firms to meet the various challenges, or it could hire one. Increasingly, that one is Stantec.

Gord Johnston has set a goal for the company: to be the world's top integrated engineering, architecture and environment services firm. He admits even he's not sure what "top" means. "Is that revenue? Is that headcount?" he says. "The answer is, I don't know."

What he's sure of is that *top* does not mean *bigger*. "Some folks will say, 'I want to be the biggest. I want to be as big as Accenture.'" Johnston gives a shrug. "Bigger is kind of hollow." What he wants is to be one of the three firms, almost anywhere in the world, that a client will call to bid on a project. And he wants to be first on that list. (The others would include some combination from the rest of the "big six" in global engineering: rival Canadian firms WSP Global and AtkinsRéalis, along with major U.S. firms Jacobs, AECOM and Tetra Tech.)

One way to be there is to make sure the company has access to the best talent. As Stantec execs are fond of saying, its only assets are people, and you'll find a broad range of them on the payroll. When a potential client asks if the company can do something, the rule of thumb is, "Just say yes, and then come in and we'll figure it out."

And we're not talking just about thousands of architects and civil engineers. At any moment, a project might require the input of an expert on silverback gorillas or someone who knows about Galapagos Island turtles or deep underwater caves. Stantec has all these specialists in-house, along with someone who's mapped the migration system of monarch butterflies and experts who figured out a more economical way of testing for the local presence of a rare amphibian.

The other way Johnston aims to put Stantec on every potential client's top-three list is by expanding its geographical reach. M&A is one of the chief means of growth in this sector, and before Johnston was named CEO, the company had acquired other firms at a rate of about two a year. Under Johnston, the pace has increased to about three a year, and that's despite the CEO's extreme pickiness about which companies are a good fit.

Beyond whether the financials work, beyond whether the acquired firm helps strategically, beefing up Stantec's presence in Australia or the U.K. or Germany, what matters most to Johnston is the company's culture. "When we buy a firm," he says, "it becomes Stantec forever. And so the cultural piece is so important."

There are no sub-brands here, no subsidiaries. After a year of financial oversight and integration by the same team that acquired the company (they use a fishing analogy here: "You caught it, you clean it"), the acquired company ceases to exist. It is fully absorbed. And everybody who came aboard needs to contribute.

That's why Johnston wants to know why any company Stantec might acquire is looking to sell. Do the owners



"WHEN WE BUY A FIRM, IT BECOMES STANTEC FOREVER," SAYS JOHNSTON FROM HIS OFFICE HIGH UP IN STANTEC TOWER. "SO THE CULTURAL PIECE IS SO IMPORTANT"

want to retire? If so, will they take all their client relationships with them? How strong is the second string of leaders? Are they, in Johnston's phrase, "Stantec-izable"?

What he's trying to avoid is what he calls "baby-bird syndrome," whereby employees arrive in the morning waiting to be fed work. He says, in as genial a way as possible—because Johnston is always genial—"If you want to be a baby bird, you should go somewhere else." Stantec expects its employees, at all levels, to be engaged in their field, to be excited about generating contacts, happy to support and collaborate with each other.

The CEO learned a lesson from an acquisition he made in Texas earlier in his tenure. It was only after he'd bought out the owners that Johnston realized the second string wasn't as strong as he'd thought. The dedication and loyalty pieces were missing. In the first year, he identified the employees with potential and told them, "We want you to stay. We need you to get on board and be part of the one-Stantec approach." The rest, about half of the company, were released.

These days, as much as 40% of Johnston's time is spent getting to know other companies in the sector, wherever they might be in the world—he's looking closely at the Nordic countries at the moment. So when it comes time to decide whether or not to buy them, much of the most important research has already been done.

But when the subject is M&A and lessons learned, there's no getting around Stantec's 2016 acquisition of MWH Global. It's the deal that nearly derailed the company. And it's Stantec's recovery from that debacle that forms the foundational story of Johnston's leadership.

In the 71-year history of Stantec, there have been just five CEOs, starting with the founder, Don "Doc" Stanley, who passed up a chance to play for the Boston Bruins to start a one-man engineering firm in Edmonton. After almost 30 years of building the business, he handed the reins to Ron Triffo, who diversified it and took it public, a \$30-million firm in 1994. Then it was Tony Franceschini, who set his sights on growth, pushing the company from 1,200 people to more than 10,000. Fourth came Bob Gomes, who got Stantec through the aftermath of the financial crisis and then, in 2015, with growth prospects in North America dimming, thought it was time to take a big leap.

Based in Colorado, MWH Global specialized in water infrastructure and natural resources. With 187 offices in 26 countries, and a particularly strong presence in the U.K., it would give Stantec immediate global reach, while its 6,800 employees would boost the company's workforce by almost half.

On top of that, a major part of MWH's business was construction, a vertical Stantec had never been able to offer. Alone, the construction segment would contribute about 15% of Stantec's future revenue.



MAN OF STEEL

CORPORATE CITIZEN OF THE YEAR

MIKE GARCIA

WHEN TRUMP'S TRADE WAR THREATENED TO SINK ALGOMA, ITS AMERICAN CEO LAUNCHED PROJECT SUPERMAN—AND AVERTED CERTAIN DISASTER
BY NIALL MCGEE

Mike Garcia, the CEO of Algoma Steel Inc., was midway through a 10-day cruise in the Baltic Sea in late May when U.S. president Donald Trump announced that he was doubling tariffs on Canadian steel imports to 50%.

Before Trump launched his trade war, 60% of Algoma's \$2.8 billion in revenue had come from U.S. customers. The president's original 25% tariff, imposed in March, had blown a giant hole in that business. Now, what was left would be going to zero. "My first reaction was, you've killed the company," says Garcia. "We're done. We're done. There's nothing we can do to pivot."

The final leg of Garcia's cruise wasn't much of a vacation. Instead of strolling through cobblestone streets and soaking up Gothic architecture, the ship became his makeshift war room. Garcia was able to use the seven-hour time difference with Algoma's headquarters in Sault Ste. Marie, Ont., to his advantage—he had quiet time in the mornings to think when it was still the dead of night back home. In those early days, he spoke several times to Industry Minister Mélanie Joly and to reporters, and kept in frequent communication with Algoma's



board of directors. One of those meetings coincided with a stopover in Kiel, Germany, a port city dating back to 1262. “My girlfriend and her son and his buddy, they went off exploring all these churches and town squares,” Garcia says. “And I found a coffee shop with good cell coverage to have a two-hour board call.”

Back in Canada, as the days turned to weeks and then to months, Garcia realized that Trump wasn’t backing down and maybe never would. He and his team debated and agonized over disparate operational scenarios, all in a bid to save Algoma from certain death. The project, fittingly for a steel company, was codenamed “Superman,” with Garcia himself emerging as the Man of Steel.

Though the odds were heavily stacked against the 123-year-old steelmaker, over the next few months, Garcia and his team would achieve the near-impossible: securing half a billion dollars in emergency funding, goading the federal government into rolling out a range of measures that would keep the entire domestic steel industry afloat, and expediting a new business plan that would completely change how the company operates.

A quiet American isn’t the first person you’d have predicted to emerge as a real-life trade-war superhero for Canada. Garcia grew up in a small mining town in Arizona, about 3,500 kilometres from the Soo. His grandparents on his mother’s side immigrated from Mexico. The first language of both his parents is Spanish, though they spoke to Garcia and his five siblings in English. In 1986, he graduated from the U.S. Military Academy, more commonly known as West Point, with a degree in computer science, and served five years of active duty, including in Operation Desert Storm.

Before Trump’s tariff gambit, Garcia almost never talked to the media. Earlier this year, however, he instructed his head of public relations to say yes to all requests. Since then, he’s made countless appearances on TV and podcasts, and in print. Amid the trade-war chaos, Garcia has emerged as the voice of Canadian steel, speaking up when the heads of the other two steelmakers with sizeable operations in Canada have either stayed quiet, in the case of ArcelorMittal Dofasco, or openly sided with Trump, as is the case with Cleveland-Cliffs, which owns Stelco. In a Feb. 25 conference call, CEO Lourenco Goncalves gave a shout-out to the American president for a job well done. “We thank the Trump administration,” the Brazilian-born Goncalves said, for having “the courage to implement these tariffs.”

Garcia, by comparison, hasn’t hesitated to speak out against Trump, his own countryman. In his media appearances, he has dispelled myths propagated by the Trump administration that Canadian steelmakers are dumping steel into the U.S. and destroying American jobs, pointing out that the Canadian steel industry is an integral part of an interconnected North American supply chain that goes back decades. Americans, he has said time and again, are being forced to pay more for steel because of tariffs and, since Canada produces a fraction of what the U.S. does, the dumping thesis is senseless.

“I am a U.S. citizen. I served in the military. I’m as patriotic as any other American,” Garcia says. “But this is a very unique situation where I feel that everything I’m advocating for is in the best interest of Canada and the U.S.”

CORPORATE CITIZEN OF THE YEAR

Earplugs are not optional at Algoma. The steel mill—on the banks of the St. Marys River, across from the Soo’s sister city in Michigan—is as loud as an Iron Maiden concert. There’s a piercing hiss as steam is released, the clanging and banging of metal, and an earth-shattering KHHHHHHHSSSSHH each time the air brakes are deployed on the locomotives that go back and forth all day long, delivering inputs to the mill.

Garcia’s drab but functional office sits a few hundred metres from the cacophony, the ceiling adorned with old acoustic tiling. With his close-cropped hair, square jaw and compact frame, he still evokes the military man he once was. Garcia speaks in a measured timbre, and in an era defined by shameless self-promoters, he’s modest almost to a fault—more Clark Kent than Superman.

In the army, he served with the III Armored Corps’ Cavalry Regiment. As a scout platoon leader, he had 30 soldiers under his command, though during the Gulf War, he worked in logistics, away from the front lines. And while he’s intensely proud of his time in the military, Garcia says it wasn’t his calling. “I was probably on more of the laid-back scale,” he says, “which did not make me an outstanding military officer.”

After leaving the army in 1991, he carved out an international management career that saw him work for aluminum giant Alcoa in China, Evraz-Highveld Steel in South Africa, and at Domtar Inc.’s pulp-and-paper division in South Carolina, where he was president.

But in 2021, he found himself at a crossroads. He’d taken a package at Domtar, which was undergoing a restructuring, and moved back to Arizona to be closer to his family. He considered himself retired. He spent a lot of time that winter skiing in Utah, but he decided he wasn’t entirely satisfied with the quiet life. “I didn’t do an Ironman. I didn’t get into the best shape of my life. I didn’t solve world hunger,” he says. “I kind of felt, well, something is missing here.”

Then came a call that brought matters to a head: Algoma’s then CEO, Michael McQuade, was nearing retirement, and the board was looking for a successor. Would Garcia be interested in moving to Sault Ste. Marie?

There was little tying him to Arizona. His marriage had ended in 2019, and he had no children running him off his feet. Besides, the professional challenge appealed to him. “I got more and more excited about the company and how important it was to the community,” he says. “And I’m like, yeah, I could do this.”

When he took over in June 2022, Algoma was riding the tail end of a booming steel market that had seen the commodity hit a record of almost US\$2,000 a ton. One of Garcia’s earliest tasks was signing off on \$58,000 profit-sharing cheques that went to every unionized Algoma employee that year—a total giveaway of \$152 million.

The honeymoon wouldn’t last. In mid-2023, the company jacked up the budget for its new electric arc furnace (EAF) project—two years into construction with a year and a half to go—to \$900 million from \$750 million due to inflationary pressures. Then, in early 2024, a collapse in the coke oven took down the blast furnace for a month, costing about \$150 million in lost profits.

Then came the mother of all catastrophes: Trump’s trade war, which wiped out a business model Algoma—and Sault Ste. Marie itself—had relied on for decades.



“I’M AS PATRIOTIC AS ANY AMERICAN,” SAYS GARCIA. “BUT THIS IS A UNIQUE SITUATION WHERE I FEEL THAT EVERYTHING I’M ADVOCATING FOR IS IN THE BEST INTEREST OF CANADA AND THE U.S.”

With 2,750 employees, it’s by far the biggest employer in town, with another 6,000 local retirees drawing a pension. “We don’t have a broader economy like Hamilton’s that’s able to buttress the losses in the steel mill,” says mayor Matthew Shoemaker, whose father worked at Algoma for 35 years.

Garcia has driven home both how important Algoma is to the northern Ontario economy and to Canada as a whole, as this country’s last independent steelmaker. But he’s been careful not to bully the government or threaten to shut down if he doesn’t get the support he needs. “He’s doing it in a way that I think is being received properly by the government,” says Shoemaker.

There’s ample evidence his message is getting through. For months, he’d hammered away at Ottawa for failing to crack down on foreign dumping of steel, which has made it extremely difficult to build up Algoma’s domestic order book in the face of declining U.S. revenue. This past summer, the feds cracked down on foreign dumping twice, setting quotas and tariffs on serial abusers like China and Turkey, which don’t have free trade agreements with Canada, and later imposing similar restrictions on countries that do. At the time, Garcia called the moves “a step in the right direction” but still not enough to stem its falling U.S. order book.

One of Algoma’s most intractable problems was its inability to reduce costs by cutting production. Blast furnaces are designed to operate at full tilt, so Algoma was cranking out far more steel than it could sell at a profit, forcing it to take huge losses. The EAFs, which can be powered on and off on a dime, would allow it to

lower production to meet demand. But that reality was a long way off—the blast furnace wasn’t scheduled to be powered off until the end of 2026. But with tariffs killing its revenue, there was no guarantee Algoma would have enough cash to survive that long.

Stephen Briglio, Algoma’s general manager in charge of steelmaking, was one of the Project Superman team tasked with addressing this dilemma. Briglio has spent 20 years at Algoma under six different CEOs. He says he’s never worked with anyone quite like Garcia. One of his boss’s obsessions, he says, is making sure everyone understands the “commander’s intent,” a holdover from Garcia’s military days: Clearly communicate the goal but leave room for employees to improvise. “You’re training people to effectively deal with situations, rather than doing it for them,” says Briglio. “And it does take a patient personality to allow a team to work through different solutions and gently guide, as opposed to direct.”

In practice, that means Garcia has a light touch, hiring the best people and trusting them to do their work. Throughout the summer, he let the Project Superman team run with it, only occasionally popping into meetings to keep track of their progress.

Meanwhile, he spent much of his time in talks with the federal government, trying to secure \$500 million from Ottawa’s \$10-billion Large Enterprise Tariff Loan pro-



NEWCOMER OF THE YEAR
BILL LOMAX

BANK SHOT

WHEN BILL LOMAX WAS LURED HOME TO RUN THE FIRST NATIONS BANK OF CANADA, HE UNDERSTOOD THE ASSIGNMENT: TO HELP FULFILL THE ECONOMIC PART OF RECONCILIATION
BY JEFFREY JONES

Bill Lomax came back to Canada at a turning point.

First Nations, Métis and Inuit are making meaningful strides within the national economy, and they're clamouring for financial services and expertise to help improve conditions and bolster independence for their communities. First Nations Bank of Canada (FNBC) was a pioneer in the space, having helped Indigenous peoples gain their financial footing for nearly three decades. But in 2023, as this specialized financial segment was taking off, FNBC was struggling to make a name for itself outside its home base of Saskatchewan.

It was time for change. The bank's founding CEO, Keith Martell, was retiring, and the board wanted to catapult FNBC onto the national stage. It went looking for a new leader who could build on its unique position and boost its profile as opportunities grew. It gave its executive search firm a wish list that included a rare combination of hard-core financial expertise and a deep understanding of the culture. It pinpointed its top candidate in the United States.

A member of the Gitksan Nation in northern British Columbia with years of experience at Wall Street investment houses Smith Barney, Merrill Lynch and Goldman Sachs, Lomax understood the assignment. "When I first started, we would get people all the time saying, 'Oh, are you guys new? We haven't heard of you before,'" says Lomax. "Some people would call us the best-kept secret, and when you're trying to run a business like banking, you don't want to be the best-kept secret. You want to be well known."

Lomax was immersed in the market, having managed numerous large investment portfolios for U.S. tribal nations—which, he reasoned, have many similarities to Canada's First Nations. Lomax had also run across



members of the FNBC board throughout his career. “So I thought I could help a lot with the marketing side and the sales side of things, and help build up the bank.”

Now, as CEO, Lomax is focused on expanding the Saskatoon-based institution into more locations to provide retail banking to its Indigenous clients, and fast-tracking growth in its commercial lending and trust businesses. His first mission: Get the name out there. He designed a co-ordinated sales, marketing and media blitz that included spending his first 18 months on the speaking circuit and telling the FNBC story to reporters. He also hired a chief marketing officer and another marketing staffer, who both report directly to him.

His efforts have generated results, notably a couple of multimillion-dollar partnerships to provide a suite of new financing options to Nations and their entrepreneurs, and a big expansion of FNBC’s trust arm—all aimed at lifting more Indigenous people into Canada’s broader economy.

“One of our taglines is that we do the economic part of reconciliation, the financial part of nation-building. And that is a critical part. It’s not the only part; it’s one piece of the puzzle. But if you don’t have finances, you don’t have money. You can’t pay for language revitalization. You can’t pay for drug and alcohol programs. You can’t pay for scholarships. You can’t provide jobs that keep people in the community,” says Lomax during an interview in Vancouver, where the 57-year-old and his family are now based. “Those things all cost money, and without having an understanding of finance and investments, you’re not going to do any of that stuff.”

That would leave First Nations, Métis and Inuit communities reliant on government, and for generations that record has been dismal, contributing to long-standing inequality, poverty and social ills.

FNBC was an early entrant in what’s now a fast-growing ecosystem of financial institutions, venture capital firms and asset managers that offer expertise and sophistication to Indigenous peoples as they confront energy and mining proposals on their territories, establish businesses, beef up local infrastructure and acquire equity stakes in companies.

Now, Canada’s big banks see the opportunity, too, and they’re competing for the business as capital flows into Indigenous communities across the country from legal and treaty settlements, commercial deals and equity stakes in large industrial projects. All the institutions have senior bankers and growing teams devoted to the client base.

First Nations and their development corporations have been busy buying interests in large-scale infrastructure like pipelines, power networks and liquefied natural gas projects, and are starting to take advantage of a new \$10-billion federal loan guarantee program geared to Indigenous investors.

These big-ticket buys are important, Lomax says, but it’s not FNBC’s market. Instead, the bank targets what he calls “the missing middle”—offering financing to help entrepreneurs buy businesses or assist communities in building community halls, water treatment plants and housing. It also offers lending services to retail clients.

All that comes with challenges. When the bank was established, Indigenous peoples found it difficult to get

NEWCOMER OF THE YEAR

loans; there was little interest from established banks to provide them, Lomax says. The risk calculation differs from what major chartered banks employ for non-Indigenous Canadians, because people who live on reserve don’t own their own land and houses.

This was one of many restrictions placed on Indigenous people by the long-lamented Indian Act. So FNBC looks at other metrics, including own-source or government revenues, when running the numbers on loans.

“Having access to capital was always one of the hurdles that First Nations people had to get through, because land is not held in fee-simple title on reserves, so they didn’t have a lot of access to collateral. You had to find new initiatives and new means to get around that hurdle,” says Perry Bellegarde, FNBC’s chair and former Grand Chief of the Assembly of First Nations. “Our team at the bank and Bill know that you have to work around the Indian Act. You have to look at the First Nations Land Management Act. You have to look at all these pieces of legislation in order to make a deal work.”

Despite Lomax’s Wall Street pedigree, and two decades working in New York, Los Angeles, San Francisco and Seattle, he’s far from a buttoned-down, high-finance exec from central casting. He maintains strong links to his own Indigenous roots, wearing his long hair tied back and occasionally sporting a necktie adorned with traditional West Coast iconography.

He speaks thoughtfully and frankly of his varied experiences in the financial big leagues and how they play into the sense of purpose he harbours in contributing to the financial success of First Nations. When he was first offered the CEO position, he demurred, thinking it wasn’t the right fit—he’d built up a solid franchise within Goldman Sachs, where he and his team managed US\$2.2 billion in assets on behalf of U.S. tribal nations. He didn’t know much about the bank, which then had 130 employees. But the more he learned about the operation, its “quiet success” under Martell and its potential, the more enticing it became. “I thought, well, this is a natural extension of what I’ve been doing.”

Lomax spent his childhood in Terrace, B.C., just outside the lands of the Gitksan. The First Nation has a large traditional territory of 33,000 square kilometres, but it’s not considered as wealthy as many that have, as Lomax puts it, “won the geographic lottery”—those with deep-water port sites or other natural economic advantages. A matrilineal society, the Gitksan have hereditary chiefs who work in co-operation with the elected chief system set up by the federal government.

His mother worked at BC Tel and owned a café where, starting at age 7, Lomax washed dishes. His father owned a corner store and rented out mobile homes, which gave Lomax an early understanding of how money was made. At 15, he left Terrace and moved in with his sisters in Vancouver, taking on restaurant jobs as he got older and went to university. There, he studied economics and Japanese (in preparation for a move to Japan that didn’t happen) before entering law school.

He kept close connections with his northern community, however, especially with Ray Jones, a hereditary



chief and residential school survivor whom Lomax considers an uncle. Jones was influential in Lomax’s teenage years and, at age 80, still regularly offers counsel. He made a deep impression on Lomax by venturing into activities others in the community weren’t taking on, like running a radio station and listening to jazz. He also instilled a sense of curiosity, especially in other people.

“I didn’t know what Wall Street was, and I didn’t have an understanding of banking beyond my savings accounts,” says Lomax. “But Ray helped me realize that there was much more out in the world and that I should dream big. We talked a lot about education, and he inspired me to focus on working with the Indigenous community.”

Lomax still seeks Jones’s guidance on traditions and culture, including for his sons, who are learning the language in preparation for joining his house, a grouping that occupies a sub-territory within Gitksan lands.

For his part, Jones says Lomax exemplifies the wide impact Indigenous leaders can have when they venture beyond their communities. “Aboriginal people work just as hard as main society, and they get far from their hard work and support from families,” he says.

After law school, Lomax signed on with the federal government and B.C. Treaty Commission, with a goal to help Indigenous people get the rights and compensation owed to them in long-fought land-claim settlements. He quickly discovered there were already plenty of lawyers doing that. The missing piece was the financial know-how needed to help communities invest that money to create economic opportunities. “I just thought, well, the worst thing would be if they got these large settlements,

“IF YOU DON’T HAVE FINANCES,” SAYS LOMAX, “YOU CAN’T PAY FOR LANGUAGE REVITALIZATION. YOU CAN’T PAY FOR SCHOLARSHIPS. YOU CAN’T PROVIDE JOBS THAT KEEP PEOPLE IN THE COMMUNITY”

and then they just gave them all out to their community members or lost them in inappropriate investments,” he says. “So I thought I could probably be a decent player.”

Lomax worked hard to be accepted into the MBA program at Columbia University in New York, taking a full week off work to write his entrance application. After graduation, he landed roles at Smith Barney and then Merrill Lynch. At each firm, his superiors gave him a year and a half to prove himself as he went about seeking to manage the savings of U.S. tribal nations, many of which were seeing gambling revenues soar. It was a tough sell, he says, despite the growing sums flowing into nations that operated casinos near large cities.

“All the banks were sort of interested, but it was more like, let’s roll the dice on this. Let’s see what happens,” Lomax says. As he did that, he contacted several Canadian banks to gauge their interest in establishing a similar business in his home country. Their reaction? “Crickets. Never heard from them, whereas a number of the banks were certainly interested down in the States.”

When the financial crisis consumed Wall Street in 2008, Lomax became senior portfolio manager for the Yuuhaviatam of San Manuel Nation in California, one of the most financially successful tribes in the U.S. Two years later, he moved into institutional sales for Capital



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WE

NEIL CAWSE FOUNDED GEOTAB 25 YEARS AGO AS A NEW ARRIVAL FROM SOUTH AFRICA. NOW, IT'S A GIANT IN VEHICLE-TRACKING TECHNOLOGY, WITH \$1 BILLION-PLUS IN REVENUE AND CUSTOMERS ON EVERY CONTINENT
BY SEAN SILCOFF

INNOVATOR OF THE YEAR NEIL CAWSE

Time for a pop quiz: Name a Canadian tech CEO whose company is a global leader in its sector, has customers on every continent (Antarctica, too), and counts the U.S. government, PepsiCo, UPS and New York City as clients. This guy's company generates more than \$1 billion in annual revenue and well over \$125 million in operating profits. He owns most of it, too, which means he's a billionaire, though you'd never guess it.

Much like Shopify's Tobias Lütke, our mystery man—an electrical engineer by trade—is a techie to the core who's grown into the role of executive leader and eyes-ahead strategist. He oversees a sophisticated, elbows-up IP powerhouse that's beaten more than seven legal challenges by patent trolls, and acquired five firms, including two smaller rivals in \$100-million-plus deals apiece. And he recently launched a fast-growing side business that leverages the 100 billion anonymized data points his company processes daily to sell traffic insights to customers.

Unless you're an avid reader of trade publications like *Automotive Fleet*, you're likely still scratching your head.

The answer is Neil Cawse, founder and CEO of Geotab Inc., an Oakville, Ont.-based company with 2,700 employees that's one of Canada's largest privately held tech companies. It's one of a few global leaders in a niche industry called telematics—electronically gathering data from commercial vehicles, including location, speed and fuel consumption, along with information on whether drivers are speeding or braking hard, and even whether they're wearing seatbelts. Telematics is a must-have tech for any fleet operator, as the data helps them decide how to more efficiently manage their vehicles.

Geotab's key rival, publicly traded Samsara Inc., is worth about US\$20 billion and growing fast. But with 100,000 customers and more than 5.6 million vehicles carrying its tech as of October, Geotab has ranked as the top telematics provider for four years running, according to market intelligence firm ABI Research. It also won one of the world's largest telematics deals in 2022, a 10-year contract with the U.S. Postal Service worth close to US\$300 million. San Francisco-based Samsara appealed the award several times but ultimately failed.

As for smaller rivals, many have disappeared or thrown in their lot with Geotab, joining the hundreds of resellers that help get its tech into fleet vehicles. And Cawse maintains that it will get increasingly difficult for all but the biggest players to break into the business, especially since his company spends US\$150 million a year on R&D, much of it these days focused on artificial intelligence. That scale of effort, he says, "is absolutely needed to be able to compete in this space."

So if Geotab is a global giant in telematics, why's Cawse practically unknown here at home? First off, he's never needed to raise outside capital—he funded the company himself after emigrating from South Africa 25 years ago. His business doesn't sell to consumers, and it doesn't play in a vast market. His ultimate customers are fleet managers—nary a TikTok influencer among them—so flash is definitely not required.

He's even a bit of a mystery to his fellow tech CEOs. This past September, he had a coming-out of sorts at an event hosted by the Council of Canadian Innovators. As he detailed his origin story in front of a room full of tech execs in Toronto, many were gobsmacked at just how big Geotab is. "Everyone in the room was enamored by him," says CCI president Benjamin Bergen. "In Canada, we have a lot of hype in certain sectors of AI, but not many firms that have had those kinds of returns."

Lots of people watched *Star Trek* growing up. For Cawse, it was more than just TV time: *Star Trek*'s quaint techno-optimism provided a roadmap for his life's ambitions. "I used to dream up plans for tricorders and transporters," he says.

You can see that influence today in Geotab's core tech, a sleek wireless dongle about the size and weight of a bar of soap (97 grams, to be exact) called the GO9+. The black box plugs into a vehicle's diagnostic port, under the steering wheel, and pulls data from its onboard computer and streams it in real time via the cloud.

That data is analyzed at Geotab's high-ceilinged headquarters, which feels much like a military-industrial mission control. Wall-to-wall full-colour screens announce the number of active Geotab-equipped vehicles in use, how many subscribers are signed on, the total kilometres driven by connected vehicles (now hundreds of millions a day), and how quickly data is streaming. "We're processing more records per second than most of the largest banks," says Cawse, his wiry frame clad in a black golf shirt, tan chinos and slip-ons.

The cost of managing all that data is encapsulated in a metric called slot utilization. "It's another way of saying there's a whole pool of machines sitting at Google somewhere," says Cawse, and the more Geotab data they handle, the more it costs. "So we have to manage that."

Cawse could easily veer into didactic territory as he ushers visitors through Geotab's facility. But he has a knack for dumbing down tech talk without coming off as condescending, which helps explain, at least in part, why the company has been so successful in an industry striving to bring high tech to the trucker set. "Neil is probably the smartest guy in the room, but he never tries to show that he's the smartest guy in the room," says Mark Maybank, managing partner with Maverix Private Equity, which has been trying to persuade Cawse for years to let it invest in Geotab—unsuccessfully.

Cawse acknowledges the screens are part of a deliberate effort to showcase how Geotab thinks and operates. "Everything is data first," he says. "Decisions are made based on data and analytics, and we measure everything. The same way we offer a product to our customers is how we operate internally. We have a philosophy that you cannot manage what you don't measure."

What Geotab measures is incredibly valuable to customers. Drivers who speed or drive too aggressively, idle excessively or take circuitous routes cost companies money in wasted fuel and accidents. Using telematics, fleet operators can get the data they need to take action. Geotab even predicts and flags when vehicles require maintenance—before they break down.

It has a convincing collection of customer case studies. One freight company in California cut idling costs by 59% after installing Geotab's tech. A distributor of construction supplies in Atlanta saw seatbelt use nearly double and aggressive driving incidents fall by 62%.

The company's early devices weren't nearly as useful. Three times bigger than the GO9+, they had to be hard-wired into each vehicle, and primarily tracked where a driver had gone in the days or weeks before. After each trip, drivers had to manually upload the route data by pressing a touchkey to the device and waiting up to eight minutes for it to upload. Then they had to download the data in the office, which could take another eight minutes. You had to be a pretty dedicated fleet manager to get at the limited information Geotab initially gathered.

But the more data Geotab's technology delivered to customers, the more useful it became. "If you just plug in a device, there's no ROI there," says Bob Zimmer, the senior manager in charge of supply-chain fleet technology at Pepsi, one of Geotab's larger customers. "It's what you do with the data you're getting. Having a reliable telematics provider is critical as your fleet grows. It's very helpful when you connect to get that rich data."



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Cawse has always had a knack for connectivity. He was a teenage tech whiz, and when his dad brought home a primitive ZX81 personal computer in the early 1980s, Neil programmed it to create a digitized clock that appeared on the family's TV. The young nerd was also hypercompetitive with his younger brothers. Everything was a contest, including who could run, eat and even bathe the fastest. When his mother told him as a teen that his younger brother Clive would likely make more money because he was more entrepreneurial, Cawse became determined to start his own business.

It's a story he loves to tell, though it leaves Clive—Geotab's executive vice-president—rolling his eyes. "I don't know anyone who's more competitive than Neil," he says. All the Cawses are—but they're also incredibly close-knit. "It's a healthy dynamic," says Clive. "When something hits the fan, everything gets dropped, and we come together as a pack."

In fact, Geotab is essentially a family business. Three of its eight top execs are Cawses: Neil, who's 55, along with Clive and Alan, Geotab's chief security officer. (He and Clive, along with a few hundred Geotabbers, own a third of the company; Neil owns the rest, and employees must sell their stakes back to the company upon leaving.) Sister Lindy was once VP of HR before switching to an advisory role. A few cousins work there, too. So did Cawse's parents, Jill and Robert.

Many of them followed Cawse to Canada from Johannesburg, where he studied electrical engineering at the University of the Witwatersrand. In 1994, when he was just 24, Cawse co-founded a tech consultancy called

Vircom. South Africa was nearing the end of the Apartheid era, and Vircom landed a high-profile assignment: helping to build the database that would tabulate votes in the country's first free and fair election, and communicate real-time results to the media.

The run-up to the April election was tumultuous, and Cawse and his team had just six weeks to build the program, working in tight quarters on flimsy folding tables. During the live broadcast of results, sometime after 1 a.m., Cawse came to a terrible realization: The program was incorrectly tabulating the votes—and it was his fault. "A cold shiver ran down my spine," Cawse says. He fixed the bug, but it created a 15-minute suspension of the feed and prompted accusations of tampering.

Many would prefer to simply forget that episode. Not Cawse: "I was the kid who made a stupid mistake. I wrote the code. I take full ownership."

As dot-com fever heated up, Vircom thrived, and Cawse began to show promise as a leader, according to Clive, who describes his big brother as persistent and "one of the best negotiators ever." In 1999, Cawse turned down a handsome takeover offer for Vircom, only to sell at four times the price eight months later.

By then, Vircom was working on a joint venture—called Geotab—to develop a device that could track a vehicle's whereabouts, tapping into the global position-