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Business *in Edmonton*

KEN BAUTISTA

Builds Something

GAME ON!

EDMONTON'S BULLISH COMMERCIAL REAL
ESTATE MARKET ENTERS NEW PHASE WITH
COMMENCEMENT OF THE ARENA'S CONSTRUCTION.

SMALL BUSINESS WEEK PREVIEW

Small Business Week & the Strength of Our Small
Businesses

GET DEFENSIVE (ABOUT YOUR HEALTH)

View our electronic issue of this month's magazine online at www.businessinedmonton.com

Regulars

Each and every month

- 10 | ECONOMIC FACTORS**
BY JOSH BILYK
Looking to the Future of Alberta
– We All Have a Part to Play

- 12 | OFF THE TOP**
Fresh News Across all Sectors.

- 83 | EDMONTON ECONOMIC DEVELOPMENT CORPORATION**

Company Profiles

- 55 | KIMBERLEY HOMES**
BY NERISSA MCNAUGHTON
Building The Finest Homes and Relationships

- 63 | SILENT-AIRE MANUFACTURING INC.**
BY NERISSA MCNAUGHTON
The Silent Solution

- 71 | MAVERICK INSPECTION LTD.**
BY WARREN TESSARI
Maverick Inspection Ltd.
Celebrates 20 Years

- 75 | PROCURA**
BY JOHN HARDY
The People Business

Features

Edmonton continues to emerge from its oil and gas identity as new and established companies in all sectors proudly call the Capital City home.

Cover

KEN BAUTISTA BUILDS SOMETHING | BY NERISSA MCNAUGHTON

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31

Features



16 **SMALL BUSINESS WEEK & THE STRENGTH OF OUR SMALL BUSINESSES**

BY RECHELL McDONALD

Edmonton has an impressive small business sector, more so than many are aware of, even other small business owners. What's the key to becoming an impressive small business here in the city? Networking.

KEN BAUTISTA

Builds Something

"Startup Edmonton is the beacon for all things entrepreneurship in the city of Edmonton, and in a short amount of time has become the Canadian model for what a Startup community could and should be."

*- Victoria Lennox, Founder/
CEO, Startup Canada.*

BY NERISSA MCNAUGHTON
PHOTOS BY EPIC PHOTOGRAPHY INC.

Ken Bautista is a rule breaker. While you won't find him pushing the boundaries of the law – even jaywalking – you will find him breaking the “rules” of how businesses are started and run in Edmonton.

“A big daunting issue for startups is not having money and having to do a business plan to take to the bank,” explains Bautista. “The problem with a business plan, early on, is people get hung up on what they are writing about instead of focusing on what they can do. In the early stages, you need a place where you can try and experiment. Ninety-five per cent of what you try is going to fail; but that's just part of the process.”

Startup Edmonton gives aspiring entrepreneurs a safe place to try, and if necessary, to fail. It's where doers go before they create that business plan, before they quit their full-time job to work on their dream career, and before they hire a team that they don't yet have the ability to pay.

Here's how it works.

It starts with the space. The fact that Startup Edmonton is in a converted warehouse downtown is no accident. “This place is modeled on places I saw in New York and San Francisco,” Bautista smiles as he points out the meeting rooms, open workspace areas, private residency offices, creative social space and the cafeteria. There's even a games room for when weary minds need to take a quick break. “We knew this needed to be downtown so you could walk and connect with people. It had to be accessi-

ble for students on the LRT. There had to be a social aspect for people to come together; like-minded people that want to build companies.”

Next comes the membership. There is no need to quit a fulltime job or lease office space if you are in the early stages of testing your business idea. If you just need a place to put your computer and have access to the Internet and a meeting room for clients, you can have that. If your business has grown and you need office space for you and your small team, you can have that too. Let's say your business has grown rapidly and you have a 10-person team in need of a private office suite. That's available. From between \$60 - \$2,000 per month, entrepreneurs have the space and the tools to create, launch, and run their business.

Who uses Startup Edmonton? Everybody from students to established corporate professionals. Take, for instance, Kendall and Justine Barber. They took the question, “Why is it so difficult to find stylish boots that actually fit?” and answered it with, “We will design stylish boots that actually fit!” They rented space at Startup Edmonton, rolled out their leather, hardware and soles and got to work. As their client base grew, so did their need for space. Their company, Poppy Barley, now owns a suite within Startup Edmonton, and a team that works out of both Edmonton and Mexico.

Localize is another company that grew within Startup Edmonton. The TEC Venture Prize 2014 winners create





QR codes that are displayed on customized labels in grocery stores, helping shoppers identify and learn about regional foods. Localize now operates out of a suite and their business reaches beyond the borders of Edmonton.

Then there is LoginRadius, whose work got them into both TEC Edmonton and Montreal's FounderFuel accelerators; Mitre Media, who completely outgrew their Startup space and has a headquarters in Edmonton and sales offices in San Francisco, Chicago, and New York; Mover, whose founders started by attending a Startup Edmonton Hackathon (where developers and designers come together to network and pitch demos) and was accepted into Vancouver's GrowLab, to name just a few success stories.

There are 140 regular members right now, representing over 50 potential businesses poised to headquarter right here in Edmonton; yet none of this would be possible without the dedication, passion and vision of Bautista and his Startup Edmonton co-founder, Cam Linke.

Interestingly enough, the business partners didn't know each other for long before founding Startup Edmonton. Bautista had already founded the educational-based company, Rocketfuel Games and was highly invested in Edmonton's entrepreneur community and events.

"It's a great community but you really had to look to find others," says Bautista of his search to connect with other young entrepreneurs. "Cam had organized some grassroots events around the city, like DemoCamp. People kept trying to connect us because we were so like-minded!" When they did finally meet, they discovered they had the same goals – particularly their desire to help emerging companies succeed. Bautista left Rocketfuel in the hands of his business

partner so he and Linke could focus on Startup Edmonton.

True to Bautista's philosophy of "roll up your sleeves and plunge right in," once he and Linke decided Edmonton needed dedicated space, after many months of holding meetings and events in locations across the city, they put together Startup Edmonton in less than six months. "Raising the money, closing the lease on the space, setting up the non-profit company; it was fast, but it was what needed to be done," he reminisces.

Before they settled into the iconic space downtown, the business partners spent much time connecting with entrepreneurs and investors in other cities to tap into a larger base of diverse startups. The ever-visionary Bautista realized that Edmonton's reputation as an oil and gas town, along with the notion that everyone in the city works for a corporation or up north, is rapidly changing. "Edmonton has now become more of a home base for many different types of companies. You can get started here, you can be based here and you can do business anywhere," he says. "We have the Internet. We can connect with other cities." He was right. "We had a lot of people come out of the woodwork! Companies we didn't even know about! Edmonton is full of people with amazing raw technical and creative skills. We just needed to convert this talent into startups."

It is important for Bautista that people realize Startup

Edmonton is not a business incubator, not that he has anything against incubators. “My companies, Hotrocket and Rocketfuel Games, had gone through incubators. As an education student I had to learn a lot about business the hard way. I also had to rely on mentors. The great thing about incubators is that you are working alongside mentors and other entrepreneurs. But in an incubator, everyone is siloed in offices and you have to draw them out. When you are just getting started and you are having conversations with people, you need an open environment. It becomes a matter of speed and traction to prove you are solving the right problem and that your creation is more efficient than your competitors’. Incubators create ideas. Startup gets you to build something.”

He again references the location and layout of the building, both of which are designed to bring people together. The entrepreneur working on a tech startup could be sitting next to the entrepreneur who is creating more durable fabric for overalls. The web company will need a client and the overall company will need a website. In a startup community, they can easily find each other. “Today’s startups need all types - tech, artists and entrepreneurs. We provide opportunities to create collisions between those types of people.”

“For us, it’s all about mobilizing people,” he continues with enthusiasm. “In Edmonton there is a lot of talk about our projects and the buildings, like the new arena. But we don’t talk about the people. Startup focuses on people and community. Our first goal and mantra is to support 500 entrepreneurs in five years. Why not 500 startups or 500 companies? Because we want to create a circle of 500 people that are entrepreneurs across every industry. Those 500 people will create a ripple effect. They will create 500 things over the years and they, in turn, will mentor and inspire others. It just grows and grows. The idea is, you don’t aim to change the whole city. Change just one person and the city will change. Everyone wants to work with the winners; that’s why you have shows like Dragon’s Den. But our job is to put people on the field who have the ability to win. Here’s an analogy. If you want that elite hockey team, you have to build a farm team. You create that pool of talent. We build the farm team.”

As any person in business knows, having an idea and the space to develop it is a good thing, but sooner or later you have to talk dollars and cents. Bautista has that covered too.

“When we decided to settle into a space, we created Flightpath Ventures to invest in talent and early-stage companies. Sometimes you don’t need a million dollars right off the bat. What can you do with \$15 – \$25 thousand dollars? Along with that you have mentorships and the ability to focus on what you are working on. We have our Founders 50 group – the investors, supporters and mentors that represent a multi-generational group. These are high-profile city builders such as, TELUS, ATB Financial and BioWare. Startup Edmonton launched in 2009. In 2012, startups in our programs raised \$8.7 in venture capital. In 2013, that number was \$13 million. This includes American investors. More and more investors are discov-

ering that the city on the move is not Vancouver, Toronto or Montreal. It’s Edmonton!”

As Bautista likes to point out, it doesn’t matter where you are in your life or career. If you have a viable idea, you can turn it into something amazing. He points to his own career path as an example. His father was an engineer and his mother was a teacher. Bautista had an interest in both gaming and technology but he didn’t know what career path to take. “I actually thought about going into business, but said ‘I don’t know if I’m cut out for that,’ he says, laughing at the irony. He wound up taking education at the University of Alberta.

“It’s one of the best things that could have happened,” he explains. “I like the fact that I have an education degree. It provides me with a different perspective on entrepreneurship, and exploring the impact of environment and conditions for people to learn and develop their skills. During my studies, I focused on how technology could be used in the classroom. My companies were built around educational technologies and games. That expanded into learning and training with interactive connections for corporations and government. It was always there, that education background. The goal of a teacher is to create an environment where students can reach their potential. When I look at what we are doing today at Startup, I see that we provide a space where people can reach their potential. We don’t lay it out for them, but we create the space where they have the ability to figure it out.”

Startup Edmonton has exciting news about the company’s future. Earlier this year they were acquired by Edmonton Economic Development Corporation (EEDC). “We didn’t want to lose any culture or our grassroots identity,” says Bautista, “but we also didn’t want to stagnate. This was the right move at the right time, especially under the leadership of (EEDC CEO) Brad Ferguson at the helm. Our company stays intact with a new shareholder, but joining them gives us new horsepower and we are really excited about that. It’s the next step.”

The energetic entrepreneur concludes with a big smile, “We have never been afraid of change. “We focus on the outcome.” That outcome looks great as far the past, present and future of Startup Edmonton is concerned. In October, Startup Edmonton will produce the first ever Edmonton Startup Week, a five-day celebration and showcase of the local startup community.

Maybe you have an idea but don’t want to jeopardize your financial obligations to test it out. Perhaps you’ve started a side business but need a space to work that isn’t overrun by children’s toys in your basement. Maybe you are graduating and instead of entering the workforce as an employee, you want to start your career as the boss. Whatever your reasons and ideas may be, Startup Edmonton gives you the place, potential financial assistance, mentorship and community to do the action that take your idea from a startup to a thriving corporation.

What is that action? “Build something,” Bautista grins. “Jump right in, roll up your sleeves, and build something.” 