A Passion for Service

Jill Smillie, MBA ‘00
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As I begin my new term as Dean of UVic Business, a key priority is to update our strategic plan. Five years ago, we said we would work to enhance our resource base, redesign our programs and areas of specialization, and continue to strengthen our relationships with other audiences, particularly our business community and with alumni. I’m pleased to say we have accomplished much of what we set out to do. One of the most visible signs of our success is achieving the prestigious international mark of excellence, known as EQUIS accreditation.

Of course we did not achieve this success on our own. We’ve had significant support from the business community and our board of advisors. I’d like to thank David Schneider, Senior Vice President of Wellington West, for his 11 years of leadership as chair of the UVic Business Board of Advisors. His legacies include the strengthening of our executive mentorship program and helping to build an outstanding base of co-op employers. Moving into the role of chair is Allan Gilchrist, retired CEO of Nokia Canada. His strong roots in the international business community will serve us well as we continue to build the UVic Business brand.

Strengthening our brand remains a priority. There is huge competition among business schools and we all strive to innovate and stay in step with the changing needs of the business world and the student population. Differentiating ourselves is a key goal and re-branding UVic Business is well underway. We believe, “the world looks different from here,” best expresses the most important and distinctive features of UVic Business. Over the last year, we engaged in a series of conversations with representative stakeholder groups. Without exception, they spoke of our “beyond the classroom” approach to delivering a business education, our global perspective, and the beauty and spirit of the West Coast that infuses everything we do.

As we build our new five-year plan, we will use our new phrase as a rallying point to ensure that we engage our students as co-creators of their educational experience and to challenge ourselves to be creative and innovative.

The theme of this issue is about the “experience.” We have benefited from the ideas and suggestions put forward by the team who deliver our Service Management specialization. In this issue, you will read about the alumni and faculty who all play a role in delivering a unique customer experience. As always I value your feedback, and look forward to your comments on this issue.

Sincerely,
Ali Dastmalchian, Professor and Dean
dastmal@business.uvic.ca
In the Spotlight

Business Class book reviews are designed to keep you up-to-date on what’s on the booksellers shelves.

REVOLUTIONARY WEALTH
Alvin and Heidi Toffler

In 1970, futurists Alvin and Heidi Toffler wrote the groundbreaking book Future Shock, which laid out a mass of evidence that the pace of change in the modern world would have immense and far-reaching consequences on governments, the economy and health. Since then, many of their prognostications have come to pass, and they have continued to propose new ways of thinking about and understanding our rapidly changing world. Revolutionary Wealth, their latest forecast, provides an immensely broad survey of hundreds of technological, social and economic trends, including blogging, health care, the growing power of China, alternative energy sources and the rise of “prosumers” (a Toffler term describing those who “create goods, services or experiences for [their] own use or satisfaction, rather than for sale or exchange”). The Tofflers paint a picture of a world moving ever more quickly towards an economy based on knowledge and non-monetary work, such as open source coding, YouTube video sharing, family care and home schooling. Revolutionary Wealth, which is written with the same insight and breadth of vision that made their previous books bestsellers, proposes that there is wealth to be made from this growing “prosumer” economy. It paints a clear picture of the confusing world we live in today, and provides new tools for understanding what we can expect tomorrow.

THE WORLD WITHOUT US
Alan Weisman

What would our planet be like, if every human being suddenly disappeared? How long before our homes, office buildings, skyscrapers and tunnels began to crumble? What would happen to our nuclear power plants, the ozone layer and threatened wildlife? Would cockroaches take over the world? This fascinating thought experiment begins with a common fear—the annihilation of humankind. What comes next, though, is so intriguing that it’s easy to forget that awful premise, and almost impossible to put the book down. In just two days, with no one to work the pumps, New York’s subway tunnels would flood and the structural supports of roadways and buildings would begin to erode. Rain would begin to creep in around the chimneys of our houses, and mould and mildew would start to eat away at the drywall. Before long, our cities would be unrecognizable. Weisman explores some of the world’s most remote and devastated areas, including the demilitarized zone between North and South Korea and Chernobyl, to discover just how resilient our world really is. After millions of years, all that may be left to show we were here will be our earliest buildings, a few bronze sculptures, a lot of plastic, and radio waves. The rest, according to this thought-provoking book, will be a thriving, verdant Eden. Cockroaches? They couldn’t survive without us.
STRUCK BY LIGHTNING: THE CURIOUS WORLD OF PROBABILITIES
Jeffery S. Rosenthal

Odds are you’ve never read a book about statistics and probability that’s quite as enjoyable or entertaining as this one. If you’ve ever wondered whether to ask someone out on a date, worried about your plane crashing, or wished you could improve your luck in Vegas, you could use a little probability theory. In Struck by Lightning, Canadian mathematician Jeffrey Rosenthal uses familiar examples like poker games, fear of flying, email spam, and opinion polls, to explain complex probability concepts in a clear, memorable way. He explores our love-hate relationship with randomness—we love strange coincidences and lucky breaks, but hate the possibility of disaster and the likelihood of disease—using an approachable, friendly writing style and engaging, sometimes hilarious examples. Rosenthal demonstrates that events we attribute to luck, fate or spooky coincidence, are really driven by the universal rules of randomness and probability. Once we understand the rules, he says, we’ll be able to make better decisions at home and work, stop worrying about highly unlikely events, and cope better with life’s uncertainties. Even if you hated math in high school and squeaked through your statistics courses by the skin of your teeth, you’ll find this an accessible, enlightening read.

Peigi McGillivray is a freelance writer.

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As the 1990s progressed, pundits and futurists were heralding the dawn of what they called the “new economy.” Their evidence turned out to be little more than the stratospheric values attached to technology and internet stocks. When the bubble burst, talk about the “new economy” went with it.

Dr. Stephen Brown, of Arizona State University, has believed for a long time that a more meaningful phenomenon had been developing quietly for decades without the benefit of any hype. It was the emergence of a genuinely new economy— one based on services, not stock values.

Brown is Executive Director of the Centre for Services Leadership which has been in existence since 1985 at the WP Carey School of Business. He believes that business, business schools and governments have been far too slow in coming to grips with the implications of the service economy.

“Business schools have been product focused,” says Brown. Speaking broadly of governments, business schools and business, he adds that “we spend almost nothing on research into services. We need to get government’s attention.”

He cites Finland, Germany and Sweden as countries that are ahead of the curve in this respect.

It may be surprising to be reminded that the world’s first service economy was born in the late 1950s, in the United States, when those producing tangible goods moved quietly from being the majority to a minority of all workers.

Other nations followed during the latter half of the twentieth century. Today, the 30 developed nations belonging to the Organization for Economic Cooperation and Development derive more than 70 per cent of their economic activity from services.

Brown admits to frustration with what he sees as a continued preoccupation with products. Although not his point of view, some describe services as the “step-child” of manufacturing.
Val-You added

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1991 to 2001
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B2B
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New Economy!

$9.5 M
In today’s economy, he insists, “what is valued most is knowledge and skills—and these are buried in services.”

The evidence in Canada confirms his point. According to Statistics Canada, between 1991 and 2001, employment in high-knowledge industries rose 84 per cent, much more than the rates observed in medium- and low-knowledge industries (52 per cent and 32 per cent respectively).

In British Columbia, the fastest-growing industry is business services, which employs five times the number of people it did in 1990. Other strong growth industries include computer systems design, management, scientific and technical services, education, and motion picture and sound recording.

The trend is expected to continue. Here in Canada, the federal government forecasts the service sector will create more than 80 per cent of new jobs between 2006 and 2015. In the United States, forecasts call for services to provide 90 per cent of all new jobs created by 2012.

Part of the trend is that “old-economy” businesses are reimagining their markets and how they can deliver value to both customers and shareholders. Brown notes that “a major trend in manufacturing, information technology, and other non-services industries in recent years is the introduction of value-added, revenue-producing services.

“Firms in these industries have recognized that they cannot compete on the sales and margins produced by their manufactured and technology products alone. Many firms such as IBM, Hewlett-Packard, Siemens, Xerox, and General Electric have integrated services into their mix of offerings.”

While avoiding dependency on the low margins of commodified products, the shift also offers “greater opportunities to differentiate through services.”

Customers are a key driver of change. Most successful service businesses display “an unrelenting focus on the customer,” according to Brown. The customer perspective drives “innovation, quality, and service improvement” and is “integrated across all functions of the organization.”

In B2B services, growth is also being driven by the trend for firms to outsource key functions. In 2003, outsourcing generated global revenues of $298.5 billion US.

Brown cites the example of a patient going to see his orthopaedic surgeon and having an x-ray taken. “Whereas the results might have taken a week or so in the past, now they come back the next day because a radiologist in India evaluated the x-ray overnight.”

Brown notes that “India has become a huge exporter of services and seems to have skipped the entire manufacturing stage of economic development and gone straight to services.” While not rivaling India’s growth rates, Canada’s exports of services grew at a healthy rate of 13.7 per cent between 1983 and 1999.

Customers also want to co-create value, which Brown describes a “huge trend.” At the extreme end of the spectrum, he points to enterprises like YouTube or Wikipedia that do little more than provide an architecture, which allows the customer to create the product through “total self-service.”

Most enterprises are far from this extreme. Nonetheless, the growing role of the customer in value creation is beginning to be appreciated more, both at the theoretical and practical level. Professor Stephen L. Vargo at the University of Hawaii calls customers “co-creators of value” in the service economy. “There is no value until the offering is used—experience and perception are essential to value determination.”

The common denominator is relationships, in which value is created, for the customer and the service provider.

You will get no argument on that front from Chris Zane, of Brandford, Connecticut. As owner of Zane’s Cycles, a $9.5 million company, he understands very clearly that, while he may sell a manufactured product, it’s the relationship with the customer that differentiates his business and makes it successful.

There is no denying his success. In a highly competitive field, Zane’s Cycles has dominated other bike stores in the region and has prospered despite the relentless assault of big box retailers like Wal Mart.

The relationship with his customers is paramount for Zane, because it is what drives sales and repeat business. Zane’s organization is always striving “to make sure they’re satisfied with the relationship because we recognize that our customers aren’t transactions, they’re long-term relationships.”

For example, he never charges for parts that costs less than a dollar. He also offers free coffee and juice.

“A lot of our customers like to come in on the weekend to have coffee, hang out for a while, read the paper, and leave,” says Zane. Whether they buy anything is not the point; the relationship between the customer and Zane’s Cycle deepens with each visit.

All of these have a cost attached, but Zane tracks those costs and concludes they are nothing compared to the revenue stream from lifetime customers. He points to the story of a father who comes in because a crucial part on his child’s bike has broken.

By giving away the part, which costs 50 cents, Zane figures he is well on the way to gaining two lifelong customers, the eternally grateful father and his child. And he points out that the entire program “costs less than $100 a year, the equivalent of one bad meal.”

As for the challenge of Wal Mart, Zane’s rebuttal is simple: “They can’t know everybody. We try like hell to.”

Whether running a bike shop or a multinational, leveraging the relationship with your customer is the name of the game in today’s service economy. Stephen Brown just wishes more people had ears to hear the shoe drop.

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Etraffic’s Wayne Poncia, Michelle Jeske and Robert Bailey (illustrated on opposite page) redesign the textbook business.
Technology Bridges the Gap
Or why forgetting your textbook isn’t an excuse anymore

Somewhere between 3:00 in the afternoon and 9:00 at night, a scene as old as public education itself takes place in thousands of homes across Canada. Parents begin their efforts to ensure Johnny or Janey have completed, or at least started, their homework. And night after night, a litany of excuses thunder from coast to coast. “What homework?” “I did it at school,” or “I forgot my textbook,” are all part of the dialogue. Well no more, thanks to Wayne Poncia, CEO of Etraffic Solutions. Poncia turned the tables on students in British Columbia and launched Etraffic Press with an online resource known as Pilot Math.

“It was really two things that drove this,” says Poncia. “The first was the fact that students, including my own kids, forget their texts at school or at home. The second was the dramatically widening technology gap between students and teachers.

“Teachers are always interested in good quality resources, and a wide variety of resources, to meet student needs, but school budgets oftentimes can’t provide the latest and greatest,” says Poncia. “And sometimes, because of how budgets are structured, even when the cost is less, they can’t buy because digital software and textbooks come from two different sources.”

However, it was a comment by a student, “I go to school to behave and I come home to learn,” that crystallized the issue for Poncia and led to the development of Pilot Math. The student went on to explain that he has more tools for learning (computer and web-based resources) at home than are available at school.

Despite Etraffic’s success with the electronic delivery of French and Spanish language learning at the elementary level, it went back to the beginning and talked to students and teachers about the kind of resources they felt would help them to be successful. Etraffic’s research confirmed that students have a passion for technology. However for teachers, the reality of a bricks and mortar environment means books and paper. Teachers need good quality print resources—workbooks and textbooks—and would love to have multimedia. But they recognized that to have multimedia and software, the school district would have to buy a computer for every student. Putting a $1,500 laptop on every student’s desk
and upgrading the resource about every two years would be an expensive proposition.

On the other hand, students said that a computer per desk wasn't necessary. "They would love it," Ponscia says, "but did not think it was necessary—nor did they believe that teachers could keep up with the rapidly changing technologies—today Facebook, tomorrow something else.

"In fact, students felt their teachers were doing a great job with the tools they had. Teachers, though, felt that they weren't keeping up. What we wanted to do was reduce the financial cost of technologies, the negative impact of print-based resources on the environment and the growing cost of education to the provincial budget. So we decided to split their needs into three groups and provide each of them with an enhanced service."

As a result, Etraffic Press introduced Pilot Math, a new learning resource that provides e-texts, e-workbooks, math animations and interactive activities. Teachers can still have printed textbooks for the classroom through new print-on-demand services offered by Etraffic, and students have access to a 24-hour learning system with e-texts, multimedia, animations and online gaming that eliminates the need for an individual text or workbook at both home and school. Teachers have the paper resource, students have the enhanced digital learning tools and governments have dramatically reduced financial and environmental costs.

Robert Bailey, plucked from university by Etraffic for a co-op education year, was a key player on the Etraffic team. Bailey was not so long out of high school that he'd forgotten his issues with textbooks and he did a lot of testing with high school students to ensure the product was more engaging than just reading a textbook. "They told me they liked animations, games and things that engaged them on the screen—they didn't like just words on a screen."

Bailey managed the development of a variety of interactive features and animations for every chapter. "These are brief clips that tell the story of a bunch of high school students who've been taken up to space. We incorporated arcade games like "Frogger" into our program to support the learning. In order for students to advance, they have to get a math question correct. We also added an element that rewards students for correctly completing a series of end-of-unit multiple choice questions," says Bailey. "If they get it right, they win a 'loonie' and can go onto our site, enter the code and play one free arcade game that has nothing to do with math. In order for students to play another game, they have to complete another quiz." The idea for the end-of-unit rewards came directly from the students—they wanted something that was fun and contained a reward.

The development team also worked with a number of teachers to make sure it was 100 per cent aligned with the BC curriculum and a resource that worked for them. Because there is an e-version and a print version, teachers are able to choose when and how they want to use it.

"It was fun," says Bailey, who is back at the University of Puget Sound completing his final year of a BCom degree. "The most rewarding thing about developing Pilot Math was seeing students use it. The hardest part of the project was staying focused. Our goal was to create a useful resource for teachers and students. It was sometimes difficult to find the correct balance between written content and games."

So what about the downsides? Ponscia acknowledges the risks. "We use a 100 megabyte burstable bandwidth on our server array so we won't have traffic issues. Our server is on a secure system but we have to stay current so we don't get hacked into—those are all risks that we have to measure and deal with, and we do."

For those parents who don't want their kids exposed to the risks, Etraffic has created innovative USB wristbands. Students without access to the Internet can have portable media that contains the complete course, all on a tiny wristband. They can plug it in at home or at the neighbour's or at the library. "That's part of the back up system, if the entire Internet went down, the 10th grade course could be taught with the textbook, the workbook and all of the multimedia including the e-text and e-workbook on the USB wristband," says Ponscia.

Over the next seven years, the K-12 curriculum in BC will change. As a result, the potential cost for new print textbooks, workbooks and classroom resources is expected to be in the range of $74 million. Etraffic Vice President of Business Development, Michelle Jeske, MBA Service Management alumna, who helped develop Etraffic Press and Pilot Math says the potential financial savings are huge. "By going to an e-text model, with two sets of classroom texts instead of a textbook for every student, costs drop to $34 million—giving taxpayers $40 million in savings." Estimates are based on 44,511 students in BC, at a cost of $115 per text book.

In addition to enormous financial benefits, the carbon savings are also significant. Sierra Systems calculated that one Etraffic course alone would save 2 per cent of the BC government's recent greenhouse gas reduction goal, and a broader strategy, using four e-texts for grades 7 to 12, would constitute 40 per cent of the goal. The list of benefits also include a reduction in the health risk of carrying overloaded book bags, a quick, economical system for corrections and a resource that can be customized by region.

Based on a student reviews and teacher feedback, Pilot Math is getting high marks. During piloting and field testing, 82 per cent of students said the approach was more than satisfactory. Teacher feedback has also been positive. It appears that technology is ensuring a first-class experience for BC students, educators and taxpayers. &C
Although nobody spends time swooning over the likes of a 7-Eleven, a near-cult following has sprung up around a regional chain of American convenience stores named WaWa. “The largest of many such groups on MySpace.com is the ‘I Love WaWa’ fan club and it has 5,000 members,” chuckles Dr. Vivien Corwin, who teaches service management to MBAs and BComs at UVic Business. “It seems hard to believe, but it comes down to the personnel they hire and the exceptional level of friendliness and service these people provide to the customers.” Contrast that with another Corwin anecdote—this one from a recent guest speaker at an MBA class who hasn’t shopped at Home Depot for seven years after one of their clerks was rude to his wife—and you have the nub of a lecture on why companies in the service economy are hostage to the front-line staff that represent their organization to customers. Then factor in how service industries compose over 80 per cent of the Canadian economy and it is obvious why it is vital for companies to hire the right people.

“In the service sector, it comes down to the experience more so than a product that you take away with you,” says Corwin. “And because each encounter is unique, employees need the freedom to respond to customer concerns outside of the confines of one basic script.” According to Corwin, successful companies are focusing on what’s called emotional intelligence—an awareness of how you present to others, combined with a sensitivity to cues about how particular customers are feeling and how they are reacting to your interaction with them.

“It really comes down to hiring the person and not the job,” Corwin adds. “You need an employee who will embody the values of your company, but that person must also be able to think on their feet and respond promptly to a customer’s concerns before he or she becomes frustrated.” Corwin, a specialist in human resources who also studies organizational behaviour, believes that the smartest companies make astute hiring choices and then give their employees enough wiggle room to respond to the specifics of any situation. “This approach also changes the role of their supervisors, who have different requirements placed on them than in a traditional manufacturing organization,” says Corwin. “These managers can’t be over-controlling when it comes to the behaviour of their employees. And instead of expecting compliance to a rote program, they should be sharing more information with their front-line workers,” she adds. “If they give them the ‘big picture’ it’s easier for the employees to feel some ownership and take real pride in the work they do.”

One company that knows a lot about cultivating a talented workforce is Custom House, a regular on the “top 50 employers in Canada” list. A foreign exchange firm well known for their currency kiosks, Victoria-based Custom House has 650 personnel spread through 80 branches in seven countries. “We want people who are eager to be part of a team,” says Kathy Neeves, their director of human resources in Victoria. “And what are even more valuable are employees who continually strive for improvement, the ones who not only can spot the problem but who are focused on finding solutions.”

According to Neeves, it is easier for an organization’s front-line staff to have good “service” ideals if the company carries through those attitudes internally. “There is an extra energy that a company has when people are treated with respect and where there is an openness to new ideas,” she says. Other aptitudes that a smart company needs to hire towards are conflict resolution skills and adaptability. “Of course there are fundamental skill sets that pertain to specific jobs,” Neeves says. “But over and above the basics of any job profile, we worked with experts to define certain ‘competencies’ that add an important dimension to employee performance,” she elaborates. “A company is only as good as its staff.” BC

UVic grad Robert Moyes is a local author.
Most of us have experienced something like it. It usually begins with a polite if not slightly affected apology, “I’m sorry Ma’am…” a few additional clicks on a keyboard, and then those infamous words, “That is not the price we quoted your travel consultant.” After the usual tussle of confusion, citing of brochures, and showing you what was actually sent your travel consultant, the climactic moment of truth follows, the rate is going to be higher than you expected.

In an age when firms are making promises to customers, then outsourcing the execution of various elements of the customer experience—from call centres, to travel partners, to components in a piece of hardware—this scenario is common. The question, however, is not who’s to blame, but who will solve the problem. And the answer can be the difference between success or failure in effectively managing service networks and keeping those customers coming back.

Dr. Steve Tax, professor of service management at UVic Business, has spent most of his career researching service failure and recovery. His recent research explores service networks and, in particular, customer perceptions and expectations at the point when something goes wrong.

“Historically firms used to outsource non-critical elements, those not directly touching the customer,” says Tax, whose research has been cited among the top 20 most influential ser-
vice management articles. "Now, firms are outsourcing mission critical elements meaning that the person in contact with the customer may not be from the focal firm. This is problematic."

Why? Tax's research suggests that customers are increasingly demanding more of the service network. They expect coordination and cooperation among members to immediately solve problems, regardless of who is at fault. Historically, if you didn't cause the problem, you wouldn't be responsible for solving it. Firms could blame other firms and be "off the hook." In the case of the travel consultant quoting the wrong price for the room, the hotel could simply blame the travel consultant and still charge the higher price. However, according to Tax, customers now expect firms in the hotel's position to work with the partner, in this case the travel consultant, to solve the matter immediately at the first point of contact, regardless of responsibility for the failure. Customers want the contact with network partners to be seamless.

Unfair? Perhaps, but taking on a partner carries an obligation to work together in the customer's interest. Firms should take note of these findings, even if it goes against basic human instinct to protect one's own interest.

One organization that is paying attention is Travelocity, an online, full-service travel provider which, in 2005, sold $10.1 billion US in travel with revenues of $1.1 billion US. Travelocity's service guarantee recognizes the importance of owning the customer experience at every stage of the service network, even if that means finding solutions for possible service failures with thousands of travel partners around the world.

Travelocity's guarantee is gutsy to say the least. They say, "It is our commitment to you that everything about your booking will be right, or we'll work with our partners to make it right, right away." But what it does is guarantee is that Travelocity is always at the centre of the customer's mind and therefore reaps the rewards of customer satisfaction and loyalty.

"Firms need to own the customer relationship," says Tax. "If you are relying on other firms to do this, you may be losing out—or worse—losing customers altogether. If something goes wrong, you want to be informed. Make communication as easy as possible."  

Lisa Russell is a UVic grad, on a one-year leave from UVic Business.

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**Communication and Patience: Keys to Network Success**

Pauline Rafferty, an archeologist by profession and CEO of the Royal BC Museum in Victoria, knows very well the challenges of managing a service network. The Royal BC Museum works with up to 500 volunteers and employs 130 staff, and many of the key elements of its customer experience are supplied by private partners, such as the IMAX theatre.

“Our mantra is to keep the visitor at the centre of the experience,” says Rafferty. “From the time they visit our website, park their car, visit the exhibit, or see an IMAX film, everything related to our brand is involved.”

Rafferty is passionate about ensuring a seamless experience for the museum's visitor. Her goal is to ensure that all partners delivering the experience stay well informed and abreast of the most recent information, seven days a week.

“You can never get enough information out,” she explains about managing service partnerships. “And, even then, you can always do more.”

When asked what makes a service partnership work, Rafferty says to be really clear on what you want someone else to do. “Any fuzzy thinking means lines get blurred on who is doing what.”

“Also, it is important to be open to discussion, have patience, and celebrate successes together. Our public private partnership with IMAX is very different from when we first started. We now have a very positive working relationship. But, this takes time. It is not always about the hard times, it is about successes too.”
“If they have a good experience, they’ll come back, they’ll tell their friends, and we’ll spend less acquiring new customers,” say Smillie.
As the MV Salmon Seeker sways gently on the Pacific swell off the British Columbia coast, a soft breeze carries the touch of salt mist. Husband and wife Jim and Sharon Nassichuk are enjoying another week of fishing, returning as annual guests aboard the Oak Bay Marine Group resort vessel as they have done for over a decade. Before they return home this time, not only will they land a 207-pound halibut, they will also renew their marriage vows. For a couple devoted both to each other and to fishing, that’s an experience.

This scene, played out this past summer during a stay aboard the 180-foot resort vessel, typifies the kind of service that has become a hallmark of Oak Bay Marine Group (OBMG). Whether or not clients arrive for a fishing trip aboard a resort vessel off the north coast of BC, a golf trip with accommodation at Painter’s Lodge in Campbell River, or a spa retreat at April Point Resort & Spa on Quadra Island, OBMG aims to create an “experience” that their clients will remember for years to follow.

It’s an approach started decades ago by Bob Wright, president and CEO of OBMG, that has made the operation one of the great BC business success stories of recent years. The company now has 21 operations spanning three different countries and is also the recognized leader for sport fishing resorts in North America.

“I think the important thing is what we offer to the public,” says Wright. “We’re not in the funeral business, and we’re not in the towing business. In virtually all of our operations we sell happiness, and that’s the important idea we try to get across to our team.”

At her office overlooking the sailboats at the Oak Bay Marina in Victoria, on a cool overcast day in October, OBMG’s director of marketing Jill Smillie (MBA ’00, Service Management) talks about the company’s service philosophy.

One of the things I learned in the MBA Service Management specialization, and one of the things we realize here, is that providing products and services is not enough,” says Smillie. “There are a lot of fishing lodges on the west coast, and there are more than a few spas and golf tour companies. For us, the key has been differentiating ourselves from our competitors by delivering our services and products in a way that creates a complete experience, rather than simply a purchase.”

Fundamental to OBMG’s approach is the idea that customers who buy a service or product always have an experience—the question is whether or not the experience will be memorable—and if it will be remembered for the right reasons.

“If we serve a new customer and they don’t have a good experience, they don’t come back,” says Smillie. “If they have a good experience, they’ll come back, they’ll tell their friends, and we’ll spend less acquiring new customers.”
As Smillie aptly observes, OBMG cannot control the weather on the BC coast or when the fish will bite, but they can do everything in their power to create consistency and reliability with other variables.

"The customer experience is so crucial," she continues. "It's one of those things that's left to other people, so it's up to us to deliver materials, products and training to bring people up to speed. That means there are multiple stages to our service, including what the crew does at the customer level on the ship's deck or in the lodge. If you're a customer, we try to educate you when you make your purchase, when you arrive, and then within the resort or on ship. Basically, we're the destination, and once our customers arrive, we want to market every aspect of our services and products to keep them with us."

Brook Castelsky, general manager of OBMG's northern fishing resorts, elaborates. "One of our staff training concepts is 'Everyone Sells,'" says Castelsky. "This means learning about everything that our company has to offer as a whole, and then paying attention to customer needs and plans. For instance, we might be working with clients on board the MV Marabell in the Queen Charlottes, and they'll comment that they're on their way to Victoria, so we'll tell them about the Marina Restaurant or the Undersea Gardens. Or if they mention that they're interested in going somewhere warm for a vacation, we can suggest our Cape Santa Maria resort in the Bahamas."

OBMG has also developed products and services to take advantage of new vacation concepts such as "edu-tainment." At Painter's Lodge in Campbell River, OBMG has created "Live & Learn" packages during their shoulder seasons that combine accommodation with personal interest courses in topics such as painting, yoga, tai chi, bridge, and ballroom dancing. "We're absorbing the demands of the market and responding," says Smillie. "We like to think of it this way: maybe five per cent of the market likes to fish, but everyone goes on vacation, and we need to deliver to both of those groups."

As always, delivery is designed to enhance the customer experience. Christine Fleming, operations manager at Painter's Lodge, is responsible for making sure the resort staff understand and practice the OBMG service concepts that create that experience. One of the key ideas is "Yes I Can."

"Our approach is that you never simply reply to a customer request or inquiry with 'I don't know' and leave it at that," says Fleming. "You reply that you'll be happy to find out and promise to get back to them with the answer."

Then there are the softer elements of presentation. "When people check into the front desk, we need to welcome them with a big smile and make them feel at home," says Fleming. "We greet them with resort maps; we direct them to the marine centre and other parts of the resort, and we provide in-room materials to make them aware of all of our services and products."

Presentation, conduct and qualifications are critical when it comes to staffing OBMG's northern fishing resorts. Crew and clients work and cohabitate in close quarters aboard resort vessels, so OBMG crew need to be especially skilled at dealing with people while getting their work tasks accomplished.

"Three of the four fishing resorts I manage are actually ships," says Castelsky. "Daily operations require that our people have a wide knowledge base, so it creates a lot of different requirements for our hiring. Pleasure Craft Operator Card, fishing experience, customer service experience, Serving It Right—these are all things we look for when we are seeking new crew members."

The crew manages dozens of details and activities during each customer's stay. There are special events for groups where the crew prepares beach welcome parties with bonfires, signage, drinks and dessert. There is also the Master Fisherman club, where guests who make a large salmon or halibut catch get a special hat and a bottle of champagne to celebrate, and their name is permanently placed on a plaque in the ship's lounge. And then there are the countless small details. "We're continually doing birthday cakes for guests, or making special purchases for someone's favourite beer," chuckles Castelsky.

Working in such close quarters, a special bond develops between the crew and guests. "Everyone gets to know each other on a first name basis and the guests see the crew working hard," says Castelsky. "They kind of get absorbed into the culture of the ship, and that lends to the experience."

According to Fleming, this close contact is typical of the experience at the OBMG resorts. "We're pretty interactive with our guests, so we have a good sense of what they want and what they like," says Fleming. She recounts an example at Painter's Lodge. "About 13 years ago, we had a young couple come here for weekend, and they had a new baby with them. They were sitting in the lounge with their baby boy, and he was pretty young, not even a year old. The bartender was chatting with them, and the couple casually mentioned how it would be nice to be able to go out alone for dinner, but they never had left their baby alone anywhere.

"Our bartender replied that she knew what it was like since she had kids of her own, so she volunteered to stay after work with their little boy so they could go out. The next thing they knew, they had a dinner reservation and they were on their way. Now they come back year after year, and we've watched this little boy grow up, and he knows all of our long-time staff. Our staff tells him, this is where you had your first babysitter! It's indicative of the kind of people we have."

Bob Wright knows it too. "As with any business, what makes our enterprise successful is the team that we have been fortunate to put together," he says. "I think we got here because we offer a sincere product that we stand behind."

Service with sincerity: when you count 21 operations across three countries, it's a formula that's working well for OBMG. BC
Expand your circle of friends.

The UVic Online Community

The UVic OLC is the best way to keep in touch with all your university friends, past and present. With the latest in social networking technology, you’ll never be more than a click away from the rest of the world. With our newly upgraded site, students and alumni can do it all:

- form study groups
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- receive email and messages from members
- plan class reunions and other events

olc.network.net/uvic
It is safe to assume that Allan McNeely would not have been attracted to the idea of working for IBM back in 1993. But by 2005, it was a very different story—for McNeely, and for IBM itself.

When McNeely joined IBM as Associate Partner in Global Business Services two years ago, he did so after careful deliberation. In mid-career, after working twenty years in many industries, McNeely was looking for a company he could commit to for the next twenty years.

“Making a move like that isn’t something you do lightly,” he says. “But what I saw at IBM got me passionate.”

That passion for IBM comes from its ability to combine size and strength with agility and flexibility, and from its leadership as a service provider, rather than as a producer of products.

He admires IBM for its ability to innovate, not for its own sake, but to serve its customers. The R&D intensive business of technology requires an organization with deep pockets to invest in cutting-edge research. But it also requires knowing your customers intimately and a willingness to provide integrated solutions.

That is hardly the IBM of 1993. On its way to losing $8.1 billion, IBM’s stock had shed 60 per cent of its value in one year. Many believed “Big Blue” had lost its way and was headed for bankruptcy or break-up.

An icon of American business that had incubated some of the most advanced technology of the twentieth century, IBM had grown profitable markets for those technologies by developing a storied and effective sales culture. Yet it was blindsided by the simultaneous erosion of its mainframe computer business and explosion of the PC revolution.

McNeely believes the fundamental reasons for IBM’s turn-around are the combination of sound strategy and leadership.

Brought in to save the company, new Chairman and CEO, Louis Gerstner mandated an unwavering focus on the customer. “We’re going to build this company from the customer back,” he declared, “not from the company out.” It was a direct assault on IBM’s “build it and they will come” approach to product marketing.

Gerstner wanted to redirect IBM’s research and development expertise, however. That meant providing integrated solutions to
customers’ challenges and breaking down internal silos to present what McNeely calls “one IBM” to the customer.

It also meant embracing standards and open systems, anathema to a company that had developed and profited from proprietary systems. To provide real value-added service IBM had to become “product agnostic,” as Gerstner put it.

IBM embraced the Internet because it saw how a networked world played to the company’s strengths. It snapped up software firms. And when accounting scandals forced the major accounting firms to divest their management consulting arms, IBM bought one from PricewaterhouseCoopers.

The result? In 1993, IBM generated 20 per cent of its revenues from services; by the time McNeely was being hired, the figure was more than 50 per cent.

IBM now provides services in fields from human resource management to supply chain management. For example, IBM recently helped French shipping company, Sernam, eliminate approximately 1,000 customer calls daily and reduce misdirected parcel costs by 30 per cent by deploying a system that reliably tracks shipments and automatically notifies customers of package status. In the past, IBM might have provided the system’s servers; today it provides turnkey business solutions.

McNeely believes that “products come and go—they’re not the differentiator any more.” Rather, it’s all about providing services that add value. He’s passionate about his work and looks forward to the years ahead in his career continuing to provide customers with innovative business solutions.

After which, he may (or may not) retire — and go climbing! BC

Tim Pearson is a local writer.

“It’s all about providing services that add value for the customer, and going the extra distance,” says Allan McNeely.
Martin Rissley, newest executive in residence at UVic Business, began life in the United Kingdom. He grew up in the northwest, near the Lake District—a popular vacation area—and got into the hotel industry, in the usual way, as a summer job.

His experience running hotels on three continents, and his current experience delivering exceptional service aboard a floating hotel offers students and faculty many opportunities for insights into service on a grand scale.

Rissley has spent the past six-and-a-half years with the Royal Caribbean line running several of the world’s largest cruise ships. Before that, he was general manager in a variety of Coast Hotel properties, most recently the Coast Capri in Kelowna and the Coast Victoria Harbourside. He began his hotel career in the late 1970s working in England, Switzerland and Australia.

“I began as a bellman,” recalls Rissley. “Within one week, I realized I wanted to pursue the hotel business as a career. I started at the bottom and worked my way up.”

Rissley, describes his success in his chosen career as equal parts mentoring, education and on-the-job training, and a willingness to move and accept new challenges. In his first position as bellman, the hotel manager sensed his enthusiasm and took Rissley under his wing. With this guidance, Rissley cross-trained, working at the front desk and in the food and beverage areas in very junior positions. He spent about 18 months at his first job before pursuing hotel management training at the Lausanne Hotel School in Switzerland. After finishing school, he went to Australia and was hired into supervisory positions in the banquet area. From there, Rissley married and moved to Canada.

“I began in Vancouver with the Mandarin Oriental Hotel and spent just over four years with them, two of those years in a position as executive trainee. When I look back, I realize it was one of the best training programs that I have ever completed,” says Rissley.

“It wasn’t an easy decision, because it meant a 30 per cent cut in pay. But it was rich in terms of experience gained. I worked in every department of the hotel in an executive capacity managing each functional area. The training had a big educational component, which required a lot of studying. I reported to the general manager, so was very close to the top of the food chain, so to speak, and really got a sense of what a general manager
actually did and their level of responsibility. That was when I decided I would aim for a general manager position.”

Rissley’s move into the cruise ship industry was unplanned. “I had no desire to move; I was well established in Kelowna, loved the lifestyle and had a great future with the company.” However, a former colleague landed a position with the Royal Caribbean cruise ship line and convinced Rissley to take a look at the company.

“I flew to Miami, met with the president and the senior VPs of the various functional areas; everyone was very professional and I got a strong sense they wanted me to join the company.” Still he wasn’t convinced that another job change was in his future until, just before leaving Miami, he visited the port and spotted the Voyager of the Seas, at that time the world’s largest cruise ship. “I’d never seen a cruise ship of that size; it was pretty impressive.

“Once on the ship, I immediately sensed that this was very much where I wanted to be and could see myself managing in this environment.”

Rissley was offered the position as hotel director. He knew it would be a great professional experience, but from a family perspective the fact that he would be away four months at a time made it a very difficult decision. “My family was very supportive and the initial decision was that I would go for one contract and then we would see. I flew down and took over the Voyager of the Seas. I was really jumping in at the deep end and tackling something I’d never done before.”

Rissley’s first contract went by quickly, and he was well accepted by the Royal Caribbean. They were very appreciative of the business management practices he brought to the table—so much so that he was offered the opportunity to bring out what would be the third largest ship, the Adventure of the Seas. “It was a massive honour and a remarkable experience to bring one of these ships out of dry dock. Typically with new ships, you do several promotional cruises. These are often one- or two-night familiarizations cruises for people in the travel and tourism industry. We cruised from Europe to New York where the Adventure of the Seas was named in a ceremony performed by Mayor Giuliani. After that, we did a two-night complimentary cruise for over 3,000 family members of the victims of 9/11. From there we sailed to San Juan, which was our home port.”

Rissley spent the next three years cruising the Caribbean, serving as hotel director for the Adventure and the Explorer, both Voyager class 140,000-ton ships with 1,500 staterooms. His next move was to the Freedom of the Seas, an even larger, 155,000-ton ship with 1,800 staterooms, the capacity for 4,300 guests and a crew complement of just over 1,400 people.

“Cruise ships are floating cities,” says Rissley. “Anything that could happen in a city could happen on board and we pay a lot of attention to safety. On land, if there is a problem at the hotel, you can call 911. On a ship, you are 911. So, we do a lot of safety training.”

As hotel director, Rissley is one of four senior people on board and is responsible for everything other than navigation and deck and engine. “You really have to be on top of your game everyday. When working seven days a week and long hours it is important to look after yourself. So I exercise, eat right and really maintain a balanced lifestyle and keep everything in perspective.”

When comparing the traditional hotel experience with a cruise ship Rissley points to a number of differences including sheer size. “It is a massive logistical undertaking to turn over 4,000 plus guests and load up to 20 containers of provisions in just one day.”

There is also a significant turnover of crew—each week 70 members sign off and fly home on vacation. As well as caring for guests, Rissley is responsible for hotel department crew.

“We put a lot of emphasis on managing people, more so than in a hotel, from the point of view of maintaining morale. We provide very good food and we have a crew activity manager whose sole responsibility is to organize activities for the crew—from recreation, to tours, to social gatherings. We recognize that our crew is extremely multicultural; they come from 65 nationalities, and we have to be sensitive to the fact that they are away from their families.”

Rissley highly recommends the cruise ship industry, whether it is for one contract or a career. It offers many more dimensions that, professionally, could be incorporated into a land hotel operation. He warns that you have to be prepared to be away from your family for six months at a time and be willing to share small accommodation. However, there is no shortage of career opportunities and the cruise ship business is growing in leaps and bounds.

Clearly it has been a great career for Rissley, who makes his extensive experience and insights into the management of land or floating hotel operations available to UVic Business hospitality or service management students. sc
UVic Business faculty member Michael Valente's passion for sustainability pervades his life, even to the books on his bedside table. One of the titles currently piled near his pillow is *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good* by William Easterly. It highlights the complexity of sustainable development in poor countries that is traditionally underestimated by industrialized countries.

“Easterly makes the point that traditional foreign aid approaches, which attempt to alleviate poverty in developing countries are not working, says Valente. “As a business researcher, I was captivated by the growing number of businesses that were picking up some of the slack left by public institutions and having a positive impact on sustainable development. Yet I felt there was something blatantly missing in the management field that researched how companies were able to do this,” he says.

“Given the immense growth of industry in the last 150 years, I thought it would be tremendously compelling if we understood how to leverage the power of business to create social and environmental value.”

That thought inspired Valente’s research into sub-Saharan Africa and the challenges it faces in arising out of poverty. As part of the work he was doing with his thesis advisor and the International Finance Corporation, an arm of the World Bank that promotes sustainable private sector investment in developing countries, Valente had access to a number of success stories. “Africa represents an extreme example of social and environmental degradation. So, understanding how a business is able to survive profitably in this situation while alleviating poverty and reversing negative impacts on the environment should help inform businesses around the world how to succeed through this approach.”

Valente’s research took him to Africa where he examined a number of for profit operations including Honey Care Africa (HCA) which is a Kenyan company credited with helping to substantially increase the income of local farmers. By establishing a network of farmers and beekeepers, providing training and a guaranteed market for the honey, HCA found a way to be profitable while supporting the goals of non-governmental organizations and rural communities.

“It is a model where the product is purchased direct from the farmer, eliminating the many intermediaries and thus returning the margins back to the farmers. “Honey Care is a good example of a for-profit company that is making inroads in the global marketplace while successfully building the capacity of local farmers, not to mention increasing pollination in the very arid regions of Kenya,” he says.

Valente, who joined UVic Business at the start of the semester, teaches business sustainability and sustainable development to BCom students as part of their core classes. For more biographical information about UVic Business faculty and staff visit www.business.uvic.ca/faculty_staff
Greetings From UVic Business Alumni in Shanghai

Hongyu Shi, MBA ’05, is working as an investment manager for DTZ Debenham Tie Leung, a global property adviser. Hongyu sources deals for global institutional investors such as Goldman Sachs, Morgan Stanley, JP Morgan and CapitaLand.

Kent Jian Wang, MBA ’05, is working with SINA, the largest portal website in China, with clients like Nike, Coca Cola and Chivas to construct cutting edge interactive communities over the Internet. He has leveraged his experience as a former IME winner to serve world-class clients.

Xin Wei, MBA 05, works in Shanghai to develop contacts for UVic Business Executive Programs. Contact Xin if you know someone who is interested in customized executive programs. Xin is one of the alumni contacts for Shanghai alumni and connects with the MBA fairs and Canadian community in China. Let her know if you need access to China or would like to connect with other alumni here. xinwei@uvic.ca.

Sam Lai, MBA ’06, recently joined Founder Software, the software division of Founder Group of China. Sam is the sales and marketing manager based in Suzhou, China and responsible for promoting the company’s software outsourcing services to the North American market.

Morris Wu, MBA 05, works for a business consulting firm named BDA Consulting as consultant team lead. His team conducts due diligence projects for private equity firms such as Tiger Global, HSBC Private Equity, and Morgan Stanley. Morris also does market entry consulting projects for corporate clients in the telecommunications, media and technology field, such as Nokia and Telefonica.

Jane Zhu, MBA 06, co-founder and general manager of DragonPass Consulting Co. Ltd. China, is focusing on airport VIP services and other luxury business travel. Jane, who specialized in entrepreneurship, is now experiencing the happiness and challenges of being an entrepreneur.

Jason Jiachun Fan, MBA 05, works for Dragon New Media Ltd., the largest mobile TV service provider in China, as associate general manager and director of the content department. He is in charge of content production/aggregation, and takes responsibility for industry research and strategic planning.

Catherine Conger Cen, MBA 05, rejoined Esquel Enterprises Ltd., one of the largest high value cotton shirt makers in the world. Catherine is responsible for process re-engineering and introducing leading edge technology to the operation as well as developing sustainable products for key clients like Nike, Nordstrom, M&S etc.

Lane Lei Yu, MBA 05, works as the general manager of Shanghai AIAL Information Consulting Co. Ltd. The Shanghai-based and China-focused company offers consulting services to assist multinational corporations in doing business in China.
Hard work, tenacity, planning and being open to new ideas are among the ingredients Canadian Tire’s Martha Billes attributes to her success.

Her message for young businesswomen? “Go beat up on the boys,” Billes said with a smile following a talk to University of Victoria business students.

“They set pretty high expectations for themselves and I think we tend to undercut ourselves.”

Billes, who holds more than 60 per cent of the retail giant’s voting shares and calls the corporation “The Tire,” and describes herself as a strong, determined person, “some might say stubborn,” and said moving up in the company, was an “often lonely journey.”

Billes fought her way to the top after growing up in a time when women were not expected to go into business. Her father, A.J. Billes, was a co-founder of Canadian Tire.

“The company was the major topic of discussion at every meal, every day of our lives,” she said.

“I often wish that I had been given the opportunities in the family business that my brothers had.”

While her brothers moved onto the board at fairly young ages, Billes said she was told that if she graduated from home economics she could run food services for the company, which was a basement cafeteria. “Different role, different times. So, it wasn’t fun.”

When her father gave her his seat on the company board 27 years ago, Billes, who was already a success by then, counted it as a vote of confidence. “I became very firm in my resolve not to waste another moment.” Buying out her two brothers’ shares in 1997 was the best thing she ever did, she said.

Billes said she relies on good managers. “The path I have deliberately chosen to follow is to exert my influence within the boardroom.”

Performance assessments of the CEO and all directors are company practice, and Canadian Tire has long been a proponent of strong oversight practices.

She advised her UVic listeners to be prepared, diligent, welcome change and not be afraid to stand apart.

The company also has the Canadian Tire Foundation for Families and the Canadian Tire JumpStart program. By the end of 2007, JumpStart, with its charitable partners, will have helped give 100,000 children in need access to a sport or recreational activity, Billes said. RC

Carla Wilson is a journalist with the Times Colonist. Article used with permission.

Classnotes

2007

Jean Nairon, MBA, has been promoted to Internal Performance Analyst at TIO Networks in Burnaby. Jean heads the company’s process and financial analysis to identify key company metrics, manage new process changes, and assess new business partners across North America.

2006

Munir Abdulla, BCom, (Hospitality), has been conducting hotel appraisals and feasibility studies since December ’06 with PKF Consulting in Toronto. He will be returning to hotel operations in the near future.

Daniel Heg, BCom, is an MSc candidate in the Faculty of Geography at the University of Victoria. While working with Aqua-Tex Scientific Consulting, Daniel will be using community style developments currently underway as case studies for his graduate work. The focus of his thesis will be on the valuation of ecological resources (valuations and triple bottom line concepts), and the resulting impact of such on community development and design.

2005

Justin Li, MBA, is currently working at the CIBC Trade Finance Centre in Toronto, as Letter of Credit Manager, pursuing his professional development in international trade. He would love to hook up with former classmates—give him a call if you are in Toronto.

Lorne Neil, MBA, recently joined web design and software development firm Caorda Solutions as Senior Partner and VP Sales and Marketing. Caorda Solutions was recognized this year as a VIATEC finalist for Emerging Company of the Year. Lorne and his wife Carolyn are also expecting their second child in November.

2004

Aaron Toporowski, BCom, has recently been promoted to Senior Associate, Equity at Export Development Canada in Ottawa. Aaron has played a key role in building-out EDC’s emerging market private equity strategy and recently negotiated and closed private investments in Mexico, India, Thailand, Israel, Turkey and the European Union.
Rebecca MacDonald, renowned Canadian entrepreneur

Rebecca MacDonald, one of Canada’s best known entrepreneurs, visited Victoria in the fall and spoke to MBA students and the business community as part of a fundraising effort to endow the MBA Scholarship Endowment Fund and the BCom Bill Buckwold ‘Jennifer Richardson’ Award.

MacDonald, who arrived in Canada in 1974 with $500 in her pocket and unable to speak English, has become one of the country’s leading entrepreneurs and is Chair and CEO of Energy Savings Income Fund. Despite having trained to be a doctor in her native Yugoslavia, she was unable to practice in Canada. She notes wryly, “that a body is a body once you open it up.” However, she was determined to succeed and made learning English her first priority. She spent her early years working the graveyard shift for one of the major banks microfilming cheques, all the while absorbing the culture and gaining experience that would later propel her down the path of entrepreneurship.

Learning that the North American economy is based on sales, she took a job in sales and learned everything she could. “I went door-to-door, cold calling customers,” she says. “I became the Avon lady of the energy sector.” Her first sale was to Allan Apple Juice. Once they got over the fact that she wasn’t the secretary, she successfully closed her first sale and was on her way.

“From 1986 to 1995, I probably made every mistake possible, but one thing I didn’t do was default on a payment.”

MacDonald sums up her success in a few words: believe in yourself, know how to sell and hire the best and the brightest and pay them well. She is true to her word. While visiting the campus she spotted a business student, who was dressed for success in his best business suit, and she commented on his attire. “You look great,” she said giving him her business card. “Come and see me when you graduate.”

2003
Clayton Ho, BCom, (Entrepreneurship). The winner of ‘02 Peter Thomas Innovation Project Competition and now RE/MAX Realtor in Vancouver, Clayton has sold over 86 homes since 2006. For the second consecutive year, he will receive the RE/MAX 100% top sales person award for 2007.

Mike Schauch, BCom, (IB), has recently been appointed Associate Director with UBS Bank in their Vancouver office. Previously, Mike managed the sales in British Columbia for a global asset management firm and one of the largest asset managers in Canada. Mike has also completed his MBA from Queen’s School of Business.

Sarah Hoyt, BCom, (IB) has recently completed a Master of Accounting from the University of Saskatchewan and has successfully obtained the Chartered Accountant designation. She has started a new position in Financial Planning and Analysis at lululemon athletica in Vancouver.

Luke Dawson, BCom, was recently appointed Regional Director of Operations, Central and Eastern Europe for Colliers International, a Vancouver-based global commercial real estate services provider. He is now based in Prague and works with local management in each of the five regional offices to help drive business growth and strategic initiatives.

2002
David Gedge, BCom, completed his LLB at the University of Alberta in 2006. David then returned to Vancouver where he recently completed a one-year clerkship at the British Columbia Supreme Court. He now works at the Vancouver office of Lawson Lundell LLP.

2000
Frank Hrdy, MBA, has been recently promoted to Vice President of Exploration for Golden Band Resources Inc. Golden Band has several gold deposits in Saskatchewan and a mill to process the ore. The company plans to go into production in 2008.

Michelle Roland (nee Lieutard), BCom, (Hospitality), has recently accepted a position as a Financial Analyst with the
Suzanne von der Porten Forges Unique Path

The first winner of the UVic Business Alumni Award of Excellence, MBA ’05 alumna Suzanne von der Porten, is a multi-talented high achiever. While completing her final year with Business, she won the Best Student in Entrepreneurship Award and the Co-op Student of the Year Award. She studied with Dr. Ana Maria Peredo, who specializes in indigenous entrepreneurship.

“I feel very honoured to have been chosen for this award,” says von der Porten. “I think it is a reflection of the UVic Business program’s values to recognize work done on social, environmental, as well as economic bottom lines. My MBA was a great educational launching point for the work and research I have since been able to do, and I am grateful for that.”

Following graduation, von der Porten immediately began to make a difference, at home and abroad. She teaches first and second year economics students at Selkirk College and is highly involved in the Nelson community. As an instructor, von der Porten is developing materials to bring new issues into the classroom. Her first case study, published in 2005, looked at the role of a multinational corporation and its impact on society and the environment. She has recently published a second case, this time on the topic of the Cochabamba Water War in Bolivia.

As well as initiating local public lectures on sustainable business practices including ethical investing, she is currently giving her own lectures about what she learned from the elders of the Tahltan and Iskut First Nation who are trying to protect their traditional hunting grounds from damage caused by the drilling for coal bed methane by Royal Dutch Shell. The importance of developing unique business strategies was brought home to her while working with the Gitsegukla First Nation as part of her MBA thesis. “Their life and realities are so different—you have to respect their culture and develop a strategy that caters to it,” she said in a June 2005 interview.

Her efforts to make a difference are not limited to her local community. Since graduation, von der Porten has travelled and researched in rural Peru and Bolivia, and volunteered with a Bolivian orphanage.

As one of the nominees said in putting von der Porten’s name forward for the award, “Suzanne is not following in the footsteps of others, she is making her own. It is impressive what she has already accomplished.”

Indeed, von der Porten sets a high standard as the inaugural recipient of this new award.

1999

Sang-Kiet Ly, BCom, has been recently promoted to partner at KPMG LLP in Victoria. Sang’s practice area includes accounting and tax services to a wide range of clients from sole proprietors to multi-national corporations. Sang was also recently awarded the Early Achievement Award from the Institute of Chartered Accountants of British Columbia.

Jessica McDonald, BCom, recently started a new position at KPMG Toronto as Industry Marketing Manager for Private Equity.

Robert Sturgeon, BCom, was recently married in Cartagena, Colombia to Astrid Escobar. They reside in Bogota where Rob continues to work for an emerging market private equity firm.

1998

Debbie Gonsalves, MBA, was recently appointed Director, Communications, Asia for Sun Life Financial. In this new role, Debbie has responsibility for external and internal communications throughout Asia. She will be based in the Hong Kong regional office and will travel throughout the region. Debbie previously managed communications for group benefits at Sun Life Financial Canada, which is based in Toronto.

Berlianto Yang-Abdi, BCom, (IB), Sales and Marketing Manager for PT.Surya Pamenang, Gudang Garam Group, Surabaya - Indonesia. He is taking care of local and overseas markets and has travelled to all five continents marketing and promoting paperboard for the company.

1997

Randy Giles, MBA, (IB), combined his passion for diving and his specialization in international business. He leads Canadian operations and global integration initiatives for PADI Canada (Professional Association of Diving Instructors) and loves every minute, whether he is meeting government officials or 130 feet deep below the ocean exploring a sunken ship.
MBA Alumna Selected As UVic Distinguished Young Alumni

This year’s prestigious UVic Young Alumni award has gone to UVic Business alumnus, Michaela Tokarski MBA ’01. She’s an exceptional woman whose personal and professional accomplishments reach far beyond the norm. Currently vice-president of marketing for MODASolutions of Ottawa, an e-commerce software firm, she rose to prominence as the co-founder of Coastal Contacts, the hugely successful online retailer of contact lenses that she started with her brother, Roger Hardy, while she was completing her UVic MBA studies.

By age 30, she and her brother had grown Coastal Contacts from a two-person operation into a 200-employee public company forecasted to generate more than $100 million in revenues in 2007. She received the Ottawa Business Journal Top 40 under 40 Award and has served as President of the Entrepreneurs Organization whose members’ success stories are all formidable.

“The curriculum and the entrepreneurship option provided a deeper dive into the dynamics of start-up companies,” says Tokarski. “Professors and classmates had this incredible wealth of life experience and I’m truly thankful to them for sharing their experiences.” The award comes with a $1,000 scholarship which she has donated to UVic Business.

Tokarski’s track record is enviable, and she has achieved all of this while maintaining a balance between her professional duties and the time spent with her family: her son, and the latest addition to the family—newborn daughter Clara Jane.

“Michaela is a very deserving recipient,” says Dean Ali Dastmalchian. “I’m delighted that she has been selected for the Distinguished Young Alumni Award.” Tokarski receives her award at the annual Legacy Awards, which takes place on the evening of November 20, 2007 at the Victoria Conference Centre.

MBA Alumna Selected As UVic Distinguished Young Alumni

This year’s prestigious UVic Young Alumni award has gone to UVic Business alumnus, Michaela Tokarski MBA ’01. She’s an exceptional woman whose personal and professional accomplishments reach far beyond the norm. Currently vice-president of marketing for MODASolutions of Ottawa, an e-commerce software firm, she rose to prominence as the co-founder of Coastal Contacts, the hugely successful online retailer of contact lenses that she started with her brother, Roger Hardy, while she was completing her UVic MBA studies.

By age 30, she and her brother had grown Coastal Contacts from a two-person operation into a 200-employee public company forecasted to generate more than $100 million in revenues in 2007. She received the Ottawa Business Journal Top 40 under 40 Award and has served as President of the Entrepreneurs Organization whose members’ success stories are all formidable.

“The curriculum and the entrepreneurship option provided a deeper dive into the dynamics of start-up companies,” says Tokarski. “Professors and classmates had this incredible wealth of life experience and I’m truly thankful to them for sharing their experiences.” The award comes with a $1,000 scholarship which she has donated to UVic Business.

Tokarski’s track record is enviable, and she has achieved all of this while maintaining a balance between her professional duties and the time spent with her family: her son, and the latest addition to the family—newborn daughter Clara Jane.

“Michaela is a very deserving recipient,” says Dean Ali Dastmalchian. “I’m delighted that she has been selected for the Distinguished Young Alumni Award.” Tokarski receives her award at the annual Legacy Awards, which takes place on the evening of November 20, 2007 at the Victoria Conference Centre.

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Dino Celotti, BCom ’06: New Alumni Rep for Vancouver
An Italian raised in South Africa, I moved to Vancouver at the age of 16 and graduated from the UVic Entrepreneurship program in 2006. I am currently working for Trilogy Properties, pursuing my interests in real estate acquisition and development. I am excited to take on the role of Vancouver representative for the UVic Business Alumni Association and look forward to meeting all of you. Please watch for emails regarding local events and get-togethers and feel free to contact me with your comments and questions at any time.

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KEEP IN TOUCH WE’D LIKE TO HEAR FROM YOU Alumni chapter events are listed in alumni e-newsletter @UVic and at www.business.uvic.ca — follow links to alumni and friends. Please ensure we have your current email and mailing address by logging onto: business.uvic.ca/alumni/connect.
Flying Low

The friendly skies just aren’t that friendly anymore

I recently spent a few days golfing in Whistler. My golf game was mediocre at best, due in part to the caffeine buzz I got on while wandering the village—and my inability to pass a Starbucks without popping in for a quick hit. Still, I was saved from myself in some small measure when the Starbucks near my hotel ran out of coffee. That’s like McDonald’s running out of Big Macs or Hawaii running out of beaches. But Starbucks’ operational mini-meltdown wasn’t due to some supply-chain disruption or unanticipated demand. No, the young women working behind the counter simply forgot to brew the morning batch of dark roast.

Now, I don’t want to pick on Starbucks, but the episode drew attention to an unsettling trend that reverberates far beyond both Whistler and designer coffee: downward-spiraling customer service compounded by the continued hollowing out of basic services we once took for granted—companies then repackaging these basics as extras, which incrementally ratchet up the base price.

Indeed, communications giant US West (now Qwest) was punished by a class-action lawsuit several years ago for watering down its customer-service processes until the system was barely lingering on life support. To wit, the company’s implicit mandate was to avoid customer interaction at all costs, even going so far as to implement a phone system known internally as a customer-avoidance system, designed to tie up callers in an electronic-answering jungle gym of fuzzy options and dead-ends.

But perhaps nowhere has customer service been beaten down as severely as in the airline industry. Yes, the industry, when it does turn a profit, enjoys just razor-thin margins where a shift in fuel prices can tip an erstwhile healthy bottom line into the red, or thorny labour negotiations can wreak havoc with aircraft-maintenance schedules and scuttle attempts to create cost certainty.

Still, notwithstanding the challenges it faces, much of the airline industry—particularly the so-called legacy carriers—have yet to awake to the market forces that affect a deregulated industry. Indeed, recent US Congressional hearings into the industry called attention to numerous routes with 100-per cent not-on-time performance. Not good, even by Whistler Starbucks standards.

Still, we can’t beat up too badly on the industry. Since 9/11, security concerns have trumped everything else, and, as with any industry, jargon can often come between the supply and demand sides’ ability to interact and understand each other. For example, aircraft flight-data recorders are often referred to as “black boxes,” when they are, in fact, orange. Similarly, the term “friendly skies” is frequently misunderstood by those outside the industry to mean something it—in actual experience—does not.

The take-home message here? The next time you fly, be sure you’re self-sufficient—but no liquids—unless of course you hit the Starbucks next to your gate, in which case I hope you don’t have your heart set on a grande dark roast.

Cameron Elford, MBA ’07, is managing editor/interactive brand manager of Triathlete Magazine.
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