Atlantic Lottery Corporation (ALC) is investing in a foreign Internet-based lottery operation.

ALC plans to offer the online lottery, called GeoSweep, in the four Atlantic provinces this fall. The corporation will also share in the revenues generated by GeoSweep elsewhere in the world.

ALC confirmed the investment — the first ever of its kind — to Atlantic Business Magazine. But a senior corporation official deflected questions about the exact nature of the agreement, including its cost, until an official announcement expected this fall. “The transaction’s not finalized yet, and we’ve got non-disclosure agreements in place with the company,” said Patrick Daigle, ALC’s vice-president of strategic planning and governance. He noted that the corporation’s board of directors has approved the GeoSweep transaction.

Daigle said ALC has been on the lookout for new opportunities. GeoSweep — which he called a “great innovative new idea” — came to their attention at an industry conference last November. “It’s taking a product, a mature product, putting a different perspective on it to be relevant to players (for whom) lottery just isn’t relevant anymore.”

GeoSweep is the creation of London-based company Roboreus. After two years in development, the game launched in the U.K. last October. While GeoSweep is a lottery, it is based on locations, not numbers. Essentially, a Google Maps image of Britain is divided into squares, called Geos. Players can go online and buy the Geos that contain their house, their school, their favourite football stadium, or anywhere else, for that matter. A twice-daily draw selects the winning Geos. The game “really struck a chord with us,” Daigle noted.

The GeoSweep investment follows halted ALC plans to get into the online casino gambling business. Government unease with the concept led to it being shelved, at least for now. To date, Newfoundland and Labrador, Nova Scotia and Prince Edward Island all folded their cards, saying no to ALC. Only New Brunswick has yet to make a decision on the online casino concept.

But political hurdles shouldn’t pose a problem with GeoSweep. It’s “purely a lottery game,” Daigle said, no different than Lotto MAX or 6/49 draws currently offered on ALC’s PlaySphere website. “What attracted us to this game was that it doesn’t require any new regulations. This sits underneath all of the traditional lottery regulations that are in place.”

Last year, Tom Marshall, Newfoundland and Labrador’s finance minister, said ALC was pushing the virtual casino idea in Atlantic Canada to counter a projected drop in revenues from its existing suite of games. Marshall added at the time that ALC was eyeing an expansion into online gambling worldwide.

Daigle said the future looks to be a digital one. “We’ve recognized for many years now how important the Internet is to the success of the future — it truly is the success of the industry. In fact, the Internet is eventually going to become the new retail. It’s not there yet, but ...”

But is it ALC’s role to put public money into potentially-risky private business operations like GeoSweep? “This for us would have been just part of our capital budget, the same way that we would use other capital expenditures; it’s part of our business plan and budget, approved by the board of directors,” Daigle said. “So we expect to generate a return on that money and obviously you put together a business case and try and run the business.”

Daigle could not pinpoint exactly what return on investment the corporation hopes to reap from its GeoSweep investment. “It’s a good question. It’s tough to really say.” He said GeoSweep is a “niche” game, targeted at people in the 19-to-35 demographic that “really aren’t very interested in lottery.”

GeoSweep is also attracting other industry interest. Last month, GTECH Corporation — a subsidiary of Lottomatica Group of Italy — announced a deal with GeoSweep to help market and deploy the game to potential customers worldwide. That may mean good news for ALC, which could get a share of any additional revenues generated.

ALC runs gambling operations on behalf of the four provincial governments in the Atlantic region, offering everything from lottery draws to break-open and scratch tickets to sports wagering. Profits are returned to the governments — $389 million in 2009-10.
Their drive for five successful, Memorial University’s Students in Free Enterprise (SIFE) team is getting ready to take on the world — again. The Newfoundland school won this year’s SIFE national championship, the fifth such victory in the past six years. SIFE is run by the charitable organization Advancing Canadian Entrepreneurship (ACE), with the winner selected by a 40-member panel of the country’s top CEOs.

Nick Hounsell is a 23-year-old graduating Memorial commerce student in his fourth year on the university’s SIFE team. Hounsell says it all comes back to their mission statement — creating local solutions to global economic challenges. “We’ve been so dedicated to the projects in our community,” he says. “That mission statement drives everything we do.”

Those projects run the gamut: educating seniors to enhance their financial independence; helping former
members of the military make the transition to civilian life as they launch their own businesses; and running an environmental program for youth in conjunction with the Boys and Girls Clubs of Canada.

This year, Memorial’s SIFE team boasted 98 active members who punched in more than 26,000 volunteer hours and created an economic impact of $2.9 million. “It gives students here an opportunity to make a difference,” Hounsell notes. There are five undergraduate faculties represented in the team’s membership. The program had a budget exceeding $218,000 this year.

In addition to their success at the Canadian level — winning every national title since 2006 (except for last year, when they finished second) — Memorial students have also made a splash on the global stage. In 2008, the Memorial team won the SIFE World Cup in Singapore. They also have a second-place and third-place finish at the worlds under their belts.

The big-picture recognition is great. But Memorial’s SIFE programs also reached 5,197 individuals this year. “There’s a story behind every one of those people,” says advisor Lynn Morrissey, a professor at the university’s faculty of business administration.

Take the story of Jackie, for example, an entrepreneur with special needs who was bullied in school. She wrote a children’s story about her experience, and has taken it to education sessions for primary and elementary students, thanks in part to the SIFE team. Jackie’s family, according to Morrissey, is convinced that she is a changed person: “She feels like a star, is what she told us.”

As for Memorial’s run at the top, beating out dozens of other schools from coast to coast, Morrissey says “success breeds success.” The commitment, she says, is amazing. “We’re truly a team. And it’s fun.”

The team has a string of honours too long to list; in fact, they’ve literally run out of room in their trophy case at the St. John’s campus. (The university is planning to build them a newer, bigger one.)

“The SIFE team from MUN has once again shown the incredible impact they are making not only in their home province, but also across Canada,” notes Amy Harder, president of ACE.

Next stop: Kuala Lumpur, Malaysia, for this fall’s SIFE World Cup. And maybe another addition for that trophy case.

— Rob Antle

Clearwater Seafoods Limited Partnership (“Clearwater”) is proud to announce the appointment of Mr. Greg Morency to the position of Executive Vice-President and Chief Commercial Officer.

Leading the global sales and marketing organization, Mr. Morency will take responsibility and be the driving force behind the execution of two of Clearwater’s core strategies: target profitable and growing markets, channels and customers; and, innovate and position products to deliver superior customer satisfaction and value. Mr. Morency assumed the office on April 26, 2011 and reports directly to the CEO, Ian Smith.

Mr. Morency, has over 27 years experience within the industrial and consumer sectors including senior leadership positions at Tate & Lyle in China and the US and prior to that International Paper Company in the US. His most recent position with Tate & Lyle was Vice-President and General Manager, Asia Pacific. Prior to Tate & Lyle, Greg held positions with increasing responsibility with International Paper Company concluding with Director of Marketing, Food Service Division. In his distinguished career, Greg worked with multi-national companies such as H.J. Heinz Company, Unilever, Coca Cola and Campbell Soup Company. Greg is a graduate of Robert Morris University where he earned a Masters in Business Administration degree. Greg has a B.S./B.A from Duquesne University.

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MOOSE CROSSING
PRO HOCKEY RETURNING TO REGION, VIA WINNIPEG

On a recent Friday morning at Mile One Centre in St. John’s, a ball hockey game featuring local celebrities and kids broke out on the floor as bone-jarring rock anthems pumped from the PA system. About 500 people in the stands watched the sometimes frenetic action as they waited for the official word.

Game over, Danny Williams finally took to the microphone to deliver it: “We got the AHL back,” he said to cheers. “We did it, folks.” Game on.

And with that, professional hockey was officially — and finally — on the way back to Atlantic Canada. This fall, St. John’s will be home to the relocating Manitoba Moose. With NHL hockey returning to Winnipeg this year, the team was looking for a new home. They found it in St. John’s.

It’s a bit of gamble, but Williams — the businessman and ex-Newfoundland and Labrador premier, who is leasing the team from Winnipeg’s True North Sports and Entertainment — says he is confident it can work. “I’m looking forward to you filling each and every seat in this rink each and every night,” he told the hundreds of fans who came out for the team’s launch. “When this gets rolling, get out, get behind it… We’re counting on your support.”

The American Hockey League departed Atlantic Canada in 2005, when the St. John’s Maple Leafs transferred to Toronto at the behest of their parent club. The move marked the end of an era. Atlantic Canada was once a bastion of minor pro hockey. At one point during the 1990s, there were no fewer than six AHL teams in the region, representing all four provinces. Today, just four clubs in the entire 30-team league are based in Canada, none further east than Toronto — at least, until now.

When the Baby Leafs left six years ago, it wasn’t because the franchise was failing. In the team’s last three seasons in St. John’s, average attendance fluctuated between roughly 4,800 and 5,000. The parent club

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simply wanted to shift its farm team to an underused rink it owned in Toronto. The AHL board of governors seems confident in St. John’s, swiftly — and unanimously — approving the Moose move to Newfoundland.

Management is promising a competitive team on the farm. “We will do our very best to put a product on the ice that everyone here can be proud of,” Craig Heisinger, Winnipeg’s director of hockey operations and assistant general manager, said. “That was our mantra in Winnipeg.”

Ticket prices will be similarly competitive, ranging from $16 to $26 plus taxes. “The top ticket is probably a little more than a dozen beer,” the always-quotable Williams noted.

Now the job is to get a hockey operation up and running. Chief operating officer Glenn Stanford did that for the Baby Leafs two decades ago, and will be in charge of ensuring the success of the sequel. “We’ve got less than 100 days to pull this together, which is an enormous task for us to do,” Stanford said.

Despite a six-year hiatus, hopes are high that hometown support for AHL hockey hasn’t ebbed. “What made this successful in the past was all about the community and the people,” Stanford said.

Early indications are positive. Within a week of the launch, the St. John’s team reported selling 80 per cent of all tickets available at Mile One to season-ticket holders. —Rob Antle

Newfoundlander Luke Adam of the Buffalo Sabres playfully crowds the crease, as a pint-sized goaltender tries to get a better view, during a floor hockey game that took place at the launch of St. John’s new AHL team. Photo by Rob Antle
Entrepreneur. Family man. Philanthropist. Maritimer. Wallace McCain was feted as all that and more — “an extra-ordinary man who will be irreplaceable in our lives,” according to former New Brunswick premier Frank McKenna.

McCain — the Florenceville, N.B., born-and-raised food-industry titan — died May 13 after a battle with pancreatic cancer. He was 81.

“As we begin this final journey, Toronto may claim his body but New Brunswick will always have his heart,” McKenna said in delivering McCain’s eulogy. “He may have been welcome in the palaces of royalty and the towers of Bay Street, but he was most at home in the potato fields, the factory floor and backwoods of New Brunswick …”

“He was the quintessential Canadian. The Wallace McCains of the world are what makes our country different from all others. He was a steely-eyed capitalist, competing and winning against the biggest and the best in the world. On the other hand, he was also a deeply patriotic Canadian committed to a caring and sharing society.”

McCain served as co-founder and vice-chairman of McCain Foods and chairman of Maple Leaf Foods during his long and distinguished business career.

McCain Foods Limited was born in 1956. The company built its first McCain frozen French fry plant in Florenceville and began operations in 1957, with the plant employing just 30 people. McCain Foods earned sales of $152,678 that year. Today, McCain has operations in 15 countries. Its products are marketed in more than 160 countries, with annual sales around $6 billion. One in every three French fries worldwide comes from McCain.

After a family conflict, McCain moved in 1995 to Maple Leaf Foods, where he took over the reins as chairman of the board. He helped transform Maple Leaf from a commodity-based flour and pork business into a value-added consumer packaged goods company with more than 21,000 employees worldwide and sales of over $5 billion in 2010.

McKenna concluded McCain’s eulogy with these heartfelt words: “Thank you for enriching our lives. Thank you for making the world a better place.”

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Another first. Only from Rogers.
After a tumultuous, obstacle-filled year, Malley Industries’ new $8-million manufacturing facility is open for business.

The move was precipitated by the company’s success in its previous Dieppe location. There, they’d been operating at maximum capacity, producing 900 vehicle conversions a year in a 30,000-square-foot building. Plus, they had expanded into plastics vacuum forming, initially for use in their vehicle modifications and later to provide custom-made plastic components for other industries.

The problem was that the husband and wife management team of Terry and Kathy Malley (respectively, president and CEO and vice-president) saw opportunities to grow on the sales side, particularly for defense industry projects — but their plant was too small to take on the work. Hence, the decision to build a facility that would triple their size to 90,000 square feet, while staying in the same city.

“We expected it to be complicated,” vice-president Kathy Malley notes, “but we had no idea just how difficult it would be.”

Almost immediately after the start of construction, the recession hit and sales declined. Then they had to maneuver around a seemingly endless parade of major illnesses that sidelined key management personnel as they were integrating new staff and changing their senior management structure, while also dealing with the winter when “hell froze over.” There was so much snow they had to clear it off the roof with a snowblower. Ice caused a $5,000 natural gas leak. And they had to hire an excavator to remove the multi-storey-high snow bank that was pressing against the 300 feet of windows on the front of the building.

Kathy Malley admits it was a challenging time. But, she says, “we remained committed to moving forward because we believed we needed to make this bold move in order to take Malley Industries to the next level.”

Build it they did; now they just have to land the sales to pay for it. Malley estimates it will take a year to develop the necessary client base.