

Eastern Uprising

Despite gloomy economic forecasts, young entrepreneurs in Newfoundland and Labrador see their future as brighter than ever

By Drew Brown

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The economic outlook in Newfoundland and Labrador seems pretty bleak. The province leads the country in inflation, its government appears to be lurching towards total fiscal calamity, and unemployment has been projected to spike at up to 20 per cent by 2020. By most accounts, hard times are here again.

But this cloud of collective doom doesn't seem to apply to small business in the province. According to the Business Development Bank of Canada, small- and medium-sized businesses in Newfoundland and Labrador are the most optimistic in the country.

"In the startup community, we're eternal optimists," Justin Bertagnolli, of local tech firm AndesVR, jokes over coffee in downtown St. John's.

Bertagnolli, originally from Alberta, arrived in St. John's only three months ago. Despite being here only a short time, he's impressed with the small business community he's found.

"It's very community-oriented. You meet people who have had success, and they're more than happy to connect you to opportunities, open up their Rolodex and find you funding," Bertagnolli observes. "They're creating jobs for the community and making space in the community for other people to come in and share in that success. They want people to come in and see that Newfoundland is a great place to work and live."

Using virtual reality technology, Andes' projects are meant to suit the needs of the local community, from modelling the depth and dimensions of spaces and objects for the real estate and furniture industries to creating hyper-realistic, real-time teleconferencing services.

"If you look at companies like Google and Amazon or Oculus, these types of companies are doing things at a huge scale, and pushing the

industry in lots of really interesting ways. But to Silicon Valley, a small community like us is just a blip on the map, right?

"So what's unique about Andes is that we have the same top-end talent developing these frameworks, but making it accessible. If you have a challenge and call Google, you'll probably get a stone wall. Call us up saying, 'here's my challenge, how can we do this?' And we'll say, 'let's sit down, let's talk.' To me, that's really important, creating that community."

The other key ingredient is Memorial University. "You have a really great university in St. John's that funnels all this talent into one area, and a lot of that talent is not only home-grown but it's also international. MUN is a hub for talent and technology, so the question becomes how can we retain that talent in the local economy?"

"This province produces a lot of expert talent on a regular basis, but it's often exported, whether it's to the oil patch in Alberta or people heading down to the States for work," Bertagnolli notes. "We want to build a strong industry and retain some of that talent."

Small business has a big role to play in this. "It can't all be government or big corporations providing these opportunities. We have to grow organically. We don't have to be the biggest of anything. We just have to be really good at it."

"Despite all the challenges and the frustrations, Newfoundland is still doing a lot of things right," Bertagnolli concludes.

Chelsey Paterson, business consultant with the NL YMCA, enthusiastically agrees.

"We're a resilient place. In terms of just St. John's itself, if you walk down Water Street and Duckworth Street, you might see buildings closed, but there is incredible opportunity here. I'm optimistic."

Paterson would know. She moved to St. John's in 2007 and opened the fashion-forward Model Citizens clothing store downtown, which she owned for seven years before selling it to one of her employees. It was the YMCA Enterprise Centre that helped her get her business started back

then, and now she dedicates her time to helping other local entrepreneurs do the same.

Local has a broad connotation for Paterson. She frequently makes the three-and-a-half-hour drive from St. John's to Bonavista for a pilot project that helps entrepreneurs in rural areas develop the skills, ideas, and plans needed to run their own business.

"There's a convergence of social conscience and small business here that's really quite unique," she observes. "A lot of people want to start small businesses here, and it's not because they want to get rich, or because they have huge egos. When I ask people 'why do you want to start this company,' often what I get back is something to do with community, or something to do with family, or wanting to employ people in the place they live."

"It's not necessarily unique to Newfoundland," she concedes, "but it's pervasive here. There's a natural predisposition to care about the people around you."

"Maybe I'm just saying this

because I've been in Bonavista for a few days," she laughs. "I spent the morning in a local cafe there, and the place was packed with families, and people on lunch, and people getting coffee in the morning. It was packed with conversation, and culture, and liveliness, and it just feels... right."

Paterson suggests what's happening in Bonavista is a testament to the creative potential of a strong community supported by good infrastructure. "It's such an interesting microcosm right now," she explains. "We're creating the conditions for people to be successful without telling them what kind of business to run, or how to run it. It really allows the creativity and freedom of those entrepreneurs to shape their place, rather than the place determining the entrepreneur."

She's not alone in that assessment.

"Bonavista is super interesting. I went out there recently, and it was astounding," Elling Lien,



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executive director of Unpossible NL, laughs. "I was like, 'there are young people here.'"

Like most local entrepreneurs, Lien is a bit of a jack-of-all-trades. He was the editor and co-owner of The Scope, St. John's alternative newspaper, for seven years. Since then, he's been involved with Unpossible, a non-profit arts organization that encourages people to be creative and step outside their artistic comfort zones.

"Bonavista is basically its own functional economic region. With its outlying communities, it has a kind of self-sustaining system," he explains. "Getting young people to start and run businesses out there is a great idea. Give them cheap rent or some money to start something and they're going to stretch that dollar as far as they can."

"As for St. John's, well, sometimes it kind of feels like it's going down the tubes," he laughs. "But there's lots going on here. There are lots of immigrants and international students who come here, and they're very enthusiastic about startups."

Startups are big in St. John's, and one of the city's hottest hubs is the Common Ground co-working space on Harvey Road, overlooking the harbour.

"Common Ground connects so many people. A few bigger, successful companies like (biotechnology research firm) SequenceBio have come out of two guys who got together there, had an idea, and just said 'let's do this,'" Lien says.

"People here aren't afraid to try things. They're not as afraid to fail. There is fear of failure, of course, but doing something you love is seen as worthwhile and time well spent."

So while the economic situation sometimes feels dire, Lien is still optimistic. "Fear definitely messes with creativity, and certainly financial fear is constricting," he admits. "But maybe that's also the time when people have less to lose, you know? Might as well do it, might as well try something if you're just going to be unemployed anyway. If I can't get a job at a company, might as well do it for myself." •

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