

BUSINESS

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SECTION F

THANKS, OPEC - F4
Surprise decision
to cut oil production
gives markets a boost

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LOCAL SCENE

Manufacturers' group
builds partnerships

The Excellence in Manufacturing Consortium is holding a briefing Friday morning that is open to all members of the business community.

The consortium is a "knowledge network" and non-profit organization of manufacturers from across the province.

The briefing will outline the opportunities, resources and expertise it can offer local manufacturers. Another topic is "how industry partnerships can build global competitiveness."

There is no charge for the two-hour event, which begins at 7:30 a.m. in the Greater Kitchener-Waterloo Chamber of Commerce offices at 80 Queen St. N., Kitchener. Registration is required. Phone the toll-free number 1-866-323-4362.

Online expands
Ontario calling zone

Onlinetel Corp., a Kitchener telephone services company, has expanded its Ontario calling zone and launched a similar zone in Alberta.

It has added Windsor and Kingston to its Ontario territory, which now covers most of southwestern and central Ontario, and has introduced a call zone in Edmonton and Calgary.

Call zone customers can make up to 200 long distance calls of up to 30 minutes each within the zone for a \$20 annual fee. They hear an advertising message before each call.

Onlinetel, which transmits landline and cellular phone calls via the Internet, is a subsidiary of Eiger Technology, a publicly-traded company on the Toronto Stock Exchange.

Communitech starts
interactive website

The Communitech Technology Association has updated its website and made it interactive.

The site — you can find it at www.communitech.org — features a comprehensive, searchable directory of the 400 or so tech firms that operate in Waterloo Region and Guelph.

It also has online forums where members can discuss industry issues and practices.

Communitech plans to eventually add an employee recruitment tool to help members find talented technology workers.

Privacy commissioner
to speak in Cambridge

Ann Cavoukian, Ontario's Information and Privacy Commissioner, is coming to Cambridge March 2 to speak about how privacy laws affect businesses and their customers.

Cavoukian will discuss new privacy laws, consumer expectations and what organizations need to do to improve the protection of customer privacy.

Her visit is sponsored by the Cambridge Chamber of Commerce. She will be speaking at the Whistle Bear Golf Course, starting at 8 a.m.

Call 622-2221 for details.

Chamber to honour
members who excel

The annual Business Excellence Awards will be presented by the Greater Kitchener-Waterloo Chamber of Commerce at a dinner event Feb. 26 at Binge-mans in Kitchener.

There will be eight award categories, including business leader of the year. For more information, phone 576-5000 or visit the chamber's website at www.greaterkitchener.com

Be sure it stays private

Even mom-and-pop firms must know what the federal privacy law says about personal information

By PHILIP JALSEVAC
RECORD STAFF

Despite some flaws, Edmund Dengerler believes the federal privacy law that came into full force Jan. 1 is a step in the right direction.

"It's mostly common sense," says Dengerler, chief executive officer of eSentire Inc., a privacy and security consulting firm in Cambridge.

"Take the viewpoint of how you would like your (own) personal information treated and that's basically what this legislation is about. . . it's also making people more aware of issues like identity theft."

That being said, Dengerler agrees with others who say there is confusion and a lack of clarity over aspects of the law.

Richard Owens, a lawyer and executive director of the Centre for Innovation Law and Policy at the University of Toronto, for example, has said inconsistencies in the legislation make it "maddeningly difficult for even a trained lawyer to interpret."

Furthermore, it appears that public awareness, particularly among small business owners, lags far behind the legislation, which began to be phased in more than two years ago.

In 2002, a survey conducted by the Canadian Bankers Association, in conjunction with the Canadian Chamber of Commerce, found that 81 per cent of small and mid-sized businesses had no knowledge of the pending privacy legislation.

Some progress had been made by the end of June 2003, when the figure dipped to 65 per cent. Still, a second survey found "the vast majority (of business owners) were very surprised to learn about the new privacy requirements and the steps involved in becoming compliant."

Even today, lawyers and consultants like eSentire are busy advising clients about the Personal Information Protection and Electronic Documents Act, often referred to using the un-

SMALL BUSINESS

wieldy acronyms of PIPEDA or the PIPED act, which are pronounced in a variety of ways.

"As early as last December, there were large numbers of people saying 'privacy law? What privacy law?' " Dengerler says.

"More people now understand something is happening here. They're just still not sure what they have to do."

The federal law came into effect Jan. 1, 2001 for federally regulated firms, such as airlines, banks and broadcasters.

But as of Jan. 1, 2004, every business and organization engaged in commercial activity became bound to comply with either the federal law or with substantially similar provincial legislation enacted in British Columbia, Alberta and Quebec.

Under the law, all companies must appoint a privacy officer — even if that's the owner of a one-person business — to oversee systems and policies to ensure personal information on customers is secure, accurate, gathered with appropriate consent and not used beyond its stated purpose or kept longer than needed.

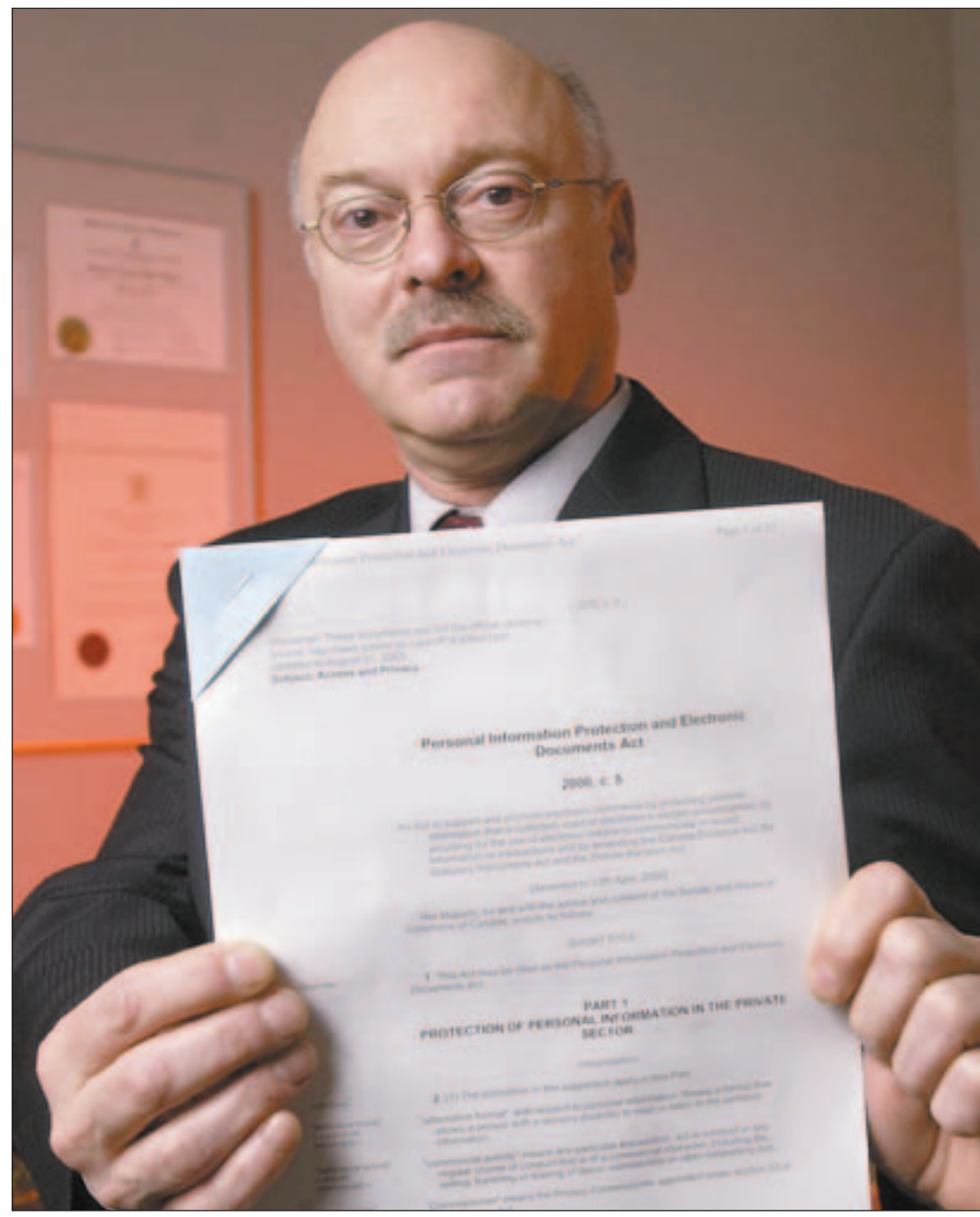
Critics say the federal law doesn't differentiate between the tiniest of businesses and the largest corporations. So mom-and-pop shops have to meet the same demands as big banks.

That doesn't make any sense, says Greg Hertzberger, a Kitchener lawyer who agrees with the critics on that point.

"It's just not practical," he says.

Hertzberger, who specializes in commercial and corporate law, says Ontario should craft its own legislation that abides by the principles of the federal law, but allows for differences in how small and large businesses are treated.

SEE PRIVACY: PAGE F2



Lawyer Greg Hertzberger says businesses should do their best to comply with the federal privacy law, even if they find some aspects are confusing.

ONLINE PRIVACY RESOURCES

- www.privcom.gc.ca
Maintained by the Privacy Commissioner of Canada. This site includes the full text of the federal privacy law and a PowerPoint presentation about purchasing educational hard copy, downloadable files or a CD-ROM.
- www.csa.ca/standards/privacy
Maintained by Canadian Standards Association. This site has information about a Feb. 25 seminar in Mississauga, plus information about purchasing educational hard copy, downloadable files or a CD-ROM.
- www.privacyinfo.ca
University of Ottawa law professor Michael Geist offers information, including decisions of the courts and the privacy commissioner.

Franchise companies seldom want innovators

Q I am thinking about buying a franchise. My wife and I have friends who have done this successfully, but we're nervous about whether it's the right step for us. Do you have any advice?



WENDY PRIESNITZ

A. Before you start looking at franchises, be sure you are suited to the lifestyle. To be successful, you should be healthy, willing to work long hours, flexible, determined and reasonably risk tolerant. And your wife should be equally enthusiastic about the venture.

You will need access to capital. Also, the high degree of structure can be restrictive to some people but provide just the right amount of guidance and security to others.

Franchisors do not look for innovation from franchisees. They have a proven operating system and are looking for people who have the capital and management talent to execute their system to produce predictable results. If that doesn't attract you, try another business model.

Buying a franchise is a kick-start to business ownership, but an expensive route to self-employment.

Also, the high degree of structure can be restrictive to some people but provide just the right amount of guidance and security to others.

Franchisors do not look for innovation from franchisees. They have a proven operating system and are looking for people who have the capital and management talent to execute their system to produce predictable results. If that doesn't attract you, try another business model.

Q I work in sales and am good at it. I would like to make all the money for myself rather than just a commission with the rest going to the boss. Where can I find a list of good home-based business ideas?

A. Being good at sales is a fine attribute for someone who wants to be self-employed. But there is much more to running a business. You need planning and management skills as well, and be prepared to do many other tasks, unless you can afford to hire someone to take care of such things.

There are certain trends in the marketplace that suggest sound business opportunities. But you will also need to find a business that is right for you.

Here are some things to consider:

Is there a certain type of product or service that you enjoy, would like to sell, and could shape a business around?

Is there a certain type of customer to whom you would find

it particularly easy to sell? That might be someone similar to the people you are currently dealing with, in a particular income bracket or of a certain age, or with a particular interest. If so, consider what sort of things these people need.

Listen to your current customers and business colleagues. What do they complain most about? Could you start a business that solves that problem?

It sounds like you are looking for a product to sell, but do not rule out a service business. Service businesses are safer than product businesses since there is no costly inventory, no theft problem, no spoilage. And they are usually easier to run from home.

Once you have identified some ideas, or at least some attributes of a suitable business, you can look for opportunities that match these factors.

Do this by scanning the Yellow Pages and business directory categories, surfing the Web, consulting home business how-

to books or even books like *Cool Careers for Dummies*.

Now that you have isolated a couple of ideas, you'll need to investigate further. If you're considering a field that is new to you, talk to people in that type of business to find out what is involved.

Research the start-up costs of each business. Then do some market research to check out the competition and the market potential. You will need to be sure there is a sufficiently large market in your area for that product or service, and that it is not already saturated.

If you have some capital, consider purchasing a franchise. That way, you will have all the research and other business specifics laid out for you. Look for websites and magazines that list franchise opportunities.

• *Wendy Priesnitz is a small business owner (www.life.ca) and author. Send questions for this column to her at wendy@life.ca*

Technology firm grew by staying focused

RESTON, VA.



Lurita Doan is the founder of New Technology Management Inc., prime contractor of the U.S. Department of Homeland Security.

All Lurita Doan had to do was sign on the bottom line. It was early 2000, and Doan, who had founded New Technology Management 10 years earlier, had been offered what some entrepreneurs in her field might consider the opportunity of a lifetime: a \$22-million contract to supply hardware to the U.S. government.

"The deal would have propelled her Reston, Va., company, with \$14 million in revenue, into the big leagues and validated the 20-hour days Doan endured while building her business from scratch."

"I took a pass," Doan said. And she has never regretted it. Just four years later, her company is widely recognized as the leader in border-surveillance technology, with 150 employees and \$212 million US in annual contracts. It is the prime contractor for the Department of Homeland Security,

providing and installing border-surveillance systems in 35 land and sea ports of entry in the United States.

The technology includes secure wireless systems that border patrols use to run background checks on suspect individuals.

Doan credits the company's success to her never having wavered from her original business mantra.

"We've never been about selling hardware," she said. "We're a very service-oriented organization. If we went down that path, churning and burning

technology, we would lose our edge."

A Vassar College graduate with a degree in Renaissance literature, Doan cut her teeth in the technology field by spending four years at Unisys as a technician working on Unix operating systems. But after she gave birth to her first daughter, she realized she wanted something more.

"I wanted her to see me as someone who is directing her own destiny," Doan said.

Though she had no formal business experience, Doan comes from three generations of business owners. Her father had his own insurance company and she had a basic understanding of what it takes to be successful she said.

In the early years, she worked alone, often changing her title when meeting with clients to match the topic of their negotiations. Sometimes she was a senior systems manager, other times she was a chief executive. Most of her early customers were organiza-

tions that needed data resurrected from their mainframe computers.

At first, revenue was so sparse she could not afford to take the subway and walked everywhere she went. Then, after struggling for three years, she got her first big break when she was a week overdue with her second child.

A government contractor in Norfolk, Va., called to ask if she could help install Unix on some navy aircraft carriers. She hesitated only for a moment.

"I said, 'Look, I'm really pregnant, so don't make me drive all the way out to the hinterlands if you don't plan to use my services.'"

The prospect put her on hold for about 20 minutes, she said, then told her the job was hers. She went to the site and spent 48 hours installing the system, then went to the hospital to have her baby.

"The client ended up giving her a second and larger contract."

"He told me, 'Any woman willing to

delay labour and childbirth until she can get a solution in place is going to go the distance for us,'" Doan recalled.

In 1993, after sealing that deal, she hired four employees and began to search for more challenging projects.

In 1997, she got a call from the U.S. Customs Service, asking her to bid on a project to install digital cameras and other surveillance technology. The job was worth only \$17,000, but Doan said, it played to her company's strengths.

"And when she found out her bid was the only one, she realized she had found a niche where her company could be a major player."

As the company grew, she began turning down deals that did not mesh with its core competencies and credits that policy now for its growth.

"As a small business, you have to fiercely conserve your resources," she said.

• *New York Times News Service*

Privacy: Repeat offenders face prospect of public shame

CONTINUED FROM PAGE F1

Ann Cavoukian, Ontario's information and privacy commissioner, has said she hopes the provincial government will introduce its own legislation sometime later this year.

In an interview, Cavoukian noted the Quebec government is mounting a constitutional challenge of the federal law and said: "If anything, this will create greater uncertainty and confusion. This points to the need for provincial legislation in Ontario even more strongly."

In any case, Hertzberger says the privacy law is likely here to stay in one form or the other.

And even if some issues are unclear or open to interpretation, he says, businesses should do their best to comply to avoid public embarrassment or possible litigation and orders to pay damages.

He noted that the privacy commissioner can conduct random audits of businesses and says: "You have to show that you are complying with the act."

At the same time, Hertzberger welcomed recent comments from federal privacy commissioner Jennifer Stoddart, who suggested there was some leniency for businesses scrambling to understand and comply with the law.

Stoddart cautioned that "repeat offenders" risk being shamed publicly but said: "We're going to be very sympathetic to the problems of trying to implement a law of this sophistication."

"I'm happy to hear that because that will be necessary," Hertzberger says.

He also acknowledged it might sound self-serving, but suggests small businesses without legal departments get the advice of an expert like a lawyer.



Edmund Dengerler of Cambridge-based eSentire says federal privacy officials are reluctant to give legal opinions to businesses.

"It's new and far-reaching and you should sit down with someone to make sure you have achieved compliance."

"That need not be at a huge cost, he adds. For example, Hertzberger says, he could suggest sources of information for a client to research and write their own plan of compliance."

"They can then save some time and money by having a first run at it."

Hertzberger would review the draft plan, then meet the client to offer his recommendations. "You might be able to be in and out in an hour."

Such advice is particularly useful for many small businesses because "they don't have dedicated personnel who will be able to deal with this," he says.

"The fellow running the show with the few employees, he's his own human resources, finance and sales department and this legislation reaches into each one of those areas."

Meanwhile, Dengerler of eSentire (www.esentire.com), says his firm specializes in computer network security but has had to do extensive research on the privacy law.

So much so, he says, that it also provides training on the legislation to a select group of small businesses and self-employed individuals.

Phone call tipped off aunt about niece's debt

The Privacy Commissioner of Canada's office presents case summaries of some of the commissioner's findings online at www.privcom.gc.ca.

The case summary below involves a complaint involving principle 4.3 of the Personal Information Protection and Electronic Documents Act — in this case that a company disclosed personal information about a customer:

COMPLAINT

An individual complained that a telecommunications company disclosed to her aunt the fact that she was indebted to the company.

Specifically, the complainant alleged that her aunt received a telephone call from a representative of the company's credit department, asking to speak to the complainant.

When informed that she was not at home, the representative asked that the complainant contact her at the credit department and left a telephone number and reference number.

SUMMARY OF INVESTIGATION

The complainant and the company had been involved in a billing dispute.

After repeated attempts to collect the money owed, the company sent the debt to a collection agency. The agency sent the complainant a letter and left a message on her telephone number, which the complainant did not return.

Shortly afterward, the complainant terminated her telephone service with the company and did not provide a forwarding number until some months later.

The collection agency representative then called the aunt, who was listed as a reference in the complainant's credit profile. The complainant had provided her aunt's name and telephone number as a reference to be contacted by the company to convey a message. When collecting this information, the company tells customers that the contact number is used for message purposes only.

Although the representative did not recall this exact conversation, she insisted that she would have followed the script that is used when calling references. She would have asked to speak to the complainant. When told she was not there, the agency representative would have stated that she was calling from the company's credit department and would have asked that the complainant call her.

As a result of this complaint, the company altered the script used by employees leaving messages with reference names. Instead of stating that the representative is calling from the company's credit department, the employee now states that he or she is calling from the company.

COMMISSIONER'S FINDINGS

(Issued October 8, 2003)

Jurisdiction: As of Jan. 1, 2001, the Personal Information Protection and Electronic Documents Act (the Act) applies to any federal work, undertaking,

or business. The Commissioner had jurisdiction in this case because a telecommunications company is a federal work, undertaking or business as defined in the Act.

Application: Principle 4.3 states that the knowledge and consent of the individual are required for the collection, use, or disclosure of personal information, except where inappropriate.

Although the complainant had given the company consent to contact her aunt to leave a message, the agency representative had done more than simply leave a message. When the representative named the section of the company that she was calling from, the aunt was able to infer that her niece owed the company money.

It was unlikely that the complainant had such a disclosure in mind when she gave the company consent to call her aunt for message purposes. The Commissioner therefore found that the company had disclosed the complainant's personal information without her consent, in contravention of Principle 4.3 of Schedule 1.

The Commissioner concluded that the complaint was well-founded.

FURTHER CONSIDERATIONS

The Commissioner was pleased that the company has since altered its script so that employees leaving messages with references ask that debtors call the company rather than the company's credit department.

SOURCE: WWW.PRIVCOM.GC.CA

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