



# LAVAL TECHNOPOLE

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## LAB Research : Growth under observation

In December 2007, LAB, a company specializing in preclinical research in the pharmaceutical field, began work to enlarge its Laval contract research facilities, even though it had just completed the expansion of its head office—from an area of 3,530 to 8,083 square metres—in 2006. Moreover, in 2008 LAB's facilities will once again double in size to total 15,795 square metres, which will represent an investment of close to \$24 million this year and \$40 million over three years.

Completion of this construction is expected in fall 2008. At that time, LAB's Canadian contract services site will have 80 research laboratories for conducting general toxicology studies, including 12 rooms for inhalation studies, which require special infrastructure, technologies and expertise. As Luc Mainville, President and Chief Executive Officer explains, such specialization is intended to satisfy a major demand in the industry: "There is a strong trend towards developing new medications to be delivered by inhalation. Systemic effectiveness and absorption rate are far superior through inhalation than orally. In the case of inhaled insulin, developed by sanofi-aventis and Pfizer and approved by the FDA in 2005, inhalation is a less painful solution for diabetics than intravenous injection."

The scale of the work begun by LAB is also explained by the increasingly pronounced proclivity of the pharmaceutical industry to subcontract its non-clinical studies. As regulatory agencies are more and more demanding—studies must be conducted within a certified infrastructure where the environment and procedures are strictly controlled—it becomes more efficient and

cost-effective for pharmaceutical companies to turn to suppliers of specialized services. "Moreover, the preclinical research market is currently experiencing growth of 15% to 18% per year," confides Mr. Mainville.

LAB itself has seen sustained growth since its establishment in Laval in 1998. Initially set up on the premises of the Institut Armand-Frappier, the company built its own facilities in 2002. It acquired a contract research site in Hungary the following year, and then another in Denmark in 2005. LAB now has 550 employees, including 225 in Laval. Of course, many new hires can be expected by the time work on the expansion is complete.

During the coming years, LAB aims to maximize its growth organically by means of steady investment and the acquisition of companies offering services that complement its existing operations.

To find out more about LAB Research, please contact Luc Mainville, President, at 450 973-2240, or visit the company's Web site: [www.labresearch.com](http://www.labresearch.com).



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LAVAL TECHNOPOLE



## A business model based on state-of-the-art expertise

In 2005, Claude Rémillard and his two partners, Martin Rajotte and Leo Vildosola, impatiently awaited the release of Microsoft's Visual Studio Team System (VSTS) software collection. They hoped that this technology would enable software development teams to work more effectively and, indeed, this new tool has fulfilled its promises. However, in addition to the simple deployment of VSTS within such teams, it is necessary for the latter to adopt best software engineering practices, as well as the appropriate procedures. In this respect, InCycle Software had the expertise. The company therefore would act as a consultant in making development teams as effective as possible within the VSTS environment.

InCycle first worked to have its expertise recognized. It became a Microsoft Certified Partner, then a member of its Advisory Board, a small group of professionals with a direct link to Microsoft whose aim, among other things, is the continuous improvement of VSTS. "We also work closely with several research and development groups on establishing authoritative best practices for the industry," confides Mr. Rémillard, President of InCycle.

The Laval company quickly built a reputation not only in Québec, but also in the U.S. Eastern Seaboard, where it has conducted many conferences. At the same time, such major organizations as Ultramar, Bell, CN and Desjardins have called on InCycle's services in order to maximize their Microsoft development environments and implement a methodological framework within their teams.

The company is now beginning to see strong growth. "In 2005, only truly visionary enterprises were adopting VSTS. Today, this software collection has proved itself, as well as experienced good penetration. Since our expertise is increasingly recognized, we also have more contracts," explains Mr. Rémillard. In respect to this, InCycle is getting ready to carry out a major mandate: Merrill Lynch, an American investment bank that employs some thousands of people in its software development department alone, has requested InCycle's services for their VSTS rollout.

In all likelihood, 2008 will be a pivotal year for the firm. Firstly, it plans on opening satellite offices in Québec City and New York. As a result, new positions will have to be filled. InCycle also intends to extend the range of its services—support for its clients' certification, contractual hosting of development environments and training on development metrics are but a few examples. Another major project will involve the marketing of products that complement VSTS, so as to diversify its revenues. "Since InCycle was founded in 2002, we have always doubled our sales from year to year. We are targeting this objective yet once again, while at the same time efficiently managing our growth," states Mr. Rémillard. In the longer term, this Laval company plans to enter other geographic markets.



To learn more about InCycle Software, please contact Claude Rémillard, President, at 450 669-8777, or visit the company's Web site: [www.incyclesoftware.com](http://www.incyclesoftware.com).



## A wonderful company story

### A window on the success of Servitek

Throughout its 20 years of existence, Servitek, a distributor of hardware and accessories for doors and windows, has been able to use innovative business strategies in order to ensure its place within an industry dominated by multinationals. A look at an expanding Laval company.

### A window on the past

At its beginnings in 1988, Martin Tremblay inc. was exclusively devoted to the maintenance and repair of doors and windows. Having developed expertise in respect to European products and, because of this, established a reliable network of European parts suppliers, manufacturers began to turn to Servitek for their own needs in this area.

The firm's mission thus gradually changed; from a service company it became a wholesaler to door and window manufacturers. The transition was officially completed in 1996. "After having tested the distribution market, we had to come to a decision. We therefore completely withdrew from the repair area," relates the firm's president, Martin Tremblay. It then adopted the company name Servitek. From that time on, joints, weatherstripping, hinges, handles, locks, cylinders and more were stocked in the industrial park warehouse where the new wholesaler operated.

However, Servitek did not content itself long with simply acting as a distributor. Noting that certain parts did not completely meet customers' needs in terms of quality, durability or resistance to variations in temperature, the company ventured into design. For example, Servitek created a casement window hinge that exceeds industry standards. In fact, over the years it has had five of its products patented.

### A foot in the door of the majors

This dual mission as a distributor and designer has, among other things, enabled Servitek to enjoy continuous growth since 1997. "We are a small company that has to steer a careful course among the multinationals that have a stranglehold on practically the entire market," declares Mr. Tremblay. "Since Servitek mainly targets the small- and medium-sized manufacturers that are often ignored by the industry's biggest players, we have succeeded in nibbling away a small share of the market."

Servitek has also been keen to woo customers located outside its Québec base. Initially present only in its home market, the company subsequently made itself known in the Maritimes, and it has lately eyed Ontario and the Western provinces. Moreover, as Mr. Tremblay proudly states, "We recently delivered our patented Shimex product, which facilitates window installation, to California."

### A window on the future

Servitek has many other projects to mark the occasion of its 20<sup>th</sup> anniversary. A number of products are currently on the drawing board, and distribution partnerships for products exclusive to Servitek, as well as representation agreements that will strengthen its presence in various markets, should be concluded in the near future. Eventually, new employees will be added to the company's now 13-person-strong workforce. In any case, 2008 promises to be an eventful year for Servitek!

For more information about Servitek, please contact Martin Tremblay, President, at 450 622-0080, or visit the company's Web site: [www.servitek.ca](http://www.servitek.ca).

**Servitek**  
FENESTRATION





## A budgetary approach that meets expectations and supports the development of Laval

Yet again, 2007 will have been a very busy year for Laval. Our municipality achieved substantial progress in a number of areas, all to the benefit of the city's entire population. However, as development in Laval is constant, we must take into consideration the fact that the increase in demand for municipal services is equally constant.

In order to meet these new needs, various objectives guided our preparation of the 2008 budget.

We wish to maintain our delivery of quality services that respect the Laval population's ability to pay for them and meet its continually changing needs. We also want to limit any increase in the average property tax bill to below the inflation rate, in line with the commitment we made in 2007, as well as accelerate the upgrading of municipal infrastructure, so that it will continue to meet public requirements and support the municipality's development.

We will carry on with our efforts to tightly control debt in order not to mortgage the future of generations to come, despite the current need to renew infrastructure, and we will maintain a climate conducive to investments that create jobs, particularly for young people.

We will make continuous improvements to the quality of life in our neighbourhoods; we will protect and enhance the environment, especially through the promotion of public transit; and, finally, we will again strengthen Laval's position as a dynamic partner within the metropolitan community.

During the coming months, we have the firm intention of adopting new initiatives in order to continue to better meet the public's needs. In particular, we must carry on with our efforts to always better protect the environment. Over the years, we have launched several programs intended to enhance our agricultural land base, our waterways, our islands, our shorelines, our banks and our forests, as well as increase the amount of our green space. We will continue to work within a perspective of sustainable development and, together with the municipality's partners, put forward new measures fostering the protection and enhancement of our natural assets.

Another of the most important challenges that we will continue to tackle in 2008 involves the renewal of our basic infrastructure. The good condition of our infrastructure is essential to the operation of our society. Even hospitals and schools cannot fulfil their missions if water supply and sewer systems are not adequate and the road network is not efficient.

### Highlights

- ◆ Consolidated budget: \$652.8 million
- ◆ Decrease of 12.2 cents in the basic property tax rate
- ◆ Freeze on the water tax and the rates for water treatment, regional transit and snow removal
- ◆ Variations in the average property tax bill:
  - single-family home: 1.6%
  - residential: 1.8%
  - non-residential: 2.0%
- ◆ New decrease in the debt per capita
- ◆ Additions and improvements to services
  - new and improved recycling pick-up system
  - creation of anti-gang police squad
  - addition of 911 personnel
  - greater contributions to social housing
  - expansion of library collections
  - etc.



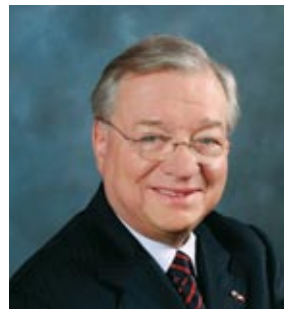
As you can note, our budgetary approach is first and foremost intended to meet expectations and will help Laval continue its development, while at the same time enrich the quality of life in the municipality's various neighbourhoods.

In other respects, April 2007 saw perhaps the most important event in our young city's history with the opening of the three Métro stations that now link Laval to the metropolitan region's great underground public transit network. This major investment, entirely financed by the Government of Québec, will result in lasting benefits, not only for today's generation, but also those to follow for many decades.

The Métro has been a wonderful success in Laval. The latest reports put its usership at 45,000 passengers per day, an excellent result. The Cartier and Montmorency stations are among the most patronized in the entire metropolitan network and, due to its intermodal nature, the De la Concorde station fulfils its role well.

In addition to greatly facilitating the movement of workers, students and other mass transit users, the Métro stimulates development and reduces the pollution caused by other means of transportation. It is a support for our quality of life, a tool for economic development and an enlightened choice in terms of the environment.

The year 2007 also brought us final confirmation of the completion of Highway 25 and of the construction of a bridge over Rivière des Prairies. In fact, the Government of Québec has retained the services of the Concession A25 Consortium to this first major public-private partnership project in Québec. The Consortium's engineers are currently finalizing the plans for this project, as the preparatory work for construction is slated to begin in the spring. It is expected that the bridge will be opened to traffic in early 2011.



Gilles Vaillancourt  
Mayor of Laval



- ◆ Projected capital investments in 2008: \$404.3 million
  - renewal of existing infrastructure: \$116.5 million
  - roads and public transit: \$36.2 million
  - development of parks and tree planting: \$17 million
  - new recycling containers: \$7.5 million
  - acquisition of green spaces: \$5 million
  - new fire station: \$4.1 million
  - etc.

- ◆ Investments paid in cash: \$69.6 million
- ◆ Programs maintained:
  - water tax refund for people aged 65 and over
  - access to home ownership
  - aid for residential renovations
  - grants for tree planting and pruning



## 40 years of major investments

Pelican International, a manufacturer of recreational boating products that this year marks its 40th anniversary, has just invested \$2.8 million in expanding its facilities and acquiring thermoforming equipment.

The first initiative, work on which was completed in November 2007, involved the addition of 650 square metres to Pelican's 26,940-square-foot plant. Offices have been set up in this new wing.

For its part, the purchase and installation of a twin-sheet thermoforming machine—the largest in the world—required an investment of \$2 million. "This machinery will enable us to be more efficient and thus supply major retailers more quickly," explains Christian Élie, President of Pelican. "Since our main customers are sporting goods chains and mass merchants, we have to ensure maximum productivity."

However, Pelican does not only make investments in equipment. Each year, it reinvests between 5% and 10% of its total sales in the research and development of new boat designs, as well as tougher materials. Canoes, kayaks, pedal and fishing boats make up its main product lines, but the company is also gradually making a name for itself in the toy market with such products as toboggans, sleds and paddlers. In all, more than 50 different models of products carry the Pelican seal of quality.

Thanks to its innovations, the company has seen average annual growth of 20% for each of the past 11 years. In order to manage such growth, Pelican has also had to prove itself innovative in terms of the efficiency of its production processes. Moreover, given the current context of a weak U.S. dollar, the manufacturer must also demonstrate renewed resourcefulness, since it exports 65% of its production to our neighbours to the south. "Unfortunately, we believe that we will feel the effects of this decline in the U.S. dollar

for about two years. Of course, we are going to reduce our expenses, but at the same time we will invest between \$4 and \$5 million over the short and medium term in order to improve our productivity," asserts Mr. Élie.

Despite these less-than-ideal prospects, Pelican is continuing in its plans for the future, so as not to lose its lead over its competitors. It intends during the next year to tackle the high-end competitive kayak market, which will ensure the presence of its products in specialized retail outlets. The creation of these new product lines will, in particular, cause the need for the company to hire some 40 new employees over the short term, which will add to the 300 already on the job.

For more information about Pelican International, please contact Christian Élie, President, at 450 664-1222, or visit the company's Web site: [www.pelicansport.com](http://www.pelicansport.com).





## Standard & Poor's raises the city of Laval's credit standing

In a report made public on Oct. 25, 2007, Standard & Poor's Ratings Services raised the City of Laval's long-term issuer credit rating from 'A+' to 'AA-', with a stable outlook. According to the rating agency's report, this is the result of Laval's strong economic growth, as well as the city administration's success in improving its budgetary performance and continuing to reduce its debt burden.

Laval's advantageous central location in terms of its proximity to major transportation routes, which affords it easy access to national and international markets, and the ready availability of land for development, which has led many industries in a wide variety of sectors to establish themselves within its area, have contributed to the city's solid economic situation. As the report notes, because of such factors Laval offers its expanding population "well-diversified employment opportunities" and "has succeeded in becoming a significant Canadian centre of high technology, biotechnology, and pharmaceutical enterprise."

The Standard & Poor's analysis also mentions how significant financial support from the Government of Québec—support that it qualifies as being much greater than that received by the majority of Canadian municipalities from their provincial governments—for the upgrading of Laval's transportation infrastructure will provide substantial impetus for the city's future growth. Just one example of this support is the provincial government's investment of \$804 million in expanding Montreal's subway system to Laval. Involving the construction of three new Métro stations, this linkage of Laval to the Montreal subway has already resulted in a number of growth-related initiatives, such as the establishment of the City of Learning of Laval. This complex will place new campuses for the University of Montreal, the University of Quebec at Montreal, Concordia University and the HEC business school all within a close radius of the Montmorency Métro station.

Another example of major provincial government support for the city is the extension of Highway 25, which will involve the building of a new bridge. This will improve access between the north-eastern part of the Island of Laval and the Island of Montreal, and will be sure to stimulate that area's growth. The report also notes, however, that such support on the part of the province is mainly provided for capital spending on infrastructure and "is not essential for maintenance of Laval's current operations, nor for maintaining existing infrastructure," another indication of the city's sound economic health.

Laval's budgetary performance has also been strong. In 2006, on the basis of Standard & Poor's adjusted figures, the city posted an operating surplus of 28% of operating revenue, the best results for the last seven years. According to the report, "Laval has consistently achieved strong operating results for a number of years, allowing the city to make regular, large contributions from operations to capital expenditure, which in turn have helped Laval to contain increases in debt burden while still accommodating growth."

In addition, the rating agency's analysis reveals that, since 1999, there has been a drop in the city's debt load, with Standard & Poor's own measure of net tax-supported debt decreasing by more than 30% of total revenue during that time. Furthermore, the agency reports that it expects that trend to be maintained over the coming few years.

Finally, by reason of Laval's economic advantages, solid budgetary results and significant support from the provincial government, Standard & Poor's has assigned the city's credit rating a stable outlook, a reflection of the agency's "expectation that economic growth in Laval is likely to remain strong as a result of these advantages, the city's specialization in a number of growing sectors, and the substantial infrastructure investments Québec has undertaken." All great news for those firms that have already established themselves in Laval—or soon will!



## The job gets done quickly—and well—at BL Litho

BL Litho, a Laval printer that marked its fiftieth anniversary in 2007, has invested a total of \$3.5 million in the acquisition of a brand-new, German-designed Rapida 105 8-colour press featuring water-base coating capability.

In place since January 2007, this new press has already proved itself in terms of speed. It can generate 30,000 simultaneous, two-sided 74 X 104 cm-sized impressions per hour. In contrast, a standard press generates about 12,000 impressions per hour. "But this press is not only special because of its speed," explains Richard Boileau, Vice-President of BL Litho. "The quality of its printing is also exceptional."

The printer acquired this press in order to fulfil the needs of its current clients. More than 90% of its contracts involve two-sided, four-colour process print jobs that must be completed within increasingly tighter time frames. Before purchasing the Rapida, BL Litho was operating at full capacity 24 hours per day, 6 days a week. The new press was therefore going to enable the company to considerably increase its printing capabilities. "However, turnover has also increased since the new press was set up, with the result that we have had to twice postpone its official inauguration, which will finally take place in the spring of 2008," continues Mr. Boileau.

Since this is a press of an entirely new generation, finding employees qualified to operate it could have proved to be a concern, given the industry's shortage of skilled workers. That said, BL Litho opted to train its current employees, just as it has always done. "We invest as much in our employees as in technology. We prefer to train them from A to Z ourselves," notes Mr. Boileau. "It is one of the factors that contributes to staff retention, in my opinion, and, out of a total of 71 employees, we have 8 who have more than 23 years of seniority, and 26 who have been with us for at least 8 years."

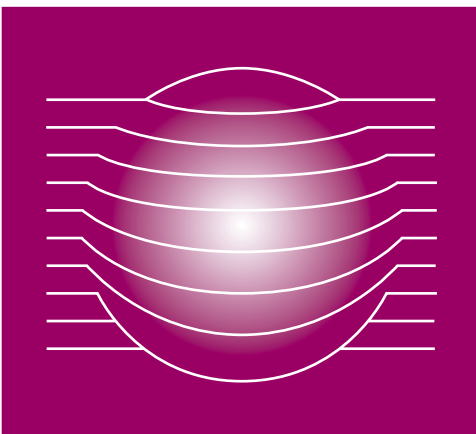
BL Litho also has plans for another major investment project in 2008: the upgrading of its binding department, at a cost of approximately \$800,000.

To learn more about BL Litho, please contact Richard Boileau, Vice-President, at 450 973-1333, or visit the company's Web site: [www.bl-litho.com](http://www.bl-litho.com).



# BLlitho

A leader for 50 years



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