

## **Presentation Objective**

### *Building Business Alliances: A Powerful Strategy for Tackling the Economic Crisis*

In difficult economic times, you have to do things differently to be more efficient and more effective. Business networking, building strategic alliances—whatever you want to call it—is a very worthwhile approach.

## **TRANSCRIPT OF THE PRESENTATION**

René St-Cyr Enterprise (1996) Inc. specializes in hardwood flooring subcontracting for Canadian and U.S. companies and currently numbers 50 employees. The company has been in business for over 30 years and I am its current president and CEO. Efficient management of the company is maintained with a minimum of resources. To undertake major projects, I have no choice but to turn to outside resources and seek the expertise required to meet our needs.

To help René St-Cyr Enterprise stand apart from other wood flooring manufacturers, we conducted research in 2007 and 2008 on proposing a benefit to customers that would set us apart and ensure repeat business. Following exhaustive research mixed with trial and error, our production manager, Pierre Trudel, developed a new tongue and groove joint system for hardwood flooring that we named TEMAVI™ (tongue and groove joint adapted to varnishing and installation).

After working with physicist Louis-Michel Caron to obtain R&D credits, Mr. Caron strongly urged us to patent this new system because in his opinion, it was an unprecedented innovation (we discovered, in fact, that there had been no significant innovations in natural hardwood flooring since 1941). While the majority of industry innovations concerned engineered flooring, we were the only ones working on a new assembly process for natural wood flooring. We were sold on the benefits of our innovation, but did not know how to patent and market this new process.

To further develop this technology and eventually make it available to other manufacturers, we called on the services of Technopole de la Vallée du St-Maurice (Cédric Durban and Charles Lambert). We explained our needs, and representatives undertook the steps necessary to have us meet with the appropriate consultants and help us find the necessary funding from Emploi Québec (Lester Montambault) to defray the costs of these interventions. CLD des Chenaux (Benoit Lacerte) also took part in strategic orientation meetings.

For the patent, we were put in touch with intellectual property consultant Philippe Bertin of Stratégie Trois-Quatorze. Philippe, who is here today, advised us on the steps to take to patent the TEMAVI™ system and on the approach needed to protect our ideas when

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presenting the technology to future buyers. This put us in contact with Sébastien Clark of Ogilvy Renault, who provided a thorough explanation of the patent possibilities for our innovation. Today, both the TEMAVI™ tongue and groove joint system and manufacturing process are protected by a pending patent. To protect the TEMAVI™ trademark, Philippe Bertin referred us to attorney Diane Bellavance. Diane looked after registering the TEMAVI™ trademark in some 15 countries in North America, Europe, and Asia.

As for marketing, Philippe Bertin recommended the services of Ronald Bannon of the firm Asselin Bannon Strategic Management Consultants. Ronald, who is here today, advised us on various sales approaches and dealt with all aspects of marketing the TEMAVI™ concept—including the logo, slogan, website, brochures, booth, and press releases—with the support of Lebel Communication (Guy Lebel) in Quebec City. On February 3, 2009, the TEMAVI™ system made its official public debut at SURFACES 2009 in Las Vegas, even though we had already quietly begun offering it to subcontracting clients in December 2008. Reactions were not long in coming!

Numerous companies have already shown interest in the technology, and we are currently in talks with a small group of companies in Canada, the United States, Mexico, Sweden, and China that are interested in acquiring it. The firm Jolicoeur Lacasse of Quebec City was chosen to draw up the corporate licenses and partnership agreements using the expertise of attorney François-Xavier Simard. Unfortunately the economic situation is making it difficult to sell the technology, given the asking price. The upshot of this situation, however, is that it is attracting companies highly interested in using TEMAVI™ to quickly generate economic benefits and thereby turn the current situation into a huge business opportunity. Technology such as TEMAVI™ is a breakthrough innovation that changes business practices and calls into question the methods currently used in the industry. It should be remembered that the hardwood flooring industry has over 200 years of history in both Canada and the United States.

To give you an example of the change in methods we are proposing, the TEMAVI™ manufacturing process, patent pending, is based essentially on measuring the grooves that are at the bottom rather than at the top. Easy to sell, you say—but changing the business practices that make up the industry's current paradigms is quite hard to do.

To help us convince all manufacturing companies in the industry of the many advantages and economic benefits of TEMAVI™, we are about to characterize and list the impact of this innovation with FP Innovations, formerly FORINTEK (Nicolas Pearson), thanks to the financial support of IRAP from NRC (Jean Lambert). We want nothing less than for TEMAVI™ to become the worldwide standard tongue and groove joint system in the natural hardwood flooring industry, and we will use all means available to do so.

To support our marketing efforts, we are currently in a larger-scale marketing funding process with the financial support of the Ministry of Economic Development, Innovation, and Export Trade (Lucie Carpentier), Canada Economic Development for Quebec Regions (Julie Pelletier), and the Business Development Bank of Canada (Jean-François

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Emard). This process was initiated in collaboration with Charles Lambert at the Technopole, who coordinated meetings, and Ronald Bannon, who drew up the marketing plan.

Today, with the effective support of all these public and private consultants, René St-Cyr is growing, with increased demand for subcontracting due in part to the economic situation, which is benefiting us (over 100 Quebec flooring manufacturers have disappeared in the past year), but also thanks to steady demand for TEMAVI™. Customers keep coming back for it. At this time, I anticipate that the company's entire production will be sold for the next two to three years.

Marketing efforts are therefore focused on TEMAVI™, which is attracting increasing attention in the industry. At the 2009 NWFA Convention in Long Beach, California, in late April, exhibitors couldn't stop talking about René St-Cyr's and its innovation. The company's growth hinges on the industry's adoption of this new technology.

For anyone who wishes to know more about our company and TEMAVI™, I invite you to visit our website at [www.rene-st-cyr.com](http://www.rene-st-cyr.com) or [www.temavi.ca](http://www.temavi.ca). Under *TEMAVI*, you can read our business brochure or watch a video on the process.

Thank you for your attention!