

VISION,  
PERSEVERANCE  
& PEOPLE



**THIS IS OUR STORY**





**DAVID BEATTY**  
CEO/CHAIRMAN

Customers, suppliers and business associates have often asked me about the history of CANARM. We would talk about Selkirk and Danor and the electrification of rural Canada. We would talk about the 1973 energy crisis and the introduction of overhead ceiling fans to North America. We would talk of the interest rate spike in the early 1980's and our entrance into the residential ceiling fan business. We would talk of our acquisitions over the years and our move into the lighting business.

After many of these talks, people would say, "David, you have to document these stories!" But it never dawned on me that they were particularly interesting or relevant. Regardless, what I did come to realize was that there were very few of us left who could accurately tell the first sixty years of the CANARM story. I particularly wanted to get the early days story from my mother Donna, who was 92 at the time this was written and Marg Carson, the widow of Norm Carson, who is 88. Their contributions to the book are invaluable and they were the only two people who could supply these fond memories.

I am particularly proud and pleased about the phenomenal growth in the number of people we employ directly and the numbers of our Chinese associates. Our direct employee population exploded from less than 100 in the 1960's to approximately 450 by 2019, including about 400 in North America and 50 in China. In addition we now have some 1600 people who work in Chinese factories which are devoted solely or primarily to CANARM products. They are partners in our success and rightfully consider themselves a part of the CANARM family.

Jim Cooper, our President/COO, likes to say that "Our success can be measured in part by our increase in employment and by the contribution we

make to all people associated with CANARM."

Today over 2000 people rely on CANARM for their livelihoods. We value their devotion and recognize that they contribute hugely to our continuing growth and success.

My friend Bob Anderson shares with me a love of the 1000 Islands and a sense of business and history. He retired as the President of Burnbrae Farms Ltd. in 2012 and because I know that he pursues writing as a hobby and a passion I talked him into writing the CANARM history. Thanks to him for patiently conducting the interviews, compiling and writing the stories detailed in the book and organizing our thoughts. Without his efforts this past year, this story would never have been written.

Bob asked me to acknowledge the help he received in formatting, editing and proofreading the book from Liz Fleming, who is his sister and a professional writer/editor and his long-time friend Hunter Grant, the retired publisher of The Recorder and Times. Danielle King and Sheri Coote from the CANARM staff were also hugely helpful in preparing the book for printing. Their contributions improved the book greatly and are sincerely appreciated.

This book is a story of a business success resulting from perseverance and sweat from talented, innovative people. Hopefully, it is an inspiration to those who will make CANARM even more successful in the future.

This book is fondly dedicated to our founders, Norm Carson and my father, Stewart Beatty.

May their vision live on.

A handwritten signature in black ink that reads "David Beatty". The signature is written in a cursive, flowing style.

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**Two gentlemen had a dream....**



***Stewart Beatty***



***Norm Carson***

# 1 OUR FOUNDERS



**Norm Carson and Stew Beatty (1969)**

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*Sometimes, serendipity can lead to greatness. Years ago, Stewart Beatty and Norm Carson became the founders of what is today the highly successful Brockville based international company – CANARM Ltd. Two uniquely talented and very different individuals, they lived thousands of miles apart and neither had ever set foot in Brockville. Fate caused their paths to cross and led to a mutually respectful and beneficial business relationship which evolved into an equal partnership in a small company in the quaint little village of Gorrie, Ontario. This company, known as Danor, was relocated to Brockville in 1963 where they built a new plant and opened for business. The company which was to become CANARM emerged from their sweat, brains, technical skills, investments and innovation. How their paths intertwined is a compelling story.*

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Stewart Beatty, known universally as 'Stew', lived in raw-boned, bustling Winnipeg.



**Stewart Beatty (CIRCA - 1955)**

When WW II broke out Stew was 14. Several times he tried to sign up and go off to war with his older buddies, but he was repeatedly rejected as too young. Finally, when he turned 17, he was accepted by the army, sent to boot camp in Manitoba for basic training and then to the Toronto Manning depot for final training before being deployed overseas. Unfortunately, during a training exercise, he fell from a considerable height, landing on his knees on a rock shelf, badly injuring them. This kept him from going overseas and those injuries caused him pain for the rest of his life. He often commented that, *"If it wasn't for these damn knees I'd have gone a lot further in life."*

Returning to Winnipeg after the war, Stew answered an ad for an accountant at Selkirk Chimneys, aka Selkirk Metal Products, which had

a plant in nearby Selkirk. He somehow got the job, though he had neither accounting training nor business experience. The owners at that time were Avi Sveinson and his son Kelly, immigrants from Iceland, who had invented an insulated prefabricated chimney insert in the 1930's – a product designed to reduce chimney fires. The prototype was made with steel from a metal Coca-Cola sign, but it worked. They began commercial production using stainless steel for the interior and rolled steel for the exterior of their chimney insert. Their product solved a huge problem and became an immediate hit.

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#### THE SELKIRK CHIMNEY INSERT

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At that time, older homes often had chimneys made of stone, rubble, or brick and were heated with wood or coal. Over time flammable creosote would build up in crevices between the rocks, or bricks, drying out and just waiting for a wayward spark to burst into flames. House fires were a national curse and the loss of lives was a national tragedy. The Selkirk chimney insert rapidly gained popularity because of its success in preventing those dangerous chimney fires.

The chimney insert produced by Selkirk avoided creosote accumulation because the sides of the

smooth stainless steel inserts offered no crevices where it could gather. The Selkirk chimney insert unquestionably saved homes and lives across Canada and business boomed.

Stew's duties changed as Selkirk grew. He travelled across Canada recruiting agents to sell the inserts. Married in 1947, his wife Donna recalls that, "Stew was travelling a great deal. "Our daughter, Donna Mae, was born in 1948 so I was busy raising her, but I missed Stew when he was away and looked forward to him coming home. Long, cold winter nights in Winnipeg can be foreboding."



**Norm Carson (CIRCA - 1965)**

The man who was to become Stew Beatty's partner, 'Norm' Carson, lived in the hamlet of Gorrie, Ontario, population about 300, located north west of Guelph and thousands of miles from Winnipeg. One of the agents Stew recruited in his travels, Norm was the co-owner with his brother Dick, of a popular hardware store in tiny Gorrie. Stew gave Norm a territory for the chimney inserts in the

surrounding area and their business relationship began to flourish. Norm's real love, however, wasn't selling chimney inserts – it was repairing appliances and fabricating products from metal. He took great delight in showing Stew his fledgling sheet metal, plumbing and heating business which he ran as a sideline, totally separate from the hardware store. Stew was impressed with Norm's technical skills and business acumen and soon came to value him more for his "metal bashing" expertise than for his sales results. Soon, Stew started giving Norm orders for sheet metal parts needed by Selkirk and thus they started down paths which eventually would lead to Brockville.

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**SELKIRK – RIGHT PRODUCT,  
WRONG PLANT LOCATION**

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Stew had come to feel that although Selkirk was growing, it was not realizing its full business potential. He was convinced that Selkirk, Manitoba – where natural gas was not yet available – was the wrong location for the plant. He wanted the plant to be closer to their steel supplier, in Hamilton Ontario and, most importantly closer to the large population centres of eastern Canada – Montreal, Ottawa and Toronto. Stew knew that lower costs for raw materials, energy and freight would make it possible

to lower their selling prices while improving margins – a double-barrelled win – and the lure of the vast eastern markets was irresistible.

Stew's arguments persuaded the new owner of Selkirk Metal Products, Mr. William Wallace, to let him move to Ontario to "check out the market." For obscure reasons lost in the mists of time, he chose Peterborough as his first Ontario location, running a sales office out of their house. Donna Beatty recalls it as an exciting time. "During my childhood, I had lived in all of the Prairie Provinces and in B.C., moving with my father, a railroader, as he was transferred around western Canada. But I'd never been to Ontario and I viewed it as a magical place because of my lifelong fascination with large bodies of water. I'd read about Niagara Falls and the Great Lakes and I'd seen many pictures, but I wanted to see them in person. I said 'Let's go! We packed and left without a backwards glance.'"

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**SELKIRK MOVES TO BROCKVILLE**

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Within a year they had left Peterborough and had settled in Brockville. "David was born in Winnipeg in 1950, had his first birthday in Peterborough and his second birthday in Brockville," Donna says. "He started out as a travelling kind of guy, kind'a like his Dad." Selkirk had changed hands and Stew

persuaded the President that Brockville was the right location for the new Selkirk plant. He rhymed off the benefits: cheap natural gas, centrally located between Montreal and Toronto, reasonably close to their steel supplier in Hamilton and excellent road, rail and water transportation routes. What Stew didn't say was that he and Donna had fallen in love with Brockville and the 1000 Islands. He got the green light to build a plant in Brockville and an assurance that he would run the show.



**Donna Beatty (CIRCA - 1946)**

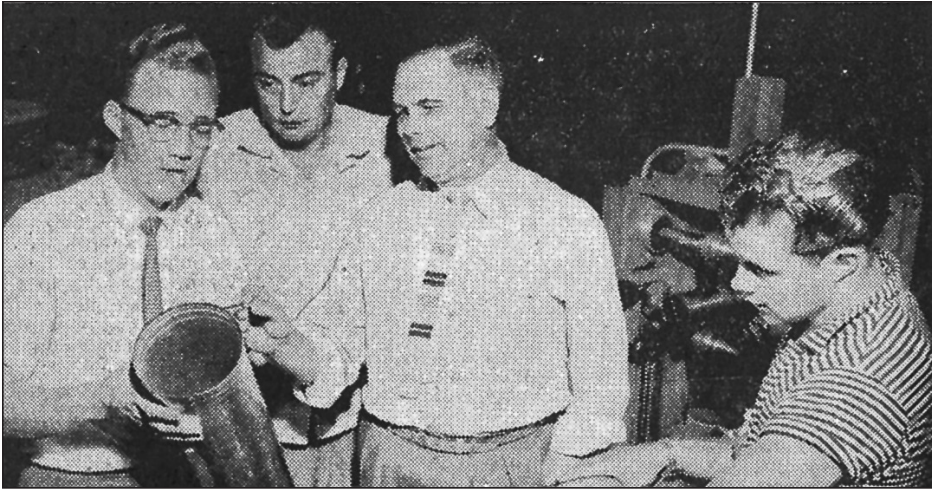
The Manitoba plant closed as soon as construction was completed on a brand new plant on North Augusta Road in Brockville. Stew bought a small house on Chislett Street, in the shadow of the water tower, and set about managing the new plant. The previous owner, Avi, came to Brockville for a short time to help with the start-up and his son Kelly visited a couple of times. The plant was now Stew's baby and Mr. Wallace promised him "absolute full autonomy" to run it.





*The new Selkirk Metal Products plant in Brockville is shown above on the five acre site on the North Augusta Road, adjacent to the C.N.R. right-of-way and north of Hodgins Lumber Co. Stewart Beatty, manager, stated that the plant will be employing about 15 men at the outset and will be manufacturing metal chimneys. (1954)*





**Stewart Beatty, general manager of Selkirk, watches operator Rodney Wright, foreground, performing one of the operations in making gas vent pipe. With Mr. Beatty are Dick Schon, factory superintendent, centre, and John W. R. Branch, assitant manager of Metalbestors. Mr. Beatty had been with Selkirk for 10 years. (1958)**

Business was good and over the next few years there were material rewards - a bigger house on Chislett St. and then a move to Hartley Street. Stew had coveted this home since he first laid eyes on it – a gorgeous property owned by the Rivers family of Ottawa at the furthest west end of Hartley Street, overlooking the St. Lawrence river and a number of the 1000 Islands. The Beattys had found their dream home.

The ink was barely dry on the purchase agreement in 1959, however, when Mr. Wallace told Stew he wanted him to move to New York City to manage the U.S. sales force. Stew and Donna talked it over and because of their love of Brockville and the river, decided to refuse the offer. Stew resigned and was suddenly unemployed except for some part time work with Selkirk agents.

“Our good friend, Dr. Jack McDougall, told Stew he was nuts,” recalls Donna. “How in the hell can you resign your position when you’ve just bought a beautiful home, with a big mortgage, you have two kids and now you have no income?”

“Don’t worry Jack.” replied Stew. “It’ll work out. Have faith.”

The house they chose to keep was originally a log cabin, but has since been extensively renovated, including various additions and a large boathouse. “This home has truly been a paradise for Stew and me” said Donna, who at the time of the interview was at the wonderfully alert age of 92. Sadly she passed away on June 30, 2019. Her delightful recollection was “We decided to keep our dream home. We made the right decision to stay in Brockville.”

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## MEANWHILE IN GORRIE

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Life was also good in tiny Gorrie. Norm had started a degree program at McMaster University in Hamilton, hoping to become an architect utilizing his outstanding design skills. Sadly, his father died in 1948 at age 47, and Norm was called home from university to help run the hardware store.

Soon Norm found his niche in technical matters related to the store, such as installation and repairs to appliances, furnaces and other equipment and he took over the service side of the business. His brother Dick was a great people person and natural salesman who skillfully handled the retail side. They made a great team and were the third generation of Carsons to own and successfully operate the store.

Norm also started an after-hours sideline business in a small building near the store offering heating and plumbing work, along with sheet metal fabrication, primarily for





ductwork for furnaces sold by the store. This business grew to the point that in 1956 he sold his share in the hardware store to his brother and devoted his working life to his business – called DANOR. It was 'DA' for his friend Dave Davidson and 'NOR' for his own name. "It was an odd choice of name," says Norm's wife Marg, "because Dave Davidson wasn't a partner and didn't even work there. He was just a part time consultant who Norm liked."

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#### **IDYLIC VILLAGE LIFE UPSET BY RAILWAY DECISION**

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In 1952, Norm married Marg, the prettiest girl in the neighbouring village of Wroxeter, and they lived in an apartment above the hardware store. Daughters Susan and Peggy soon arrived and loved romping through the store and enjoying the carefree life typical of a small village. Marg taught school and enjoyed her passion for music. "Music is in my DNA," she says. "It's always been a huge part of my life. Indeed, school music, church music, music with my friends and family... I love all types of music."



**Marg Carson (CIRCA - 1955)**

As Danor prospered, Marg and Norm built their dream house in Gorrie in the late 1950's. Unfortunately, Danor had become reliant on rail transportation for shipping its heavy steel products and when the railway announced that it was discontinuing the line that serviced Gorrie, it was a fatal blow for Danor. The writing was on the wall – the plant would have to move.

Marg recalls the decision to move as traumatic, but necessary. "Our entire lives

were wrapped around the little villages in that wonderful corner of Ontario. We knew that we would miss our families and our friends. We had never lived anywhere else and we loved the lifestyle. Sadly, however, Norm and I realized that we had to do what was best for our family. The success of Danor was critical to our well-being, so if it meant moving this is what we had to do. With heavy hearts and lots of tears we faced the inevitable. We had to move, but where would we go?"

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#### **AN ALLIANCE IS FORMED – NORM AND STEW BECOME PARTNERS**

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After Stew resigned as G.M. of Selkirk in 1959, he was retained in a part time capacity to assist their sales agents while he looked for permanent work. He travelled occasionally to Gorrie and became more and more intrigued by the prospects of Danor. Finally, in 1962, he offered to buy a 50 percent share, but with one critical condition: Danor would have to move to Brockville. He and Norm talked until the wee hours, night after night, until an agreement was reached.

The Danor era in Brockville was about to begin.

**DANOR**  
MANUFACTURING COMPANY LIMITED

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## DANOR IN BROCKVILLE THE EARLY YEARS

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*Stew Beatty and Norm Carson stood on the gravel road and looked at their new lot on the south side of Parkedale Ave. An artillery practice range during WW II, it had few endearing features; however, this barren piece of ground would soon become the Brockville home of Danor Manufacturing Ltd. and would evolve into the head office for CANARM Ltd. It remains the principal location in the sprawling CANARM Ltd. network, which today is dotted with plants, warehouses and showrooms in Canada, the U.S. and China.*

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Parkedale Avenue in Brockville was a bleak stretch of unpaved road in the early 1960's. Parke Davis (currently Trillium Health Care), a pharmaceutical manufacturer, had the only sizable building on the south side of the road between Stewart Boulevard and North Augusta Road and the newly opened Thousand Islands Secondary School was the lone significant building on the north side. There were no shopping centres, no restaurants, no office buildings and no big box stores.

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### GETTING THE NEW DANOR PLANT UNDERWAY

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Stew and Norm weren't rich. The land and building were financed with a modest down payment, a sizable mortgage and a prayer for success. A 3,000 sq. ft. building was erected, the doors opened for business in 1963 and a new era was launched.

Their initial business plan was simple. They closed the Danor building in Gorrie, brought the sheet metal equipment and associated tools to Brockville and installed them in the new plant. They planned to focus on products where Norm had hands on experience, such as duct work and other metal products associated with households and farms - primarily plumbing and heating. Agricultural



**The first Danor plant was a 3000 sq. ft. building erected in 1963 and expanded to 8000 sq. ft. in 1965.**

products included turkey feeders and hog troughs, among other farm items.

Norm had the technical know-how and Stew had the general business background so between them they seemed to have what it would take to get the business off on the right foot. Their skills complemented each other and their chemistry made them an effective management team. They had just one major problem – they had no skilled employees to work in the plant. Who was going to do the work?

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**THE FIRST DANOR PLANT EMPLOYEES  
– ‘THE ORIGINAL SEVEN’**

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There were nine employees at Danor in Gorrie when it closed, but only two – Fraser Pollock and

## THE Original SEVEN

<p>1. Bill Todd SHEAR OPERATOR</p>	<p>2. George McNamara PAINTER</p>	<p>3. George Clarke INDUSTRIAL ENGINEER</p>
<p>4. Richard J. Eyre MAINTENANCE</p>	<p>5. Victor (‘Vic’) Kelly BRAKE &amp; PUNCH PRESS OPERATOR</p>	
<p>6. Norris Heinbach TOOL AND DIE MAKER</p>	<p>7. Kasper Sestakovskis HEAD WELDER</p>	

Charlie Cowan – chose to move to Brockville. Fraser had been hired by Norm right out of high school and had become a trusted right-hand man, running the office and taking care of the books. Though Fraser was a good employee and a great help in the office he wasn’t cut out for the production floor. He stayed with Danor in Brockville for about seven years before moving on to Toronto and starting his

own company, Environ, a distributor of Selkirk and Danor products.

Charlie was a plant employee, single and a character. He lived alone in a trailer at a nearby trailer park and was renowned for his love of beer and his ability to shake off the ravages of the weekend and show up on time on Monday morning. He stayed about a year before moving back to Gorrie.





**Dawn Pollock, wife of employee Fraser Pollock sits in front of an Acorn fireplace designed by Norm Carson. They became very popular. (Circa 1964)**

The new Danor plant had production equipment, tools, sheet metal, lots of plans and a management team in Stew, Norm and Fraser but no skilled plant employees. Luckily, the old saying that ‘One man’s loss is another man’s gain’ soon proved true. As the Gods of chance would have it, just as Danor was opening, an iconic Brockville company, Smart’s Foundry, was closing. For more than 100 years, Smart’s had manufactured metal goods such as stoves, axes, shovels, lawnmowers and a host of other metal products. Adverse business conditions eventually led to the closure of the plant and the layoff of some 400 employees. Stew visited their plant in its final days and hired seven of their skilled workers – men with extensive expertise in cutting, welding and fabricating products from metal. These skills take years to develop and normally it would have been almost impossible to find such workers locally. Luckily, these seven men were available and became the production core of Danor. Now they could start producing.



**Stew Beatty, General Manager and Norman Carson, President review their latest catalogue with the new line of exhaust fans. (1967)**

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### **LIVESTOCK AND POULTRY HOUSING ... EXHAUST FANS BECOME ESSENTIAL**

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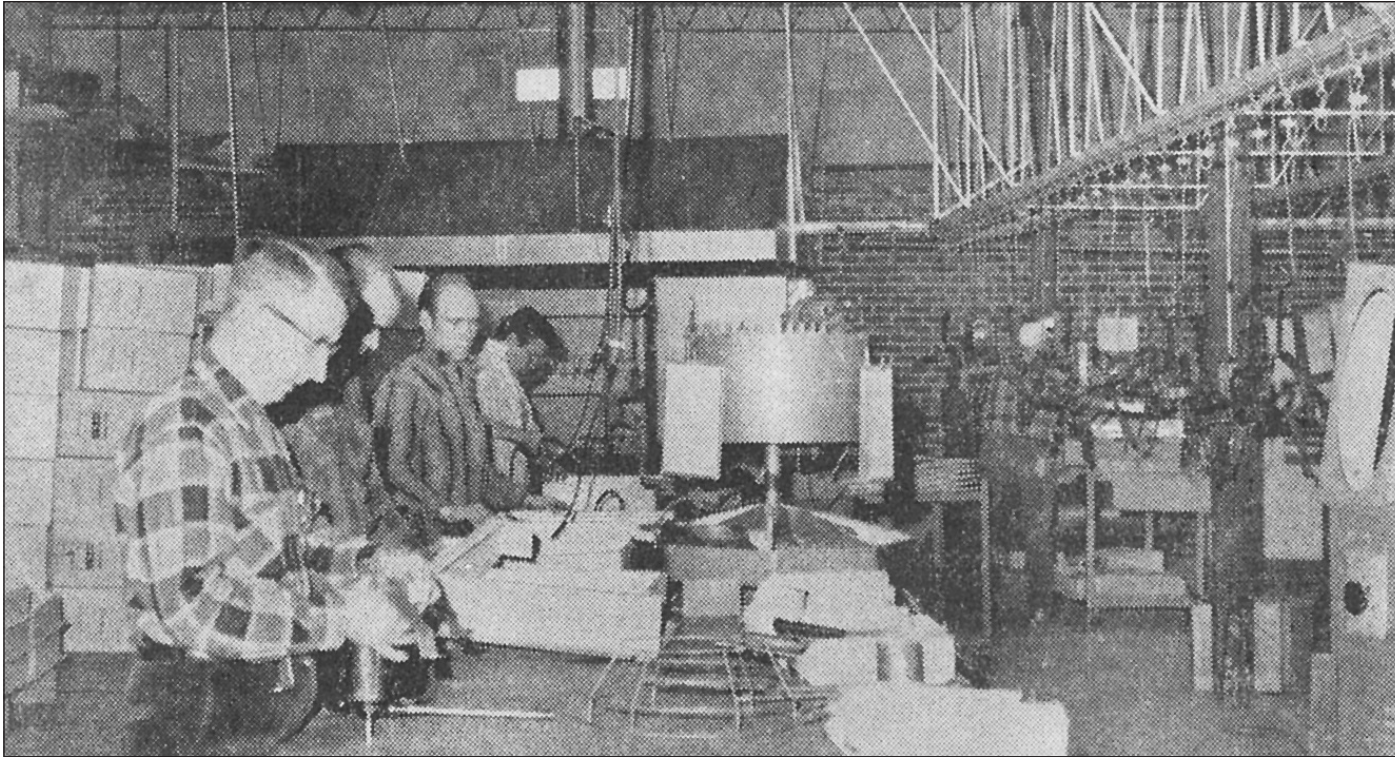
The electrification of the rural landscape in Canada in the late 1950’s and early 1960’s was a watershed event that led to massive changes in agriculture. Large mega-barns were constructed to house poultry, hogs, dairy and veal cattle. The animals and poultry housed in these large buildings were no longer able to walk around outdoors and their density created conditions which required exhausting stale air and replenishing a supply of fresh air.

David notes, “Livestock performs best in a narrow

temperature range between 68-72 F. (20-22C). If it’s too cold the feed they consume is used to stay warm instead of being used to produce milk, gain weight, or lay eggs. If it’s too warm the feed is sweated out. A good ventilation system maintains optimal barn temperatures to maximize production efficiency. Maintaining these conditions for livestock is an exact science.”

These mega-barns required fans to exhaust heat, stale air, moisture, ammonia and dust and to replenish the fresh air essential to the health and performance of the birds or animals. A strong new market for exhaust fans had emerged and Danor was a significant player.





**Employees of the Danor assemble fans at the new plant on Parkedale Avenue. (1965)**

David comments, "To a layman, a fan is simply a fan is a fan, but not to Norm Carson. The length of the blade, its shape and pitch, the type of motor which propels it and the speed at which it operates all contribute to its efficiency. The fans Norm designed proved to be effective and popular and sales grew rapidly."

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**SLOW MOVING VEHICLE SIGNS (SMV)  
– A WELCOME BY-PRODUCT**

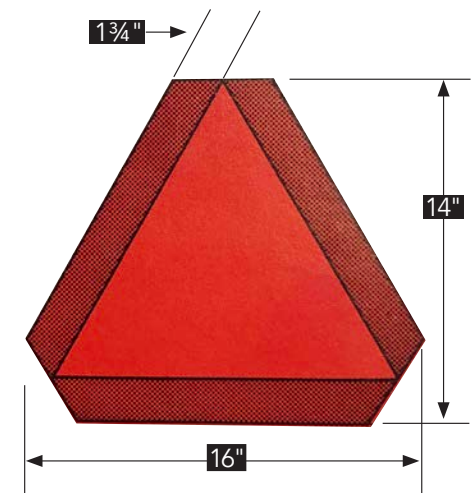
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A welcome by-product resulted from the production of exhaust fans. They had to be mounted in a circular housing so the blades could rotate freely while the fan stayed securely in place. Making this housing involved cutting a large circle from a square of sheet metal, which resulted in a circular piece of waste metal destined for the trash barrel.

"Someone suggested cutting these circular pieces of waste metal into triangles," recalls David "about 1' x 1' and selling them as safety signs for slow moving vehicles, like tractors and farm wagons. We put highly visible reflective tape on them – a red band around the outside and a solid orange centre – and began selling them through distributors in stores where farmers shopped. They sold like wildfire and were soon an everyday sight on farm equipment on rural roads. These signs may have saved countless accidents," David adds. "Who knows? But we sold them for decades – hundreds of thousands of them, if not millions – before they were finally replaced by cheaper plastic knock-offs. They became an iconic part of the rural landscape and were a great use of scrap metal which would otherwise have been wasted."

Exhaust fans, however, soon became Danor's dominant product. Slow Moving Vehicle signs were just the icing on the cake.

**OFFICIAL SMV SIGN**



*A scrap metal by-product*



AIR X MOVING X PRODUCTS

DANOR

*The modest bridge that sits at the front of the Brockville location was built in 1967 by Kasper Sestakovskis to avoid laying him off during a slow period. The metal bridge has become a CANARM landmark.*





**An ariel view of the Parkedale location. (1967)**

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### GOOD YEARS – EXPANSION AND GROWTH

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The Danor plant was expanded to 8000 sq. ft. in 1965 and to 20,000 sq. ft. in 1969. The company was honoured by the City of Brockville as the “Business of the Year” in 1969 and Stew and Norm enjoyed some of the rewards of their success. Their business arrangement involved alternating job titles each year, switching back and forth between President and Secretary/Treasurer. It was unusual, but it worked for them and underlined their equal partnership. They both had beautiful riverfront homes on Hartley Street, the business was booming and the future looked very bright.

Carol Day, a bright-eyed 16 year-old, was hired straight out of school in 1966 to be the company receptionist and “girl Friday” to Stew and Norm. She laughingly recalls that she was told that she was replacing the bosses’ wives because Donna Beatty and Marg Carson stopped working part time when she

came on board. “I think they were delighted to pass the baton to me,” she laughs.

“I sat right outside the offices of Mr. Beatty and Mr. Carson and never

heard a harsh word between them,” Carol says. “Mr. Beatty was a perfectionist. He wanted everything to be just right and I’m from that same school, so we got along famously.

Mr. Carson was easier going, but had a burning

passion for the business and he seemed quieter and thoughtful. They were both true gentlemen and I never once called them by their first names.”

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*“Mr. Beatty was a perfectionist. He wanted everything to be just right and I’m from that same school, so we got along famously.”*

– Carol Day (1967)





1969 Danor Christmas Party





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### KICKING THE HABIT

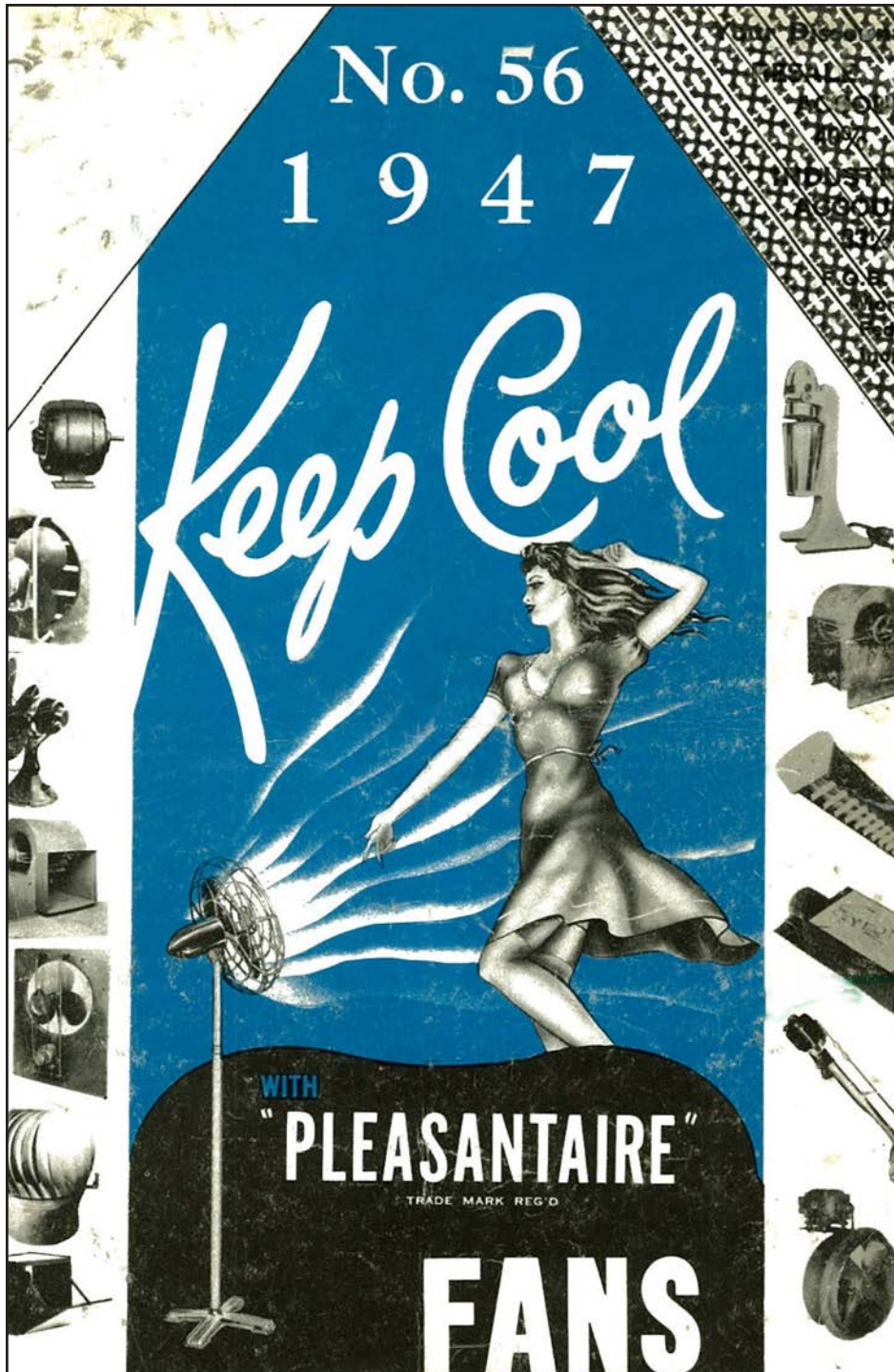
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Norm and Stew were both heavy smokers who talked a lot about quitting, but like most smokers it was more talk than action. In 1968, they finally made a bet: each of them would quit smoking and if one or both of them lasted a year, without so much as a single puff, each would buy the other a new snowmobile. Norm packed away his ubiquitous pipes, tobacco pouches, matches and paraphernalia and started his first day without smoking. "It was such a relief to have him quit," recalls Marg Carson. "Every suit, shirt and sweater he owned had tiny little burn holes where tobacco embers from the pipe had landed on his chest. It never bothered him a bit but it drove me crazy."

Stew Beatty, who smoked 50 cigarettes a day, tossed his last package of beloved Export A cigarettes across the room and said simply, "That's it. Today's the day I quit." David recalls that his dad insisted the full pack of smokes stay right where it landed on the floor against a living room wall. "No one was allowed to touch it – maybe because it was a reminder of his commitment to quitting. It stayed in its place on the floor for the longest time, for months, if not years, before it finally disappeared."

They struggled with quitting but both Stew and Norm made it successfully through the entire year without smoking and bought each other a brand new Ski Doo. Neither ever smoked again.





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### BROADENING THE PRODUCT LINES

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Notwithstanding the good times, Stew and Norm knew it was necessary to broaden their product line beyond agricultural fans and become involved in other markets for fans where they had virtually no business. Agricultural markets in the 1960's went through boom and bust cycles and Danor's fortunes rose and fell with them. In 1968-69, Stew began looking for takeover opportunities and a supplier tipped him off about a company in Montreal which could be a prospect. The company, already in bankruptcy proceedings, was Canadian Armature Works and the T.D. bank had taken temporary control while attempting to sell, save or wind it up. The bank was also trying to relocate the company to another rental building in Montreal because its old location was badly in need of repair and considered unsafe. Stew decided to acquire it.

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### CANADIAN ARMATURE WORKS ... A SUCCESSFUL ACQUISITION

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Canadian Armature Works began in 1934 by winding motors and grew to encompass a wide range of other products including baseboard heaters, small room heaters, hose dryers, centrifugal fans, small bathroom fans and an interesting stand-alone product called 'compact kitchens'. The founder of CAW, Max Natheson, loved to visit trade shows and other industry affairs to seek the distributorship of products that attracted him. He began to produce his favourites and over time, developed an odd array of products that somehow worked for him. The company grew over three decades until poor health and troublesome interim management led to financial troubles in the mid to late 1960's. These troubles made CAW a ripe target for a takeover and Stew, convinced that some of these products could be manufactured by Danor, was hot on the trail.



*Rangehood*



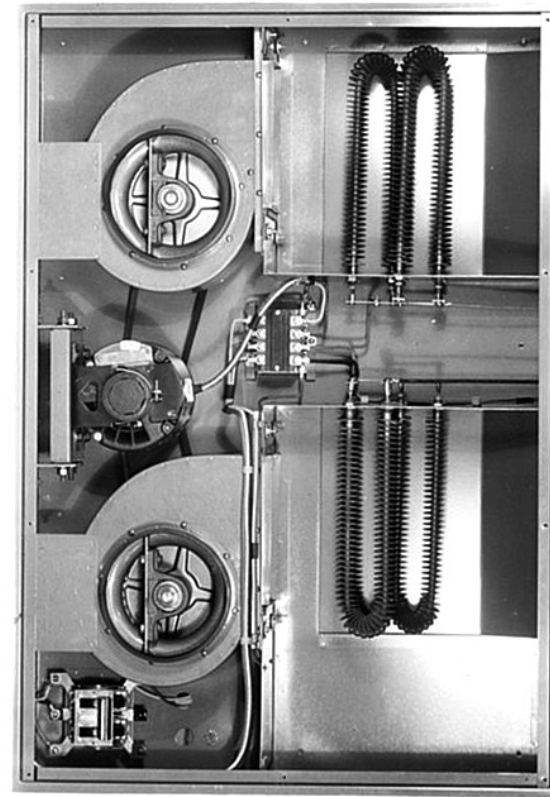
*Wall Exhaust Fan*



*Baseboard Heater*



*Compact Kitchen*



*Hose Dryer*



*Pedestal Fan*

***The aquisition of Canadian Armature Works brought along a variety products including the commercial/industrial fans a market that Danor had not yet reached.***

Canadian Armature Works had a line of products that could complement existing Danor products, but what really interested Stew was their line of commercial/industrial fans. Sold in entirely different markets from the markets Danor served, those fans could open the doors to a host of customers that Danor didn't serve. Canadian Armature Works fans were sold to schools, hospitals, office buildings, paint shops and commercial or industrial buildings of any sort. Acquiring this company would lift Danor from the barnyard onto a much larger playing field.

Determined to find out if CAW could be acquired, Stew and Donna rented an apartment near the Montreal Forum. Leaving Brockville at 5:00 o'clock every

Monday morning, they would stay until their Thursday night return home. They kept this up for months while Stew conducted the necessary due diligence and finally put together a successful offer for the takeover.

Stew had no interest in finding another Montreal location but instead planned to take his time to close the Montreal plant and move the production equipment and inventory to Brockville. After closing the deal in late 1969, he continued to work in Montreal, helping to run the struggling company while laying plans for the eventual move to Brockville. He thought there was no rush, but fate would intervene. A time crunch was looming.



WEDNESDAY, MAY 20, 1970

# DANOR FIRE!

Paint Shop Destroyed in Three-Hour Blaze



Officials of Danor Manufacturing Company - the city's "Industry of the Year" - conferred today on future plans for the factory following a disastrous \$250,000 fire. The Parkedale Avenue factory lost the paint shop and assembly room in a blaze which raged for more than three hours.



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## DISASTER – FIRE AT DANOR!

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In May 1970 disaster struck the Brockville plant: FIRE! Some Danor products required painting and an old WW II training facility building on the plant grounds had been converted to a paint shop. Fortunately it was at the end of the manufacturing building and offices. To contain the spray and paint fumes large cloths were hung around the items to be painted which were later to be placed in closed metal containers for cleaning and re-use or disposal. On the day of the fire, it is believed that some of the used paint cloths were instead left in a pile on the paint shop floor. Spontaneous combustion occurred, causing a blaze which soon spread to the rest of the paint shop. In no time a major fire was underway.

The fire was devastating. The entire paint shop burned to the ground, a loss later estimated at \$250,000, a very sizable sum in those days. There was severe smoke and water damage to the adjacent manufacturing plant, the warehouse and the offices. Marg Carson recalls that, "Norm was driving the man home who cut the lawns at the plant when he got word about the fire. Smoke from the fire was visible across the downtown area and he raced back to the plant."

When Norm arrived he feared that the gas line to the main boiler had not been shut off and he was terrified that the gas line could work loose with the unrelenting pressure

from the fire hoses. If this happened there would be an explosion which would destroy the entire main plant.

Norm went into the smoke-filled building, wearing his business suit and tie, and had the firemen shower him with their hoses to allow him to tolerate the intense heat and smoke. Incredibly, he was able to find his way through the haze to turn off the gas line and this heroic action unquestionably avoided significant, further damage.

George Smith, the mayor of Brockville at the time, and a great friend of Norm's, saw the smoke downtown and came running to the plant. "The water and mud in the lot was more than ankle deep and I saw Norm, in his dress shoes and clothes, walking through the water, mud and embers, soaked to the skin from his foray inside the building. When he saw me he simply said, 'Hi George' and carried on helping with the mess."

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## CLEANING UP THE MESS – BUSINESS AS USUAL

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The clean-up began as soon as the fire was out. Dale Hess, the company accountant, remembers, "In those days the management employees were required to wear suits and ties to work. We didn't have to be told to pitch in with the others to help with the clean-up and I ruined two suits cleaning machinery and other stuff that was covered in cinders, soot and filth. The insurance company bought me two new suits," he laughs, "and they were better ones than the ones I ruined." Marg Carson and her daughters,

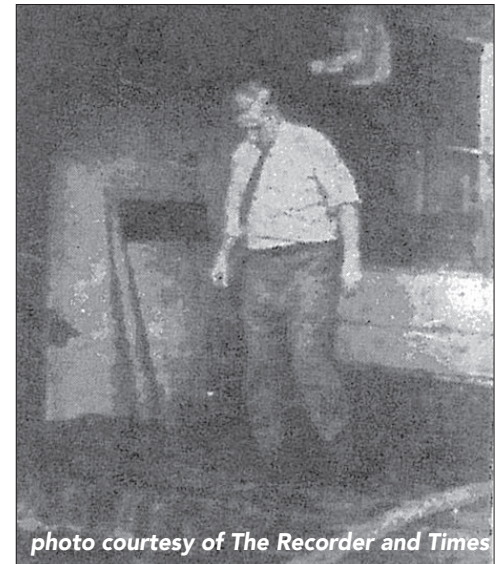


photo courtesy of The Recorder and Times

**Emerging here from the fire-stricken section of his plant on Parkedale Avenue, Norman Carson expresses worry and concern. Mr. Carson was on the scene minutes after the fire was reported by his production manager, Pat Cotty, about 5 p.m. Wednesday and remained around the premises until the wee hours of the morning. Despite the extensive damage, the firm hopes to resume production in a very short time.**



Susan and Peggy, made sandwiches and coffee and took them to the clean-up gang. "So did lots of other folks," Marg says. "Everyone helped."

The manufacturing section of the plant was intact and fortunately the equipment mainly required only a thorough cleaning before it could be used again. After a few sleepless days and nights, the manufacturing capability was restored. A temporary painting booth was set up outside, on the lawn at the back of the building, with paint fumes wafting into the air. Today it would be unthinkable, but this was 1970 and it was viewed as a reasonable reaction to an emergency. No one complained and in short order the business carried on without really missing a beat.



**Marg Carson - 2018**

The office area suffered smoke and water damage, including some important company records. "We couldn't work in our office because of the mess" recalls Carol Day, "so they rented an old house across the road on the grounds of what is now St. Lawrence

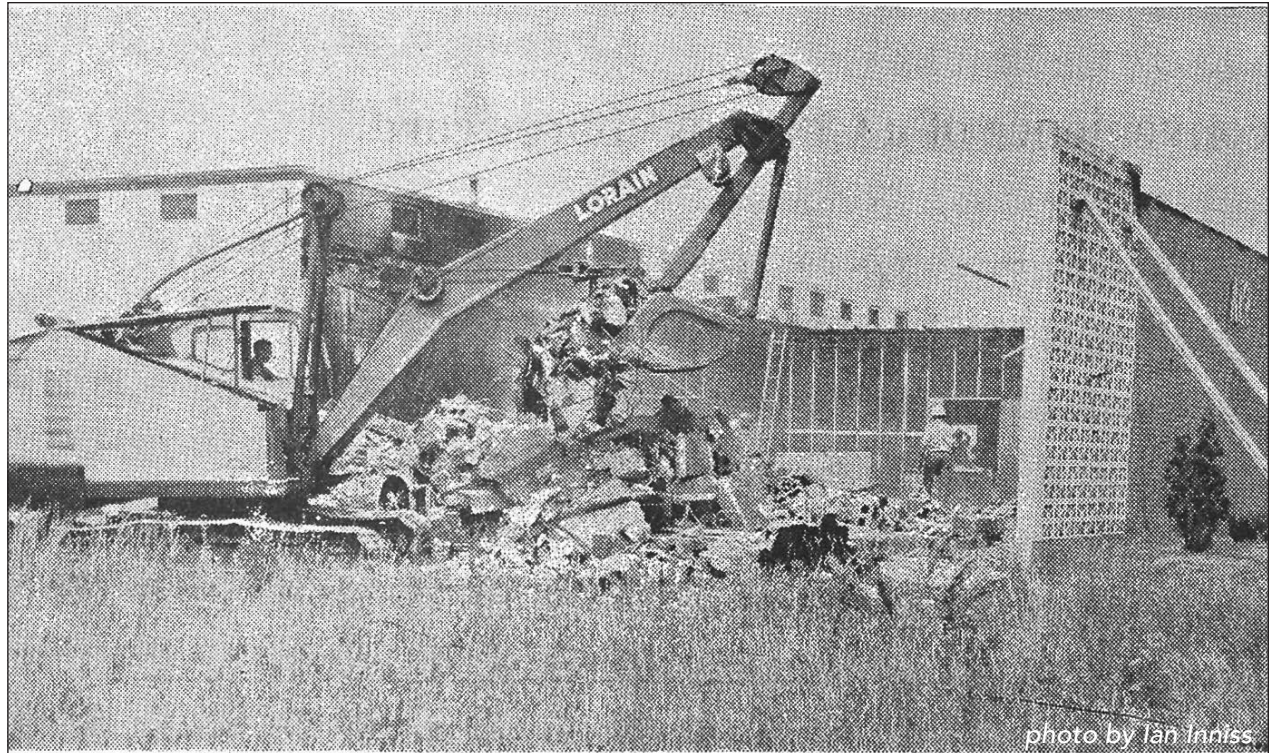


photo by Ian Inniss

**Tuesday, June 30, 1970 - Demolition has begun on the fire-damaged Danor Manufacturing Ltd. plant on Parkedale Avenue. Here a crane removes debris from the burned out paint shop section.**

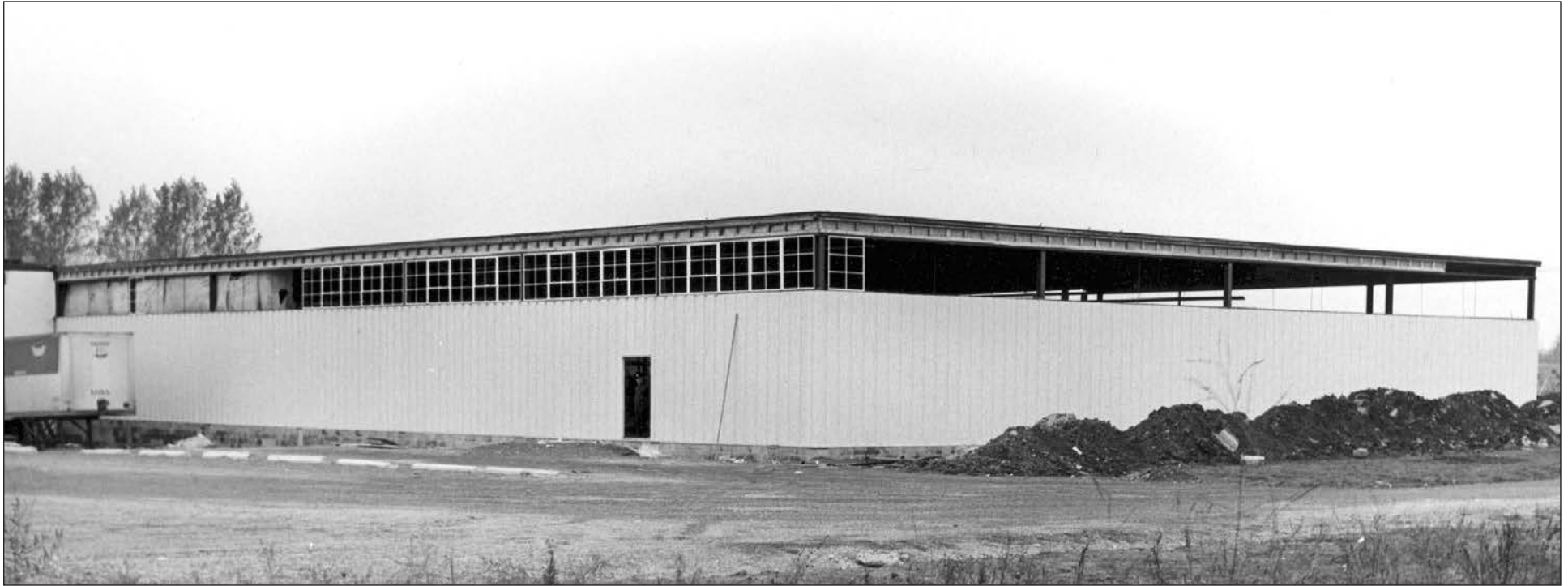
College and we moved over there. We had to try to reconstruct the inventory, receivables and payables from soaked paper records which stuck together like fly paper. They stunk something awful and it was hard to get the smell off at night when I'd go home. These records weren't computerized at the time and all entries were manual so it was tough slogging to try to read them. For the longest time we really didn't know what we had in inventory, how much we owed and how much was owed to us. But before winter we had it figured out and got back into our freshly painted and cleaned offices. We worked crazy hours to put it right, but we got it done."

Marg Carson says, "Norm, Stew and several others worked as many hours as they could stay awake for weeks and weeks during the clean-up.

We hardly saw Norm for several weeks. In the years immediately following the fire, he was diagnosed with 'shock diabetes', an unusual condition thought to have been brought on by a combination of stress from the fire and the cleanup, the move from Gorrie and the strain of starting a new business. He was advised by his doctor to take an early retirement and he left Danor in 1975."

Norm enjoyed his retirement years, staying active with several partners in the St. Lawrence Engine Company and in commercial real estate. He sold his Hartley Street home to David and Anne Beatty in 1978 and he and Marg moved to another "dream home" on the river in Rockport, Ontario. Norm passed away in 1987 but his widow Marg, age 87 in 2018, still lives in Kingston.





*The Danor plant was expanded to 20,000 sq. ft. in 1969.*

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### **CANADIAN ARMATURE WORKS – A WATERSHED MOMENT**

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The rebuilding of the paint shop was well underway in the summer of 1970 when the other shoe dropped. Municipal building inspectors decreed that the rental building in Montreal occupied by Canadian Armature Works was to be decommissioned due to structural deficiencies and had to be vacated within 90 days. The plan had always been to move, but they thought they could take their time. It was necessary to build an addition to the Brockville plant to accommodate their equipment and inventory from Montreal, but this news accelerated the timing dramatically. Plans were hastily revised, contracts were signed and an 8,000 square foot addition was added. The Brockville plant grew to 20,000 square feet.

Otto Almoslino, the chief engineer at Canadian Armature Works recalls that, “The employees really didn’t know how serious the trouble was in the final years in Montreal, but we had shrunk from about 60 employees to 25 in the years immediately prior to the closing, so it was obvious that things weren’t good. Therefore, it wasn’t a huge surprise when the employees were called together to be told that the company was bankrupt and had been sold to Danor. I had never met Stew Beatty before that night, but he told us that there would be positions available for any of us who wanted to move to Brockville. I was invited to the 1969 Danor Christmas party in Brockville and met my new colleagues but I had to stay in Montreal until the plant closed to assist with the move. Then my wife and I packed up and moved to Brockville and we never looked back. It was the best decision we ever made.”

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### **ON THE MOVE – LEAVING QUEBEC**

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In the fall of 1970, Quebec was in the midst of the FLQ crisis. The Deputy Premier of Quebec, Pierre Laporte, had been kidnapped and killed and James Cross, a British diplomat, was being held hostage, although he was eventually released. Prime Minister Pierre Trudeau invoked The War Measures Act, called in the military, and soon tanks and soldiers bristled on Montreal streets and heavily armed troops were everywhere. The move of Canadian Armature Works had to occur during this frightful time to comply with the closing deadline for the Montreal plant ordered by the courts.

The inventory and equipment were loaded onto twenty-nine tractor trailers and escorted out of Quebec by armed guards. The trucks rolled down the highway and a new day began in Brockville.

# 3 THE TURBULENT 1970's

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*Christmas 1970 was a time for reflection and some badly needed rest. To borrow from Charles Dickens, as that year ended, it was "The best of times and the worst of times." The best was the acquisition of Canadian Armature Works and the additions to the Brockville plant – a new paint shop and an 8,000 square foot addition to the manufacturing area. The worst was the devastating Brockville fire that destroyed the old paint shop and caused extensive smoke and water damage to the plant equipment and offices. The court order to vacate the Montreal plant created a mad scramble to build an addition much sooner than planned to accommodate the new products being transferred to Brockville. Finally, there was sheer exhaustion from working incredible hours to keep all the balls in the air.*

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A look inside the plant floor of Brockville's Danor Manufacturing. (1971)



**"You probably know us;  
we've been in business since 1934.**

We have more than 50 years of manufacturing experience in air-moving and specialty appliances.

Our modern factories, warehouses and sales offices, located in the U.S. and Canada assure you of reliable performance, after-market satisfaction and dependable service.

*That's our guarantee of quality products at a good price."*

**– DAVID BEATTY (1985)**



As 1971 dawned, Norm and Stew had to decide which Canadian Armature Works products could be produced in Brockville. Even with the new addition, space was tight and it wasn't possible to take on their entire product line. Some products would have to be axed.

The industrial/commercial fans had been the main reason for the acquisition and obviously they would be kept, along with a full line of "compact kitchens", a major part of their business. They also elected to keep producing small bathroom fans and hose dryers but discontinued baseboard heaters, motor rewinding and a few other fringe products. There simply wasn't enough room.

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### DAVID BEATTY – NEEDED AT HOME

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David had settled into the third year of his Honours Business Program at the University of Western Ontario in the fall of 1971, when his father asked him to pack up and come home because Danor and Canadian Armature Works needed his help. His mother, Donna Beatty, remembers, "It was the only time I can recall when Stew looked worried about the business. He told me that the company was over-extended and he needed David to help right the ship."

David's memories of the call from his Dad are crystal clear. "I was somewhat of two minds," he

says. "I enjoyed Western and would happily have stayed, but I also viewed the business challenge at home as a real opportunity to gain experience. As it's turned out, it was the best thing that ever happened to me. I was able to take courses part time at Queen's University which were recognized by Western, and I graduated with a degree in economics about three years later."

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*"The employees called me 'Scottie' for my penny-pinching ways, but we slowly righted the ship."*

– David Beatty

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Danor suffered significant losses from the 1970 fire, had to finance the acquisition of Canadian Armature Works and finally had to fund the costly but unavoidable addition to the Brockville plant. This combination of circumstances created a tough financial squeeze.

"Getting out of the mess wasn't rocket science," says David. "The answer was to have revenues exceed costs and to get there we squeezed every nickel and thought long and hard before buying anything that could be dropped or postponed. The employees called me 'Scottie' for my penny-pinching ways, but we slowly righted the ship. It was a great lesson for



**David Beatty. (1971)**

the future and one I treasure – it was better than an MBA."

Although it was essentially a bookkeeping matter, Canadian Armature Works continued as a separate company when it was transferred to Brockville but the employees all identified as Danor and were paid on the Danor payroll. It would remain separate for almost a decade, until January 1, 1980, when it merged with Danor to become CANARM Ltd.

# SPACEAIDE

## COMPACT KITCHENS

FROM CANARM 

A completely new line of attractive and functional compact kitchens



Stove elements set in attractive raised island - easily removed and cleaned.

Infinite heat element controls, with push and turn safety feature and pilot lights.

Large stainless steel 6" deep sink featuring a standard faucet with 8" swinging spout or an optional single lever washerless faucet.

One-piece stainless steel counter top and backsplash.

Automatic defrost and interior light.

Strong flush-mounted handles and hinges.

Easy clean energy-efficient chrome oven, with broiler.

Smooth-operating roll-out utensil drawer on models with oven.

Convenient utility storage cabinet on 39" and 60" models.

Energy-efficient, foam insulated refrigerator (6.2 cu. ft. in 30" and 51" models, 7.2 cu. ft. in 39" and 60" models).

Contemporary styling, quality design and construction, easy installation and service, competitive prices... these and other features make SPACEAIDE Compact Kitchens the choice of the future for the hospitality industry, condominiums, apartments, senior citizen accommodation, offices... any location where space is at a premium.

Available in a variety of sizes (30", 39", 51" and 60") and with a range of exciting options, SPACEAIDE Compact Kitchens can be adapted to meet all kitchen needs, from the elegance required in the executive suite to the reliable performance demanded in hotels, motels, hospitals and laboratories.



**Computer-controlled turrett punching centre with automatic load and unload.**



**Computer-controlled foam injection.**



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## THE EVOLUTION OF COMPACT KITCHENS

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Compact kitchens were a long-standing Canadian Armature Works product, but producing them was something new for the Brockville employees. Few employees from Montreal accepted the offer to transfer to Brockville, but fortunately one who did was their Chief Engineer, Otto Almoslino. Otto led the way with training the Brockville crew, who had to step up to the plate and start producing.

Produced in sizes ranging from 30" wide to 60" wide, the small stand-alone kitchens all featured electric cooking elements, a refrigerator, a sink and compact storage space, with larger models also including an oven. These compact kitchens were hugely popular in buildings where space was at a premium and cooking needs were basic. University residences, convents, monasteries, small apartments, temporary housing, construction, forestry and mining camps all became customers.

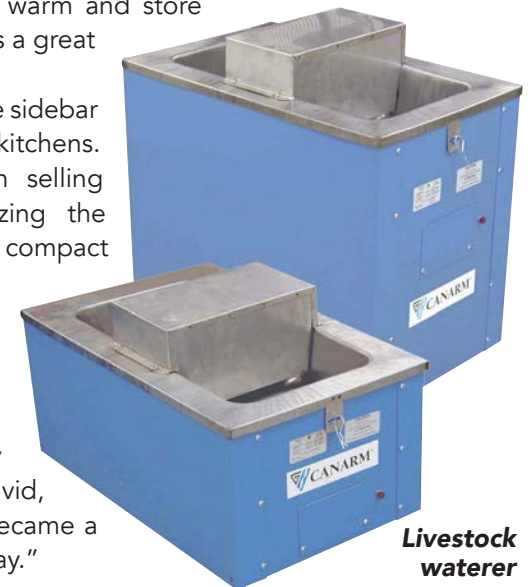
Manufacturing these kitchens was a perfect fit for the metal working skills of the Brockville employees assigned to 'the kitchen line'. They were pros at cutting and welding both stainless and rolled steel to produce gleaming cabinets. The company invested heavily in equipment to produce the ovens, refrigerators and sinks, leaving electrical elements as the only portion outsourced. A further investment was made in urethane injection-foaming equipment, which allowed them to produce modular plastic liner inserts for the refrigerators with small holes where urethane could be injected between the layers. This created a much more efficient insulation layer than the sheets of Styrofoam used previously. "We eliminated the energy leaks that occurred when using Styrofoam and doubled the efficiency of the refrigerators," David proudly notes. "Without question we had the best product of its type on the market."

Jeff Shaver recalls being delighted to be placed in charge of 'the kitchen line' in the late 1970's – a position he held for almost 10 years. "The men were proud of building the compact kitchens," he says. "They looked good, worked well and served a real purpose. We travelled all over Canada on service calls and we were proud of them."

Alas, by the late 1980's, cheap microwave ovens and small refrigerators from Asia made the CANARM compact kitchens too expensive and sales plummeted. The business unit was eventually sold to a third party who carried on for a few years but sadly, it gave up as well.

Donna Beatty still has a pristine 60" compact kitchen model she puts into action, "whenever there's a gang at the house, particularly around Christmas. I love to use it to keep extra pies warm and store other things in the refrigerator. It was a great product."

There was an unexpectedly positive sidebar to the investment in compact kitchens. Danor's agricultural division began selling outdoor waterers for cattle, utilizing the heating elements designed for the compact kitchen ovens. These, used in combination with their urethane insulation injection technique, resulted in a product that allowed cattle to drink even in freezing weather. "We doubled the efficiency of competitive waterers," notes David, "and the Danor outdoor waterers became a market leader. We still sell them today."



**Livestock  
waterer**

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### **OIL PRICES SKYROCKET THE CEILING FAN MARKET SURGES**

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International oil prices quadrupled from \$2.00 to \$8.00 per barrel in 1973, causing strong economic reactions around the world. The fuel shortage in the U.S. led to nightly telecasts showing cars and trucks lining up for hours to buy gas. The price increases and shortages were bad news on several fronts, but it was good news for Danor because it caused the market for ceiling fans to soar. "This was really the birth of the strong North American market for ceiling fans," notes David Beatty.

As the price of heating oil climbed, the owners of buildings with high ceilings found a unique way to use the heat that traps in the ceilings. Heat rises and the temperature differences in these tall buildings can range from 60F at floor level to 90F under the ceiling. A slow-moving ceiling fan would push the heat down, creating a uniform heat in the building of around 70F. Once a ceiling fan was installed and activated, the heat was evenly dispersed within seconds.

Industrial buildings, warehouses, offices, schools, churches and others all clamored to take advantage of the fans and save money on their heating bills. Orders rolled in and business boomed.

Danor had started importing ceiling fans from Hong Kong in 1975 but as the volumes grew it became increasingly important to have the right deals with reliable suppliers. For some time, Danor had been unhappy with quality and delivery problems so as the 1970's drew to a close David Beatty resolved to go to Hong Kong to assess the situation first hand. The story of David's initial trip to Hong Kong is dealt with later in this book, but his wife Anne reminded him about a luncheon he attended just before he departed.

David had lunch with his friend Al Smith, the CEO of Hansler Industries Ltd. to talk about their upcoming trip to Hong Kong. They met at a Chinese restaurant called The Red Lantern, and the owner, Lydia Chung, overheard them talking about their trip. She opened the cash register, scooped all the money into an envelope and gave it to David, along with instructions to get it to her parents in Hong Kong.

"It all worked out as planned," laughs David, "but I have no idea what might have happened if I'd been caught bringing her money into Hong Kong. I didn't know how much money she gave me because the envelope was sealed. But nothing happened and Lydia and her parents were delighted. Somehow just being part of it made me feel good."

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### **NORM AND STEW RETIRE**

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Norm's health deteriorated after the fire and his doctor advised him to take an early retirement and adopt a less stressful lifestyle. Norm agreed to sell his shares in the operating companies to David in 1973, stayed on a part-time basis for a couple of years, and retired completely in 1975. David was now an equal partner with his father.

Norm Carson's eyesight was failing badly in the last years of his life, as a result of diabetes. Following his death in 1987, Stewart Beatty, David Beatty and Al Smith decided that an appropriate gift in his memory would be to donate expensive laser eye surgery equipment to the St. Vincent de Paul Hospital. Dr. Ardis Lindsay was delighted to receive this equipment and commented that "The arrival of this laser equipment in Brockville allowed us to operate on eyesight conditions which previously required sending patients to Kingston or Ottawa. Ironically, in later years I was able to use it to operate on both Donna Beatty and Marg Carson. The laser equipment was a welcome addition to local eye health care" he added "and many Brockville area people benefitted. Norm Carson would be pleased."



A donation to the people of  
Brockville and area in memory of  
– **Mr. Norman Carson** –



*The memory of Norman Carson will be preserved at St. Vincent de Paul Hospital through laser equipment donated by CANARM Ltd. to correct certain eye problems. Carson, who died a year ago, founded the forerunner of CANARM. Chairman Stewart Beatty (left), Margaret Carson and company president David Beatty stand by the device donated to the hospital.*



Norman Carson  
1929 – 1987

**"A Visionary Leader"**



**David Beatty, CANARM President and Jim Cooper, National Accounts Manager accept Awards of Excellence presented to CANARM for their line of decorative ceiling fans. (CIRCA 1993)**

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### STEW RETIRES, JIM COOPER ARRIVES

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By the late 1970's, several pieces of an ongoing puzzle were beginning to fall into place. Stew Beatty decided it was time to retire in 1980, at which time he sold his shares in the operating companies to David, making him the sole shareholder and CEO. Stew and Norm continued to own the buildings which were rented to the operating companies – these would be bought later by David.

In 1978, Jim Cooper, a 17 year-old fresh out of high school, was hired as a summer student working in the plant. He decided to forego more schooling at that time and asked if he could stay on as a full-time employee. This was agreed and he was trained as a welder, both on the job and by taking the St. Lawrence College welding course. In the years ahead, Jim would put down his welder's goggles, take many more courses and try on several new hats, rising through the ranks of the plant and supervisory/management jobs until he became President in 2006... but that's another story.

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### THE BIRTH OF CANARM

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In 1979, it was decided to merge Danor with Canadian Armature Works to create a new company called CANARM Ltd. and this formally took place on January 1, 1980. Danor was not known outside of agricultural circles whereas Canadian Armature Works had a much higher profile and was widely recognized. By modifying the Canadian Armature Works' name to CANARM, the company began to build a brand image associated with the full range of its products and increased its industry profile. The iconic Danor name took its well-deserved place on CANARM's history shelves and will never be forgotten in company lore.

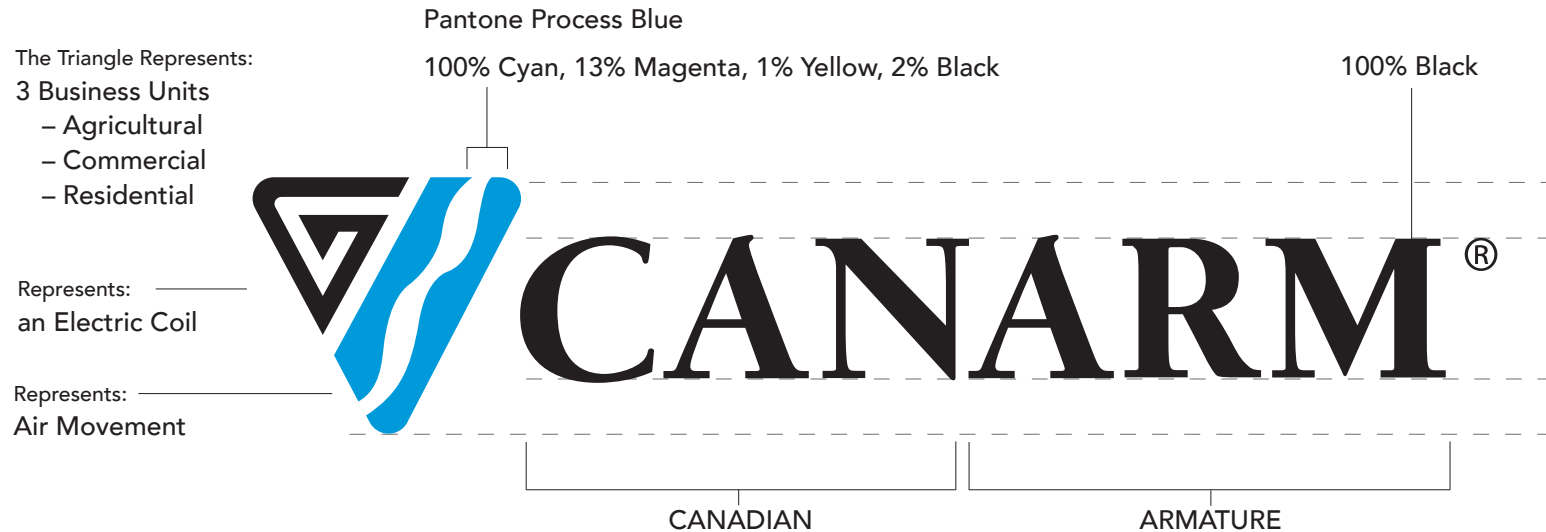
The CANARM era was underway.



*Supporting typefaces:*

TYPEFACE:  
ITC Berkeley Old Style Black

TYPEFACE:  
News Gothic



Our logos help to define who we are in a graphic way. The three points of the triangle represent our three business units. The wavy lines represent air movement which is the heart of our business and the electrical connection in the top corner represents the fact that everything we sell requires electricity.

The use of the logos is carefully controlled in a detailed user's manual which covers everything from the exact colours to its placement on various materials. The logos have been very helpful in developing our corporate signature with our customers, suppliers and consumers. It helps them to know who we are.

**– JIM COOPER, PRESIDENT/COO**

# 4

## BUILDING THE ASIAN CONNECTION

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*The importance of the Asian Connection to CANARM's business cannot be overstated. "The business arrangements we have in place today with China provide the competitive edge which allows us to succeed," says Jim Cooper. "Many competitors who tried to compete from North America are gone, killed by higher overheads and wages." He adds, "By 2010, the Brockville plant was performing some manufacturing functions which were unprofitable and the plant struggled to break even. We finally held a meeting of all employees where we laid the problem out and told them that we had one year to turn it around or the plant might be closed. To avoid that possibility we would be conducting a rigorous cost analysis of all elements of our*

*manufacturing - Canada versus China - with the goal of producing and sourcing products where the economics dictated." The employees were told that, "There were no sacred cows and if it made sense to source a product in China then this is what we would do. We had been importing for years, but this was a new level of discipline," Jim says. "We cannibalized ourselves before our competitors did. The simple reason that CANARM is a strong North American competitor today is because of our relationships with China."*

*"Increased partnerships with China were developed with this new vision and a rationalization of our North American operations took place." Jim concludes, "This has provided a solid foundation for our ongoing prosperity."*

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The CANARM China showroom is located in Zhongshan, China. (2015)



The story of how CANARM got to this point is compelling. The massive changes in Chinese economic policy following the death of Mao Zedong in 1976 were nothing short of astounding, as his successor, Deng Xiaoping, commonly referred to as Chairman Deng, announced the 1978 “opening of China.” In 1980, restrictions on private ownership of state enterprises were lifted in specified regions, including the Pearl River Delta, about two hours from Hong Kong by boat. The new mantra became “Socialism with Chinese Characteristics” and state-owned factories in this area could now be purchased from the government by Chinese citizens. The potential of the giant Chinese economy was slowly emerging after shaking off decades of darkness. The changes which would follow were mind-boggling and opened huge new opportunities for CANARM.

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### **A FIRST TRIP TO HONG KONG - 1979**

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David’s first trip to Hong Kong was to assess the market for ceiling fans being manufactured there and to establish better arrangements with suppliers. Previous arrangements for imports had been made from Canada by David, but he was never certain whether the price was fair, how the fans were manufactured, what quality control was in place and whether the fans would arrive when scheduled. He felt it was essential to put ‘boots on the ground’ to



***The Hong Kong skyline, an amazing city.***

find out the true story.

David and Al Smith travelled to Hong Kong where they chose a hotel where the staff spoke excellent English. David went to his room with a list of six Hong Kong manufacturers of ceiling fans and started calling them. “But the exercise was pointless,” he says. “No one I called spoke any English other than ‘Hello’ or ‘Good Morning;” so in frustration he went downstairs and found a woman on staff that would

come to his room to make the calls and find people who spoke English. “I gave her \$20 to make the calls and it didn’t dawn on me until later that some folks might misinterpret the purpose of the payment and the nature of her visit!”

An interesting sidebar to David’s first time in Hong Kong was the peculiar reaction he’d receive when getting on an elevator with young children and their mothers. “The kids would take one look at me and





**Herman Kuan and David in London England. (1985)**



**Herman Kuan and Jim. (1990)**

begin crying and hugging their mother's legs." he recalled. "I soon realized that they were terrified and I guessed that they had never seen a white man, particularly one over six feet tall. I was perhaps the largest man they had ever seen and once it dawned on me what was causing this reaction I made sure to avoid elevators if any young kids were present."

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#### **HERMAN KUAN – A FIRST ENCOUNTER**

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One of the companies the lady called was 'Wing Tat'. She handed him the phone saying, "This is Mister Herman Kuan and he speaks excellent English." They arranged to meet and a relationship began which continues today. David visited all six Hong Kong suppliers of ceiling fans, but was particularly impressed with Herman. "I immediately trusted him," says David, "and felt that in time he could become 'my guy' in the Far East."

From about 1975 to 1981, the ceiling fans purchased by Danor/CANARM came from Hong

Kong but the market shifted to Taiwan from about 1981 to 1986 and gradually decorative fans were added. Wing Tat was one of a number of companies supplying CANARM and the relationship with Herman deepened. By 1986, all industrial fans were sourced in mainland China, a story which will be dealt with later.

David began understanding the arcane negotiations common to buying and selling in Hong Kong. A manufacturer would say, "Hey Mister David, tell me how much you want to pay and I'll sell you a fan for that price." He chuckles and recalls that they'd go on to say, "You want a fan for \$30, \$20 or \$10? Just tell me what you want." What David wanted was to deal with reputable manufacturers who adhered to tough specifications and had excellent quality control.

Some sellers assumed that there had to be something personal in the deal for the buyer. They'd say "OK, Mister David – '30 and 3'. Is that a deal?" The thirty dollars would be the invoiced price for

a certain type of fan and three dollars would be kicked back under the table as cash to the buyer. Because David was both the buyer and the owner of CANARM this offer had no appeal for him and simply allowed him to pressure for a lower price for the fans. As an interesting sidebar, this practice led to the temporary enrichment of some North American buyers, but it also led to their downfall when it was discovered. These deals no longer exist and reputable companies, such as Wing Tat, never offered them.

The relationship with Herman blossomed through the 1980's to the point that CANARM made Herman an employee in 1990 and he was appointed Director – CANARM Pacific Rim. CANARM also assisted in getting him landed immigrant status in Canada and he qualified for Canadian citizenship.

"Herman is special," Jim says. "He's more than a business associate. He's a good friend to David and me and to many others at CANARM. He's become family."





**Jim Cooper and David Beatty**



**Herman Kuan, Jim Bennis, Shelley Bray, Danielle King and Denis Olivier. (2009)**

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## IMPORTS – ESSENTIAL TO COMPETITIVENESS

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David's face-to-face buying trips in Hong Kong resulted in better deals for industrial ceiling fans and CANARM's sales and margins improved steadily. In 1987, he assigned Jim Cooper to manage the imports arriving at the Brockville plant, which had increased substantially. Jim was alone in this management role for two years, giving guidance to the plant employees involved with receiving and unloading the containers. By 1989, two management employees joined Jim as the volume of imports continued to grow. "We introduced many systems improvements which paid off in terms of cost reductions," says Jim. "Importing is critical to CANARM's business and we have developed systems that are efficient and cost effective."

Importing ceiling fans was not without controversy. "We would have loved to produce these fans in Brockville," says David, "but it simply wasn't possible to do so and be competitive. The cost difference was so dramatic that we either had to import the ceiling fans or become a small, marginal player." He adds, "Labour costs in China in 1980 were 1/100th of our Canadian labour rates. That's right... 1/100th - they were paying 15 cents per hour in China compared to our \$15 per hour in Brockville. If we wanted to stay in the game, importing was the only option."

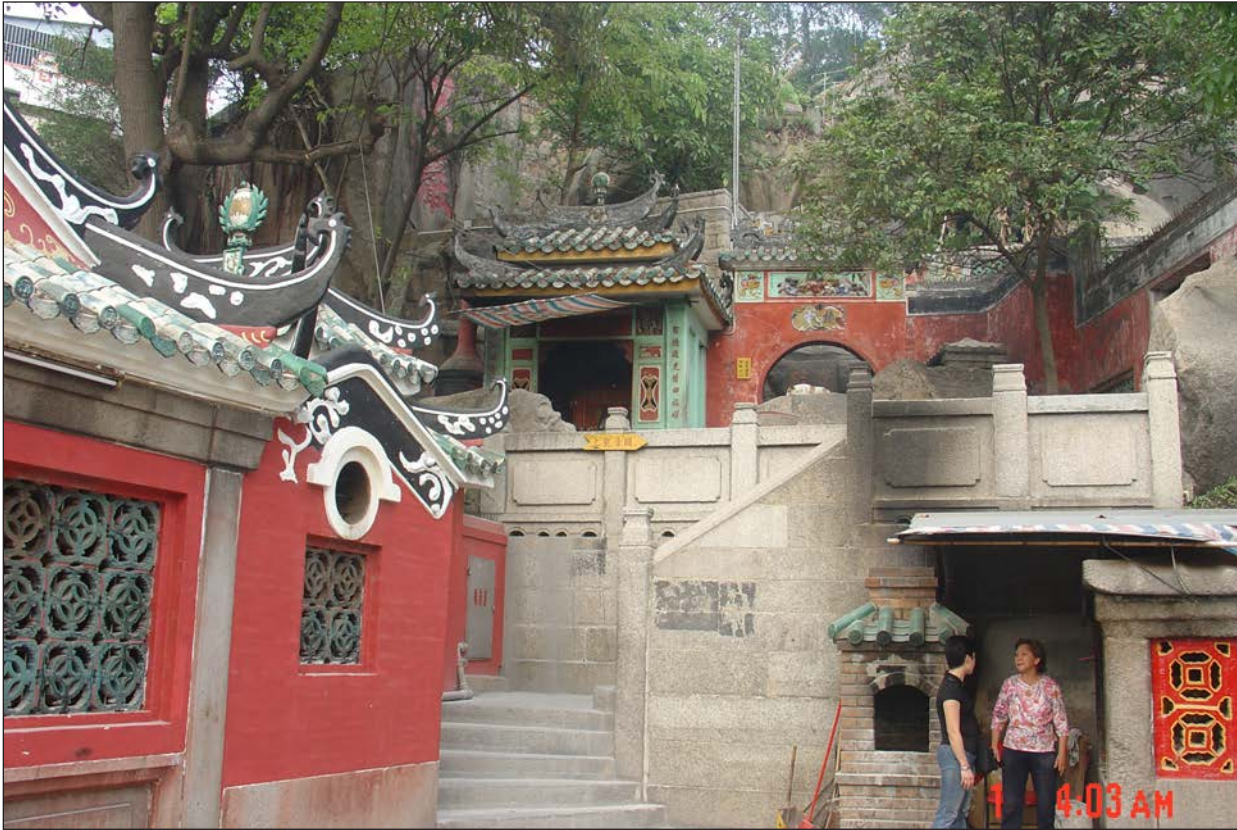
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## THE MARKET SHIFTS FROM HONG KONG TO TAIWAN TO MAINLAND CHINA

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By the early 1980's, the Hong Kong suppliers were being undercut by suppliers from Taiwan. Hong Kong's higher labour rates and its level of inflation made their manufacturers uncompetitive versus lower rates in Taiwan and incentives being offered to their fan manufacturers, bolstering their competitiveness still further. Money follows money and the market shifted to Taiwan. Says Jim Cooper, "We hired Roger Chen, the ex-sales manager of a Taiwanese manufacturer, AirCool, to help coordinate our business in Taiwan. He worked on design and logistics to





**A-Ma Temple is the oldest and most famous Taoist temple in Macau. Built in 1488 and located close to the coast, it is dedicated to the Ma-tsu, the goddess of sailors and fishermen.**

keep us growing and stayed with us until his retirement in 2017.”

In 1987, Herman advised CANARM that his employer, Wing Tat, was closing in Hong Kong and building a factory in the Pearl River Delta on mainland China where costs were far cheaper than in Taiwan. CANARM temporarily shifted all purchasing of decorative ceiling fans to Taiwan. A year later, the new Wing Tat factory began producing and the cost difference was so pronounced – about 25 percent cheaper for comparable quality – that gradually the Taiwanese factories closed and also moved to the Chinese mainland.

In 1987 another new relationship was formed with the decision to move all purchases of industrial ceiling fans to a company called Kwai Chow, which still supplies CANARM today. “They introduced us to another company called Tsin Ip,” Jim explains, “who produce oscillating fans and with this contact we entered the oscillating fans market. They also played a pivotal role in our entry into the lighting markets in the early 1990’s. It’s interesting how growth occurs.”

*Historical footnote: In 1997 Hong Kong emerged from 156 years of British*



**Ruins of St. Paul’s Cathedral in Macau.**

*rule to become part of China. In the handover, Hong Kong was made a ‘special administrative district’ with unique rights and privileges. CANARM was already dealing with plants on the mainland by this time, but this change represented one more easing of restrictions between Hong Kong and the mainland, a welcome development.*

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## FACTORIES ON THE MAINLAND

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When the Wing Tat plant on the mainland, now called China Miles, was completed, David and Jim visited and were impressed. “We had great relationships in Taiwan, but the cost difference was so significant that we had no choice but to move some of our business. We also knew that the Taiwanese plants would have to move to the mainland to stay in business, so we decided to move 50 percent of our business to China Miles and leave the balance in Taiwan. As it turned out the Taiwanese plants did close and relocated to China. CANARM’s





*Susan Lamers, Danielle King and Jim Cooper.*



*Street scene, Hong Kong.*

supply arrangements for all of their decorative and industrial fans would gradually move to China.

David, Jim and Herman also knew that they could finance Chinese individuals to purchase state-owned factories where they could arrange priority for their products. The loans would be repaid through a discount in the regular market price for the fans CANARM would purchase from the factory until it was paid in full. "Our goal was to have the loans fully repaid within two years," and David proudly recalls that "in every case we met our goal."

Herman and Jim searched for a more competitive advantage. Herman secured an additional ceiling fan factory in Xin Hui recalls Jim, "The factory manager was Mr. Kuang who became an amazing partner. With his help, we established the competitive edge we were seeking and this led to a supply contract with the largest Canadian retailer of ceiling fans. This in turn propelled CANARM along the path towards dominance in the overall Canadian ceiling fans market."

Herman was trusted to find plant managers who were honest, entrepreneurial and who produced quality fans and lighting. "This has been a great thing for the new owners of these plants," says Jim. "They previously had modest salaries, didn't own a home and had no personal wealth. Today, they own nice houses, have nice cars and a lifestyle dramatically different from what they had during their years running a state-owned enterprise. In a short period of time, they have become wealthy."

On their first trip to the mainland in the early 1990's, the lack of infrastructure was almost beyond belief. "There was one dirt road leading to our factory," says Jim. "Water buffalo and people shared the road and it took all day for a trip that takes less than an hour today. There were no bridges and vehicles were pulled across small rivers on barges. Today, there are paved roads, bridges and new buildings. The difference is like night and day."

All of the plants where CANARM is involved





**Glass factory in China.**



**Production line for flush-mount lighting fixtures.**



**Product testing.**

are either totally dedicated to CANARM products or must devote a majority of their production to CANARM. "This ensures that we get the priority and quality for our products which is essential," says Jim Cooper. "We buy quality products, made to our specifications, and get them at the right time and the right price. Our volume also gives us enough clout to get our containers delivered on time, or as close as possible. If you're a minor player with a low volume of containers you get an endless string of excuses about why your containers were left on the dock, often for weeks or longer."

The strategy regarding the mainland plants started slowly with two plants in the late 1980's and has grown today to a total of 26 plants. Most are located in the Pearl River Delta district, about two hours from Hong Kong by boat and a few are located near Shanghai where they produce products with specialty requirements.

This initiative started with fans, but has expanded dramatically to plants producing lighting products, which have become the dominant CANARM product category. Today, the majority of the plants produce lighting fixtures.

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### SHIPPING CONCERNS

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CANARM has developed a unique competitive advantage resulting from its concentration of several plants in a small geographic area. The Pearl River Delta plants are relatively close to each other – within an hour – so they are able to move containers from plant to plant, mixing a variety of products, to fill them. This 'co-loading' is something which is not usually possible because most manufacturers will only accept orders for full container lots and the buyer has to wait until enough products are available to fill a container. "We are able to do it," says Jim, "because the distance between plants is small and each of them has significant volumes available to ship. Without question, this advantage is one of the keys to our success."

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### THE KUAN FAMILY

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Herman Kuan and his wife, Helena, live in Hong Kong. Herman's role with CANARM has grown with the company and today it is a family business which has included his sister Linda for many years and more

recently his son Hermes (Ho Yin) and his daughter Claudia (Ho Lok), who are being trained by Herman and Linda. They represent a potentially valuable resource for the future as their skills develop.

Linda has become an expert on the endless details associated with exporting products from China and elsewhere in the Far East. "The details involved with exporting containers from China can be overwhelming," notes Susan Lamers and she adds, "Linda's expertise, in combination with our people in Brockville, is of immense value to CANARM. Getting the right paperwork in place to allow our containers to be loaded on the right ship at the right time and having them off-loaded without damage at the right port at the right time is a formidable task." Jim Cooper adds, "Linda is often left to keep several balls in the air while Herman is travelling, which is usually three or four days per week. She does a marvelous job and I don't know what we'd do without her."

Herman travels to the mainland three days a week, or more, to visit the manufacturing plants and solve problems. "I like to think of myself as a 'fixer'," Herman says. "I have a strong technical bent and it's my job to keep the people in the plants and Canada

# FAR EAST OPERATIONS

## THE KUAN FAMILY



**Herman Kuan, Director of Operations**



**Ho Yin Kuan, Executive Intern**



**Ho Lok Kuan, China Sourcing**



**Linda Kuan, Office Manager**

happy and to fix things that need fixing. Hermes is learning to do the same sort of things I do and we're becoming a good team."

Buyers from major North American customers come to China periodically and want to see the latest products in whatever category interests them. They will be accompanied by various representatives from Brockville – Jim Cooper, Susan Lamers, Danielle King, Jim Bennis, Bob Clarke, Courtney McDowell and others, all of whom have occasionally accompanied North American buyers. David Beatty has gone many times in past years but less frequently today. When a visit is pending, Herman and Hermes will set up the large showroom on the mainland to display the products the customers want to see.

Herman likes to talk about his relationship with CANARM, particularly David

and Jim. "Becoming part of CANARM, along with my family members, has been a wonderful experience. We have had fun and success growing the business, but we've also become friends. David and Jim are great people, as are the others who visit us from time to time. CANARM will continue to grow and prosper because of their leadership. They never slow down and great days lie ahead."

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### THE BOTTOM LINE

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David and Jim echo the same bottom line. "Our relationships with our Chinese suppliers are critical to our success. We live in a very competitive world and by combining the best of what China can offer with the best of what we can do in our North American plants, we position ourselves to be a formidable force."





*Two good friends, Jim Cooper and Herman Kuan. (2006)*





*The CANARM Showroom in China attracts many customers throughout the year.*





**2019 China Team celebrating Chinese New Years (full time employees, their families and some suppliers).**

# 5 THE CANARM GROWTH STRATEGY

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*There are many different paths leading to growth for businesses. Apple skyrocketed with unimagined new products, Amazon grew exponentially by showcasing the convenience of online shopping and Walmart became the world's leading retailer by delivering on promises of lower prices. There are endless additional examples, but, as Jim Cooper says, "In CANARM's case there has been great organic growth from our core products, resulting in part from continual reinvestment in facilities and product development, and then this growth was substantially bolstered by acquisitions."*

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**“We knew that we had to develop a more secure and broader revenue base to ensure our long term viability.”**

**– DAVID BEATTY**

From the late 1960s, the owners recognized that their company needed to decrease its reliance on agricultural fans as its core product. “We knew that we had to develop a more secure and broader revenue base to ensure our long term viability,” David Beatty notes. “Agriculture is cyclical and our fortunes would rise and fall with volatile agricultural markets. This was exhilarating in good times but agonizing in poor times. More stability was essential.”

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### **SEEKING IDEAL TARGETS**

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David elaborates, “We looked for companies which broadened our product lines, but had a reasonable fit and synergy with our existing businesses. We particularly looked for companies where we could utilize our strengths and skills to add value to their business. We have always reinvested our profits and used them to finance acquisitions and to expand existing facilities as needed. In fact, we the

shareholders have never taken a dividend.”

“Our overarching goal was to become significant players in each market segment, able to hold our own against all comers,” he adds. “Therefore, in just under five years from 2004 to 2008 we invested over \$100 million in a string of critical acquisitions and expansions which would change the shape of CANARM forever. It began with buying Florida Lighting, followed by BSM, then Leader Fan, Farmweld, Delhi and Titus and extended to the creation and building of the large Montreal showroom and warehouse and the purchase of expensive processing equipment. These are all dealt with in more detail in the pages which follow but David notes “These acquisitions, expansions and purchases set the table for what CANARM has become today. They were truly game changers which allowed us to broaden our wings and begin to really fly.”

One final element in the CANARM acquisition strategy was David’s penchant for personally buying

shares in targeted companies in order to gauge, over time, whether they would fit well under the CANARM umbrella. He could take a position as a board member or interested shareholder to assess their operations before finalizing a takeover. If it didn’t work out, he could sell the shares and move on. This was done with a number of the acquired companies.

This growth strategy began in the late 1960’s and continues today. The acquired companies must have a product line with a reasonable fit with CANARM’s existing product line or be a logical extension; the products must align with CANARM’s manufacturing, distribution and marketing/sales capabilities; the new products must increase market share in the segments involved; and the acquisition must provide a satisfactory return on investment within a reasonable time frame. This is a tall order.

The following outline provides a snapshot of the various acquisitions and in Chapter 6, you’ll find detailed stories about these major acquisitions.

# THE AQUISITIONS

## A THUMBNAIL SKETCH

### Canadian Armature Works

1969-70

Canadian Armature Works  
Montreal, Quebec

4 Seasons



4 Saisons

1986

Venair Inc.  
Quebec



2004

Florida Lighting  
Toronto, Ontario



2005

BSM Agri LTD.  
Arthur, Ontario

#### - CANADIAN ARMATURE WORKS - MONTREAL, QUEBEC – 1969-70

The acquisitions began with Canadian Armature Works in 1969/70, as was discussed in Chapter 3. The primary purpose was to acquire their significant market share for commercial/industrial fans and their customer and distribution network. This addition would open tremendous new opportunities for Danor, as every school, hospital, factory, office building and other commercial or industrial buildings became potential customers. It positioned Danor as a solid player in this much broader market segment and decreased the reliance on agricultural products.

The Canadian Armature line of “compact kitchens” brought an entirely new product to Danor and became a profitable unit within CANARM for many years. The acquisition also led to an 8,000 square foot expansion of the Brockville plant to accommodate the new products and equipment.

“The Canadian Armature Works acquisition was a huge step for Danor away from the barnyard,” David notes, “although agriculture remains a huge and valuable part of who we are today. It was a giant

step forward on a new path, and one which would transform our company.”

#### - VENAIR INC. - QUEBEC – 1986

Venair Inc. was a Montreal-based company which sold a variety of ceiling fans, but by 1986 it had fallen on hard times. When it was auctioned off under a bankruptcy proceeding, CANARM bid aggressively and became the new owner. CANARM’s interest in acquiring Venair Inc. was primarily due to a desire to establish a bigger footprint in the growing consumer market for household fans by acquiring their line of decorative ceiling fans.

The acquisition also brought a host of other benefits which are detailed in Chapter 6. Over time, these have evolved into a mammoth Quebec-based warehouse and distribution centre for receiving and handling all containers from China, plus a large showroom for consumer products and new offices. “Having a Quebec base was important because consumer preferences for a decorative household item were buoyed by the perceived Quebec sense of fashion. The various advantages resulting from this

acquisition turned it into a deal made in heaven,” says David.

#### - FLORIDA LIGHTING - TORONTO, ONTARIO – 2004

Florida Lighting was a Toronto-based manufacturer of decorative and fluorescent lighting products. The addition of fluorescent lighting allowed CANARM to join the parade towards more energy efficient lighting. This was also a major step in CANARM becoming recognized as a full-line lighting supplier. A valuable component of this deal was obtaining a vendor card for a large Canadian retailer. These were difficult to obtain and opened the doors to a very important customer. The full story of CANARM’s growth in the lighting business is told in Chapter 6.

#### - BSM AGRICULTURE LTD. - ARTHUR, ONTARIO – JANUARY 2005

BSM Agri Ltd. was a significant player in the livestock containment business, specializing in metal containment stalls, gestation stalls, feeders, watering systems and other products for the swine





2005

Leader Fan  
Toronto, Ontario



2006

Farmweld Ltd.,  
Teutopolis, Illinois



2008

Delhi Industries  
Delhi & Brantford, Ontario



2008

Titus Lighting  
Toronto, Ontario

and dairy industries. Its acquisition was a significant broadening of CANARM's agricultural line and was a fitting complement to its agricultural ventilation package. BSM was renamed CANARM AgSystems in 2008 and the Arthur Ontario plant was designated as the Centre of Excellence for all CANARM agri products. Agricultural products were shifted from Brockville to Arthur to make room in Brockville to expand the manufacturing of commercial/industrial ventilation products.

**- LEADER FAN -  
TORONTO, ONTARIO – MAY 2005**

Leader Fan was a Toronto-based manufacturer of commercial and industrial ventilation products. This acquisition strengthened the CANARM line of commercial ventilation products, bolstering a key business unit.

**- FARMWELD LTD. -  
TEUTOPOILIS, ILLINOIS – JANUARY 2006**

Farmweld Ltd. is based in Teutopolis, Illinois,

and is a market leading manufacturer of livestock containment equipment and feeding equipment for the swine industry. Its acquisition bolstered CANARM's strategic position in the U.S. hog market and added manufacturing resources to support growing demand in North America and beyond. It also has a warehouse where some imports from China destined for U.S. locations are landed, resulting in a significant freight advantage compared to delivering to these customers via Montreal. The BSM and Farmweld stories are told in more detail later.

**- DELHI INDUSTRIES -  
DELHI AND BRANTFORD ONTARIO – 2008**

In 2008 CANARM merged with Delhi Industries, a leading supplier of centrifugal blowers and other HVAC equipment.. This merger greatly strengthened CANARM's position as a major player in the HVAC market, making it possible to offer one-stop shopping for almost all air-moving requirements. Delhi Industries had two plants, one in Delhi Ontario and one in Brantford Ontario.

**- TITUS LIGHTING -  
TORONTO – 2008**

The acquisition of Titus Lighting in 2008 allowed CANARM to offer consumers "crystal and lucite lighting", popular residential products used in chandeliers and other lighting fixtures. This major addition to their product line increased both their diversity and sales levels, propelling CANARM into a significant position in the residential lighting market. This acquisition gave CANARM a large footprint in a key chain store account because 90% of Titus' sales were at Home Depot. "This was a large increase in our sales of lighting products," says David Beatty, "but equally important, our relationship with a major home improvement retailer bloomed, enabling us to seek listings for other CANARM products. They have since become a huge customer and now carry a full line of CANARM consumer products."





# THE THREE-LEGGED STOOL

*Agricultural Products . HVAC (ventilation) . Consumer Products.*

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*CANARM Ltd. is divided into three business units: Agricultural Products; HVAC (Commercial/Industrial/ Ventilation Products); and Consumer Products. (Lighting Fixtures and Residential Fans).*

*There is some overlap and various synergies, but together they are referred to as the "Three Legged Stool". This chapter provides a more detailed look at some of the acquisitions and how they fit together to form the stool.*

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# AGRICULTURAL PRODUCTS



# HVAC (VENTILATION)



# CONSUMER PRODUCTS



Bill VanLenthe, BSM owner. (1995)



BSM tradeshow - stabling equipment.



Plant in Arthur, Ontario. (2005)

## LEG ONE AGRICULTURE

CANARM's deepest roots lie in agriculture. Norm Carson's fledgling Danor operation in tiny Gorrie, Ontario began by producing equipment for local farmers – equipment fabricated from sheet metal for feeding and watering birds and animals, for manure handling, for duct work, and for plumbing and heating. Following the move to Brockville in 1963, the company initially continued in this vein, but an emerging market for agricultural fans changed the focus dramatically.

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### WHAT CHANGED?

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The widespread availability of electricity in rural areas in the 1950s and 1960s led to dramatic changes in the rural landscape. The small Mom and Pop farms, with a few chickens, pigs and cows, which had dotted the countryside for generations slowly gave way to much larger farms with mega-barns to house poultry, swine and dairy cattle. New animal husbandry systems were required because housing dense quantities of birds or animals in a confined space made it essential to control air movement. Exhaust fans were needed to exhaust stale air – in some cases including high levels of ammonia and/or dust – and replace it with fresh air.

Moving air properly protects the health of the birds or animals by keeping barn temperatures in the ideal temperature range for optimal performance. This translates into increased productivity – more eggs, more milk, or more chicken per unit of feed. The exhaust fans fattened farmers' wallets, and, because money



talks, they eagerly bought them. Fresh air was good for business.

Most people don't care about how or why a fan functions – they simply want it to work – but to Norm Carson, fans were a study in design and engineering. He designed fans whose performance

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*To Norm Carson fans were a study in design and engineering.*

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outranked his competitors' products and the Danor fans began to gain market share and build an enviable brand reputation. He sought the optimal combination of fan blade size, degree of pitch and motor size, then specified the ideal rpm's to power it. By the 1980s agricultural fans were still dominant CANARM products, although the acquisition of Canadian Armature Works and others had significantly broadened the base. Opportunities for further diversification and expansion became necessary and were sought aggressively.

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### THE ACQUISITION OF 'BSM' - 2005

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David Beatty was aware of a company called Bill's Stabling and Manufacturing, based near Arthur, Ontario. Known in the industry simply as 'BSM', it had an enviable reputation for manufacturing a variety

of metal confinement products, called 'stabling products', for the swine and dairy industries. Its reputation for innovation, quality and fair dealing had a strong appeal to David, along with the fact that it serviced markets totally unknown to CANARM.

The signature BSM products were their metal confinement stalls, gestation stalls, farrowing equipment and feeding/watering equipment, all of which were 'best-in-class' so their sales grew rapidly in Canada and the U.S. and even extended to Holland and Germany.

In 1995, David began lengthy discussions to acquire BSM. He began by personally acquiring 50 percent of their shares and by 2001 he'd acquired the balance to become the sole owner. As with other acquisitions, however, David left their management group intact to run the company until he was sure it made sense to merge it with CANARM.

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### BSM OFFICIALLY JOINS THE CANARM GROUP

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In 2008, the Arthur location officially became part

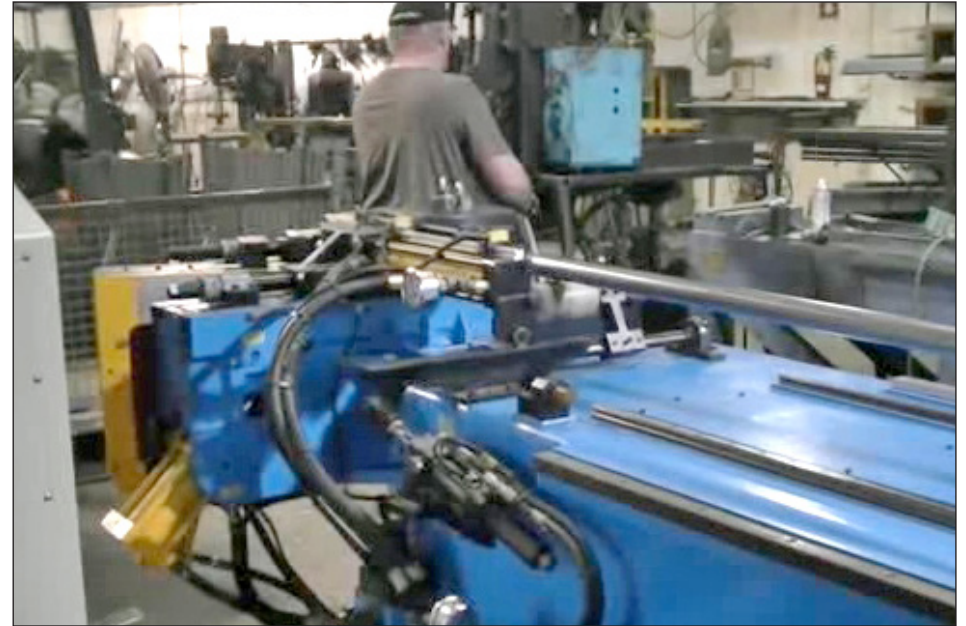


of the CANARM group. It was re-named CANARM AgSystems to reflect the connection to CANARM and strengthen the brand awareness. Two years later, in 2010, it was designated the 'Centre of Excellence' for all of CANARM's agricultural products and everything related to agriculture that could possibly be shifted to the Arthur location was moved – such as the agricultural fans, motors and livestock water bowls previously produced in Brockville. This freed badly needed space in Brockville to be used for the growing line of HVAC (ventilation) products.

The business in Arthur grew and in 2013, a \$500,000 laser used in cutting metal was added, dramatically improving efficiency. In 2015, a new electronic sow feeder was created, known as Sow Choice. Other forward steps included partnering with Intelia, a Quebec company which specializes in agricultural ventilation and lighting systems. This led to great new agricultural lighting products like the Solo Lighting Dimmer and the Nano Control for modern mega barns. The foray into lighting occurred in part because CANARM's expertise spurred the development of other products for barn lighting using efficient LED lights. Sales to the dairy industry are now the leading category, although the business stayed true to its roots with continuing sales to the hog industry.



***Black Iron Pipe being received.***



***CNC Automated Pipe Bending Machine.***



***Arthur plant has many years of working with robotic welders.***



***Motorman Robotic Welder. (2018)***



# Our deepest roots lie in agriculture.

In 2017, the old farm house which had served as the offices was torn down and replaced by a new building housing the administration, sales and marketing employees. It adjoins a new showroom which added a desirable level of sophistication and professionalism to the brand.

Wayne Mick, who oversees production at the Arthur location, is effusive about the support and leadership provided by CANARM. "There were synergies we didn't expect, such as the assistance with barn lighting systems, which have proven to be invaluable. The logistics expertise of Susan Lamers and her people in dealing with importing is extremely helpful. The marketing support from Danielle King's group gives us professional materials for our all-



**Wayne Mick,  
Operations Manager**

important trade shows. These things jacked our game up a significant notch and made us a tougher competitor."

Bill Krul, a BSM veteran with 45 years of service recalls the changing landscape at BSM. "I started on the production floor and after a short while, they taught me how to weld. We kind of ran an all-purpose farm-oriented repair centre in the early

days. We'd fix elevator legs and trailers, repair manure systems, feeders and watering systems. You name it – we'd do it! We slowly evolved into producing stabling systems for both hogs and dairy, however, and this is where we made our mark. Stabling became our central focus."



**Bill Krul, Dairy Products  
Territory Manager**

territory sales rep., a position I still hold. My territory runs from Ontario to the west coast and I love it. We have other sales people covering the Maritimes, Quebec and the U.S. and our local team is strong, with Wayne Mick running production and Paul Fallis running sales. They are our guiding lights."

"There were initial concerns about our new owners, but as we got to know the CANARM people those rapidly faded away," Bill says. "David Beatty, Jim Cooper and Doug Matthews and their staff are great people to work with, although they can be demanding, and set tough goals, which we take great pride in meeting. There was some debate about

whether to replace some products with imports, but with the assistance of new equipment, such as the laser cutting and robotic welding, we have been able to stay competitive and we continue to manufacture them here, preserving local jobs. Automation cures a number of ills."

Paul Fallis, Sr. Sales Manager at the Arthur location, notes that, "We sell our line of dairy stabling systems in the U.S. because our sister company, Farmweld, based in the U.S. strictly handles swine products.

Freight costs restrict our competitiveness in selling swine products in the U.S., so CANARM's acquisition of Farmweld was a big help – giving CANARM a U.S. location."

Paul also notes that, "The sales of LED lighting to agricultural customers are new and exciting, with strong growth prospects." He adds that, "Imports are about 15-20 percent of our sales and are a competitive necessity with various product lines. It's part of the game."

Today the Arthur facility is solidly managed and very profitable.



**Paul Fallis, AG Sales  
Manager/International  
Sales**



**Louis Drost, Metal Fabrication Lead Hand.** Louis has been at the Arthur location since March 1986. He is seen here making heated waterer parts on the ERMAKSAN 193 U.S. TON CNC BRAKE PRESS. (new in 2017)



**Comfy Calf Suites Pics installed at a US dairy facility. (2018)**



**CANARM exhibits at many tradeshows. This was at a Dairy Show in Madison, Wisconsin in 2018.**





**CANARM<sup>®</sup>**  
**AgSystems<sup>™</sup>**  
**PUTTING INNOVATION TO WORK**

*Arthur employees gather to celebrate the opening of their new office facilities in the Spring of 2018.*



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### THE ACQUISITION OF FARMWELD, INC. - 2006

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David was also aware of Farmweld, Inc., a U.S. company recognized as a leader in supplying quality equipment to the hog industry. Farmweld, based in Teutopolis, Illinois, had an enviable reputation as a leader in designing and manufacturing quality products and had established a significant market presence. Its founder, Frank Brummer, a welder by trade, started the company in 1979, and his Farmweld Feeders became the industry gold standard. He eagerly sought design ideas from his customers and blended their suggestions with his own critical observations to produce innovative products. He also extensively studied research on animal behavior, improving designs to accommodate the needs of animals. The result was a superior product, touted for its durability and performance and rewarded with ever-increasing sales.

Farmweld's business expanded to include flooring, gating, gestation and farrowing equipment and drinkers. His company survived the devastating economic hardship faced by the U.S. hog industry in the late 1990's, thanks to his solid reputation for quality and value. By the early 21st century, sales had spread outside the U.S. to Europe, China,



**Frank Brummer,  
President**



***The Farmweld Hog Feeder, pictured here, has become an industry standard.***

Japan, New Zealand and Canada. Farmweld was always an early adapter of the latest technology and equipment, including robotic welders and 24-hour manufacturing, enabling the company to stay on the leading edge of industry practices.

But Frank also recognized that business success was not all about products. It was also about innovation and marketing. "The best product will go nowhere if it isn't marketed properly," he says. "We devoted ourselves to great marketing and building a brand, as well as to making superior products." He proudly adds, "We pushed hard to be the first out of the gate with better products, and a measure of our success was that we attracted followers." Farmweld chose to focus solely on the swine industry. "It's what we know, and it's a field in which we feel that we can be the best," says Frank. "The combination of great products and great marketing led us to the top as suppliers to the swine industry."





*Farmweld is located in Teutopolis, Illinois. A 65,000 sq. ft. distribution centre will be added in 2019.*





**Automated Laser Cutting Centre.**



***The Farmweld A-Crate, for confining hogs is made of solid-rod construction for superior durability.***

After twenty six and a half years running Farmweld, Frank decided it was time to consider passing the torch. He says, "What I wanted was a new owner who would respect the culture of excellence we had created and who would agree to continue operations in Teutopolis and maintain jobs for our good people."

There was no shortage of suitors interested in buying the company because Farmweld was a very attractive takeover opportunity. Frank had briefly met David Beatty at trade shows and other industry functions, but once David knew that the company was eventually going to be sold, he began an intensive three-year courting of Frank.

Frank says, "I came to view David as honest and someone with vision and a love for the industry who would keep his word regarding future operations staying here and prospering." He finally agreed to sell the company to CANARM, and in 2006, the company changed hands.

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#### **SO HOW DID IT WORK OUT?**

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Frank is effusive, "It couldn't have gone better. The CANARM group of people are everything we hoped for and much more. They stress accountability and quality along with stringent management controls. Their strategic planning





**Powder coat paint line.**



**Farmweld Shelf Feeder for advanced wet-dry feeding from the leader in wean-to-finish feeder design.**

looks forward, and their assistance to our operations has been hugely beneficial. They have invested in our facilities, and we now have a large addition to our warehouse and are planning a new showroom and remodeled offices. Farmweld is in good hands."

Lori Runde, Vice President of Farmweld, echoes Frank's comments. "We truly appreciate all the great leadership and support that the CANARM group gives to us," she notes. "Susan Lamers and her team provide expert help with the CANARM products that are imported to Farmweld, and the relationship with Paul Fallis and his group at the Arthur plant is beneficial in sharing product and manufacturing knowledge. It's exciting to be part of a company that has such a bright future!"

The CANARM operations in Arthur and Teutopolis bridge international lines to position CANARM as a major player in the North American agricultural industry. Together they constitute a very sturdy leg in the Three-Legged Stool.



**Lori Runde,  
Vice President**

## LEG TWO HVAC (VENTILATION)

Stew Beatty felt strongly that it was essential to become a mainstream player in the ventilation business. To do this meant moving beyond their beloved roots in agricultural ventilation to the far larger world of providing specialized fans for industrial and commercial customers. The growth prospects in this market segment were incredible and he sought the right opportunity. The acquisition of Canadian Armature Works, as noted in chapter 3, was the answer to his prayers because it came with a complete line of industrial/commercial fans and an impressive customer list ... and it positioned CANARM as significant players in this vital and growing segment of the overall air moving market. "Suddenly it was a new ball game." notes David Beatty. "This was a game changer."

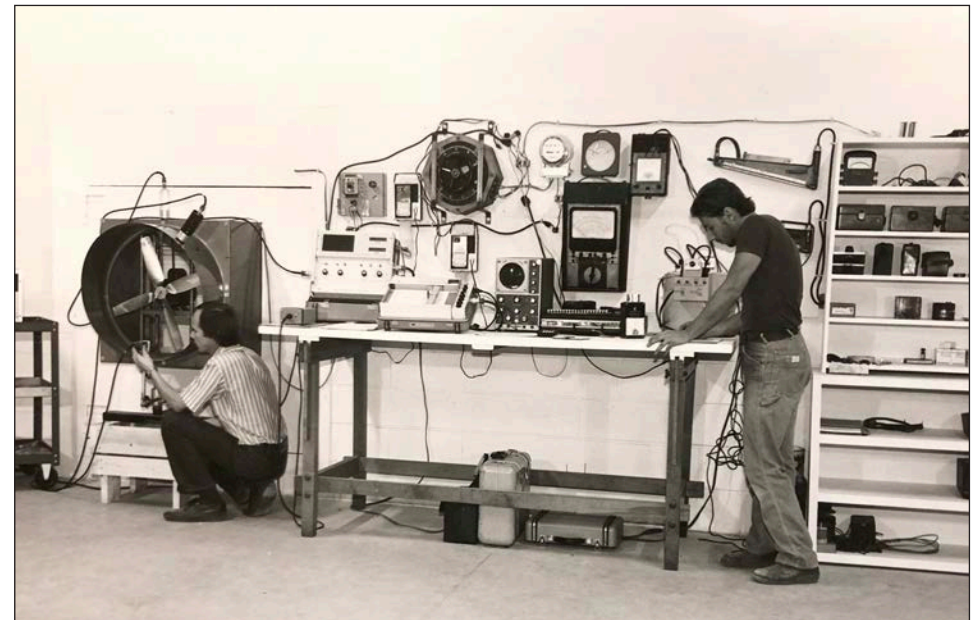
The Canadian Armature Works acquisition also brought the profitable compact kitchen line, described elsewhere in this book, but the sole reason for the deal was to enter the industrial/commercial ventilation business. This was the forerunner of several other acquisitions which combined to make CANARM a ventilation heavyweight.

The acronym HVAC stands for Heating, Ventilation and Air Conditioning. In CANARM's case it's all about ventilation – moving air in a variety of ways for a variety of purposes with a full array of products.

Jim Cooper likes to say, "Our goal is to ensure that any company with a concern involving the need to move air calls us. Our complete line of air handling products can provide a solution to almost any situation which may arise." That statement may be true in 2018, but Jim notes that it wasn't always

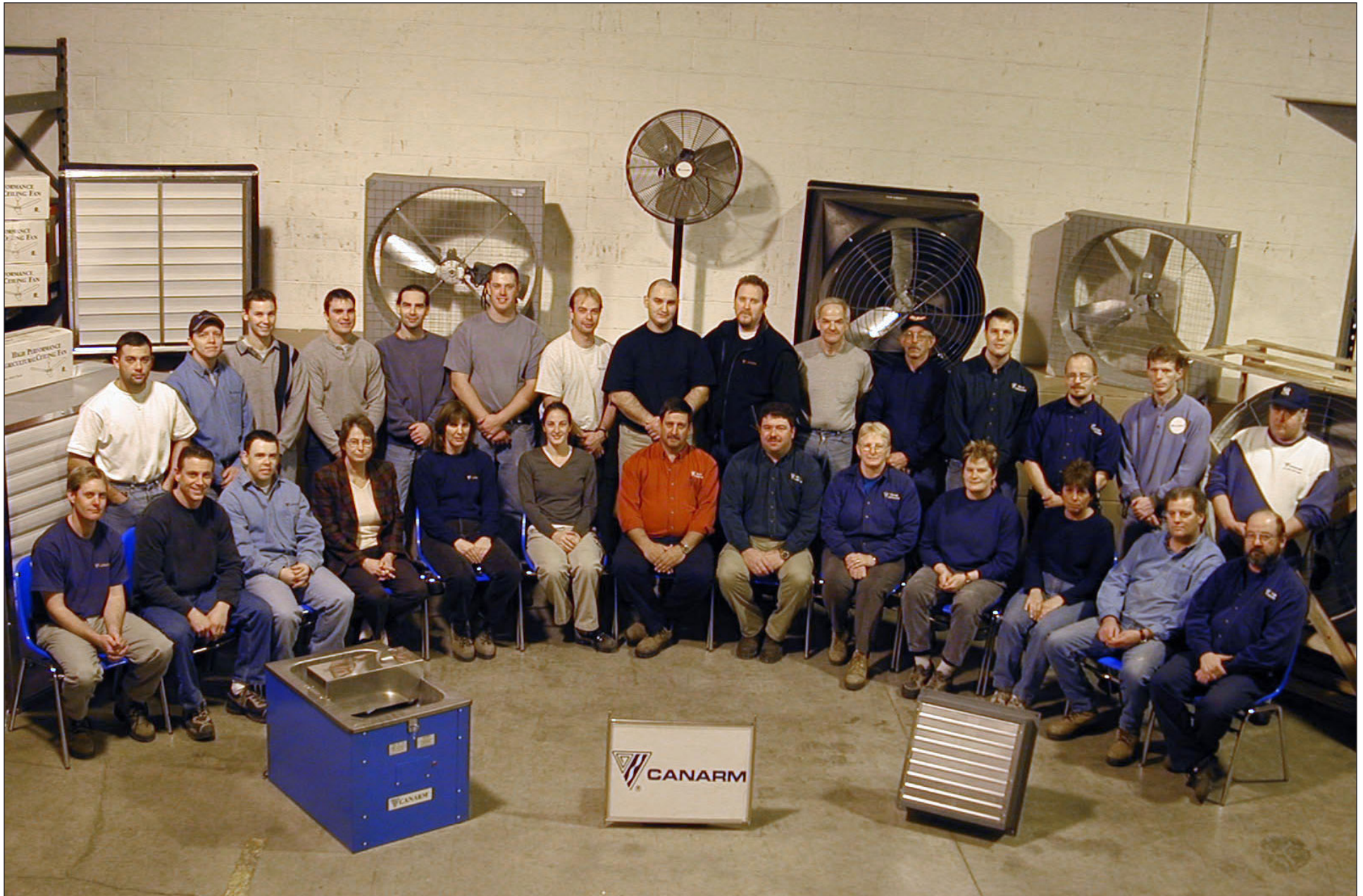


**Computer Numerically Controlled Press Brake.**



**Test Lab 1980 - Measuring airflow of an Exhaust Fan.**





**2022 Brockville Plant Employees:**

**Front row from left to right: Kevin Sloan, Aubrey Boyer, Dave Frampton, Gail Vesico, Laura Latimer, Laura Sampson, Jeff Shaver, Wayne Wright, Sandy Sayeau, Debbi Doyle, Wanda MacPhail, Dave Pate, Billy Haggart. Back row: Chris Darling, Steve Marsh, Matt Ferguson, Steve Sled, Derek Adams, Chris Eckford, Clint Day, Shawn Woodward, Scott Wykes, Jim Kelly, Mark Workman, Steve Helmus, Rob White, Jeff Stevenson, John McDonald.**





**Mark Workman assembling circulating fans.**

this way. "By the early 1990's David Beatty and I recognized that CANARM needed to broaden its HVAC product line to provide 'one-stop shopping' for all types of air handling equipment."

Delhi Industries had long been on CANARM's radar screen and looked to be a perfect fit. They produced blowers and centrifugal fans which CANARM did not offer, leaving a substantial hole in their product lineup. "Air is pulled with fans and pushed with blowers," David points out, "and that push is needed to move air in furnaces, air conditioners and all sorts of other applications. We had the pull, but not the push, and were missing a large slice of the market for industrial/commercial fans."

There were other substantial benefits regarding the possible acquisition of Delhi. Their people had skills compatible to CANARM's employees. They knew how to produce sheet metal products and had some market-leading innovative designs. "Their product line would complement ours," adds David, "and open doors to important new markets, both in



**Chris Eckford injects foam into heated livestock waterer parts.**

Canada and the United States." The Delhi potential whetted David's appetite and he hit the acquisition trail.

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#### **DELHI INDUSTRIES LTD. - 2006**

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Delhi Industries' historical roots are deep, stretching back to 1939. Its founder, Lewis McClatchie, was aware of the inefficiency of moving heat through homes using gravity furnaces and knew that moving it mechanically with residential furnace blowers would provide increased efficiency and lower heating costs. The technology was in its infancy so he boldly designed his own line of blowers and began to manufacture and sell them.

The blowers immediately offered tangible benefits and the company grew steadily. The annual sales of blowers grew from 3000 units in the late 1940's to over 100,000 in the early 1970's and Delhi became the market leader in supplying blowers to furnace manufacturers. Other HVAC products

were added for purposes beyond furnaces such as air conditioning and commercial ranges and their product line expanded to include centrifugal fans, manifolds, heat transfer coils, modified blowers for use in drying tobacco and more. By the mid-1990's Delhi had three plants in Delhi and Brantford, Ontario and its sales had expanded beyond Canada to the U.S.

Delhi Industries had become a market leader in Canada and its products were distributed from coast to coast. Early successes with small orders in the U.S. led to bigger orders, and by the mid-1990's, their sales were split almost equally between Canada and the U.S. A significant part of Delhi's success in the U.S. was specialized blowers designed for the restaurant industry, and the increased use of blowers in domestic appliances like ranges and air conditioning units. Their sales mushroomed and with all of their products being made in Canada, it was unquestionably a Canadian success story. It was also an attractive takeover prospect for CANARM.



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## OWNERSHIP CHANGES

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Over the years, the company had changed hands several times but stable ownership finally arrived in 1994, when David Beatty bought 84 percent of the shares from Ensis, the owner at that time. He took the company private in a management buyout, but left the existing management group in place. In 2006, he bought the remaining 16 percent to become the sole shareholder.

David Barclay, who had recently replaced Walter Wood as the President of Delhi, says, "By 2005 our management group had come to know David Beatty and Jim Cooper and the rest of the CANARM group. We liked them and trusted them. Some of our management group, including David Banning, a Sr. V.P. and I, were facing health issues, or were getting older and considering retirement. The management of the company by a solid new owner was essential for it to carry on successfully and it was comforting to us personally to have CANARM take over, as we moved towards retirement."



**David Barclay,  
Delhi President**

David Beatty has an interesting style regarding acquisitions. He privately purchases shares in targeted companies and remains hands-off in terms of day-to-day operations, preferring to be involved solely as a board member or shareholder with oversight regarding major decisions. "I like to watch their performance and assess whether or not the company in question would truly be a good fit with CANARM. There's no rush to decide and if all lights are green, eventually we will merge the acquired company with CANARM." So it was with Delhi, and in 2006 the merger was finally started.

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## CONSOLIDATION

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By 2008/2009, it was increasingly obvious that problems at CANARM needed to be solved. The deep recession of 2008 affected businesses across North America, Delhi's sales were curtailed and their margins squeezed. By this time, CANARM was operating thirteen plants in North America as a result of several acquisitions and the utilization of the available manufacturing space was unsatisfactory. None of the plants were running second shifts and average capacity was well below 50 percent. Consolidating the operations was essential to improve efficiency levels and reduce costs.

The major potential closure involved the Delhi Industries plants. Although



**Mike Tribe assembles a G-series blower.**



**Tim Hull, Senior Design Engineering Technician at CANARM uses solid modelling software to design an A2X Spun Aluminum Exhauster. He also uses 3D printing technology to allow for multiple rapid design iteration and low cost prototyping, prior to expensive tool ups.**



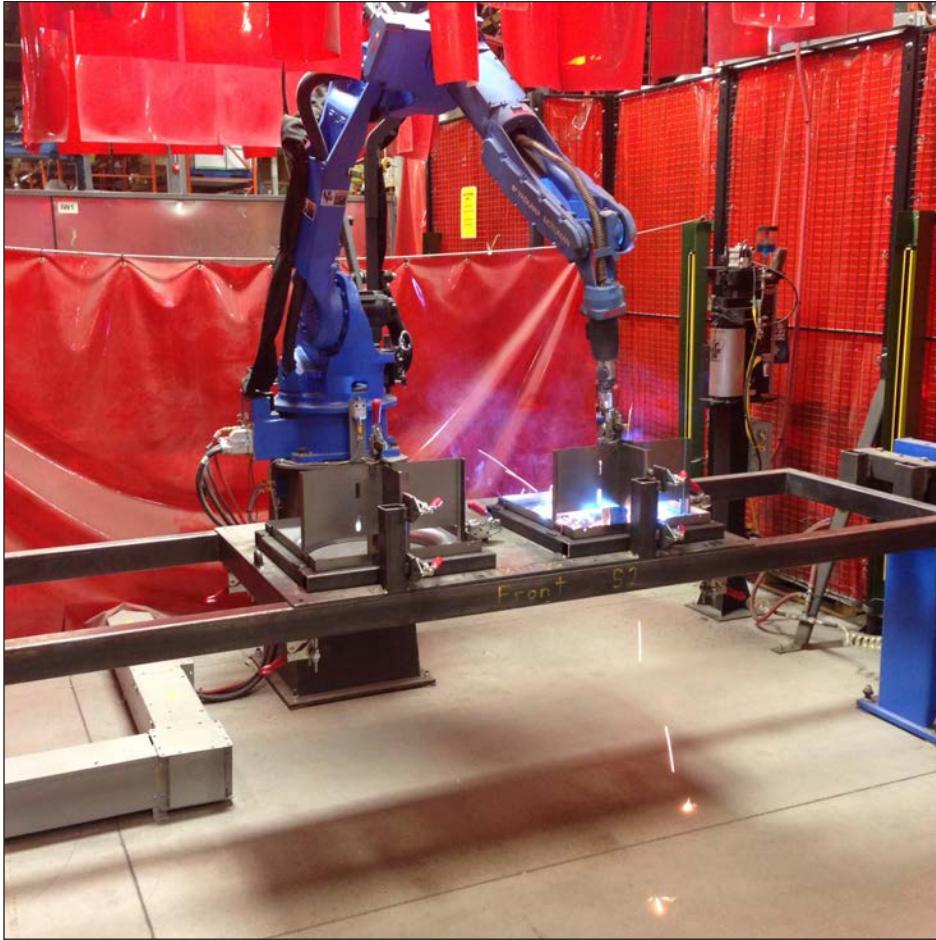


Phoenix Laser cutting machine - Brockville plant. (2018)



*In 2010 the Brockville factory expanded by 40,000 sq. ft. to accommodate the Delhi product lines and was designated as a 'Centre of Excellence' for all HVAC products. In turn, all products relating to agriculture, previously produced in Brockville, shifted to the Arthur location. In the photo above employees assemble a Delhi line of G-series blowers.*





***In 2015 the Robotics welder was installed in the Brockville plant.***

they employed 80 people, the two plants were badly underutilized and the leadership had been weakened by the retirement of some key people. "The decision to close the two Delhi plants and move the equipment and inventory to Brockville was one of the toughest calls of my business career," says David. "It also necessitated a major capital expenditure in the midst of rough economic waters because a 40,000 square foot addition was required in Brockville to accommodate the Delhi equipment."

The construction began in 2009 and was completed in 2010, making Brockville the hub for the company's HVAC division. The expanded plant was designated as the 'Centre of Excellence' for all HVAC products, including commercial/ industrial fans, blowers and all associated air handling equipment and product groupings were centred around the appropriate plants.



***Power Paint Line, Brockville plant. (2009)***

When the doors were finally closed on the two Delhi plants, some 80 people lost their jobs in Delhi and Brantford. "The employees were offered relocation packages to come to Brockville, but none accepted. Obviously home turf has a strong pull for most people," David says, "and getting them to move just didn't work out."

David adds, "In the long run, closing the Delhi plants actually saved jobs within CANARM. Instead of operating too many plants at 30 percent capacity, we now had two strong plants in Brockville and Arthur, operating at well over 50 percent capacity. We were able to schedule double shifts to lower our costs, thereby increasing our competitiveness which protected jobs."

CANARM had swallowed the strong medicine necessary for its survival. Leg Two was now secure.





*HVAC Trade Show Booth 2018 - Atlanta.*

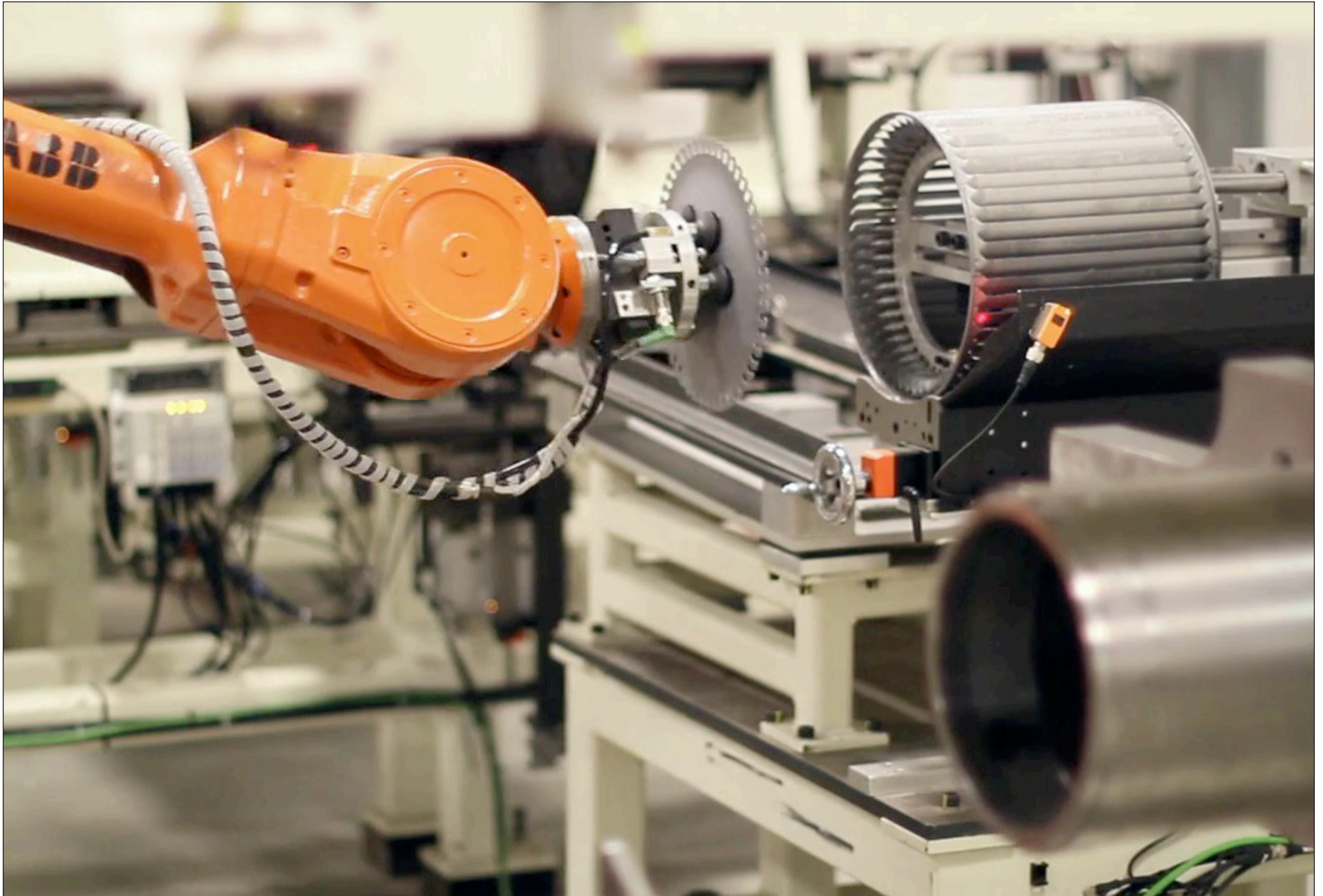


*In 2014 Punch Press was added to Brockville plant.*



*Spinning equipment - Brockville plant. (2019)*





*In 2016 CANARM added an automated production line for 6" – 20" forward curve blower wheels. This equipment manufactures wheels as quickly as 45 seconds with no human intervention. This custom made equipment takes advantage of the latest in manufacturing technology and robotics to provide the speed, accuracy and quality required for today's energy efficient ventilation products.*

Elegance

CEILING FANS



***CANARM's decorative ceiling fans began with traditional designs featuring antique brass and polished brass finishes. Optional light kits and wall controls were added as accessories making these fans extremely versatile.***

***The fan above, known as the Marco Polo, was the best selling fan in North America and at its peak sold 500,000 pieces in one year.***



## LEG THREE CONSUMER PRODUCTS

Consumer products in CANARM's world are roughly defined as products chosen by homeowners for use in their residences. Becoming a significant player in this field was a sea of change for CANARM. "Instead of dealing with distributors and wholesalers for agricultural and industrial/commercial fans, we were entering a hot and dynamic retail game where the primary focus was design. The story below traces the events that moved CANARM into two broad areas of consumer-based businesses – decorative fans for residential use and lighting fixtures for use everywhere. Life was never going to be the same.

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### DECORATIVE RESIDENTIAL FANS

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David Beatty received a strange phone call in the early 1980's from Fred Fennell, a guy he knew vaguely who worked for a Canadian company that was going out of business. Mr. Fennell was given



a very unusual severance package – the company's entire inventory of industrial fans. Fred said, "If you buy the entire stock, I'll give you a healthy discount and I'll act as your agent to make sure they all get sold." Fred's word was good and they agreed that Fred would become an agent for CANARM to enter the growing residential fan market.

Retail sales were booming, primarily through specialty fan stores such as The Fan Man in Markham," says Jim. "David and I stood outside his store one hot day in May and watched customers come out carrying two, four, even six fans at a time. " This is big business, they thought, and although CANARM had never sold residential fans, they were intrigued and decided to give it a shot. Fred was a born salesman, a great role model for a young Jim Cooper, and he successfully sold CANARM residential fans to Beaver Lumber and a string of specialty stores. "CANARM took a step in a new direction but we soon realized that we needed to get bigger or get out. "

"This was our first entry into the decorative fans business," recalls David. "We now had a toehold,

but we were a very small player. We knew we had to get bigger and while we pondered the situation, we had to find suppliers of decorative fans in Taiwan and Hong Kong to keep our few new customers happy. The suppliers we contacted offered us the "40/20" deal, a deal which was to become very important to CANARM."

The so-called '40/20' deal offered an incentive to buyers of fans to help fan manufacturers move surplus industrial fans for customers willing to buy decorative fans. "Hey Mister David, for every decorative fan you buy at the regular price of \$40," the sellers would say, "I'll sell you an industrial/commercial fan at \$20." This was about half the price they had been paying for industrial/commercial fans on a stand-alone basis and this offer was of incredible value to CANARM because their sales of industrial/commercial fans were many times greater than their sales of decorative fans. This offer would allow them to be competitive with others who unquestionably were being offered this same deal. "We had to go with this offer," says

David, "but it also meant we had to buy and sell a hell of a lot more decorative fans. We needed more customers."

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### **THE VENAIR ACQUISITION – BECOMING A SERIOUS PLAYER**

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David assessed the potential value of acquiring a Montreal-based company called Venair Inc. which specialized in selling decorative residential fans. He has particularly fond memories of the day in 1986 that he successfully closed the deal to acquire Venair. "The acquisition made great sense for CANARM on several fronts," he says. "Most importantly, it bought us significant outlets for decorative fans allowing us to buy half price industrial fans using the 40/20 offer. This alone made the deal worthwhile."

Homeowners loved the decorative fans with the stylish wooden blades designed to complement the décor of contemporary homes. They were a hit, and sold in significant numbers with further strong growth forecast. "We had been importing limited

quantities of decorative fans for a few years with sales to Beaver Lumber and some specialty fan stores, but now we were a real player. This was a whole new ball game," says David.

Consumers wanted these fans to be equipped with a light because they usually replaced an existing light fixture. Sourcing these lights was CANARM's first tiny step into the lighting business – a business which would one day become their dominant business. But we'll come to that story later.

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### OTHER BENEFITS

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The Venair acquisition offered a string of benefits to CANARM. "Selling products in Quebec is facilitated if you are considered Quebecois," explains David, "so the Montreal area plant acquired from Venair nicely checked this box. Adding the Venair volume of decorator fans to our existing business increased our market share in this important segment, thus checking another box. It allowed us to buy industrial fans at half price for every decorator fan we bought at full price."

The deal provided room in the Montreal plant to land containers of imported goods from Hong Kong instead of sending them to Brockville. Containers had been arriving from Hong Kong in Brockville in increasing numbers by the mid-1980's and relocating them to Quebec freed space in Brockville for other manufacturing purposes. In the years following, a large new warehouse and distribution centre would be built in Laval, Quebec, ultimately receiving virtually all imported products, and boasting a sparkling new showroom and offices. This new facility was named the Centre of Excellence for imported consumer products, thus completing this designation for the three legs of the stool.

Important freight cost reductions were also realized as a result of the Venair deal. The containers from China were shipped to Montreal which is a major port city. It's much cheaper to offload containers in a port



***An early China trip involved a little penny-pinching. David and Jim soon realized why the hotels on the South-side of the River were cheaper. The hotels on the North-side had heat. (1998)***

city and have them delivered locally to a Montreal warehouse than it is to load them onto a truck to be delivered over 200 kms to Brockville. Secondly, an immense number of trucks leave the Montreal area every day, breeding intense competition, and resulting in lower trucking rates than those available in Brockville. "The delivery costs from Montreal to Toronto are significantly lower than from Brockville to Toronto," explains David, "even though the distance is far greater. Competition is a wonderful thing."

"Finally," David reminisced, "we were anxious to meet Venair's suppliers of decorative fans in

Taiwan. We assumed that these contacts would be invaluable because Venair had long-standing supply arrangements." Unfortunately, they were sadly mistaken.

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### TAIWAN BECKONS

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David arranged to fly to Taiwan to meet Mr. Robin Fan, the English name adopted by the principal officer of the Taiwanese company that supplied Venair's decorative fans. The ex-President of Venair



was supposed to go with David, but at the last minute he backed out. David then decided to invite a young Jim Cooper to accompany him.

"Jim was only 26 years old," David recalls, "But he had impressed me with his management skills and he showed strong promise for the future. I thought it would be great exposure for him."

Jim was astounded by both the invitation and the opportunity. "I had never been overseas," he says. "I had never been on an airplane and I didn't have a passport." With help from the local M.P., Jennifer Cossitt, in two days they procured a passport for him and got him on the plane.

"Once we were airborne" Jim laughs, "David handed me a set of chopsticks and proceeded to show me how to use them. He says I'd better learn if I wanted to eat in Taiwan. I practiced for hours before we landed and David put his head back and slept."

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### TAIWAN – SOMETHING'S NOT RIGHT

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They arrived in Taipei and had a two-hour drive to the offices of Robin Fan. They were scheduled to spend the next three days visiting various manufacturers and Mr. Fan, (the choice of his name is wonderful for a guy who sells fans), who looked like a character out of central casting, welcomed them effusively. "We had a quick tour of one factory and ate dinner with them, but David didn't think things seemed right." Jim says. "He has always been a great judge of character and after dinner he told me that things weren't what they seemed."

When they got to their hotel, David said to Jim, "I rarely take an instant dislike and distrust to someone, but I know that I'll never do business with Mr. Fan. I'm going to leave you here and I'll meet you in three days at the train station. You can tell them whatever you want about me disappearing and you'll have to pretend that you're interested in whatever they show you."

Jim was flabbergasted. "Where are you going? What will you do?" David simply said, "I'll see you in



**3 key employees were added to the CANARM team with the acquisition of Venair Inc. in 1986. Josée Goyette, Robert Desrochers and Joan Picard.**

three days," and he went to bed.

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### FINDING NEW SUPPLIERS

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David used the three days to search out and visit other manufacturers of decorative ceiling fans in Taiwan. He discovered that Venair was being overcharged by 10-15 percent and that Mr. Fan, a one-third owner of the company that supplied Venair, was pocketing the difference. David chose new suppliers who gave him much better deals and CANARM never bought a single fan from Mr. Fan. David set up great supply lines to accommodate anticipated growth in residential fans. When he heard what David had done during the three days they were apart, Jim was impressed. "I'd never been close to David negotiating deals before and I learned

a great deal."

Jim survived his three days with Mr. Fan, touring plants and eating bad food. When the agonizing three days were finally over, Mr. Fan recognized the futility of doing business with CANARM, and the meeting ended. David and Jim went by train to the Taipei airport and boarded a plane for the short hop to Hong Kong. An eventful trip was behind them.

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### THE MONTREAL FACILITIES EVOLVE

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Only seven of the Venair employees stayed with CANARM, and one of them, Joan Picard, is today the site manager at the Montreal warehouse and showroom. "I was disappointed that CANARM was the successful buyer," she says. "I viewed them as



**Joan recalls, “The first building they bought for us was on Grenache Street, in Montreal. David bought ¾ of it and had to buy the rest a few years after.”**

a minor player, not really in the same game as we were, and I was hoping Venair would be sold to a big local competitor like Nadair.” Her opinion soon changed. “Was I ever wrong,” she says. “CANARM was the best thing that could have happened and their people – particularly David Beatty and Jim Cooper, but also all the others – are first class. It’s turned out better than my wildest dreams.”

The building they originally acquired in 1986 was replaced by a larger 40,000 sq. ft. building in 1992. Joan continues, “The number of containers we were receiving grew rapidly, however, and we were continually short of space, which led to adding another 15,000 sq. ft. At times it was like we were operating out of three buildings and it was a logistical nightmare.”

Finally, in 2007, CANARM bought land at the east end of Montreal and built a 100,000 sq. ft. facility with 40 ft. ceilings and state-of-the-art racking systems, complete with computer controlled inventory management. It also contained a sparkling new

showroom for consumer products and new offices. “The difference was night and day,” says Joan.

Containers arriving at the Montreal warehouse are now unpacked and sorted into orders to be shipped across North America, roughly a 50/50 split between Canada and the U.S. All deliveries are with outside carriers.

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**JOAN PICARD – RECOLLECTIONS**

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Joan had a couple of favourite recollections, the 2008 computer crash being the worst time that she remembers. “We didn’t know what we had in inventory and whether we could fill our orders. We didn’t know what to order from Taiwan or China. We didn’t know how much we owed or who owed us. We worked 16 hour days for weeks and months to get the new Epicor computer system up and running. When it was finally operational, we all needed a few drinks and a holiday.”

Her other brief recollection is that David gifted all

of the employees with commemorative watches when the company had its first year with a profit over \$1 million dollars. “We loved the gift and shared David’s happiness at reaching this milestone. We particularly appreciated the fact that he gave all the credit to the employees. He’s a classy guy.”

As we’ve noted, the decorative fans usually replaced an existing ceiling light fixture, so consumers wanted their new fans to come equipped with a light. This then led to CANARM gingerly treading down the path into the lighting business.



**Joan Picard,  
Montreal Site Manager (2019)**





***In 2007 CANARM bought land at the east end of Montreal and built a 100,000 sq. ft. facility with 40 ft. ceilings and state-of-the-art racking systems to accommodate the rapid growth. Pictured left to right: Eric Morasse – City councillor - City of Laval, Patrick Desrochers - Laval Warehouse Manager, Robert Desrochers - Laval Receiving Manager, Stewart Beatty, André Boileau – Vice President Executive Committee – City of Laval, David Beatty, Denis Olivier - CANARM Sales Representative, Daniel Hébert – Urban development – City of Laval.***





2010 Montreal Showroom and Warehouse





**A view into the 100,000 sq. ft. warehouse facility.**



**Lighting Showroom at our warehouse location in Laval.**



**Loading dock.**





**Jim Cooper and Stewart Beatty celebrate a “\$1 Million Dollar Month in 1993”.  
This marks the first time sales on lighting products reached this level.**

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## THE LIGHTING BUSINESS

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“I can’t tell you that it will be hot tomorrow and that you’ll need a fan,” laughs David Beatty, “but I can tell you that it will be dark tonight and that you’ll need a light.” He adds, “The lighting business is probably 20 times the size of the residential fan business, maybe more and this reality persuaded us that a significant entry into the lighting business was an opportunity which we couldn’t pass up. Today lighting accounts for

two-thirds of our gross sales. It has truly been a game changer.”

The first small step into the lighting business came with sourcing the lights for residential decorative fans. Retailers began asking us for lights that matched the lights on the bottom of the ceiling fans. The major players in the lighting business had large factories and Jim Cooper says going into one operated by Catalina Lighting, the market leaders at the time, and being dazzled by the volume of lighting products coming down the line. “I dreamed of one day entering a

CANARM lighting factory and seeing comparable numbers of CANARM products coming down the line. This was a dream which was to come true in the years ahead.”

The plants that produced fans were separate from those that produced lighting products, so new suppliers had to be found. “At first I was leery of an entry into the lighting business,” admits David Beatty. “It was seemingly outside of our area of expertise and involved all kinds of things that were foreign to us – different manufacturing processes and design issues, shipping fragile products, different sales and marketing requirements: a whole new ballgame. But we had decided to go ahead so we went for it.”

Jim Cooper says that when he first started working with containers arriving at the Brockville plant, they would average one container a month. “Today, we average over 100 containers a month, arriving at the Montreal warehouse, most of which are lighting products and there’s no real end in sight. Herman and I started with 30-40 SKUs in the early 90’s and today Susan Lamers and her people deal with thousands of SKUs and crazy numbers of units being shipped everywhere.

The first lighting factory was set up to produce track lighting and it became the cookie cutter which was eventually expanded into several more lighting factories producing various styles and designs. Many partnerships were formed along the way, accompanied by large investments in buildings, equipment and people. Becoming a significant player was a huge undertaking.

The major move into lighting was truly transformative. Today CANARM is a major player in the North American lighting business, offering a complete line of fixtures ranging from simple wall lights, to upgraded LED lights, to intricate chandeliers made with exotic materials. The acquisitions detailed in Chapter 5 have added the necessary variety to make them a full line supplier and this has in turn led to the development of a marketing department second to none in the industry. We’ll deal with that in Chapter 7.





*In 2002 Brockville employees gather for an informal photo proudly promoting the designation as one of "Canada's 50 Best Managed Companies", an award given to companies who have demonstrated excellence in customer service, employee relations, supplier relations, growth and other criteria established by an independent adjudication body. CANARM then successfully re-qualified in 2003, 2004, 2012, 2013, 2014, 2015, 2016, 2017 and 2018. In 2019 CANARM achieved Platinum Club status by retaining its Best Managed designation for seven consecutive years. Jim Cooper, President of CANARM Ltd. is quick to acknowledge how CANARM has achieved this distinguished award. "What has made CANARM a Platinum level winner*

*of Canada's Best Managed Companies is everything we do begins and ends with the customer. They are the reason!"*

*"I will accept this award for all the great dedicated people at CANARM Ltd. that everyday under promise and over deliver to our customers and each other. This makes the perfect combination for success over and over! Platinum level is a testament to the on-going dedication of our outstanding people."*



Platinum member

# DALLAS SHOWROOM GRAND OPENING

DALLAS MARKET CENTER – JUNE 2016

LIGHTOVATION  
TRADEMART #3934



*Lightovation brings in buyers to the showroom from all over North America. Jim Cooper, President opens the showroom at the ribbon cutting ceremony in June 2016 along side Bob Clark, Aodi Chen, Beth Brown, Michael Hurley, Danielle King, Jim Bennis, Courtney McDowell, Michael Lacey, Lori Summerfield, Joan Picard and Nicole Nixon.*





*The Dallas Showroom is opened to the industry at the "Lightovation" show each January and June.*

# 7

# REORGANIZATION AND CONSOLIDATION

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*"2008 was truly a watershed year for our company," says David Beatty. "We had acquired several companies and they had been largely allowed to carry on as stand-alone entities. We had 13 locations in North America with a myriad of duplications. Some companies maintained their historical banking and insurance relationships, so we had seven different computer systems which had been inherited with the acquisitions and were totally unique. We had various accounting, audit and service providers and our manufacturing capacity utilization was around 35 percent. None of our plants ran second shifts and our manufacturing costs had to be reduced."*

*He continues, "Our locations couldn't communicate electronically with each other and critical information wasn't*

*timely and accurate. We weren't taking advantage of our size to negotiate optimal contracts with our suppliers. The same products were being produced in scattered locations rather than being concentrated in our dedicated plants to maximize efficiency and reduce costs."*

*He notes, "The comments above perhaps seem to convey a sense of big trouble, but that really wasn't the case...for the moment. We were profitable and growing," David cautions, "but the danger was becoming complacent and resting on our laurels. We knew that we could no longer keep our hands comfortably on the reins given the size we had become. We knew that to become a well-managed company and to play in the big leagues, change was essential. We were truly at a watershed moment in our history."*

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*The 2019 Gala honouring Canada's Best Managed Companies took place in Toronto in May.*

*Representing CANARM, pictured left to right: Jim Bennis VP - Retail/Commerical - Canada, Michael Lacey - VP - Finance/HR/IT, Susan Lamers - VP - Import Purchasing, Warehousing and Logistics, Jim Cooper - President/COO, David Beatty - CEO/Chairman, Bob Clarke - VP - Retail/Commerical - USA and Doug Matthews - VP - HVAC & Agri Business Units.*



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### **A FIVE YEAR TASK**

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Jim Cooper was appointed President and he, along with the following senior management team were tasked with transforming the company to meet the challenges ahead: Mike Lacey (finance and I.T.), Doug Matthews (operations), Jim Bennis (sales/marketing - Canada), Susan Lamers (purchasing/logistics), and Bob Clarke (U.S. sales/marketing)

They began by looking in every corner and talking to employees, customers and suppliers, getting opinions about what was needed to develop the new CANARM. "Agreeing on what was necessary was relatively easy," recalls Jim Cooper. "Implementing the plans took five years of hard work." The project became much harder when lightning wiped out the Brockville computer system and the back-up tapes failed. "What a start," sighs Jim Cooper.

A key initial decision was to organize the company gradually around three business units identified as "Centres of Excellence". They are: Agricultural Products; HVAC Products (air movement and ventilation); and Consumer Products – (lighting fixtures and residential fans). A massive restructuring followed.

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### **AGRICULTURAL PRODUCTS**

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The Arthur plant was designated as the Centre of Excellence for agricultural products and all agricultural items made at other locations were transferred to them. Over time this resulted in improved efficiencies, better appropriation of capital for new and automated equipment and facilities and a concentration of expertise. The Farmweld location in the U.S. which had operated virtually independently was gradually brought closer to the fold and under more direct control. A major warehouse will be added to the Farmweld location in 2019/2020.

Containers from China are directed from Laval Quebec to the Farmweld plant in Illinois to reduce the costs of getting imported products to U.S. customers. Expertise and market information began to be shared between Arthur and Farmweld which strengthened CANARM's position in the U.S. and Canadian hog and dairy markets.

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### **HVAC - AIR MOVING EQUIPMENT**

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The decision to close the three Delhi Industries

plants and move the production to Brockville is dealt with earlier in this book. In summary, however, this led to an expansion in Brockville and its designation as the Centre of Excellence for all HVAC products. Like Arthur, this decision also concentrated volume and expertise in one location, driving efficiency gains. Today, the Brockville plant needs more manufacturing space and the recent purchase of the Meyers Transport property next door will lead to new buildings to resolve this space problem. Plans are well underway to build a 53,000 square foot addition to the Brockville plant in the fall of 2019.

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### **CONSUMER PRODUCTS**

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The building of a new state-of-the-art warehouse, showroom and offices in Laval, Quebec provided the space needed to deal properly with the endless numbers of containers arriving from China. "After living with cramped conditions for many years it was a breath of fresh air to finally have a proper set up" says Joan Picard, Site Manager. The new showroom and offices provide a fitting complement to the warehouse.

Activity was occurring on other fronts. Michael Lacey spearheaded the consolidation of banking,



# CENTRES OF EXCELLENCE



insurance and accounting/audit services. "Not only did we get much better deals as a result of our increased volumes," notes Michael, "but it became a lot simpler dealing with one or two suppliers instead of eight or ten."

The computer story is also told elsewhere in this book, but the improvement realized from moving all locations to the Epicor system was transformational. "Getting the right information, on time and accurately, led to major improvements in decision making, better products, fewer errors and happier customers," says Michael Lacey. "This was a huge win for CANARM and resulted from the incredible efforts of many people. This project took four years from start to finish."

David Beatty laughs about the transformation of their strategic planning process. "For decades our strategic planning took place on Friday evenings, with a few of us leaning against the filing cabinets and kicking ideas around." Jim Cooper had a better approach.

Jim introduced a much more formal process whereby the key players from across the company meet in a different location each year and spend three days dissecting the business from top to bottom. Each manager reports on his area of the business and reviews the previous year's goals versus actual results and proposes new goals for the following year. "The face-to-face discussions have an incredible value versus emails or computer reports

and these aid considerably in team building." says Jim. "It has paid big dividends."

In summary, notes Jim Cooper, "This watershed transition positioned us to survive and thrive in a much more complex marketplace. Our major customers and suppliers run very sophisticated and demanding companies and it's essential that we're able to keep up to their requirements and impress them. Those major competitors are no slouches and it's a tough world. Our goal is to stay on the leading edge of our industries and make sure CANARM is at the head of the parade for years to come."

David Beatty echoes Jim's comments, "I couldn't have said it better. We're in the game to stay and we love to win."

# 8

## PEOPLE OUR MOST VALUABLE RESOURCE

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*"CANARM's personnel policies and practices have evolved over decades and have allowed us to attract and keep good people, many of whom have become long service employees," notes David Beatty. "Industry specific skills and experience are critical to our success and we treat our people fairly to ensure that they have positive feelings about working for CANARM. In fact, the corporate values highlight the commitment to treat employees equitably. Without question our people are our most valuable resource."*

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David adds, "Over 40 years ago we started a profit sharing plan and today all full-time employees receive payments every July and December. This plan helps to create a sense of caring about the performance of the company and fosters positive work attitudes and loyalty. We also provide a comprehensive benefits package, including major medical, dental and life insurance, along with a company pension plan in which

we match employees' contributions. These are in addition to government health and pension plans and are intended to provide personal security."

There is an active Employee Association representing the Brockville employees. "We view this relationship very positively and recognize that it's important for the employees to have a strong voice regarding their working conditions," says Jim Cooper. "We share significant company details with the employees and believe that being as transparent as possible is beneficial to excellent employee relations."

A number of people were interviewed for this book. Some are retired and some are still active, but all had interesting memories and stories. The current senior leadership team was interviewed at length and their comments are sprinkled throughout the book, as well as here. Obviously, it was necessary to limit the number of people interviewed, but hopefully they are representative of the people who have made CANARM an outstanding success. This chapter is divided into retirees, active employees and senior leadership.



# SOME OF OUR RETIREES



**OTTO  
ALMOSLINO**  
MECHANICAL ENGINEER

Canadian Armature Works  
1932 – 1970;  
CANARM  
1970 – retired in 1982

work with Canadian Armature Works. His technical ability stood out and after a short time, he became their Chief Engineer.

The company was successful for decades, but ran into troubled times in the 1960's, which caused the business to be sold to Danor. Otto accepted an offer to transfer to Brockville and arrived in 1970, ready to devote his formidable technical talents to his new company.

"Otto is a legend within our company," says

Otto is an active 96 year-old retiree, who still lives in his own Brockville home and prepares his own meals. A widower, he was born in Yugoslavia and after graduating in Mechanical Engineering from the University of Belgrade, Otto immigrated to Montreal. He arrived during the depths of the Great Depression in 1932, when jobs were as scarce as hen's teeth, and he felt fortunate to find

David Beatty. "His engineering and design skills were huge assets and this was particularly important following the retirement in 1975 of Norm Carson. Otto was widely regarded as our resident technical genius for many years." Malcolm Geggie, Head of Maintenance during Otto's tenure, remembers him as, "The smartest engineer I ever worked with."

Otto was very involved in Brockville area tennis circles for decades as a player, coach, organizer and as a fan and he stayed active in the game into his 90s as a player, a coach, an organizer and a fan. He says, "Our decision to move to Brockville with CANARM was the best one we ever made."



**DALE  
HESS**  
CHIEF FINANCIAL  
OFFICER

1970 – retired in 2006

Dale joined Danor just prior to the disastrous fire of 1970 and recalls it vividly. "For weeks and weeks after the fire, everyone pitched in to help. We were able to restore production fairly quickly, but dealing with the aftermath of the fire was damned hard work – dirty and smelly. Management employees in those

days were required to wear suits and ties to work – not a great outfit for digging through charred goods and equipment. The smell got in your clothes, hair and skin and it was impossible to get rid of it. The office had been blasted with fire hoses and it was unusable until it was dried out and painted. The accounting records and other documents were paper and they were soaked. We rented a vacant house across the street and Carol Day and I hung the paper records around the rooms to dry – on the floor, on chairs, anywhere there was an empty surface. It looked like a laundromat after an explosion. When they dried, lots of them were illegible. What a mess!"

There was, however, a positive side to the incredible efforts involved. "The fire resulted in a camaraderie among the employees which is hard to explain, but is very real," says Dale. "For years afterwards we'd trade stories about paint fumes wafting up and down Parkedale Avenue from the temporary paint line we set up outdoors. Or, we'd laugh about Norm Carson continuing to help still wearing his sodden suit – not even loosening his shirt or tie. This feeling of having survived something traumatic together paid huge dividends in later years as other challenges arose. We became a team by having suffered together, not unlike the bond that develops among soldiers who have faced a common enemy. You can't quantify it, but it's real."

Dale wore several hats during his 37 years with the company – finance, purchasing, plant scheduling

# SOME OF OUR RETIREES

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and some H.R. duties, topped off by serving as CFO in his final years. A highlight of his years at CANARM occurred when Dale and his wife Yvonne joined David and Anne Beatty on a trip to China, where they met Herman Kuan and Linda and got to see the Hong Kong and Taiwan plants.

"That was an incredible experience," Dale remembers. "We worked hard, very hard. CANARM is no country club," says Dale, "but it was a great place to work and I wouldn't change a thing."

Dale and his wife Yvonne are enjoying their retirement and live in Brockville.



**CAROL  
DAY**

**SCHEDULING MANAGER**  
1966 – retired in 2005

Carol started at 16 years old, right out of high school as "Girl Friday" to Stew Beatty, and Danor/ CANARM was the only place she ever worked. Her desk sat right outside his office and she helped him with a variety of tasks, always referring to him as 'Mr. Beatty' and never once calling him Stew. She was bright and fast and progressed to

other duties, including all aspects of accounting. Carol did have one fear – she had never so much as turned a computer on or off and facing the conversion from manual records to computers was intimidating.

"I was scared stiff," she recalls, "when they told us we'd have to learn computers, but they eased us into it by playing computer games and gave us loads of help. In time, we got pretty good at it and I actually came to really enjoy computers."

Carol fondly recalls her years with 'Mr. Beatty'.

"He was a perfectionist who wanted everything done 'just so' and I'm the same, so we got along famously. We were both workaholics and never complained. He was a gentleman and David is cut from the same cloth."

Aside from helping Dale Hess and others with the soaked records from the fire ("I hated the smell") Carol thinks back to the scaremongering about 'Y2K' as a memorable and exhausting experience. She recalls that: "Experts were predicting a massive worldwide computer failure at the stroke of midnight on December 31, 1999. This was supposedly going to happen because computers around the world hadn't been programmed to accommodate a change of century; therefore, as the calendar rolled over to January 1, 2000 a massive crash would occur."

Companies around the globe scrambled to re-write computer programs to avoid the coming disaster, and Carol and other CANARM employees

like Dale Hess were no exception.

"We were in it up to our eyeballs," she recalls. "We were told we had no choice, so we worked endless hours, days, nights, weekends, along with consultants who were brought in to guide us. By New Year's Eve 1999," she says, "I was dead tired, exhausted, and there was nothing more we could do so I went to bed early, well before midnight. When I awoke the next morning the sun was shining, the birds were chirping and the computers all worked. Nothing happened. Did our work prevent it, or was it a hoax? I don't know."

Carol's son Clint Day works in the plant at CANARM and claimed at her retirement party that he joined the company to see her more often. "She was always at the office so I thought I'd get to see her more if I worked here. Mom's a bit of a workaholic and a perfectionist," he laughs, "but she just loved working at CANARM."

Carol lives in the tiny village of Phillippsville, near Delta, with her husband Jim, a retired logger. David Beatty remembers that Carol was the first person in the office every morning even though she probably had the longest commute. "Carol would be there rain, hail or a foot of snow," he chuckles. "The employees who lived a block away might be late, but never Carol. She was a delight."

Carol and Jim are in good health and are active in their church and community, while enjoying retirement in their idyllic village setting.





**ELVA  
ROBINSON**  
ACCOUNTING CLERK  
1971 – retired in 1996

Elva was a mainstay in the office from 1971 to 1996, working alongside Carol Day and Dale Hess. She primarily worked in accounting – payables, receivables – and prepared monthly statements, but she also handled some H.R. tasks and was the ‘go-to’ person for the employees when they had questions about benefits or policies or just wanted to talk.

“I loved dealing with the employees and I had their trust,” she says. “Things which seem very minor can be a big deal if no one helps. I was a shoulder to lean on.”

Like the other office people, Elva had never worked with a computer and worried about being able to learn how to work with them. “The kids today grow up with all sorts of devices,” she notes, “and they easily adapt to technology. We started from scratch because we didn’t have the first clue; however, with lots of help, we moved from pencils and erasers to computers over a steep learning curve. Thank goodness the people who taught us were patient.”

Elva was in charge of receivables for many years and

spent several hours on the phone every day making collection calls. She rested the phone cradle in the crook of her neck to free her hands, but eventually this led to bone spurs in her neck and to early retirement due to neck pain. She manages well today, however, and was able to play golf until 78.

Although sadly, her husband Herb died in 2012, Elva now lives in a comfortable home in Brockville. She raves about how well she was treated at CANARM and loves to reminisce about days gone by.



**MALCOLM  
GEGGIE**  
MAINTENANCE  
1975 – retired in 2014

Malcolm thinks he may have been the last person hired by Stew Beatty before he passed the torch to his son David. It was the end of one era and the start of another.

Malcolm spent his entire career at CANARM involved with maintenance. For years he basically worked alone, covering a weekly routine of greasing and oiling the equipment, checking batteries, and handling some routine electrical work. Over time the plant expanded and the types of

equipment became more numerous and complex, and Malcolm gradually came to oversee three or four other employees engaged in this important work. “Properly maintained equipment is essential in a manufacturing operation,” he says. “Broken-down machinery doesn’t produce anything.”

Malcolm was involved in the in-house Employee Association, serving as President for a number of terms and sitting on the negotiating committee for various contract renewals. “I give credit to David Beatty for making himself approachable,” he says. “He made a point of regularly coming out to the plant and talking to the guys and encouraged us to call him by his first name instead of ‘Mr. Beatty’.” He adds, “This relationship went a long way when a few rebellious plant employees tried to bring in the Steelworkers Union to replace our Employee Association. A majority of the plant people trusted David, so the Steelworkers’ organizing drive fell flat.”

Malcolm views the Employee Association as essential and positive. “The employees want a voice in establishing working conditions and the company has consistently treated them with respect and fairness. It’s been a good thing and it works. We didn’t need to be represented by an international union run by people we don’t know.”

Malcolm and his wife Marlene are in good health and reside in Brockville. He remembers his years at CANARM with fondness and looks forward to hearing about its progress in the years ahead.

# SOME OF OUR RETIREES



**JEFF  
SHAVER**  
SITE MANAGER –  
BROCKVILLE

1976 – retired in 2015

To begin, at 17, Jeff signed up with the Brockville Rifles as a reservist. The military life had a strong appeal so after two years, at 19, he joined the regular army, and was posted to CFB bases in Kingston and Petawawa. At about that same time, he began dating Janet Dye who was to become his wife a few years later.

Jeff soon realized that a full-time military career wasn't the life he wanted and he missed Janet, so he left the permanent force, returned home and rejoined the reserves – his beloved Brockville Rifles.

Because Janet is four years younger than Jeff, anything permanent between them was going to

A young Jeff Shaver was anxious to get on with life but like most teenagers he didn't know which way to turn. School held little attraction so he left after Grade 11 and knocked around doing odd jobs, including a six-month stint at RCA in Prescott, followed by a return to school to obtain his secondary school diploma. During this time, two fateful events occurred which would have lifelong ramifications.

have to wait a while, so Jeff decided to see some of Canada. He travelled out west, picking up odd jobs and eventually got to Thompson, Manitoba where he worked for a few months in the Inco nickel mine. He had the good sense to avoid the card games and other temptations which are infamous in the mining camps and so was able to build a small nest egg. Once again, he missed Janet and returned home.

Good full-time jobs were hard to find, but luckily one day he answered the phone and spoke to an employee from CANARM who was calling with a job offer for his brother, who had recently submitted an application. Jeff replied that his brother had already accepted another job, but he was available! An interview was arranged and CANARM hired him on the spot. The fact that he was a 21 year-old Sergeant in the Brockville Rifles impressed them. He began his illustrious CANARM career as a general labourer in the plant.

Jeff's leadership qualities, bolstered by his military training, were soon obvious and a series of steady promotions followed. He rose from general plant work, to supervisory assignments, to Manager of the Compact Kitchens business unit.

"My working and military lives together were a whirlwind," says Jeff. "The compact kitchens were selling well, there were many improvements, and our 'kitchen crew' of ten employees became a highly skilled and cohesive team. We loved the product and were proud of what we produced."

Jeff was reassigned to other duties before cheap microwave ovens and imported small refrigerators

spelled the end for the relatively expensive compact kitchens. "What a shame," moans Jeff. "They were beautiful."

Jeff was promoted to Plant Manager and later to Site Manager in charge of all Brockville plant operations. He was now one of the company's most senior managers and, although he took many courses, he was largely self-taught.

"My career with the Brockville Rifles was progressing in tandem with my career at CANARM," notes Jeff. "I became a commissioned officer and participated in endless training courses. I cannot thank David Beatty enough for the time he allowed me to be away from work to attend different military functions and courses. I strongly believe that my military training contributed significantly to my management skills and, in that sense, I hope that the company was fully repaid for its generosity."

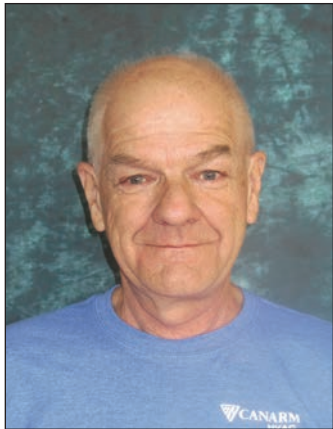
Jeff progressed to become the Lieutenant Colonel in charge of the Brockville Rifles.

David Beatty says, "We couldn't have been prouder of Jeff. For many years he devoted his vacation time and other personal time to the Brockville Rifles and he has been a wonderful contributor to this community. There were years when he was hardly ever home and many young men have benefitted from his example and leadership."

Jeff and his wife Janet live in a beautiful country home near Prescott. He has recently been elected as the Deputy Mayor of Augusta Township, so his tradition of community service continues. Both CANARM and the Brockville Rifles are the beneficiaries of his service.



# STORIES FROM LONG-TIME ACTIVE EMPLOYEES



**JIM  
KELLY**  
SPOT WELDER

1970

Jim is the most senior employee at CANARM and his father, Victor (Vic) Kelly, was one of the original seven men hired by Stew Beatty from Smart's Foundry. When Jim told his dad in 1970 that he wanted to quit school and start working, Vic called Stew and asked him to hire his son. Stew invited him to come to the plant and he was hired on the spot.

Jim may have done more spot welding than anyone else on the planet. Spot welding involves pressing a foot pedal to bring together two copper contacts in combination with an electrical arc to weld together two pieces of metal. On an average day, Jim places approximately 1,800 'spots' and has done so every working day, every week, every month and every year for nearly 48 years. Even if we subtract vacation time and other assignments, this likely amounts to about 16 million 'spots' so far – surely an accomplishment worthy of an entry in the Guinness World Records. And he's not finished!

Jim occasionally did other plant jobs in his early years, but has basically worked steadily doing spot welding for almost five decades. "Several times

we asked Jim to be trained on other jobs," notes David Beatty, "but he always says that he wanted to continue doing what he loved. The repetitive nature of spot welding has become part of his DNA and he enjoys every day at work."

On occasion, his fellow employees have elected Jim to represent them at the negotiating table for the renewal of the contract between the Employee Association and CANARM. "I found this to be a rewarding experience," he says, "and there was a good feeling at the negotiating table. CANARM was fair and most times we were able to settle the renewals without difficulty."

Jim thinks back to the early 1970's and recalls Norm Carson being hard-nosed and demanding, but fair. "We could always tell when he was in the plant because of the smell of pipe tobacco," laughs Jim. "He'd lean against the equipment to get his pipe fired up, using endless big matches, and then he'd walk around in a cloud of smoke. But he was a good guy and no one slacked off when he was around!" Jim also remembers that Stew Beatty was approachable and would stop to talk to the employees. "It was a more formal time and he was always 'Mr. Beatty,'" says Jim. "David Beatty and Jim Cooper are more relaxed and are easy to talk to. They come across as regular guys and the employees like and trust them."

Jim says that thoughts of retirement flit through his mind from time to time, but he shrugs them off. "I'm not ready to go just yet," he says. "What would I do?"



**JEFF  
GUERIN**  
MAINTENANCE

1980

Jeff has travelled pretty well across the entire CANARM plant waterfront in his thirty-seven years with the company. He started in the press shop, followed by the paint shop and was then sent to Cornwall to obtain his welding certification. After several years as a welder, he moved to maintenance where he joined a crew of four others who follow a rigorous

routine of greasing and oiling production and materials-handling equipment, checking batteries on lift trucks, and providing minor servicing for electrical equipment.

Jeff loves machinery and marvels at the upgrades and improvements that have occurred in his years at CANARM. "The introduction of electrostatic painting resulted in less waste and a much improved paint surface on our products. Robotic welding came along and although it is still a minor portion of the total welding done at CANARM – perhaps 20 percent – it seems likely to increase because it's about four times faster and error-free. A large new machine which produces blower wheels arrived

# STORIES FROM LONG-TIME ACTIVE EMPLOYEES



about three years ago and it reduced the labour component needed to produce them from six people to one. We hate to lose jobs in Brockville, but we recognize that cost reductions through automation are necessary to keep us competitive and they actually protect other jobs in the long run. The market for ventilation equipment is growing and the jobs lost to efficiencies are replaced by other work needed to fill increased orders. Finally, the introduction of computerized bar coding for inventory control has improved accuracy and slashed paperwork. These improvements are necessary and exciting.”

Jeff has also served on the negotiating committee representing his fellow employees at the bargaining table. Like Jim Kelly, he found this experience enlightening and he enjoyed learning about the challenges faced by the company which aren't obvious to the guys on the plant floor.

“The company is honest with us and they share a lot of information which helps us to understand what is possible and what is not. For example, we need to understand that importing is a necessity for some products to stay competitive, but there will always be jobs here involving assembly, packaging and shipping, in addition to manufacturing jobs where size of orders, timing issues, and oddball specs requiring local flexibility. They have been consistently fair with us and relationships are excellent.”

Jeff's son Corey Guerin also works for the company, running the Stamtec press, so the Geurin family carries on at CANARM. Jeff respects the leadership he sees at both the plant level and into the executive offices and is optimistic about the future. “It's a great place to work,” he says.



**ART  
CHILLSON**  
SITE MANAGER –  
BROCKVILLE

1999

was appointed Brockville Manufacturing Manager in 2015, reporting to Doug Matthews, V.P.

The Brockville plant specializes in HVAC (ventilation) equipment and manufactures a variety of specialized equipment, including some large roof-top units, as well as blowers and associated equipment. The second function is assembling the parts for imported blowers and testing, repackaging and shipping them to customers. As business has grown, so has the number of employees performing these tasks, increasing from about 50 a decade ago, to about 115 today. Part of this growth has resulted from the repatriation of some off-shore manufacturing, as the cost differential between China and Canada has narrowed in recent years.

Art and Beth Gibbs, H.R. Manager, meet with representatives from the in-house employee

association every month to discuss the status of the shop. Art is a Prescott native who chose to go to the University of Lethbridge in Alberta to pursue a degree in management. He spent two summers working at CANARM during his university years and impressed Jeff Shaver, the Plant Manager at the time, who offered him a supervisory position following graduation. He then took on a series of increased responsibilities, until he

was appointed Brockville Manufacturing Manager in 2015, reporting to Doug Matthews, V.P.

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Art and Beth Gibbs, H.R. Manager, meet with representatives from the in-house employee association every month to discuss the status of the shop. “This seems to be a lot of meetings,” says Art, “but it's surprising how much good it does. Nothing ferments for too long and problems get cleared up quickly. Some months we meet for a half hour or so and other months we take a bit longer, but it's worth it.” Art and Beth also act as the company representatives when negotiating the renewal of the contract every three years.

One of Art's challenges is dealing with a shortage of space, a situation soon to be rectified, thanks to the recent acquisition of the Meyers Transport Ltd. property next door, which will allow a major expansion of the Brockville plant. Other challenges include attracting and retaining good employees and equipping them with the proper skills through extensive training programs. He is very optimistic about the future of the HVAC division and foresees it doubling within the next five years.

Art has crystal clear recall of a crisis in 2009 when the HVAC division was losing money. Rumours were swirling that the plant was going to be closed and the employees were beyond nervous. Jim Cooper called a special meeting of the employees to tell them that they had to meet a series of tough targets to save the plant – and then he detailed them. “The path was laid out for us,” recalls Art. “Either we met the goals or the plant would close. Everyone put their heart and soul into achieving them and we got there. Profitability was restored and the sky didn't fall. We never looked back.”

Art lives in Augusta Township with his wife Sheryl.

“I love CANARM and we love Brockville,” says Art. “We're here to stay.”



# OUR SENIOR LEADERSHIP TEAM



**DOUG MATTHEWS**  
VICE PRESIDENT  
HVAC/AG SYSTEMS

1985

Doug is a graduate in mechanical technology from St. Lawrence College who began his career at CANARM in 1985. He has risen through the ranks and is now the Vice President in charge of the HVAC and agricultural business units in Brockville and Arthur, Ontario.

"Today, I wear two hats," Doug notes. "I oversee HVAC (ventilation products) in Brockville and

agricultural products in Arthur."

Doug's initial assignment was in the compact kitchens unit, a major part of CANARM's business in the mid-1980's. He demonstrated a flair for design and cost reduction and was responsible for several improvements, until CANARM reluctantly discontinued the compact kitchen production.

Doug moved on to work with HVAC (ventilation) and agricultural products, once again focusing on product improvements. "Competition was intense," he recalls, "and it was imperative to stay on the leading edge with costs and design to maintain or increase market share. For example, we changed some fans from metal blades to poly blades, lowering costs while obtaining equal or better performance. The pressure to be the

best with our line of air-moving products versus our competitors was relentless," Doug recalls. "Over the years there were huge changes in design and product variety, but by far the best move was buying Delhi Industries and adding blowers to our lineup. Finally we could offer solutions to a full range of air-moving situations. Obviously we fared well because our market share has grown steadily."

Doug added, "Brockville has been designated as the Centre of Excellence for all HVAC products and the future looks bright. Badly needed additional manufacturing space is coming with the recent purchase of the Meyers Transport Ltd. property next door. The existing buildings will be razed and replaced with new buildings which will position the overall Brockville facility as the number one manufacturer and supplier of air moving equipment in Canada."

Doug notes that CANARM has a healthy market share for HVAC products in Canada, but says "We have barely scratched the surface in the U.S., let alone in other countries. I believe that our products, our systems and our level of service position us well for significant growth in the U.S. and other countries. Our growth within Canada has been exceptional in the past couple of years and it's time to take this success south."

Doug concludes by stating "The agricultural side of our business took a decidedly positive turn with the decision to make the Arthur plant the Centre of Excellence for all agricultural products and to move everything possible relating to agriculture to this location. The growth prospects for this unit have never been healthier and I expect strong growth."

Doug lives in Brockville with his wife Cathi.



**JIM BENNIS**  
VICE PRESIDENT  
RETAIL/COMMERCIAL-  
CANADA

1992

Jim arrived at CANARM in 1992 with the ink barely dry on his business diploma from St. Lawrence College, having graduated just two years earlier. His early career was spent on inside sales, then he progressed to external customer contact and finally rose dramatically to become V.P. Retail and Commercial Products.

Jim travels extensively in his job, visiting China

three to four times per year, usually accompanied by other CANARM employees. There, he visits the manufacturing plants in the Pearl River Delta to discuss product changes and he will often escort the buyers for major customers to the large CANARM showroom on the mainland to review existing stock and discuss design changes for the following season.

"It's all about cost and design," says Jim. "The design changes can affect one-third of the market each year so it's imperative to know what the customer wants and agree on designs."

CANARM has an extensive marketing and design group, headed by Danielle King, and their job is

# OUR SENIOR LEADERSHIP TEAM

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to stay ahead of the curve regarding the design of lighting fixtures and decorative fans.

"They propose designs, talk to customers and suppliers to get design ideas, attend leading trade shows and assess what other companies are offering. It's a strange game in that what sells in Quebec may not sell in B.C. and neither of them may sell in Chicago. Regional preferences have to be determined." Jim works very closely with the members of this group who provide him with the ammunition to close sales.

"We aim for the broad middle group regarding price points," says Jim. "We stay away from the high-end exotic fixtures because the volume is low and others can scratch it out in this limited market. Our Canadian market share is significant now but we have a great opportunity in the U.S. where we have a small market share. The growth possibilities are tremendous and I'm looking forward to the challenges. CANARM invests in growth and it's up to us to make it happen."

Jim and his wife Cindy live in Morrisburg.



**MICHAEL  
LACEY**

**VICE PRESIDENT –  
FINANCE, H.R., I.T.**

2000

accounting, Human Resources and Information Technology functions for the company.

As is the case for so many CANARM employees, the memories of the computer crash in 2008 are burned into Michael's soul.

"It was immediately obvious that the old computer system was irreparable because of a direct hit by lightning, but more seriously, when we opened the back-up tapes, they were gibberish – absolutely unreadable. We had removed the tapes from the building every night, following proper security protocol, but because we had never had the need to check them, no one knew that they had apparently worn out following long-standing use. In hindsight,

Michael is the Vice President of Finance and a member of the five-person board of Directors for CANARM, along with David Beatty, Jim Cooper and two outside board members. Michael has impressive credentials for his position, holding a finance degree from Wilfred Laurier University followed by a CA/CPA designation.

He oversees the

they should have been replaced periodically, but that hadn't been done."

All of the data associated with the Brockville plant – the payables, receivables, inventories, statements and other information – was lost. The computer systems in use then at the different CANARM locations were largely home-grown and stand-alone and couldn't communicate with each other. The Brockville computer crash was a disaster, but sometimes from the ashes, good things arise. The decision was made to introduce a company-wide system called Epicor.

"Epicor promised to take us light years beyond anything we had experienced before," says Michael. "We were told that our locations would get accurate and timely information and could easily communicate with each other. Our statements would be accurate and on time."

"But implementing Epicor was a Herculean task," recalls Michael, "which really took the better part of four years. During this time people worked incredible hours and we struggled with who to pay, who to collect from, how much to order, and how much we had in inventory. It was a full scale nightmare, but somehow we got through it."

Epicor did deliver the promised benefits and today the administration runs smoothly. Michael notes that rapid growth over the past decade in lighting has cooled a bit lately and that both the agricultural unit and the HVAC units have been experiencing solid growth in the past couple of years. He points to opportunities for significant growth in the U.S. and other countries and is optimistic about the





future of CANARM.

"We've got an excellent team, good products and great leaders," he says. "Watch us grow!"

Michael's wife Meredith is a 13 year CANARM veteran employed in customer service. They live in Brockville.



**SUSAN LAMERS**

**VICE PRESIDENT – IMPORT PURCHASING, WAREHOUSING AND LOGISTICS**

2002

Susan has a counterpart who deals with exports – Linda Kuan, Herman Kuan's sister who works with him in Hong Kong and has developed similar expertise in handling export arrangements. Getting goods from China or elsewhere in the

Susan is a business graduate from St. Lawrence College who has become the company's importing guru. "The complexities can be daunting," she says, "and it seems that every week there's a new wrinkle in the sheets that has to be ironed out." Susan and her team are the 'go-to' people for CANARM employees in all locations and requests and questions by phone and online never stop.

Far East to North America on time without a hassle is an art form. Because of the quantity and frequency of shipments involved the skill sets of Susan's skilled team in Brockville for imports and Linda in Hong Kong for exports are essential to CANARM's business. Susan travels to China three or four times per year with Jim Cooper and others to liaise with Linda and Herman and to stay abreast of the situation with the plants producing products for CANARM.

"Importing is an everyday business," notes Susan. "Imports grew from one container per month in 1980 to over 200 per month today, primarily because of huge growth in the lighting side of our business. Almost all of the containers are shipped to our warehouse in Quebec, where about half of them are repackaged and shipped to customers in Canada with the balance going to customers in the United States. We now ship some containers destined entirely for U.S. customers to our Farmweld warehouse in Illinois. This reduces freight costs considerably versus landing these products in Quebec for re-shipment to the U.S. This is a trend which is destined to grow and a 65,000 square foot warehouse with 40' ceilings will be constructed in 2019/2020 to service our growing U.S. business.

Susan, like so many other CANARM employees, has vivid memories of the computer crash of 2008 that include working endless hours, seven days a week and even processing orders at home on Christmas Day. Her family thought she was nuts. "But we did what we had to do," she says. Susan and her husband Paul live in Brockville.



**BOB CLARKE**

**VICE PRESIDENT – RETAIL/COMMERCIAL-USA**

2006

Bob Clarke is an American who came to know CANARM when he worked as a sales agent from 2002-2006, selling lighting products to U.S. customers. A mutual respect developed and Bob was hired as a full-time CANARM employee in 2006, splitting his time between homes in Buffalo, N.Y. and Bonita Springs, FL. with his wife Brenda. The sales growth with Bob's guidance has been phenomenal. "We enjoyed tremendous retail sales growth in 2018 with U.S. retail sales exceeding Canadian retail sales for the first time" notes Jim Cooper. "We project growth of 15-20% looking forward" adds Bob Clarke "so the U.S. is a very strong market for CANARM. About 90 percent of my time is spent on lighting products and 10 percent on other products like decorative fans. I have excellent support from Lori Summerfield who covers much of the south and west, focusing solely on lighting products."

Retail sales involve direct sales to major retailers as well as a number of distributors who service many smaller specialty lighting stores through their

# OUR SENIOR LEADERSHIP TEAM

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warehouses and delivery systems.

Bob stresses the importance of the support the sales team gets from the marketing unit headed by Danielle King and her people. “The home lighting and decorative fans business is a fashion business as well as a business supplying essential fixtures for home owners,” he says.

“Approximately one-third of our lighting fixtures are redesigned, or introduced as brand new offerings every year and it is essential that the marketing unit stays on top of market trends and adapt to changing customer preferences.” He adds, “They have to stay close to customers, manufacturers, competitors and homeowners and attend a host of trade shows to get it right –because the right products produce success.”

“The professionalism of this group is a major sales asset,” Bob says. “In addition to the design expertise, they produce beautiful panels we use to create sales booths in which we display our products at trade shows. I believe our sales booths are the most attractive in the industry and all of these materials are produced in the Brockville offices, using state-of-the-art equipment which can produce panels as large as four feet by eight feet with outstanding graphics. It sets us apart at trade shows,” Bob proudly notes.

Looking ahead, Bob foresees significant growth in the U.S. in the years immediately ahead. “It appears that lighting sales and HVAC sales in the U.S. will overtake Canadian sales in these categories in the next year or two,” he says. “In five years, we should double. The size of the U.S. market is so much

greater than the Canadian market and it presents mind-boggling opportunities.”

Shipping imports from the Far East directly into the U.S. rather than landing them at the Laval warehouse for reshipment to the U.S. is slowly increasing since both the duty and freight costs are lower. Some go to a warehouse on the Farmweld property in Illinois while others go directly to major customers. As mentioned previously a 65,000 square foot warehouse with 40’ ceilings will be added to the Farmweld property in 2019 to accommodate anticipated growth.

HVAC sales in the U.S. are handled separately by Don Barkley and U.S. Agricultural sales are handled by representatives from Farmweld and Arthur.

“CANARM is a unique company and I am delighted with the leadership and investment from Jim Cooper and David Beatty,” says Bob. “It’s a great place to work and I’m happy to be on the team.”



# BOARD OF DIRECTORS



**Michael Lacey - VP - Finance/HR/IT, Fred Prinzen (ex-Shorewood Packaging), David Beatty - CEO/Chairman, Jim Cooper, President/COO, Ken Law (ex-Nortel)**

The CANARM Board of Directors met for the first time in the mid-1970's and consisted of just three people - Stew Beatty, David Beatty and Doug Hale, an outside Director, and at that time the Canadian President of Black and Decker. Neither Stew nor David had a strong manufacturing background and Norm Carson who had been the technical guru for Danor had just retired. Stew and David felt that Doug Hale, with his extensive manufacturing background, could make a substantial contribution. "Inviting Doug to sit on our board was a great decision," David says. "He was smart, strategic, and a wonderful man to have as an ally and a friend. He was a huge help to Dad and me regarding manufacturing issues and much more. He was a wise man and we benefitted from his wisdom."

The Beatty family is well connected in Brockville and over the years a 'who's

who' of Brockville area business talent sat as board members including Bob Tivey (also Black and Decker), Hugh Grightmire (Lafarge Canada) and Al Smith (Hansler Industries). Five people sit on the current board – three from CANARM - David Beatty (CEO and Chairman), Jim Cooper (President/COO) and Mike Lacey (V.P. Finance/HR/IT) and two outside directors - Ken Law (ex-Nortel) and Fred Prinzen (ex-Shorewood Packaging and now an international consultant).

"The value of the board is multi-dimensional," David says. "Aside from the expertise which the outside Directors bring to the table, it forces us to prepare thoroughly for our meetings. The discussions go beyond numbers – although we review the annual report in excruciating detail – to include strategy, personnel, community and more. The discipline imposed is very beneficial."



# OUR PRINCIPALS



## JIM COOPER

### PRESIDENT/CHIEF OPERATING OFFICER

The story of Jim Cooper at CANARM is a Horatio Alger-type tale – a young boy from a modest background rises through a series of jobs and assignments from 1978 to become its President 29 years later in 2007. What a story!

Jim was born in 1960 and grew up in eastern Ontario before landing a summer job at CANARM in 1978 at age 17. He decided he would rather work than continue with school and asked to be hired full-time. His wish was granted and he was trained as a welder and began working in the plant. His ability and work ethic were soon obvious and he began to climb the ladder which eventually led to the executive suite.

On most ladders there are many steps: Jim was asked to supervise the second shift at the plant and was sent to a supervisory/management course at St. Lawrence College. More responsibility followed quickly along with more management courses. In the early 1980s blades for industrial fans were arriving from Hong Kong and Jim was part of a team which was cutting and painting downrods and assembling

fans for retail sales. A young Jim introduced various improvements which came to the attention of David Beatty who offered him a \$1000 bonus if he could increase factory productivity levels by 5%. “I got eight percent,” Jim recalls, “and I remember what big a deal it was to get a \$1000 cheque. Wow, big money!”

Next, Jim was pulled out of the plant and assigned to convert the manual plant manufacturing systems to a computerized system. His intimate knowledge of plant processes and equipment allowed him to complete the task well ahead of schedule and the new computerized system he developed became the basis for plant manufacturing for many years. He was now a rising star.

In 1985 Jim was asked to manage the ever increasing number of containers arriving from Hong Kong and Taiwan. This included setting up a manual system for tracking purchasing orders and container movements to provide information required by Canadian Customs to clear goods arriving in Canada.

In 1986, David invited Jim to accompany him on a





1978 - CANARM ROCKPORT BROOMBALL TOURNAMENT.

**Jim's first year at CANARM, age 17. (front row red coat).**

trip to Taiwan and China. "It turned out that he was a natural in terms of relating to the people in the far east," says David. "Not everyone has this skill and it was obvious that they liked him and trusted him. Lots of good things followed in ensuing years and he gradually became our expert on doing business in the far east."

There are any number of success stories relating to Jim, but one in particular he recalls because it was followed by an all-expenses paid trip to the Caribbean. "We had struggled to get a listing with Consumer's Distributing, at one time the largest seller of decorative fans in Canada. After lengthy negotiations I got an order for \$2.5 million dollars and David was so pleased he gave me the trip. That initial order led to many more, so they became a great customer. I took a shine to retail sales and have stayed close to some of our major customers ever since."

Jim was instrumental in arranging supply contracts in the far east and worked with Herman Kuan in Hong Kong to provide financing to partners to buy manufacturing plants on the Chinese mainland. With these arrangements, CANARM secured tight control over specifications, quality and pricing and is always the priority customer for each of these plants. The earliest plants produced fans, but some also produced light fixtures which gradually overtook fans as the dominant CANARM product.

In 2009, the Brockville plant was suffering badly from the effects of the worldwide economic recession of 2008. "The customers had cut way back on orders and the plant was losing money." Jim vividly recalls, "Something had to turn it around



**Jim in his office. (2005)**

or we were afraid we might have to stop manufacturing locally and just rely on the imports. I called a meeting of the plant employees and laid out tough cost reduction goals they would have to achieve to save their jobs. The guys stepped up to the plate, the goals were met, the economy improved and we never looked back. But cold sweat ran down my back the night I laid out the plan."

Jim lives in Brockville most of the year and on his large boat moored near Ivy Lea in the nicer weather. He has two daughters, Courtney McDowell, now the Director of Sales for CANARM and Justine Gaffney, a nurse, now living in Midland, Ontario. He travels extensively for the company and is typically in China several weeks each year.

Jim is active in the Brockville community and for many years has been the co-chair of the highly successful palliative care golf tournament, along with his good friend Dave Publow. He served on the YMCA Board for nine years, including three as Chair. He is the Chair of Loyalist College Student Advisory Board and is also the current Chair of the Board of Directors of the Brockville General Hospital, a particularly vital role this year as the hospital embarks on a multi-million dollar expansion. He was Brockville's Citizen of the Year in 2013 and is a past board member of the Brockville Hospital Foundation.

Jim is both optimistic and realistic regarding the future direction of CANARM. "We will continue to invest to stay on the leading edge in each of our business units. Our success is the result of the efforts and talents of an incredible group of people and I couldn't be prouder of them. I see great days ahead."





**Jim with daughters Justine Gaffney and Courtney McDowell at Brockville's 2013 Citizen of the Year Awards of Excellence Gala.**



**Jim loves adventure and travel. Colorado. (2018)**



**Jim with a street vendor in Fenghuang China. You don't need to speak the language to share a smile and a laugh!**

**TRAVEL CHANGES YOU.  
AS YOU MOVE THROUGH  
THIS LIFE AND THIS WORLD  
YOU CHANGE THINGS  
SLIGHTLY, YOU LEAVE  
MARKS BEHIND, HOWEVER  
SMALL, AND IN RETURN,  
LIFE - AND TRAVEL -  
LEAVES MARKS ON YOU.**

**- ANTHONY BOURDAIN**





***In his down-time Jim enjoys spending time with his two daughters and their families. Left to right are Sean, Courtney, Finlay and Joel McDowell. Andi, Justine, Brian and Myren Gaffney. (2019)***



# OUR PRINCIPALS



## DAVID BEATTY CEO/CHAIRMAN

David and his wife Anne (nee Christie) live in Brockville and are the parents of three children and the proud grandparents of two grandchildren. Their oldest child, Kevin, lives north of Belleville and owns and operates a company selling all natural granola. He is a certified teacher, coaches kids' sports and has switched from running marathons to participating in "Ironman Triathlon" events. Kevin has two siblings, Ian and Carolyn, who came along two years later.

David's youngest two children are twins. His daughter Carolyn is a former physiotherapist who now helps to prevent many of the injuries she used to treat through her own health coaching business. She is married to John Coffin, a Lt. Colonel in the Canadian Armed Forces. John is currently stationed in Winnipeg, Manitoba where he is the Commanding Officer of 435 (Transport and Rescue) Squadron. 435 (T&R) Sqn missions include Search and Rescue for a significant part of Canada as well as Tactical Air-to-Air Refuelling as part of Canada's NORAD contribution. They are the proud parents of Trevor and Elyse, 11 and 9 years-old respectively.

His son Ian has a degree in Business Administration and has spent 15 years working as a seaplane pilot and living in many parts of Ontario and British Columbia. His wife, Richelle, works in the school system and they live on Vancouver Island, where they enjoy an active, outdoor lifestyle.

David's career at CANARM, other than summer jobs, began when he was called home from university in 1971 to assist his father, Stew Beatty with a struggling Danor. "The company got over-extended following the acquisition of Canadian Armature Works, compounded by the losses from the devastating paint shop fire in Brockville and the accelerated need to build additions to the Brockville plant." David adds, "There was no quick fix, no magic bullet, so all I could do to help was to squeeze every nickel. We suffered through a lean few years, but we survived. Perhaps we emerged a bit wiser because once we were out from under the crushing debt I swore we'd never be in that position again. And we never have been."

By 1980 both founders, Norm Carson and Stew Beatty, had retired and David acquired their shares in the operating company and became the sole owner. He was firmly at the helm and the changes and growth during the next three decades were remarkable.

"Moving away from our original dependence on agriculture was essential," David says. "Agriculture is volatile and our fortunes would rise and fall with the vagaries of the agricultural markets. In tough times, farmers hide their wallets, orders shrivel and profits disappear."

CANARM initially broadened its base with the acquisition of Venair Inc. which took them solidly into

the much larger markets for commercial/industrial ceiling fans and decorative fans. These propelled them into a new world of different customers and much broader markets and it also led them to form stronger supply arrangements in Hong Kong, Taiwan and mainland China.

"These were exciting days," David recalls, "and as relationships formed and our expertise grew we were able to position ourselves for solid growth, including a huge step forward into the lighting business. This was totally new turf for us which has evolved into the dominant percentage of our overall business."

CANARM expanded its sales of imports into the U.S., primarily landing containers at the Laval warehouse and re-shipping to U.S. locations, but began shipping containers directly to its Farmweld plant in Illinois. The Farmweld facility has an enviable market share in the U.S. hog industry and assists with sales from the Arthur Ontario plant into the U.S. "We are positioned well for significant U.S. growth," David says. "Our relatively small U.S. market share offers huge opportunities."

David pays tribute to the huge contributions from Jim Cooper and other CANARM employees.

"Jim is a wonderful leader with an unbelievable work ethic and he's a great example to our people. Jim led the five-year transformation of our company which is detailed in the "Watershed Years" chapter. We are fortunate to have him as President and I have great confidence in his ability to lead us forward. He is surrounded by a host of competent, smart, good people. The company is in good hands and I sleep well at night."



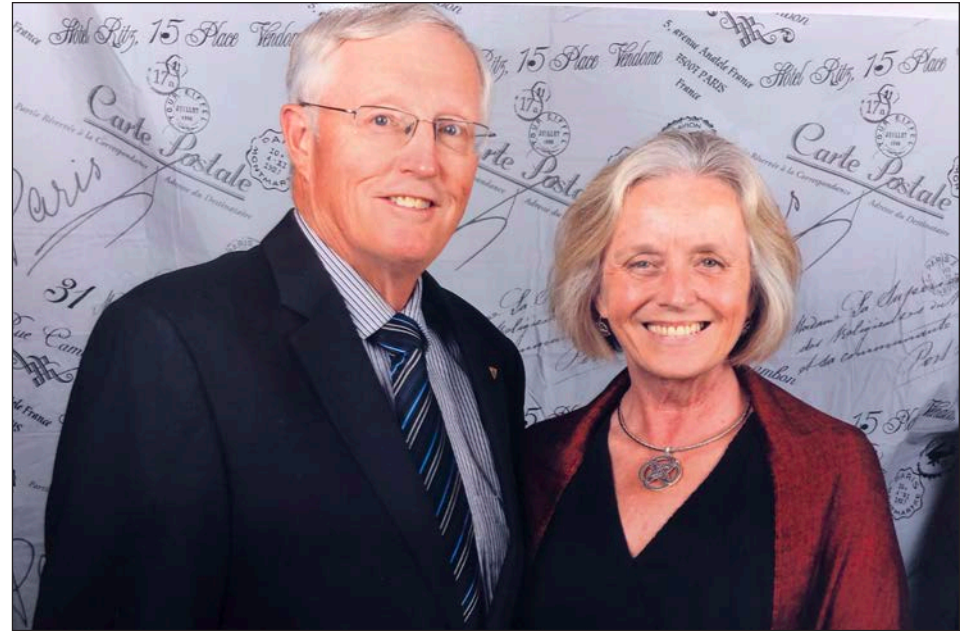


**2017 The Beatty Family, left to right:  
Kevin Beatty, Jennifer Abrams, David and Anne Beatty, John and Carolyn Coffin, Ian and Richelle Beatty. Front row: Trevor and Elyse Coffin.**





**David and Anne at the Aquarium Official Grand Opening. (2016)**



**David & Anne Beatty. (2012)**



**Beatty Family Charitable Foundation - David, Anne, Carolyn, Kevin and Ian. (2018)**



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## COMPANY AWARD

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“Best Managed Companies” - CANARM has long been awarded recognition as “One of Canada’s 50 Best Managed Companies”. Qualifying for this award involves completion of a detailed series of questions regarding all aspects of a company’s performance and only exceptional companies qualify. In January 2019 CANARM achieved “platinum” status which is granted to employers who have received this recognition in 7 or more successive years. This prestigious status is earned by a select few companies.



Platinum member

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## PERSONAL AWARDS, BOARDS AND CHARITIES

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### AWARDS

1999 – “Mel Osborne Fellow” – Kiwanis International  
2000 – St. Lawrence College – Honourary Diploma  
2000 - Brockville Business Person of the Year (Inaugural recipient)  
2002 – “Paul Harris Fellow” – Rotary International  
2003 - Brockville Collegiate Institute Hall of Excellence  
2004 - Brockville Citizen of the Year  
2012 - Queen Elizabeth II - Diamond Jubilee Medal  
2017 - Senate of Canada Sesquicentennial Medal  
2019 - Lifetime Business Achievement Award  
– Brockville District Chamber of Commerce

### BOARDS

Brockville General Hospital – Past Chairman and Board Member  
Brockville General Hospital Foundation – Past Chairman  
Brockville Kiwanis – Past President  
Brockville YMCA Foundation  
Grenville Christian College - Director  
St. Lawrence College – Past Chairman  
St. Lawrence College Foundation – Past Chairman  
Brockville City Council – 2010-2014 – Councillor  
Brockville Police Services Board  
Leeds, Grenville, Lanark Health Unit  
Aquarium Steering Committee  
St. Lawrence Corridor Economic Development Commission – Chairman

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## CHARITIES

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Thousand Islands Secondary School – Track Project  
Palliative Care  
Brockville General Hospital & BGH Foundation  
Brockville YMCA & YMCA Foundation  
St. Lawrence College & SLC Foundation (Beatty Hall Student Residence)  
Aquarium  
Railway Tunnel  
Civitan Skate Park  
Upper Canada School Board – Champions for Kids  
Rotary Park - Outdoor Skating Rink, Roof and Splash Pad  
United Way – Leeds and Grenville  
1000 Islands Boat Museum – Gananoque  
Gord Brown Memorial 150 Canada Rink - Gananoque  
Trans Canada Trail  
Rockport – Public Waterfront Dock and Park (Old Customs Property)

In addition, the Beatty Family Charitable Foundation meets twice per year to decide on charitable donations. David, his wife Anne and their children Kevin, Carolyn and Ian are the five Directors. Typically about 70 percent of their annual donations are distributed in the Brockville area and the balance to charities elsewhere in Canada

David’s love of golf is legendary. His office is filled with golf memorabilia and he is often at the Brockville Country Club at 6:00 am for the first tee off of the day where he will walk 9 holes, shower and be in the office by 9:00. He loves occasional weekend trips with friends in early spring or late fall to warmer locations to play binge golf – 36 or more holes a day for two days and then the long drive home. David’s wife Anne doesn’t play golf “One golf nut in the family is enough” she says.

David is 68 at the time this book is being written and says he has no intention of fully retiring. “I’m kind’a half retired now” he laughs “I love keeping track of day to day operations and participating in the wonderful strategic planning sessions we hold each year. We have great people, solid business plans and a well-established footprint in our markets. Our growth prospects are excellent and I think the years ahead are going to be fun. So I think I’ll stick around.”

# 9

## BITS 'N PIECES

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*Small morsels surfaced in various interviews which don't fit neatly into any single story. The list below details some interesting milestones in the CANARM story:*

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### COMPUTER NIGHTMARE – 2008-2012

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A freak lightning strike in 2008 struck the CANARM building and totally fried the computer system at the Brockville plant. "It was weird," recalls David. "It struck again on Central Avenue and wiped out the car wash across from Giant Tiger." Michael Lacey ran across the street to recover the data from the backup tape which was religiously moved to an off-site building each and every night. Then ... further disaster ... the back-up tape was gibberish and the data couldn't be recovered.

"Our inventories, our orders, our payables, our receivables and more were stored on that computer system," says David. "Apparently it had been used so often, backed up every day, that the tape was faulty and we had no idea it was compromised. What should have been an inconvenience turned into a full blown emergency. I can't say enough

about the loyalty and efforts of our staff over a very lengthy period to correct the problem."

Stories about this unbelievably disruptive computer crash arose in interviews at every location. CANARM's information technology systems had grown as the company expanded and by 2008 it had morphed into a number of home-grown in-house computer systems which worked well enough individually, but which couldn't communicate with each other.

Once the Brockville plant crashed, the nightmare to replace it began. Rather than try to repair the existing systems, the company chose to implement a totally new company-wide system called 'Epicor'. As they found out, this was far easier said than done.

Outside consultants were retained to implement the new system and the tough sloggging began. Michael Lacey, Vice President Finance, recalls that, "People across the company put their lives on hold and worked incredible hours for years, struggling to patch together daily operations like billing and receivables while also helping the consultants with the data requirements for the worldwide company." He adds, "There were times when we didn't know our inventories or whether we could fill our orders. We weren't sure who owed us money and who we owed. We didn't get much sleep."

When it was completed, all of CANARM's manufacturing and distribution facilities were connected and spoke the same language. Managers across the globe could finally access timely and accurate information. "Switching to Epicor was a major investment," notes David Beatty, "but it was essential. We couldn't run CANARM today without it."



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## A LESSON IN ECONOMICS

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A young employee was asked to study a product with the goal of cutting costs. After doing so he came to David to report, somewhat sheepishly, that the only savings he could find would be \$1.38 per unit. "Hardly worthwhile," he lamented.

"But how many of them do we produce each year?" David asked. The answer was 25,000 units per year and David quickly did the math and said "That's \$34,500 a year, or \$345,000 in 10 years. Hardly insignificant," I'd say." The employee quickly agreed and the design was changed.

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## IMPORTS – WHEN IT MAKES SENSE

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The earlier chapters deal at length with the sourcing and importing of various types of large fans. "However," notes David, "we also import motors to run the fans, guards, fan blades for domestically produced fans, small oscillating fans and other products." He adds, "When we consider any product, or its parts, we assess whether it is more economical to import it, with all the attendant costs of importing, or produce it here. We go with the math because it's obligatory to stay competitive. We seek the best of what China has to offer and try to avoid their weaknesses."

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## THE MARIJUANA OPPORTUNITY

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CANARM has long supplied the greenhouse grower market with ventilation products to help them create the ideal environment for their plants. CANARM developed high efficiency ventilation and LED lighting for the emerging cannabis industry. It was important to gain a quick education on the specific needs of these plants for the new indoor grow factories, large greenhouse operations, and private household grow rooms.

To start, CANARM expanded its fan selection with

horizontal and vertical airflow fans that gently sway the plants as they grow to promote stem strength while washing the leaves to replace waste oxygen with necessary carbon dioxide. CANARM has sizes ranging from 6" for household use to as large as 24" with various hanging methods, as well as oscillating and non-oscillating models for larger operations. The marketing packages also provide suggested layout and best practices of our wholesalers and the end users.

Maximizing yields and optimizing quality for marijuana growers is key to their bottom line and simply depending on sunlight and older technology lights for indoor growth isn't enough. A few years ago, CANARM took its extensive experience in the new, higher efficiency LED lighting and applied it to this growing industry. The newest model, featuring over 1000 lumens of light, not only saves significantly on the hydro bill, but testing shows that it also adds about 15 percent to the crop yield. This represents millions of dollars in additional harvest each year for large operators. These new lights can be adjusted remotely for both light spectrum and intensity to maximize the light for each stage of growth and can be used to experiment for even further gains. CANARM now has a full range of LED lights suitable for the smallest grower to the largest.

A new and very large concern for cannabis growing operators is odour and particulate control for the exhausted air released into the local environment. Health Canada requires that some sort of control be used and CANARM was quick to develop a carbon filter fan to remove the particulate and odor from the air before it is exhausted. Health Canada is currently assessing the first site in Canada and it should soon be approved, making CANARM the current sole supplier of these large-scale odor control fans. The marketing team got creative and called the product the "Scentinel" Fan.

David Beatty, Jim Cooper and Doug Matthews are unanimous in stating "It's exciting to be leading the

pack in this fast growing market! The years ahead are bound to be interesting."

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## ARE YOU THE SPACE SHUTTLE PEOPLE?

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A number of people have called the CANARM switchboard over the years asking if they are calling the company that makes the robotic arms used on the space shuttle. "Actually sir," is the standard response, "we make lots of good products but a robotic arm for a space shuttle isn't one of them. You need to call Spar Aerospace – they are the people who make the CANADARM."

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## THE 'EASY CONNECT' LIGHTING SYSTEM

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Jim Cooper notes that, "Everything we sell is powered by electricity." He adds, "I would often attend the set-up days at trade shows, or watch set-up operations in our showrooms and I would listen to tradesmen curse the problems of stubby fingers trying to connect tiny wires to lighting fixtures. I thought that there had to be a better way." Jim took it upon himself to find that better way and came up with a design called Easy Connect. Instead of connecting a series of wires, the new system is a simple plug connecting the power to fixtures adapted to receive it – and it cuts the installation time in half. "Equally important," Jim laughs, "is that the trade guys love it and so do the retailers, some of whom insist on it being used. It's not often you get a compliment from tough installers or fussy retailers." This system is now patented in both Canada and the U.S.

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### YOUR ROLE, MY ROLE

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David's sister, Donna Mae, has no interest in the business and for many years was the Minister at the Anglican churches at Rockport, Lansdowne and Hampton, Virginia. David says that their roles in life are clearly defined: "Mine is to put bread on our tables. Hers is to get me into heaven."

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### RIVER RATS

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Stew and Donna were river rats. His first small cabin cruiser, the DoDa, would leave the dock every Friday night in the late 50's and early 60's heading for the Brockville islands or further upstream where they would spend the weekend enjoying the river. David and Donna Mae would sleep on shore, sometimes under the stars, while their parents slept on the boat. By the mid 60's Stew upgraded to 'Archimedes' a 38' Chris Craft. Then for the next dozen or so years he and Donna would meet their friends Norm Carson, Hugh Grightmire, Al Smith and Bob Tivey and their wives at a property owned by Hugh's company on the south side of Grenadier Island. It had a long dock which could accommodate all of their boats and a big fridge for their drinks. Every weekend was a party. David and Donna Mae gracefully bowed out of this scene as they got older and David bought his own boats thereafter and enjoyed the river with his own friends. But he retains his love of the river and the islands and says "The St. Lawrence river water gets into your bloodstream and it affects your head and heart."



**David and Donna Mae with their mother, Donna together for a family weekend in Brockville. (2019)**



A donation to the people of  
Brockville and area in memory of  
– **Mr. Stewart Beatty** –



Stewart Beatty  
1926 – 2011

**"A True Gentleman"**



*The Aquatarium - Lighthouse Theatre, downtown Brockville, is very much a fitting tribute to Stewart Beatty. His love for the river and islands is honoured, as well, the wall on donors.*

# 10 COMMUNITY INVOLVEMENT

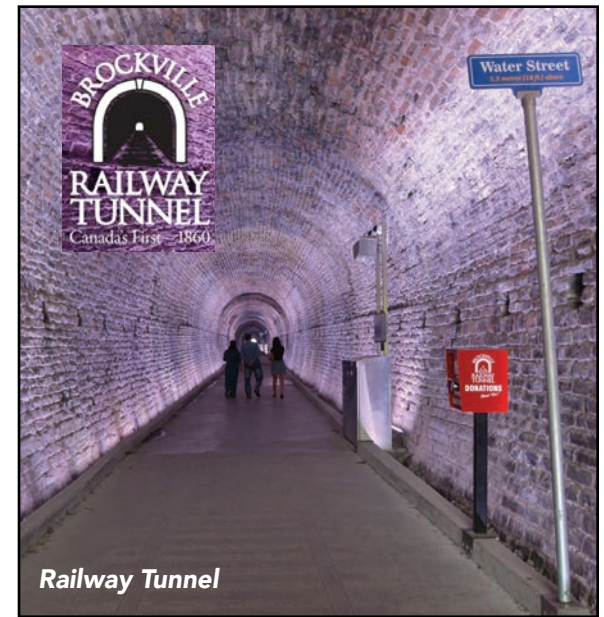
The Beatty Family, Jim Cooper and CANARM have been generous contributors to local charities. Several examples are shown in photos below.



*Replica of the Five Mile Lighthouse on display at the Aquatarium.*



*The Brockville YMCA*



*Railway Tunnel*

For generations Brockville has benefitted hugely from the untiring volunteer work and generous financial contributions of many individuals and companies. Don and Shirley Green head the long list, but over the past four decades there have been four other people who've stepped up to the plate, again and again, project after project, taking time away from their businesses and families to help the community.

The list of projects where they became involved is exhausting: the Brockville General Hospital, the

YMCA, the Aquatarium, the Rotary Hockey Rink and Splash Pad, the Railway Tunnel, St. Lawrence College and the Fulford Academy all stand out, but there are many more. Their efforts were highlighted by leading successful fundraising campaigns, but always involved reaching deep into their own pockets.

This group was led informally by Paul Fournier (retired lawyer) and included David Beatty (CANARM), Bill Fraser (retired businessman) and Hunter Grant





(retired publisher). Paul, Bill and Hunter were asked to contribute comments about the role of David Beatty and CANARM in the community while Dave Publow was asked for his views on the role of Jim Cooper. There was no direction regarding the length of their submissions and their unedited replies are following.

David's community involvement extended beyond charities to serving a term on Brockville's City Council and to sitting on endless committees.

He is currently the Chair of the St. Lawrence Corridor Economic Development Commission, a group of seven local mayors and seven business representatives attempting to attract good jobs to our area. CANARM also contributes to charities and causes in other communities where they are located, such as substantial donations to the hospital in Arthur, Ontario.

"Community support is part of the CANARM mantra," says David Beatty.

Jim Cooper has also become involved in charitable activities and local committees, including palliative care, and he is now the Board Chairman of the Brockville General Hospital where his steady hand will be invaluable at the time of its major expansion.

Because this group worked so closely together we asked them for their thoughts regarding the impact on our community of the work of David Beatty and Jim Cooper. Their highly complementary comments are as follows.

# MY FRIEND DAVID BEATTY BROCKVILLE'S BENEFACTOR

*By Paul Fournier*

*David told me that this book isn't about him and that he didn't ask for this section on community involvement and charitable activities. I know that he's the last guy who would want someone tooting his horn, but others insisted on including it, and rightly so, for no history of CANARM could be complete without acknowledging David's unfailing generosity to his beloved Brockville.*

*Extolling David's best qualities comes easily to me. I met him approximately 50 years ago and my earliest recollections are of his humility and respect. Many times as we pulled out our day timers (as was then the custom) to arrange the next meeting, Mary would cite a hair appointment, Paul a PTA meeting, etc., but David was always okay even though he was landing at the Toronto airport after an international flight at 11:00 p.m. He could make it to the 7:30 a.m. meeting the next morning.*

*He is the most positive person I know and if I ever feel the need for an adrenalin jolt, I just spend the day with him (even if it involves golf, his favourite pastime), and it is a good day.*

*The list below is not exhaustive and could be expanded significantly, because his involvement reached into many corners of Brockville. Indeed, he has helped with virtually every civic charity or volunteer organization, including a stint on Council. Rather, I simply chose to reflect on some of my fondest recollections of David's contributions to our community.*

*YMCA – David's first truly significant venture in community participation was in the late 1970s when he led a group to save the YMCA. The then-executive had decided that the unit was bankrupt and that the building must be sold. David stepped forward with others to guarantee the Y's obligation to the bank and preserved the Y for its long-term greatness.*

*THE "Y" FOUNDATION – In 2008, David, Richard Dumbrille and I saw to the incorporation of the YMCA Foundation. His lead in the funding was complemented by further funding from the Green family in 2014 to establish a one million dollar (\$1,000,000.00) legacy. This fund provides a small cash flow assist to current operations and preserves long-term financial security. David has continued on the Foundation Board and has almost singlehandedly ensured that the one million dollar Foundation is maintained.*

*THE "Y" POOL – David, CANARM, and the Beatty family participated in challenging fund raising efforts and made generous donations to the YMCA pool campaign.*

*ST. LAWRENCE COLLEGE – David served as president of St. Lawrence College and on the Foundation Board in addition to making significant charitable donations including the donation of the Beatty Residence on campus. He continues to support the College in many endeavours and a significant gift (possibly symbolic) is his donation of the annual Beatty Cup for love of golf and dedication to the college which is presented at the annual tournament.*

*NORTHERN CABLES – David and his friend, Al Smith, saw an opportunity to build on the Brockville manufacturing base when they purchased the idle Coca Cola plant on California Avenue, hoping to put it to good use as the market had let it sit idle for five years.*

*They rented space and kept it occupied until the mid-1990s. Upon the closing of Phillips Cables, great chemistry developed between a small*



group of former Phillip's employees led by Shelley Bacon (Joe Brunner, Rick Trapp, Kevin Charlebois, Dave Chartrand) and a small investment group led by David (Al Smith, Frank Davies, Hugh Grightmire, Don Green). This led to the creation of "Northern Cables". Northern has been a tremendous success and has grown significantly in large part under the guidance of David and the other investors.

*FARMWELD* – An interesting story arose from the Farmweld acquisition. When Jim Cooper and others were completing the due diligence for the purchase, it appeared that no record of receivables could be found. Concern arose and continued until a review of Frank Bummer's management style was revealed. Frank is a very conservative Roman Catholic who adheres to a strict lifestyle and business principles. When an order was being completed, the delivery could not be released unless a certified cheque for the account was produced, failing which, the order was returned to the plant. CANARM had purchased a company with no receivables.

*FULFORD ACADEMY* – The Academy's early days were quite fragile financially until a small group of Angel Investors (Don Green, Bill Fraser, and Dave Jones) led by David secured its financial stability. It remains a very successful educational institution in Brockville today.

*ANGEL INVESTING* – David's angel investing extends throughout Eastern Ontario and includes the SOAN (Southern Ontario Angel Network) based in Kingston and Brockville where David plays a leading role in mentoring applicants and providing seed capital for many start-ups in the

communities of Eastern Ontario.

David has an extensive portfolio of private angel investments (some would say donations) wherein he counsels, mentors and contributes to many start-ups who need help in getting started or overcoming business challenges of all kinds. This activity included an effort he has initiated for retail development in downtown Brockville. David has provided funding and ensured appropriate guidance and support to potential retail start-ups. This incentive is managed by Michael Adamcyrck and is currently having significant success.

David's donations are not limited to charitable giving, as he and his family respond to many needs that do not qualify for charitable deductions.

*BEATTY FOUNDATION* – David's philanthropy has grown in lockstep with CANARM's success. He established the Beatty Family Charitable Foundation in 2015 and is guiding his family (the next generation) in annual giving plans which ensure that the family commitment to Brockville continues. They also assess other needs in the community as they plan their annual giving through their roles as executive members of the Foundation.

*CANARM* – CANARM's mission statement includes a commitment to the support of the local communities of Eastern Ontario. David ensures that its employees know that this is a founding principle of its operation. They also know that significant decisions are clearly made for the purpose of ensuring that CANARM remains a secure employer in the community.

## THE PHILANTHROPIST

*By Hunter S. Grant*

*True philanthropy is much more than simply donating money to a cause. It's having that ingrained altruism that sense of community, and that willingness to get involved at high levels in multiple campaigns over several years.*

*In my experience in Brockville, few people had that basket of qualities, but David Beatty was one of them.*

*Eternally optimistic, he put a grin on my face as I worked along with him over the last 35 years, and it seems with the passage of time that David has taken on bigger and bigger causes, leading the way with his own and CANARM's contributions. He always reminded us that, "You can't ask if you haven't given." Dave, his company and his family certainly have given.*

*The ultimate compliment for any fundraiser, and I've heard this many, many times in the last four decades, is: "He's a really hard guy to say no to."*

*I doff my hat, and wish we could clone him.*



## MY THOUGHTS ON DAVID BEATTY

*By Bill Fraser*

*I first came to know David Beatty in the early 1980s, shortly after my family and I moved to Brockville. At that time, we were both in our early thirties, trying to build mid-sized local manufacturing businesses. Everyone I met insisted that I should get to know David as, even at an early age, he had a local reputation as a savvy entrepreneur and a go-getter, as well as being extremely community-minded.*

*Over the years, David and I served on numerous committees together and, while I thought that I was making a serious contribution to the community, David was always on more committees, donating more time, effort and financial support to worthy organizations and becoming one of the leading benefactors to Brockville and the surrounding region. I cannot begin to list all of his community involvement; however, I know that we both seemed to end up on the same fundraising committees in support of a new pool for the YMCA; a \$30 million addition to our local hospital; and the building of the Aquatarium, a discovery and major local learning centre and attraction, which showcases the flora, fauna, natural history and historical development of the 1000 Islands region. In each case David not only contributed significant time and energy to the fundraising activity but was also always one of the lead donors to the cause. I know that he has been a pivotal contributor to causes as diverse as a new outdoor hockey facility and summer splash-pad, the building of a professional track at a local high school and many, many others.*

*David is particularly focused on local and regional development*

*and, for many years, sat on local industrial development committees, even personally sponsoring the Beatty/ Runciman Roundtable, a major regional conference on local development. He currently chairs a regional development initiative focusing on the 401 corridor in eastern Ontario. David has become one of, if not the, leading donor to all manner of worthy causes in Brockville and the surrounding area. It is most common to see CANARM, the Beatty family, or David and Anne Beatty listed as top contributors to every cause in town. He personifies generosity!*

*In addition to donating time and money to worthy causes, David became involved in local politics when he felt that local politicians were not acting in the best interest of the community. At significant personal inconvenience David was elected, got involved and worked very hard to right some of the then-current wrongs. His willingness to get involved in every aspect of community life is unparalleled.*

*After selling our business and retiring, David and I happened to be together when the subject of his personal future plans came up. I was extolling the virtues of the retired life; however, David explained that he could not see himself selling his business because he was too concerned about the well-being of his employees, their families and the impact on the local community, should he sell CANARM. I think it is fair to say that there is not a single individual in the Brockville region who has demonstrated any higher level of concern for the present and future wellbeing of every aspect of Brockville than David Beatty. He was working hard in his 30s and he is still going strong.*

## CANARM'S COMMITMENT TO THE COMMUNITY

*By Dave Publow*

*From mid-1980 until the present, CANARM as a corporation, and David Beatty as CEO/President, have had a corporate and personal history of community involvement. My first recollection of this involvement goes back to when David was President and Chairman of the Board of the Brockville & District YMCA, taking the time away from his corporate duties to volunteer the leadership required to enable the Y to prosper.*

*His example of volunteerism has led to a number of CANARM's senior leadership team taking on a leadership role with the Y and other organizations in the community. CANARM corporately, and David personally, were involved as founding sponsors of the Friends of Palliative Care golf tournament, and have remained involved for 25 years. This substantial sponsorship role has enhanced the tournament's dramatic success over the years. In 2018, this tournament raised \$275,000 to support palliative care in the community.*

*David's mantra to his people is to give back to the community.*

*Since becoming President of CANARM, Jim Cooper has continued in David's footsteps. A few years ago, the untimely death of a friend, Terry Quinn, led Jim in a new direction in the community. Terry was a CANARM employee, and was cared for by the Palliative Care Service at BGH, Garden Street site. This experience led Jim to seek a greater involvement in Palliative Care. He enquired about helping in the Golf Tournament, and was offered the Co-Chair's position. He has remained in this position for the past 15-20 years, volunteering endless personal hours. CANARM*

*corporately donated financially and offered the company's expertise in many areas – for example, providing a graphic artist to develop all marketing material and machine shop personnel to create t-blocks for all 18 holes – thereby allowing us to generate extra cash. CANARM's expertise has allowed the tournament to achieve a more professional product to present to both participants and potential sponsors. Because of their leadership, our event has attracted over 16 new platinum sponsors over the years.*

*David and Jim never seek personal gain or notoriety from their community involvement although both have been recognized as Brockville and Area Citizens of the Year. They do it as a matter of corporate pride, and to say thanks to their community.*

*I mention the palliative care tournament but this is only one community endeavour. Others include, but are not limited to, David's involvement on City Council, the Aquatarium fundraising committee, and the economic development forum – all volunteer positions held by a very busy man. Jim has assumed the Chair of the Board of BGH as the hospital undergoes its largest single expansion in its history. Both David and Jim lead by example to ensure this community is as good as it can be.*

*Jim has coined an expression which the Palliative Care Golf Tournament uses as its motto: Friends Helping Friends.*

*In my opinion, this motto says it all about the legacy CANARM and the Beatty family have created for this community.*





*Terry Quinn, Bobby Orr and Jim Cooper at a 1988 fundraiser.*



*Jim Cooper, centre, with the 2018 CANARM Team: Jim Bennis, Bob Clarke, David Beatty and Doug Matthews.*



*In 2014 Jim and good friend Dave Publow co-chaired their first Friends of Palliative Care Golf Tournament.*



*2018 The Friends of Palliative Care Golf Committee.*

# 11

## A ROAD WELL-TRAVELLED AND THE ROAD AHEAD

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*A half century ago the fledgling company called Danor was just one of a long list of companies in the Eastern Ontario area “bashing metal”. That term is fondly used to describe companies that made parts or finished products from metal. Black and Decker, Gilbarco, Bally Refrigeration, Automatic Electric, Stanley Beach Tools, Selkirk, Electrolux, R.C.A. and 2 or 3 others all converted metal into finished goods or parts.*

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“Danor, known today as CANARM, was probably the smallest of the crowd and is the only one still operating,” muses David. “The difference, I think, is that we reinvested our profits into the Brockville operation, focusing on better and more automated equipment, and we didn’t export our jobs to the low labour cost locations like Mexico. All of the others were larger and had more money so it’s strange that little Danor emerges as the last one standing.”

“We analyze all of our products and if we can produce them competitively in Canada, we do so,” David adds. “When our analysis reveals that we can’t compete against imports, we add the imports to our

line. Some imports are occasionally replaced by domestically produced products, however, when orders are received on short notice or in small volumes, because this cannot be handled from China in a reasonable time frame. Our goal is to marry the best of what China has to offer with the best of what we can do locally.”

The road ahead looks exciting and promising for CANARM, according to Jim Cooper and David Beatty. “All three business units are contributing positively to our bottom line and the profits are being reinvested to facilitate our growth,” they say.

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### EXPANSION IN 2019

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CANARM recently acquired the property next door to the Brockville plant, known as the Meyers Transport Ltd. property and plans are well underway to build a 53,000 square foot building in the fall of 2019, which will provide additional manufacturing space for CANARM’s growing HVAC business unit. The second building, which will follow some time



later, will provide office space for the marketing unit, currently located off site across the street, moving them back under the same roof with all other Brockville functions. It will also provide proper storage space for printing equipment, materials and displays, along with increased space for working on bulky trade show materials.

“These space shortages resulted from rapid growth,” notes Jim Cooper, “so in a way they are a good thing. Being able to provide proper room for our HVAC unit and marketing group will improve efficiency and morale. It will be a relief to get these buildings completed.”

But there is more expansion ahead! A 65,000 square foot addition will be added to the Teutopolis, Illinois property in 2019. Jim Cooper notes that “This new building will have 40’ ceilings and state of the art systems for receiving, unloading, repackaging, storing, retrieving and shipping goods. Containers from the Far East destined for U.S. locations will be delivered directly to Teutopolis, centrally located in the U.S., rather than to the Laval, Quebec warehouse, thus substantially reducing freight costs to our U.S. customers and lowering duty charges.

“The new warehouse and loading/unloading facilities will lower costs and will significantly improve efficiencies.” Jim adds. “These savings more than justify the cost of the addition and will allow us to offer improved service levels to our U.S. customers. Finally, an additional and important benefit of this expansion is that it frees up space in the Laval warehouse for increased imports of other products. So this is a win/win for both locations.”

David Beatty notes, “We have a significant market share with each of our business units in Canada, so our growth here will be steady, but not dramatic; however, we have terrific growth opportunities elsewhere, particularly in the U.S., because of our relatively low market share and the size of their markets. Our sales growth will occur by developing increased business with existing customers and attracting new customers



**David and Jim beside the Stewart Beatty Memorial Tree, Brockville. (2019)**

with our high quality, innovative products. We will also continually watch for attractive acquisitions. Our use of premium display materials in trade show booths has paid strong dividends and this will continue. We constantly assess our international sales management needs to be able to take advantage of opportunities.”

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#### **CANARM'S MARKET GOALS & OWNERSHIP**

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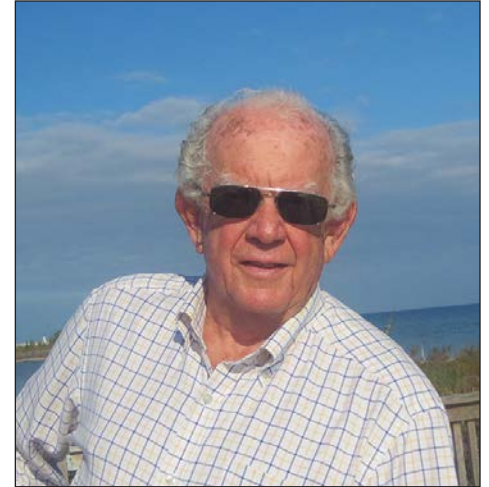
Jim Cooper adds, “Our goal is to be a dominant supplier in the strong middle of the markets we serve. We focus on delivering top notch, quality products at reasonable prices backed by outstanding service. We invest in innovation and research to be on the leading edge of industry developments. With lighting fixtures,

we recognize the importance of design and commit resources to introducing exciting new designs to attract consumers to our products.”

David comments on the ownership situation at CANARM. “The only two owners of CANARM shares are Jim Cooper and me. Jim’s ownership has steadily increased through the life of a ten-year agreement and he will become an equal partner with me in 2023, provided specified goals are achieved. This will bring the ownership full circle, back to the original equal partnership shared between my father and Norm Carson.” David adds, “I can’t say enough good things about Jim. He has made huge contributions to CANARM and I’m both lucky and fortunate to have him as a partner.”







### **ABOUT THE AUTHOR**

*Bob Anderson is a retired executive who lives in Brockville with his wife Sandra, a great mother and a retired nurse. They have three grown children - Stephanie - Ottawa (Alex Bolt); Kirsten - Port Credit (Mark Sales); and David - Toronto (Heather). They each have two children and the entire gang spends part of every summer together in cottages at Butternut Bay.*

*Bob spent his working career in senior management positions in the food and agricultural industries, firstly with Dominion Dairies (Sealtest Foods) in Toronto and Ottawa, then 30 years with Burnbrae Farms Limited, in Lyn, retiring as President in 2012; interrupted by an 8 year stint as CEO of the Canadian Poultry and Egg Processors Council, in Ottawa, an industry advocacy organization.*

*Writing has long been Bob's hobby and passion and it recently evolved into more serious efforts with the invitation from David Beatty to write the CANARM story.*

*"I've thoroughly enjoyed the experience of writing this book and working with the exceptional people at CANARM" Bob says. "It's a great story and one which is well worth telling. I hope you enjoy it."*

